

# GHOSH KHANNA & CO.

CHARTERED ACCOUNTANTS

L-2A, Hauz Khas Enclave, New Delhi-110016, India  
Phones: +91 (011) 2696 2981/82, Fax: +91 (011) 2696 2985  
E-mail: gkc@gkcindia.com website: www.gkcindia.com

**Name of Trust : National HRD Network**

**Registration No. : F/1175/Ahmedabad**

## **AUDITORS' REPORT**

### **THE MEMBERS OF National HRD Network**

#### **Report on the Financial Statements**

1. We have audited the attached Balance Sheet of M/s **National HRD Network (hereafter referred as "NHRDN")** as at March 31, 2019 and the related Income & Expenditure Accounts for the year ended on that date and a summary of significant accounting policies and other explanatory information.

#### **Management's Responsibility for the Financial Statements**

2. Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows. This responsibility includes the design, implementation and maintenance of internal control 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.

#### **Auditors' Responsibility**

3. 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.
4. 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 judgment, 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 Trust 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.



Branch:

5. In our opinion, and to the best of our information and according to the explanations given to us, the accompanying financial statements give the information 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 Trust as at 31st March, 2019 and
- ii) In the case of the Income & Expenditure Accounts, of the Surplus for the year ended on that date.

#### **Report on Other Legal and Regulatory Requirements**

6. On the basis of such checks of the books and records of the Trust as we considered appropriate and according to the information and explanations given to us. We further report that

- i. a. The Trust has maintained proper records to show full particulars including quantitative details and situation of Fixed Assets.
- b. Receipts and disbursements are properly and correctly shown in the accounts.
- c. The Vouchers in custody of the Manager or Trust on the date of the audit were in agreement with the accounts.
- d. All books, deeds, accounts, vouchers or other documents or records required by us were produced before us.
- e. No property of funds of the trust were applied for any object or purpose other than the object or purpose of the trust.
- f. No Money of the public trust has been invested contrary to the provision of sections
- g. There is no alienation of immovable property contrary to provision of section 36.



**Remarks :**

- (1) We have observed that the TDS on income of various chapters have been shown under tax credit statements (Form 26AS) of NHRD. As a result there is a mismatch between TDS as per Form 26 AS and TDS as per books. This may pose problem during income Tax assessment.
- (2) Chapter Balances are subject to reconciliation and confirmation.



Place: Gurugram  
Date: 11<sup>th</sup> June, 2019

**For GHOSH KHANNA & CO.  
Firm Registration No: 003366N  
CHARTERED ACCOUNTANTS**

A handwritten signature in black ink, appearing to read "Deepak Kumar Saxena".

**Deepak Kumar Saxena  
PARTNER  
Membership No. 083561**

**Ghosh Khanna & CO.**  
Chartered Accountants

L- 2A, Hauz Khas Enclave,  
New Delhi – 110016, India  
Phones : + 91(011) 26962981/2

**THE BOMBAY PUBLIC TRUSTS ACT, 1950.**  
"Schedule IX C"  
(Vide Rule 32)

Statement of income liable to contribution for the year ended 31-03-2019

NAME OF THE TRUST: NATIONAL HRD NETWORK

REGISTRATION NO.: F/1175/Ahmedabad.

Name, Address and Phone Number of Trustees to whom submit the Audit Report:

Details of Bank Account:

- 1) HDFC Bank - A/C No. 12021450000182
- 2) ICICI Bank - A/C No. 018301007404
- 3) ICICI Bank - A/C No. 031401005516
- 4) SBI Saving Account (Hydrabad) - A/C No. 10276218022
- 5) SBI Saving Account (Ahmedabad) – A/C No. 10307643098

Bank Account Number relating to transaction of Foreign Contribution of Trust : NIL  
F.C.R.A. No. : NIL

	Amount Rs.	Amount Rs.
<b>Gross Annual Income:</b>		<b>57,925,960/-</b>
Details of income not chargeable to contribution under Section 58 Rule 32		
(i) Donation during the year from any source	This is Public Trust exclusively for the purpose of secular education and therefore income is exempt from contribution vide Rule 32(1) of Bombay Public Trust Rules, 1952.	
(ii) Deleted		
(iii) Grant by Government and Local Authorities		
(iv) Interest Sinking or Depreciation Fund		
(v) Amount spent for the purpose of Education		
(vi) Amount spent for the purpose of Medical Relief		
(vii) Deduction out of income from lands used for agricultural purpose: (a) Land Revenue and Local Fund Cess (b) Rent payable to superior landlord (c) Cost of production, if lands are cultivated by Trust		
(viii) Deduction out of income from lands used for non-agricultural purpose: (a) Assessment, cesses and other Government or Municipal Taxes (b) Ground rent payable to the superior landlord (c) Insurance Premium (d) Repairs 8.1/3 per cent of gross rent of building		



(e)	Cost of collection at 4 per cent of gross rent of building let out		
(ix)	Cost of collection of income or receipt from securities stocks etc. at 1 per cent of such income		
(x)	Deduction on account of repairs in respect of building not rented any yielding on income at 8.1/3 per cent of the estimated gross annual rent.		
<b>Income liable to contribution:</b>			<b>Nil</b>

**For Ghosh Khanna & Co.**  
**Firm Registration No.: 003366N**  
**Chartered Accountants**

*Deepak Kumar Saxena*

**Deepak Kumar Saxena**  
**Partner**  
**Membership No. 083561**

For and on behalf of the Trustee

*Mr. R. Anand*

**Mr. R. Anand**  
**(National Treasurer)**

*Dr. Ritu Niraj Anand*

**Dr. Ritu Niraj Anand**  
**(National Secretary)**



Date : June 11, 2019  
Place : Gurugram

*Mr. Saptarshi Roy*  
**Mr. Saptarshi Roy**  
**(National President)**



**NATIONAL HRD NETWORK**  
Registered Under Bombay Public Trust Act, 1950 [Vide Rule 17(1)] (Reg. No.- F/1175/Ahmedabad)  
Balance Sheet As At 31st March 2019

Figure For Previous Year Rs.	LIABILITIES	Figure For Current Year Rs.	Figure For Previous Year Rs.	ASSETS	Figure For Current Year Rs.
82,234,764	<b>TRUST FUND</b> (As Per Schedule - 1)	82,234,764	40,288,910	<b>FIXED ASSETS</b> (As Per Schedule-4 Attached)	40,991,573
	<b>Earmarked Funds:</b>				
15,620,733	1. Depreciation Fund (As Per Schedule - 4)	17,993,676	23,446,693	<b>ADVANCES:</b> (As Per Schedule - 5)	27,594,648
5,733,097	2. Building Fund	5,733,097			
8,057,570	3. NHRDN Ram Charan Award Fund	8,057,570			
11,329,009	<b>LIABILITIES</b> (As Per Schedule - 3)	12,641,992			
25,393,903	<b>Income and Expenditure Account:</b> (As Per Schedule - 2)	27,613,754	84,633,473	<b>Cash And Bank Balances:</b> (As Per Schedule - 6 )	85,688,632
148,369,076	<b>TOTAL</b>	154,274,853	148,369,076	<b>TOTAL</b>	154,274,853

Statement of Significant Polices As per Schedule 10 attached.

GHOSH KHANNA & CO.  
CHARTERED ACCOUNTANTS  
(F.R. No. 003366N)

*Deepak Kumar Saxena*

Deepak Kumar Saxena  
(Partner)  
Membership No. 083561

Date : June 11, 2019  
Place : Gurugram



*R. Anand*  
Mr. R. Anand  
(National Treasurer)

*Ritu Anand*  
Dr. Ritu Niraj Anand  
(National Secretary)

*Abay*  
Mr. Saplarshi (P)  
(National President)



**NATIONAL HRD NETWORK**  
Registered Under Bombay Public Trust Act, 1950 [Vide Rule 17(1)] (Reg. No.- F/1175/Ahmedabad)  
Income & Expenditure Account For The Year Ended on 31st March 2019

Figure For Previous Year	EXPENDITURE	Figure For Current Year	Figure For Previous Year	INCOME	Figure For Current Year
Rs.		Rs.	Rs.		Rs.
25,504	To Expenses In Respect of Properties			<b>BY INTEREST</b>	
216,622	Rate & Taxes	34,005	432,515	On Bank Account : On S.B A/c.	209,788
825,093	Repairs & Maintenance of Building	337,257	383,401	On LT. Refund	
	Depreciation on Building	808,380	4,778,845	On Bank - Fixed Deposit	5,515,397
80,000	Internal Audit Fees	80,000			
100,000	Statutory Audit Fees	130,000	36,291,227	Income from Operations (As Per Schedule - 7)	51,850,394
5,202	TDS Written off	-			
1,886,580	Depreciation on Other assets	1,564,563		<b>Other Income (As Per Schedule - 8)</b>	
10,561	Services Tax S. B. Cess	-	248,331		350,381
35,403,896	Expenditure on Object of the Trust (A) EDUCATIONAL : (As Per Schedule - 9)	52,761,904			
3,580,862	Amount Transferred to Reserve or Specific Fund :	2,219,851			
42,134,319	<b>TOTAL</b>	57,925,960	42,134,319	<b>TOTAL</b>	57,925,960

Statement of Significant Policies As per Schedule 10 attached.

**GHOSH KHANNA & CO.**  
CHARTERED ACCOUNTANTS  
(F.R. No. 003366N)

*Deepak*

Deepak Kumar Saxena  
(Partner)  
Membership No. 083561

Date : June 11, 2019  
Place : Gurugram



*Mr. B. Anand*  
Mr. B. Anand  
(National Treasurer)

*Ritu Anand*  
Dr. Ritu Niraj Anand  
(National Secretary)



*Mr. Saptarshi*  
Mr. Saptarshi Roy  
(National President)

**NATIONAL HRD NETWORK  
SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31st MARCH 2019**

**SCHEDULE - 1  
TRUST FUND**

Figure For Previous Year	PARTICULARS	Figure For Current Year
Rs.		Rs.
74,806,329	Surplus as per Last B/S.	74,806,329
<b>74,806,329</b>	<b>SUB TOTAL :</b>	<b>74,806,329</b>
5,833,216	Life Membership Fees	5,833,216
1,519,219	Permanent Institutional Membership Fees	1,519,219
76,000	HRD NL Life Time Subscription	76,000
<b>82,234,764</b>	<b>TOTAL :</b>	<b>82,234,764</b>

**SCHEDULE - 2  
Income and Expenditure Account:**

Figure For Previous Year	PARTICULARS	Figure For Current Year
Rs.		Rs.
21,813,041	Balance as per Last Balance Sheet	25,393,903
3,580,862	<u>Add :</u> Surplus As per Income & Expenditure Account	2,219,851
<b>25,393,903</b>	<b>TOTAL :</b>	<b>27,613,754</b>

**SCHEDULE - 3  
LIABILITIES**

Figure For Previous Year	PARTICULARS	Figure For Current Year
Rs.		Rs.
7,438,727	Payables to Chapter	5,012,331
2,227,436	Payables to Others	3,176,906
357,062	Prepaid Membership Income	411,539
480,014	TDS Payable	1,109,026
825,770	Trade Creditors	2,932,189
<b>11,329,009</b>	<b>TOTAL :</b>	<b>12,641,992</b>





**NATIONAL HRD NETWORK**  
**SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31st MARCH 2019**

**SCHEDULE - 5**  
**ADVANCES**

Figure For Previous Year	PARTICULARS	Figure For Current Year
Rs.		Rs.
9,492,437	Advances to Chapters	7,529,282
139,156	Advances to Creditors	273,940
781,524	Interest accrued on FD	502,645
83,824	Pre Paid Expense	81,740
495,013	GST Receivable	703,183
6,335,118	Tax Deducted At Source	9,573,078
6,061,315	Trade Receivable	8,872,474
25,306	Electricity Deposit	25,306
32,000	Maintenance Deposit (Office Building)	32,000
1,000	Telephone Deposit Tata Indicom DSL	1,000
<b>23,446,693</b>	<b>TOTAL :</b>	<b>27,594,648</b>

**SCHEDULE - 6**  
**CASH & BANK BALANCES**

Figure For Previous Year	PARTICULARS	Figure For Current Year
Rs.		Rs.
11,648	Cash in Hand	2,995
4,916,918	Balance with banks	2,518,406
79,704,907	Fixed Deposits with Bank	83,167,231
<b>84,633,473</b>	<b>TOTAL :</b>	<b>85,688,632</b>



**NATIONAL HRD NETWORK**  
**SCHEDULES FORMING PART OF INCOME & EXPENDITURE A/C**  
**YEAR ENDED 31st MARCH 2019**

**SCHEDULE - 7**  
**INCOME FROM OPERATIONS**

Figure For Previous Year	PARTICULARS	Figure For Current Year
Rs.		Rs.
35,535,136	Learning Centre Income	51,156,010
	<b>Corporate Member Ship Income</b>	
24,000	Institutional Annual - MSME (1 Year )	38,000
387,500	Institutional Silver (1 Year )	162,500
-	Institutional Gold (1 Year )	75,000
	<b>Individual Member Ship Income</b>	
16,740	Annual Student (1 Year)	20,880
246,960	Individual Annual (1 Year)	262,081
38,386	Individual Silver (3 Years)	65,964
42,505	Individual Gold (5 Year)	69,959
<b>36,291,227</b>	<b>TOTAL :</b>	<b>51,850,394</b>

**SCHEDULE-8**  
**OTHER INCOME**

Figure For Previous Year	PARTICULARS	Figure For Current Year
Rs.		
240,000	Rent Income	340,000
8,331	Other Income	10,381
<b>248,331</b>	<b>TOTAL :</b>	<b>350,381</b>

**SCHEDULE - 9**  
**EDUCATIONAL EXPENSES**

Figure For Previous Year	PARTICULARS	Figure For Current Year
Rs.		Rs.
24,763,348	Learning Centre Expenses ( Refer Schedule 9.1 )	41,197,342
1,267,831	Membership Expenses	1,357,766
120,362	NHRD Journal Publication	140,081
9,252,355	Corporate Expense ( Refer Schedule 9.2 )	10,066,715
<b>35,403,896</b>	<b>TOTAL :</b>	<b>52,761,904</b>



**NATIONAL HRD NETWORK  
SCHEDULES FORMING PART OF INCOME & EXPENDITURE A/C  
YEAR ENDED 31st MARCH 2019**

**SCHEDULE - 9.1  
LEARNING CENTRE EXPENSES**

<b>Figure For Previous Year</b>	<b>PARTICULARS</b>	<b>Figure For Current Year</b>
<b>Rs.</b>		<b>Rs.</b>
1,482,834	Conveyance & Travelling Expenses	1,618,192
174,434	Postage & Courier Expenses	89,593
5,077,989	Salary Expenses	5,284,144
458,096	Stationary & Printing Expenses	633,773
-	Advertisement Expenses	150,000
816,556	Backdrop AV	1,077,522
9,567,027	Venue & catering expenses	8,751,011
7,186,412	Program Expenses	23,593,107
<b>24,763,348</b>	<b>TOTAL :</b>	<b>41,197,342</b>

**SCHEDULE - 9.2  
CORPORATE EXPENSES**

<b>Figure For Previous Year</b>	<b>PARTICULARS</b>	<b>Figure For Current Year</b>
<b>Rs.</b>		<b>Rs.</b>
5,340,869	Salary Expenses	6,367,999
49,405	Computer Expenses	50,866
374,237	Electricity Expenses	367,004
135,606	Expense Made by Hyderabad Office	149,160
444,819	Internet Charges	329,030
32,148	Interest	21,284
45,000	Membership & Subscription	10,000
106,396	Diwali Expenses	96,050
300,854	Office Expenses	346,283
38,098	Printing & Stationery Expenses	23,533
51,820	Parking Expenses	50,336
1,784,940	Website, Server & Social Media Expenses	1,683,935
228,925	Staff Insurance	236,189
192,029	Staff Welfare	169,483
69,768	Telephone Expenses	76,978
56,363	Bank Charges	88,204
1,078	Misc. Exp	380
<b>9,252,355</b>	<b>TOTAL :</b>	<b>10,066,715</b>



NATIONAL HRD NETWORK  
SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31st MARCH 2019

SCHEDULE - 4

ASSETS	Dep. Rate	GROSS BLOCK (AT COST)					DEPRECIATION				NET BLOCK	
		As at 01/04/2018	Addition During the Year		Sold During The Year	As at 31/03/2019	As at 01/04/2018	Provided During the Year	Adjustment for the Year	As at 31/03/2019	As at 31/03/2019	As at 31/03/2018
			Before 30/09/2018	After 01/10/2018								
Land Development	0	1,145,453	-	-	-	1,145,453	-	-	-	-	1,145,453	1,145,453
Office Premises (5%)	5	1,626,104	-	-	-	1,626,104	463,639	58,122	-	521,781	1,104,323	1,162,445
Office Equipment (10%)	10	331,429	-	70,298	-	401,727	128,022	23,856	-	151,878	249,849	203,407
Furniture & Fixtures (10%)	10	1,024,358	69,286	-	-	1,093,644	622,148	47,170	-	669,318	424,527	402,410
NHRD New Website (20%)	20	1,958,685	-	-	-	1,958,685	1,316,863	128,364	-	1,445,227	513,458	641,822
NHRD Journal -Website (20%)	20	-	-	500,000	-	500,000	-	50,000	-	50,000	450,000	-
NHRD Agora New Website (20%)	20	3,282,241	-	-	-	3,282,241	1,038,651	448,718	-	1,487,369	1,794,872	2,243,590
NHRD HRSCAPE New Website (20%)	20	4,148,792	-	-	-	4,148,792	1,137,662	602,226	-	1,739,888	2,408,904	3,011,130
Computer, Printer (40%)	40	1,702,538	63,079	-	-	1,765,617	1,373,341	156,910	-	1,530,251	235,366	329,197
Learning House Gurgaon (5%)	5	23,887,262	-	-	-	23,887,262	9,143,737	737,176	-	9,880,913	14,006,349	14,743,525
Compound Wall (5%)	5	414,600	-	-	-	414,600	152,980	13,081	-	166,061	248,539	261,620
Mobile	40	33,248	-	-	-	33,248	20,329	5,308	-	25,437	7,811	13,019
NHRDN Mobile App	20	734,000	-	-	-	734,000	223,441	102,112	-	325,553	408,447	510,559
<b>Total</b>		<b>40,288,910</b>	<b>132,365</b>	<b>570,298</b>	<b>-</b>	<b>40,991,573</b>	<b>15,620,733</b>	<b>2,372,943</b>	<b>-</b>	<b>17,993,676</b>	<b>22,997,897</b>	<b>24,668,177</b>



**Name of Trust : National HRD Network**

**Registration No. : F/1175/Ahmedabad**

**NATIONAL HRD NETWORK**

**SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31st MARCH 2019**

**SCHEDULE-10**

Significant Accounting Policies:

**1. BASIS OF PREPARATION OF ACCOUNTS**

These financial statements are prepared on an accrual basis, under historical cost convention and in compliance in all material aspects with the applicable accounting principles in India, the applicable accounting standards notified by the Institute of Chartered Accountants of India.

**2. 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 for the years presented. Actual results may differ from those estimates.

**3. Fixed assets and depreciation/ amortization**

Fixed Assets are stated at acquisition cost except where they are taken over pursuant to an acquisition at a consolidated price. Individual fixed assets taken over pursuant to acquisition are recorded at their fair value on the date of acquisition based on valuation carried out by independent valuers.

Depreciation is provided for on written down value method as per Income Tax Rules 1962 at following rates.

Item	Rate
Building	5%
Office Equipments	10%
Furniture & Fixtures	10%
Computers	40%
Intangible Assets	20%



#### **4. Revenue Recognition**

Affiliation fee, news letter, advertisement, life membership fee, HR Talk Fee, Webinar Fee, Program Fee and share of chapter expenses are accounted for on accrual basis when there is reasonable certainty to receive the same.

Interest on deployment of surplus fund is recognized using the time-proportion method, based on interest rates implicit in the transaction based on reasonable certainty of receipt.

Share of surplus of regional conference/ symposium is treated as revenue receipt and is accounted for on cash basis.

During current financial year 21<sup>st</sup> National Conference operations duly handled by National HRD Network (NHRDN). So national conference receipts are taken in core operations of NHRDN (Refer Leadership Team Meeting).

#### **5. Investments**

Long-term investments are carried at cost less any other temporary diminution in value, determined separately for each individual investment. Current Investment are carried at lower of cost and fair value.

#### **6. Employee Benefits**

Salary & other Benefits are accounted for on accrual basis.

#### **7. Taxation**

NHRD is governed by the provision of section 11, 12 and 13 of the Income Tax Act, 1961. Whereby, if NHRD spends 85% of its annual income towards its objects, it is not subjected to the Income Tax.

8. Previous year figures have been reclassified to conform the current year classification.

