

Piramal Foundation USA

Financial Statements

December 31, 2023

KNAV CPA LLP

Certified Public Accountants
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America Counts on CPAs

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Independent Auditor's report

To the Board of Directors of
Piramal Foundation USA

Opinion

We have audited the accompanying financial statements of Piramal Foundation USA (a nonprofit organization) ("the Foundation" or "the Organization"), which comprise the statement of financial position as of December 31, 2023, and the related statements of activities and changes in net assets, functional expenses and cash flows for the year then ended, and the related notes to financial statements.

In our opinion, the financial statements referred to above present fairly in all material respects, the financial position of the Foundation as of December 31, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 required to be independent of the Foundation and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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 absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. 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. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- 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 Foundation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

KNAV CPA LLP

Atlanta, Georgia
April 8, 2024

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Statement of financial position

(All amounts in United States Dollars, unless otherwise stated.)

	Notes	As at December 31, 2023
ASSETS		
Current assets		
Cash & cash equivalents		2,919,135
Total current assets	\$	2,919,135
Total assets	\$	2,919,135
LIABILITIES AND NET ASSETS		
Current liabilities		
Grants payable		1,933,202
Other current liabilities		26,321
Total current liabilities	\$	1,959,523
Total liabilities	\$	1,959,523
NET ASSETS		
With donor restrictions		903,000
Without donor restrictions		56,612
Total net assets	\$	959,612
Total liabilities and net assets	\$	2,919,135

(The accompanying notes are an integral part of these financial statements)

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Statement of activities and changes in net assets*(All amounts in United States Dollars, unless otherwise stated.)***For the year ended December 31, 2023**

	Notes	Without Donor Restrictions	With Donor Restrictions	Total
Operating activities				
Revenue and other support				
Contributions		10,000	6,062,088	6,072,088
Total revenue and other support	\$	10,000	6,062,088	6,072,088
Net assets released from restrictions:				
Satisfaction of donor restrictions		5,159,088	(5,159,088)	-
Total net assets released from restrictions	\$	5,159,088	(5,159,088)	-
Total revenue and other support	\$	5,169,088	903,000	6,072,088
Expenses				
Program services				
Project Samriddhi		2,025,810	-	2,025,810
Project Mission Buniyad		987,477	-	987,477
Project Yuva Seva Sadan		2,037,000	-	2,037,000
Start-up Event 20		37,500	-	37,500
Total program services	\$	5,087,787	-	5,087,787
Supporting services				
Management and general		24,689	-	24,689
Total supporting services	\$	24,689	-	24,689
Total expenses	\$	5,112,476	-	5,112,476
Change in net assets		56,612	903,000	959,612
Net assets at the beginning of the year		-	-	-
Net assets at the end of year	\$	56,612	903,000	959,612

(The accompanying notes are an integral part of these financial statements)

Piramal Foundation USA

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Statement of functional expenses

For the year ended December 31, 2023, the Foundation's functional classification of expenses is as follows:

Particulars	Program services				Programs total	Management and general	Grand total
	Project Samriddhi	Project Mission Buniyad	Project Yuva Seva Sadan	Project Start-up Event			
Donations	2,025,810	987,477	2,037,000	37,500	5,087,787	-	5,087,787
Accounting and audit fees	-	-	-	-	-	20,000	20,000
Legal fees	-	-	-	-	-	4,489	4,489
Miscellaneous expenses	-	-	-	-	-	200	200
Grand total	2,025,810	987,477	2,037,000	37,500	5,087,787	24,689	5,112,476

(The accompanying notes are an integral part of these financial statements)

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Statement of cash flows*(All amounts in United State Dollars, unless otherwise stated.)***For the year ended****December 31, 2023****Cash flow from operating activities**

Changes in net assets	959,612
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Changes in operating assets & liabilities

Grants payable	1,933,202
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Other current liabilities	26,321
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Net cash provided by operating activities	\$ 1,959,523
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Net increase in cash and cash equivalents

2,919,135

Cash and cash equivalents at the beginning of the year	-
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Cash and cash equivalents at the end of the year	\$ 2,919,135
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(The accompanying notes are an integral part of these financial statements)

Notes to Financial Statements

(All amounts in United State Dollars, unless otherwise stated)

ORGANIZATION AND PURPOSE

Piramal Foundation USA (“the Foundation” or “the Organization”) was incorporated on June 20, 2017, as a non-profit corporation without authority to issue capital stock, pursuant to the General Corporation Law of the state of Delaware. The Foundation was incorporated exclusively for charitable purposes, including, for such purposes, the making of distributions to organizations that qualify as exempt organizations under section 501(c) (3) of internal revenue code or the corresponding section of any future federal tax code. Such purposes include but are not limited to, charitable or philanthropic activities in relation to social projects in India such as water, health, and education.

To fulfill its mission the Organization focuses on the following programs:

1. Project Samriddhi

The Foundation has secured funding for projects aimed at enhancing girls' education in designated states by increasing access to pre-matric scholarships and changing parental attitudes in India. This initiative focuses on achieving high enrollment, and the transition of girls from primary to secondary grades.

2. Project Mission Buniyad

The Foundation provides digital education to school going girls (class 8 to 12) through existing govt school digital infrastructure. This involves enhancing learning outcomes and pass rates, training teachers, govt co-funding to strengthen ICT infrastructure, capacity building of stakeholders on digital literacy and raising awareness among parents about the importance of digital tools and resources for their daughters' education.

3. Project Yuva Seva Sadan

The Foundation is also leading the project driven by the spirit of Seva, the Yuva Seva Sadan (YSS). YSS is a platform for young passionate college students of India to serve and lead the nation for its betterment. YSS is a perfect place for young people who are motivated by the idea of contributing to society, its people, and the nation instead of receiving out of them. The idea of YSS is to involve youth in the process of strengthening public systems and hence make them dependable resources of sustenance for their communities and the government. YSS will enable and empower them by developing their future skills relevant to entrepreneurship and employability in a fast-changing job scenario.

4. Start-up Event 20

The Foundation through its Project Start-up Event 20 intends to support startups and innovators addressing India's developmental challenges and to create an environment where these ventures can thrive and grow into impactful solutions, known as 'Social Impact Unicorns'. To achieve this, the Foundation is organizing a panel discussion at the Startup20 Summit event in India, including activities like coordinating participant outreach and preparing the venue.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies applied in the preparation of the accompanying financial statements is as follows:

a) Basis of accounting and preparation

- i. The accompanying financial statements are prepared under the historical cost convention on the accrual basis of accounting in accordance with the accounting and reporting requirements of generally accepted accounting principles in the US ('US GAAP').
- ii. The financial statements are prepared for the year January 01, 2023, to December 31, 2023. Previous year comparatives are not being presented as the foundation began its activities in 2023

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iii. All amounts are stated in United State Dollars, except as otherwise specified.

b) Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Actual results could differ from these estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Any revision to accounting estimates is recognized prospectively in the current and future periods.

c) Cash and cash equivalents

Cash and cash equivalents include balances with banks. The carrying value of cash and cash equivalents approximates market value. Cash balances in bank accounts are insured by the Federal Deposit Insurance Corporation up to \$ 250,000 for each insured bank for each account per depositor.

d) Net assets classification

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net assets without donor restrictions – Net assets available for use in general operations and not subject to donor restrictions.

Net assets with donor restrictions – Net assets subject to donor-imposed restrictions. Donor-imposed restrictions may be temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates those resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resources was restricted has been fulfilled, or both.

Net assets are released from donor restrictions by incurring expenses that satisfy the restricted purpose. During the year ended December 31, 2023, \$5,159,088 restricted for multiple programmes was released from restrictions on account of satisfaction of donor-imposed restrictions.

During the year ended December 31, 2023, the Foundation had \$903,000 net assets with donor restrictions for the Project Yuva Seva Sadan program.

e) Revenue recognition

Revenues comprise of contributions received. The Foundation follows Accounting Standard Codification Subtopic 958-606, to recognize cash and gift-in kind contributions from corporations. These contributions, including unconditional promises, are recognized as revenue when the donor's unconditional commitment is received. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted.

When a temporary restriction expires, restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities and changes in net assets as net assets released from restrictions. Contributions with restrictions which are fulfilled in the time period in which the contribution is received are recorded as unrestricted contributions in the financial statements. Conditional promises to give are recognized only when the conditions on which they depend are substantially met.

f) Functional Allocation of Expenses

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The Foundation allocates its expenses, if any, on a functional basis among its various programs and support services in the accompanying statement of activities and changes in net assets. Expenses that can be identified with a specific program and/ or support service are allocated directly according to its natural expenditure classification. The Foundation does not have certain category of expenses that are attributable to more than one program or supporting function. Accordingly, no allocation of expenses is required.

g) Fair value measurements

Assets and liabilities recorded at fair value in the financial statements are categorized based upon the level of judgement associated with the inputs used to measure their fair value. Hierarchical levels which are directly related to the amount of subjectivity associated with the inputs to the valuation of these assets or liabilities are as follows:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities that the Foundation has the ability to access as of the measurement date.
- Level 2 – Inputs other than quoted prices included within level 1 that are directly observable for the asset or liability or indirectly observable through corroboration with observable market data.
- Level 3 – Unobservable inputs for the asset or liability only used when there is little, if any, market activity for the asset or liability at the measurement date.

This hierarchy requires the Foundation to use observable market data, when available, and to minimize the use of unobservable inputs when determining fair value. The Foundation's financial instruments consist of cash and cash equivalents and grants payable. The fair value of these financial instruments approximates their carrying values because of their short-term maturity as they are expected to be liquidated within the next twelve months.

h) Grant expenses and grants payable

Grant expense is recognized in the period the grant is countersigned, provided the grant is not subject to future donor-imposed conditions. Conditional grants are recognized as grant expense and as a grant payable in the period in which the grantee meets the terms of the conditions. Grants payable are accrued at the time the subgrant is awarded. A subgrant is generally a grant to an organization abroad that uses the funds to further the Foundation's objectives under a grant.

i) Income taxes

The Foundation is a not-for-profit organization exempted from federal income taxes under Section 501 (c) (3) of US Internal Revenue Code. No provision for income tax has been made in the financial statements. The Foundation's tax returns are generally subject to examination by the Internal Revenue Service ("IRS") for three years after filing.

j) Commitments and contingencies

Liabilities for loss contingencies arising from claims, assessments, litigation, fines, and penalties and other sources are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated. Legal costs incurred in connection with loss contingencies are expensed as incurred.

NOTE B – CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise of the following:

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	As at
	December 31, 2023
Balance with bank	2,919,135
Total	\$ 2,929,135

NOTE C – GRANTS PAYABLE

The Foundation has entered into grant commitments with certain organizations. The following summarizes the changes in the conditional grants payable for the year ended December 31, 2023

	As at
	December 31, 2023
Grants payable balance at the beginning of the year	-
Grants approved	5,087,787
Less: - payments	(3,154,585)
Grants payable balance at the end of the year	\$ 1,933,202

During the year ended December 31, 2023, the Foundation has approximately \$12 million grants awarded that have been classified as conditional grants. Certain milestones and other performance obligations (barriers) stated in these awards have not yet been satisfied by the respective grantees. Accordingly, these amounts are not recognized as grants payable in the statements of financial position.

NOTE D – OTHER CURRENT LIABILITIES

Other current liabilities comprise of the following:

	As at
	December 31, 2023
Accrued expenses	17,093
Refund payable to donor	9,228
Total	\$ 26,321

NOTE E – CONCENTRATION RISK

During the year ended December 31, 2023, 99% of the contributions have been received from two donors, 50% and 49% from each respectively.

During the year ended December 31, 2023, 99% of the donations have been made to one donee.

The Foundation is exposed to credit risk by maintaining cash balances at financial institutions in excess of federally insured limits. Cash balances on deposits with bank are insured by the Federal Deposit Insurance Corporation up to an aggregate of \$ 250,000. The uninsured balance is \$2,669,135 as of December 31, 2023.

NOTE F – RELATED PARTY TRANSACTIONS

No.	Name of the party	Nature of relationship
1	Piramal Critical Care, Inc	Entities with common director

Summary of transactions with related party are as follows:

Piramal Foundation USA

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December 31, 2023*Transactions during the year*

Unrestricted donation received	10,000
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NOTE G – LIQUIDITY

The Foundation's financial assets available within one year of the statement of financial position date for general expenditure and liabilities are as follows:

	Amount in USD
Cash and cash equivalents	2,919,135
Total financial assets	2,919,135
Less: - net assets with donor restrictions	(903,000)
Net financial assets available within one year for general expenditure	2,016,135

As part of the Foundation's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations become due.

NOTE H – SUBSEQUENT EVENTS

Subsequent events have been evaluated through the date the financial statements were available to be issued. Based on the evaluation, the Foundation is not aware of any events or transactions that would require recognition or disclosure in the financial statements.
