

**S. N. NANDA & CO.**  
**CHARTERED ACCOUNTANTS**

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**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, 2023, 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, 2023, 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Note 21 which states that the Commissioner of Income-tax (Exemptions) (CIT (E)) vide its order dated March 16, 2021, rescinded approval granted under section 10(23C)(iv) of the Income-tax Act, 1961, due to alleged non-fulfilment of terms and conditions underlying such exemption,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 challenged the said order before the Delhi bench of the Income-tax Appellate Tribunal ("the Tribunal") on 13.04.2021 denying the charges with due cognizance to the findings and facts of the matter. The Tribunal vide order dated 30.11.2022 held the order passed by the CIT(E), withdrawing approval granted under section 10(23C)(iv) of the Act, to be unsustainable and accordingly, set aside the same.

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 this matter.

### **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**

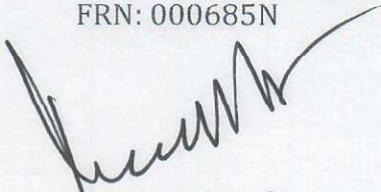
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee 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: 23092435BGSVGY6680



Place: New Delhi  
Date: October 25, 2023

**S. N. NANDA & CO.**  
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**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:

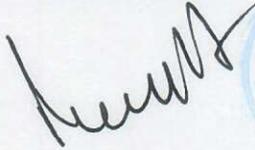
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting 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: 23092435BGSVGY6680

Place: New Delhi  
Date: October 25, 2023

**POPULATION SERVICES INTERNATIONAL**

**BALANCE SHEET AS AT 31, 2023**

(All amounts in INR, unless specified)

	Note	As at March 31, 2023	As at March 31, 2022
<b>SOURCES OF FUNDS</b>			
Corpus Fund	3	₹ 98,44,684	₹ 98,44,684
Assets Fund	4	₹ 29,69,101	₹ -
Reserves and Surplus	5	₹ 16,43,87,407	₹ 13,23,64,436
		<u>₹ 17,72,01,192</u>	<u>₹ 14,22,09,120</u>
<b>APPLICATION OF FUNDS</b>			
<b>Tangible Assets, (Net)</b>			
-Property, Plant and Equipment	6	₹ 2,70,17,575	₹ 2,76,10,873
		<u>₹ 2,70,17,575</u>	<u>₹ 2,76,10,873</u>
<b>Current assets</b>			
Cash and Bank Balances	7	₹ 5,65,10,815	₹ 2,13,10,843
Other Current Assets	8	₹ 43,09,785	₹ 5,01,222
		<u>₹ 6,08,20,600</u>	<u>₹ 2,18,12,065</u>
<b>Loans and Advances</b>			
	9	₹ 14,37,79,284	₹ 14,01,79,646
		<u>₹ 14,37,79,284</u>	<u>₹ 14,01,79,646</u>
<b>Current Liabilities and Provisions</b>			
Current Liabilities and Provisions	10	₹ 5,44,16,267	₹ 4,73,93,462
		<u>₹ 5,44,16,267</u>	<u>₹ 4,73,93,462</u>
		<u>₹ 17,72,01,192</u>	<u>₹ 14,22,09,122</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*

Puneett Nanda

Partner

Membership number: 092435

Place: New Delhi

Date: 12 5 OCT 2023

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

*Mukesh Kumar Sharma*

Mukesh Kumar Sharma  
Executive Director



*Bhaskar Chandra Belwal*

Bhaskar Chandra Belwal  
Director Finance and IT



*Kaushik Dutta*

Kaushik Dutta  
Treasurer

**POPULATION SERVICES INTERNATIONAL**  
**STATEMENT OF INCOME AND EXPENDITURE FOR THE YEAR ENDED MARCH 31, 2023**  
 (All amounts in INR, unless specified)

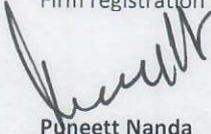
	Note	Year ended March 31, 2023	Year ended March 31, 2022
<b>INCOME</b>			
Donation and Grants	11	₹ 29,55,12,114	₹ 24,65,57,012
Other Income	12	₹ 4,11,17,443	₹ 64,46,566
		<u>₹ 33,66,29,556</u>	<u>₹ 25,30,03,578</u>
<b>EXPENDITURE</b>			
Employee Benefits Expense	13	₹ 17,31,70,422	₹ 15,30,99,604
Other Expenses	14	₹ 12,48,09,928	₹ 11,56,73,516
Depreciation and Amortisation	6	₹ 40,88,456	₹ 36,30,330
		<u>₹ 30,20,68,806</u>	<u>₹ 27,24,03,450</u>
(Deficit)/ Surplus carried to the Balance Sheet		<u>₹ 3,45,60,750</u>	<u>₹ -1,93,99,873</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

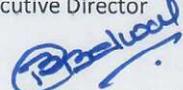
Date: 25 OCT 2023



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

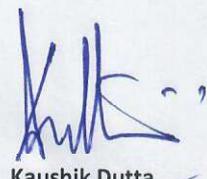


**Mukesh Kumar Sharma**  
 Executive Director



**Bhaskar Chandra Belwal**  
 Director Finance and IT





**Kaushik Dutta**  
 Treasurer



**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) vide tax exemption certificate received vide Notification No.18/2007 dated January 31, 2007, Section 12A (1)(ac)(i) and Section 80G(5)(i) of Income-tax Act, 1961 vide orders dated September 24, 2021.

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 September 30, 2028.

**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 Assets created out of grant:**

Grants utilized for creation of depreciable assets are presented in the balance sheet as "Deferred Income" of the period, in which they become receivable. Such grants are usually recognized in the statement of Income & Expenditure over the periods in the proportion in which depreciation expense on those assets is recognized.

**2.5 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:

<b>Assets</b>	<b>Rates</b>
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 amortized over their effective useful life of 5 years or the license period, whichever is lesser.

**2.6 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.



*M. Kumar*



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

2.7 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.

(b) Interest

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

2.8 Cash and bank balances

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

2.9 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.

2.10 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.



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

**2.11 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 and contributes to a fund set up by Life Insurance Corporation of India (LIC). Benefits payable to eligible employees of the Society with respect to gratuity are accounted for based on the amount paid to LIC on the basis of their advice.

**(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 up to 45 days however encashment is not allowed.

**2.12 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.



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

	As at March 31, 2023	As at March 31, 2022
<b>3 CORPUS FUND</b>		
Opening Balance as on 01.04.2022	₹ 98,44,684	₹ 98,44,684
Add: Addition during the year	₹ -	₹ -
Less: Usage during the year	₹ -	₹ -
Closing Balance as on 31.03.2023	<u>₹ 98,44,684</u>	<u>₹ 98,44,684</u>
<b>4 ASSETS FUND</b>		
Assets Fund - Bayer	₹ 22,00,064	₹ -
Assets Fund - P-Care	₹ 7,35,414	₹ -
Assets Fund - HCL	₹ 33,623	₹ -
	<u>₹ 29,69,101</u>	<u>₹ -</u>
<b>5 RESERVES AND SURPLUS</b>		
<b>Surplus in Income and Expenditure Account</b>		
Balance brought forward	₹ 13,23,64,436	₹ 15,16,69,530
Add: Transfer from Income and Expenditure Account	₹ 3,45,60,750	₹ -1,93,99,873
Less: Term Deposit Indian Bank Recognised	₹ -	₹ 94,779
Less: Interest Adjustment - Ipaas	₹ -25,37,780	₹ -
	<u>₹ 16,43,87,407</u>	<u>₹ 13,23,64,436</u>
<b>7 CASH AND BANK BALANCES</b>		
<b>Cash and Cash Equivalents</b>		
(a) Balance with Scheduled Banks		
- Savings Accounts	₹ 1,64,16,035	₹ 2,12,16,063
- Term Deposits	₹ 4,00,94,779	₹ 94,779
	<u>₹ 5,65,10,815</u>	<u>₹ 2,13,10,842</u>
<b>8 OTHER CURRENT ASSETS</b>		
(Unsecured, considered good, unless stated otherwise)		
Interest Accrued on Savings Bank	₹ -	₹ 4,96,393
Interest Accrued on Term deposits	₹ 2,71,776	₹ 4,829
Prepaid Expenses	₹ 40,38,009	₹ -
	<u>₹ 43,09,785</u>	<u>₹ 5,01,222</u>
<b>9 LOANS AND ADVANCES</b>		
(Unsecured, considered good, unless stated otherwise)		
(a) Security and Other Deposits		
- considered good (a)	₹ 11,54,275	₹ 11,20,275
	<u>₹ 11,54,275</u>	<u>₹ 11,20,275</u>
(b) Other loans and advances		
Advances recoverable in cash or in kind or for value to be received		
- considered good (b)	₹ 3,40,74,902	₹ 3,37,47,511
- considered doubtful (b)	₹ 1,19,31,691	₹ 1,19,31,691
Less: Provision for Doubtful Balances	₹ -1,19,31,691	₹ -1,39,73,504
Gratuity Overfunded Balance	₹ -	₹ 1,15,410
Donation Receivable (Refer Note 18)	₹ 8,67,25,150	₹ 8,67,25,150
Advances to Vendors	₹ 12,37,918	₹ -
	<u>₹ 12,20,37,970</u>	<u>₹ 11,85,46,258</u>
(c) TDS receivable		
- considered good (c)	₹ 2,05,87,039	₹ 2,05,13,111
- considered doubtful (c)	₹ 11,37,165	₹ 11,37,165
Less: Provision for Doubtful Balances	₹ -11,37,165	₹ -11,37,165
	<u>₹ 2,05,87,039</u>	<u>₹ 2,05,13,111</u>
<b>Total (a)+(b)+(c)</b>	<u>₹ 14,37,79,284</u>	<u>₹ 14,01,79,644</u>



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

	As at March 31, 2023	As at March 31, 2022
<b>10 CURRENT LIABILITIES AND PROVISIONS</b>		
Grants/ Donations Received in Advance	₹ 3,32,39,935	₹ 3,54,25,006
Payable for Expenses*	₹ 1,34,69,468	₹ 40,09,642
Provision for Gratuity	₹ -	₹ 4,07,600
Payable to Employees	₹ 15,72,765	₹ 11,75,547
Statutory Dues Payable	₹ 32,69,594	₹ 2,18,693
Other Liabilities	₹ 28,64,505	₹ -
Provision for Leave Encashment	₹ -	₹ 61,56,974
	₹ 5,44,16,267	₹ 4,73,93,462

\* There are no Micro, Small and Medium Enterprises as defined in the Micro, Small, and Medium Enterprises Development Act, 2006, to whom the Society owes dues on account of principal amount together with interest any time during the year and accordingly no additional disclosures have been made.

	As at March 31, 2023	As at March 31, 2022
<b>11 DONATION &amp; GRANTS</b>		
Donation Income	₹ 22,02,09,584	₹ 21,78,93,212
Donor's Earning	₹ 7,53,02,530	₹ 2,86,63,801
	₹ 29,55,12,114	₹ 24,65,57,012

	As at March 31, 2023	As at March 31, 2022
<b>12 OTHER INCOME</b>		
Interest Income		
- On Term Deposits	₹ 7,39,284	₹ 30,71,815
- On Savings Accounts	₹ 9,94,678	₹ 16,83,197
- On Tax Refund	₹ -	₹ 1,99,486
Liabilities Written Back	₹ 86,93,214	₹ 9,50,000
Profit on Sale of Fixed Asset (net)	₹ -	₹ 5,42,067
Misc Income	₹ 3,06,90,267	₹ -
	₹ 4,11,17,443	₹ 64,46,566

	As at March 31, 2023	As at March 31, 2022
<b>13 EMPLOYEE BENEFITS EXPENSE</b>		
Salaries and Wages	₹ 15,86,38,934	₹ 13,31,41,516
Contribution to Provident and Other Funds	₹ 85,26,236	₹ 68,39,302
Gratuity (Funded) (Refer Note 15)	₹ 52,71,997	₹ 1,31,18,787
Staff Welfare	₹ 7,33,255	₹ -
	₹ 17,31,70,422	₹ 15,30,99,604

	As at March 31, 2023	As at March 31, 2022
<b>14 OTHER EXPENSES</b>		
Advertising and Communications	₹ 76,60,463	₹ 2,44,93,113
Travelling and Conveyance	₹ 4,26,40,135	₹ 2,80,50,090
Legal and Professional	₹ 1,98,21,232	₹ 2,73,59,767
Training, Conference and Meeting	₹ 4,16,05,775	₹ 2,01,43,207
Rent	₹ 14,79,500	₹ 27,02,693
Communication	₹ 7,86,827	₹ 10,42,230
Market Research	₹ 23,364	₹ 35,41,127
Power, Electricity and Security	₹ 38,03,562	₹ 39,77,872
Repair & Maintenance		
- Plant and Machinery	₹ 6,96,802	₹ 6,36,725
- Others	₹ 16,57,461	₹ 1,23,861
Printing and Stationery	₹ 1,89,346	₹ 1,66,087
Fees & Subscription	₹ 14,75,076	₹ 11,62,928
Insurance	₹ 2,23,944	₹ -
Bank Charges	₹ 98,667	₹ 62,497
Office Expenses	₹ 23,98,039	₹ 20,66,466
Loss on Foreign Exchange	₹ 2,18,890	₹ -
Miscellaneous	₹ 30,845	₹ 1,44,853
	₹ 12,48,09,928	₹ 11,56,73,517



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

6 PROPERTY, PLANT AND EQUIPMENT

A) TANGIBLE ASSETS

B) INTANGIBLE ASSETS

Particulars	Freehold Land	Buildings Improvement	Furniture and Fixtures	Vehicles	Computers	Computers (Donation)	Office Equipments	Office Equipments (Donation)	Total	Softwares
<b>Gross block</b>										
As at March 31, 2021	₹ 83,70,500	₹ 88,46,392	₹ 28,45,670	₹ 69,700	₹ 2,43,89,949	₹ 0	₹ 50,56,248	₹ 0	₹ 4,95,78,459	₹ 53,57,465
Additions	₹ 0	₹ 36,63,464	₹ 0	₹ 0	₹ 57,49,078	₹ 0	₹ 0	₹ 0	₹ 94,12,542	₹ 0
Adjustments (refer note 19)	₹ 0	₹ 0	₹ 0	₹ 0	₹ 0	₹ 0	₹ 0	₹ 0	₹ 0	₹ 0
Disposals	₹ 0	₹ 0	₹ 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	₹ 0	₹ 50,56,248	₹ 0	₹ 5,89,91,001	₹ 53,57,465
Additions	₹ 0	₹ 0	₹ 85,086	₹ 0	₹ 0	₹ 13,92,081	₹ 0	₹ 20,17,992	₹ 34,95,159	₹ 0
Adjustments (refer note 19)	₹ 0	₹ 0	₹ 0	₹ 0	₹ 0	₹ 0	₹ 0	₹ 0	₹ 0	₹ 0
Disposals	₹ 0	₹ 0	₹ 0	₹ 0	₹ 0	₹ 0	₹ 0	₹ 0	₹ 0	₹ 0
As at March 31, 2023	₹ 83,70,500	₹ 1,25,09,856	₹ 29,30,756	₹ 69,700	₹ 3,01,39,027	₹ 13,92,081	₹ 50,56,248	₹ 20,17,992	₹ 6,24,86,160	₹ 53,57,465
<b>Accumulated Depreciation</b>										
As at March 31, 2021	₹ 0	₹ 1,63,835	₹ 16,10,724	₹ 46,861	₹ 2,27,79,139	₹ 0	₹ 33,25,532	₹ 0	₹ 2,79,26,090	₹ 51,81,173
Charge for the year	₹ 0	₹ 11,87,759	₹ 1,23,495	₹ 3,426	₹ 18,79,751	₹ 0	₹ 2,59,607	₹ 0	₹ 34,54,037	₹ 1,76,292
Adjustments (refer note 19)	₹ 0	₹ 0	₹ 0	₹ 0	₹ 0	₹ 0	₹ 0	₹ 0	₹ 0	₹ 0
Disposals	₹ 0	₹ 0	₹ 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	₹ 0	₹ 35,85,139	₹ 0	₹ 3,13,80,127	₹ 53,57,465
Charge for the year	₹ 0	₹ 11,15,826	₹ 1,16,024	₹ 2,912	₹ 21,92,055	₹ 2,89,624	₹ 2,20,666	₹ 1,51,349	₹ 40,88,456	₹ 0
Adjustments (refer note 19)	₹ 0	₹ 0	₹ 0	₹ 0	₹ 0	₹ 0	₹ 0	₹ 0	₹ 0	₹ 0
Disposals	₹ 0	₹ 0	₹ 0	₹ 0	₹ 0	₹ 0	₹ 0	₹ 0	₹ 0	₹ 0
As at March 31, 2023	₹ 0	₹ 24,67,420	₹ 18,50,243	₹ 53,199	₹ 2,68,50,945	₹ 2,89,624	₹ 38,05,805	₹ 1,51,349	₹ 3,54,68,583	₹ 53,57,465
<b>Net block as at</b>										
As at March 31, 2022	₹ 83,70,500	₹ 1,11,58,262	₹ 11,11,451	₹ 19,413	₹ 54,80,137	₹ 0	₹ 14,71,108	₹ 0	₹ 2,76,10,873	₹ 0
As at March 31, 2023	₹ 83,70,500	₹ 1,00,42,436	₹ 10,80,513	₹ 16,501	₹ 32,88,082	₹ 11,02,457	₹ 12,50,443	₹ 18,66,643	₹ 2,70,17,575	₹ 0



*M. Kumar*



POPULATION SERVICES INTERNATIONAL  
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(All amounts in INR, unless specified)

- 15 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.
- 16 **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. 51,56,587/- to LIC as per their advice and has included it under employee benefit expenses. The Society was not informed by LIC of the investment made or the break-down of plan assets by investment type. In previous financial years, the Society was recognising liability in their books on the basis of actuarial valuation. From FY 2022-23, management has decided to recognise liability on the basis of payment made to LIC. Had the provision for gratuity been made on actuarial valuation basis for the current year, Rs. 65,31,297/- would have been expensed off.
- 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.1,65,78,128 (March 31, 2022: Rs. 68,39,302).
- 17 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.
- 18 The Society entered into an agreement with the 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 fulfill 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 initiated management-initiated arbitration proceedings to recover the 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. NACO has filed an appeal in the Delhi High Court against the order passed by the Arbitrator. 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.
- 19 PSI DC has been the biggest donor for the society for a long period and PSI India has been the exclusive program implementation partner of PSI DC’s projects in India. Under this association, the society worked with PSI DC on an operating advance basis wherein PSI DC used to provide funds in advance for the implementation of its multiple programs in India on a monthly basis. This arrangement was changed with mutual consent w.e.f. 1st April 2021 after discussions between both parties. As per the changed arrangements, the donor program implementation mechanism was changed to a “project to project” basis i.e. separate agreements for each project and reimbursement of expenses based on the submission of the financial reports and invoice as per the T&C of the individual project award agreement. Due to this change, the account reconciliation was done by both parties for the period till 31st March 2021. After the detailed reconciliation and discussions, an amount of USD 311,776.02 came out as payable to PSI India by PSI DC as the final settlement under the operating arrangements followed until 31st March 2021. The same had been documented in the accounting settlement agreement, and duly signed by both parties. The funds against the final accounting settlement were remitted to PSI India by PSI DC on 30 September 2022 and have been accounted for as Income, additionally, an amount of Rs. 3,02,31,462/- shown as due to PSI DC in PSI India books has been written back to income..
- 20 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 the 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 Tribunal vide order dated 30.11.2022 held the order passed by the CIT(E), withdrawing approval granted under section 10(23C)(iv) of the Act, to be unsustainable and accordingly, set aside the same.



*M. Kumar*



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POPULATION SERVICES INTERNATIONAL  
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(All amounts in INR, unless specified)

21 The status 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 (in Rs.)	Forum at which case is pending	Status
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	Assessing Officer	Reassessment proceedings under section 148 of the Act are under process.
2015-16	Notice issued under section 148 of the Act (proceedings stayed by the Delhi High Court)	Not Applicable	Assessing Officer	
2016-17	Order passed by CIT(A) under section 250 of the Act	₹ 1,03,40,10,612	Tribunal	CIT(A) vide order dated 14.03.2023 deleted the demand Rs.103,40,10,612 raised by the assessing officer. Department's appeal before the Tribunal against the order passed by the CIT(A) is pending for disposal.
2017-18	Assessment orders passed under section 143(3) read with 144B of the Act read with	₹ 36,54,21,606	CIT(A)	Appeals filed before the CIT(A) against the assessment orders are pending for disposal. The Society has also filed appeals before the CIT(A) against the rectification orders passed under section 154 of the Act. The same are also pending for disposal.
2018-19	Rectification orders passed under section 143(3) of the Act	₹ 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 return of the Society was not selected for scrutiny. The return of the Society was processed under section 143(1) and rectification application filed against which has been disposed-off vide rectification order passed under section 154 read with section 143(3) of the Act. Appeal filed before the CIT(A) by the Society against the rectification order is pending for disposal.
2020-21	Assessment order passed under section 143(3) read with section 144B of the Act	₹ 36,99,40,973	CIT(A)	Appeal filed before the CIT(A) against the assessment order is pending for disposal.
2021-22	Assessment order passed under section 143(3) read with section 144B of the Act	₹ 17,45,65,119	CIT(A)	Appeal filed before the CIT(A) against the assessment order is pending for disposal.

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. Consequently, the Management believes that the income-tax demand for various assessment years raised pursuant to assessment/ reassessment orders passed on the basis/ following the order dated 16.03.2021 passed by CIT(E) will be deleted, as approval granted under section 10(23C)(iv) to the Society has been restored by the Tribunal.

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.

22 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*  
Puneet Nanda  
Partner  
Membership number: 092435

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

*Mukesh Kumar Sharma*  
Mukesh Kumar Sharma  
Executive Director

*Bhaskar Chandra Belwal*  
Bhaskar Chandra Belwal  
Director Finance and IT

*Kaushik Dutta*  
Kaushik Dutta  
Treasurer

Place: New Delhi

Date: 25 OCT 2023

