

Sanjay Salig Arora & Co.

Chartered Accountants

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To,
The Governing Body,
Indian Railway Welfare Organization,
New Delhi.

Auditor Report

1. We have audited the attached Balance Sheet of Indian Welfare Organization as at 31st March, 2010 and the Income and Expenditure Account for the year ended on that date. These financial statements are the responsibility of the management. Our responsibility is to express opinion on these financial statements based on our audit

2. We have conducted the audit in accordance with the auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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 that our audit provides a reasonable basis for our opinion.

3. We report that:

3.1 Fixed Assets, Work in progress and Material at site is subject to physical verification and have been taken as mentioned in books of accounts maintained at the Head Office on the basis of return / information received from respective projects sites – Refer notes on accounts Para (3) & (6).

3.2 Cash in hand as on 31.3.2010 is subject to physical verification as it represents balance in Imprest account with project Managers for petty expenses and have been compiled from the statements received from projects sites – Refer notes on accounts Para (7).

3.3 Title deeds of land in two cases are pending for execution – Refer notes on accounts Para (9).

3.4 Amount of Contingent Liability against pending court cases, has not been ascertained-refer notes on accounts Para 12 (b).



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4. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
5. In our opinion, proper Books of Accounts have been kept by the organization, so far as appears from our examination of the books.
6. The attached Balance Sheet and the Income and Expenditure Account are in agreement with the Books of Accounts.
7. Subject to our comments in Para 3 above in our opinion and to the best of our information and according to the explanations given to us, the Balance Sheet and the Income and Expenditure Accounts, read together with the significant Accounting policies and notes to Accounts attached there to give the required information and also give a true and fair view: -
 - a. In the case of the Balance Sheet, the State of Affairs of the organization as at March 31ST, 2010 and;
 - b. In the case of Income and Expenditure Account of the excess of the income over expenditure for the year ended on that date.

For SANJAY SALIG ARORA & CO.
Chartered Accountant



SANJAY ARORA
(Prop.)
M. NO. 091491
F.NO. N12714

Place: Delhi
Date: 14-09-10

Comments of the Management on the report of Statutory Auditors on Accounts & Balance Sheet of IRWO for the year ending 31.03.2010

Para Nos.. 1, 2, 4, 5, 6 & 7 of Audit Report are informatory only and hence 'No Comments'.

Para No.	Observations of Statutory Auditors	Comments of the Management
3.1	Fixed Assets, Work in Progress, & Material at site is subject to physical verification and have been taken as mentioned in the Books of Accounts maintained at the Head Office on the basis of return / information received from respective Project sites – refer notes on Accounts Para-3 & 6.	Physical verification has been done by the Project Managers.
3.2	Cash in hand as on 31-3-2010 is subject to physical verification as it represents balance in Imprest account with Project Managers for petty expenses and have been compiled from the statements received from project sites – refer notes on accounts Para-7.	These are imprest amount with the Project Managers for day to day petty expenses and maintenance of colonies till they are handed over to Allottee Associations.
3.4	Title deeds of land in two cases are pending for execution – Refer notes on accounts Para 9..	Title deeds for 2 cases are pending for the following reasons- Gurgaon-II (Sec-56) – For refund of excess amount for Land at Gurgaon-II charged by HUDA, a case was filed by IRWO before National Consumer Disputes Redressal Commission, New Delhi (NCDRC). In the light of Supreme Court judgment dated 31.3.2010 an application for withdrawal of case has been filed before NCRDC on 25.8.2010. Conveyance deed is likely to be executed shortly.
5	Amount of contingent liability against pending court cases has not been ascertained – refer notes on accounts Para 12(b).	Pune- Project has been completed but the Land Allotting Authority has taken objection to our allotting the dwelling units to other than Railway employees. The issue has since been settled and Registration is under process. Liability against court cases cannot be fully ascertained unless the cases are decided. To be on the safer side, IRWO has not yet closed the accounts of such projects finally and adequate provision exists to honour court orders in case the decision is against IRWO.