

# PROVIDENT WELWORTH CITY APARTMENT OWNERS ASSOCIATION

Doddaballpur Road, Marasandra, Bengaluru North -562163

president@welworthcity.com  
secretary@welworthcity.com

treasurer@welworthcity.com

Ref.....

Date : .....

14<sup>th</sup> October 2017

Dear Owners,

I find attached herewith the independent audit report and financial statements for the year 2016 – 2017, audited by M/s. Lakshmi Kantha Rao & Co. the auditors appointed by the first Board of Managers in October 2016.

The responsibility for completing the audit and submitting the report rested with the previous Board of Managers. Since they had not completed it, the current Board of Managers had taken up the task and got it done, as per the records available in the Association Office.

Queries, if any, should be sent by email to the following id:

[queriesonaudit@gmail.com](mailto:queriesonaudit@gmail.com)

These queries will be answered by a panel consisting of the previous and current Board of Managers. This mailbox will be operational for two months.

Regards,



President



Secretary



## **Significant Accounting Policies**

### **1. Basis of accounting and preparation of financial statement**

The Financial Statements have been prepared Under The Historical cost Convention on a Mixed accounting Basis and in accordance with Generally Accepted Accounting principles in India.

The said Financial Statements Comply with the mandatory Accounting standards to the extent they are applicable

### **2. Depreciation and amortisation**

Since this is first year of Activities for the Association , Depreciation is provided on the basis of usage of asset during the year.

### **3. First Year Activities**

As this is the first year of Activity for the Association , hence the Previous year figures cannot be provided in the Financial Statements.

### **4. Regrouping of Accounts**

The Accounts have been suitably Regrouped to convey better meaning in the Financial Statement wherever required.

### **5. Figures are rounded off to nearest Rupee.**



**M/s Provident Welworthcity Apartment Owners Association**

Doddabalapur Road,

Marsandra,

Bangalore - 561203

**RECEIPTS AND PAYMENTS ACCOUNTS AS ON 31-03-2017**

<u>RECEIPTS</u>	<u>AMOUNT. Rs</u>	<u>AMOUNT. Rs</u>	<u>PAYMENTS</u>	<u>AMOUNT. Rs</u>	<u>AMOUNT. Rs</u>
<u>Opening Balance</u>					2,82,888.50
Cash and Bank		0	Auto Gate Opner	1,64,131.50	
			Notice Boards	64,441.00	
		3,39,70,825.00	Software	15,400.00	
Dues Collected From Apmt. Owners towards maintenance	2,03,82,495.00		Computer and printer	38,916.00	
Dues Collected From Apmt. Owners towards capital expenditure fund	1,35,88,330.00		Advance against Purchases		67,981.00
			S S white	32,981.00	
		8,99,049.00	Lakshmipathy balaji	35,000.00	
Events Booking	20,000.00				
Ownership Transfer fees	20,000.00				
Parking Sticker Charges	5,800.00				2,99,29,747.50
Party Hall Charges	2,22,401.00		Legal and Concultation fee	75,000.00	
Penalty Charges	9,000.00		Bank Charges	19,304.61	
Rental Income	2,53,848.00		Board meeting	14,361.00	
Shifting Charges	1,87,000.00		Diesel expenness	9,44,182.52	
Work Permit fees	1,81,000.00		Drinking Water Expenses	49,925.00	
			Electricity common area	84,42,042.00	
			Facility Management expenses	79,06,521.00	
			General body meeeting expenses	38,100.00	
			Labour Charges	54,210.00	
			Legal Fee	1,13,315.75	
			Maintenance - Civil	2,00,254.00	
			Maintenance - Cleaning	1,64,835.00	
			Maintenance - Electricals	4,16,502.00	

*(Signature)*

*(Signature)*  
24/09/17

*R. Sanjivani*

*(Signature)*  
24/09/17  
Contd.

		Maintenance - Garbage	3,76,700.00	
		Maintenance - Garden Area	49,847.00	
		Maintenance - Genset	75,742.00	
		Maintenance - Lift/Elevators	29,86,466.00	
		Maintenance - Painting	33,468.00	
		Maintenance - pest control	1,48,000.00	
		Maintenance - Play Area	22,800.00	
		Maintenance - Plumbing	1,08,718.00	
		security staff expenses	53,97,006.00	
		Maintenance S.T.P.	11,41,152.87	
		Maintenance - Swimming Pool	39,793.75	
		Maintenance - Water Treatment Plant	7,51,848.00	
		Misc. Expenses	56,022.00	
		Printing & Stationery	62,278.00	
		Tanker water expeness	2,04,400.00	
		Transportation charges	36,953.00	
		Closing Balance		45,89,257.00
		Bank Balance with SBI	45,48,976.00	
		Cash-in-hand	40,281.00	
Total	3,48,69,874.00	Total		3,48,69,874.00

As per My Audit Report and Notes of even date duly annexed.

President 14/10/14

Secretary

29/09/17

Treasurer

f. for m/s

J L Kantha Rao  
M/s Lakshmi Kantha rao and co  
Chartered  
Accountants

J L Kantha Rao  
29/09/17





CA J.L. Kantha Rao B.Com, LL.B, F.C.A.

**M/s. Lakshmi Kantha Rao & Co.**  
CHARTERED ACCOUNTANTS

Continue Pages.....

**INDEPENDENT AUDITOR'S REPORT**

To the Members of M/s Provident Welworthcity Apartment Owners Association  
Doddaballapur Road, Marsandra  
Bengaluru - 561203

**Report on the Financial Statements**

We have reviewed the accompanying Financial Statements of **M/s Provident Welworthcity Apartment Owners Association** having its office at Doddaballapur Road, Marsandra Bengaluru-561203 which comprise of the Balance Sheet as at March 31, 2017, and the Income and Expenditure Account and Receipts and Payments Account for the year then ended.

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

Management is responsible for the preparation of these Financial Statements in accordance with Applicable Financial Reporting Framework. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of the Financial Statements that are free from material misstatement, whether due to fraud or error.

***Auditor's Responsibility***

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.

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 Association's 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In view of present difficulties in reconciling the correct payments by the Apartment Owners, we state that the onus is upon the Members & Accounts department to ensure their balances are correct.

The Accounts of M/s Provident Housing Limited as a Builder cum Developer of the Property for the Accounts before 1/04/2016 And the Accounts of M/s Provident Housing Limited as an Apartment Owner of Unsold flats is yet to be reconciled.



CA J.L. Kantha Rao B.Com, LL.B, F.C.A.

**M/s. Lakshmi Kantha Rao & Co.**  
CHARTERED ACCOUNTANTS

Continue Pages.....

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us by the management, the Financial Statements of M/s Provident Welworthcity Apartment Owners Association, comprising Balance Sheet as at 31st March 2017 and the Income and Expenditure Account and Receipts and Payments Account 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:

- a) In the case of the Balance Sheet, of the state of affairs of the Association as at 31st March 2017;
- b) In the case of the Income and Expenditure, of the excess of expenditure over income for the year ended on that date
- c) In the case of the Receipts and Payments Accounts, of the receipts and payments for the year ended on that date.

Place: Bangalore

Date : 29/01/17

For M/s. LAKSHMI KANTHA RAO & CO.  
CHARTERED ACCOUNTANTS

Proprietor

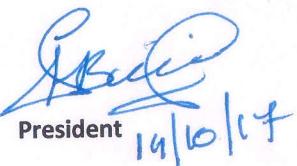


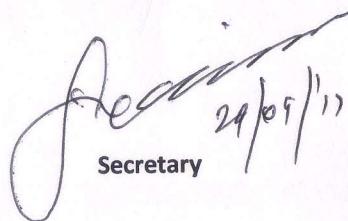
**M/s Provident Welworthcity Apartment Owners Association**  
**Doddabalapur Road,**  
**Marsandra,**  
**Bangalore - 561203**

**BALANCE SHEET AS ON 31-03-2017**

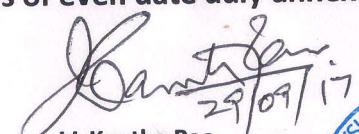
<u>LIABILITIES</u>	<u>AMOUNT . Rs</u>	<u>AMOUNT . Rs</u>	<u>ASSETS</u>	<u>AMOUNT . Rs</u>	<u>AMOUNT . Rs</u>
<b>Capital Account</b>			<b>Fixed Assets</b>		<b>2,63,560.00</b>
Capital expenditure fund	4,03,20,000.00		Auto Gate Opener	1,74,718.00	
<b>Excess of expenditure over income</b>			Computer & Printer	19,843.00	
Current Period	-33,63,494.00		Notice Boards	61,219.00	
		3,69,56,506.00	Software	7,780.00	
			<b>Current Assets</b>		<b>3,32,34,175.00</b>
<b>Current liabilities</b>			Dues collectable from appartment owners	2,16,45,616.00	
Sundry Creditors( schedule -1)		12,05,023.00	Dues collectable from M/s PHL	1,15,88,559.00	
			Advance against purchases	74,537.00	
			Cash-in-hand	40,281.00	
			Bank Accounts	45,48,976.00	
Total		3,81,61,529.00	Total		3,81,61,529.00

As per My Audit Report and Notes of even date duly annexed.

  
**President**  
14/10/17

  
**Secretary**  
29/09/17

  
**Treasurer**

  
**J L Kantha Rao**  
29/09/17  
M/s Lakshmi Kantha Rao and co  
Chartered Accountants  


**M/s Provident Welworthcity Apartment Owners Association**

Doddabalapur Road,

Marsandra,

Bangalore - 561203

**INCOME AND EXPENDITURE ACCOUNT AS ON 31-03-2017**

<b>EXPENDITURE</b>	<b>AMOUNT. Rs</b>	<b>INCOME</b>	<b>AMOUNT. Rs</b>
Audit Fee	40,000.00	Events Booking	20,000.00
Bank Charges	19,304.39	Maintenance Charges (2016-17)	2,68,80,000.00
Board Meeting	14,361.00	Owner Ship Transfer fees	20,000.00
Depreciation	44,081.00	Parking Sticker Charges	5,800.00
Diesel Expenses	9,43,262.50	Party Hall Charges	2,22,401.00
Drinking Water Expenses	62,025.00	Penalty Charges	9,000.00
Electricity - Common Area	84,42,042.00	Rental Income	2,53,848.00
Facility Management expenses	89,34,587.00	Shifting Charges	1,87,000.00
General Body Meeeting expenses	38,100.00	Work Permit fees	1,81,000.00
Labour Charges	54,210.00		
Legal and Consultation fee	2,78,315.75		
Maintenance - Civil	2,02,715.00		
Maintenance - Cleaning	1,64,835.00		
Maintenance - Electricals	4,16,502.00		
Maintenance - Garbage	3,76,700.00		
Maintenance - Garden Area	49,847.00		
Maintenance - Genset	72,846.73		
Maintenance - Lift/Elevators	29,83,725.00		
Maintenance - Painting	33,468.00		
Maintenance - Pest Control	1,48,000.00		
Maintenance - Play Area	22,800.00		
Maintenance - Plumbing	1,09,062.00		
Security staff expenses	53,97,006.00		
Maintenance S.T.P.	11,41,152.88		
Maintenance - Swimming Pool	39,793.75		

cont'd.

Shankar  
14/10/17

Aswath  
24/09/17

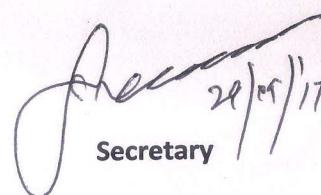
R. Samiak  
k.

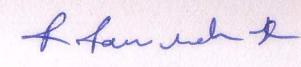
S. Venkatesh

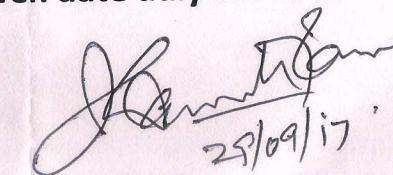
Maintenance -Water Treatment Plant	7,54,148.00		
Misc. Expenses	56,022.00		
Printing & Stationery	62,278.00		
Tanker Water Expenses	2,04,400.00		
Transportation Charges	36,953.00		
		<i>Excess of expenditure over income</i>	33,63,494.00
Total	3,11,42,543.00	Total	3,11,42,543.00

As per My Audit Report and Notes of even date duly annexed.

  
President 14/10/17

  
Secretary 20/09/17

  
Treasurer

  
JL Kantha Rao  
29/09/17

J L Kantha Rao  
M/s LakshmiKantha Rao and co  
Chartered Accountants



M/s Provident Welworthcity Apartment Owners Association

Doddabalapur Road,

Marsandra,

Bangalore - 561203

**Schedule -1 -Sundry Creditors**

SL No	Particulars	Amount Rs
1	Capella and alhena client solution Pvt Ltd.	10,28,066.00
2	Mathru softs	12,100.00
3	Sangam Distributors	344.00
4	Siddhansh Infracon	2,461.00
5	Stale Cheque	5,000.00
6	Thermochem Corporation Pvt Ltd.	2,300.00
7	Oustanding Liabilities	1,30,000.00
8	Trendio Automation	24,752.00
	<b>Total</b>	<b>12,05,023.00</b>

*Sreeji*  
14/10/17

*Anil*  
26/09/17.

*L. han moh t-*

