

U.P.PURVA SAINIK KALYAN NIGAM LTD.
(U.P. Government Undertaking)



BALANCE SHEET
2016-2017

INDEPENDENT AUDITORS' REPORT

To the members of
UP Purva Sainik Kalyan Nigam Limited

Report on the Financial Statements

We have audited the accompanying financial statements of **UP Purva Sainik Kalyan Nigam Limited** ("the Company"), which comprise the Balance Sheet as at 31 March 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements and for Internal Financial Control over Financial Reporting

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, as applicable. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the 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.

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". 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit and to express an opinion on the Company's internal financial controls over financial reporting based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act and the Guidance Note on audit of Internal Financial Controls over Financial Reporting. 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 the financial statements are free from material misstatement and whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.



An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements and adequacy of the internal financial controls over financial reporting and their operative 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 judgement, 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 financial control relevant to the Company's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, 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 audit opinion on the financial statements and qualified opinion on Company's internal financial controls 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 and to the best of our information and according to the explanations given to us, the aforesaid financial statements, 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, 2017;
- b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.



Emphasis of Matter

We draw attention to the following matters in the notes to the financial statements:

- a. The balances of sundry creditors, sundry debtors, loans and advances, security deposits, earnest money are subject to confirmation/ reconciliation and subsequent adjustments, if any. The impact, if any, of adjustments arising on such reconciliation and confirmation of balances is unascertainable. (Refer Note No. '31' of the Financial Statements).
- b. The Company has not made provision for leave encashment on the basis of actuarial valuation as required by AS-15 (Revised) "Employee Benefits" issued by The Institute of Chartered Accountants of India. The amount of difference between amount of provision and amount as per actuarial valuation has not been ascertained. (Refer Note Nos. '2(l)' and '5' of the Financial Statements).
- c. Employer's contribution towards Provident Fund in respect of field staff is not accounted as expenditure and the amount is reversed from revenue from services for the year. This has no impact on profits of the Company. (Refer Note No. '18(c)' of the Financial Statements).
- d. Advance to Employees in Short Term Loans and Advances include Rs.55.87 Lac towards amount recoverable from field staff for uniform distributed. The Company has not ascertained the amount not recoverable, if any and provision for bad and doubtful advances has not been made in accounts. In absence of relevant details, its impact on Profit for the year could not be ascertained. (Refer Note No. '14' of the Financial Statements).
- e. The cost of uniform is charged from concerned staff and the cost of undistributed uniform is disclosed under current assets in the financial statements and not treated as stock/ inventory. (Refer Note No. '15' of the Financial Statements).

Our opinion is not modified in respect of these matters.

Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditors Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143 (11) of the Act, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order to the extent applicable.
2. As per directions issued by the Comptroller and Auditor General of India under section 143(5) of the Companies Act, 2013, we give in the "Annexure 'B'", our observations and other information asked in the said directions.
3. As required by section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. 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.
 - c. The Balance Sheet, the Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.



- e. In terms of Notification No. GSR 463(E) dated 05-06-2015 issued by the Ministry of Corporate Affairs, Government of India, the provisions of Section 164(2) of the Companies Act, 2013 are not applicable to the Company.
- f. According to the information and explanations given to us and based on our audit, the following material weaknesses in internal financial control over financial reporting have been identified as at March 31st, 2017.
- Internal control systems for monitoring of dues and reconciliation of balances in accounts with books of accounts of debtors and confirmation of balances is weak and requires to be strengthened.
 - There is lack of appropriate internal control systems for reconciliation of amount of revenue recognized in books of account with reports generated from billing software and periodical returns filed with Service Tax department.

In our opinion considering nature of business, size of operation and organizational structure of the entity, except for the effects/ possible effects of material weaknesses described above on the achievement of the objectives of the control criteria, the company has maintained, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as of March 31, 2017, based on the internal control over financial 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 Accountant of India.

We have considered the material weaknesses identified and reported above in determining the nature timing, and extent of audit tests applied in our audit of the March 31, 2017 financial statements of the company, and these material weaknesses do not affect our opinion on the financial statements of the Company.

- g. With respect to the other matters included in the Auditor's Report and to our best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements. – Refer Note No. '22' and '23' to the financial statements.
 - ii. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. The Company has provided requisite disclosure as regards its holdings and dealings in Specified Bank Notes as defined in Notification G.S.R. 308(E) dated 30th March, 2017, during the period from 8th November, 2016 to 30th December, 2016.


A. K. Goel
Membership No. 071257
Partner
For and on behalf of
Ajay Goel & Co.
Chartered Accountants
FRN: 02107C



Lucknow: August 06, 2018

Annexure 'A' to the Auditors' Report

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the members of UP Purva Sainik Kalyan Nigam Limited ("the Company") for the year ended 31 March 2017)


On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of our audit, we state that:

1. In respect of its fixed assets:
 - a. The Company has maintained fixed assets register showing full particulars, including quantitative details and situation of fixed assets.
 - b. The fixed assets have been physically verified by the management during the year and according to the information and explanations give to us, the programme of verification in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No discrepancy between the books of account and the physical verification of fixed assets was noticed.
 - c. The title deeds of immovable properties of the Company owning the property are held in the name of the company.
2. As the Company has no inventory. Accordingly, provisions of clauses (ii) of the paragraph 3 of the Order are not applicable.
3. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, provisions of clauses (iii)(a), (iii)(b) and (iii)(c) of the paragraph 3 of the Order are not applicable.
4. The Company has not granted any loans or made any investments or given any guarantees and security, where provisions of section 185 and 186 of the Companies Act, 2013 are applicable. Hence, the provisions of clause (iv) of the paragraph 3 of the Order are not applicable.
5. The Company has not accepted deposits. Hence, the provisions of clause (v) of the paragraph 3 of the Order are not applicable.
6. The Central Government has not prescribed maintenance of cost records under Section 148 (1) of the Act for the activities carried on by the Company. Hence, the provisions of clause (vi) of the paragraph 3 of the Order are not applicable.
7. a According to the information and explanations given to us, the company is regular in depositing with appropriate authority undisputed statutory dues in respect of provident fund, employees' state insurance, income tax and service tax. The provisions of investor education and protection fund, sales tax, wealth tax, custom duty, excise duty, value added tax, cess and other statutory dues are not applicable to the Company. The particulars of undisputed statutory dues of provident fund and other statutory dues which were outstanding as at 31st March, 2017 for a period exceeding six months from the date they become payable are as under;

Nature of demand	Relevant financial years	Amount outstanding for a period exceeding six months(INR)
Provident Fund	2013-14	4,864
Municipal Tax	Up to 2015-16	24,11,509



- b. According to the information and explanations given to us and verification of the records of Company, there are no amounts in respect of Income tax, Sales tax, Service tax, Customs Duty, Wealth Tax, Excise Duty, Cess which have not been deposited with appropriate authorities on account of any dispute as at 31st March, 2017.
8. The Company has not availed any loans or borrowings from financial institution, bank, Government or debenture holders during the year. Accordingly, the paragraph 3 (viii) of the Order is not applicable.
9. The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, the paragraph 3 (ix) of the Order is not applicable.
10. During the course of our audit of the books and records of the Company, carried out in accordance with the Generally Accepted Auditing Practice in India and according to the information and explanations given to us, we have neither come across any instance of fraud by or on the Company by its officers or employees, noticed or reported during the year, nor have been informed of such cases by the Management.
11. The Company has paid or provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 and/or Schedule V of the Companies Act, 2013.
12. The Company is not a Nidhi Company. Hence, the provisions of clause (xii) of the paragraph 3 of the Order are not applicable.
13. That all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013, where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.
14. The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Hence, the provisions of clause (xiv) of the paragraph 3 of the Order are not applicable.
15. The company has not entered into any non-cash transactions with directors or persons connected with them. Hence, the provisions of clause (xv) of the paragraph 3 of the Order are not applicable.
16. The company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause (xvi) of the paragraph 3 of the Order are not applicable.


A.K. Goel
Membership No: 071257
Partner
For and on behalf of
Ajay Goel & Co.
Chartered Accountants
FRN: 02107C



Lucknow: August 06, 2018

Goel & Co.

Annexure 'B' to the Auditors' Report

REPORT ON DIRECTIONS UNDER SECTION 143(5) OF COMPANIES ACT, 2013 IN RESPECT OF U.P. PURVA SAINIK KALYAN NIGAM LIMITED FOR THE YEAR ENDED 31ST MARCH, 2017

(Note: The questions are written in italics and our observations are written in straight)

- (1) *Whether the Company has clear title/ lease deeds for freehold and leasehold respectively? If not please state the area of freehold and leasehold land for which title/ lease deeds are not available?*

The Company has 3 freehold and 1 leasehold lands. The Company has clear title/ lease deeds for all freehold and leasehold lands.

- (2) *Whether there are any cases of waiver/ write off of debts/ loans/ interest etc., if yes, the reasons there for and the amount involved.*

Yes, Book debts amounting to Rs.88,237.12 has been written off during the year. These were outstanding for many years and provision for bad and doubtful debts was also made in earlier years. These were written off after getting approval from Managing Director.

- (3) *Whether proper records are maintained for inventories lying with third parties and assets received as gift/grants(s) from Government or other authorities.*

The Company has no inventory lying with third parties and assets received as gift from the Government or other authorities.

Specific Sub-directions under Section 143(5) of the Companies Act, 2013

- (1) *Whether the Company has an effective system for recovery of dues in respect of its sales activities and the dues outstanding and recoveries there against have been properly recorded in the books of accounts?*

The company has recovery system of dues in respect of its service rendered and recoveries are properly recorded in books of account. However, bill wise outstanding report is not generated through accounting software. The reconciliation of balances in accounts with books of accounts of debtors is not done and confirmation of balances are not obtained.



- (3) *If the audited entity has computerized its operations or part of it, assess and report, how much of the data in the company is in electronic format, which of the area such as accounting, sales personal information, pay roll, inventory etc. have been computerized and the company has evolved proper security policy for data/ software/ hardware?*

The accounts, payroll and billing are computerized but security policy for data and software has not been prepared. However periodical backup of accounting data in Tally software is taken on external hard disk.

- (4) *Comment on the confirmation of balances of trade receivables, trade payables, term deposits, bank accounts and cash obtained.*

The confirmation for balances of cash in hand and balances with bank are taken but balances in accounts of trade receivables and trade payables are not confirmed.



A.K. Goel
Membership No: 071257
Partner
For and on behalf of
Ajay Goel & Co.
Chartered Accountants
FRN: 02107C

Lucknow: August 06, 2018

U.P. PURVA SAINIK KALYAN NIGAM LIMITED

BALANCE SHEET AS AT MARCH 31, 2017

	Note No.	As at 31.03.2017 Rupees	As at 31.03.2016 Rupees
<u>EQUITY AND LIABILITIES</u>			
SHAREHOLDERS' FUNDS			
Share Capital	3	42,54,000	42,54,000
Reserves and Surplus	4	2,19,96,51,399	1,81,26,43,516
NON-CURRENT LIABILITIES			
Long Term Provisions	5	9,63,515	8,03,672
CURRENT LIABILITIES			
Other Current Liabilities	6	53,95,77,043	47,32,38,862
Short Term Provisions	7	7,68,000	7,52,053
<i>Total</i>		2,74,52,13,957	2,29,16,92,103
<u>ASSETS</u>			
NON-CURRENT ASSETS			
Fixed Assets			
Tangible Assets	8	22,12,19,631	21,65,34,782
Non-Current Investments	9	-	-
Long-term Loans and Advances	10	9,06,97,134	3,76,35,500
Other Non-current Assets	11	2,63,250	2,63,250
CURRENT ASSETS			
Trade Receivables	12	92,45,12,220	77,59,81,865
Cash and Cash Equivalents	13	1,34,22,59,573	1,09,71,99,091
Short-term Loans and Advances	14	12,53,50,232	13,05,32,339
Other Current Assets	15	4,09,11,917	3,35,45,275
<i>Total</i>		2,74,52,13,957	2,29,16,92,103
Significant Accounting Policies	2		

Accompanying notes are integral part of the financial statements


A. K. Srivastava
Accounts Officer


Lt. Col. S. Negi (Retd.)
Asstt. General Manager

For and on behalf of the Board


Brig. S. N. Tiwari
Director


Maj. Gen. Sarjaya Saran (Retd.)
YSM, VSM
Managing Director

Per our report of even date


A. K. Goel
(ICAI Mem. No. 071257)
Partner
for and on behalf of
Ajay Goel & Co.
Chartered Accountants
ICAI FRN: 02107C
Lucknow, 06/03/18



U.P. PURVA SAINIK KALYAN NIGAM LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2017

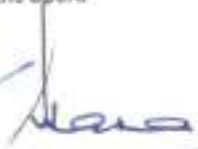
	Note No.	2016-17 Rupees	2015-16 Rupees
REVENUE			
Revenue from operations	16	3,21,59,11,266	2,80,21,05,199
Other Income	17	9,43,19,781	8,32,43,348
Total Revenue		3,31,02,31,047	2,88,53,48,547
EXPENDITURE			
Employee benefits expense	18	2,86,00,66,947	2,50,98,22,166
Depreciation and amortization expense	19	60,98,190	58,50,232
Other expense	20	5,68,02,027	5,39,57,980
Total Expenses		2,92,29,67,165	2,56,96,30,378
Profit Before Tax and Exceptional Items		38,72,63,882	31,57,18,168
Exceptional Items		-	-
Profit Before Tax		38,72,63,882	31,57,18,168
Tax expense			
Current tax		-	-
Deferred tax		-	-
Profit After Tax		38,72,63,882	31,57,18,168
Basic and Diluted Earnings per equity share	21	9,104	7,422
Significant Accounting Polices	2		
Accompanying notes are integral part of the financial statements			


A. K. Srivastava
Accounts Officer


Lt. Col. S. Negi (Retd.)
Asstt. General Manager

For and on behalf of the Board


Brig. S.N. Tiwari
Director


Maj. Gen. Somprya Saran (Retd.)
YSM, VSM
Managing Director

Per our report of even date


A. K. Goel
(ICAI Mem. No. 071257)
Partner
for and on behalf of
Ajay Goel & Co.
Chartered Accountants
ICAI FRN: 02107C



Lucknow: 06/05/18

U.P. PURVA SAINIK KALYAN NIGAM LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2017

	Year ended 31.03.2017 (Rupees)	Year ended 31.03.2016 (Rupees)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit/ (Loss) before Tax	38,72,63,882	31,57,18,168
Adjustment for :		
Depreciation and Amortization Expenses	60,98,190	58,50,232
Loss/ (profit) on sale of asset	42,921	(16,366)
Interest Income	(8,79,71,380)	(7,38,47,605)
Operating profit before working capital changes	30,54,33,616	24,77,04,430
Changes in working Capital:		
Trade and other Receivables	(20,42,05,005)	(14,41,66,341)
Increase/ Decrease in Inventories	4,28,481	6,36,243
Increase/ Decrease in Trade payable	6,65,13,971	7,86,61,417
Cash generation from Operation	16,81,71,063	18,28,35,749
Net Cash generated/ (used) - Operating Activities	16,81,71,063	18,28,35,749
B. CASH FLOW FROM INVESTMENT ACTIVITIES		
Increase of Fixed Assets	(1,09,62,455)	(21,61,751)
Proceeds from sale of Equipment	1,36,495	27,471
Interest Income	8,79,71,380	7,38,47,605
Fixed Deposits with Banks	(21,84,86,244)	(18,36,10,327)
Net Cash Generated/ (Used) - Investing Activities	(14,13,40,825)	(11,18,97,002)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds/ (Repayment) of Short-term Borrowings (Net)		
Dividend Paid	(2,12,700)	(2,12,700)
Corporate Dividend Tax Paid	(43,300)	(36,148)
Net Cash Generated/ (Used) - Financing Activities	(2,56,000)	(2,48,848)
Net Increase/ (Decrease) in Cash and Cash Equivalents	2,65,74,237	7,06,89,899
add: Opening Cash and Cash Equivalents	23,70,69,446	16,63,79,547
Closing Cash and Cash Equivalents	26,36,43,684	23,70,69,446

Significant Accounting Policies

Note '2'

Accompanying notes 1 to 33 are integral part of the financial statements

Figures in brackets represent outflows

For and on behalf of the Board

 A. K. Srivastava Accounts Officer	 Lt. Col. S. Negi (Retd.) Asst. General Manager	 Brig. S. N. Tiwari Director	 Maj Gen. Sanjaya Saran (Retd.) YSM, VSM Managing Director
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Per our report of even date


 A. K. Goel
 (ICAI Mem. No. 071254)
 Partner
 for and on behalf of
 Ajay Goel & Co.
 Chartered Accountants
 ICAI FRN: 02107C

Lucknow

06/03/18

1. Corporate Information

U.P. Purva Sainik Kalyan Nigam Limited is a limited company incorporated on 23.05.1989. The Company provides ex-servicemen based security and technical services to different state and central Government Departments, Public Sector Undertakings and others.

2. Significant Accounting Policies

a. Accounting Convention

The financial statements are prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on an accrual basis. Pursuant to section 133 of the Companies Act, 2013 (Kot) read with Rule 7 of Companies (Accounts) Rules, 2014, till the standards of accounting or any addendum thereto are prescribed by Central Government in consultation and recommendation of the National Financial Reporting Authority, the existing Accounting standards notified under the Companies Act, 1956 shall continue to apply. Consequently, these financial statements have been prepared to comply in all material aspects with the accounting standards notified under section 211(3C) of the Companies Act, 1956 (Companies Accounting Standards Rules, 2006, as amended) and other relevant provisions of the Companies Act, 2013.

All the assets and liabilities have been classified as current or non-current as per the company's normal operating cycle and other criteria set out in schedule III to the Companies Act 2013. Based on the nature of services rendered by the Company and their realization in cash and cash equivalent, the company has ascertained its operating cycle to be 12 month for the purpose of current non-current classification of assets and liabilities.

b. Use of Estimates

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known / materialized.

c. System of Accounting

The company follows mercantile system of accounting and recognises income and expenditure on an accrual basis except in case of significant uncertainties.

Financial statements are prepared under historical cost convention. These costs are not adjusted to reflect the impact of changing value in the purchasing power of money.

d. Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit/(loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financial activities of the company are segregated based on the available information.

e. Cash and cash equivalents (for purpose of Cash Flow Statement)

Cash comprises cash in hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

f. Fixed Assets

Fixed Assets are stated at cost less accumulated depreciation and impairment loss, if any. Cost comprises of purchase price and any directly attributable cost of bringing the assets to its working condition for its intended use.

g. Cash and Cash Equivalents

Cash and cash equivalents include cash in hand, demand deposits with banks, other short-term highly liquid investment with maturities of less than 12 Months.

h. Revenue Recognition

Revenue is recognized on completion of services to the user. The amounts where quantum of accruals can not be ascertained with reasonable certainty, are accounted on acceptance basis.

Claim of arrears bills on account of wage revision etc. are accounted for as and when claimed.

Interest and other items are accounted on accrual basis, except interest on refunds from statutory authorities and those which are not reasonable certain of realization, which are recognized on cash basis.

Interest on saving bank accounts has been accounted for as and when received/credited by banks.

Gains and losses on disposals of fixed assets, whose value have not been taken in the books of accounts, are credited/debited to revenue accounts of the relevant year.











i. Expenses

All expenditure are accounted for under natural heads of accounts, wherever necessary allocation of expenditure is done on functional basis.

All expenses are accounted on accrual basis, except as stated below:

- Interest on delayed payment of statutory dues are accounted on cash basis.
- Commission on Bank guarantees are charged in the accounts as and when charged/debited by banks.
- Benefits like incentive and bonus etc. extended to employees rendering services to clients and which are reimbursed to Company are accounted as and when determined and acknowledged by respective service receiver.
- Stationery, postage stamps, torch, cells and other consumable items are charged to profit & loss account as and when purchased.

j. Depreciation and Amortization

Effective 1st April, 2014, the Company depreciates its fixed assets over the useful life using Straight Line method, in the manner prescribed in Part C of Schedule II of the Companies Act 2013 as against earlier practice of depreciating at the rates prescribed in the Schedule XIV of the Companies Act, 1956. The life of Software has been estimated as three years.

Depreciation on additions to assets or on sale/ disposal of assets is calculated pro-rata from the date of such addition or up to the date of such sale/disposal as the case may be.

k. Impairment

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value being higher of value-in-use and net selling price. Value-in-use is computed at net present value of cash flow expected over the balance useful life of the assets. An impairment loss is recognized as an expense in the Profit and Loss Account in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been an improvement in recoverable amount.

l. Employee Benefits

Short term employees benefits

All employees' benefits payable wholly within 12 months of rendering service are classified as short term employees benefits. Benefits such as salaries, wages and short term compensated absences etc. and the expected cost of bonus/ex-gratia are recognized in the period in which the employee renders the related services, except in case of employee rendering services to clients and reimbursed by them, which are accounted as and when determined and acknowledged by respective service receiver.

Defined Contribution Plans

Employee's Provident Fund and Family Pension :

The Company has Defined Contribution Plan for Post-employment benefits in the form of provident fund and family pension for all eligible employees, which is administered by the Regional Provident Fund Commissioner. The company has no further obligation beyond its monthly contributions.

Defined Benefit Plans

Gratuity :

The amount of gratuity payable to ex-service men employed for staffing and security services is calculated on the basis of guidelines issued by Director General Resettlement, New Delhi. This is accounted and paid on monthly basis and claimed from clients.

The amount of gratuity payable to other staffs of the Corporation is recognized as per provisions of the Payment of Gratuity Act, 1972 at per actuarial valuation by Life Insurance Corporation of India.

Compensated Absences :

Liability for unavailed compensated absences to ex-service men employed for security and technical services is determined every month and paid alongwith monthly salary. There is no liability on this account as at the Balance Sheet date.

Liability for compensated absences to regular staffs is provided on estimated basis of unavailed accumulated leave as at the Balance Sheet date at the current salary rate and is charged to Profit & Loss account.

Terminal Benefits:

Terminal benefits are recognized as expense during the year, in which services are terminated.

m. Prior Period items and extra ordinary items

Prior Period items and extra ordinary items are separately classified, identified and dealt with as required under Accounting Standard 5 on 'Net profit or loss for the period, Prior period items and change in Accounting policies as notified under the Companies (Accounting Standards) Rules, 2008.

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n. Taxation

Provision for current income tax is made in accordance with local laws. Deferred tax liabilities and assets are recognized at substantively enacted tax rates, subject to the consideration of prudence, on timing difference.

Deferred Tax assets and liabilities resulting from timing differences between book profits and tax profits are accounted for under the liability method and measured at substantively enacted rates of tax at the balance sheet date to the extent that there is reasonable virtual certainty that sufficient future taxable income will be available against which such deferred tax asset/ liability can be realized.

o. Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year.

p. Provisions, Contingent Liabilities and Contingent Assets

Provision is recognized when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. Disclosure for contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. No provision is recognized or disclosure for contingent liability is made when there is a possible obligation or a present obligation and the likelihood of outflow of resources is remote. Contingent Asset is neither recognized nor disclosed in the financial statements.

Notes to accounts:-

3. SHARE CAPITAL

a. Authorised

5,00,000 (Previous year: 5,00,000) Equity Shares of Rs 100/- each

b. Issued, Subscribed And Paidup

42,540 (Previous year: 42,540) Equity Shares of Rs 100/- each fully paid-up

c. The Company has only one class of shares referred to as Equity Shares having a par value of Rs 100/- per share. Each shareholder is eligible for one vote per share held. The Dividend proposed, if any, by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity share holders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion of their shareholding.

d. Reconciliation of the shares outstanding at the beginning and at the end of the year

Equity Shares of Rs 100/- each

As at the beginning of the year

As at the end of the year

e. Shareholders holding more than 5% of shares in the Company

Name of Shareholder

Governor, Uttar Pradesh

4. RESERVES AND SURPLUS

Reserve for Corporate Social Responsibility

Balance as at the beginning of the year

Transfer from Profit and loss Account

- Amount required to be spent for Corporate Social Responsibility

- Less: Amount expended during the year

Profit & Loss Account

Balance as at the beginning of the year

Add: Profit for the year

Less: Reserve for Corporate Social Responsibility Expenses

Less: Proposed Dividend

Less: Tax on proposed dividend

Company has made a provision of Rs. 2,12,700 as dividend @ 5% of paid up capital as per order 778/44-2-2002-16/2001 dated 11 oct. 2002 of State Government for the current year.

	31.03.2017 Rupees	31.03.2016 Rupees
a. Authorised		
5,00,000 (Previous year: 5,00,000) Equity Shares of Rs 100/- each		
b. Issued, Subscribed And Paidup	5,00,00,000	5,00,00,000
42,540 (Previous year: 42,540) Equity Shares of Rs 100/- each fully paid-up	42,54,000	42,54,000
d. Reconciliation of the shares outstanding at the beginning and at the end of the year		
Equity Shares of Rs 100/- each		
As at the beginning of the year	42,540	42,540
As at the end of the year	42,540	42,540
e. Shareholders holding more than 5% of shares in the Company		
Name of Shareholder		
Governor, Uttar Pradesh	42,540	42,540
% of holding	100	100
Reserve for Corporate Social Responsibility		
Balance as at the beginning of the year	80,36,840	36,43,524
Transfer from Profit and loss Account		
- Amount required to be spent for Corporate Social Responsibility	57,86,271	47,09,276
- Less: Amount expended during the year	(20,31,399)	(2,95,990)
	1,17,71,712	80,56,848
Profit & Loss Account		
Balance as at the beginning of the year	1,80,45,86,676	1,49,26,30,671
Add: Profit for the year	38,72,63,882	31,57,18,169
Less: Reserve for Corporate Social Responsibility Expenses	(37,14,873)	(44,13,316)
Less: Proposed Dividend	(2,12,700)	(2,12,700)
Less: Tax on proposed dividend	(43,300)	(36,148)
	2,18,78,79,687	1,80,45,86,676
	2,19,99,31,399	1,81,26,43,516



U.P. PURVA SAINIK KALYAN NIGAM LIMITED

Notes to Financial Statements

5. LONG TERM PROVISIONS

Provision for Leave Encashment

31.03.2017 (Rupees)	31.03.2016 (Rupees)
9,63,912	5,03,672
9,63,912	5,03,672

6. OTHER CURRENT LIABILITIES

Statutory Liabilities
Expenses Payables
Water and Sewer Tax
Municipal Tax
Creditors for expenses
Income Received in advance
Trade /Security Deposit Received
Others

7,70,70,585	7,29,78,451
45,40,10,115	29,98,66,900
29,26,395	-
30,69,863	24,11,509
5,14,767	32,738
14,000	5,000
8,74,097	9,51,173
4,97,250	9,93,059
33,95,77,843	47,32,38,942

7. SHORT TERM PROVISIONS

Proposed Dividend
Corporate Dividend Tax

5,38,100	5,38,100
1,29,900	1,13,953
7,68,000	7,52,053

8. FIXED ASSETS

Particulars	Gross Block		Depreciation				Net Block	
	As at 01.04.2016 Rupees	Additions (Deductions) for the year Rupees	As at 31.03.17 Rupees	As at 01.04.2016 Rupees	for the year for (Deductions) Rupees	As at 31.03.17 Rupees	As at 31.03.17 Rupees	As at 31.03.16 Rupees
I. Tangible Assets								
Freehold Land	3,75,13,138	58,15,000	4,31,28,138	-	-	-	4,31,28,138	3,72,12,138
Leasehold Land	3,00,000	-	3,00,000	-	-	-	3,00,000	3,00,000
Buildings	18,40,10,567	-	18,40,10,567	1,34,61,088	20,00,417	1,63,70,501	16,76,40,080	17,34,58,280
Road & Motorway	2,14,74,928	45,29,952	2,51,32,490	1,46,25,621	25,03,564	1,65,97,272	89,94,218	74,78,925
		(8,11,598)			(5,32,113)			
Furniture & Fixtures	59,81,483	3,70,421	63,30,738	44,58,242	5,40,461	49,77,747	53,62,597	58,83,418
		(21,095)			(71,056)			
II. Intangible Assets								
Software		2,47,972	2,47,972		44,753	44,753	2,03,219	
	24,90,88,033	1,09,62,455	25,82,09,903	1,25,45,252	65,83,898	3,79,98,273	22,12,19,631	22,81,34,368
		(8,32,585)			(6,62,169)			
Previous Year	24,72,63,295	21,85,261	24,90,80,434	2,68,72,827	38,50,232	3,25,45,252	21,65,34,782	22,00,34,368
		(1,89,912)			(1,77,837)			

a Freehold land includes land development charges of Rs 77,47,505.

b Cost of land includes Rs 2,34,233, being cost of gift deed and other expenditure incurred for land of Maharaja, Lucknow, gifted to Nigam by Mr. D. N. Sharma. This was capitalized in the financial year 2000-01.

c A lease hold land located at village Pparsand, Dist. Gorakhpur was allotted to Nigam by District Administration in the year 2005-06. Since period of lease was not mentioned in Khasra, the cost of this lease hold land is not depreciated. The cost of lease hold land will be charged to Profit and Loss Account at the time of transfer of ownership of land to lessee.

9. NON CURRENT INVESTMENT

Investment in unquoted 200 fully paid up shares of Rs.100 each in Society
(Bahu Udayanya Bhupurva Sainik Sahkar Samiti, Baram, Kanpur)
Less: Provision for loss of Investment

20,000	20,000
(20,000)	(20,000)
-	-

10. LONG TERM LOANS & ADVANCES

Unsecured, considered good

Advances for Capital items

Security Deposits

Earnest Money

Penalty recoverable

Loans and advances

Unsecured, considered doubtful

Insurance claims receivables

Penalty recoverable

Loans and advances

Less: Provision for Doubtful Loans and Advances

5,23,64,172	
3,57,52,365	2,70,37,060
72,79,837	1,00,03,453
91,561	4,08,558
2,08,999	1,86,429
6,32,638	6,32,638
9,72,330	7,37,203
4,83,445	5,20,016
(20,80,410)	(18,60,867)
8,66,97,134	3,76,35,509

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Notes to Financial Statements

11. OTHER NON-CURRENT ASSETS

Silver Trophy at cost

31.03.2017 (Rupees)	31.03.2016 (Rupees)
2,63,250	2,63,250
2,63,250	2,63,250

12. TRADE RECEIVABLES

Outstanding for a period exceeding 6 months from the date they were due for payment (Unsecured)

Considered good

Considered doubtful

Less: Provision for Doubtful Debts

5,66,24,974	5,96,12,840
10,60,67,683	9,60,93,162
(10,60,67,683)	(9,60,93,162)
5,66,24,974	5,66,12,840

Other trade receivables (Unsecured)

Considered good

86,79,87,246	71,73,68,025
86,79,87,246	71,73,68,025
92,45,12,228	77,59,81,865

The debtors amounting to Rs.88,207.12 (Previous Year: Rs.46,845.25) have been written off during the year. Accordingly the amount of provision for doubtful debts has been adjusted to that extent.

13. CASH AND CASH EQUIVALENTS

Cash in Hand

Balances with Banks

In Current/ savings Accounts

In Fixed Deposit accounts

- Maturing within 12 months

- Others

1,44,768	1,80,533
26,34,98,915	23,88,88,813
1,06,89,96,454	83,85,52,185
96,16,393	2,15,77,460
1,34,22,56,573	1,09,71,99,891

Fixed Deposits include deposits worth Rs.3,26,73,074 (previous year: Rs2,41,96,424) held by bankers as security against guarantees and deposits worth Rs 23,54,923 (previous year: Rs 28,51,765) pledged with other organizations as security against performance.

In terms of Ministry of Corporate Affairs (MCA) notification No. G.S.R. 308 (E) dated 30.03.2017, the details of Specified Bank Notes (SBN) held and transacted during the period from 08.11.2016 to 30.12.2016 is as under:

	SBN*	Other Denomination Notes	Total
Closing cash in hand as on 08.11.2016			
(+) Amount Withdrawn from bank	198000.00	57250.80	255250.80
(+) Permitted receipts	0.00	918000.00	918000.00
(+) Non Permitted receipts	0.00	283038.00	283038.00
(-) Permitted payments	0.00	0.00	0.00
(-) Non Permitted payments	0.00	1048895.00	1048895.00
(-) Amount deposited in banks	0.00	0.00	0.00
Closing cash in hand as on 30.12.2016	198000.00	36770.00	233770.00
			171620.86

* Bank notes of denominations of existing series of the value of 500 and 1,000 rupees (MCA Notification No. S.O 3407(E) dated 08.11.2016)

14. SHORT TERM LOAN AND ADVANCES

- Unsecured, considered good

Advance to Employees

Prepaid expenses

Balance with Government Authorities

Others Advances

58,27,225	49,90,000
57,68,711	47,66,131
11,30,27,430	11,95,00,296
7,29,866	12,70,764
12,53,59,232	13,85,32,339

15. OTHER CURRENT ASSETS

Uniform items in Hand

Accrued Interest on Fixed Deposits

15,63,386	19,91,867
3,93,48,531	3,15,63,466
4,09,11,917	3,35,41,275

The uniform items are issued to operational staff on cost basis and balance of such items at the end of financial year is reflected as Uniform in-hand.



Notes to Financial Statements

16. REVENUE FROM OPERATION

Income from manpower supply services
- Security services
- Technical services

2016-17 Actual	2015-16 Proviso
2,26,16,47,028	1,93,80,33,628
96,42,64,230	86,49,71,570
<u>3,21,59,11,266</u>	<u>2,80,21,05,199</u>

Revenue from services of security personnel includes exempt services of Rs.39,53,19,830 (previous year: Rs.30,79,40,020)

17. OTHER INCOME

Interest from Banks
Interest from Others
Interest on Income Tax Refund
Profit on sale of Fixed Assets
Liabilities/ provisions no longer required written back
Rent
Other Non-operating Income
Prior Period Adjustments (net) (Refer note (i) below Other Expenses)

6,79,67,066	7,38,41,780
4,280	1,600
-	35,64,232
9,320	20,470
25,74,843	13,89,643
36,96,684	29,77,575
67,626	93,476
-	12,90,338
<u>9,43,19,781</u>	<u>8,32,43,348</u>

18. EMPLOYEE BENEFIT EXPENSES

Operational Staff
Salary
Bonus
Gratuity
Group Insurance/ Workmen Compensation
Ex-Gratia
Labour Welfare Fund (Refer note (i) below)
Incentives
Training Expenses
Staff Welfare

Administrative Staff
Salary
Gratuity paid/ Contribution to Gratuity Trust (Refer note (i) below)
Group Insurance/ Workmen Compensation
Employers Contribution towards EPF (Refer note (i) below)
Staff Welfare
Remuneration/ Allowances to Directors

2,57,94,79,807	2,31,63,31,864
12,61,24,732	1,59,25,148
6,35,01,003	5,82,57,463
90,27,698	98,69,547
29,50,000	27,00,000
20,43,274	20,88,515
1,70,125	2,66,407
74,355	1,77,542
79,61,000	79,55,654
<u>2,79,03,37,264</u>	<u>2,44,95,64,629</u>
5,79,58,601	6,21,19,490
42,11,731	20,61,435
75,606	94,378
41,99,531	39,30,876
14,00,910	1,94,684
18,83,274	11,67,264
<u>6,97,29,663</u>	<u>6,82,58,137</u>
<u>2,86,00,66,947</u>	<u>2,50,80,22,166</u>

- a. As per agreement executed between Nigam and Banarus Hindu University, Varanasi, amount equivalent to 3% of service charge is paid to Chief Proctor, Banarus Hindu University, Varanasi for creating a welfare fund for welfare of security personal deployed in the university.
- b. The Corporation has paid a sum of Rs.42,11,731.00 (previous year: Rs.20,51,435) to Life Insurance Corporation towards contribution to U.P. Purva Sainik Kalyan Nigam Employees Gratuity Trust.
- c. Employee Benefit Expenses of Operational Staff does not include Employer's contribution towards Provident Fund, which is claimed from clients to whom their services were provided. The amount so recovered is accounted separately and paid to Government authorities.

19. DEPRECIATION AND AMORTIZATION EXPENSES

Depreciation on tangible assets
Depreciation on intangible assets

60,53,437	58,90,202
44,753	-
<u>66,38,190</u>	<u>58,90,202</u>

20. OTHER EXPENSES

Operational Expenses
Hiring Charges of Vehicle
Damages, Penalty and Compensations
Security Maintenance
Labour License Fees

96,30,372	91,69,029
16,50,186	23,60,854
1,86,319	2,01,517
12,231	15,980
<u>1,14,82,106</u>	<u>1,17,47,386</u>



Notes to Financial Statements

	2016-17 (Rupees)	2015-16 (Rupees)
Administrative Expenses		
Advertisement		
Bank Charges	6,79,362	9,54,895
Electricity Charges	4,46,733	4,08,889
Rent	21,98,660	20,70,684
Insurance	20,60,758	19,54,637
Professional Fees	65,778	41,098
Vehicle Running & Maintenance	20,74,563	33,21,583
Traveling and Conveyance	9,90,959	10,75,219
Telephone Expenses	36,94,163	32,69,666
Legal Expenses	6,96,272	8,34,937
Office Maintenance	4,21,766	3,64,677
Printing and Stationary	17,95,588	11,76,332
Postage and Courier	11,84,016	16,50,817
Repairs and Maintenance	5,36,978	4,66,372
Entertainment	15,75,657	4,99,331
Business Promotion	2,72,322	2,44,117
Computer Maintenance	6,35,472	7,36,444
Generator Running and Maintenance	8,30,680	5,75,670
Rent, Rates and Taxes <small>(Refer note to below)</small>	2,04,852	2,17,719
Hiring Charges of Vehicle	36,44,938	21,57,952
Miscellaneous Expenses	1,90,289	6,32,517
Bad and Doubtful Debts & Advances	6,85,548	4,13,170
Interest on late deposit of Service Tax/EPF	1,51,92,655	1,66,32,989
Service Tax	8,97,304	1,12,462
Auditors Remuneration <small>(Refer note to below)</small>	20,700	86,497
Assistance to Ex-servicemen and Wards	3,45,440	2,92,933
Loss on sale of Fixed Assets	6,65,000	11,95,000
Prior Period Adjustments (net) <small>(Refer note to below)</small>	52,250	4,173
Corporate Social Responsibility Expenses	7,58,766	
	20,51,399	2,95,956
	<u>4,51,19,919</u>	<u>4,22,16,594</u>
	<u>5,66,67,327</u>	<u>5,39,57,988</u>

- a Rent, Rates and Taxes include
 Rs 3,52,106.45 towards municipal tax on corporate office building of Nigam for earlier years as assessed by Lucknow Municipal Corporation on 16.10.2017.
 Rs 29,26,366 towards Water and Sewer Tax for the financial years 2011-12 to 2016-17 as assessed by Jal Kai Vibhag, Lucknow Nagar Nigam on corporate office building of Nigam on 10.11.2017.

- b Auditors Remuneration is comprises of
 Statutory Audit Fee
 Tax Audit Fee
 Internal Audit Fees
 Reimbursement of expenses

	1,41,600	1,18,000
	23,600	23,000
	1,68,740	1,51,000
	11,500	
	<u>3,43,440</u>	<u>2,92,000</u>

- c Prior Periods adjustments includes
 Prior period income
 Prior period expenses

	5,58,361	51,36,048
	13,17,127	36,87,719
	<u>(7,58,766)</u>	<u>12,59,338</u>

21. Earning per Share (EPS)

- Profit (Loss) for the period after taxation
 Weighted average number of Basic Equity Shares outstanding
 Face value of per share (₹)
 Basic and Diluted earning per share

	38,72,63,882	31,57,18,169
	42,540	42,540
	100	100
	9,103.52	7,421.68

22. Contingent Liabilities

Under contractual obligations for satisfactory performance of services

- a. Guarantee issued by Banks in favour of clients
 b. FDR Pledged with the client as security deposit
 c. Security deposit deducted by clients

	3,28,73,074	2,41,96,424
	23,64,923	26,51,755
	2,88,38,772	2,51,73,752
	11,80,866	11,80,866

Claims raised by ex-employees towards dues of salary, bonus and gratuity and awarded against the Company by labour/other courts. The Company has preferred appeals against these orders and has not acknowledged the amount of awards as liability.

Amount of interest payable on delayed payment of house tax from financial year 2007-08 to 2016-17. On Company's request for waiver of interest, Municipal Board has agreed to reduce the interest to Rs 3,65,384 which has been accepted by the Company

10,79,436





	2016-17 (Rupees)	2015-16 (Rupees)
23. Litigations:		
Claims against the Company not acknowledged as debt:		
There are some pending litigation or disputes with clients and other stake holder. The claims are generally against the client (principal employer) and the Company is third party. In the opinion of management, there is no financial impact and such liabilities on this account, if any, are not ascertainable.	Nil	Nil
Impact of pending litigations on financial position in financial statements		
24. Provision for Income Tax:	Nil	Nil

Since the company is availing exemption under section 10(26B&B) of the Income Tax Act, 1961, from Assessment Year 2004-05, no provision of Income tax has been made. Accordingly, AS-22 Accounting for Taxes on Income is not applicable.

25. Segment Reporting :
The Company is principally engaged in the business of rendering security and technical services, which come under a single business segment. The Company is also not rendering any services outside India, hence geographical segment is also not applicable. Hence disclosure of segment wise reporting as per Accounting Standard "17" is not applicable.

26. Related Party Disclosures :
As per Accounting Standard 18 "Related Party Disclosure", no disclosure is required in the financial statement of state-controlled enterprises as regard to related party relationship with other state controlled enterprises and transactions with such enterprises. Details pertaining to other parties are as under:

A. Details of Related Parties:

1. Key Management Personnel (KMP)

Name	Relationship	
Brig. R.D. Singh (Retd.)	Chairman	Till 17.03.2017
Sri Sandeep Kumar Singh	Vice Chairman	Till 25.05.2016
Sri Ram Bahadur	Vice Chairman	Since 25.05.2016 till 17.03.2017
Maj. Gen. Sanjaya Saran (Retd.)	Managing Director	Since 15.09.2016
Col. S. K. Tiwan (Retd.)	Managing Director	Till 14.09.2016
Brig. Amulya Mohan (Retd.)	Director	
Mr. Rakesh Krishna	Director	
Mr. Chandra Shekhar Banaudha	Director	
Mr. Amrendra Bahadur Singh	Director	Till 17.03.2017
Mr. Mahendra kumar	Director	Till 31.03.2017
Mrs. Anandeshvry Awasthi	Director	Till 15.12.2016

Besides above, Principal Secretary, Social Welfare, Principal Secretary, Finance and Principal Secretary, U.P. Government and Director General Resettlement, Central Command are also designated members of Board of Directors of the Company.

B. Transactions with the Related Parties

Remuneration paid

Brig. R.D. Singh (Retd.)	5,62,258
Mr. Sandeep Kumar Singh	1,75,000
Mr. Ram Bahadur Yadav	2,32,581
Maj. Gen. Sanjaya Saran (Retd.)	8,93,435
Entertainment allowance paid	
Maj. Gen. Sanjaya Saran (Retd.)	32,333
Col. S. K. Tiwan (Retd.)	27,667
Travelling and conveyance Expenses	
Brig. R.D. Singh (Retd.)	69,616
Mr. Sandeep Kumar Singh	10,96,942
Mr. Ram Bahadur Yadav	3,590
Mr. Amrendra Bahadur Singh	14,643
Maj. Gen. Sanjaya Saran (Retd.)	32,215

27. Disclosures in Accordance with Revised Accounting Standard 16 on "Employee benefits"

Defined Contribution Plan
The contribution to Employees Provident Fund and Employee's Pension Scheme, 1995 pertaining to Administrative staff are deposited with respective authorities and charged to revenue.

Employer's Contribution to Provident Fund	12,64,357	10,70,814
Employer's Contribution to Employees' Pension Scheme, 1995	29,35,174	24,82,813
Employer's Contribution to Employee's State Insurance Scheme	Nil	Nil

The above figures do not include contributions paid in respect of field force. Please refer note '18c'.

(Handwritten signatures)



28. There are no Micro, Small and Medium Enterprises, to whom the Company owes dues (Previous year: Rs. Nil), which are outstanding for more than 45 days as at 31st March, 2017. This information, as required to be disclosed under the Micro, Small and Medium Enterprises Development Act 2006, has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied by the Auditors.

29. Impairment Loss

The assets of the company include assets such as the building, EDP equipment's, furniture fixture, electronic equipment etc. and characteristics of these assets are such that they do not generate separate cash inflows independently, hence recoverable amount of an individual assets can not determined unless management decides to dispose off the assets.

There was no impairment loss on Fixed Assets on the basis of review carried out by the management in accordance with Accounting Standard 29 as at 31st March, 2017.

30. Corporate Social Responsibility

The Company has formed a Corporate Social Responsibility Committee and also formed a CSR Policy in accordance with Schedule VI of the Companies Act, 2013. In compliance of CSR scheme decided by the CSR committee, the Company is in process of identifying the areas and schemes for implementation.

- Gross amount required to be spent by the Company during the year on CSR Activities	57,57,271	47,09,270
- Cumulative amount required to be spent by the Company on CSR Activities	1,41,19,071	83,51,800
- Amount spent during the year on CSR Activities	20,51,399	29,990

31. Though not confirmed by respective parties and hence not reconciled, the balance in debtors, creditors, loans and advances, security deposit accounts are in the opinion of the management are true and correct and realizable payable as the case may be to the extent shown in the ordinary course of business. Minor adjustments, if any, which may be necessitated, shall be made as and when confirmations are received.

32. Figures have been rounded off to the nearest rupee, this may have given rise to minor discrepancies between total and the constituent figures, which may be ignored.

33. The Company has regrouped and reclassified the figures of previous year to make comparable with figures in the current year.


A.K. Srivastava
Accounts Officer


Lt. Col. S. Singh (Retd.)
Asst. General Manager


Mr. S.K. Tripathi
Director

For and on behalf of the Board

Manoj Kumar Singh (Retd.)
YSM VSM
Managing Director

Per our report of even date

A.K. Goel
(CA No. 100/125)
Partner
for and on behalf of
Ajay Goel & Co.
Chartered Accountants
CA 100/125/12C

