



SURENDRA K JOSHI & ASSOCIATES CHARTERED ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Members of
ORCHID ISLAND RESIDENTS WELFARE ASSOCIATION (R.W.A)
SECTOR-51, GURUGRAM, HARYANA-122001
Report on the Audit of Financial Statements

Opinion

We have audited the financial statements of **ORCHID ISLAND RESIDENTS WELFARE ASSOCIATION (R.W.A), SECTOR-51, GURUGRAM, HARYANA-122001 ("the Association")**, which comprise the balance sheet as at March 31st 2019, and the profit and loss account for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the entity as at March 31, 2019, and of its financial performance for the year then ended in accordance with the accounting principles generally accepted in India.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) issued by the Institute of Chartered Accountants of India (ICAI). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the entity in accordance with the Code of Ethics issued by ICAI and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the Association in accordance with the accounting principles generally accepted in India. 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.

In preparing the financial statements, management is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Association's financial reporting process.



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**SURENDRA K JOSHI & ASSOCIATES
CHARTERED ACCOUNTANTS**

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

For Surendra K Joshi & Associates
Chartered Accountants
(Firm's Registration No. 033091N)



Signature
(Surendra Kumar Joshi)
(Proprietor)
MN. 402589

Place of Signature: NEW DELHI
Date: 21st AUG'2019
UDIN No.: 19402589AAAAAD9049

Orchid Island Residents Welfare Association
Maintenance Office, Sector-51, Gurugram, Haryana, 122018

Balance Sheet as at 31st March'2019

| Previous Year | Liabilities | Current Year | Previous Year | Assets | Current Year |
|---------------------|---------------------------------------|----------------------|---------------------|---|----------------------|
| | Capital Account | | | Tangible Fixed Assets (Annexure "A") | |
| - | IFMS Charges | 2,060,775.00 | - | Attendance Machine | 5,525.00 |
| 4,439,346.00 | Corpus Fund | 9,770,000.23 | - | Computers | 69,960.00 |
| 109,200.00 | Membership Fees | 824,846.00 | - | Dry Leave Crusher | 16,150.00 |
| | Current Liabilities | | - | Furniture & Fixtures | 48,915.00 |
| - | Duties & Taxes (Annexure "C") | 234,042.32 | 74,150.00 | Office Furniture | 102,557.65 |
| 55,974.00 | Sundry Creditors (Annexure "B") | 2,047,516.95 | - | Printer | 17,759.20 |
| | Advance received from Members | | - | Rickshaw - Vehicle | 39,094.20 |
| - | --Property Transfer Charges | 197,200.00 | | | |
| | --VAT Case Charges | 152,861.66 | | Current Assets | |
| | --Against Montly Maintenance & Elec | 5,266,440.97 | 300,000.00 | Fixed Deposits with Banks (Annexure "E") | 20,100,000.00 |
| 196,289.00 | Provision for Expenses (Annexure "D") | 7,610,101.00 | - | Loans & Advances (Annexure "F") | 102,407.00 |
| - | | | - | Sundry Debtors (Annexure "H") | 7,974,419.69 |
| | | | 31.00 | Cash-in-Hand | 59,115.66 |
| | Profit & Loss A/c | | 4,491,854.10 | Bank Balances (Annexure "G") | 11,983,114.44 |
| (75,539.00) | Opening Balance | 65,226.10 | - | Interest Accrued on Fixed Deposit | 506,600.63 |
| 140,765.10 | Current Period | 12,885,961.44 | - | Advance Tax | 89,353.20 |
| | | | | | |
| 4,866,035.10 | Total | 41,114,971.67 | 4,866,035.10 | Total | 41,114,971.67 |

For Surendra K Joshi & Associates
 Chartered Accountants
 FRN-0330910

CA Surendra Kumar Joshi
 Proprietor
 M.no. 402589

Place :- New Delhi
 Date:- 21st Aug'2019

Orchid Island Residents Welfare Association

Rajinder Kumar
 (President)



Vipin Bhatia
 (Secretary)

Harish Chandra Dua
 (Treasurer)

Orchid Island Residents Welfare Association
Maintenance Office, Sector-51, Gurugram, Haryana, 122018

Income & Expenditure statement for the year ended 31.03.2019

| Previous Year | Particulars | Current Year | Previous Year | Particulars | Current Year |
|---------------|---------------------------------------|---------------|---------------|------------------------------|---------------|
| - | Consulting Expenses | 782,870.00 | - | Canopy/Banner/Stall | 110,300.00 |
| - | Deepawali Expenses | 100,377.00 | - | Electricity Charges | 36,685,284.16 |
| | Republic Day Expenses | 16,513.00 | 762,301.75 | Society Welfare Contribution | 1,000,714.86 |
| - | Payroll Expenses | 3,360,817.00 | - | Gate/Contractor Pass | 4,750.00 |
| - | Repair & Maintenance | 1,646,963.00 | 23,289.00 | Interest on Saving bank a/cs | 419,441.00 |
| - | Accounting Services Charges | 551,700.00 | - | Interest on Fixed deposits | 913,078.44 |
| - | Administrative Expense | 216,000.00 | - | Maintenance Charges | 49,066,830.84 |
| 56,024.00 | Advertisement & Marketing Expenses | 20,155.00 | - | Marketing/Promotion Activity | 38,274.00 |
| 25,000.00 | Audit Fees | 40,000.00 | - | New meter connection fees | 105,000.00 |
| 8,239.00 | Depreciation | 77,388.95 | - | Rent | 11,450.00 |
| - | DG Maintenance Expenses | 122,010.87 | - | Late Fees billed | 779,160.00 |
| - | DHBVN Consultancy Charges | 24,000.00 | 100,000.00 | Receipts from Haryana Govt. | - |
| - | Diesel Expenses | 796,860.00 | | | |
| - | Digital Signature Charges | 800.00 | | | |
| - | Electrical Fixtures-Lamp/Meteres etc. | 321,723.00 | | | |
| 5,000.00 | Electricity Expenses | 37,461,788.00 | | | |
| - | Fogging (Pesticide) Expenses | 46,199.99 | | | |
| 806.00 | Security Expenses | 14,133,295.18 | | | |
| 190.00 | House Keeping Expenses | 7,767,230.66 | | | |
| | Horticulture Expense | 2,183,030.00 | | | |
| - | Insurance Expenses | 49,397.00 | | | |
| - | Kids Play Area | 381,341.20 | | | |
| - | Legal Expenses | 500,000.00 | | | |
| - | Local Conveyance | 4,016.00 | | | |
| 39,197.00 | Meeting & Conference Expenses | 47,190.00 | | | |
| - | Meter Software prepaid Charges | 222,220.00 | | | |
| 24,170.00 | Misc. Expenses | 24,608.33 | | | |
| 31,300.00 | Office Rent & Electricity Expenses | 256,245.04 | | | |
| - | Outsource Salary | 41,300.00 | | | |
| - | Photocopy Charges | 7,717.00 | | | |
| 1,355.00 | Printing & Stationary Expenses | 65,839.50 | | | |
| 62,100.00 | Professional Fees | 290,000.00 | | | |
| - | Rates & Taxes | 3,694,677.85 | | | |
| - | Refill of Fire Extenguisher | 187,780.00 | | | |
| 320,355.00 | Society Welfare Expenses | 84,423.00 | | | |
| 20,709.00 | Staff Welfare Expenses | 69,576.54 | | | |
| - | Tally Software | 16,949.15 | | | |
| 15,559.00 | Telephone Expenses | 59,792.00 | | | |
| - | Transportation / Cartrage Charges | 2,700.00 | | | |
| - | Water & Sewarage Charges | 572,827.60 | | | |
| 521.65 | Bank Charges | - | | | |
| 25,100.00 | Membership Fee Citizen Council | - | | | |
| 249,965.10 | Excess of Income over Expenditure | 12,885,961.44 | | | |
| 885,590.75 | Total | 89,134,283.30 | 885,590.75 | Total | 89,134,283.30 |

For Surendra K. Joshi & Associates
Chartered Accountants
FRN-033097N

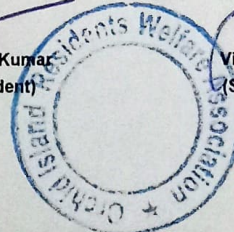
CA Surendra Kumar Joshi
Proprietor
M.no. 407399

Place :- New Delhi
Date:- 21st Aug'2019

Orchid Island Residents Welfare Association

Rajinder Kumar (President) Vipin Bhatia (Secretary)

Harish Chandra Dua (Treasurer)



SCHEDULE OF FIXED ASSETS AS ON 31.03.2019Orchid Island Residents Welfare Association

Maintenance Office, Sector-51, Gurugram, Haryana, 122018

| PARTICULARS | RATE | WDV AS ON ON 01.04.18 | ADDITIONS | | DELETIONS | | BALANCE ON 31.03.19 | DEP. | WDV AS ON 31.03.19 |
|--------------------------------------|------|--------------------------|-------------------|------------------|-------------|-------------|------------------------|-----------------|-----------------------|
| | | | >180 DAYS | <180 DAYS | >180 DAYS | <180 DAYS | | | |
| PLANT & MACHINERY 15% | | | | | | | | | |
| Rickshaw | 15% | - | - | 42,264.00 | - | - | 42,264.00 | 3,169.80 | 39,094.20 |
| Dry Leave Crusher | 15% | - | 19,000.00 | - | - | - | 19,000.00 | 2,850.00 | 16,150.00 |
| OFFICE EQUIPMENT | 15% | - | 6,500.00 | - | - | - | 6,500.00 | 975.00 | 5,525.00 |
| FURNITURE & FIXTURE 10% | | | | | | | | | |
| FURNITURE & FIXTURE 10% | 10% | | 54,350.00 | | - | | 54,350.00 | 5,435.00 | 48,915.00 |
| OFFICE FURNITURE | 10% | 74,150.00 | 31,900.00 | 7,487.00 | - | | 113,537.00 | 10,979.35 | 102,557.65 |
| COMPUTER & PRINTER @ 40 % | | | | | | | | | |
| COMPUTER | 40% | - | 116,600.00 | | - | | 116,600.00 | 46,640.00 | 69,960.00 |
| PRINTER | 40% | - | 11,600.00 | 13,499.00 | - | | 25,099.00 | 7,339.80 | 17,759.20 |
| TOTAL AMOUNT | | 74,150.00 | 239,950.00 | 63,250.00 | 0.00 | 0.00 | 377,350.00 | 77388.95 | 299961.05 |

For Surendra K Joshi & Associates

Chartered Accountants

FRN-033091N

CA Surendra Kumar Joshi
Proprietor
M.no. 402589

Orchid Island Residents Welfare Association

Rajinder Kumar
(President)

Vipin Bhatia
(Secretary)

Harish Chandra Dua
(Treasurer)

Place :- New Delhi

Date:- 21st Aug'2019

Orchid Island Residents Welfare Association

Maintenance Office, Sector-51, Gurugram, Haryana, 122018

ANNEXURE "B"

Sundry Creditors

As on 31st March 2019

| S.No. | Particulars | Amount (Rs.)-Debit | Amount (Rs.)-Credit |
|-------|---|--------------------|---------------------|
| 1 | Bagga Traders | | 885 |
| 2 | Bansal Plastic | | 3,734 |
| 3 | Bejul Khan | | 11,100 |
| 4 | Concept Deesign Technology | | 500 |
| 5 | Deva Ram Harish Kumar | | 24,897 |
| 6 | Link Solution | | 16,520 |
| 7 | Mohan Services | | 314,427 |
| 8 | Om Management Services | | 3,304 |
| 9 | Rentokil Initial | | 53,592 |
| 10 | Resterra Technologies Pvt. Ltd. | | 6,900 |
| 11 | SLV Security Services Pvt. Ltd. | | 673 |
| 12 | SRM Facility Management Pvt. Ltd. | | 1,356,424 |
| 13 | Surya Electric & Machinery Store | | 2,600 |
| 14 | Tuskers Facility & Property Management PVT. LTD | | 250,718 |
| 15 | V.J. Super Mart | | 1,243 |
| | Grand Total | - | 2,047,517 |

ANNEXURE "C"

Taxes Payable

As on 31st March 2019

| S.No. | Particulars | Amount (Rs.)-Debit | Amount (Rs.)-Credit |
|-------|-------------------------------------|--------------------|---------------------|
| 1 | Administrative Charges Payable | | 1,432 |
| 2 | Employee Medicalim Payable | | 114,374 |
| 3 | IGST_Payable | | 7,627 |
| 4 | P.F. Employee Contribution Payable | | 15,395 |
| 5 | P.F. Employers Contribution Payable | | 15,395 |
| 6 | Tds Payable Contractor | | 79,819 |
| | Grand Total | - | 234,042 |

| S.No. | Particulars | Amount (Rs.)-Debit | Amount (Rs.)-Credit |
|-------|-----------------|--------------------|---------------------|
| 1 | TDS Recoverable | 89,353 | |

ANNEXURE "D"

Provision for Expenses

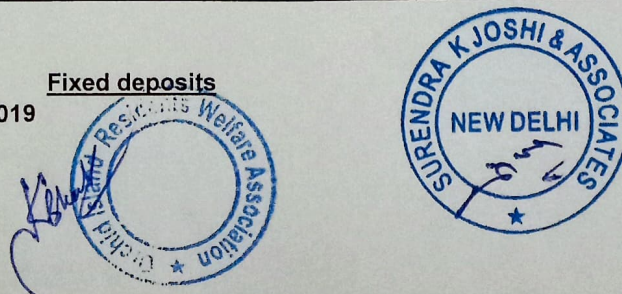
As on 31st March 2019

| S.No. | Particulars | Amount (Rs.)-Debit | Amount (Rs.)-Credit |
|-------|----------------------------|--------------------|---------------------|
| 1 | Electricity Expenses | | 2,000,000 |
| 2 | Security Expenses | | 2,707,592 |
| 3 | Housekeeping Expenses | | 2,036,862 |
| 4 | Water and Sewarage Charges | | 179,007 |
| 5 | Administrative Expenses | | 17,640 |
| 6 | DHBNV Consultancy Charges | | 4,000 |
| 7 | Legal Expenses | | 125,000 |
| 8 | Audit Fees | | 40,000 |
| 9 | Repair & Maintenance - DG | | - |
| 10 | Professional Fees | | 300,000 |
| 11 | Society Welfare Expenses | | 200,000 |
| | Grand Total | | 7,610,101 |

ANNEXURE "E"

Fixed deposits

As on 31st March 2019



| S.No. | Particulars | Amount (Rs.)-Debit | Amount (Rs.)-Credit |
|-------|--------------------------|--------------------|---------------------|
| 1 | Fixed deposit- Axis Bank | 2,000,000 | |
| 2 | Fixed deposit- HDFC | 8,000,000 | |
| 3 | Fixed deposit- Indusind | 10,100,000 | |
| | Grand Total | 20,100,000 | |

ANNEXURE "F"

Loans & Advances

As on 31st March 2019

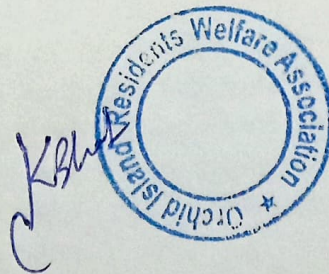
| S.No. | Particulars | Amount (Rs.)-Debit | Amount (Rs.)-Credit |
|-------|------------------------|--------------------|---------------------|
| 1 | Ora Electronics | 17,850 | |
| 2 | Pacific Infotech | 50,000 | |
| 3 | Imprest -Premjit Singh | 34,557 | |
| | Grand Total | 102,407 | - |

ANNEXURE "G"

Bank balances

As on 31st March 2019

| S.No. | Particulars | Amount (Rs.)-Debit | Amount (Rs.)-Credit |
|-------|----------------------------------|--------------------|---------------------|
| 1 | Axis Bank - 918010067900647 | 262,106 | |
| 2 | HDFC BANK LIMITED-50100130295654 | 70,716 | |
| 3 | HDFC BANK LIMITED-50100239789532 | 1,261,239 | |
| 4 | Indusind Bank - 100060874169 | 3,174,493 | |
| 5 | Indusind Bank - 100060875885 | 26,721 | |
| 6 | Indusind Bank - 151500051000 | 1,957,083 | |
| 7 | Indusind Bank - 151600061000 | 125,823 | |
| 8 | SHG Bank | 1,209 | |
| 9 | Yes Bank Limited | 5,103,724 | |
| | Grand Total | 11,983,114 | |



SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

YEAR ENDED MARCH 31, 2019

Association's information

ORCHID ISLAND RESIDENTS WELFARE ASSOCIATION (R.W.A), SECTOR-51, GURUGRAM, HARYANA-122001 ("the Association"), is an association registered under the Haryana Registration and Regulation of Society Act, 2012 having registration No. HR/018/2015/02407. The purpose of society is to maintenance and upkeep of the complex for the mutual benefits of the members of the Association.

Till last year, the maintenance and operations activities of the complex were being managed by the developer of the complex. From April 2018 onwards, the Association has assumed the responsibilities for the maintenance of the complex and overtook the activities from the developer. Consequently, the Association started receiving monthly maintenance fees from the members into its account for the mutual cause.

Further, the developer had purchased certain assets out of the members' contributions for the benefits and operations of the Association. Upon exit of the developer, these assets have been taken in custody by the Association and nor been accounted for in the books of accounts.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES.

Basis of preparation of Financial statements

The financial statements of the Association have been prepared in accordance with generally accepted accounting principles in India. The financial statements have been prepared on Accrual basis of accounting. The association has taken custody of some assets from the developer, thus these assets are not accounted for in the books of accounts and consequently no depreciation charged on the same.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles in India requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates

Property, plant and equipment

Tangible assets are stated at cost less accumulated depreciation. Cost comprises the purchase price including taxes and duties and any attributable cost of bringing the asset to its working condition for its intended use.

Subsequent expenditure is capitalized only when it increases the future economic benefits from the specific assets to which it relates.



Gains or losses arising from derecognition of tangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized

Depreciation

Depreciation on fixed assets is provided on the written down value method at the rates prescribed under the Rules of Income Tax Act, 1961. However, Assets e.g. DG, Panel & STP etc. which were provided free of cost by the developer are not recorded in the books of accounts.

Revenue Recognition

Revenue is recognized to the extent that is probable that the economic benefit will flow to the association and the revenue can be reliably measured. Revenue is recognized as when services are rendered.

Considering the nature of business of association, expenses which are required for maintenance of association are apportioned on the basis of super area of units and charged in advance on monthly basis and revenue from electricity service is recognized over the period of the services as and when services are rendered.

Interest on Fixed Deposits

Interest income is recognized on a time proportion basis taking into account the amount outstanding and applicable interest rate.

Tax Expenses

Tax expenses is measured at the amount expected to be paid to the tax authorities in accordance with Income Tax, 1961 enacted in India and tax law prevailing. The association functions on the "Principle of mutual benefit" and the contribution made by the members towards maintenance and IFMS deposits are not taxable in the hand of Association.

Provisions & Contingencies

A provision is recognized when the company has a present obligation as a result of past event, it is more likely than not that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.



NOTES TO ACCOUNTS

Party's confirmation

The Association is in the process of reconciling balance payable/receivables with respective vendors/customers.

Unsold units lying with the developer

As explained and details provided to us, there are 114 unsold units which are still lying with developer. The Association is raising monthly invoices for maintenance charges for these units to the developer, which are lying unpaid in the books of accounts.

Comparative Information

Previous period figures have been regrouped / reclassified, where necessary, to conform to this year's classification. However, the previous period figures are given as informative only.

For and on Behalf of
SURENDRA K JOSHI & Associates
Chartered Accountants
FRN: 033091N



Place: Delhi
Date: 21st August, 2019