

# M. Sambasiva Rao & Co.

Chartered Accountants

#67, 1st H Cross, 3rd Main, Sharada Colony, Basaveshwara Nagar, Bangalore - 560079.  
Ph : 23482460, Mob : 98450 57141, Email : msrao\_co@yahoo.com

CA. M. Sambasiva Rao  
BSc. FCA.

## AUDITORS' REPORT

**To the Members of  
HRD Networks - Bangalore Chapter (Regd. Society)  
Bangalore**

We have audited the attached Balance Sheet of **HRD Networks - Bangalore Chapter (Regd. Society)** as at March 31, 2016 and also the Income and Expenditure Account for the year ended as on the date, annexed thereto.

These financial statements are the responsibility of the Management. Our responsibility is to express an opinion on these financial statements based on our audit.

We have conducted our audit in accordance with auditing standards, generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinion. We further report that:

- (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- (b) In our opinion proper books of account have been kept by the society so far as appears from our examination of the books of accounts;
- (c) The Balance Sheet and Income & Expenditure Account dealt with by this report are in agreement with the books of account;
- (d) On the basis of our audit and the accounts read with the Significant Accounting Policies and Notes to accounts forming part of the accounts, We report that:
- (e) In our opinion and to the best of our information and according to the explanations given to us, the accounts give a true and fair view, :-
  - (i) In the case of the Balance Sheet, of the state of affairs of the society as at March 31, 2016;
  - and
  - (ii) In the case of the Income and Expenditure Account, of the excess of Income over Expenditure for the year ended as on that date.

**For M Sambasiva Rao & Co.,**  
Chartered Accountants

**M Sambasiva Rao**  
Proprietor

Membership No. 021858  
Firm No. 003540S  
Bangalore. 15<sup>h</sup> June, 2016





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## Annexure to Audit Report

As per the agreement with the National Chapter and as disclosed in the financial statement. 30% of the Annual Membership Fee and Life Membership fee will be paid to the National Chapter.

**For M Sambasiva Rao & Co.,**  
Chartered Accountants

  
**M Sambasiva Rao**  
Proprietor

Membership No. 021858

Firm No. 003540S

Bangalore. 15<sup>th</sup> June, 2016



## NATIONAL HRD NETWORKS - BANGALORE CHAPTER

### SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS

#### [A] SIGNIFICANT ACCOUNTING POLICIES

1. **Going Concern Concept**

The accounts of the Bangalore Chapter of National HRD Network have been prepared on the Going Concern Concept.

2. **Basis for preparation of financial statements**

The financial statements have been prepared under the historical cost convention in accordance with the Generally Accepted Accounting Principles (GAAP), as adopted consistently by the chapter. All income and expenditure having a material bearing on the financial statement are recognized on an accrual basis.

3. **Revenue Recognition**

The Chapter has been generally following mercantile basis of accounting recognizing income on accrual basis. Annual Membership Fees is being accounted on receipt basis and membership is for a period of one year from the date of receipt of the annual membership fees.

4. **Expenditure**

Expenses are accounted for on an accrual basis and provision is made for all known losses and liabilities. Provision for expenses includes the provision for Audit fee of Rs. 28750.

5. **Investments**

Investments are stated at cost of acquisition and includes interest accrued..

6. **Depreciation**

Depreciation has been provided at the rates prescribed under the income tax rules.

7. **Contingent Liabilities**

No provision has been made for liabilities which are of a contingent nature but, where material, these are disclosed by way of separate note.

#### [B] NOTES TO THE ACCOUNTS

1. **Contingent Liabilities**

- (i) There were no claims against the company that were not acknowledged as debts.
  - (ii) There were no contracts remained to be executed on capital account and were not provided for;
2. Previous year's figures have been regrouped to corresponding to the groupings this year.

For M. SAMBA SIVA RAO & CO.  
CHARTERED ACCOUNTANTS



Proprietor