



VJSJ & CO LLP
CHARTERED ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Members of
ORCHID ISLAND RESIDENTS WELFARE ASSOCIATION

Report on the Financial Statements
Opinion

We have audited the accompanying financial statements of **ORCHID ISLAND RESIDENTS WELFARE ASSOCIATION** ("the Society" or "the Association"), which comprise the balance sheet as at March 31st 2020, and the Income and Expenditure Account for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion and to the best of our information and according to explanation given to us, the aforesaid financial statements give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Society as at 31st March 2020 and its surplus for the year ended on that date.

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.

Management's Responsibility 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, including the Accounting Standards issued by Institute of Chartered Accountants of India. This responsibility also includes maintenance of adequate accounting records for safeguarding the assets of the Association and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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.

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 VJSJ & Co LLP
Chartered Accountants
Firm's Registration No. N500112



Vinay Jain
Partner

Membership No. 500345
UDIN: 20500345AAAAAI4832

Place: Gurugram
Date: August 31, 2020

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

Balance Sheet as at 31st March 2020
(All amounts in Indian Rupees)

Liabilities	Schedule No.	As at 31 March 2020	As at 31 March 2019	Assets	Schedule No.	As at 31 March 2020	As at 31 March 2019
Capital Fund	1			Fixed assets	3		
Corpus Fund		10,073,011	9,770,000	Tangible fixed assets		460,759	299,961
Interest Free Maintenance Security (IFMS)		4,521,175	2,060,775	Capital work-in-progress (CCTV)		1,286,217	-
Membership fees		896,546	824,846			1,746,976	299,961
Property Transfer Charges		372,500	197,200				
		15,863,232	12,852,821	Current Assets			
Current Liabilities and Provisions	2			Sundry Debtors	4	12,311,791	6,992,276
Advance received from members		6,237,487	4,478,804	Cash and Bank Balances	5	42,771,269	32,142,230
Liabilities for expenses (sundry creditors)		13,269,472	9,618,695	Loans and advances	6	179,735	52,407
Other liabilities		663,054	234,042	Other assets		1,239,032	801,538
Refundable to members		92,775	152,862				
Security deposits received		125,000	-				
Provision for Income Tax		987,000	-			56,501,827	39,988,451
		21,374,788	14,484,403				
Income & Expenditure Account				Total		58,248,803	40,288,412
Balance as per last balance sheet		12,951,188	65,226				
Add: Surplus as per Income & expenditure Account		8,059,595	12,885,962				
		21,010,783	12,951,188				
Total		58,248,803	40,288,412			58,248,803	40,288,412

Schedule - 13 Significant Accounting Policies and Notes to Accounts forming an integral part of the financial statements

As per our report of even date

For VJSJ & CO LLP
Chartered Accountants
FRN-N500112



CA Vinay Jain
Partner
Membership No.: 500345

Place: Gurugram
Date: August 31, 2020

For Orchid Island Residents Welfare Association

Rajinder Kumar
(President)

Vipin Bhatia
(Secretary)

Harish Chandra Dua
(Treasurer)



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

Income and Expenditure Account for the year ended 31st March 2020
(All amounts in Indian Rupees)

Particulars	Schedule No.	Year ended 31 March 2020	Year ended 31 March 2019	Particulars	Schedule No.	Year ended 31 March 2020	Year ended 31 March 2019
Society maintenance expenses	10	12,170,000	11,207,994	Contributions received from members	7	88,160,241	87,500,541
Electricity charges		40,042,767	37,461,788	Income from non-members	8	450,776	301,224
Security manpower & other expenses		14,180,969	14,133,295	Grant received from Haryana Government		100,000	-
Professional and consultancy Fees		519,878	1,689,870	Other Income	9	2,794,323	1,332,519
Water and sewerage charges		517,755	572,828				
Legal expenses		1,511,249	500,000				
Audit fee (Statutory)		45,000	40,000				
Payroll expenses	11	4,683,236	3,430,394				
Rates and taxes		5,164,156	3,694,678				
Insurance Expenses		9,566	49,397				
Depreciation		94,851	77,389				
Repair & Maintenance -DG	3						
- Diesel charges		584,760	796,860				
- Other maintenance charges		444,611	803,078				
Repair and Maintenance - Electrical fixtures		1,249,115	734,272				
Repair & Maintenance - Others		201,607	312,154				
Travelling and conveyance		103,489	4,016				
Meeting expenses		171,645	255,263				
Society cultural expenses		150,741	47,190				
Printing and Stationary expenses		150,904	73,557				
Office rent and electricity expenses		-	256,245				
Other expenses	12	170,093	108,054				
Provision for current year Income tax		987,000	-				
Tax paid for earlier years		292,353	-				
Excess of Income over Expenditure		8,059,595	12,885,962				
Total		91,505,340	89,134,284	Total		91,505,340	89,134,284

Schedule - 13 Significant Accounting Policies and Notes to Accounts forming an integral part of the financial statements

As per our report of even date

For VJSJ & CO LLP
Chartered Accountants
FRN-1500112

CA Vinay Jain
Partner
Membership No.: 500345

Place: Gurugram
Date: August 31, 2020



For Orchid Island Residents Welfare Association
Rajinder Kumar
(President)



Vipin Bhatia
(Secretary)

Harish Chandra Dua
(Treasurer)

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

Schedules to the financial statements for the year ended 31 March 2020
(All Amounts in Indian Rupees)

Schedule 1 – Capital Fund

	As at 31.03.2020	As at 31.03.2019
Corpus Fund		
Balance as per last balance sheet	9,770,000	4,068,800
Add: Amount received during the year	346,500	5,701,200
Less: Amount refunded/ Adjusted during the year	43,489	-
Closing balance	10,073,011	9,770,000
Interest Free Maintenance Security (IFMS)		
Balance as per last balance sheet	2,060,775	-
Add: Amount received during the year	2,460,400	2,060,775
Less: Amount refunded/ Adjusted during the year	-	-
Closing balance	4,521,175	2,060,775
Membership fees		
Balance as per last balance sheet	824,846	479,746
Add: Amount received during the year	78,000	357,000
Less: Amount refunded/ Adjusted during the year	6,300	11,900
Closing balance	896,546	824,846
Property Transfer Charges		
Balance as per last balance sheet	197,200	-
Add: Amount received during the year	175,300	197,200
Less: Amount refunded/ Adjusted during the year	-	-
Closing balance	372,500	197,200

Schedule 2 – Other Liabilities

	As at 31.03.2020	As at 31.03.2019
Statutory Liabilities	515,538	119,668
Payable to employees	147,516	114,374
	663,054	234,042

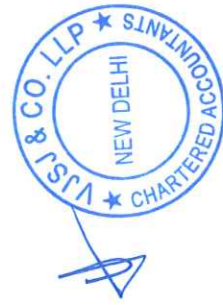


Orchid Island Residents Welfare Association
Sector-51, Gurugram, Haryana, 122018

Schedules to the financial statements for the year ended 31 March 2020
(All Amounts in Indian Rupees)

Schedule 3 Tangible Fixed Assets

Particulars	Rate	WDV as on 01.04.2019	Additions		Deductions	Balance as on 31.03.2020	Depreciation	WDV as on 31.03.2020
			>180 days	<180 days				
PLANT & MACHINERY								
Rickshaw	15%	39,094	-	-	-	39,094	5,864	33,230
Dry Leave Crusher	15%	16,150	-	-	-	16,150	2,423	13,727
Office equipment	15%	5,525	165,445	-	-	170,970	25,645	145,325
Shredder	15%	-	58,240	-	-	58,240	8,736	49,504
FURNITURE & FIXTURE								
Furniture & Fixture	10%	151,473	7,000	24,964	-	183,437	17,096	166,341
COMPUTER & PRINTER								
Computer	40%	69,960	-	-	-	69,960	27,983	41,977
Printer	40%	17,759	-	-	-	17,759	7,104	10,655
TOTAL		299,961	230,685	24,964	-	555,610	94,851	460,759



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

Schedules to the financial statements for the year ended 31 March 2020
(All Amounts in Indian Rupees)

Schedule - 4 Cash and Bank Balances

	As at 31.03.2020	As at 31.03.2019
Cash on hand	46,000	59,116
Balances with banks in saving accounts	2,821,659	11,983,114
Balances with banks in fixed deposits	39,903,610	20,100,000
	42,771,269	32,142,230

Schedule - 5 Loans and Advances

	As at 31.03.2020	As at 31.03.2019
Imprest to employees	7,079	34,557
Advances to suppliers	83,089	17,850
Prepaid expenses	84,567	-
Salary Advance to employees	5,000	-
	179,735	52,407

Schedule - 6 Other assets

	As at 31.03.2020	As at 31.03.2019
Advance Tax	698,451	89,353
Interest accrued on fixed deposits	400,532	506,601
Accrued revenue	24,926	-
Other receivables	115,123	205,584
	1,239,032	801,538



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

Schedules to the financial statements for the year ended 31 March 2020
(All Amounts in Indian Rupees)

Schedule - 7 Contributions received from members

	Year ended 31.03.2020	Year ended 31.03.2019
Maintenance charges	49,062,949	49,066,831
Electricity charges	37,546,073	36,685,284
Electricity Meter replacement charges*	563,550	-
Late fees and fines	169,019	779,160
New Meter Connection charges	175,000	105,000
Others miscellaneous charges	643,650	864,266
	88,160,241	87,500,541

*netted off from expense account last year

Schedule - 8 Income from non-members

	Year ended 31.03.2020	Year ended 31.03.2019
Income from stall/ banners/ Hoardings	192,373	160,024
Electricity charges	208,380	-
Sponsorship Income	32,192	141,200
Scrap sale	17,831	-
	450,776	301,224

Schedule – 9 Other Income

	Year ended 31.03.2020	Year ended 31.03.2019
Interest on Fixed deposits	2,437,537	913,078
Interest on saving bank	356,786	419,441
	2,794,323	1,332,519



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

Schedules to the financial statements for the year ended 31 March 2020
(All Amounts in Indian Rupees)

Schedule - 10 Society Maintenance expenses

	Year ended 31.03.2020	Year ended 31.03.2019
Horticulture Expense	3,809,310	2,183,030
House Keeping Expenses	6,539,625	7,714,181
Administrative Expense	232,200	216,000
Other repair and maintenance expenses	1,588,865	1,094,783
	12,170,000	11,207,994

Schedule - 11 Payroll expenses

	Year ended 31.03.2020	Year ended 31.03.2019
Salaries and wages	4,160,618	3,082,318
Staff welfare expenses	296,413	73,417
Employer's contribution to PF and other funds	226,205	274,659
	4,683,236	3,430,394

Schedule - 12 Other expenses

	Year ended 31.03.2020	Year ended 31.03.2019
Bank Charges	5,379	-
Books & Periodicals	1,140	-
Communication expenses	59,238	59,792
Donation	6,000	-
Transportation Charges	30,290	2,700
Miscellaneous expenses	68,046	45,562
	170,093	108,054



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

Schedules to the financial statements for the year ended 31 March 2020
(All Amounts in Indian Rupees)

Schedule 13 - Significant Accounting policies and Notes to Accounts

1. General Information

Orchid Island Residents Welfare Association, Sector-51, Gurugram, Haryana -122001 ("the Society" or "the Association") is a society registered under the Haryana Registration and Regulation of Society Act, 2012 with registration No. HR/018/2015/02407. The purpose of Society is to maintain and upkeep of the Society Complex (or "the Orchid Island") for the mutual benefits of the members of the Association.

The Orchid Island was developed by M/s Orchid Infrastructure Developers Private Limited ("the Developer"), and it was responsible for the maintenance and operational activities of the Orchid Island till 31 March 2018. In June 2018, the Society entered into a Memorandum of Understanding ("MOU") with the Developer that with effect from 01 April 2018, operation of maintenance and facility services of the Orchid Island would be managed by the Society itself and that the Society shall have full control on the finances and expenses incurred towards operation of maintenance and facility services of the Orchid Island.

With effect from April 2018 onwards, the Society has assumed the responsibilities of operations of 'maintenance and facility services of the Society Complex'. Consequently, the Society started receiving monthly maintenance fees from the members into its account for the mutual cause.

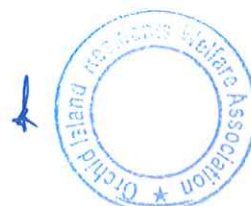
In pursuance of the aforesaid MOU, the Developer is also supposed to transfer the maintenance and facility services of the assets, which were constructed or purchased by the Developer out of the maintenance charges received from the then members for the proper maintenance of the Society. These assets include Post cabin for guards, Water management system, Electrical supply system (including DG). These assets have not been recognized in the books of accounts of the Society, pending handover of ownership from the Developer.

2. Significant Accounting Policies

2.1. Basis of preparation of Financial statements

The Balance Sheet and Income and Expenditure Account are prepared to comply with Generally Accepted Accounting Principles in India to the extent applicable to the Association. These financial statements are prepared under the historical cost convention on accrual basis. These statements have been prepared in accordance with the significant accounting policies as described below.

The financial statements are presented in Indian rupees rounded off to the nearest rupee.



**Schedules to the financial statements for the year ended 31 March 2020
(All Amounts in Indian Rupees)**

2.2. 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

2.3. Fixed Assets

Fixed 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.

2.4. Capital work-in-progress

Expenditure incurred on asset, which is not ready for their intended use, is carried at cost under Capital Work-in-Progress. The cost includes the purchase cost including non-refundable taxes, if any, and attributable costs.

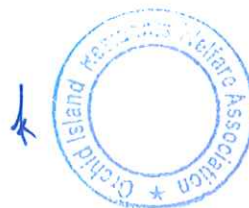
2.5. Depreciation

Depreciation on fixed assets is provided on the written down value method at the rates prescribed under the Income Tax Act, 1961.

2.6. Capital Fund

Amount received towards corpus fund are credited to the Capital Fund appearing in the balance sheet of the Society.

Interest Free Maintenance Security, Membership Fees and Property transfer charges form part of the Capital Fund and have been accounted accordingly.



Schedules to the financial statements for the year ended 31 March 2020
(All Amounts in Indian Rupees)

2.7. 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.

- Maintenance charges is recognized on an accrual basis for the period for which the charges are received.
- Electricity charges are billed on the actual usage of units by the members and recognized in the period to which they pertain.
- Interest income is recognized on a time proportion basis taking into account the amount outstanding and applicable interest rate.
- Grant received for the maintenance and welfare of the Society is recognized in the Income and Expenditure Account as and when the same is received.
- Revenue from other receipts is recognized when the associated obligation is performed and right to receive money is established.

2.8. Employee benefits

Employee benefits include provident fund. The Society make contributions to the fund administered and managed by the Government of India. The Society's contributions to the provident fund are expensed to Income and Expenditure Account. The Society has no further obligations beyond its monthly contributions. Other employee costs are accounted as and when services are rendered by the employees.

2.9. Tax Expenses

The association functions on the "Principle of mutual benefit" and the contribution made by the members are not taxable in the hand of Association. However, amount received from non-members is subject to tax, and the tax expenses on the same is measured at the amount expected to be paid to the tax authorities in accordance with provisions with the Income Tax Act, 1961



Schedules to the financial statements for the year ended 31 March 2020
(All Amounts in Indian Rupees)

2.10. Provisions & Contingencies

A provision is recognized when the Society 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.

Contingent liability is a possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Association, or is a present obligation that arises from past event but is not recognized because either it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or a reliable estimate of the amount of the obligation cannot be made. Contingent liabilities are disclosed and not recognized.

Contingent assets are neither recognized nor disclosed.

3. Notes to Accounts

3.1. In terms of the MOU, the Developer is supposed to transfer the maintenance and facility services of the assets, which were constructed or purchased by the Developer out of the maintenance charges received from the then members for the proper maintenance of the Society. These assets include Post cabin for guards, Water management system, Electrical supply system (including DG). These assets have not been recognized in the books of accounts of the Society, pending handover of ownership from the Developer.

3.2. Unsold units lying with the developer

As explained and details provided to us, there are 90 unsold units (Previous year 114), which are still lying with the Developer. The Society has been raising monthly invoices for maintenance and other applicable charges for these units on the Developer, which are lying unpaid in the books of accounts and shown under the head 'Sundry Debtors'. Contributions received from members, as shown in the Income and Expenditure Account, include the amount billed in respect of such unsold units during the year.

3.3. Sundry debtors include amount due from members towards maintenance & other charges, and from third parties in respect of services billed to them.

3.4. All balances due from/ to the parties, including the Developers and members, are subject to reconciliation and balance confirmations.



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

**Schedules to the financial statements for the year ended 31 March 2020
(All Amounts in Indian Rupees)**

3.5. Bank statement or balance confirmation in respect of the SHG bank A/c is not available. However, the Society has not made any transaction through this bank account since April 2018 and has insignificant balance in this account.

3.6. Comparative Information

Previous year figures have been regrouped / reclassified, where necessary, to conform to this year's classification.

As per our report of even date

For VJSJ & CO LLP

Chartered Accountants
FRN-N500112


CA Vinay Jain
Partner

Membership No.: 500345




Place: Gurugram

Date: August 31, 2020

For Orchid Island Residents Welfare Association


Rajinder Kumar
(President)


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