

UMAMAHESWARA RAO & CO.
CHARTERED ACCOUNTANTS

PARTNERS

V. UMAMAHESWARA RAO B.Sc., F.C.A.,
K. V. RAMANA B.Com., F.C.A.,
G. V. PURNA CHANDRA RAO B.Com., F.C.A.,
RAVI VADLAMANI B.Com., A.C.S., F.C.A.,
AMARA V. B. RAO B.Com., A.I.C.W.A., F.C.A.,

G. SIVA RAMA KRISHNA PRASAD B.Com., F.C.A.,
HARI KIRAN VADLAMANI B.Com., F.C.A.,
L. SHYAMA PRASAD B.Com., F.C.A.,
V. JAYARAM PRASAD B.Com., F.C.A.,
S. VENU GOPAL B.Com., A.C.A.,
G. BABU SRIKAR B.Com., F.C.A.,

AUDIT REPORT UNDER SECTION 12A (b) OF THE INCOME-TAX ACT, 1961 IN THE CASE OF
CHARITABLE OR RELIGIOUS TRUSTS OR INSTITUTIONS

We, have examined the Balance Sheet of Institute of Health Systems, Hyderabad as at 31.03.99, the Receipts & Payments Account and Income and Expenditure Account for the year ended on that date which are in agreement with the Books of Accounts maintained by the said institution.

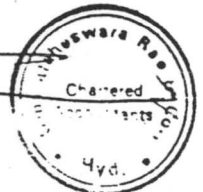
We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of the audit.

In our opinion and to the best of our information, and according to the information given to us, the said Accounts give a true and fair view:-

- i) In the case of the Balance Sheet, of the state of affairs of the above named Institution as at 31.03.99, and
- ii) In the case of the Income and Expenditure Account, of the excess of Expenditure over Income for the period ending 31.03.99

For UMAMAHESWARA RAO & CO
CHARTERED ACCOUNTANTS

(S. VENUGOPAL)
PARTNER



Place : Hyderabad
Date : 15.09.99

HEAD OFFICE
HYDERABAD

101, 102, 103, 104, 105, 106, 107, 108, 109, 110, 111, 112, 113, 114, 115, 116, 117, 118, 119, 120, 121, 122, 123, 124, 125, 126, 127, 128, 129, 130, 131, 132, 133, 134, 135, 136, 137, 138, 139, 140, 141, 142, 143, 144, 145, 146, 147, 148, 149, 150, 151, 152, 153, 154, 155, 156, 157, 158, 159, 160, 161, 162, 163, 164, 165, 166, 167, 168, 169, 170, 171, 172, 173, 174, 175, 176, 177, 178, 179, 180, 181, 182, 183, 184, 185, 186, 187, 188, 189, 190, 191, 192, 193, 194, 195, 196, 197, 198, 199, 200, 201, 202, 203, 204, 205, 206, 207, 208, 209, 210, 211, 212, 213, 214, 215, 216, 217, 218, 219, 220, 221, 222, 223, 224, 225, 226, 227, 228, 229, 230, 231, 232, 233, 234, 235, 236, 237, 238, 239, 240, 241, 242, 243, 244, 245, 246, 247, 248, 249, 250, 251, 252, 253, 254, 255, 256, 257, 258, 259, 260, 261, 262, 263, 264, 265, 266, 267, 268, 269, 270, 271, 272, 273, 274, 275, 276, 277, 278, 279, 280, 281, 282, 283, 284, 285, 286, 287, 288, 289, 290, 291, 292, 293, 294, 295, 296, 297, 298, 299, 300, 301, 302, 303, 304, 305, 306, 307, 308, 309, 310, 311, 312, 313, 314, 315, 316, 317, 318, 319, 320, 321, 322, 323, 324, 325, 326, 327, 328, 329, 330, 331, 332, 333, 334, 335, 336, 337, 338, 339, 340, 341, 342, 343, 344, 345, 346, 347, 348, 349, 350, 351, 352, 353, 354, 355, 356, 357, 358, 359, 360, 361, 362, 363, 364, 365, 366, 367, 368, 369, 370, 371, 372, 373, 374, 375, 376, 377, 378, 379, 380, 381, 382, 383, 384, 385, 386, 387, 388, 389, 390, 391, 392, 393, 394, 395, 396, 397, 398, 399, 400, 401, 402, 403, 404, 405, 406, 407, 408, 409, 410, 411, 412, 413, 414, 415, 416, 417, 418, 419, 420, 421, 422, 423, 424, 425, 426, 427, 428, 429, 430, 431, 432, 433, 434, 435, 436, 437, 438, 439, 440, 441, 442, 443, 444, 445, 446, 447, 448, 449, 450, 451, 452, 453, 454, 455, 456, 457, 458, 459, 460, 461, 462, 463, 464, 465, 466, 467, 468, 469, 470, 471, 472, 473, 474, 475, 476, 477, 478, 479, 480, 481, 482, 483, 484, 485, 486, 487, 488, 489, 490, 491, 492, 493, 494, 495, 496, 497, 498, 499, 500, 501, 502, 503, 504, 505, 506, 507, 508, 509, 510, 511, 512, 513, 514, 515, 516, 517, 518, 519, 520, 521, 522, 523, 524, 525, 526, 527, 528, 529, 530, 531, 532, 533, 534, 535, 536, 537, 538, 539, 540, 541, 542, 543, 544, 545, 546, 547, 548, 549, 550, 551, 552, 553, 554, 555, 556, 557, 558, 559, 560, 561, 562, 563, 564, 565, 566, 567, 568, 569, 570, 571, 572, 573, 574, 575, 576, 577, 578, 579, 580, 581, 582, 583, 584, 585, 586, 587, 588, 589, 590, 591, 592, 593, 594, 595, 596, 597, 598, 599, 600, 601, 602, 603, 604, 605, 606, 607, 608, 609, 610, 611, 612, 613, 614, 615, 616, 617, 618, 619, 620, 621, 622, 623, 624, 625, 626, 627, 628, 629, 630, 631, 632, 633, 634, 635, 636, 637, 638, 639, 640, 641, 642, 643, 644, 645, 646, 647, 648, 649, 650, 651, 652, 653, 654, 655, 656, 657, 658, 659, 660, 661, 662, 663, 664, 665, 666, 667, 668, 669, 670, 671, 672, 673, 674, 675, 676, 677, 678, 679, 680, 681, 682, 683, 684, 685, 686, 687, 688, 689, 690, 691, 692, 693, 694, 695, 696, 697, 698, 699, 700, 701, 702, 703, 704, 705, 706, 707, 708, 709, 710, 711, 712, 713, 714, 715, 716, 717, 718, 719, 720, 721, 722, 723, 724, 725, 726, 727, 728, 729, 730, 731, 732, 733, 734, 735, 736, 737, 738, 739, 740, 741, 742, 743, 744, 745, 746, 747, 748, 749, 750, 751, 752, 753, 754, 755, 756, 757, 758, 759, 760, 761, 762, 763, 764, 765, 766, 767, 768, 769, 770, 771, 772, 773, 774, 775, 776, 777, 778, 779, 780, 781, 782, 783, 784, 785, 786, 787, 788, 789, 790, 791, 792, 793, 794, 795, 796, 797, 798, 799, 800, 801, 802, 803, 804, 805, 806, 807, 808, 809, 810, 811, 812, 813, 814, 815, 816, 817, 818, 819, 820, 821, 822, 823, 824, 825, 826, 827, 828, 829, 830, 831, 832, 833, 834, 835, 836, 837, 838, 839, 840, 841, 842, 843, 844, 845, 846, 847, 848, 849, 850, 851, 852, 853, 854, 855, 856, 857, 858, 859, 860, 861, 862, 863, 864, 865, 866, 867, 868, 869, 870, 871, 872, 873, 874, 875, 876, 877, 878, 879, 880, 881, 882, 883, 884, 885, 886, 887, 888, 889, 890, 891, 892, 893, 894, 895, 896, 897, 898, 899, 900, 901, 902, 903, 904, 905, 906, 907, 908, 909, 910, 911, 912, 913, 914, 915, 916, 917, 918, 919, 920, 921, 922, 923, 924, 925, 926, 927, 928, 929, 930, 931, 932, 933, 934, 935, 936, 937, 938, 939, 940, 941, 942, 943, 944, 945, 946, 947, 948, 949, 950, 951, 952, 953, 954, 955, 956, 957, 958, 959, 960, 961, 962, 963, 964, 965, 966, 967, 968, 969, 970, 971, 972, 973, 974, 975, 976, 977, 978, 979, 980, 981, 982, 983, 984, 985, 986, 987, 988, 989, 990, 991, 992, 993, 994, 995, 996, 997, 998, 999, 1000

BRANCHES
GUNTUR
GUNTUR II
GUDIVADA
CHENNAI


UMAMAHESWARA RAO & CO. Chartered Accountants
101, 102, 103, 104, 105, 106, 107, 108, 109, 110, 111, 112, 113, 114, 115, 116, 117, 118, 119, 120, 121, 122, 123, 124, 125, 126, 127, 128, 129, 130, 131, 132, 133, 134, 135, 136, 137, 138, 139, 140, 141, 142, 143, 144, 145, 146, 147, 148, 149, 150, 151, 152, 153, 154, 155, 156, 157, 158, 159, 160, 161, 162, 163, 164, 165, 166, 167, 168, 169, 170, 171, 172, 173, 174, 175, 176, 177, 178, 179, 180, 181, 182, 183, 184, 185, 186, 187, 188, 189, 190, 191, 192, 193, 194, 195, 196, 197, 198, 199, 200, 201, 202, 203, 204, 205, 206, 207, 208, 209, 210, 211, 212, 213, 214, 215, 216, 217, 218, 219, 220, 221, 222, 223, 224, 225, 226, 227, 228, 229, 230, 231, 232, 233, 234, 235, 236, 237, 238, 239, 240, 241, 242, 243, 244, 245, 246, 247, 248, 249, 250, 251, 252, 253, 254, 255, 256, 257, 258, 259, 260, 261, 262, 263, 264, 265, 266, 267, 268, 269, 270, 271, 272, 273, 274, 275, 276, 277, 278, 279, 280, 281, 282, 283, 284, 285, 286, 287, 288, 289, 290, 291, 292, 293, 294, 295, 296, 297, 298, 299, 300, 301, 302, 303, 304, 305, 306, 307, 308, 309, 310, 311, 312, 313, 314, 315, 316, 317, 318, 319, 320, 321, 322, 323, 324, 325, 326, 327, 328, 329, 330, 331, 332, 333, 334, 335, 336, 337, 338, 339, 340, 341, 342, 343, 344, 345, 346, 347, 348, 349, 350, 351, 352, 353, 354, 355, 356, 357, 358, 359, 360, 361, 362, 363, 364, 365, 366, 367, 368, 369, 370, 371, 372, 373, 374, 375, 376, 377, 378, 379, 380, 381, 382, 383, 384, 385, 386, 387, 388, 389, 390, 391, 392, 393, 394, 395, 396, 397, 398, 399, 400, 401, 402, 403, 404, 405, 406, 407, 408, 409, 410, 411, 412, 413, 414, 415, 416, 417, 418, 419, 420, 421, 422, 423, 424, 425, 426, 427, 428, 429, 430, 431, 432, 433, 434, 435, 436, 437, 438, 439, 440, 441, 442, 443, 444, 445, 446, 447, 448, 449, 450, 451, 452, 453, 454, 455, 456, 457, 458, 459, 460, 461, 462, 463, 464, 465, 466, 467, 468, 469, 470, 471, 472, 473, 474, 475, 476, 477, 478, 479, 480, 481, 482, 483, 484, 485, 486, 487, 488, 489, 490, 491, 492, 493, 494, 495, 496, 497, 498, 499, 500, 501, 502, 503, 504, 505, 506, 507, 508, 509, 510, 511, 512, 513, 514, 515, 516, 517, 518, 519, 520, 521, 522, 523, 524, 525, 526, 527, 528, 529, 530, 531, 532, 533, 534, 535, 536, 537, 538, 539, 540, 541, 542, 543, 544, 545, 546, 547, 548, 549, 550, 551, 552, 553, 554, 555, 556, 557, 558, 559, 560, 561, 562, 563, 564, 565, 566, 567, 568, 569, 570, 571, 572, 573, 574, 575, 576, 577, 578, 579, 580, 581, 582, 583, 584, 585, 586, 587, 588, 589, 590, 591, 592, 593, 594, 595, 596, 597, 598, 599, 600, 601, 602, 603, 604, 605, 606, 607, 608, 609, 610, 611, 612, 613, 614, 615, 616, 617, 618, 619, 620, 621, 622, 623, 624, 625, 626, 627, 628, 629, 630, 631, 632, 633, 634, 635, 636, 637, 638, 639, 640, 641, 642, 643, 644, 645, 646, 647, 648, 649, 650, 651, 652, 653, 654, 655, 656, 657, 658, 659, 660, 661, 662, 663, 664, 665, 666, 667, 668, 669, 670, 671, 672, 673, 674, 675, 676, 677, 678, 679, 680, 681, 682, 683, 684, 685, 686, 687, 688, 689, 690, 691, 692, 693, 694, 695, 696, 697, 698, 699, 700, 701, 702, 703, 704, 705, 706, 707, 708, 709, 710, 711, 712, 713, 714, 715, 716, 717, 718, 719, 720, 721, 722, 723, 724, 725, 726, 727, 728, 729, 730, 731, 732, 733, 734, 735, 736, 737, 738, 739, 740, 741, 742, 743, 744, 745, 746, 747, 748, 749, 750, 751, 752, 753, 754, 755, 756, 757, 758, 759, 760, 761, 762, 763, 764, 765, 766, 767, 768, 769, 770, 771, 772, 773, 774, 775, 776, 777, 778, 779, 780, 781, 782, 783, 784, 785, 786, 787, 788, 789, 790, 791, 792, 793, 794, 795, 796, 797, 798, 799, 800, 801, 802, 803, 804, 805, 806, 807, 808, 809, 810, 811, 812, 813, 814, 815, 816, 817, 818, 819, 820, 821, 822, 823, 824, 825, 826, 827, 828, 829, 830, 831, 832, 833, 834, 835, 836, 837, 838, 839, 840, 841, 842, 843, 844, 845, 846, 847, 848, 849, 850, 851, 852, 853, 854, 855, 856, 857, 858, 859, 860, 861, 862, 863, 864, 865, 866, 867, 868, 869, 870, 871, 872, 873, 874, 875, 876, 877, 878, 879, 880, 881, 882, 883, 884, 885, 886, 887, 888, 889, 890, 891, 892, 893, 894, 895, 896, 897, 898, 899, 900, 901, 902, 903, 904, 905, 906, 907, 908, 909, 910, 911, 912, 913, 914, 915, 916, 917, 918, 919, 920, 921, 922, 923, 924, 925, 926, 927, 928, 929, 930, 931, 932, 933, 934, 935, 936, 937, 938, 939, 940, 941, 942, 943, 944, 945, 946, 947, 948, 949, 950, 951, 952, 953, 954, 955, 956, 957, 958, 959, 960, 961, 962, 963, 964, 965, 966, 967, 968, 969, 970, 971, 972, 973, 974, 975, 976, 977, 978, 979, 980, 981, 982, 983, 984, 985, 986, 987, 988, 989, 990, 991, 992, 993, 994, 995, 996, 997, 998, 999, 1000

INSTITUTE OF HEALTH SYSTEMS, HYDERABAD

BALANCE SHEET AS ON 31.03.1999

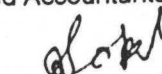
Previous Year Rs.	Liability	Sch.No	Current Year Rs.	Previous Year Rs.	Assets	Sch.No	Current Year Rs.
1122407	Capital Fund: Opening Balance as on 01.04.98 1122407 ADD: Excess of expenditure over Income 96434	IX	1025973	1090674	Fixed Assets: Opening Balance As on 01.04.98 1090674 Add: Additions 608227	XIII	1698901
82802	Corpus Fund		120855	21000	Deposits: Telephone Deposit 38400 Bank Deposit 15853 Rent Deposit 72522		
167204	Terminal Benefit Fund		177997	21000	Recoverable from Donor Agencies 225932 Advance for General Expenses 257 Advance for Travelling Exps. 8000		
17000	Life Membership Fees P H C R A/C		19000				
239604	Donor Agencies Account	X	119400				
27217	Outstanding Expenses	XI	274000				
	Other Liabilities	XII	232674				
	Modi Xerox A/c		65447	3136	Cash on Hand 107		
			38683	520424	Cash at Banks 14057	XV	
1656234	Total		2074029	1656234	Total		2074029

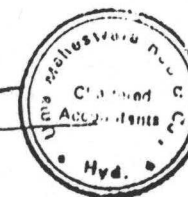
For Institute of Health Systems


(Dr Mahaptra)
Director

Place: Hyderabad
Date: 20.09.1999

For Umamaheswara Rao & Co.,
Chartered Accountants

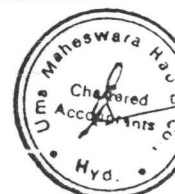

(S. Venu Gopal)
Partner



INSTITUTE OF HEALTH SYSTEMS, HYDERABAD


INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31.03.99

Previous Year Rs.	Expenditure	Current Year Rs.	Previous Year Rs.	Income	Current Year Rs.
				By Funds Received:	
5362	To Library Expenses	1000	0	Cause of Death	14200
12000	To Auditors Remuneration	15000	0	Environment Projection & Training Research Institute	25000
5025	To Travelling Expenses	6443	0	Managing Primary Health Care in Remote Areas	13142
0	To Postage and Telegrams	1368	0	National Institute of Small Scale Inds. & Extn. Training	35700
174283	To Salaries	100986	0	Smart use of Computers by Executives	197877
2075	To Xerox Charges	10809		By Other Income	
10500	To Rent	26044	50	Expenses Reimbursed	-
10022	To Local Travel Expenses	3585	410	NewsPapers & Periodicals	-
1879	To E-Mail Charges		3986	Misceilaneous Income	-
2227	To Computer Maintenance	14990	12068	By Bank Interest	6402
555	To Advertisement expenses	7837	8000	By Computer Charges	7500
313	To bank Charges	829	2893	By Exchange Profit	-
0	To Entertainment Expenses	4240	212	By Contributions t/w Working Papers	30102
9170	To Consultancy Fees	10989	4200	By Data Charges	-
4247	To Conference Expenses		10000	By Donations	10000
9427	To Repairs and Maintenance	12876	0	By Member Ship Fee	440
780	To Printing & Stationary	5883	0	Misc., Receipts	590
720	To Subscriptions	7480	215231	By Excess of Expenditure Over Income	96434
2376	To Telephone expenses	17549			
970	To General Expenses				
0	To Conveyance	13950			
4686	To Office Expenses	32481			
325	To Computer Expenses				



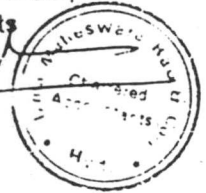
0	To Arears of P F	67646			
0	To Electrical Expenses	32889			
0	To Interest Paid	9162			
0	To Misc.Expenses	9899			
23	To News Paper & Periodicals	5066			
0	To Provident Fund Paid	18386			
256965	Total	437387	257050		437387

For Institute of Health Systems


(Dr. Mahapatra)
Director

For Umamaheswara Rao & Co.,
Chartered Accountants


(S. Venu Gopal)
Partner



Place: Hyderabad
Date: 20.09.1999

INSTITUTE OF HEALTH SYSTEMS, HYDERABAD

Receipts and Payments Account for the Year Ended 31.03.99

Previous Year Rs.	RECEIPTS	Sch.No	Current Year Rs.	Previous Year Rs.	PAYMENTS	Sch No.	Current Year Rs.
17949	Cash in Hand		3136				
381562	Cash at Bank		520424				
	Funds Received						
599266	Over Seas		0	410467	A) Projects:	III	236572
305100	Local	I	1440625		Towards Mc Arthur Foundation Project		
0	Life Membership Fees		2000		Project - an Enquiry into the Quality		
26100	Interest Received		11875		of Reproductive health care provided at		
10000	Donations		10000		Private hospitals and Nursing homes and		
4200	Data Charges		7500		Women's Perception in Andhra Pradesh		
410	News papers & Periodicals		0				
212	Contribution T/W working papers		30102	55000	Towards APVVP Project - Harvard	IV	14148
4036	Reimbursements of expenses		0		Hospital Autonomy in India- The Experience		
500	Staff Advance Refunded		0		of APVVP Hospitals		
30985	Advance for General Exps Refund		0				
0	Miscellaneous receipts		590	51367	Towards APVVP Project-Local		0
0	Rent deposit received		21000		An Enquiry Into Hospital Performance		
					Indicators Exploratory Study of Karimnagar		
					District Hospitals		
0	Other Receipts	II	665900				
0	Professional Tax Recovery		1200	1798	Towards ITDA Project-Paderu :		0
0	G P F Recovered		3566		Baseline Survey of Health Status in ITDA		
0	H B A Const Advance Recover		1666		Paderu		
0	H B A Repairs Advance Recover		2750	34002	Towards Family Welfare Project		0
0	House Rent Gen. Pool Accod.		192		Performance, Acceptability and Quality of		
0	Personal Computer Advance		670		Family Welfare Practices in Andhra Pradesh		
0	Motor Car Advance		1600	22378	Towards Action Aid India Project		0
					People's Perception towards Directly		
0	T D S Recoveries		1167				
0	MemberShip Fee		440		Administered Anti Tuberculosis Treatment		
0	Terminal Benefit Fund		10793		Programme.		
					Towards Bharat Vidya Vignan Samithi		




0	Corpus Fund		22200	11149	Family Health Survey in Nellore District		0
0	P F Recovery		54784				
					APFRHS - APVVP		
				0	Andhra Pradesh First Referral Health System Project - Work shop on Private Health Sector, AP	V	331625
					NAANDI Foundation Systems Development - EDP	VI	205000
				0	APFRHS - APVVP Andhra Pradesh Vydhana Parishad Periodical analysis and Hospital performance indicators	VII	630000
				0	Local Burden of Disease to estimate the burden of disease for Andhra Pradesh	VIII	220289
				0	MPHCR Work Shop Managing Primary Health Care in remote areas		259458
				0	S U C Work Shop Smart Use of Computers by Executives		1123
					B).General		
				0	Advances for Expenses		257
				8000	Advances to Staff		0
				555	Advertisement Expenses		7837
				0	Arrears of Provident Fund		67646
				12000	Audit Fees		12000
				513	Bank Charges		829
				2227	Computer Maintenance		14990
				0	Computer Hardware		78687
				9170	Consultancy Fees		15822
				0	Conveyance Account		2585
				0	Electrical Expenses		32889
				1879	E-Mail charges		0
				0	Entertainment Expenses		4240
				0	EPABX		54279




				0 Furniture and Fittings	63925	
				85 Interest paid	9162	
				0 Library Books	17685	
				4516 Library Expenses	1000	
				9796 Local Travelling expenses	3585	
				970 Miscellaneous expenses	9899	
				23 News papers & Periodicals	5066	
				4687 Office Equipment	45337	
				0 Office Expenses	32480	
				0 Postage & Telegrams	1368	
				779 Printing & Stationary	10348	
				0 Provident Fund	20534	
				10500 Rent	44196	
				0 Rent Deposit	72522	
				9427 Repairs & Maintenance	12876	
				181028 Salaries	129773	
				720 Subscription	7480	
				0 Telephone Deposit	17400	
				2376 Telephone expenses	79852	
				0 Travelling advances	8000	
				5025 Travelling expenses	6443	
				76 Xerox Charges Account	10809	
				2000 Vehicles	0	
				4247 Conference Expenses	0	
				0 Cash Balances	0	
				3136 Cash on Hand	107	
				520424 Balance at Bank	14057	
1380320	Total		2814180	1380320	Total	2814180

For Institute of Health Systems


(Dr Mahapatra)
Director

For Umamaheswara Rao & Co.,
Chartered Accountants


(S. Venu Gopal)
Partner

Place: Hyderabad
Date: 20.09.1999