

M. Sambasiva Rao & Co.

CHARTERED ACCOUNTANTS

35, 3rd Floor, Balaji Silk Complex, Annadanappa Lane, Avenue Road, Bangalore - 560 002.

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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, 2014 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, 2014;
 - 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. 9th June, 2014

M. Sambasiva Rao & Co.

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Annexure to Audit Report

1. During the financial year the Chapter got registered under the Service tax Act, and as per the information given, according to the directive of the National Chapter Service tax liability was calculated in accordance with the VECS 2013 Scheme of Service tax, from October 2007 till December 2012 and 50% of the same amounting to Rs. 8, 35,089/- was paid out of the Reserves.

However no provision was made with respect to the balance 50% of the amount which was payable by 30th June 2014 as the national chapter has agreed to undertake this Liability.

2. 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. 9th June, 2014