



38th

Annual Report

2017-18

The
Odisha State Police
Housing & Welfare Corporation Ltd.

(A Govt. of Odisha Undertaking)

ISO 9001 : 2015 Certified



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BOARD OF DIRECTORS

Shri Lalit Das, IPS Chairman-cum-Managing Director, OSPH & WC Ltd., Bhubaneswar	Chairman-cum-Managing Director
Shri Asit Kumar Tripathy, IAS Addl. Chief Secretary to Govt., Home Department, Govt. of Odisha, Bhubaneswar	Director
Dr. R.P. Sharma, IPS D.G & I.G of Police, Odisha	Director
Shri B.K. Sharma, IPS D.G Fire Services & Commandant General, Home Guards & Director Civil Defence, Odisha	Director
Shri R.N. Das Joint Secretary to Govt., Finance Dept., Govt. of Odisha, Bhubaneswar	Director
Ms. Rajani Jani, OAS(S) Joint Secretary to Govt., P.E Department, Govt. of Odisha, Bhubaneswar	Director
Shri Dronadeb Rath Director, MECON VATIKA, Kalyanpur, Near Singh Mod, Hatia, Ranchi - 834003	Independent Director
CA. P. Venugopal Rao Practicing Chartered Accountant, Plot No.1, Kalpana Square, Bhubaneswar	Independent Director
Shri Debaraj Biswal Plot No.-N-1/297, I.R.C Village, Nayapalli, Bhubaneswar-15.	Independent Director



Company Secretary	Shri Sushanta Kumar Panda Company Secretary, The OSPH & WC Ltd., Bhubaneswar	
Statutory Auditors	SBN & Associates Chartered Accountants, Bhubaneswar	
Cost Auditors	M/s Asutosh & Associates Cost Accountants, Bhubaneswar	
Internal Auditors - Head Office	MIR & Associates Chartered Accountants, Bhubaneswar	
Internal Auditors - Divisions	Sourjya & Biswajit AASA & Associates Pattnaik & Co. Manas Dash & Co. O. M. Kejriwal & Co. Das & Das GSCS & Associates C. K. Prusty & Associates Chartered Accountants, Bhubaneswar	
Bankers	State Bank of India HDFC Bank Ltd. IDBI Bank Ltd. Union Bank of India AXIS Bank Ltd.	Andhra Bank Bank of India UCO Bank ICICI Bank Oriental Bank of Commerce
Registered Office	Bhoi Nagar, Janpath, Bhubaneswar, Odisha PIN-751022	

VISION

To organize ourselves as a total quality organization, setting standards of excellence in all our professional endeavours and be reckoned as an outstanding construction Corporation among our peers.

MISSION

To deliver quality construction at optimum cost on time, to the satisfaction of our customers while earning reasonable return on investment.

CORE VALUES

Integrity: We must conduct ourselves fairly, with honesty and transparency. Everything we do must stand test of public scrutiny.

Excellence: We must constantly strive to the highest possible standards in the services and goods we provide.

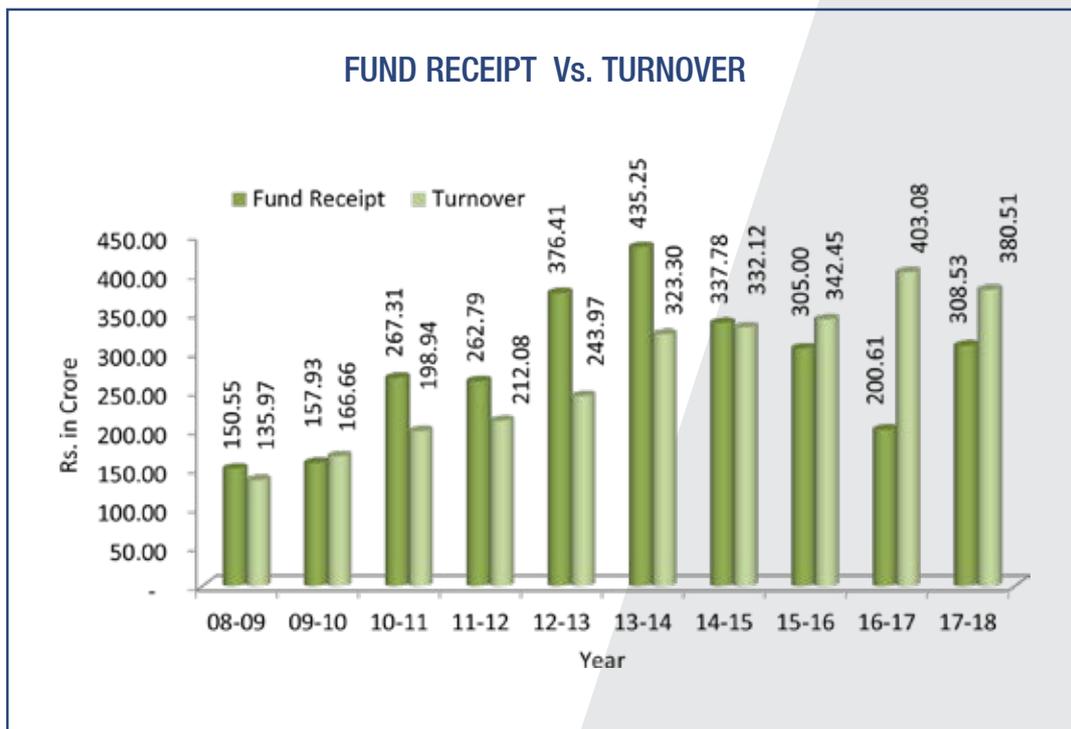
Organizational and professional pride: We must function and conduct ourselves and in such manner so as to have pride in the organization we serve and also the profession we are in.

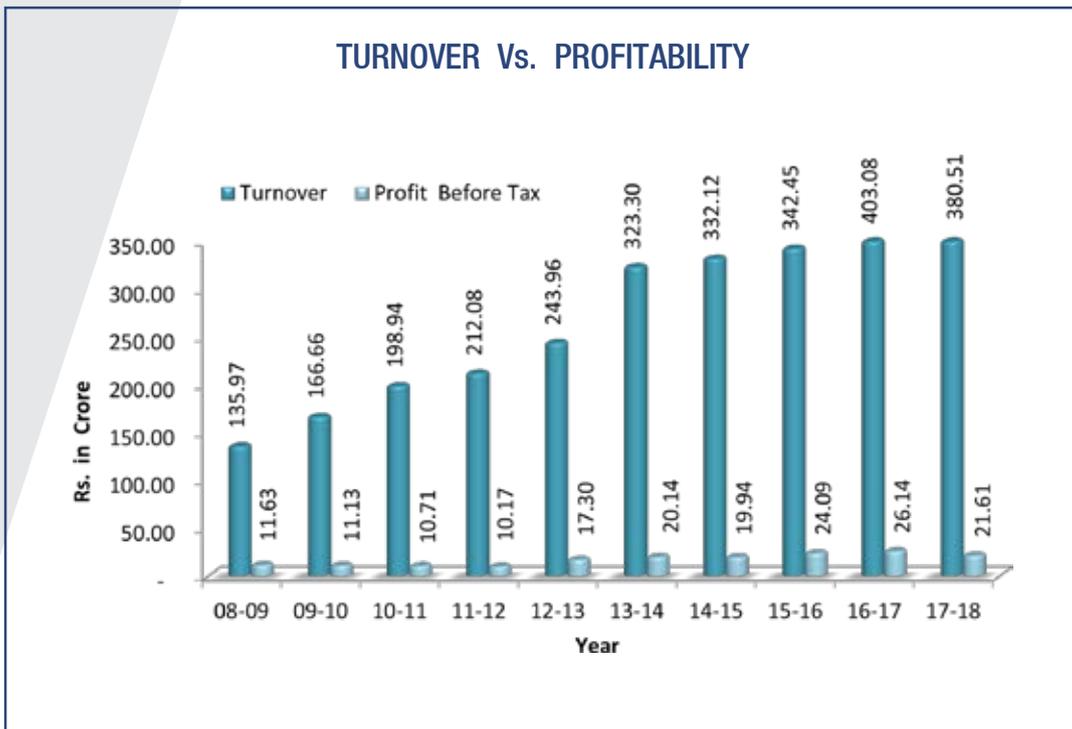
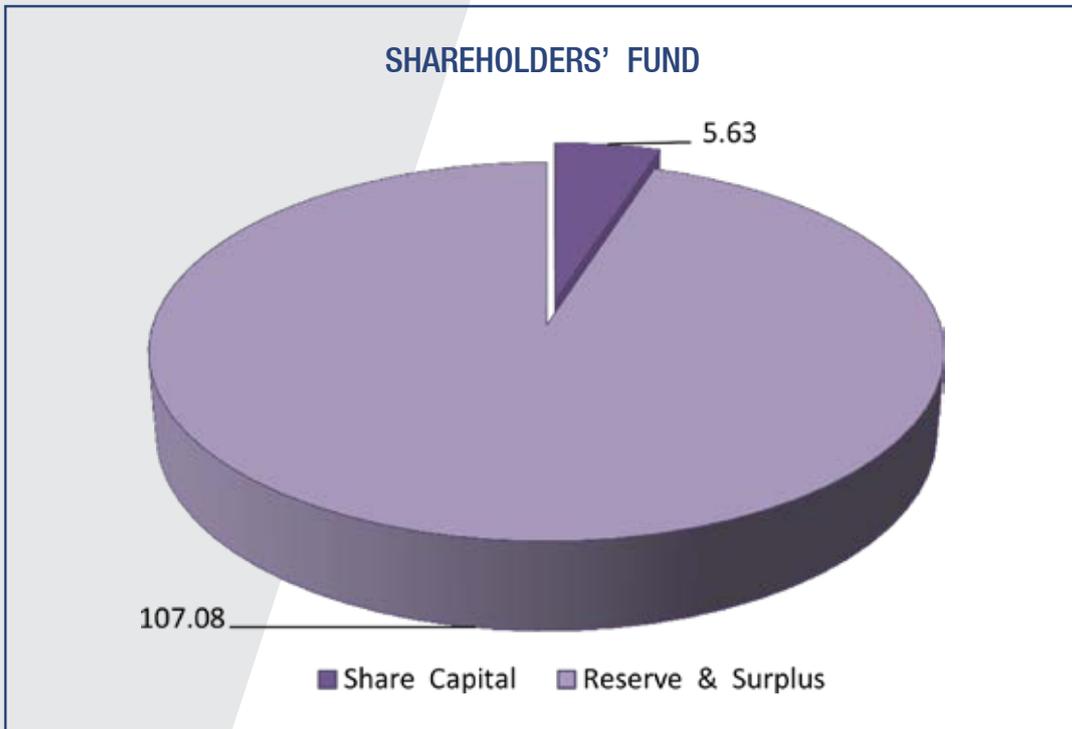
Customer as our most valued stake-holder: 'Customers are not outsider to our business, they are part of it. They are the purpose of our work.'

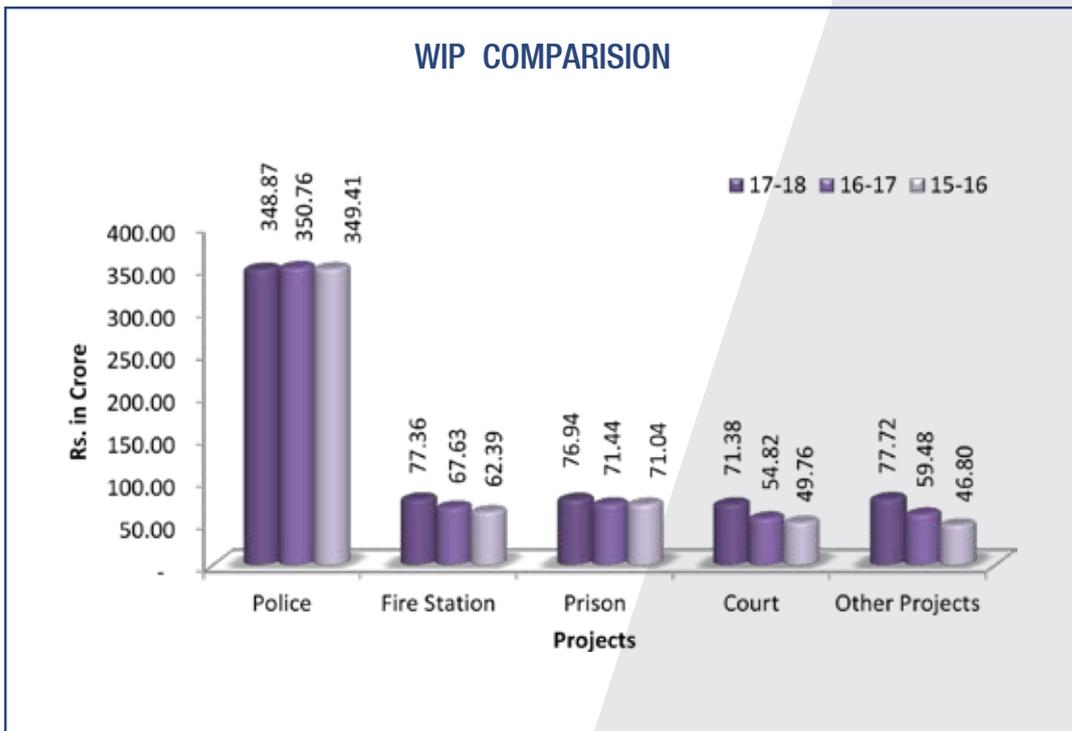
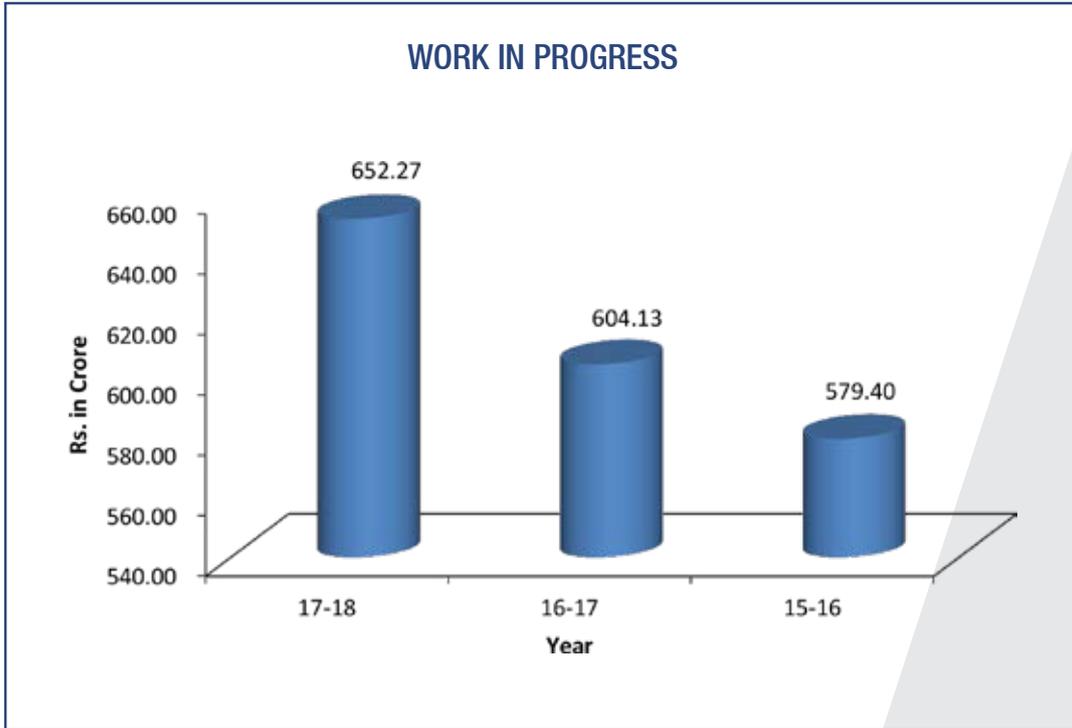
THE YEAR AT A GLANCE

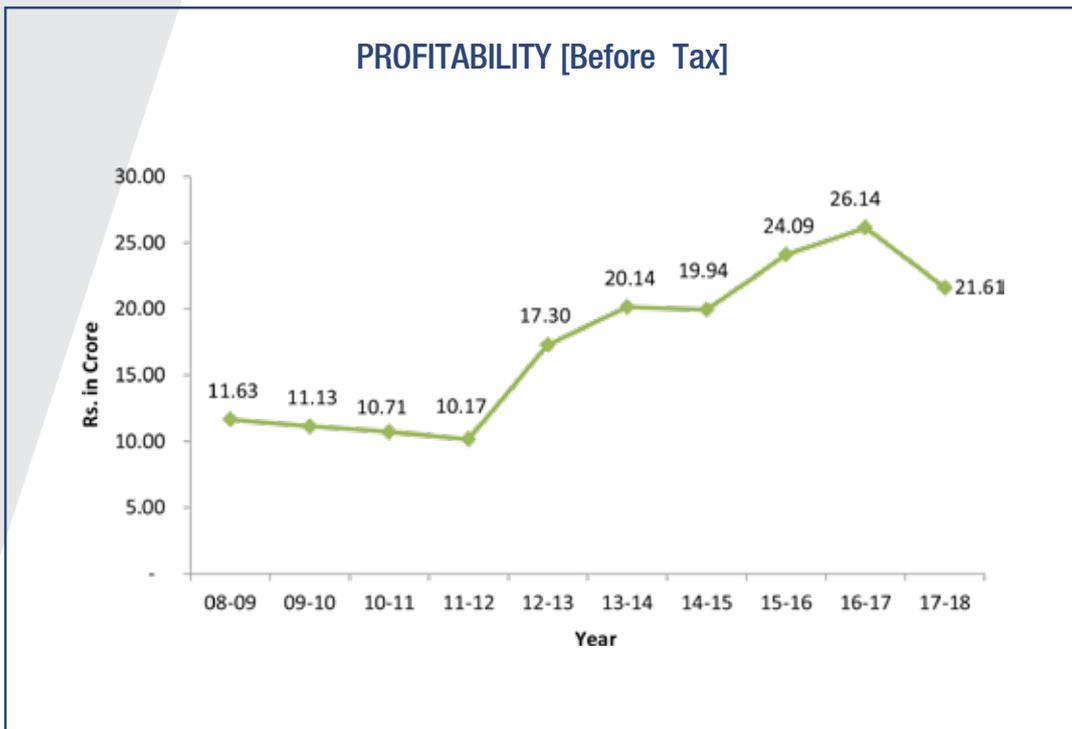
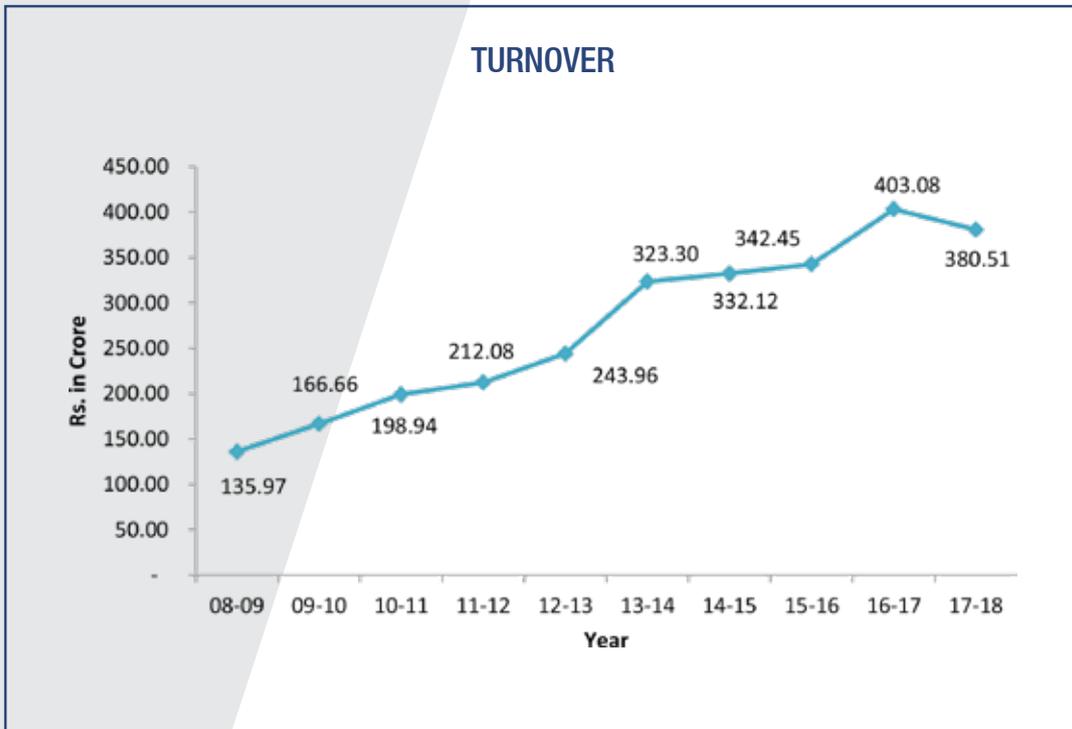
FINANCIAL HIGHLIGHTS

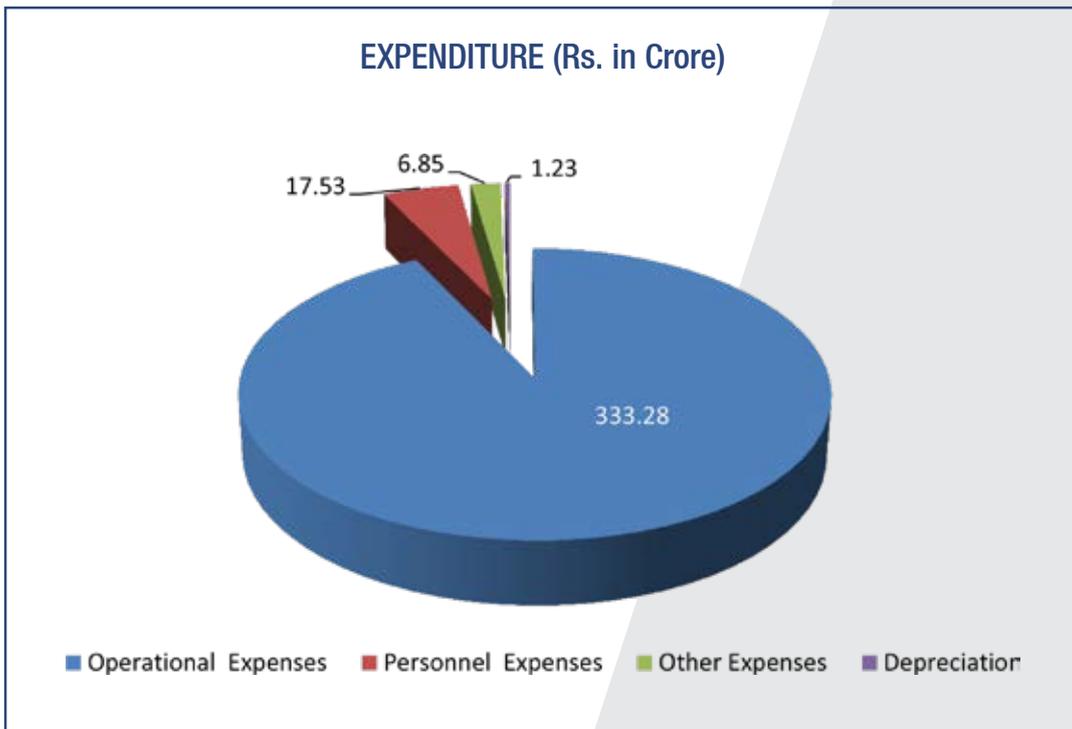
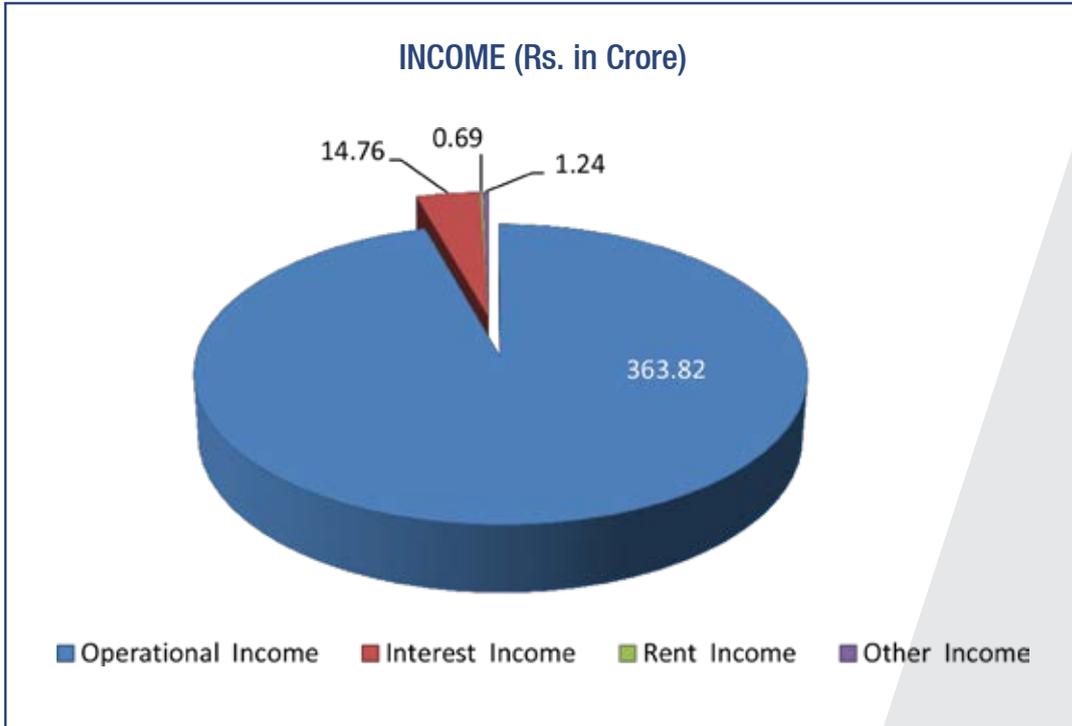
Particulars	2017-18 (Rs.in Crores)	2016-17 (Rs.in Crores)
Operational Income	363.82	385.31
Other Income	16.69	17.48
Total Income	380.51	402.79
Total Expenditure	358.9	376.65
Net profit (Before Tax)	21.61	26.14
Net Worth	112.71	103.69

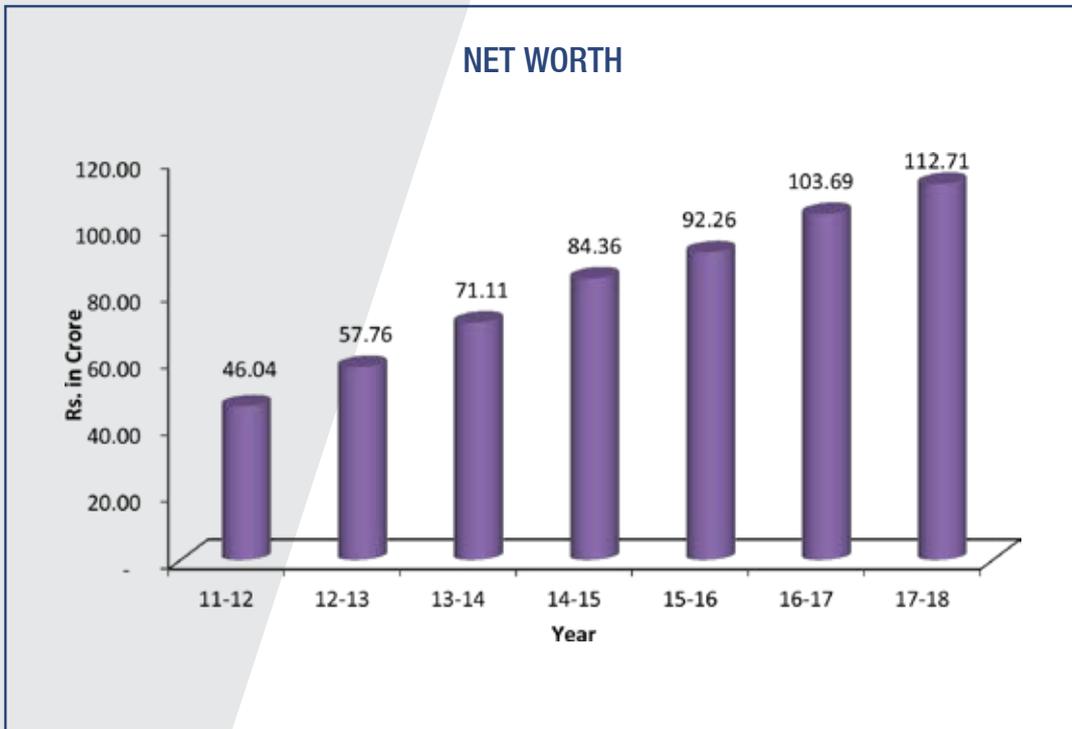


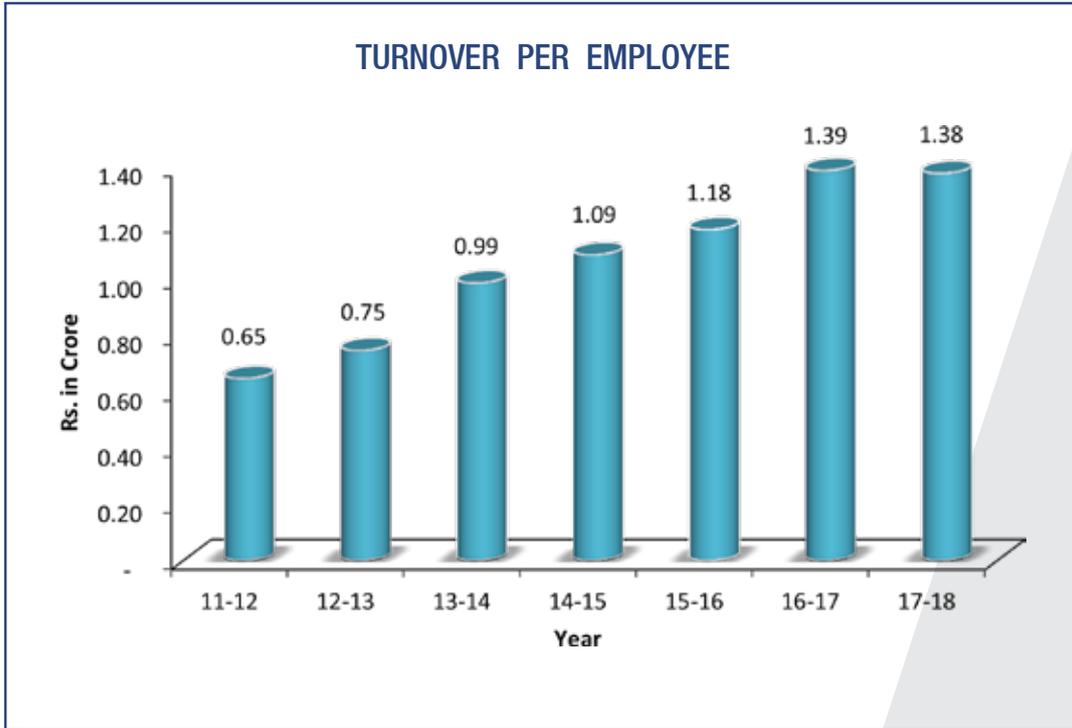














DIRECTORS' REPORT

The Members, The Odisha State Police Housing and Welfare Corporation Limited

Your Directors are pleased to present forth the 38th Annual Report along with the Audited Financial Statement, Auditors Report and the Report presented by the Comptroller and Auditor General of India for the Year ended 31st March, 2018.

OBJECTS

As per the Memorandum of Association framed as on the incorporation of Corporation the main objects are:

- a) To undertake construction of building for residential and non-residential purpose for the Police, Vigilance, Prison, And Fire Services of the Govt. Of Odisha and Other Departments of Government of Odisha as well as Govt. Of India
- b) To take up Construction, Repairs, Maintenance, Modification and Renovation Of Roads, Buildings and Other Civil Structures Of Quasi-Govt. and Autonomous Bodies through competitive tenders or on the basis of direct placement of works.
- c) The Corporation is trusted as a construction Company that can provide quality construction and therefore it has attached clients outside its core area of responsibilities. The Corporation has taken up building and other construction works of Health Department, Urban Development Department, SC & ST Development Department, Director Technical Education & Training, OSRTC, Cuttack Municipal Corporation and others on deposit work basis.

ACTIVITIES OF CORPORATION

The Corporation has posted an excellent performance by undertaking various construction works for the Police Department Under State Plan, Modernization Grant, SRE Scheme, SIS Grant, Finance Commission, Fire Service Department(both Central and State assistance projects), Prison, Judiciary, and other agencies etc. The overall consistent growth in construction activity has been the most significant advantage of the Corporation during previous years. The Corporation

has successfully constructed and handed over Anti Naxalite Projects under adverse site condition in left wing extremist areas to the satisfaction of user authorities.

Remarkable Achievements During the Year

- Corporation has completed 70 numbers of upgraded police stations in LWE affected area across the state.
- The Corporation has executed more than 85% of the total projects through e-tender process
- Further various projects like fortification of Police Posts, Barracks for accommodation of Police personnel and Logistic support to C.P.M.F. are executed successfully in most inaccessible areas. In the recent past Corporation has taken up bus terminal projects.
- The Corporation has also constructed and handed over several other infrastructure projects of the Education Departments, Autonomous bodies, public sector undertaking, (OSRTC, OMC), Pollution Control Board, PCCF, Board of Secondary Education, different college etc.

FINANCIAL HIGHLIGHTS

(Rs. in Lakhs)

Financial Year	2017-18	2016-17
Income		
Revenue from operation	36382.04*	38530.79
Other Income	1668.65	1748.20
Gross Income	38050.68	40278.99
Expenses		
Cost of Material & Labour	28514.47	32873.19
Changes in Inventory of work in progress	4813.50	2473.46
Employee Benefit	1753.00	1761.27
Depreciation	123.05	139.18
Other Expenses	685.05	423.62
Total Expenditure	35889.07	37670.72
Profit (loss) Before Tax	2161.19	2608.27
Current and Deferred Tax	748.69	910.90
Net Profit (loss) after Tax	1412.49	1703.01
Dividend & Dividend distribution tax	510.87	559.99

*The reduction of turnover in comparison to previous year is mainly attributable towards the restructuring of indirect taxes which were part of cost of operations and thus were included in the turnover in pre-GST regime. However consequent upon the introduction of GST from 1.7.2017 all indirect taxes were subsumed in GST and are no longer a part of cost of operations resulting reduced

turnover.

SHARE CAPITAL

During the year under review, there is no change in the share capital of the Company.

DIVIDEND

Your Board of directors have recommended dividend as per the guidelines issued by Finance Department, Government of Odisha for Current Financial Year. The amount of dividend excluding dividend distribution tax is Rs. 4,23,75,000/-.

FIXED DEPOSITS

During the year, the Corporation did not invite any deposits from public.

CORPORATE GOVERNANCE

Your Corporation sincerely ensure the compliances of the Corporate Governance manual issued by the Department of Public Enterprises, Government of Odisha.

SILVER RATED PSU

Based on categorize parameters, the State Govt. in Public Enterprise Department has categorized the Corporation under Silver rated PSU and delegated powers in select areas to the Board of Directors based on the assigned category.

PERFORMANCE RATING UNDER MOU

In order to make the Public Sector Units competitive, sustainable and meet the future challenging environment successfully, as per the Corporate Governance Manual issued by the P.E. Department, Govt. of Odisha, your Corporation is signing Memorandum of Understanding (MOU) with the Government in Home Department for every year from the Financial Year 2012-13 onwards. Similarly the MOU for Financial Year 2017-18 has been signed with Home Department, Government of Odisha. The performance of the Corporation for the F.Y 2017-18 treated as excellent as per the performance indicators in the MoU signed with Government.

RIGHT TO INFORMATION

Your Corporation has implemented Right to Information Act 2005 in order to provide information to Citizens and to maintain accountability and transparency. The Corporation has designated a Public Information Officer, PIO an Appellate Authority, and APIO at all divisions and Corporate Office of OSPH&WC Ltd.

COMPLIANCE WITH THE SEXUAL HARASSMENT OF WOMEN AT WORK PLACE (PREVENTION, PROHIBITING & REDRESSAL) ACT, 2013

Your Corporation is committed to prevention of sexual harassment of women at work place and takes prompt action in the event of reporting of such incidents. In this regard, internal complaint committee have been constituted to deal with sexual harassment complaints, if any and to conduct enquiries. During the year no complaint was received on such matter.

Corporate Social Responsibility

The corporation has constituted a Corporate Social Responsibility (CSR) Committee in accordance with Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014. Pursuant to provisions of Section 135 of the Companies Act, 2013, the Corporation has also formulated a Corporate Social Responsibility Policy. The Present constitution of the CSR Committee is as follows:-

Sri Lalit Das, IPS	Chairman
Sri Debraj Biswal (Independent Director)	Member
CA P.Venugopal Rao (Independent Director)	Member



Your Corporation being in fulfilling its Corporate Social Responsibility has been engaged in various social initiatives through its intervention in the area of promoting education, eradication of hunger & poverty, creating awareness for conservation of energy, providing preventive health care etc in accordance with the Corporate Social Responsibility Policy of the Company.

The Annual Report on CSR expenditure attached **Annexure-I**

MEETINGS

During the financial year, there were 04 Board meetings were held on 2nd May 2017, 29th August 2017, 27th November 2017 and 26th March 2018.

AUDIT COMMITTEE

Pursuant to Section 177 of the Companies Act 2013, and as per Corporate Governance Manual for state PSUs an Audit Committee has been constituted by the Board. As on 31st March, 2018, the Audit Committee composition consists of following Directors:

CA. P. Venugopal Rao (Independent Director)	Chairman
Sri Debraj Biswal (Independent Director)	Member
Sri Lalit Das, IPS	Member

STATUTORY AUDIT AND C&AG SUPPLEMENTARY AUDIT

Your Corporation being a Government Company, the Statutory Auditors are appointed by the Comptroller & Auditor General of India. Accordingly, C&AG has appointed **M/s SBN & ASSOCIATES**, Chartered Accountants, as Statutory Auditors of the Company for the Financial Year 2017-18.

COST AUDIT

In accordance with the Companies (Cost Records and Audit) Rules, 2014, notified by Ministry of Company Affairs, the Cost Accounting Records are being maintained by the company. **M/s Asutosh & Associates**, Cost Accountants, was appointed to conduct audit of Cost Accounting records for the financial year 2017-18 under Section 148 of the Companies Act, 2013.

AUDIT OBSERVATIONS

The Statutory Auditors Report and C&AG Report on the accounts of the Company for the year ended 31st March, 2018 is annexed to the Directors Report. The replies of the Management to the observations of the Auditors have been given in the **Annexure-II**.

INTERNAL AUDITOR

The Corporation has appointed M/s. MIR Associates, Chartered Accountants as Internal Auditors for the Financial Year 2017-18. The observations and recommendations of the Internal Auditors are reported to the management for appropriate action on the same.

DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors confirm that,

- i. In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii. the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- iii. the directors have taken proper and sufficient care for the maintenance of adequate accounting records in

accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

- iv. the directors have prepared the annual accounts on a going concern basis; and
- v. the directors, in the case of a listed company, have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.

EXTRACTS OF ANNUAL RETURN

Pursuant to the provisions of Section 134(3) of the Companies Act, 2013, an extract of the Annual Return in Form MGT-9 shall be included in the Directors' Report. The said extract is annexed herewith as **"Annexure - III."**

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS:

No significant or material order has been passed by any Regulator/ Court or Tribunal.

PARTICULARS OF EMPLOYEES

During the period under review, none of the employees were drawing remuneration, which require disclosure under Section 197 of the Companies Act, 2013 and the rules made there under.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

Conservation of Energy:	Nil
Technology Absorption:	Nil
Foreign Exchange Earnings & Outgo for the Year:	Nil
Foreign Exchange earnings :	Nil
Foreign Exchange Outgo :	Nil

ACKNOWLEDGEMENT

The Board of Directors would like to express their grateful appreciation for the assistance support and cooperation received from the Home Department, Government of Odisha, DG&IG of Police-Odisha, and other departments of the Government of Odisha and Union of India in managing the affairs of the Company.

The Directors also express their sincere thanks to other agencies those awarding deposit works to the Corporation for their continued patronage and confidence reposed in the company.

The Board is thankful to the C&AG, the Statutory and Internal Auditors for their valued co-operation.

The Directors also wish to place on record their deep sense of appreciation for the committed services rendered by the Executives and Employees for their hard work, team spirited efforts, dedications and loyalty to work, resulting in increased productivity and enhancing the image and status of the Corporation.

Place: Bhubaneswar
Date: 27 November 2018

For and on behalf of Board of Directors

Sd/-
Lalit Das, IPS
Chairman-cum-Managing Director

ANNEXURE-I

TO THE DIRECTORS' REPORT

Report on Corporate Social Responsibility (CSR) Activities

1	A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and reference to the web-link to the CSR policy and projects or programmes	Brief outline of the CSR policy of the Corporation and its projects/programme are mentioned in the CSR section of the Board's Report. The CSR policy is approved by the Board of Directors. The Corporation has undertaken various projects as per the CSR policy of the Corporation.
2	Composition of CSR committee	<ol style="list-style-type: none"> 1. CA P.Venugopal Rao (Independent Director) 2. Sri Debraj Biswal (Independent Director) 3. Sri Lalit Das, IPS
3	Average net profit for last 3 financial years	Rs. 23.39 Crores
4	Prescribed CSR expenditure (two percent of the amount as in item 3 above)	Rs.47.00 Lakhs
5	Detail of CSR spent during the financial year	Rs.35.30 Lakhs
A	Total amount to be spent for the financial year which includes the unspent amount of previous financial year.	Rs.89.27 Lakhs
B	Amount unspent, if any	Rs. 53.97 Lakhs
C	Manner in which the amount spent during the financial year is given in CSR spent table	Table – A
6	In case the Company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report	The Corporation's CSR initiatives usually involve seating of various programme at small scale to learn from the ground realities, getting the feedback from the community. Being a government sector selection of agency and project required a transparent process and time consuming. Moving forward the corporation will endeavour to spend on CSR activities in accordance with the prescribed limits. The work order have also been issued against some of the projects but the bill have not been raised due to this accounting effect is not given for such projects.

Table-A

SI No	CSR Projects or activity identified for financial year 2017-18	Sector in which project is covered	Projects or programme (1) local area or other (2) specify the state and district where project and programme were undertaken	Amount Outlay	Amount spent on the projects and programme	Cumulative expenditure up 31.03.2018	Amount spent directly or through the implementing agency
01	Construction Of Boundary Wall At Kalapitha U.P. School, Deras	Schedule VII (ii)	Bhubaneswar	Rs. 4.31 Lakhs Only	Rs. 0.09 Lakhs Only	Rs. 4.04 Lakhs Only	Direct
02	Renovation Of Sewerage System Of Quarters At R.O., Suabrnapur	Schedule VII (i)	Sonepur	Rs. 4.00 Lakhs Only	Rs.0.22 Lakhs Only	Rs. 4.00 Lakhs Only	Direct
03	Construction of Toilet & Bathroom for M.R. Children SVM School, Nimapara,Puri	Schedule VII (ii)-promoting education	Puri	Rs. 8.44 Lakhs	Rs.7.05 Lakhs Only	Rs.7.05 Lakhs Only	Direct
04	Berhampur Old-Age Home	Schedule VII (iii)-setting up old age home	Berhampur	Rs.11.20 Lakhs	Rs.10.44 Lakhs Only	Rs.10.44 Lakhs Only	Direct
05	Orphan Children for Spl. Adoption Agency	Schedule VII (iii)-setting up home for orphans	Koraput	Rs.23.24 Lakhs	Rs.17.50 Lakhs Only	Rs.17.50 Lakhs Only	Direct



Child Care Institution Dasamanthpur



Old Age Home at Berhampur (Gopalpur)

ANNEXURE-II

TO THE DIRECTORS' REPORT

Replies of the Management on the comments of Statutory Auditors on the account for the year 2017-18.

Basis for emphasis of the matter

Statutory Auditors' comment	Management's Reply
<p>I. As per Note no: 10 to the Financial Statements, under the head current assets, trade receivable of Rs. 169.73 lakhs (i.e. Utkal University Rs. 75.19lakhs and Jagannath Sanskrit University Rs. 94.54Lakhs) shown as unsecured and considered good; Further the above stated amount is pending for long years without any realization for which full provision need to be provided and there by the profit is over stated to the extent.</p>	<p>Corporation is following up with these customers for recovery / settlement.</p>
<p>II. As per Note no: 10 to the Financial Statements, under the head short term advances, Rs.47.08 Lakhs shown as advances to Govt. of Odisha, which includes Rs.4.17lakhs given to CESU on account of SJSV, Puri, for various expenses other than construction activities which are not covered under than main objects in the Memorandum of Association (MOA) of the Corporation. Previous statutory auditors had also qualified on the same point.</p>	<p>Normally the Corporation receives funds against contract value of various projects in advance from Govt. of Odisha in usual course of business. Sometimes the Govt./ User Depts. require funds to meet some short term urgent requirement. The above short term requirement is made by taking advance from the Corporation out of their unutilized deposit with the Corporation. After release of budgetary provision, the same amount is adjusted.</p>

Annexure to the Auditors' Report

<p>The PH (Plumbing & Hardware) inventories laying at Head Office have not physically verified by the management during the year. As explained to us these inventories could not be verified as these are under the custody of State Vigilance Dept.</p>	<p>Inventory of PH materials could not be physically verified, as these are under the custody of State Vigilance Dept.</p>
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ANNEXURE-III**TO THE DIRECTORS' REPORT**

Form No. MGT-9

Extract of Annual Return as on the financial year ended on 31st March, 2018

[Pursuant to section 92(3) and Rule 12(1) of the
Companies (Management and Administration) Rules, 2014]**I. REGISTRATION AND OTHER DETAILS**

i.	CIN	U45201OR1980SGC000884
ii.	Registration Date	24/05/1980
iii.	Name of the Company	The Odisha State Police And Welfare Corporation Limited.
iv.	Category / Sub-Category of the Company	Private Limited Company
v.	Address of the Registered Office and contact details	Bhoi Nagar, Janapath, Bhubaneswar-751022 Tel.: 0674-2541545/2544145 Fax: 0674-2541543 Website : www.ophwc.nic.in
vi.	Whether listed company Yes / No	No
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	N. A

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company, on standalone basis, are as under:

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the Company
1.	Construction		95%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

This is not applicable on the Corporation.

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of shareholders	No. of Shares held at the beginning of the year			No. of Shares held at the end of the year			% change during the year
	Demat	Physical	Total	Demat	Physical	Total	
A. Promoters							
(1) Indian							
Individual/HUF							
Central Govt.							
State Govt.		56,301	56,301			100	NIL
Bodies Corp.							
Banks / FI							
Any Other							
Sub-total (A)(1)							
(2) Foreign							
a) NRIs - Individuals	-	-	-	-	-	-	-
b) Other – Individuals	-	-	-	-	-	-	-
Bodies Corp.	-	-	-	-	-	-	-
Banks / FI	-	-	-	-	-	-	-
Any Other	-	-	-	-	-	-	-
Sub-total (A)(2)	-	-	-	-	-	-	-
Total shareholding of Promoter (A) = (A)(1)+(A)(2)							

Category of shareholders	No. of Shares held at the beginning of the year			No. of Shares held at the end of the year			% change during the year	
	Demat	Physical	Total	% of total shares	Demat	Physical		Total
ii) Individual shareholders holding nominal share capital in excess of Rs.1 lakh								
c) Others (specify)								
Clearing Members								
Foreign Bodies								
Foreign Nationals								
Non Resident Indians								
Overseas Corporate Bodies								
Trusts								
Qualified Foreign Investors								
Sub-total (B)(2)								
Total Public Shareholding (B) = (B)(1)+(B)(2)								
C. Shares held by Custodian for GDRs & ADRs								
Grand Total (A+B+C)								

NIL

Nil

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year*
		No. of Shares	% of total Shares of the Company	% of Shares pledged /encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged /encumbered to total shares	
1	Governor of Odisha (Includes two other share holders where Governor of Odisha is beneficial share holder.)	56301	100	NIL	56301	100	NIL	NIL
	TOTAL							

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company*
	At the beginning of the year Date wise increase / decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.)				
	At the end of the year Date wise increase / decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.)			No Change during the year	
				No Change during the year	

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs). - Not Applicable

(v) A. Shareholding of Directors and Key Managerial Personnel: - Not Applicable

B. INDEBTEDNESS: - Not Applicable

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Santosh Ku.Upadhyay, IPS Lalit Das,IPS	Rs.15.30 Lac Rs.8.01 Lac
2.	Stock option		NIL
3.	Sweat equity		NIL
4.	Commission - as % of profit - others, specify		NIL
5.	Others, please specify		NIL
	Total (A)		Rs.23.39 Lac
	Ceiling as per the Act		The remuneration payable to one Managing Director or Whole Time Director or Manager shall not exceed 5 % of the Net Profits of the Company and if there is more than one such Director remuneration shall not exceed 10% of the Net Profits to all such Director and Manager taken together.

Please note that pursuant to Ministry of Corporate Affairs Notification dated 5th June, 2015; Government Companies are exempted from applicability of the provisions of Section 197 of the Companies Act, 2013.

B. REMUNERATION TO OTHER DIRECTORS:

Sl. No.	Particulars of Remuneration	Name of Directors			Total Amount (Rs.)
		CA P. Venugopal Rao	Shri Dronadeb Rath	Shri Debraj Biswal	
1.	Independent Directors				
	Fee for attending board / committee meetings (Rs.)	50,100/-	21,650/-	40,100/-	1,11,850/-
	Commission (Rs.)	-	-	-	-
	Others, please specify (Rs.)	-	-	-	-
	Total (1) (Rs.)	50,100/-	21,650/-	40,100/-	1,11,850/-
2.	Other Non-Executive Directors				
	Fee for attending board / committee meetings (Rs.)				
	Commission (Rs.)	-	-	-	-
	Others, please specify (Rs.)	-	-	-	-
	Remuneration				
	Total (2) (Rs.)				
	Total (B)=(1+2) (Rs.)				
	Total managerial remuneration (A+B) (Rs.)	-	-	-	-
	Overall Ceiling as per the Act (%)	The remuneration payable to Directors other than Executive Director shall not exceed 1% of the Net Profits of the Corporation. The remuneration paid to the Directors is well within the said limit.			

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD / MANAGER / WTD: Rs. In Lacs

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		Chief Financial Officer	Company Secretary	Total Amount
1.	Gross salary (in Rs.) (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961		CS. S.K. Panda	12,27,559/-
2.	Stock option			
3.	Sweat equity			
4.	Commission - as % of profit - others, specify			
5.	Others, please specify			
	Total			12,27,559/-

VII. PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Punishment/ Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give details)
A.	COMPANY				
Penalty					
Punishment			NIL		
Compounding					
B.	DIRECTORS				
Penalty					
Punishment			NIL		
Compounding					
C.	OTHER OFFICERS IN DEFAULT				
Penalty					
Punishment			NIL		
Compounding					

Comments of The Comptroller and Auditor General of India Under Section 143(6) (B) of The Companies Act, 2013 on The Financial Statements of The Odisha State Police Housing & Welfare Corporation Limited for the Year Ended 31st March, 2018.

The preparation of financial statements of **The Odisha State Police Housing & Welfare Corporation Limited** for the year ended 31 March, 2018 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the Company. The statutory auditors appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act are responsible for expressing opinion on these financial statements under Section 143 of the Act based on independent audit in accordance with the Standards on Auditing prescribed under Section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 28th September, 2018.

I, on behalf of the Comptroller and Auditor General of India, have decided not to conduct the supplementary audit of the financial statements of **The Odisha State Police Housing & Welfare Corporation Limited** for the year ended 31 March, 2018 under Section 143(6) (a) of the Act.

Place: Bhubaneswar
Date: 31 October 2018

For and on behalf of
the Comptroller and Auditor General of India

Sd/-

(**Bibhudutta Basantia**)
ACCOUNTANT GENERAL (G&SSA)



INDEPENDENT AUDITORS' REPORT

To
THE MEMBERS OF
THE ODISHA STATE POLICE HOUSING & WELFARE CORPORATION LIMITED
BHUBANESWAR

1. Report on the Financial Statements

We have audited the accompanying financial statements of ODISHA STATE POLICE HOUSING & WELFARE CORPORATION LIMITED ("the company"), which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit & Loss and Cash Flow Statement for the year then and a summary of significant accounting policies and other explanatory information.

2. Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company 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.

3. Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the standards on Auditing issued by the Institute of Chartered Accountants of India. Those standards required that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from materials misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our emphasis of the matter.

Basis for emphasis of the matter

Statutory Auditors' Comment

- I. As per Note no: 10 to the Financial Statements, under the head current assets, trade receivable of Rs.169.73 lakh (i.e. Utkal University Rs. 75.19lakhs and Jagannath Sanskrit University Rs. 94.54Lakhs) shown as unsecured and considered good;

Further the above stated amount is pending for long years without any realization for which full provision need to be provided and there by the profit is over stated to the extent.

- II. As per Note no: 10 to the Financial Statements, under the head short term advances, Rs.47.08 Lakhs shown as advances to Govt. of Odisha, which includes Rs.4.17lakhs given to CESU on account of SJSV, Puri, for various expenses other than construction activities which are not covered under than main objects in the Memorandum of Association (MOA) of the Corporation. Previous statutory auditors had also qualified on the same point.

4. Opinion

In our opinion and to the best of our information and according to the explanations given to us except for the possible effects of the matter described in the basis for emphasis of the matter paragraph above, the aforesaid financial statement give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2018;
- (b) In the case of the Statement of profit and Loss, of the profit for the year ended on that date;
- (c) In the case of the cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements:

1. As required by the Companies (Auditor's Report) Order,2016 ("the order") issued by the central Government of India in terms of sub-section(11) of section 143 of the Act, we enclose in the Annexure 1, a statement on the matters specified in paragraph 3 & 4 of the said order.
2. We are enclosing our report in terms of Section 143(5) of the Act, on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, in the "Annexure 2" on the directions and sub-directions issued by the Comptroller and Auditor General of India.
3. 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;
 - a) In our opinion proper books of account as required by law have been kept by the company so far as appears from our examination of those books;
 - b) The Balance Sheet and Statement of Profit and Loss account dealt with by this Report are in agreement with the books of account
 - c) In our opinion, the Balance Sheet and Statement of Profit and Loss account comply with the Accounting Standard referred to in section 133 of the Companies Act, 2013;
 - d) On the basis of written representations received from the directors as on March 31, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, from being appointed as a director in terms of Section 164(2) of the Companies Act, 2013;



- e) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure 3"; and
- f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - a. the Company has disclosed the impact of pending litigations on its financial position on its financial statements – Refer Note No. 17.23 to the financial statement ;
 - b. the Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note No. 17.16 to the Financial Statements.
 - c. the Company is not required to transfer any amount to Investor Education & Protection Fund.

Place: Bhubaneswar
Date: 28 September 2018

For **SBN & ASSOCIATES**
Chartered Accountants
Firm's Registration Number: 323579E

Sd/-
Bimal Kumar Bhoot, FCA
(Partner)
Membership No. :057858

Annexure - 1 to the Independent Auditor's Report

The Annexure referred to in Independent's Auditors' Report to the members of the Company on the Financial Statements for the year ended 31 March 2018, we report that:

Statutory Auditors' Comment	
3.1	3.1.1 The Corporation has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
	3.1.2 These fixed assets were physically verified by the management during the year. Company has initiated physical verification of fixed assets from current year only and as per their explanation it would be conducted in regular intervals thereby. No material discrepancy was found on such physical verification.
	3.1.3 The title deeds in respect of two immovable properties are not held in the name of the corporation (as per Annexure-A attached)
3.2	3.2.1 The PH (Plumbing & Hardware) inventories lying at Head Office have not been physically verified by the management during the year. As explained to us these inventories could not be verified as these are under the custody of State vigilance dept.
	3.2.2 As physical verification has not been conducted by the management, therefore, the adequacy of procedure for physical verification of PH inventory followed by the management does not arise.
	3.2.3 As physical verification has also not been conducted by the management any adjustment for shortage / excess, if any on verification during the year does not arise.
3.3	3.3.1 The Corporation has not granted any loans, secured or unsecured to companies, firms or other parties covered in register maintained under Section 189 of the Companies Act, 2013.
	3.3.2 In view of our comment in paragraph 3.3.1 above, clause (iii)(a), (iii)(b), of paragraph 4 of the aforesaid order is not applicable.
	3.3.3 In view of our comment in paragraph 3.3.1 above, clause (iii) (f), (iii) (g), of paragraph 4 of the aforesaid order is not applicable.
3.4	In our opinion and according to the information & explanations given to us, the company has complied with the provisions of section 185 & 186 of the Act, ref. note no. 17.10 on notes to accounts.
3.5	According to the information and explanations given to us, the Corporation has not accepted any deposits from the public as per the provisions of Sec 73 to 76 or any other relevant provisions of Companies Act 2013. Therefore, the provision of clause (v) of paragraph 4 of the Order is not applicable to the Company.
3.6	We have broadly reviewed the books of account maintained by the company pursuant to the rules made by the central government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the services of the company, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same. The same records were audited and reported by the Cost Accountant and we have provided our view on the basis of such reports.
3.7	3.7.1 Undisputed statutory dues in respect of Provident Fund, Income Tax and other applicable dues have been regularly deposited by the Corporation during the period with the appropriate authorities in India. According to the information and explanations given to us, there are no material dues of income tax, service tax and cess which have not been deposited with the appropriate authorities on account of any dispute.
	3.7.2 As on 31st March 2018, the Corporation has disputed dues towards Sales tax & Income Tax respectively. (As annexure-B attached separately)
3.8	The Company does not have any loans or borrowings from any financial institution, banks, government or debenture holders during the year. Accordingly, paragraph 3(viii) of the Order is not applicable.

3.9	The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
3.10	According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit
3.11	According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
3.12	In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
3.13	According to the information and explanations given to us and based on our examination of the records of the Company, there are no transactions with the related parties covered under Section 177 & 188. Accordingly, paragraph 3 (xiii) of the Order is not applicable.
3.14	According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
3.15	According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
3.16	The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

Place: Bhubaneswar
Date: 28 September 2018

For **SBN & ASSOCIATES**
Chartered Accountants

Sd/-
Bimal Kumar Bhoot, FCA
(Partner)
Membership No.: 057858

Annexure-A to Point No. 3.1.3

No. of cases	Description of Assets	Whether Freehold/ Leasehold	Gross Block	Net Block	Remarks
2	Building	Freehold	13,56,27,386.48	10,86,53,842.27 (To See depreciation Schedule)	-

Annexure-B to Point No. 3.7.2

Nature of Statute	Period of dispute	Amount (in Rs.)
Income Tax	AY2011-12	28,31,650
Sales Tax	-	5,00,29,156
Income Tax	AY 2015-16	5,82,310
Income Tax	AY 2012-13	3,27,700
Income Tax (TDS)	-	31,35,160

Annexure - 2 to the Independent Auditors' Report

Referred to in our report of even date to the members of The Odisha State Police Housing & Welfare Corporation Limited on the accounts for the year ended 31 March 2018.

Sl. No.	Directions u/s 143(5) of the Companies Act, 2013	Auditor's reply on action taken on the directions	Impact on financial statement
1	Whether the Company has clear title/ lease deeds for freehold and leasehold land respectively? If not, please state the area of the freehold and leasehold land for which title/lease deeds are not available.	According to information and explanations given to us, there are no such lands held by the corporation.	NIL
2	Whether there are any cases of waiver/ write off of debts/loans/ interest etc., if yes, the reasons thereof and the amount involved.	According to information and explanations given to us, there are no cases of waiver/write off of debts/ loans/interest etc.	NIL
3	Whether proper records are maintained for inventories lying with third parties & assets received as gift from Govt. or other authorities?	Proper records are maintained for inventories lying with third parties and also for assets received as gift from Government or other authorities.	NIL

Place: Bhubaneswar
Date: 28 September 2018

For **SBN & ASSOCIATES**
Chartered Accountants

Sd/-
Bimal Kumar Bhoot, FCA
(Partner)
Membership No. :057858



Annexure - 3 to the Independent Auditors' Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of ODISHA STATE POLICE HOUSING & WELFARE CORPORATION LIMITED ("the Company") as of 31 March 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place: Bhubaneswar
Date: 28 September 2018

For **SBN & ASSOCIATES**
Chartered Accountants

Sd/-
Bimal Kumar Bhoot, FCA
(Partner)
Membership No. :057858



THE ODISHA STATE POLICE HOUSING & WELFARE CORPORATION LTD.
BALANCE SHEET AS AT 31ST MARCH, 2018

Amount in Rs.

PARTICULARS	NOTE NO.	AS AT 31.03.18	AS AT 31.03.17
I. EQUITIES AND LIABILITIES			
1. SHARE HOLDERS' FUND			
(a) Share Capital	3	56,301,000.00	56,301,000.00
(b) Reserve & Surplus	4	1,070,794,511.37	980,632,452.80
2. NON-CURRENT LIABILITIES			
(a) Trade Payables		539,100,212.03	392,510,623.03
(b) Long Term Provisions		106,048,859.00	89,704,367.00
3. CURRENT LIABILITIES			
(a) Trade Payables		66,338,395.82	122,504,913.41
(b) Other Current Liabilities		12,732,556,752.03	12,545,086,041.23
(c) Short Term Provisions		349,653,028.30	143,222,398.79
TOTAL		<u>14,920,792,758.55</u>	<u>14,329,961,796.26</u>
II. ASSETS			
1. NON-CURRENT ASSETS			
(a) Fixed Assets			
(i) Tangible Assets	7	116,743,371.29	115,274,665.86
(ii) Intangible Assets		2,638,998.10	5,144,556.18
(iii) Capital Work in Progress		518,407.00	4,020,318.00
(b) Long Term Advances	8	1,028,383.00	1,028,383.00
(c) Other Non-Current Assets	9	76,295,842.00	39,062,116.00
2. DEFERRED TAX ASSETS			
		18,004,044.00	12,003,484.00
3. CURRENT ASSETS			
(a) Inventories		1,765,445.28	1,765,445.28
(b) Trade Receivables		16,972,959.15	51,572,318.42
(c) Work in Progress		6,522,650,931.60	6,041,300,478.70
(d) Cash & Cash Equivalent		7,616,958,038.77	7,536,757,573.73
(e) Other Current Assets		508,821,396.76	486,681,450.06
(f) Short Term Loans & Advances		38,394,941.60	35,351,007.03
TOTAL		<u>14,920,792,758.55</u>	<u>14,329,961,796.26</u>
See accompanying notes to the financial Statements. 1 to 17			

For and on behalf of the Board

Sd/-
S. K. Panda
Company Secretary

Sd/-
P. C. Mishra
Financial Advisor

Sd/-
Lalit Das
Chairman cum
Managing Director

Sd/-
P. Venugopala Rao
Director

As per our report of even date
For SBN & ASSOCIATES
Chartered Accountants

Sd/-
Bimal Kumar Bhoot, FCA
Partner
Membership No.057858

Place: Bhubaneswar
Date: 28 September 2018

THE ODISHA STATE POLICE HOUSING & WELFARE CORPORATION LTD.
PROFIT & LOSS STATEMENT
FOR THE YEAR ENDED 31ST MARCH, 2018

Amount in Rs.

PARTICULARS	NOTE NO.	Year Ended 31-03-18	Year Ended 31-03-17
INCOME			
Revenue from Operations	11	3,638,203,835.71	3,853,079,066.48
Other Income	12	166,864,583.96	174,819,962.75
TOTAL		3,805,068,419.67	4,027,899,029.23
EXPENDITURE			
Cost of Material & Labour	13	2,851,446,614.82	3,287,319,272.48
Changes in Inventory of Work in Progress	13	481,350,452.90	247,345,752.52
Employee Benefits Expense	14	175,300,627.00	176,126,776.00
Depreciation	7	12,303,550.30	13,918,396.63
Other Expenses	15	68,505,478.08	42,362,302.77
TOTAL		3,588,906,723.10	3,767,072,500.40
Profit Before Prior Period Expenses & Tax		216,161,696.57	260,826,528.83
i) Prior Period Expenditures	16	42,993.00	(563,743.70)
Profit Before Tax		216,118,703.57	261,390,272.53
Less : Provision for Taxation			
i) Current Tax		81,324,750.00	96,415,384.00
ii) Adjustment for earlier year Tax		(454,845.00)	385,009.00
iii) Deferred Tax		(6,000,560.00)	(5,710,810.00)
Profit After Tax		141,249,358.57	170,300,689.53
Less : Dividend Distribution			
i) Dividend		42,375,000.00	46,528,000.00
ii) Dividend Distribution Tax		8,712,300.00	9,471,974.00
Profit for the year transferred to Reserve & Surplus		90,162,058.57	114,300,715.53
Earning Per Equity Share (Face value of Rs.1,000/- per equity share)			
i) Basic		2,508.83	3,024.83
ii) Diluted		2,508.83	3,024.83
See accompanying notes to the financial Statements.	1 to 17		

For and on behalf of the Board

Sd/-
S. K. Panda
 Company Secretary

Sd/-
P. C. Mishra
 Financial Advisor

Sd/-
Lalit Das
 Chairman cum
 Managing Director

Sd/-
P. Venugopala Rao
 Director

As per our report of even date
For SBN & ASSOCIATES
 Chartered Accountants

Sd/-
 Bimal Kumar Bhoot, FCA
 Partner
 Membership No.057858

Place: Bhubaneswar
Date: 28 September 2018



THE ODISHA STATE POLICE HOUSING & WELFARE CORPORATION LTD.
CASH FLOW STATEMENT

Amount in Rs.

	For The Year 2017-18	For The Year 2016-17
(A) CASH FLOW FROM OPERATING ACTIVITIES		
NET PROFIT BEFORE TAX & EXTRAORDINARY ITEMS	216,161,696.57	260,826,528.83
Adjusted for :		
Depreciation	12,303,550.30	13,918,396.63
Profit on sale of Fixed Assets	(173,311.65)	-
Income from Investments (Interest)	(147,623,854.51)	(150,888,852.75)
Provision for Retirement Benefits	16,344,492.00	15,271,914.00
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	97,012,572.71	139,127,986.71
Adjusted for :		
Trade Receivables	34,599,359.27	-
Work in Progress	(481,350,452.90)	(247,345,752.52)
Inventories	-	2,244,810.00
Other Current Assets	(65,374,232.70)	(171,855,826.89)
Trade & Other Payables	317,910,540.37	(1,224,551,774.19)
Prior Period & Extra Ordinary Items	(42,993.00)	563,743.70
Excess Provision for Income Tax for Earlier year	454,845.00	(385,009.00)
CASH GENERATED FROM OPERATIONS	(96,790,361.25)	(1,502,201,822.19)
Interest paid	-	-
Direct Taxes Paid / Deducted	91,089,681.35	86,796,114.07
NET CASH FLOW FROM / (USED IN) OPERATING ACTIVITIES	(5,700,679.90)	(1,415,405,708.12)
(B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Tangible Assets	(7,813,030.00)	(8,058,491.00)
Sale of Fixed Assets	221,555.00	-
Interest Received	147,623,854.51	150,888,852.75
Changes in Loans & Advances	(3,043,934.57)	22,242,496.28
NET CASH FLOW FROM/(USED IN) INVESTING ACTIVITIES	136,988,444.94	165,072,858.03
(C) CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Issue of Share Capital	-	-
Proceeds from Long Term Borrowings	-	-
Miscellaneous Expenses	-	-
Dividend Paid	(51,087,300.00)	(55,999,974.00)
Proceeds from Issue of Debentures	-	-
NET CASH FROM/(USED IN) FINANCING ACTIVITIES (C)	(51,087,300.00)	(55,999,974.00)
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS (A + B + C)	80,200,465.04	(1,306,332,824.09)
Cash & Cash Equivalents at the beginning of the year	7,536,757,573.73	8,843,090,397.82
Cash & Cash Equivalents at the end of the year	7,616,958,038.77	7,536,757,573.73

Notes: 1. Figures in Brackets represent cash out flows.

We have verified the attached Cash Flow Statement of The Odisha State Police Housing & Welfare Corpn. Ltd. for the year ended 31st March' 2018. The statement has been prepared by the Corporation in accordance with the Balance Sheet and Profit & Loss Statement of the Corporation covered by our report of even date to the members of the Corporation.

For and on behalf of the Board

Sd/-
S. K. Panda
Company Secretary

Sd/-
P. C. Mishra
Financial Advisor

Sd/-
Lalit Das
Chairman cum
Managing Director

Sd/-
P. Venugopala Rao
Director

As per our report of even date
For SBN & ASSOCIATES
Chartered Accountants

Sd/-
Bimal Kumar Bhoot, FCA
Partner
Membership No.057858

Place: Bhubaneswar
Date: 28 September 2018

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE “1” - BACKGROUND

The Odisha State Police Housing & Welfare Corporation Ltd. (“the Corporation”) is a Company registered under the Companies Act, 1956. The Corporation is primarily engaged in construction activities mostly of Govt. projects.

NOTE “2” - SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Accounting

- a) The Corporation generally follows Mercantile System of Accounting and recognizes significant items of Income and Expenditure on accrual basis except those with significant uncertainties.
- b) The financial statements have been prepared to comply with the requirements of the Companies Act, 2013, under the historical cost convention and in accordance with the applicable Accounting Standards except otherwise stated.

2.2 Revenue Recognition

- a) Revenues from projects are recognized on the basis of AS-7, para-29 (a) “the proportion that contract costs incurred for work performed up to the reporting date bear to the estimated total contract costs”, issued by The Institute of Chartered Accountants of India.
- b) Income on account of extra external electrification is accounted for on cash basis due to uncertainty of receipt.
- c) Income from rent is recognized on accrual basis in accordance with the terms of agreement with the tenant.
- d) Interest income is recognized on accrual basis on a time proportion basis.

2.3 Fixed Assets

Fixed assets are stated at cost of acquisition or construction less accumulated depreciation. Cost includes purchase price and all other attributable costs of bringing the assets to working condition for intended use.

2.4 Depreciation

- a) Depreciation on tangible fixed assets has been provided as per Companies Act, 2013 under WDV method. Fixed assets have been depreciated over its useful life, as prescribed under Part ‘C’ of Schedule-II of the said Act.
- b) Intangible fixed assets such as “e-Nirbaha”, the ERP software, has been amortized over 5 years.

2.5 Work in Progress

Work in Progress includes the cost of materials consumed, labour costs and other misc. expenditures incurred for the on-going projects.

2.6 Profit & Loss

The surplus or deficit of administrative approval against actual cost of handed over projects are treated as profit or loss respectively.

2.7 Retirement Policy

As per policy of the Corporation, the retirement age of employees is 60 years. The retirement benefits include gratuity, pension and unutilized earned leaves as per Govt. rules for eligible employees.

2.8 Prior Period Item

Prior period expenditures and incomes are recognized during the year of occurrence.



NOTES FORMING PART OF FINANCIAL STATEMENTS

Amount in Rs.

PARTICULARS	AS AT 31-03-18	AS AT 31-03-17
NOTE "3"		
SHARE CAPITAL		
Authorised		
1,00,000 Equity Shares of Rs. 1000/- each	100,000,000.00	100,000,000.00
Issued and Subscribed		
56,301 Equity Shares of Rs.1000/- each	56,301,000.00	56,301,000.00
Paid Up		
56,301 Equity Shares of Rs.1000/- each (100% of paid up shares are held by Govt. of Odisha)	56,301,000.00	56,301,000.00
Share Reconciliation Statement :		
Share Holders holding more than 5% of shares Govt. of Odisha (100% Share Holding) Corporation has not issued any Bonus shares during last five years		
Opening Balance of Paid up Share Capital	56,301,000.00	56,301,000.00
Add : Share Capital Issued during the year		
Less : Share Capital Buy Backed during the year		
Closing Balance of Paid up Share Capital	56,301,000.00	56,301,000.00
NOTE "4"		
RESERVE & SURPLUS		
SURPLUS		
(a) Balance brought forward	980,632,452.80	866,331,737.27
(b) Profit for the year after Tax and Adjustments	90,162,058.57	114,300,715.53
Total	1,070,794,511.37	980,632,452.80
NOTE "5"		
NON-CURRENT LIABILITIES & PROVISIONS		
(a) Long Term Liabilities		
(i) Trade Payables	539,100,212.03	392,510,623.03
Total	539,100,212.03	392,510,623.03
(b) Long Term Provisions		
(i) Leave Encashment	29,935,864.00	27,977,230.00
(ii) Gratuity	76,112,995.00	61,727,137.00
Total	106,048,859.00	89,704,367.00
NOTE "6"		
CURRENT LIABILITIES & PROVISIONS		
(a) Current Liabilities		
(i) Sundry Creditors		
1) Due to Small Scale Industries	-	-
2) Due to Others	66,338,395.82	122,504,913.41
Trade Payables	66,338,395.82	122,504,913.41
(b) Other Current Liabilities		
(i) Advances Received Against Projects	12,609,052,912.73	12,403,852,626.59
(ii) Other Liabilities	123,503,839.30	141,233,414.64
Other Current Liabilities	12,732,556,752.03	12,545,086,041.23
(c) Short Term Provisions		
(i) Income Tax	-	10,473,417.79
(ii) Leave Encashment	4,822,794.00	2,412,588.00
(iii) Gratuity	8,163,394.00	4,785,378.00
(iv) Project Expenditures	336,666,840.30	125,551,015.00
Short Term Provisions	349,653,028.30	143,222,398.79

NOTE "7" - FIXED ASSETS

Amount in Rs.

PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	As At 01.04.17	Additions during the year	Deletions	As At 31.03.18	Up To 31.03.17	For The the year	Written Back/ Adj.	Up To 31.03.18	As At 31.03.18	As At 31.03.17
A. TANGIBLE ASSETS										
1. Land	-	-	-	-	-	-	-	-	-	-
2. Building										
(i) Office Building	14,680,792.18	7,402,554.00	-	22,083,346.18	4,865,385.76	866,001.25	-	5,731,387.01	16,351,959.17	9,815,406.42
(ii) Office Bank Building	3,388,832.80	-	-	3,388,832.80	1,246,990.07	106,006.78	-	1,352,996.85	2,035,835.95	2,141,842.73
(iii) Head Office Building - Extension Wing	24,879,867.00	-	-	24,879,867.00	3,440,686.24	1,060,783.33	-	4,501,469.57	20,378,397.43	21,439,180.76
(iv) Rasulgadh Staff Quarter	83,679,208.50	1,596,132.00	-	85,275,340.50	11,749,776.26	3,637,914.53	-	15,387,690.79	69,887,649.71	71,929,432.24
3. Plant & Machinery										
(i) Air Conditioners	1,025,146.00	80,820.00	-	1,105,966.00	739,798.62	101,219.79	-	841,018.41	264,947.58	285,347.37
(ii) Air Cooler	14,000.00	-	-	14,000.00	3,624.60	2,686.19	-	6,310.79	7,689.21	10,375.40
(iii) Voltage Stabilizers	231,028.45	7,850.00	-	238,878.45	198,984.38	9,772.74	-	208,757.12	30,121.33	32,044.07
(iv) Generator	1,249,774.00	-	-	1,249,774.00	1,070,829.60	63,602.34	-	1,134,431.94	115,342.06	178,944.40
(v) Xerox Machines	904,293.00	99,100.00	-	1,003,393.00	799,069.96	85,539.89	-	884,609.85	118,783.15	105,223.04
(vi) Inverter	565,479.00	84,214.00	-	649,693.00	368,735.58	76,555.64	-	445,291.22	204,401.78	196,743.42
(vii) Office Lift	857,245.65	-	-	857,245.65	814,383.37	-	-	814,383.37	42,862.28	42,862.28
(viii) Concrete Vibrator & Mixture	17,547.00	-	-	17,547.00	9,795.67	1,847.95	-	11,643.62	5,903.38	7,751.33
(ix) Electrical Tools/Installations	253,835.00	-	-	253,835.00	221,821.08	12,075.13	-	233,896.21	19,938.79	32,013.92
(x) Transformer	227,273.00	-	-	227,273.00	215,909.35	-	-	215,909.35	11,363.65	11,363.65
(xi) Pump Set	47,481.00	-	-	47,481.00	20,763.84	7,256.71	-	28,020.55	19,460.45	26,717.16
(xii) Lawn Mower	10,900.00	-	-	10,900.00	6,884.40	1,136.93	-	8,021.33	2,878.67	4,015.60
(xiii) Paper Shreddor Machine	6,990.00	-	-	6,990.00	3,150.89	993.95	-	4,144.84	2,845.16	3,839.11
(xiv) Auto Level Machine	70,416.00	14,829.00	-	85,245.00	18,230.70	17,350.00	-	35,580.70	49,664.30	52,185.30
(xv) Automation System	21,143.00	49,677.00	-	70,820.00	5,473.92	16,918.10	-	22,392.02	48,427.98	15,669.08
4. Office Equipments										
(i) EPBAX / Telephone / Fax	698,399.00	-	-	698,399.00	638,073.16	15,341.56	-	653,414.72	44,984.28	60,325.84
(ii) Water Cooler / Refrigerator	122,048.00	-	-	122,048.00	112,550.35	1,683.47	-	114,233.82	7,814.17	9,497.64
(iii) Television	34,250.00	-	-	34,250.00	32,537.50	-	-	32,537.50	1,712.50	1,712.50
(iv) Office Equipments & Tools	677,814.00	10,698.00	-	688,512.00	634,521.63	12,322.70	-	646,844.33	41,667.67	43,292.37
(v) Digital Camera	19,900.00	-	-	19,900.00	18,905.00	-	-	18,905.00	995.00	995.00
(vi) Sound Box	17,928.00	-	-	17,928.00	17,031.59	-	-	17,031.59	896.41	896.41
(vii) Aquaguard	78,670.00	-	-	78,670.00	31,141.11	12,831.62	-	43,972.73	34,697.27	47,528.89

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As At 01.04.17	Additions during the year	Deletions	As At 31.03.18	Up To 31.03.17	For The the year	Written Back/ Adj.	Up To 31.03.18	As At 31.03.18	As At 31.03.17
	(viii) Biometrics	25,050.00	-	-	25,050.00	9,845.65	5,975.92	-	15,821.57	9,228.43
(ix) Trademill	62,900.00	-	-	62,900.00	16,284.81	12,068.67	-	28,353.48	34,546.52	46,615.19
(x) Shoe Polish Machine	21,068.00	-	-	21,068.00	5,454.51	4,042.33	-	9,496.84	11,571.16	15,613.49
(xi) CCTV Camera	242,700.00	-	-	242,700.00	62,835.03	46,567.04	-	109,402.07	133,297.93	179,864.97
5. Furniture & Fixtures										
(i) Furniture & Fixtures	11,578,804.10	21,763.00	-	11,600,567.10	7,566,555.07	1,128,174.41	-	8,694,729.48	2,905,837.62	4,012,249.03
(ii) Steel Almirahs	77,865.00	6,018.00	-	83,883.00	51,725.64	9,660.61	-	61,386.25	22,496.75	26,139.36
(iii) Steel Table & Chairs	813,152.00	50,779.00	-	863,931.00	541,303.54	87,810.77	-	629,114.31	234,816.71	271,848.48
(iv) Revolving Chairs	154,512.52	-	-	154,512.52	115,288.63	9,766.80	-	125,055.43	29,457.08	39,223.88
(v) Steel Stand	7,085.00	-	-	7,085.00	3,193.71	1,007.45	-	4,201.16	2,883.84	3,891.29
6. Computers										
(i) Computer & Peripherals	9,116,981.00	151,290.00	-	9,268,271.00	8,263,385.69	391,806.68	-	8,655,192.37	613,078.63	853,595.31
(ii) ERP Package - Hardware	16,331,482.00	-	-	16,331,482.00	14,619,495.02	895,412.89	-	15,514,907.91	816,574.09	1,711,986.98
7. Vehicles										
(i) By-Cycles	59,839.00	-	-	59,839.00	47,600.65	3,100.78	-	50,701.43	9,137.57	12,238.35
(ii) Trucks	5,746,826.57	-	665,627.00	5,081,199.57	5,201,859.83	179,834.04	632,345.65	4,749,348.22	331,851.35	544,966.74
(iii) Car & Jeeps	4,891,898.41	1,655,817.00	299,240.24	6,248,475.17	3,858,545.89	825,861.30	284,278.24	4,400,128.95	1,848,346.22	1,033,352.52
(iv) Motor Cycle	46,034.00	-	-	46,034.00	33,364.01	3,661.93	-	37,025.94	9,008.06	12,669.99
B. INTANGIBLE ASSETS										
(i) ERP Package - Software	13,248,466.00	83,400.00	-	13,331,866.00	8,103,909.84	2,588,958.08	-	10,692,867.92	2,638,998.08	5,144,556.16
TOTAL	196,204,924.18	11,314,941.00	964,867.24	206,554,997.94	75,785,702.13	12,303,550.30	916,623.89	87,172,628.54	119,382,369.39	120,419,222.04
Previous Year	192,166,751.18	4,038,173.00	-	196,204,924.18	61,867,305.50	13,918,396.63	-	75,785,702.13	120,419,222.04	130,299,445.67

NOTES FORMING PART OF FINANCIAL STATEMENT

Amount in Rs.

PARTICULARS	AS AT 31-03-18	AS AT 31-03-17
NOTE "8"		
LONG TERM ADVANCES		
(a) Trade Advances (Unsecured & Considered Doubtful)	37,215,752.33	37,215,752.33
Less : Provision	<u>37,215,752.33</u>	<u>37,215,752.33</u>
	-	-
(b) Deposits	<u>1,028,383.00</u>	<u>1,028,383.00</u>
	<u>1,028,383.00</u>	<u>1,028,383.00</u>
NOTE "9"		
OTHER NON-CURRENT ASSETS		
(a) Other Non-Current Assets		
(i) Gratuity Trust Fund	45,590,733.00	39,062,116.00
(ii) Leave Encashment Fund	30,705,109.00	-
	<u>76,295,842.00</u>	<u>39,062,116.00</u>
DEFERRED TAX ASSETS		
(a) Deferred Tax Assets (Net)	18,004,044.00	12,003,484.00
	<u>18,004,044.00</u>	<u>12,003,484.00</u>
NOTE "10"		
CURRENT ASSETS		
(a) Inventories		
(i) Stores & Spares	1,765,445.28	1,765,445.28
	<u>1,765,445.28</u>	<u>1,765,445.28</u>
(b) Trade Receivables		
(i) Unsecured and considered good		
(1) Outstanding for a period exceeding six months	16,972,959.15	51,572,318.42
(ii) Unsecured and considered doubtful		
(1) Outstanding for a period exceeding six months	-	-
	<u>16,972,959.15</u>	<u>51,572,318.42</u>
	<u>16,972,959.15</u>	<u>51,572,318.42</u>
(c) Work in Progress		
(i) Projects under Progress		
(1) Police Projects	3,488,719,300.86	3,507,588,948.02
(2) Fire Station Projects	773,562,966.96	676,279,596.00
(3) Jail Projects	769,403,982.44	714,359,507.68
(4) Court Projects	713,784,793.00	548,240,277.00
(5) Other Projects	777,179,888.34	594,832,150.00
Total	<u>6,522,650,931.60</u>	<u>6,041,300,478.70</u>
(d) Cash and Cash Equivalent		
(i) Cash and Cheques in hand	35,548.50	20,977.50
(ii) Balances with Scheduled Banks		
(1) In Savings cum Flexi Deposit Accounts	723,658,985.48	1,282,895,015.73
(2) In Fixed Deposit Accounts (More than three months)	6,893,263,504.79	6,253,841,580.50
Total	<u>7,616,958,038.77</u>	<u>7,536,757,573.73</u>

Amount in Rs.

PARTICULARS	AS AT 31-03-18	AS AT 31-03-17
(e) Other Current Assets		
(i) Accrued Interest	168,343,907.58	202,097,215.65
(ii) Revenue Recognised on On-going Projects	296,049,754.70	248,845,822.89
(iii) Income Tax Demand / Deducted at Source	19,197,956.84	9,683,931.28
(iv) Sales Tax Demand / Deducted at Source	20,675,223.05	20,675,223.05
(v) Other Advances	4,554,554.59	5,379,257.19
Total	508,821,396.76	486,681,450.06
(f) Short Term Loans and Advances		
(Unsecured and considered good) (Recoverable in cash or kind or for value to be received)		
(i) Advances to Staffs	17,136,500.60	5,063,998.03
(ii) Advances to Govt. of Odisha	4,708,120.00	5,655,180.00
(iii) Advances to SJSV, Puri	417,056.00	417,056.00
(iv) Advances to Suppliers	16,133,265.00	24,214,773.00
Total	38,394,941.60	35,351,007.03
	Year Ended 31.03.2018	Year Ended 31.03.2017
NOTE "11"		
INCOME FROM OPERATIONS		
Operating Revenue	3,638,203,835.71	3,853,079,066.48
Total	3,638,203,835.71	3,853,079,066.48
NOTE "12"		
OTHER INCOME		
Income from Interest	147,623,854.51	150,888,852.75
Income from Rent	6,927,831.80	6,013,922.00
Other Income	12,312,897.65	17,917,188.00
Total	166,864,583.96	174,819,962.75
NOTE "13"		
COST OF MATERIAL & LABOUR		
Project Expenditures	2,801,308,384.20	3,254,687,893.48
Architect Fees	2,300,335.00	1,240,508.00
External Electrification Expenditure	44,113,159.00	29,820,255.00
Testing & Inspection Charges	2,515,093.62	1,293,604.00
Incentive to Contractors	1,209,643.00	277,012.00
	2,851,446,614.82	3,287,319,272.48
CHANGES IN INVENTORY & WIP		
Changes in Work in Progress	481,350,452.90	247,345,752.52
Total	3,332,797,067.72	3,534,665,025.00
NOTE "14"		
EMPLOYEE BENEFITS EXPENSES		
Salaries & Wages	161,979,994.00	164,481,677.00
Contribution to Provident & other Funds	12,398,478.00	11,063,345.00
Staff Welfare	922,155.00	581,754.00
Total	175,300,627.00	176,126,776.00

PARTICULARS	Year Ended 31.03.2018	Year Ended 31.03.2017
NOTE "15"		
OTHER EXPENSES		
Advertisement Expenses	1,323,823.00	1,673,694.00
Bank Charges	118,560.90	94,419.69
Books & Periodicals	65,360.00	47,549.00
Business Promotion	546,216.26	1,837,562.00
Corporate Social Responsibility	3,530,245.00	773,932.00
Directors' Sitting Fees	111,850.00	107,700.00
Electricity Charges	1,820,005.00	1,691,060.00
ERP Maintenance Expenditure	2,483,522.00	6,019,843.00
Fees & Dues	105,683.00	208,223.00
Foundation Day Expenses	400,903.00	251,049.00
Hire Charges - Vehicles	6,358,143.00	7,099,534.00
Infrastructure Related Welfare Expenses	2,741,327.00	3,359,866.00
Insurance	1,245,529.00	233,408.00
Interest Paid	589,524.00	1,014,545.00
Legal Charges	1,257,468.00	506,141.00
Miscellaneous Expenses	330,808.50	248,396.08
Office & Establishment Expenses	528,632.92	512,584.00
Oil & Lubricants	2,596,574.00	1,962,582.00
Auditors' Remuneration	-	-
a) Statutory Audit Fees	177,000.00	172,500.00
b) Tax Audit & Income Tax Matter	17,700.00	17,250.00
c) Internal Audit Fees	442,500.00	483,000.00
d) Cost Audit Fees	47,200.00	46,000.00
e) Audit expenses	55,107.00	92,800.00
Postage & Courier	139,660.00	125,974.00
Printing & Stationery	1,361,453.00	1,830,444.00
Professional Charges	162,860.00	1,071,292.00
Rates & Taxes	168,468.00	204,864.00
Rent	1,680,354.00	1,786,234.00
Repair & Maintenance - Building	773,411.00	658,103.00
Repair & Maintenance - Vehicles	443,482.00	378,505.00
Repair & Maintenance - Others	878,457.00	1,282,967.00
Software Maintenance Expenses	264,945.00	520,759.00
Telephone Charges	815,468.00	1,003,798.00
Travelling & Conveyance	4,065,531.00	5,045,725.00
Receivables Written Off	30,857,707.50	-
Total	68,505,478.08	42,362,302.77
NOTE "16"		
PRIOR PERIOD & EXTRA ORDINARY ITEMS		
Prior Period Expenses (Ref. Note 17.12)	42,993.00	(563,743.70)
Total	42,993.00	(563,743.70)

NOTE “17”

17.1 Note “1” to “17” form an integral part of the Balance Sheet and Profit & Loss Statement.

17.2 Inventories

Inventories includes the cost of central PH Store of Rs.16.71 lakhs at Head Office which is under investigation of Vigilance Dept. Due to this investigation, there is no movement of these PH materials for a longer period.

17.3 Depreciation

Depreciation on tangible fixed assets have been provided over its useful life as per rates mentioned in para 2.4 of “NOTE-2”.

17.4 Construction Contract

Corporation has followed Percentage of Completion Method as required under AS-7, as per accounting policy mentioned in para no. 2.2 (a) of “NOTE-2”.

17.5 Revenue Recognition

Revenues of the Corporation are recognized as per para 2.2 of “NOTE -2”. During the financial year 2017-18, proportionate profit of Rs.2960.50 lakh has been recognized on on-going projects as on 31.03.18 and to that extent income from operations of the Corporation for the current financial year has been increased.

17.6 Fixed Assets

Fixed Assets of the Corporation are accounted for as per para 2.3 of “NOTE-2” and the details of Fixed Assets are as mentioned in “NOTE-7”. No revaluation of Fixed Assets has been done during the financial year. The ownership of land, on which Office Buildings at Bhoi Nagar, BBSR and Staff Quarters at Rasulgarh, BBSR are erected stand in favour of DCP, Bhubaneswar and Home Dept., Govt. of Odisha respectively, are yet to be transferred in favour of the Corporation.

17.7 Employee Benefits

As per Accounting Standard 15 “Employee Benefits”, the disclosures as defined in the Accounting Standard are given below :

Defined Contribution Plans

The Corporation’s contribution to Provident Fund is deposited with the Employees Provident Fund Organization.

Rs. in lakh

Particulars	2017-18	2016-17
Employer’s Contribution to Provident Fund.	107.73	99.60

These are charged to the profit & loss account when the contribution to the fund is due.

Defined Benefit Plans

The employees’ gratuity fund and leave encashment fund schemes are managed by Life Insurance Corporation of India and HDFC Standard Life Insurance Co. Ltd. respectively, are defined benefit plans. The present value of obligations are determined based on actuarial valuation using Projected Unit Credit Method.

I. Reconciliation of opening and closing balances of Defined Benefit Obligation (DBO)

Rs. in lakh

Particulars	Gratuity (Funded)		Earned Leave (Unfunded)	
	17-18	16-17	17-18	16-17
DBO at beginning of the year	665.12	514.24	301.08	255.42
Current Service Cost	33.97	29.54	15.40	12.50
Interest Cost	50.93	44.22	23.13	20.87
Actuarial (gain) / loss	108.56	106.03	1.46	22.96
Benefits Paid / Payable	(15.82)	(28.91)	(5.10)	(10.67)
DBO at end of the year	842.76	665.12	335.97	301.08

II. Reconciliation of opening and closing balances of fair value of Plan Assets

Rs. in lakh

Particulars	Gratuity (Funded)		Earned Leave (Unfunded)	
	17-18	16-17	17-18	16-17
Fair value of Plan asset at beginning of the year	390.62	340.58	NIL	NIL
Expected return on Plan assets	30.27	27.42	NIL	NIL
Employer Contribution	48.66	48.94	301.08	NIL
Actuarial gain / (loss)	2.17	2.59	11.07	NIL
Benefits Paid	(15.82)	(28.91)	(5.10)	NIL
Fair value of Plan assets at year end	455.90	390.62	307.05	NIL
Actual return on Plan assets	32.45	30.01	11.07	NIL

III. Reconciliation of fair value of assets and Obligation

Rs. in lakh

Particulars	Gratuity (Funded)		Earned Leave (Unfunded)	
	17-18	16-17	17-18	16-17
Fair value of Plan Assets	455.90	390.62	307.05	-
Present Value of Obligation	842.76	665.12	335.97	301.08
Amount recognized in Balance Sheet	386.86	274.50	28.92	301.08

IV. Expenses recognized during the year

Rs. in lakh

Particulars	Gratuity (Funded)		Earned Leave (Unfunded)	
	17-18	16-17	17-18	16-17
Current Service Cost	33.97	29.54	15.40	12.50
Interest Cost	50.93	44.23	23.13	20.87
Expected return on Plan assets	(30.27)	(27.42)	-	-
Actuarial (gain) / loss	106.38	103.44	(9.61)	22.96
Net Cost	161.01	149.79	28.92	56.33

V. Investment Details - Gratuity

Rs. in lakh

Particulars	As at 31.03.18		As at 31.03.17	
	Amount	% Invested	Amount	% Invested
With LIC	455.90	54.10	390.62	58.73
Bank Deposits	386.86	45.90	274.50	41.27
Total	842.76	100.00	665.12	100.00

VI. Investment Details - Leave Encashment

Rs. in lakh

Particulars	As at 31.03.18		As at 31.03.17	
	Amount	% Invested	Amount	% Invested
With HDFC St. Life	301.08	89.62	NIL	NIL
Bank Deposits	34.89	13.38	NIL	NIL
Total	335.97	100.00	NIL	NIL

VII. Actuarial assumptions

Rs. in lakh

Particulars	Gratuity (Funded)		Earned Leave (Unfunded)	
	17-18	16-17	17-18	16-17
Mortality Table	2006-08	2006-08	2006-08	2006-08
Discount rate (p.a.)	7.75%	7.50%	7.75%	7.50%
Expected rate of return on plan asset (p.a.)	7.75%	7.50%	7.75%	-
Rate of escalation in salary (p.a.)	6.00%	6.00%	6.00%	6.00%

The key assumptions used in the calculation are as follows :

The principal assumptions are the (i) discount rate, (ii) salary increase. Discount rates are based upon the market yield available on Govt. bonds at the accounting date with a term that matches that of the liability, the salary increase is taken into account inflation, seniority, promotion and other relevant factors.

VIII. Amounts recognized in current year and previous year

Rs. in lakh

Particulars	As at 31st March			
	Gratuity (Funded)		Earned Leave (Unfunded)	
	2018	2017	2018	2017
Defined benefit obligation	842.76	665.12	335.97	301.08
Fair value of Plan Assets	455.90	390.62	307.05	-
(Surplus) / Deficit in the Plan	386.86	274.50	28.92	301.08
Actuarial gain / (loss) on plan obligation	(12.45)	23.11	(4.41)	8.43
Actuarial gain / (loss) on plan asset	2.17	2.59	11.07	-

IX. The expected contributions for Defined Benefit Plan for the next financial year will be in line with financial year 2017-18.

- 17.8 Segment Reporting :** Corporation is operating with only one primary segment i.e., civil construction, hence disclosure under AS-17 is not required.
- 17.9** As on Balance Sheet date there is an outstanding advance of Rs.47.08 lakh given to various Departments of Govt. of Odisha and Rs.4.17 lakh given to CESU towards electricity deposit for Sri Jagannath Sanskrit University, Puri.
- 17.10 Taxes on Incomes**
Tax expenses include tax liability towards current year and earlier years.
- 17.11 Prior Period Adjustments**
During the year, a sum of Rs.0.43 lakh pertaining to earlier period has been accounted for and debited to prior period account.
- 17.12 Deposits**
Corporation has not accepted any deposits from the public during the financial year. Corporation has kept working capital advances in short term bank deposits and interest earned on said deposits, except interest earned on funds towards Modernization of Police Force (Central & State), 13th Finance Commission Award, Department of Technical Education & Training, Eklabya Model Residential School, Kalinga Model residential School, Left Wing Extremist- Centrally Sponsored Plan, Special Infrastructure Scheme, Security Related Expenditure, Close Circuit Television, Integrated Action Plan, Integrated Health System Development Project, Nabakalebar, State Plan and other deposit works, are credited to P & L Account during the year vide letter no.28847 dt.06.08.13 issued by Home Dept. Govt. of Odisha.
- 17.13** Corporation does not owe any sum outstanding to small scale industrial undertaking / Micro, Small and Medium Enterprises, which is due for more than one month as on Balance Sheet date.

- 17.14** Dues receivable from State Govt. towards handed over projects have been reduced from the respective scheme funds available with the Corporation.
- 17.15** Corporation has raised claims amounting to Rs.461.74 lakh against various deposit works, which are yet to be settled and received. Against above claim of Rs.461.74 lakh, Corporation has accounted for Rs.169.73 lakh and balance amount of Rs.292.01 lakh will be accounted for after its settlement and receipt.
- 17.16** During the financial year 2007-08, 2008-09 & 2013-14, Corporation had created provision of Rs.372.16 lakh against supply of cement and steel from various suppliers which are under reconciliation and adjustment.
- 17.17** Amount received from the tenants towards energy charges has been adjusted against energy charges paid.
- 17.18** Corporation has claimed a sum of Rs.423.65 lakh as refund from service tax authorities towards service tax paid under reverse mechanism on exempted project works. As on Balance Sheet date a sum of Rs.169.80 lakh has been received from service tax authorities.
- 17.19** During the year 2017-18, Corporation has provided a sum of Rs.423.75 lakh payable to Govt. of Odisha towards final dividend on equity shares of Rs.563.01 lakh held as on 31.03.18 and Rs.87.12 lakh towards dividend distribution tax thereon.
- 17.20** Corporation has achieved an operating revenue of Rs.36,382.03 lakh during the current financial year 2017-18 as against Rs.38,530.79 lakh during the previous financial year 2016-17. The underachievement of operating turnover is mainly attributable towards restructuring of indirect taxes which were part of cost of operations and thus were included in turnover in pre GST regime. However, consequent upon introduction of GST, all indirect taxes were subsumed in GST & are no longer a part of cost of operations and turnover.
- 17.21** During the year 2017-18, Corporation has written off receivable of (i) Rs.345.99 lakh towards projects constructed for Govt. of Odisha, (ii) Rs.1.90 lakh towards advances given to various employees who have left the Corporation since very long period, as these receivables are more than three years and there are no chances of recovery of these receivables.
- 17.22** During the year 2017-18, Corporation has written back payables amounting to Rs.39.31 lakh, as these payables are continuing since very long period (over three years) and there are no claimants for these payables.

- 17.23** Particulars of remuneration paid to the Chairman-cum-Managing Director and Independent Directors during the financial year are as follows:

Rs. in lakh

Particulars	Financial Year	
	2017-18	2016-17
a) Salaries (Inclusive of LTC)	23.39	21.83
b) Medical Reimbursement	0.05	0.30
c) Sitting fees paid to Independent Directors	1.12	1.07
Total	24.56	23.20

(Note : Salaries includes Rs.15.30 lakh paid to Shri Santosh Upadhyay, CMD for the period from 01.04.17 to 01.11.17 and Rs.8.01 lakh paid to Shri Lalit Das, CMD for the period from 06.11.17 to 31.03.18. Medical Reimbursement of Rs.0.05 lakh paid to Shri Santosh Upadhyay, CMD)

17.24 Auditors' Remuneration

Provision made during the year for payments towards Statutory Auditors remunerations are as follows :

Rs. in lakh

Particulars	Financial Year	
	2017-18	2016-17
a) Statutory Audit Fees	1.77	1.72
b) Statutory Audit Expenses	0.07	0.06
Total	1.84	1.78

17.25 Contingent Liabilities & Commitments

Rs. in lakh

Particulars	Financial Year	
	2017-18	2016-17
a) Claims against the Corporation not acknowledged as debts:		
From Sales Tax Authorities	500.29	500.29
From I. Tax Authorities (A.Y. 2011-12)	28.31	28.31
From I. Tax Authorities (A.Y. 2012-13)	3.27	3.27
From I. Tax Authorities (A.Y. 2014-15)	-	4.64
From I. Tax Authorities (A.Y. 2015-16)	5.82	-
TDS demand from I. Tax Authorities	31.35	15.65

17.26 Value of imported & indigenous materials consumed :

	2017-18	2016-17
i) CIF Value of imports during the financial year.	NIL	NIL
ii) Expenditures in foreign currency during the financial year.	NIL	NIL
iii) Total value of all imported raw materials, spare parts and components consumed during the year.	NIL	NIL
iv) Total value of all indigenous raw materials, spare parts and components consumed during the year.	NIL	NIL
v) The amount remitted during the year in foreign currencies on account of dividends.	NIL	NIL
vi) Earnings in foreign exchange during the year	NIL	NIL

17.27 Negative figures have been shown in brackets.**17.28** Previous year figures have been regrouped and rearranged where ever found necessary to make them comparable with the current year.

For and on behalf of the Board

Sd/-
S. K. Panda
Company Secretary

Sd/-
P. C. Mishra
Financial Advisor

Sd/-
Lalit Das
Chairman cum
Managing Director

Sd/-
P. Venugopala Rao
Director

As per our report of even date
For SBN & ASSOCIATES
Chartered Accountants

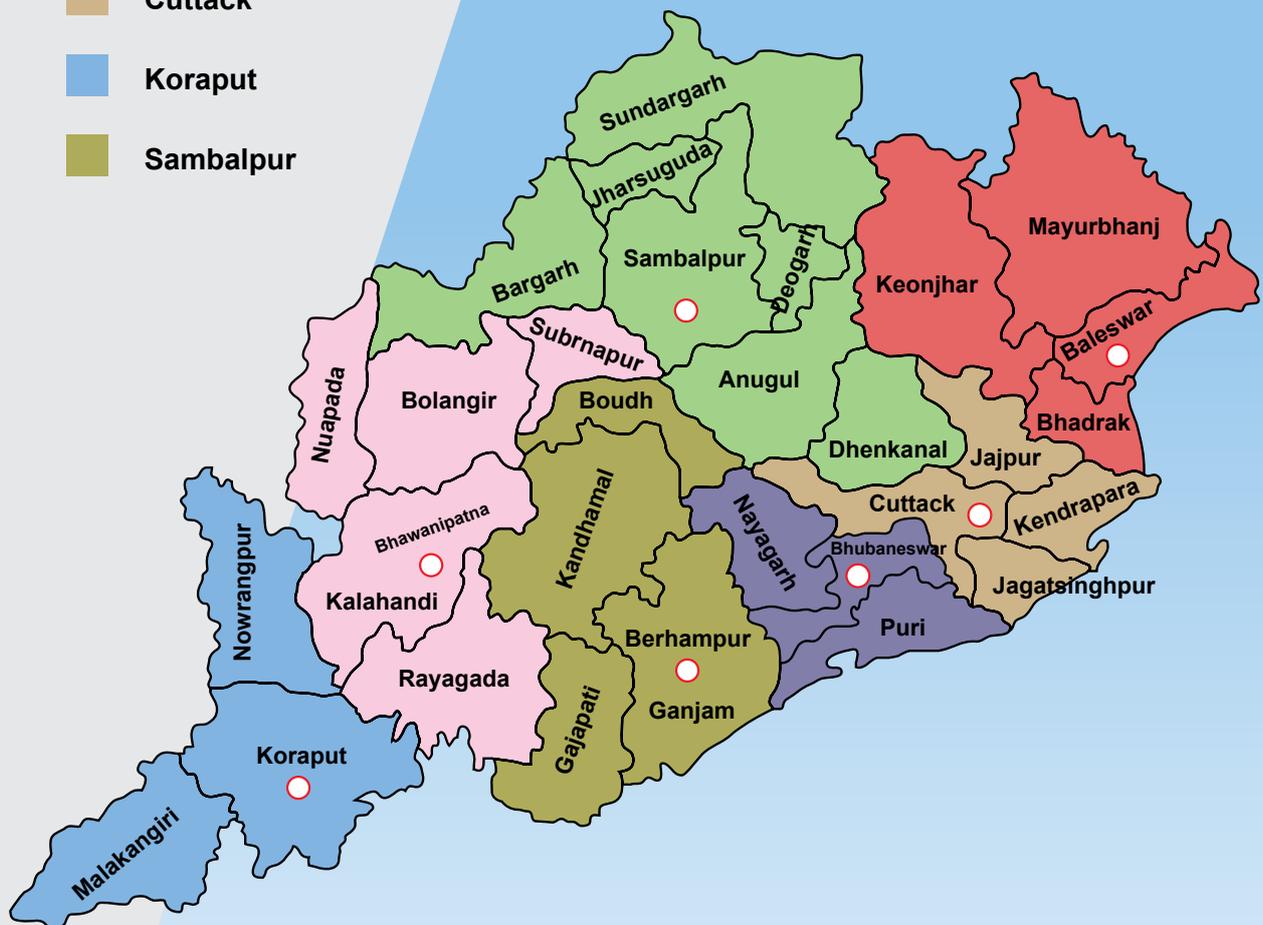
Sd/-
Bimal Kumar Bhoot, FCA
Partner
Membership No.057858

Place: Bhubaneswar
Date: 28 September 2018



Jurisdiction of Divisional Joint Managers

- Balasore
- Berhampur
- Bhawanipatna
- Bhubaneswar
- Cuttack
- Koraput
- Sambalpur



- ▴ Head Office
- Divisional Offices



**THE ODISHA STATE POLICE HOUSING &
WELFARE CORPORATION LTD.**

(A Government of Odisha Undertaking)
JANPATH, BHOINAGAR, BHUBANESWAR - 751 022
ODISHA

EPABX : 0674-2541545 / 2542921,

Fax : 0674-2541543 / 2541206

E-mail : ophwc.od@nic.in Website : ophwc.nic.in