



INDEPENDENT AUDITOR'S REPORT

To
The Trustees
Karnataka Health Promotion Trust
Bangalore

Opinion

We have audited the accompanying Consolidated (Local Contribution and Foreign Contribution) Financial Statements of **Karnataka Health Promotion Trust (KHPT) No.1-4, IT Park, Behind KSSIDC Admin Office, Rajajinagar Industrial Area Bangalore-560044** which comprise the Balance Sheet as at 31 March 2020, the Statement of Income & Expenditure for the year ended, the Receipts and Payments Accounts for the year 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 the information as required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India,

- (i) in the case of the Balance Sheet, of the state of affairs of the Institution as at March 31, 2020;
- (ii) in the case of the Statement of Income & Expenditure, of the Excess of Income over Expenditure for the year ended on that date.
- (iii) in the case Receipts and Payment Account, of the cash flows 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 Institution 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.

Emphasis of Matter

The Institution has made a detailed assessment of its liquidity position for the next year and the recoverability and carrying value of its assets comprising property, plant and equipment, investments. Based on current indicators of future economic conditions, the

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R VKS And Associates

Chartered Accountants



Institution expects to recover the carrying amount of these assets. The Institution continues to evaluate them as highly probable considering the orders in hand. The situation is changing rapidly giving rise to inherent uncertainty around the extent and timing of the potential future impact of the COVID-19 pandemic which may be different from that estimated as at the date of approval of the financial results. The Institution will continue to closely monitor any material changes arising of future economic conditions and impact on its transactions.

Our opinion is not modified in respect of this matter.

Other Matters

Further to the continuous spreading of COVID -19 across India, the Indian Government announced a strict 21-day lockdown on March 24, 2020, which was further extended till June 30, 2020 across the India to contain the spread of the virus. This has resulted in restriction on physical visit to the client locations and the need for carrying out alternative audit procedures as per the Standards on Auditing prescribed by the Institute of Chartered Accountants of India (ICAI).

As a result of the above, the partial audit was carried out based on remote access of the data as provided the management. This has been carried out based on the advisory on "Specific Considerations while conducting Distance Audit/ Remote Audit/ Online Audit under current Covid-19 situation" issued by the Auditing and Assurance Standards Board of ICAI. We have been represented by the management that the data provided for our audit purposes is correct, complete, reliable and are directly generated by the accounting system of the Institution without any further manual modifications.

We bring to the attention of the users that the audit of the financial statements has been performed in the aforesaid conditions.

Our audit opinion is not modified in respect of the above.

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 Institution and for preventing and detecting frauds and other irregularities; selection and 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 Institution'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 Institution or to cease operations, or has no realistic alternative but to do so.

The Management is also responsible for overseeing the Institution'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 Institution'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 Institution'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 Institution to cease to continue as a going concern.



RVKS And Associates

Chartered Accountants



- 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

R. Mohan
8/1/201

R. Mohan
Partner

M. No.: 203911

UDIN: 21203911AAAAAP2601



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, 2020 - Consolidated

Particulars	Note	31st March, 2020 (Rupees)	31st March, 2019 (Rupees)
I Sources of Funds			
1 Reserves			
Corpus fund	1	10,000	10,000
General Reserve	2	15,36,60,246	13,00,73,236
Grant Received in Advance	3	1,69,28,250	3,18,22,039
Total		17,05,98,496	16,19,05,276
II Application of Funds			
1 Current Assets, Loans and Advances			
Cash and Bank Balances	4	14,12,08,770	14,71,47,030
Loans and advances	5	3,35,22,956	2,75,82,016
Total		17,47,31,726	17,47,29,046
2 Less : Current liabilities and provisions			
Current Liabilities	6	27,47,173	1,22,79,182
Provisions	7	13,86,057	5,44,588
Total		41,33,230	1,28,23,770
Net current assets		17,05,98,496	16,19,05,276
Total		17,05,98,496	16,19,05,276


For Karnataka Health Promotion Trust


Mohan H L
Chief Executive Officer


Nanjundappa G.M
Director Finance

Place: Bangalore
Date : 07-Jan-2021

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: 21203911AAAAAP2601



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, 2020 (Rupees)	For the year ended 31st March, 2019 (Rupees)
Income			
Grants Received - Utilized	3	24,85,99,988	38,72,95,143
Interest Income	8	1,04,12,178	75,62,444
Donations Others		-	25,000
Sale of Assets		1,22,045	75,000
Exchange Difference		1,27,169	2,63,431
Misc Income		-	3,001
Income from Professional Charges		70,000	16,000
Total		25,93,31,380	39,52,40,018
Expenditure			
Programme Expenses	9		
-Grants to NGO's		5,22,96,369	8,96,42,096
-Implementation Expenses		12,75,65,741	18,61,60,362
-Training and Capacity Building Expenses		59,64,023	80,24,487
Personnel Expenses	10	2,55,19,937	3,59,06,493
Administrative and other expenses	11	2,43,98,300	3,72,06,254
Total		23,57,44,370	35,69,39,692
Excess of Income over Expenditure transferred to General Reserve		2,35,87,010	3,83,00,326

For Karnataka Health Promotion Trust


Mohan H L
Chief Executive Officer


Nanjundappa G.M
Director Finance

Place: Bangalore
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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, 2020 (Rupees)	For the year ended 31st March, 2019 (Rupees)
Opening Balance	3		
- Cash on hand		2,11,139	2,16,670
- Cash at Bank		14,69,35,891	18,28,34,773
		14,71,47,030	18,30,51,443
Add: Receipts			
Grants Received	2	23,40,31,096	30,83,84,154
Exchange Difference		1,27,169	-
Interest Income Bank	7	67,43,330	67,92,141
Other Income		-	3,001
Refund of Deposits		7,96,332	4,36,000
Settlement of Advances		9,51,525	47,91,359
Sale of Assets		1,22,044	75,000
Income from Professional Charges		70,000	16,000
Donations Others		-	25,000
		24,28,41,496	32,05,22,655
Totals		38,99,88,526	50,35,74,098
Payments			
Programme Expenses			
- Grants to NGO's		6,20,12,289	8,96,42,096
- Other Programme Expenses		12,87,40,011	18,61,35,362
- Training and Capacity Building Expenses		59,38,818	80,24,487
Personnel Expenses		2,54,60,027	3,48,73,911
Administrative and other expenses		2,34,93,031	3,66,87,666
Rent Deposit		8,61,332	-
Income Tax Deducted at Source		18,81,752	10,63,546
Settlement of Advances		67,598	-
Refund of Grant Funds	11	3,24,898	-
Total		24,87,79,756	35,64,27,069
Closing Balance			
Cash on hand	3	1,37,757	2,11,139
Cash at Bank	3	14,10,71,013	14,69,35,891
		14,12,08,770	14,71,47,030
Totals		38,99,88,526	50,35,74,098

For Karnataka Health Promotion Trust

Mohan H L
Chief Executive Officer

Nanjundappa G.M
Director Finance

Place: Bangalore
Date : 07-Jan-2021



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: 21203911AAAAA092601



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, 2020 (Rupees)	As at 31st March, 2019 (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	13,00,73,236	9,17,72,910
Add: Transferred from Income & Expenditure A/c	2,35,87,010	3,83,00,326
	15,36,60,246	13,00,73,236
Note 3: Grant Received in Advance		
Opening balance	3,18,22,039	11,09,96,459
Grants Received during the year		
University of Manitoba	7,41,002	22,21,967
LSHTM	26,63,993	55,34,984
United States Agency for International Development-O'	10,19,65,086	16,78,78,126
South African Medical & Research Council	8,78,214	9,05,749
Global Alliance for Improve Nutririon	1,79,30,943	2,78,51,410
CBCI Society For Medical Education	-	1,19,15,568
Business for Social Responsibility-BSR	-	2,21,675
Sponsored Funds-OVC-Nutrition & Others	2,000	16,775
Karnataka State Aids Prevention Society - KSAPS	59,70,680	43,71,992
India HIV/AIDS Alliance	4,28,52,082	4,31,28,330
Karnataka State Rural Livelihood Promotion Society	1,00,58,610	70,61,655
Indegene-TB-Care	12,40,018	24,46,618
MAC-ELCA Cosmetics Pvt Ltd	15,44,770	5,27,660
CBCI Society for Medical Education	47,52,614	18,58,758
Life style International Pvt Ltd	2,12,50,945	1,01,20,303
The India Nutrition Initiative-TINI	7,50,000	-
Sponsored Funds-OVC-Nutrition & Others	1,04,000	91,885
FIND India	1,99,35,357	1,85,31,268
Nutrition Programme-North Karnataka	43,000	7,99,280
Bangalore International Airport Limited (BIAL)	5,39,350	2,31,150
District Health & Family Welfare-Bangalore Urban	-	1,69,000
Healthium Medtech Pvt Ltd	-	25,00,000
Health Systems Transformation Platform	3,00,000	-
World Health Organisation	6,35,600	-
	26,59,80,303	41,93,80,613
Less:		
Refund of Grant Funds		
The India Nutrition Initiative-TINI	2,43,242	-
World Health Organisation	81,655	-
Exchange Fluctuation Income transferred	1,27,169	2,63,431
Grant Utilized transferred to Income & Expenditure Account	24,85,99,988	38,72,95,143
	24,90,52,054	38,75,58,573
Grant Received in Advance	1,69,28,250	3,18,22,039



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, 2020 (Rupees)	As at 31st March, 2019 (Rupees)
Notes forming part of the accounts - Consolidated		
Note 4: Cash and bank balances		
Cash in Hand	1,37,757	2,11,139
Balance with Note Banks		
- in savings accounts	2,10,71,013	8,19,35,891
- in deposit accounts	12,00,00,000	6,50,00,000
	<u>14,12,08,770</u>	<u>14,71,47,030</u>
Note 5: Loans and advances		
Advances recoverable in cash or in kind or for value to be received	75,17,498	35,23,310
TDS receivable	2,17,22,921	1,98,41,168
Deposits	42,82,537	42,17,537
	<u>3,35,22,956</u>	<u>2,75,82,016</u>
Note 6 : Current liabilities		
TDS payable	7,19,860	11,19,108
Sundry creditors	10,64,011	1,01,28,492
Other liabilities	9,63,302	10,31,582
	<u>27,47,173</u>	<u>1,22,79,182</u>
Note 7 : Provisions		
Accruals	13,86,057	5,44,588
	<u>13,86,057</u>	<u>5,44,588</u>



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, 2020 (Rupees)	As at 31st March, 2019 (Rupees)
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Notes forming part of the accounts - Consolidated

Note 8: Interest Income

From Savings Bank Accounts	17,20,081	43,79,870
From Fixed Deposits with Bank	86,92,097	31,82,574
	<u>1,04,12,178</u>	<u>75,62,444</u>

Note 9 : Programme Expenses

-Grants to NGO's	5,22,96,369	8,96,42,096
-Implementation Expenses	12,75,65,741	18,61,60,362
-Training and Capacity Building Expenses	59,64,023	80,24,487
	<u>18,58,26,133</u>	<u>28,38,26,945</u>

Note 10 : Personnel Expenses

Salaries	1,67,83,081	1,54,62,851
PF Employers' Share	9,84,151	47,15,584
Leave Encashment	2,34,566	2,68,247
Leave Travel Allowance	12,56,531	43,15,060
Consultancy Charges	36,93,435	37,34,880
Recruitment Expenses	1,84,786	3,13,523
Gratuity	4,43,066	23,38,929
Insurance-Staff	16,93,807	46,08,402
Overtime Allowance	1,38,779	1,49,017
Relocation Charges-Transfer	1,07,735	-
	<u>2,55,19,937</u>	<u>3,59,06,493</u>



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, 2020 (Rupees)	As at 31st March, 2019 (Rupees)
Note 11 : Administrative and other expenses		
Fixed Assets		
Computers	-	41,99,591
Furniture & Equipments	34,686	23,93,646
Communications		
Courier Charges	1,25,975	3,13,322
Data Card Expenses	7,40,221	9,18,288
Internet Charges	3,60,994	3,07,529
Mobile Charges	7,31,384	9,45,525
Postage & Telegrams	-	4,043
Telephone Charges	1,74,210	1,79,976
Call Conferencing Charges	26,335	35,400
Office Running Expenses		
AMC for Equipments & Others	1,63,285	1,63,285
Bank Charges	15,890	37,604
Books & Periodicals	9,439	89,188
Computer Running Expenses	1,13,798	2,90,337
Electricity/Water /Maintenance Charges	17,23,749	15,26,982
Insurance -Assets	1,39,726	1,33,248
Insurance -Cash	10,845	10,845
Insurance -Others	-	37,276
Office Repairs and Maintenance	9,12,349	7,03,872
Printing & Stationery	5,15,500	7,63,115
Rent-Office	71,16,519	61,71,029
Rent - Others	4,73,319	12,97,354
Software Expenses	6,914	-
Staff Welfare-Tea/coffee/ meal	2,33,629	2,66,145
Website Development & Maintenance	3,02,265	36,739
Registration Fees-Legal & Others	34,627	1,23,956
Other Expenses		
Interest Paid-Income Tax	12,640	270
Interest Paid-Provident Fund	7,36,032	399
Travel Expenses-Staff & Consultants		
Local Conveyance	2,94,573	21,76,422
Travel Expenses-International	1,91,746	4,62,930
Travel Expenses-National-Accommodation	10,02,983	19,10,058
Travel Expenses-National-Air tickets	19,29,017	49,66,862
Travel Expenses-National-Others	26,42,486	11,63,781
Travel Expenses-National-Perdiem	7,27,380	13,96,047
Travel Expenses-National-Train/Bus	4,70,441	7,62,141
Vehicle Expenses		
Vehicle-Insurance	37,132	51,631
Vehicle-Repair & Maintenance	1,64,898	1,27,039
Vehicle Fuel Expenses	2,82,293	4,60,496
Vehicle Hire Charges	9,62,700	17,70,077
Professional Charges-Audit Fees		
Audit Fees-FY-2018-19	-	4,13,000
Audit Fees-FY-2019-20	4,13,000	
Professional Charges		
Professional Fees	5,65,320	5,96,806
	2,43,98,300	3,72,06,254



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. The trust deed was amended on 08th January 2020 and the same was registered with Senior Sub-registrar, Rajajinagar, Bangalore.
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. With respect to USAID project (THALI Project) statement of expenditure has been submitted based on actual outflow.
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. Even



fixed assets which are not funded by projects are utilised towards objective of the trust hence the same has been accounted as application of funds.

8. Expenses towards gratuity and leave encashment have been accounted on payment basis. The provisions of provident fund Act have been complied with.
9. During the year 2019-20, Consultancy charges are paid to one of the Trustee who is also CEO of the trust, amount paid is Rs.25,39,950/-
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 grants received and interest income is accounted as "Receivables"
13. Previous year figures have been regrouped wherever necessary.
14. The Financial Statements are prepared for the period 01.04.2019 to 31.03.2020

For Karnataka Health Promotion Trust



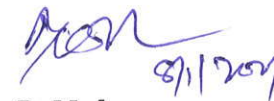
Mohan H L
Chairperson & CEO



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: 21203911AAAAAP2601

