

INDEPENDENT AUDITOR'S REPORT**TO THE GOVERNING BODY OF POPULATION SERVICES INTERNATIONAL****Opinion**

We have audited the financial statements of Population Services International ("the Society"), which comprise the Balance Sheet as at March 31, 2022, and the Statement of Income and Expenditure for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

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

Basis for Opinion

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

Emphasis of matter

We draw reference to the following matter in the Notes to the financial statements:

Note 18 which states that the Commissioner of Income-tax (Exemptions) (CIT (E)) vide its order dated March 16, 2021, rescinded approval granted under section 10(23C)(iv) of the Income-tax Act, 1961 read with Rule 2CA of Income Tax Rules, 1962, due to alleged non-fulfilment of terms and conditions underlying such



exemption, including carrying on of the operations of the Society with objective of earning profits. The Society has challenged the aforesaid order passed by CIT(E) before Income Tax Appellate Tribunal ("ITAT") denying the charges with due cognizance to the facts of the matter and the matter is pending before the ITAT. Consequent to order dated 16th March 2021 passed by CIT(E), the Income-tax department passed assessment orders for Assessment Years ("AY") 2016-17, AY 2017-18 and AY 2018-19, reassessment orders for AY 2013-14, AY 2014-15, AY 2016-17 and intimation letter under section 143(1) for AY 2019-20 resulting into a cumulative tax demand of Rs. 305.15 Crores. The aforesaid assessment orders, reassessment orders and intimation letter are challenged before CIT(A) and are pending for adjudication. Assessment proceedings for AY 2020-21 is currently in progress. The outcome of such assessments are dependent upon the outcome of the appeal filed against revocation/cancellation order of Section 10(23C)(iv) of the Act in ITAT and the writ filed with the Hon'ble High Court, Delhi

Based on opinion obtained from legal counsels and assessment of facts of the case, the management believes that the Society has sufficient and appropriate grounds to substantiate its case with the income tax authorities and therefore, no additional tax liability has been provided in the financial statements.

Our opinion is not modified in respect of these matters.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the aforesaid Accounting Standards, and for such internal control as management determines is 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, management 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 management either intends to liquidate the Society or to cease operations, or has no realistic alternative but to do so.



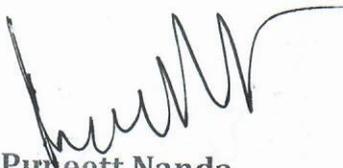
Those charged with governance are responsible for overseeing the Society's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken based on these financial statements.

We give in "Annexure A" a detailed description of Auditor's responsibilities for Audit of the Financial Statements.

For S N Nanda & Co.
Chartered Accountants
FRN: 000685N



Puneett Nanda
Partner
M. No. 092435
UDIN: 22092435AXHZOK3385

Place: New Delhi
Date: September 30, 2022

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON EVEN DATE ON THE FINANCIAL STATEMENTS OF POPULATION SERVICES INTERNATIONAL

Auditor's Responsibilities for the Audit of the Financial Statements

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Society's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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.



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 S N Nanda & Co.
Chartered Accountants

FRN: 000685N



Puneett Nanda

Partner

M. No. 092435

UDIN: 22092435AXHZOK3385



Place: New Delhi

Date: September 30, 2022

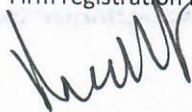
POPULATION SERVICES INTERNATIONAL
BALANCE SHEET AS AT 31, 2022
 (All amounts in INR, unless specified)

	Note	As at March 31, 2022	As at March 31, 2021
SOURCES OF FUNDS			
Corpus fund	3	₹ 98,44,684	₹ 98,44,684
Reserves and surplus	4	₹ 13,23,64,436	₹ 15,16,69,530
		<u>₹ 14,22,09,120</u>	<u>₹ 16,15,14,214</u>
APPLICATION OF FUNDS			
Fixed assets, net			
Property, plant and equipment	8	₹ 2,76,10,873	₹ 2,16,52,368
Intangible assets	8	₹ -	₹ 1,76,292
		<u>₹ 2,76,10,873</u>	<u>₹ 2,18,28,660</u>
Current assets			
Cash and bank balances	5	₹ 2,13,10,843	₹ 11,23,65,468
Other current assets	6	₹ 5,01,222	₹ 4,181
		<u>₹ 2,18,12,065</u>	<u>₹ 11,23,69,649</u>
Loans and advances			
	7	₹ 14,01,79,646	₹ 11,44,12,081
		<u>₹ 14,01,79,646</u>	<u>₹ 11,44,12,081</u>
Current liabilities and provisions			
Current liabilities and provisions	9	₹ 4,20,56,659	₹ 7,68,85,746
		<u>₹ 4,20,56,659</u>	<u>₹ 7,68,85,746</u>
Non - Current liabilities and provisions			
Provision	10	₹ 53,36,803	₹ 1,02,10,430
		<u>₹ 53,36,803</u>	<u>₹ 1,02,10,430</u>
		<u>₹ 14,22,09,120</u>	<u>₹ 16,15,14,215</u>
Summary of Significant accounting policies	2		

The accompanying notes form an integral part of these financial statements.

As per our report of even date.

For **S N Nanda & Co.**
 Chartered Accountants
 Firm registration number: 000685N



Puneett Nanda
 Partner

Membership number: 092435

Place: New Delhi

Date: September 30, 2022



For and on behalf of the Governing Body of
Population Services International



Mukesh Kumar Sharma
 Executive Director

Place: New Delhi

Date: September 30, 2022



Bhaskar Belwal
 Director Finance and IT

Place: New Delhi

Date: September 30, 2022





Kaushik Dutta
 Treasurer

Place: New Delhi

Date: September 30, 2022

POPULATION SERVICES INTERNATIONAL
STATEMENT OF INCOME AND EXPENDITURE FOR THE YEAR ENDED MARCH 31, 2022

(All amounts in INR, unless specified)

	Note	Year ended March 31, 2022	Year ended March 31, 2021
INCOME			
Donation and grants		₹ 24,65,57,012	₹ 31,94,57,328
Other income	11	₹ 64,46,566	₹ 57,83,642
		₹ 25,30,03,578	₹ 32,52,40,970
EXPENDITURE			
Employee benefits expense	12	₹ 15,30,99,604	₹ 15,64,78,742
Other expenses	13	₹ 11,56,73,516	₹ 13,52,11,291
Depreciation and amortisation	8	₹ 36,30,330	₹ 25,02,196
		₹ 27,24,03,450	₹ 29,41,92,229
(Deficit)/ Surplus carried to the balance sheet		(1,93,99,873)	₹ 3,10,48,741

Summary of Significant accounting policies 2

The accompanying notes form an integral part of these financial statements.

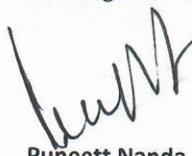
As per our report of even date.

Firm registration number: 000685N

For S N Nanda & Co.

Chartered Accountants

Firm registration number: 000685N



Puneett Nanda

Partner

Membership number: 092435

Place: New Delhi

Date: **September 30, 2022**



For and on behalf of the Governing Body of
Population Services International



Mukesh Kumar Sharma

Executive Director

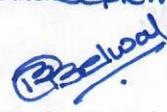



Kaushik Dutta

Treasurer

Place: New Delhi

Date: **September 30, 2022**



Bhaskar Belwal

Director Finance and IT



Place: New Delhi

Date: **September 30, 2022**

Place: New Delhi

Date: **September 30, 2022**

POPULATION SERVICES INTERNATIONAL
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
(All amounts in INR, unless specified)

1. Background

Population Services International ('PSI' or 'the Society') is a non-profit and non-governmental organisation established in 1980 with a mandate to assist in the fields of reproductive health, HIV/AIDS prevention and maternal child health.

The Society is registered with the Income-tax department under Section 10(23C)(iv) of Income-tax Act, 1961 vide tax exemption certificate received vide Notification No.18/2007 dated January 31, 2007.

PSI's mission is to empower low income people to lead healthy lives through the informed use of health products and services, made accessible and affordable to them through social marketing activities. PSI has long-term commitment to the people of India and to maximising its impact through advocacy, networking and collaboration with other organisations. PSI's activities are consistent with and complementary to those of the Government of India.

The Society is also registered under the Foreign Contribution (Regulation) Act, 2010 for carrying out social activities. The registration is valid till March 31, 2023.

2. Significant accounting policies

2.1 Basis of preparation

The financial statements have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP) under the historical cost convention on an accrual basis in compliance with all material aspects of the applicable Accounting Standards issued by the Institute of Chartered Accountants of India ('ICAI'). The accounting policies adopted in the preparation of financial statements have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy until now (hitherto) in use with those of previous year.

2.2 Use of estimates

The preparation of financial statements requires the Management to make judgments, estimates and assumptions that affect the reported amounts of income, expenditure, assets and liabilities and disclosure of contingent liabilities, at the end of the reporting period. Although, these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

2.3 Fixed assets

(a) Property, plant and equipment

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any cost attributable to bringing the assets to its working condition for its intended use which includes taxes, freight, and installation and allocated incidental expenditure.



M. Kumar



POPULATION SERVICES INTERNATIONAL
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
(All amounts in INR, unless specified)

Subsequent expenditure relating to tangible assets is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

(b) Intangible assets

Intangibles are stated at historical cost less accumulated amortisation and represents computer software required for internal use and these are recognised as assets if it is probable that future economic benefits attributable to such assets will flow to the Society and the cost of the assets can be measured reliably.

2.4 Depreciation and amortisation

Depreciation on tangible assets is provided on written down value method at the per annum rates specified in the income tax as below:

Assets	Rates
Buildings	10%
Furniture and fixtures	10%
Computers	40%
Office equipment	15%
Electrical equipment	15%
Vehicles	15%

Individual assets costing less than INR 5,000 per unit are expensed off in the year of purchase.

Intangible assets are being amortised over their effective useful life of 5 years or the license period, whichever is lesser.

2.5 Impairment of assets

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets' net selling price and value in use. In assessing value in use, the estimated future cash flows are on the basis of reasonable estimate.

After impairment, depreciation/amortisation is provided on the revised carrying amount of the asset over its remaining useful life.

2.6 Revenue recognition

(a) Donation and grants

Donations and grants received are recorded as income when it is reasonably certain that the ultimate collection will be made, other than grants received for a specific purpose, which are recognised as income to the extent of expenditure incurred during the year. Donations received in kind are not valued or accounted for in the books of account.



POPULATION SERVICES INTERNATIONAL
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
(All amounts in INR, unless specified)

(b) Interest

Interest income is accounted for on time proportionate basis at the applicable rate of interest.

2.7 Cash and bank balances

Cash and bank balances include cash in hand, bank balances in savings accounts and fixed deposits held with scheduled banks.

2.8 Leases

Operating leases: Lease rentals in respect of assets taken under operating lease are charged to the statement of Income and Expenditure on straight line basis over the period of lease.

2.9 Foreign currency transactions

Initial recognition: Foreign currency transactions are recorded in the reporting currency by applying the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Conversion: Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when such values were determined.

Exchange differences: Exchange differences arising on the settlement of monetary items or on reporting the Society's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they occur.

2.10 Retirement benefits

Expenses and liabilities in respect of employee benefits are recorded in accordance with Accounting Standard 15 - Employee Benefits (Revised 2005) issued by the ICAI.

(a) Defined contribution plan

The Society makes defined contribution to Government Employee Provident Fund, Government Employee Pension Fund which are recognised in the statement of Income and Expenditure on accrual basis.

(b) Defined benefit plan - Gratuity

The Society provides for retirement benefits in the form of Gratuity. Benefits payable to eligible employees of the Society with respect to gratuity, a defined benefit plan is accounted for on the basis of an actuarial valuation as at the Balance Sheet date. The plan provides for



M. Kumar



POPULATION SERVICES INTERNATIONAL
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
(All amounts in INR, unless specified)

lump sum payments to vested employees on retirement, death while in service or on termination of employment an amount equivalent to 15 days basic salary for each completed year of service. Vesting occurs upon completion of five years of service. The present value of such obligation is determined by the projected unit credit method and adjusted for past service cost and fair value of plan assets as at the balance sheet date through which the obligations are to be settled. The resultant actuarial gain or loss on change in present value of the defined benefit obligation or change in return of the plan assets is recognised as an income or expense in the statement of Income and Expenditure. The expected return on plan assets is based on the assumed rate of return of such assets.

The Society contributes to a fund set up by Life Insurance Corporation of India.

(c) Other long-term benefits – Compensated absences and leave encashment

Liability in respect of compensated absences becoming due or expected to be availed within one year from the balance sheet date is recognised on the basis of undiscounted value of estimated amount required to be paid or estimated value of benefit expected to be availed by the employees. Liability in respect of compensated absences becoming due or expected to be availed or encashed more than one year after the balance sheet date is estimated on the basis of an actuarial valuation performed by an independent actuary using the projected unit credit method.

The employees are entitled to ten sick leave in a year. Such leaves can be accumulated upto 45 days however encashment is not allowed. The Society provides for the liability at year end on account of unavailed leaves as per the actuarial valuation using the projected unit credit method.

2.11 Contingent liability, provisions and contingent asset

The Society creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that probably will not require an outflow of resources or where a reliable estimate of the obligation cannot be made.

Contingent assets are neither recorded nor disclosed in the financial statements.



Munna



POPULATION SERVICES INTERNATIONAL
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
(All amounts in INR, unless specified)

	As at March 31, 2022	As at March 31, 2021
3 CORPUS FUND		
Opening and closing balance	₹ 98,44,684	₹ 98,44,684
	₹ 98,44,684	₹ 98,44,684
4 RESERVES AND SURPLUS		
Surplus in Income and Expenditure Account		
Balance brought forward	₹ 15,16,69,530	₹ 12,06,20,789
Add: Transfer from Income and Expenditure Account	(1,93,99,873)	₹ 3,10,48,741
Less: Term Deposit Indian Bank Recognised	₹ 94,779	-
	₹ 13,23,64,436	₹ 15,16,69,530
5 CASH AND BANK BALANCES		
Cash and Cash Equivalents		
(a) Balance with scheduled banks		
- Savings accounts	₹ 2,12,16,063	₹ 2,14,67,438
- Term deposits	₹ 94,779	₹ 9,08,98,030
	₹ 2,13,10,843	₹ 11,23,65,468
6 OTHER CURRENT ASSETS		
(Unsecured, considered good, unless stated otherwise)		
Interest Accrued on Savings Bank	₹ 4,96,393	-
Interest Accrued on Term deposits	₹ 4,829	₹ 4,181
	₹ 5,01,222	₹ 4,181
7 LOANS AND ADVANCES		
(Unsecured, considered good, unless stated otherwise)		
(a) Security and other deposits		
- considered good	₹ 11,20,275	₹ 14,20,275
	₹ 11,20,275	₹ 14,20,275
(b) Other loans and advances		
Advances recoverable in cash or in kind or for value to be received		
- considered good	₹ 3,37,47,511	₹ 59,05,716
- considered doubtful	₹ 1,19,31,691	₹ 1,19,31,691
Gratuity Overfunded Balance	₹ 1,15,410	₹ 1,15,410
Donation receivable (Refer Note 17)	₹ 8,67,25,150	₹ 8,67,25,150
TDS receivable		
- considered good	₹ 2,05,13,111	₹ 2,02,45,530
- considered doubtful	₹ 11,37,165	₹ 31,78,976
	₹ 15,41,70,038	₹ 12,81,02,473
Less: Provision for doubtful balances	₹ 1,51,10,667	₹ 1,51,10,667
Total (a)+(b)-(c)	₹ 14,01,79,646	₹ 11,44,12,081



M. Kumar



POPULATION SERVICES INTERNATIONAL
 NOTES FORMING PART OF THE FINANCIAL STATEMENTS
 (All amounts in INR, unless specified)

8 FIXED ASSETS

A) PROPERTY, PLANT AND EQUIPMENT

INTANGIBLE ASSETS

Particulars	Freehold land	Buildings Improvement	Furniture and fixtures	Vehicles	Computers	Office equipments	Total	Softwares
Gross block								
As at April 1, 2019	₹ 83,70,500	₹ 0	₹ 27,06,539	₹ 69,700	₹ 2,20,55,475	₹ 41,52,663	₹ 3,73,54,877	₹ 50,84,885
Additions	₹ 0	₹ 0	₹ 1,39,131	₹ 0	₹ 19,17,058	₹ 9,03,585	₹ 29,59,774	₹ 2,08,860
Adjustments (refer note 19)	₹ 0	₹ 0	₹ 0	₹ 0	₹ 0	₹ 0	₹ 0	₹ 0
Disposals	₹ 0	₹ 0	₹ 0	₹ 0	₹ 0	₹ 0	₹ 0	₹ 0
As at March 31, 2020	₹ 83,70,500	₹ 0	₹ 28,45,670	₹ 69,700	₹ 2,39,72,533	₹ 50,56,248	₹ 4,03,14,651	₹ 52,93,745
Additions	₹ 0	₹ 88,46,392	₹ 0	₹ 0	₹ 10,41,334	₹ 0	₹ 98,87,726	₹ 63,720
Adjustments (refer note 19)	₹ 0	₹ 0	₹ 0	₹ 0	₹ 0	₹ 0	₹ 0	₹ 0
Disposals	₹ 0	₹ 0	₹ 0	₹ 0	₹ 6,23,918	₹ 0	₹ 6,23,918	₹ 0
As at March 31, 2021	₹ 83,70,500	₹ 88,46,392	₹ 28,45,670	₹ 69,700	₹ 2,43,89,949	₹ 50,56,248	₹ 4,95,78,459	₹ 53,57,465
Additions	₹ 0	₹ 36,63,464	₹ 0	₹ 0	₹ 57,49,078	₹ 0	₹ 94,12,542	₹ 0
Adjustments (refer note 19)	₹ 0	₹ 0	₹ 0	₹ 0	₹ 0	₹ 0	₹ 0	₹ 0
Disposals	₹ 0	₹ 0	₹ 0	₹ 0	₹ 0	₹ 0	₹ 0	₹ 0
As at March 31, 2022	₹ 83,70,500	₹ 1,25,09,856	₹ 28,45,670	₹ 69,700	₹ 3,01,39,027	₹ 50,56,248	₹ 5,89,91,001	₹ 53,57,465
Accumulated Depreciation								
As at April 1, 2019	₹ 0	₹ 0	₹ 11,30,147	₹ 34,014	₹ 1,95,19,053	₹ 20,96,894	₹ 2,27,80,108	₹ 50,40,976
Charge for the year	₹ 0	₹ 0	₹ 2,62,645	₹ 7,137	₹ 23,40,141	₹ 6,51,733	₹ 32,61,656	₹ 65,722
Adjustments (refer note 19)	₹ 0	₹ 0	₹ 0	₹ 0	₹ 0	₹ 0	₹ 0	₹ 0
Disposals	₹ 0	₹ 0	₹ 0	₹ 0	₹ 0	₹ 0	₹ 0	₹ 0
As at March 31, 2020	₹ 0	₹ 0	₹ 13,92,792	₹ 41,151	₹ 2,18,59,194	₹ 27,48,627	₹ 2,60,41,764	₹ 51,06,698
Charge for the year	₹ 0	₹ 1,63,835	₹ 2,17,932	₹ 5,710	₹ 14,63,339	₹ 5,76,905	₹ 24,27,720	₹ 74,475
Adjustments (refer note 19)	₹ 0	₹ 0	₹ 0	₹ 0	₹ 0	₹ 0	₹ 0	₹ 0
Disposals	₹ 0	₹ 0	₹ 0	₹ 0	₹ 5,43,394	₹ 0	₹ 5,43,394	₹ 0
As at March 31, 2021	₹ 0	₹ 1,63,835	₹ 16,10,724	₹ 46,861	₹ 2,27,79,139	₹ 33,25,532	₹ 2,79,26,090	₹ 51,81,173
Charge for the year	₹ 0	₹ 11,87,759	₹ 1,23,495	₹ 3,426	₹ 18,79,751	₹ 2,59,607	₹ 34,54,037	₹ 1,76,292
Adjustments (refer note 19)	₹ 0	₹ 0	₹ 0	₹ 0	₹ 0	₹ 0	₹ 0	₹ 0
Disposals	₹ 0	₹ 0	₹ 0	₹ 0	₹ 0	₹ 0	₹ 0	₹ 0
As at March 31, 2022	₹ 0	₹ 13,51,594	₹ 17,34,219	₹ 50,287	₹ 2,46,58,890	₹ 35,85,139	₹ 3,13,80,127	₹ 53,57,465
Net block as at								
As at March 31, 2020	₹ 83,70,500	₹ 0	₹ 14,52,878	₹ 28,549	₹ 21,13,339	₹ 23,07,621	₹ 1,42,72,887	₹ 1,87,047
As at March 31, 2021	₹ 83,70,500	₹ 86,82,557	₹ 12,34,946	₹ 22,839	₹ 16,10,810	₹ 17,30,716	₹ 2,16,52,368	₹ 1,76,292
As at March 31, 2022	₹ 83,70,500	₹ 1,11,58,262	₹ 11,11,451	₹ 19,413	₹ 54,80,137	₹ 14,71,108	₹ 2,76,10,873	₹ 0



M. Kumar



POPULATION SERVICES INTERNATIONAL
 NOTES FORMING PART OF THE FINANCIAL STATEMENTS
 (All amounts in INR, unless specified)

9 CURRENT LIABILITIES AND PROVISIONS

Grants/ donations received in advance
 Payable for expenses*
 Provision for Gratuity
 Payable to employees
 Other liabilities
 Provision for Leave encashment

	As at March 31, 2022	As at March 31, 2021
₹	3,54,25,006	₹ 5,68,49,846
₹	40,09,642	₹ 85,10,905
₹	4,07,600	₹ -
₹	11,75,547	₹ 73,30,480
₹	2,18,693	₹ 29,89,840
₹	8,20,171	₹ 12,04,675
₹	4,20,56,659	₹ 7,68,85,746

* There are no Micro, Small and Medium Enterprises as defined in the Micro, Small, and Medium Enterprises Development Act, 2006,

10 NON - CURRENT LIABILITIES AND PROVISIONS

Provision for employee benefits
 Provision for Gratuity (Refer Note 15)
 Provision for Leave encashment

	As at March 31, 2022	As at March 31, 2021
₹	-	₹ -
₹	53,36,803	₹ 1,02,10,430
₹	53,36,803	₹ 1,02,10,430



POPULATION SERVICES INTERNATIONAL
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
(All amounts in INR, unless specified)

11 OTHER INCOME

Interest income
- on term deposits
- on savings accounts
- on tax refund
Liabilities written back
Profit on sale of fixed asset (net)
Sale of Scrap
Provision on doubtful debts written back

Year ended March 31, 2022		Year ended March 31, 2021	
₹	30,71,815	₹	21,59,382
₹	16,83,197	₹	8,89,251
₹	1,99,486	₹	-
₹	9,50,000	₹	-
₹	5,42,067	₹	-
₹	-	₹	23,14,407
₹	-	₹	4,20,602
₹	64,46,566	₹	57,83,642

12 EMPLOYEE BENEFITS EXPENSE

Salaries and wages
Contribution to provident and other funds
Gratuity (funded) (Refer Note 15)
Staff welfare

Year ended March 31, 2022		Year ended March 31, 2021	
₹	13,31,41,516	₹	14,65,92,590
₹	68,39,302	₹	85,03,953
₹	1,31,18,787	₹	12,92,580
₹	-	₹	89,619
₹	15,30,99,604	₹	15,64,78,741

13 OTHER EXPENSES

Advertising and communications
Travelling and conveyance
Legal and professional
Training, conference and meeting
Rent
Communication
Market research
Power, electricity and security
- plant and machinery
- others
Printing and stationery
Rates and taxes
Insurance
Loss on sale of fixed assets
Donation receivable written off
Bank charges
Bad debts written off
Miscellaneous

Year ended March 31, 2022		Year ended March 31, 2021	
₹	2,44,93,113	₹	2,24,60,204
₹	2,80,50,090	₹	2,22,19,515
₹	2,73,59,767	₹	5,76,03,549
₹	2,01,43,207	₹	17,74,115
₹	27,02,693	₹	83,05,472
₹	10,42,230	₹	33,69,309
₹	35,41,127	₹	13,22,377
₹	39,77,872	₹	68,00,024
₹	6,36,725	₹	9,58,132
₹	1,23,861	₹	15,85,482
₹	1,66,087	₹	98,675
₹	11,62,928	₹	20,89,357
₹	-	₹	1,25,386
₹	-	₹	8,080
₹	-	₹	19,95,418
₹	62,497	₹	6,858
₹	-	₹	4,20,602
₹	22,11,319	₹	40,68,736
₹	11,56,73,516	₹	13,52,11,291



M. Kumar



POPULATION SERVICES INTERNATIONAL
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(All amounts in INR, unless specified)

14 The Society is classified as Level – IV Non Company entity for the purposes of applicability of Accounting Standards as defined by the Council of the Institute of Chartered Accountants of India. Accordingly, the Society has complied with the Accounting Standards as applicable to a Non-Company Entity. Pursuant to the exemptions/ relaxations applicable to Level – IV, Accounting Standard (AS) 3 – Cash Flow Statements, AS 14-Accounting for Amalgamations, AS 17 – Segment Reporting, AS 18 - Related Party Disclosures, AS 20-Earning Per Share, AS 24 - Discontinuing Operations, AS 21 - Consolidated Financial Statements, AS 23 - Accounting for Investments in Associates in Consolidated Financial Statements, AS 25-Interim Financial Reporting and AS 27 - Financial Reporting of Interests in Joint Ventures, AS 28- Impairment of Assets are not applicable to the Society. Further, certain exemptions/ relaxations from recognition, measurement and disclosure requirements in terms of AS-10-Plant Property and Equipment, AS11- The Effects of Change in Foreign Exchange Rates, AS 13- Accounting for Investment, AS 15- Employee Benefits, AS 19 – Leases, AS 22- Accounting for Taxes on Income, AS 26-Intangible Assets and AS 29 – Provisions, Contingent Liabilities and Contingent Assets have been extended to the Society for the current year. Accordingly, the Society has disclosed information to the extent applicable in these financial statements pursuant to the above exemptions/ relaxations.

15 Employee Benefits:

A. Gratuity

The Society is maintaining its Gratuity Fund with Life Insurance Corporation of India (LIC). It has made an annual contribution of Rs. 1,31,18,787/- to LIC as per their demand and has included it under employee benefits. The Society was not informed by LIC of the investment made or the break-down of plan assets by investment type. As per the actuarial valuation, the liability to be recognised for the year is Rs. 44,96,177/-

a) Amount recognised as expense in the statement of Income and Expenditure:

Description	Year ended	
	March 31, 2022	March 31, 2021
Current service cost	₹ 34,33,026	₹ 37,95,354
Interest cost	₹ 8,63,124	₹ 12,95,743
Expected return on plan assets	(7,57,345)	(8,38,673)
Net actuarial loss/(gain)	₹ 9,57,372	₹ (29,59,844)
Total included in "Employee cost"	₹ 44,96,177	₹ 12,92,580

b) Amount recognised in the Balance Sheet:

Description	Year ended	
	March 31, 2022	March 31, 2021
Present value of the obligation at end of the year	₹ 1,27,21,149	₹ 1,05,66,464
Fair value of plan assets	₹ 2,13,07,816	₹ 1,06,81,874
Net liability/(asset) recognised in the Balance Sheet	(85,86,667)	(1,15,410)

c) Reconciliation of opening and closing balances of defined benefit obligations:

Description	Year ended	
	March 31, 2022	March 31, 2021
Present value of defined benefit obligation as at beginning of	₹ 1,05,66,464	₹ 1,69,14,073
Current service cost	₹ 34,33,026	₹ 37,95,354
Interest cost	₹ 8,63,124	₹ 12,95,743
Actuarial loss/(gain)	₹ 12,44,033	₹ (32,78,752)
Benefits paid	(33,85,498)	(81,59,954)
Present value of defined benefit obligation as at the end of	₹ 1,27,21,149	₹ 1,05,66,464

d) Reconciliation of opening and closing balances of plan assets:

Description	Year ended	
	March 31, 2022	March 31, 2021
Fair value of plan assets as at beginning of the year	₹ 1,06,81,874	₹ 1,21,19,554
Expected return on plan assets	₹ 7,57,345	₹ 8,38,673
Actuarial (loss)/gain	₹ 2,86,661	₹ -3,18,908
Contribution by plan participants	₹ 1,29,67,434	₹ 62,02,509
Benefits paid	(33,85,498)	(81,59,954)
Charges deducted	-	-
Fair value of plan assets as at the end of the year	₹ 2,13,07,816	₹ 1,06,81,874



M. Kumar



POPULATION SERVICES INTERNATIONAL
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(All amounts in INR, unless specified)

e) Actuarial gain/loss recognised:

Description	Year ended March 31, 2022	Year ended March 31, 2021
Actuarial (gain)/loss on defined benefit obligation	₹ 12,44,033	(32,78,752)
Actuarial (gain)/loss on plan assets	(2,86,661)	₹ 3,18,908
Actuarial loss/(gain) recognised	₹ 9,57,372	(29,59,844)

f) Actuarial gain/ loss on plan assets:

	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2018
Actual return on plan assets	(10,44,006)	(5,19,765)	(9,68,368)	(9,75,535)	(14,88,370)
Expected return on plan assets	7,57,345	8,38,673	9,34,010	₹ 8,77,599	₹ 7,77,294
Actuarial (gain)/loss on plan assets	(2,86,661)	3,18,908	(34,358)	(97,936)	(1,45,731)

g) Experience adjustments:

	Year ended March 31, 2022	Year ended March 31, 2021
Experience adjustment on plan assets	(2,86,661)	₹ 3,18,908
Experience adjustment on defined benefit obligation	₹ 12,44,033	(32,78,752)

h) Withdrawal rate:

Ages	Year ended March 31, 2022	Year ended March 31, 2021
Upto 30 years	3.00%	3.00%
31-44 years	2.00%	2.00%
Above 44 years	1.00%	1.00%

i) Actuarial valuation of gratuity has been done with the following assumptions:

	Year ended March 31, 2022	Year ended March 31, 2021
Discount rate (p.a.)	7.48%	7.09%
Rate of increase in compensation levels	9.00%	6.00%
Expected rate of return on plan assets	7.48%	7.09%
Retirement age (years)	60	60
Mortality table	IALM (2012-14)	IALM (2012-14)

B. Provident fund

The Society makes contribution to statutory provident fund in accordance with Employees Provident Fund and Miscellaneous Provision Act, 1952. This is post-employment benefit and is in the nature of defined contribution plan. Contribution made by the Society during the year is Rs.6,839,302 (March 31, 2021: Rs. 8,503,953).

16 The Society, based on the opinion obtained from independent legal firm, is of the view that its activities are covered under the definition of "charitable purpose" as defined in Section 2(15) of the Income-tax Act, 1961 and accordingly, has not created any provision for income tax in its books of account.

POPULATION SERVICES INTERNATIONAL

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

17 The Society entered into an agreement with Ministry of Health & Family Welfare, Department of AIDS Control (NACO) during the financial year 2014-15. The Society, pursuant to the agreement, incurred certain expenditure amounting to INR 221,785,299 in relation to human resources, trade promotion and communication activities. However, NACO did not fulfil its supply commitment of commodities, as per the contract resulting in limiting the achievement of program deliverables. On the basis of the above facts, the management of the Society issued a notice as "Frustration of Contract" to NACO during 2014-15. The Society subsequently received INR 133,064,731 out of the outstanding amount of INR 221,785,299 on April 2, 2016. During the year 2018-19, the management had initiated arbitration proceedings to recover balance amount of INR 88,720,568. Subsequent to the year ended 2020-21, the arbitration proceedings have been ordered in the favour of the Society vide arbitrator's order dated June 17, 2021. Accordingly, the management has recorded the receivable amounting to INR 8,67,25,150 in the books of accounts. Based on the legal opinion obtained from the independent legal counsel and assessment of facts and circumstances of the matter, the management is of the opinion that there are appropriate grounds available with the Society to recover the money from NACO and therefore, no provision is considered necessary at this stage.



M. Kumar



- 18 The Society was served an order from the assessing officer during the financial year 2018-19 for conducting special audit under Section 142(2A) of Income-tax Act, 1961 ("the Act") for the assessment year 2016-17. The special audit report was submitted on 06.06.2019. Thereafter, the Society was served with show cause notice from the office of Commissioner of Income-tax (Exemptions), i.e., prescribed Income-Tax authority for withdrawal of approval granted under Section 10(23C)(iv) of the Act. The Society duly responded to the said show cause notice. The Commissioner of Income-tax (Exemptions), vide order dated 16.03.2021, rescinded the approval under section 10(23C)(iv) of the Act granted earlier vide order No.18/2007 (F. No.197/75/2006-IT) dated 31.01.2007, due to alleged non-fulfilment of terms and conditions underlying such exemption, including carrying on the operations of the Society with the objective of earning profits. The management challenged the said order before the Delhi bench of the Income-tax Appellate Tribunal ("the Tribunal") on 13.04.2021 vide ITA No.433/Del/2021 denying the charges with due cognizance to the findings and facts of the matter. The said appeal filed before the Tribunal was heard on 30.03.2022 and reserved for orders. Subsequently, clarification hearing was held on 08.07.2022, on which date, the appeal was again treated as heard and reserved for orders.

The details of income-tax proceedings for each assessment year and amount of income-tax demand involved therein is tabulated hereunder:

AY	Order/ Notice appealed against	Income-tax demand per notice of demand	Forum at which case is pending	Status
		(in Rs.)		
2013-14	Reassessment order passed under section 147 of the Act	₹ 1,16,46,86,680	CIT(A)	Appeal filed before the CIT(A) against the reassessment order is pending for disposal.
2014-15	Notice issued under section 148 of the Act (proceedings stayed by the Delhi High Court)	Not Applicable	Delhi High Court	Writ filed against notice issued under section 148 of the Act, challenging initiation of reassessment proceedings before the Hon'ble Delhi High Court was heard on 15.07.2022 by the Court and reserved for orders.
2015-16	Notice issued under section 148 of the Act (proceedings stayed by the Delhi High Court)	Not Applicable	Delhi High Court	
2016-17	Assessment orders passed under section 143(3) read with	₹ 1,03,40,10,612	CIT(A)	Appeals filed before the CIT(A) against the assessment orders are pending for disposal.
2017-18	144B of the Act read with	₹ 36,54,21,606	CIT(A)	
2018-19	Rectification orders passed	₹ 23,20,69,736	CIT(A)	
2019-20	Rectification order passed under section 154 read with 143(1) of the Act	₹ 25,52,80,990	CIT(A)	The Society has also filed appeals before the
2020-21	Assessment	Order to be passed by 30.09.2022	Consequential	The return of the Society was not selected for scrutiny. The return of the Society was processed under section 143(1) and rectification application Faceless assessment proceedings are ongoing and

It is pertinent to note that the Society was also granted registration under section 12A on 06.12.1991, which was valid upto assessment year 2021-22. The said registration under section 12A has been renewed in terms of provisions of section 12AB vide certificate dated 24.09.2021 valid for assessment years 2022-23 to 2026-27. The Management believes that the cumulative income-tax demand will be nullified, and demand raised pursuant to aforesaid assessment and re-assessment orders will be deleted, in case approval granted under section 10(23C)(iv) to the Society is restored by the Tribunal. While the Society is confident to defend its position for successful restoration of approval granted under section 10(23C)(iv), given that the Society has valid registration available under section 12A, the Society is alternatively eligible for exemption under section 11 of the Act. The Society intends to/ has raised appropriate grounds of appeal before the appellate authorities for claiming the said alternate exemption. In accordance with the Act, the management believes that the tax liability under both the scenarios is exempt.

Based on opinion obtained from independent legal counsels, with detailed assessment of facts including demonstration of various projects' economics (which did not accrue any profits) undertaken by the Society in the past years, and its own assessment of facts of the case, the Management believes that the Society has sufficient and appropriate grounds to substantiate its case with the income-tax authorities and therefore, no income-tax is considered for accrual at this stage.

"It is pertinent to mention that during the current financial year, Income-tax Department attached bank account of the Society held in HDFC Bank (A/c No. 09341110000032) and debited balance available therein amounting to Rs.3,18,35,895.45, for adjustment against the outstanding income-tax demands. Application filed by the Society for stay of demand for assessment year 2013-14 is pending adjudication before the assessing officer; similar applications for stay of demand for assessment years 2016-17 to 2018-19 are pending adjudication before the CIT(E)." Rectification application filed against assessment order is pending before assessing officer.

- 19 The Society has during the year changed its rates of depreciation to the rates specified in the Income Tax Act, the resultant depreciation is Rs. 7,84,737/- less than the amount as per previous years rates.
- 20 The World Health Organization announced a global health emergency because of a new strain of coronavirus ("COVID-19") and classified its outbreak as a pandemic on March 11, 2020. In response, the Indian government have taken various actions and ensured many precautionary measures which posed significant disruption to operations and adversely impacting most of the industries which has resulted in global slowdown.

The full extent and duration of the impact of COVID-19 on the Society's operations and financial performance is currently unknown, and depends on future developments that are uncertain and unpredictable, including the duration and spread of the pandemic and any new information that may emerge concerning the severity of the virus, its spread to other regions and the actions to contain the virus or treat its impact, among others. Any of these outcomes could have a material adverse impact on Society's financial condition and results of operations and cash flows for the year ended March 31, 2022 and thereafter.

- 21 Previous year figures have been regrouped/reclassified wherever considered necessary to make them comparable with those of the current year.

For S N Nanda & Co.
Chartered Accountants
Firm registration number: 000685N
Puneet Nanda
Partner
Membership number: 092435
Place: New Delhi
Date: **September 30, 2022**



For and on behalf of the Governing Body of
Population Services International

Mukesh
Mukesh Kumar Sharma
Executive Director

Place: New Delhi

Date: **September 30, 2022**

Bhaskar
Bhaskar Belwal
Director Finance and IT

Place: New Delhi

Date: **September 30, 2022**



Kaushik
Kaushik Dutta
Treasurer

Place: New Delhi

Date: **September 30, 2022**