

Schedule – 21 Accounting Policies

01. The Organisation follows mercantile system of accounting and recognizes Income and Expenditure on accrual basis. However, Instalments & Interest received from members on delayed payments are recognized on receipt basis.
02. Fixed assets are shown at depreciated cost.
03. Depreciation is provided on straight line method.
04. Inventories at site are shown at cost.
05. Administrative Charges on account of withdrawal are credited to General Reserve.
06. Corporate Expenses are apportioned amongst projects in proportion to the Construction Costs incurred during the year.

Schedule – 22 Notes forming part of Accounts

1. During the year 2010-11, an amount of Rs.3 crore lying under the Head 'Loan Redemption Fund' has been transferred to 'Land Corpus Fund' as the amount of Rs.3 crore is already available under the Head 'Loan Fund' as liability.
2. Loan of Rs.8.83 crore drawn from HUDCO by hypothecation of Land of Zirakpur Project. Besides an advance of Rs.1.80 crore drawn from Indian Overseas Bank for Gurgaon-IV Project, against pledging of Fixed Deposits was outstanding as on 31.3.2011, have since been repaid.
3. Work in progress and Materials at Site have been taken on the basis of returns / information received from respective project sites.
4. Interest on Investment of Rs.344.53 lakh as shown in the Income and Expenditure Account includes Rs.274.52 lakh towards Interest earned on Projects Funds which have been transferred to respective Projects (Schedule – 18).
5. Corporate office earned an Interest of Rs.201.10 lakh from Projects for funds advanced to them. This has been directly transferred to General Reserve.
6. There is an addition of Rs.1963.12 lakh in Land Corpus Fund. Apart from transfer of Rs.59.30 lakh from Income & Expenditure Account during the year, there is an addition of Rs.147.54 lakh due to recoupment of interest on Land Cost from Projects, Rs.56.28 lakh from Projects as one percent of Construction cost and Land Cost each. In addition to above, Rs.1400.00 lakh has been transferred from Reserve Fund as approved by Governing Body at the meeting held on 10th January 2011. Rs.300.00 lakh transferred from Loan Redemption Fund to Land Corpus Fund as already explained at Note No. 1 above.
7. Material at site account shows a balance of Rs.686.02 lakh on account of Steel and Cement for projects in progress. This relates to material lying at site and also difference in procurement and issue price which will get adjusted when projects are completed.
8. Cash in hand of Rs.6.33 lakh represents balance in Imprest account with Project Managers for petty expenses. The amounts have been compiled from the statements received from Project sites.
9. Finance Charges amounting to Rs.2.25 lakh represents interest on loan drawn from PSU of Ministry of Railways. This has been charged to Projects where money has been utilized for purchase of Land out of Seed Capital.
10. Conveyance Deed for land is still to be executed with the Land Allotment Authorities in respect of Gurgaon Phase II.

11. Payment to Auditors	<u>2010-11</u>	<u>2009-10</u>
	(Rs. in thousands)	(Rs. in thousands)
Audit Fees	57	57
Other Services	<u>96</u>	<u>24</u>
	<u>153</u>	<u>81</u>

12. Contingent Liabilities exists for :-

(a) Bank Guarantees have been issued in respect of the following:

<u>Name of the Project</u>	<u>Amount of Bank Guarantee</u>	<u>Purpose</u>
Sonepat	Rs.73.68 lakh	BG in favour of HUDA for Infra-structure Development Charges.
Hyderabad - III	Rs.1.34 lakh	BG in favour of Director General, Fire Services, Hyderabad.
Lucknow – III	Rs.99.00 lakh	BG in favour of Lucknow Development Authority for clearance of proposal for Residential Building Complex.
Moradabad	Rs.162.51 lakh	BG in favour of Moradabad Development Authority for Infra-Structure Development Charges.
Meerut	Rs.52.80 lakh	BG in favour of Meerut Development Authority for Infra-Structure Development Charges.

(b) Liability on account of Court Cases pending in Courts / Consumer Forums is unascertainable.

13. Previous years figures have been re-grouped / re-arranged wherever necessary.

For and on behalf of
Sanjay Salig Arora & Co.
Chartered Accountants

(A.K.Bhatnagar)
Director, Finance
IRWO

(S.S. Khurana)
Managing Director
IRWO

(Sanjay Arora)
Proprietor
M.No. 091491

Place: New Delhi
Dated: 15.9.2011