

AUDITORS' REPORT

To the members of Rema Rainbow Valley Residents & Plot Owners' Association

Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of **Rema Rainbow Valley Residents & Plot Owners' Association ('the entity')**, which comprise the Balance Sheet as at **March 31, 2023**, the Statement of Profit and Loss 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 the explanations given to us, the aforesaid financial statements give a true and fair view of the financial position of the entity as at March 31, 2023, and of its financial performance for the year then ended in accordance with the Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI).

Basis of Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) issued by 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 above entity in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibility of Management for the Financial Statements

Management is responsible for preparation of these financial statements that give a true and fair view of the financial position, financial performance in accordance with the accounting principles generally accepted in India. This responsibility also includes design, implementation and maintenance of adequate 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 entity'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 the governance are also responsible for overseeing the entity's financial reporting process.

Auditor's Responsibility 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 R G HEGDE & CO.,
Chartered Accountants
Firm Regn. No:001118S

Rajagopal Hegde
Proprietor
M.No. 028008
Place: Bangalore
Date : June 19, 2023
UDIN:

REMA RAINBOW VALLEY RESIDENTS & PLOT OWNERS' ASSOCIATION, DHARMAPURI				
Balance Sheet as at 31st March 2023			(Amounts in Rs)	
	Particulars	Note No	31/03/2023	31/03/2022
I	EQUITY AND LIABILITIES			
1	Owners' Funds			
a	Membership Fee	3	61,000	53,500
b	Reserves and surplus	4	1,71,64,595	1,56,12,475
2	Non-current liabilities			
a	Long-term borrowings		-	-
3	Current liabilities			
a	Short-term borrowings		-	-
b	Trade payables	5	1,31,800	-
c	Other current liabilities	6	5,85,438	4,81,673
	Total		1,79,42,833	1,61,47,648
II	ASSETS			
1	Non-current assets			
a	Property, Plant and Equipment and Intangible Assets			
i.	Property, Plant and Equipment	7	10,49,055	10,25,735
ii.	Intangible assets		-	-
iii.	Capital work in progress		11,86,535	-
b	Non-current investments		-	-
c	Deferred tax assets (Net)		-	-
d	Long Term Loans and Advances		-	-
e	Other non-current assets	8	35,188	35,188
2	Current assets			
a	Current investments		-	-
b	Trade receivables	9	50,87,947	43,21,585
c	Cash and bank balances	10	1,04,85,067	1,06,28,898
d	Short Term Loans and Advances	11	99,041	1,36,241
e	Other current assets		-	-
	Total		1,79,42,833	1,61,47,647
	Summary of significant accounting policies			
	The accompanying notes are an integral part of the financial statements			
<p>As per report of even date</p> <p>For R G HEGDE & CO., For REMA Rainbow Valley Residents & Plot Owners' Association,</p> <p>Chartered Accountants</p> <p>Firm Regn. No:001118S</p> <p>Rajagopal Hegde President Secretary Treasurer</p> <p>Proprietor</p> <p>M.No:028008</p> <p>Place : Bangalore</p> <p>Date : June 19, 2023</p> <p>UDIN:</p>				

REMA RAINBOW VALLEY RESIDENTS & PLOT OWNERS' ASSOCIATION, DHARMAPURI**Statement of Income & Expenditure for the year ended 31st March, 2023***(Amounts in Rs)*

	Particulars	Note	31/03/2023	31/03/2022
I	Revenue from operations - Maintenance Fees		37,17,600	34,00,200
II	Other Income	12	20,28,922	14,83,061
III	Total Income (I+II)		57,46,522	48,83,261
IV	Expenses:			
a	Maintenance expenses	13	9,02,786	7,19,522
b	Employee benefits expense	14	28,77,754	19,88,548
c	Finance Costs		-	-
d	Depreciation and amortization expense	15	79,545	65,784
e	Other expenses	16	2,63,420	3,56,132
	Total Expenses		41,23,505	31,29,986
V	Profit before tax (III- IV)		16,23,017	17,53,275
VI	Tax expense:			
a	Current tax		40,000	50,000
b	(Excess)/Short provision of tax relating to earlier years		30,897	-1,21,500
VII	Profit/(Loss) for the year		15,52,120	18,24,775
	The accompanying notes are an integral part of the financial statements			

As per report of even date

For R G HEGDE & CO.,

Chartered Accountants

Firm Regn. No:001118S

For REMA Rainbow Valley Residents & Plot Owners' Association,

Rajagopal Hegde

Proprietor

M.No:028008

Place : Bangalore

Date : June 19, 2023

UDIN:

President**Secretary****Treasurer**

Rema Rainbow Valley Residents & Plot Owners' Association

Schedules forming part of the financial Statements

Significant Accounting Policies and Notes to Accounts to the Financial Statements for the year ended 31st March 2023

1. Background:

Rema Rainbow Valley Residents & Plot Owners' Association was registered on 4th April, 2003, with the Registrar of Societies under Societies Registration Act. The Association was formed with the objective to promote the common interests, maintenance of the Layout, well-being and welfare of the owners and residents of Rema Rainbow Valley.

2. Significant Accounting Policies:

a) Basis of Preparation

These financial statements have been prepared and presented on accrual basis of accounting and in accordance with the Accounting Standards issued by the Institute of Chartered Accountants of India and other generally accepted accounting principles and practices prevailing in India.

b) Fixed Assets

Fixed Assets are stated at W.D.V. less Depreciation.

- c) Depreciation:** Depreciation on Fixed Assets is provided under Written Down Value basis at the rates specified under Income Tax Act, 1961.
- d)** All Income & Expenditure items having a material bearing on the financial statements are recognized on accrual basis. Maintenance Receipts collected from the members are accounted on accrual basis from the year 2010-11 onwards.
- e)** One Time Admission fee and Membership fee is capitalized and credited to General Fund Account.
- f)** Maintenance Receipts have been accounted on receipt basis up to the Financial Year 2009-10. With effect from the financial year 2010-11 onwards, the Association has changed the method of accounting of Maintenance Receipts from cash system to accrual system. As informed to us, arrears of Maintenance Receipts for the years 2003-04 to 2009-10 will be accounted on receipt basis. Further, the maintenance charges from Plot owners who have not yet become members are accounted only on receipt basis.

REMA RAINBOW VALLEY RESIDENTS & PLOT OWNERS' ASSOCIATION, DHARMAPURINotes forming part of the Financial Statements for the year ended 31st March, 2023 *(Amounts in Rs)*

	31/03/2022	31/03/2021
Note - 3 Membership Fee		
Balance at the beginning of the year	53,500	44,500
	7,500	9,000
Balance at the end of the Year	61,000	53,500
 4 Reserves and surplus		
Income & Expenditure Account:	-	-
Balance at the beginning of the year	1,56,12,475	1,37,87,700
Add: Excess of Income over Expenditure for the year	15,52,120	18,24,775
Balance at the end of the Year	1,71,64,595	1,56,12,475
 5 Trade payables		
a Sundry Creditors:		
SRJ Groups	1,20,000	-
Alpha Construction & Interiors	11,800	-
Total Trade payables	1,31,800	-
 6 Other current liabilities		
a Maintenance Received in Advance	3,53,453	2,70,233
d Expenses payable	2,10,745	1,92,560
e Audit fee payable	21,240	18,880
Total Other current liabilities	5,85,438	4,81,673

REMA RAINBOW VALLEY RESIDENTS & PLOT OWNERS' ASSOCIATION, DHARMAPURI

Notes forming part of the Financial Statements for the year ended 31st March, 2023

(Amounts in Rs)

7 Property, Plant and Equipment and Intangible Assets (owned assets)
a Property, Plant and Equipments

Particulars /Assets	Borewell	Fencing	Building	Plant and Equipment	Computer/ printer	Office equipment	Furniture & Fixtures	Electrical fixtures	Total
W.D.V. as on									
At 1 April 2022	5,97,304	1,21,922	34,570	4,776	911	10,014	1,10,908	1,45,330	10,25,735
Additions	-	-	-	21,300	64,500	17,065	-	-	1,02,865
Deductions/Adjustments	-	-	-	-	-	-	-	-	-
At 31 March 2023	5,97,304	1,21,922	34,570	26,076	65,411	27,079	1,10,908	1,45,330	11,28,600
At 1 April 2021	2,00,309	1,43,438	40,670	5,619	1,071	11,429	81,326	29,437	5,13,299
Additions	3,96,995	-	-	-	-	-	39,700	1,41,525	5,78,220
Deductions/Adjustments	-	-	-	-	-	-	-	-	-
At 31 March 2022	5,97,304	1,43,438	40,670	5,619	1,071	11,429	1,21,026	1,70,962	10,91,519
Depreciation/Adjustments									
For the current year	-	18,288	3,457	2,314	25,800	4,062	11,091	14,533	79,545
Deductions/Adjustments	-	-	-	-	-	-	-	-	-
At 31 March 2023	-	18,288	3,457	2,314	25,800	4,062	11,091	14,533	79,545
For the previous year	-	21,516	6,100	843	161	1,415	10,118	25,632	65,784
Deductions/Adjustments	-	-	-	-	-	-	-	-	-
At 31 March 2022	-	21,516	6,100	843	160	1,415	10,118	25,632	65,784
Net carrying value									
At 31 March 2023	5,97,304	1,03,634	31,113	23,762	39,611	23,017	99,817	1,30,797	10,49,055
At 31 March 2022	5,97,304	1,21,922	34,570	4,776	911	10,015	1,10,909	1,45,330	10,25,735

Note

c Capital Work in Progress	31/03/2023	31/03/2022
Opening Balance	-	-
Add: Additions during the year	11,86,535	-
Less: Capitalized during the year		
Closing Balance	11,86,535	-

REMA RAINBOW VALLEY RESIDENTS & PLOT OWNERS' ASSOCIATION, DHARMAPURI

Notes forming part of the Financial Statements for the year ended 31st March, 2023

(Amounts in Rs)

	31/03/2022	31/03/2021
8 Other non-current assets		
a Electricity Deposit	33,688	33,688
Gas Cylinder deposit	1,500	1,500
b Prepaid expenses	-	-
c Others (Specify nature)	-	-
Total other non-current assets	35,188	35,188
9 Maintenance charges receivables		
Outstanding for a period less than 6 months from the date they are due for receipt		
a Unsecured Considered good	3,62,654	2,58,447
Outstanding for a period exceeding 6 months from the date they are due for receipt		
b Unsecured Considered good	47,25,293	40,63,138
Total Trade receivables	50,87,947	43,21,585
10 Cash and Bank Balances		
A Cash and cash equivalents		
a On current accounts	2,44,853	8,39,073
c Fixed Deposits:		
Deposits with original maturity of less than 3 months	-	-
d Cheques, drafts on hand	-	-
e Cash on hand	3,169	291
Total cash and cash equivalents	(I) 2,48,022	8,39,364
B Other bank balances		
a Bank Deposits (including accrued interest)	1,02,37,045	97,89,534
b Margin money or deposits under lien	-	-
c Others (specify nature)	-	-
Total other bank balances	(II) 1,02,37,045	97,89,534
Total Cash and bank balances	(I)+(II) 1,04,85,067	1,06,28,898
11 Short term Loans & Advances		
a Loans advances to workers	38,500	-
b Advance tax and tax deducted at source (Net of provision for tax)	60,541	1,36,241
Total	99,041	1,36,241

REMA RAINBOW VALLEY RESIDENTS & PLOT OWNERS' ASSOCIATION, DHARMAPURI

Notes forming part of the Financial Statements for the year ended 31st March, 2023

(Amounts in Rs)

12 Other income	31/03/2023	31/03/2022
a Service charges & Transfer fees	5,25,500	4,08,700
b Other Receipts from members	7,60,141	3,64,666
c Interest from Bank deposits	5,44,861	5,17,695
d Interest on IT Refund	5,820	-
e Contribution from members towards maintenance corpus	1,92,600	1,92,000
Total other income	20,28,922	14,83,061
13 Maintenance expenses		
a Electricity & water charges	3,07,595	1,40,824
b Grass cutting & other maintenance expenses	3,59,191	3,45,348
c Swimming pool maintenance	2,36,000	2,33,350
	9,02,786	7,19,522
14 Employee benefits expense (Including contract labour)		
a Salaries, wages, bonus and other allowances		
Saary to Managers	4,91,600	2,66,200
Security	14,38,580	9,75,433
Casual Labour	6,36,928	6,01,345
Electrician	72,960	84,730
Gardeners/ Supervisors	92,500	8,130
Bonus	58,000	33,500
Staff Exgratia/ Insurance	87,186	19,210
Total Employee benefits expense	28,77,754	19,88,548
15 Depreciation and amortization expense		
a on tangible assets (Refer note 7)	79,545	65,784
b on intangible assets	-	-
Total Depreciation and amortization expense	79,545	65,784
16 Other Expenses		
Conveyance	37,782	23,980
Printing and stationery	5,700	2,094
Meeting expenses	14,300	20,483
Rates & taxes	55,760	16,930
Bank charges	688	315
Professional charges	37,790	46,790
Website maintenance	14,160	14,160
Legal fees	76,000	2,12,500
Auditor's remuneration	21,240	18,880
Total other expenses	2,63,420	3,56,132