



INDEPENDENT AUDITOR'S REPORT

To,
The Trustees
Karnataka Health Promotion Trust
Bengaluru.

Opinion

We have audited the accompanying Consolidated (Local Contribution & Foreign Contribution) Financial Statements of **Karnataka Health Promotion Trust, No. 1-4, IT Park, Behind KSSIDC Admin. Office, Rajajinagar Industrial Area, Rajajinagar, Bengaluru-560044** which comprise the Balance Sheet as at 31 March 2019, the Statement of Income & Expenditure for the year then ended, the Receipts and Payments Account for the year then ended and a summary of significant accounting policies and other explanatory information (hereinafter referred to as the financial statements).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give a true and fair view in conformity with the accounting principles generally accepted in India, including the Accounting Standards prescribed by The Institute of Chartered Accountants of India, of the state of affairs of the Trust as at March 31, 2019, the excess of Income over Expenditure for the year ended on that date.

Basis for opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) issued by The Institute of Chartered Accountants of India. Our responsibilities under those Standards are further described in the *Auditor's responsibilities for the audit of Financial Statements section of our report*. We are independent of the Trust in accordance with the Codes of Ethics issued by the Institute of Chartered Accountants of India (ICAI) and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

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 and financial performance in accordance with the accounting principles generally accepted in India, including the Accounting Standards issued by The Institute of Chartered Accountants of India. This responsibility also includes maintenance of adequate accounting records for safeguarding the assets of the Trust and for preventing and detecting frauds and other irregularities; selection and

FF-B and SF-B, Shiva Enclave, No. 11, Naidu Layout, Sanjay Nagar, Bengaluru - 560 094.
Telefax : +91 80 2341 8753 E-mail : bangalore@rvkassociates.com website : http://www.rvkassociates.com

Offices at : ♦ Bengaluru ♦ Chennai ♦ Hyderabad ♦ Mumbai ♦ Vijayawada
Bengaluru : Sanjaynagar, Devanahalli, Basavangudi & Nelamangala





application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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.

In preparing the financial statements, management is responsible for assessing the Trust's ability to continue as 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 Trust or to cease operations, or has no realistic alternative but to do so.

The Management are also responsible for overseeing the Trust'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 on the basis of these financial statements.

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

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



RVKS And Associates

Chartered Accountants



- 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 Trust's ability to continue as 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 Trust to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

For R V K S and Associates
Chartered Accountants
FRN: 008572S

 30/9/2019

R. Mohan
Partner
M No. :203911

UDIN: 19203911AAAAEE9138



Place: Bengaluru
Date:

KARNATAKA HEALTH PROMOTION TRUST (KHPT)

No.1-4, IT Park, Behind KSSIDC Admin. Office, Rajajinagar Industrial Area, Rajajinagar, Bangalore - 560 044

Balance sheet as at 31st March, 2019 - Consolidated

Particulars	Note	31st March, 2019 (Rupees)	31st March, 2018 (Rupees)
I Sources of Funds			
1 Reserves			
Corpus fund	1	10,000	10,000
General Reserve	2	13,00,73,236	9,17,72,911
Grant Received in Advance	3	3,18,22,039	11,09,96,458
Total		16,19,05,276	20,27,79,369
II Application of Funds			
1 Current Assets, Loans and Advances			
Cash and Bank Balances	4	14,71,47,030	18,30,51,443
Loans and advances	5	2,75,82,016	2,80,43,701
Total		17,47,29,046	21,10,95,144
2 Less : Current liabilities and provisions			
Current Liabilities	6	1,22,79,182	74,72,624
Provisions	7	5,44,588	8,43,151
Total		1,28,23,770	83,15,775
Net current assets		16,19,05,276	20,27,79,369
Total		16,19,05,276	20,27,79,369


For Karnataka Health Promotion Trust


Mohan H L
Managing Trustee

Place: Bangalore
Date : 24-Sep-2019


Nanjundappa G.M
Director Finance

As per our audit report of even date attached
For R V K S And Associates
Chartered Accountants
Firm No. 008572S


R. Mohan
Partner
Membership No. 203911



UDIN: 19203911 AAAAEE9138



KARNATAKA HEALTH PROMOTION TRUST (KHPT)

No.1-4, IT Park, Behind KSSIDC Admin. Office, Rajajinagar Industrial Area, Rajajinagar, Bangalore - 560 044

Statement of Income and Expenditure - Consolidated

Particulars	Note	For the year ended 31st March, 2019 (Rupees)	For the year ended 31st March, 2018 (Rupees)
Income			
Grants Received - Utilized	3	38,72,95,143	33,12,79,179
Interest Income	8	75,62,444	52,87,501
Donations Others		25,000	-
Sale of Assets		75,000	11,02,814
Exchange Difference		2,63,431	8,60,317
Misc Income		3,001	4,12,363
Income from Professional Charges		16,000	82,280
Total		39,52,40,018	33,90,24,454
Expenditure			
Programme Expenses	9		
-Grants to NGO's		8,96,42,096	7,86,38,584
-Implementation Expenses		18,61,60,362	15,80,30,940
-Training and Capacity Building Expenses		80,24,487	51,17,961
Personnel Expenses	10	3,59,06,493	3,15,68,650
Administrative and other expenses	11	3,72,06,254	4,07,61,251
Total		35,69,39,692	31,41,17,386
Excess of Income over Expenditure transferred to General Reserve		3,83,00,326	2,49,07,068

For Karnataka Health Promotion Trust


Mohan H L
Managing Trustee


Nanjundappa G.M
Director Finance

Place: Bangalore
Date : 24-Sep-2019

As per our audit report of even date attached
For R V K S And Associates
Chartered Accountants
Firm No. 008572S


R. Mohan
Partner
Membership No. 203911



UDIN: 19203911AAAAEE9138



KARNATAKA HEALTH PROMOTION TRUST (KHPT)

No.1-4, IT Park, Behind KSSIDC Admin. Office, Rajajinagar Industrial Area, Rajajinagar, Bangalore - 560 044

Receipts and Payments Account - Consolidated

Particulars	Note	For the year ended 31st March, 2019 (Rupees)	For the year ended 31st March, 2018 (Rupees)
Opening Balance	3		
- Cash on hand		2,16,670	2,07,931
- Cash at Bank		18,28,34,773	7,07,95,685
		<u>18,30,51,443</u>	<u>7,10,03,616</u>
Add: Receipts			
Grants Received	2	30,83,84,154	42,85,41,824
Interest Income Bank	7	67,92,141	46,68,134
Interest on IT Refund		-	2,09,765
Other Income		3,001	4,12,363
Refund of Deposits		4,36,000	10,65,000
Refund of Income Tax		-	2,70,868
Settlement of Advances		47,91,359	55,12,382
Refund of Bank Charges		-	-
Sale of Assets		75,000	11,02,814
Income from Professional Charges		16,000	82,280
Donations Others		25,000	-
		<u>32,05,22,655</u>	<u>44,18,65,429</u>
Totals		<u>50,35,74,098</u>	<u>51,28,69,046</u>
Payments			
Programme Expenses			
- Grants to NGO's		8,96,42,096	7,86,38,584
- Other Programme Expenses		18,61,35,362	15,77,38,539
- Training and Capacity Building Expenses		80,24,487	51,17,961
Personnel Expenses		3,48,73,911	3,06,31,462
Administrative and other expenses		3,66,87,666	4,02,18,501
Rent Deposit		-	3,34,817
Income Tax Deducted at Source		10,63,546	1,29,50,697
Advances and Refund of Grants		-	41,87,041
Total		<u>35,64,27,069</u>	<u>32,98,17,602</u>
Closing Balance			
Cash on hand	3	2,11,139	2,16,670
Cash at Bank	3	14,69,35,891	18,28,34,773
		<u>14,71,47,030</u>	<u>18,30,51,443</u>
Totals		<u>50,35,74,098</u>	<u>51,28,69,046</u>

For Karnataka Health Promotion Trust

Mohan H L
Managing Trustee

Place: Bangalore
Date : 24-Sep-2019

Nanjundappa G.M
Director Finance

As per our audit report of even date attached

For R V K S And Associates
Chartered Accountants
Firm No. 008572S

R. Mohan
Partner
Membership No. 203911



UDIN: 19203911 AAAAEE 9128



KARNATAKA HEALTH PROMOTION TRUST (KHPT)

No.1-4, IT Park, Behind KSSIDC Admin. Office, Rajajinagar Industrial Area, Rajajinagar, Bangalore - 560 044

	As at 31st March, 2019 (Rupees)	As at 31st March, 2018 (Rupees)
Notes forming part of the accounts - Consolidated		
Note 1: Corpus Fund		
Opening balance	10,000	10,000
	10,000	10,000
Note 2: General Reserve		
Opening balance	9,17,72,910	6,68,65,842
Add: Transferred from Income & Expenditure A/c	3,83,00,326	2,49,07,068
	13,00,73,236	9,17,72,911
Note 3: Grant Received in Advance		
Opening balance	11,09,96,459	1,45,94,129
Grants Received during the year		
University of Manitoba	22,21,967	48,99,907
LSHTM	55,34,984	1,02,77,911
Geneva Foundation for Medical Research (GFMER)	-	1,32,600
United States Agency for International Development-O	16,78,78,126	12,98,79,866
ViiV Healthcare UK Ltd	-	1,40,43,106
South African Medical & Research Council	9,05,749	49,51,832
Global Alliance for Improve Nutriron	2,78,51,410	19,96,460
CBCI Society For Medical Education	1,19,15,568	2,43,41,070
Business for Social Responsibility-BSR	2,21,675	7,50,910
Johnson & Johnson Pvt Ltd	-	1,66,58,656
Sponsored Funds-OVC-Nutrition & Others	16,775	-
Karnataka State Aids Prevention Society - KSAPS	43,71,992	-
India HIV/AIDS Alliance	4,31,28,330	5,10,85,940
Karnataka State Rural Livelihood Promotion Society	70,61,655	14,48,83,783
Azim Premji Philanthorphyic Initiative	-	1,63,66,700
Indegene-TB-Care	24,46,618	12,06,600
MAC-ELCA Cosmetics Pvt Ltd	5,27,660	27,06,194
CBCI Society for Medical Education	18,58,758	22,70,600
Life style International Pvt Ltd	1,01,20,303	16,00,000
The India Nutrition Initiative-TINI	-	3,00,000
Sponsored Funds-OVC-Nutrition & Others	91,885	1,89,690
FIND India	1,85,31,268	-
Nutrition Programme-North Karnataka	7,99,280	-
Bangalore International Airport Limited (BIAL)	2,31,150	-
District Health & Family Welfare-Bangalore Urban	1,69,000	-
Healthium Medtech Pvt Ltd	25,00,000	-
	41,93,80,613	44,31,35,954
Less:		
Exchange Fluctuation Income transferred	2,63,431	8,60,317
Grant Utilized transferred to Income & Expenditure Account	38,72,95,143	33,12,79,179
	38,75,58,573	33,21,39,496
Grant Received in Advance	3,18,22,039	11,09,96,458



KARNATAKA HEALTH PROMOTION TRUST (KHPT)

No.1-4, IT Park, Behind KSSIDC Admin. Office, Rajajinagar Industrial Area, Rajajinagar, Bangalore - 560 044

	As at 31st March, 2019 (Rupees)	As at 31st March, 2018 (Rupees)
Notes forming part of the accounts - Consolidated		
Note 4: Cash and bank balances		
Cash in Hand	2,11,139	2,16,670
Balance with Note Banks		
- in savings accounts	8,19,35,891	17,78,34,773
- in deposit accounts	6,50,00,000	50,00,000
	14,71,47,030	18,30,51,443
Note 5: Loans and advances		
Advances recoverable in cash or in kind or for value to be received	35,23,310	46,12,541
TDS receivable	1,98,41,168	1,87,77,622
Deposits	42,17,537	46,53,537
	2,75,82,016	2,80,43,700
Note 6 : Current liabilities		
TDS payable	11,19,108	7,37,882
Sundry creditors	1,01,28,492	58,05,554
Other liabilities	10,31,582	9,29,188
	1,22,79,182	74,72,624
Note 7 : Provisions		
Accruals	5,44,588	8,43,151
	5,44,588	8,43,151



KARNATAKA HEALTH PROMOTION TRUST (KHPT)

No.1-4, IT Park, Behind KSSIDC Admin. Office, Rajajinagar Industrial Area, Rajajinagar, Bangalore - 560 044

As at 31st March, 2019 (Rupees)	As at 31st March, 2018 (Rupees)
---------------------------------------	---------------------------------------

Notes forming part of the accounts - Consolidated

Note 8: Interest Income

From Savings Bank Accounts	43,79,870	29,50,409
From Fixed Deposits with Bank	31,82,574	21,27,328
Interest on IT Refund	-	2,09,765
	75,62,444	52,87,501

Note 9 : Programme Expenses

-Grants to NGO's	8,96,42,096	7,86,38,584
-Implementation Expenses	18,61,60,362	15,80,30,940
-Training and Capacity Building Expenses	80,24,487	51,17,961
	28,38,26,945	24,17,87,484

Note 10 : Personnel Expenses

Salaries	1,54,62,851	1,42,95,919
PF Employers' Share	47,15,584	29,77,832
Leave Encashment	2,68,247	2,73,792
Leave Travel Allowance	43,15,060	31,29,605
Consultancy Charges	37,34,880	56,96,962
Recruitment Expenses	3,13,523	2,66,729
Gratuity	23,38,929	26,26,730
Insurance-Staff	46,08,402	20,94,264
Overtime Allowance	1,49,017	1,50,483
Relocation Charges-Joining	-	8,750
Relocation Charges-Transfer	-	47,584
	3,59,06,493	3,15,68,650



KARNATAKA HEALTH PROMOTION TRUST (KHPT)

No.1-4, IT Park, Behind KSSIDC Admin. Office, Rajajinagar Industrial Area, Rajajinagar, Bangalore - 560 044

	As at 31st March, 2019 (Rupees)	As at 31st March, 2018 (Rupees)
Note 11 : Administrative and other expenses		
Fixed Assets		
Computers	41,99,591	1,72,744
Furniture & Equipments	23,93,646	31,68,779
Vehicles	-	21,19,323
Communications		
Courier Charges	3,13,322	1,57,185
Data Card Expenses	9,18,288	8,48,986
Email/internet & Wireless	-	32,364
Internet Charges	3,07,529	3,31,765
Mobile Charges	9,45,525	11,19,399
Postage & Telegrams	4,043	71
Telephone Charges	1,79,976	1,91,961
Call Conferencing Charges	35,400	-
Office Running Expenses		
AMC for Equipments & Others	1,63,285	1,30,800
Bank Charges	37,604	1,31,882
Books & Periodicals	89,188	16,961
Computer Running Expenses	2,90,337	1,90,056
Electricity/Water /Maintenance Charges	15,26,982	17,13,746
Insurance -Assets	1,33,248	1,66,669
Insurance -Cash	10,845	5,723
Insurance -Others	37,276	37,276
Office Repairs and Maintenance	7,03,872	8,24,715
Printing & Stationery	7,63,115	6,80,663
Rent-Office	61,71,029	71,90,545
Rent - Others	12,97,354	16,06,622
Software Expenses	-	5,66,155
Staff Welfare-Tea/coffee/meal	2,66,145	1,78,699
Website Development & Maintenance	36,739	1,05,490
Registration Fees-Legal & Others	1,23,956	2,659
Other Expenses		
Interest Paid-Income Tax	270	8,018
Interest Paid-Provident Fund	399	-
Travel Expenses-Staff & Consultants		
Local Conveyance	21,76,422	12,93,232
Travel Expenses-International	4,62,930	33,63,122
Travel Expenses-National-Accommodation	19,10,058	26,05,838
Travel Expenses-National-Air tickets	49,66,862	51,05,488
Travel Expenses-National-Others	11,63,781	8,78,785
Travel Expenses-National-Perdiem	13,96,047	17,10,535
Travel Expenses-National-Train/Bus	7,62,141	8,04,630
Vehicle Expenses		
Vehicle-Insurance	51,631	27,220
Vehicle-Repair & Maintenance	1,27,039	1,30,680
Vehicle Fuel Expenses	4,60,496	3,61,147
Vehicle Hire Charges	17,70,077	17,88,840
Professional Charges-Audit Fees		
Audit Fees-FY-2017-18	-	3,54,000
Audit Fees-FY-2018-19	4,13,000	-
Professional Charges		
Professional Fees	5,96,806	6,38,480
	3,72,06,254	4,07,61,251



KARNATAKA HEALTH PROMOTION TRUST
No.1-4, IT Park, Behind KSSIDC Admin. Office, Rajajinagar Industrial Area,
Rajajinagar, Bangalore - 560 044

Notes to account and Significant Accounting Policies

1. The Trust has commenced with effect from 07th July,2003. It has registered its Trust deed with Sub-registrar, Gandhinagar vide registration document no. IV 150/03-04 dated 07/07/2003.
2. The trust has been registered under Foreign Contribution (Regulation) Act,1976 vide registration No 094421216 dated 01/03/2006 vide letter No. 11/21022/69(013)/2006-FCRA III for receiving foreign contributions. Renewed FCRA registration is valid from 01/11/2016 to 31/10/2021.
3. The trust is registered under Section 12AA(1)(b)(i) of Income Tax Act 1961 vide letter No. DIT(E)/12(A)/VOL-I/K-705 dt.28/11/2003 of Director Income Tax (Exemptions) and 80G approval number DIT(E)BLR/80G(R)/369/ITO dt.: 29/09/2008 as such is exempt from taxation of its income and gains. The income is Exempt subject to conditions specified under Section 11 and 13 of the Income tax Act.
4. The financial statements have been prepared to comply in all material respects to accounting standards prescribed by the Institute of Chartered Accountants of India. The financial statements have been prepared under the historical cost convention on an accrual basis in accordance with accounting principles generally accepted in India. The accounting policies have been consistently applied by the Trust and are consistent with those used in the previous year. All the applicable accounting standards have been followed, except otherwise stated.
5. Grant-in-aid accounted based on expenditure incurred by the Trust during the year and the corresponding claim that can be made on the funding agency against such expenditure. The additional amounts received from the funding agencies over such claims are accounted as 'Grant received in advances'
6. Donations are accounted on receipt basis only.
7. The fixed assets have been accounted as "Application of funds for charitable purposes" under the respective projects funded by various funding agencies.
8. Expenses towards gratuity and leave encashment have been accounted on payment basis. The provisions of provident fund Act have been complied with.
9. No Payments have been made for the benefit of any trustees of the Trust.



10. Accounting policies not specifically reported to otherwise are consistent and in consonance with generally accepted accounting principles.
11. Transactions denominated in foreign currency are converted to Indian rupees and recorded as per the exchange rates prevalent on the date of transaction
12. As the Trust is registered under section 12AA of the Income tax Act, there are no taxes due on the surplus of the Trust in any year. There are no taxes due on the past income tax assessments. Income tax deducted at source on interest income is accounted as 'Receivables'.
13. Previous year figures have been regrouped wherever necessary.
14. The Financial Statements are prepared for the period 01.04.2018 to 31.03.2019

For Karnataka Health Promotion Trust



**Mohan H L
Managing Trustee**



**Nanjundappa G.M
Director Finance**

**As per our audit report
of even date annexed**

**R V K S and Associates
Chartered Accountants
Firm No: 008572S**



**R. Mohan
Partner
M No: 203911**

UDIN: 19203911AAAAEE 9128

