Eswaraiah & Co.
Chartered Accountants
6-2-969/304, Intech Residency, Khairatabad, Hyderabad-4
Cell : 7416209577, 7416709577 e-mail : contact@escas.in
Website : http://escas.in

INDEPENDENT AUDITOR'S REPORT

To the Members of INSTITUTE OF HEALTH SYSTEMS,

We have audited the attached financial statements of INSTITUTE OF HEALTH SYSTEMS having registered under the Telangana Public Societies Registration Act, 1350 FASLI, Hyderabad, bearing Reg.No.3748 dt.05.12.1990, which comprise of the Balance Sheet as at March 31, 2022, Receipts and Payments account and Statement of Income and Expenditure for the year ended as on that date, summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance of the association in accordance with the Accounting Standards Issued by Institute of Chartered Accountants of India. This responsibility includes the design, implementation and maintenance of internal controls relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the association's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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Opinion

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the association in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India in the case of:

a) the Balance Sheet, of the state of affairs of the association as at March 31, 2022;

b) the Income and Expenditure Account, of the Excess of Income over Expenditure for the year ended March 31, 2022 and

c) the Receipts and Payment Account, of the Receipts and Payments for the year ended March 31, 2022.

For Eswaraiah & Co
Chartered Accountants
Firm Reg.No: 006157S

ESWARAIAH & CO HYDERABAD

Eswaraiah K
Partner
M.No : 202257
UDIN : 22202257AWTJZV6301

Place: Hyderabad
Date: 26/09/2022

The Institute Of Health Systems

Sivananda Rehabilitation Home Campus, Kukatpally, Hyderabad, Telangana - 500072

Balance Sheet as at 31st March, 2022

Particulars	Notes	As at 31st March, 2022	As at 31st March, 2021
I. Source of Funds			
General fund	1	12,209,766	10,579,281
Corpus fund	2	3,495,518	3,465,518
		15,705,283	**14,044,798**
Current Liabilities			
Sundry Creditors	3	106,977	46,128
Other Current Liabilities	4	370,806	781,511
		477,784	**827,639**
Total		**16,183,067**	**14,872,437**
II. Application of Funds			
Fixed Assets			
Property, Plant and Equipment	5	5,521,103	3,972,132
Intangible Assets		-	-
		5,521,103	**3,972,132**
Current Assets			
Loans and Advances	6	-	-
Security Deposits	7	1,692,776	1,033,498
Cash & Cash Equivalents	8	5,861,445	6,181,591
Sundry Debtors	9	699,049	694,849
Other Current Assets	10	2,408,694	2,990,368
		10,661,964	**10,900,305**
Total		**16,183,067**	**14,872,437**

As per our Report of Even Date

For Eswaraiah & Co.,
Chartered Accountants
Firm Registration No: 006157S

Eswaraiah K
Partner
M.No: 202257
Date: September 26, 2022

For and on Behalf of Board of Governers of
The Institute Of Health Systems

G. Surendra
Director

The Institute Of Health Systems

Sivananda Rehabilitation Home Campus, Kukatpally, Hyderabad, Telangana - 500072

Statement of Income and Expenditure for the period ended 31st March, 2022

Particulars	Notes	For the Year Ended 31st March, 2022	For the Year Ended 31st March, 2021
I. Income			
Research & Consultancy Services	11	4,164,165	2,120,352
Laboratory Services	12	5,931,849	10,992,530
Other Income	13	358,704	376,772
Total (A)		**10,454,718**	**13,489,654**
II. Expenditure			
Research & Consultancy Activities	14	2,399,487	2,985,476
Laboratory Activities	15	4,668,564	7,893,250
Training Activities	16	804,095	1,258,999
Depreciation and Amortization	5	546,420	497,644
Other Expenditure		405,666	-
Total (B)	**(B)**	**8,824,232**	**12,635,369**
Excess of Income over Expenditure	**(A) - (B)**	**1,630,486**	**854,285**

As per our Report of Even Date

For Eswaraiah & Co.,
Chartered Accountants
Firm Registration No: 006157S

Eswaraiah K
Partner
M.No: 202257
Date: September 26, 2022

For and on Behalf of Board of Governers of
The Institute Of Health Systems

G. Surendra
Director

The Institute Of Health Systems

Sivananda Rehabilitation Home Campus, Kukatpally, Hyderabad, Telangana - 500072

Receipts and Payments Account for the period ended 31st March, 2022

Receipts	Amount in Rs.	Payments	Amount in Rs.
Opening Balance:		**FD's made during the year:**	
Cash in Hand	1,533	General Deposits-SBI	166,800
Bank Balances	2,069,955	Corpus Deposits	600,000
		Security deposits	139,975
Further Security Deposit	97,389	Purchase of Fixed assets	2,588,291
Security deposits	139,975	Payment to Creditors	965,750
FD's Matured:		**Employee Benefits:**	
General Deposits (FD) - SBI	265,000	Salaries	3,236,746
Corpus Deposits (FD) - UBI	1,197,484	EPF Remittance	262,885
Hyd Metropolitan Water Supply & Sewerage Board:		Staff welfare	20,004
Water Quality Monitoring Project	3,259,917	Conveyance	311,787
Metro Consumer Complaints Surveillance	3,609,686	Public Provident Fund	46,800
Botteled Water Project	436,044	Professional tax	14,850
Govt Ayurveda Hospital- PSS	497,025		
Laboratory Services:			
Institutional-Campus Water Quality Monitoring	252,295	**Stipends and Allowance to Interns**	
Accessible Water Testing Services for Public Healt	336,554	Stipends	566,640
Donations Received:		Conveyance allowance	81,683
Corpus Fund - Donations	30,000	Audit fee	54,500
Income Tax Refund	1,501,197	Bank charges	7,812
Interest Received:		Office Rent	433,322
General Deposits-SBI	17,670	Office Maintenance	236,163
Corpus Deposits - Interest	219,083	Security Services	353,458
FCRA - Interest	180	Telephone Charges	77,609
Interest on Income Tax refunds	120,093	Electicity charges	325,405
Other Receipts:		Glassware Cleaning Charges	154,566
Sale of Publications	-	Internet & support services	207,602
Sale of Scrap	97,242	Travelling expenses	219,127
Data entry Charges	-	Printing & Stationery	87,399
Cheque Reversals	60,493	Repairs & maintenance	42,900
		Quality Laboratory Assurance Charges	67,260
		Lab maintenance	35,639
		Tender charges	7,657
		Postage & Courier	921
		HR Advertisement expenses	115,281
		IP address & Domain names maintenanance	51,269
		Other expenses	36,837
		TDS payments:	
		TDS on salaries	177,105
		TDS on rent	42,424
		TDS on security charges	5,711
		TDS on professinal services	1,360
		TDS on internet & support charges	18,250
		Closing Balance:	
		Cash in Hand	14,766
		Bank Balances	2,432,262
	14,208,816		**14,208,816**

As per our Report of Even Date

For and on Behalf of Board of Governers of
The Institute Of Health Systems

For Eswaraiah & Co.,
Chartered Accountants
Firm Registration No: 006157S

Eswaraiah K
Partner
M.No: 202257
Date: September 26, 2022

G. Surendra
Director

The Institute Of Health Systems

Accounting Policies and Notes to accountes for the year ended 31st March, 2022

1. Organisational Information

The Institute Of Health Systems is a Trust registerd under the provisions of section 12A and 80G of The Income Tax Act, 1961. The Trust is engaged activities like research, education, training and various other services. The Institute conducts health systems research on applied and operational issues to improve equity and efficiency of the health care sector. IHS offers training programmes to improve managerial skills and health system research capability in India.

2.1 Summary of significant accounting policies

a. Basis of preparation

The financial statements have been prepared under historical cost convention on accrual basis of accounting and in accordance with Generally Accepted Accounting Principles. In preparing these financial statements entity's management has also considered applicable accounting standards issued by The Institute of Chartered Accountants of India (ICAI) to Non-company entities. The accounting policies, in all material respects, have been consistently applied by the entity and are consistent with those in the previous year.

Estimates and Assumptions used in the preparation of the financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of the financial statements, which may differ from the actual results at a subsequent date. Difference between the actual and estimates are recognized in the period in which the results are known / materialized.

b. Inventories

Inventories are valued at lower of cost on FIFO basis and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale. The cost of inventories comprises of cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Work-in-progress and finished goods include appropriate proportion of fixed and variable overheads allocated systamatically.

c. Revenue Recognition

Revenue is recongized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.

Revenue from sale of goods is recongized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of goods.

Revenues from service contracts are recongized either under the completed service contract method or under the proportionate completion method, whichever relates the revenue to the work accomplished or services rendered.

Revenue from sale of goods or services is recognised only if no significant uncertainty exists regarding the amount of the consideration that will be derived from the such sale.

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate.

Dividend income is recognized when the company's right to receive dividend is established.

d. Property, Plant and Equipment

Property, Plant and Equipment are stated at cost, less accumulated depreciation and accumulated impairment losses, if any. The cost comprises the purchase price and directly attributable costs of bringing the asset to its working condition for its intended use. Any trade discounts, rebates, refundable taxes or taxes against which input tax credit can be availed, excise credits and grants or subsidies are deducted in arriving at the purchase price. Capital work-in-progress includes cost of Property, Plant and Equipment that are not ready to put to use.

Depreciation is provided on Net Block value of the Property, Plant and Equipment at rates specified under the provisons of Income Tax Act, 1961 and related rules and regulations specified thereunder. For arriving at Profit or loss on disposal of assets the firm adopts the concept of Block of Assets specified under the provisions of Income Tax Act, 1961. Depreciation on Property, Plant and Equipment used for less than 180 days in a year is calculated at 50% of the rates specified.

e. Foreign Exchange Transactions

On initial recognition, a foreign currency transaction should be recorded in reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency as on the date of the transaction.

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Institute of Health Systems ★ Hyderabad ★

On subsequent recognition,

(a) foreign currency monetary items are reported using the closing rate except where such closing rate may not reflect amounts which are reasonable accurate. In such cases, monetary items are reported at an amount which is likely to be realised or disbursed.

(b) 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; and

(c) 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 the values were determined.

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

f. Government Grants and Subsidies

Government grants available to the enterprise are recognised:

(a) where there is reasonable assurance that the enterprise will comply with the conditions attached to them; and

(b) where such benefits have been earned by the enterprise and it is reasonably certain that the ultimate collection will be made.

When the grant or subsidy related to revenue, it is recognised as income on a systematic basis in the Profit and Loss Account over the periods necessary to match them with the related costs, which they are intended to compensate.

When the grant or subsidy is of the nature of promoters' contribution, it is credited to capital reserve and treated as a part of Capital.

When the Entity receives non-monetary grants, the asset is accounted for on the basis of its acquisition cost. In case a non-monetary asset is given free of cost, it is recognised at a nominal value.

g. Investments

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. If an investment is acquired, or partly acquired, by the issue of shares or other securities, the acquisition cost is the fair value of the securities issued. If an investment is acquired in exchange for another asset, the acquisition is determined by reference to the fair value of the asset given up or by reference to the fair value of the investment acquired, whichever is more clearly evident.

Short-term investments: The carrying amount for current investments is the lower of cost and fair value. In respect of investments for which an active market exists, market value generally provides the best evidence of fair value. The valuation of current investments at lower of cost and fair value provides a prudent method of determining the carrying amount to be stated in the balance sheet. Any reduction to fair value and any reversals of such reductions are included in the profit and loss statement.

Long-term investments are usually carried at cost. However, when there is a decline, other than temporary, in the value of a long term investment, the carrying amount is reduced to recognise the decline and the resultant reduction in the carrying amount is charged to the profit and loss statement. The reduction in carrying amount is reversed when there is a rise in the value of the investment, or if the reasons for the reduction no longer exist.

Investment Property: An investment in land or buildings, which is not intended to be occupied substantially for use by, or in the operations of, the Entity, is classified as investment property. Investment properties are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any.

On disposal of an investment, the difference between it's carrying amount and net disposal proceeds is charged or credited to the Profit and Loss Account.

h. Borrowing costs

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that takes a substantial period of time to get ready for its intended use are capitalized. All other borrowing costs are recognised as expenditure in the period in which they are incurred.

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of Health

i. Taxes on income

Tax expense for the period comprises of current tax, deferred tax and alternate minimum tax, wherever applicable.

Current Tax:

Current tax is measured at the amount expected to be paid to or recovered from the taxation authorities, using the applicable tax rates and tax laws.

Deferred Tax:

Deferred tax charge or credit reflects the tax effects of timing differences between accounting income and taxable income for the period. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or carry forward of losses, deferred tax assets are recognised only if there is a virtual certainty of realisation of such assets. Deferred tax assets are reviewed at each balance sheet date and are written-down or written up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realised.

At each reporting date, the Entity reassesses the unrecognized deferred tax assets, if any.

Alternate Minimum Tax:

Alternate Minimum Tax (AMT) paid in a year is charged to the Profit and Loss Account as current tax. The Entity recognizes AMT credit available as an asset only to the extent that there is convincing evidence that the Entity will pay normal income tax during the specified period, i.e., the period for which AMT credit is allowed to be carried forward. In the year in which the Entity recognizes AMT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the Profit and Loss Account and shown as "AMT Credit Entitlement." The Entity reviews the "AMT credit entitlement" asset at each reporting date and writes down the asset to the extent the Entity does not have convincing evidence that it will pay normal tax during the specified period.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts, and there is an intention to settle the asset and the liability on a net basis.

j. Intangible assets

Acquired intangible assets are capitalised at the acquisition price. Internally generated intangible assets are recorded at cost that can be measured reliably during the development phase and when it is probable that future economic benefits that are attributable to the assets will flow to the Entity.

Internally generated brands, mastheads, publishing titles, customer lists and items similar in substance will not be recognised as intangible assets.

Subsequent expenditure on an intangible asset after its purchase or its completion is recognised as an expense when it is incurred unless such expenditure meets the recognisition criteria of an intangible asset.

k. Impairment of Property, Plant and Equipment

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 discounted to their present value at the weighted average cost of capital.

l. Provisions, Contingent Liabilities and Contingent Assets

A provision is recognized when an entity has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on management estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current management estimates.

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.

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