



**INDIAN RAILWAY WELFARE ORGANISATION**

**भारतीय रेल कल्याण संगठन**

**(IRWO)**

**ANNUAL REPORT AND AUDITED RESULT  
FOR THE YEAR 2017-18**

**Railway Offices Complex, Shivaji Bridge, (Behind Shankar Market), New Delhi-110001**

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## **ANNUAL REPORT FOR THE YEAR 2017-18**

The Indian Railway Welfare Organisation (IRWO) was registered under the Society Registration Act, 1860 on 25<sup>th</sup> September 1989 with the object of promoting social welfare schemes such as, providing help to Railway Personnel, spouse of deceased Railway Personnel, personnel of Public Undertakings under the Ministry of Railways and the personnel of IRWO in procuring house for residence. The prime activity of IRWO is procurement of Land throughout the country and execution of Housing Projects at these sites to cater to the housing needs of its Members.

The Balance Sheet of IRWO as on 31<sup>st</sup> March 2018 duly audited by Statutory Auditors M/s UCC & Associates LLP, chartered Accountants, New Delhi is placed below for acceptance by the Governing Body.

Highlights of Financial Performance and Operating Performance along with incorporation of information related to Vigilance cases/ RTI matters in the Annual Reports are given below

### **A. FINANCIAL PERFORMANCE**

#### **1. Primary Membership:**

The number of membership of IRWO has increased from 81123 to 81351. This has also resulted in additional collection of nearly Rs.2.13 lakh as Primary Registration Fee.

#### **2. Income:**

During the year 2017-18, IRWO has earned an Interest Income of Rs.30.03 lakh on Investment of Corporate Funds and Interest of Rs.220.57 lakh on Advances given to various Projects. Besides, Other Receipts of corporate Office were of Rs.45.36 lakh (as per Schedule - 16). Thus, the total Income of Corporate Office was Rs.295.96 lakh. After adjustment of Interest amounting to Rs.36.00 lakh on Government Loan and West Zone Establishment and Office Expenses amounting to Rs.3.76 lakh, the net income of Corporate Office was Rs.256.20 lakh, which has been adjusted against the expenditure of Corporate Office. Besides above, Interest on Investment of Rs.271.67 lakh was earned on Funds of various Projects, which has been credited to the respective Projects

### 3. Expenditure:

During the year the actual expenditure for the Corporate Office was Rs.352.97 lakh as against the Budget provision of Rs.387.80 lakh. The actual expenditure for the year 2017-18 was well within the Budget provision.

### 4. Apportionment of Surplus

#### a) General Reserve:

The balance in General Reserve as on 31.3.2017 was Rs.1467.73 lakh which has increased to Rs.1524.05 lakh as on 31.3.2018. The additions during the year are on account of Contribution from Projects amounting to Rs.37.71 lakh and Rs.18.61 lakh on account of Administrative charges realized on account of withdrawal / cancellation of allotments upto June 2017 and thereafter to respective Projects in order to comply with the provisions of Goods and Service Tax

#### b) Land Corpus Fund:

The balance in this Fund as on 31.3.2018 was Rs.8069.50 lakh as against Rs.8154.80 lakh as on 31.3.2017. Addition in Land Corpus Fund, towards contribution from Projects is Rs.37.70 lakh. This year no interest has been charged on funds utilized from Land Corpus Fund for the Purchase of Land at Jaipur Phase-III, Kota and Jabalpur so as to keep the cost intact in view of the depressed scenario in the real estate market as there is very poor response even at the present cost. Further, surplus generated at the time of closing of accounts of Faridabad Project amounting to Rs.123.00 lakh which was inadvertently transferred to Land Corpus Fund has been withdrawn during the year to meet the additional demand Rs.452.46 lakh by HUDA Authorities against cost of Land at Faridabad. The balance amount has been paid by the allottees of Faridabad Project.

### B Incorporation of Information as per Ministry of Parliament Affairs letter Dated 24.1.2018:

- (i) Vigilance Cases: Nil
- (ii) RTI cases: The position is as under:

<u>Sl. No.</u>	<u>Type of cases</u>	<u>No. of Cases</u>	<u>Remarks</u>
1.	Fresh RTI cases	22	All RTI cases replied
2.	Appeal cases	6	All appeal replied
3..	Cases with Central Information Commission	2	CIC decision complied with

## **C. PROJECTS IN PROGRESS**

### **i) Moradabad Phase-I & II**

In Moradabad, 12.9 Acres of land was procured and construction of dwelling units was planned to be done in two phases. In Phase-I, all the 92 units have been completed and possession handed over to the allottees.

For Phase-II, 81 dwelling units were planned and the construction work has also been completed. All the units have been booked. Draw for allotment of specific unit was held on 22-10-2016, result was posted on IRWO's website. Allotment letters have been issued. Handing over of units is in progress. 77 units have been handed over. Completion certificate has since been issued by Moradabad Development Authority (MDA).



### **Moradabad Project**

### **ii) Moradabad Phase – III**

A turnkey tender including transfer of land, for construction of single-storey houses was opened on 17-03-2016. LOI was issued on 28-06-2016 and turnkey agreement executed on 30-08-2016. Transfer, registration and mutation of 1.9 Ha of land has been done in favour of IRWO. Construction of boundary wall is in progress. Building plans and structural drawings have been submitted to Moradabad Development Authority (MDA) for approval.

### iii) Chennai Phase-II A

11.88 Acre of land was procured in the year 2004 and the housing scheme was planned in two phases. In Phase-IIA, 140 dwelling units were planned. Contract was earlier awarded on two occasions but due to various reasons and court cases, the contractors could not complete the work and both the contracts had to be terminated. Fresh tender was awarded in first week of June, 2015 and the work has been completed. Draw for specific allotment of DUs was held on 02-06-2018 at Chennai. Results were uploaded on IRWO's website Allotment letters have been issued to the allottees. Some members have taken possession.



**Chennai Phase-IIA**

**In Phase-II B**, 161 dwelling units were planned. Building plans were submitted to Chennai Metropolitan Development Authority (CMDA) in May, 2015. After number of meetings and discussions held with CMDA authorities for early approval of plans and Member Staff wrote to Chief Secretary, Tamil Nadu Government for early approval of the plans, plans were sanctioned by CMDA and Municipal Authorities in May 2016.

For the 9 blocks, work is in progress at foundation, plinth level and casting of floors. RERA registration has been completed vide No.TN/02/BUILDING/0196/2017.



**Chennai Phase-IIB in progress**

#### **iv) Kota**

IRWO purchased 12.86-Acre of land at Kota and planned the Project in two phases. These are single-storied plotted row houses. In Phase-I, 62 dwelling units were planned. The contract was awarded in April, 2015 but had to be terminated on 07-09-2016 due to tardy progress of work. Fresh contract was awarded. Contractor is progressing with the work on the unfinished DUs, DUs in new block E, construction of boundary wall and external civil works. External civil works and external electrification have been nearly completed. RERA registration number is: RAJ/P/2017/496. The scheme has been re-opened to blood relations of IRWO members, employees of Nationalized Banks, employees of other Government establishments and all Indian nationals for booking to fill up the vacancies.



18 plots have also been put on sale on “first come, first serve” basis for IRWO members and others. Two plots have been booked. Draw of lots for specific unit for phase-I was held on 09-10-2018 and the results have been uploaded on IRWO website.



**Kota Phase-I in progress**

**v) Jaipur Phase-III**

A plot of land measuring 3.24-Acre in Sector 37 of Jagatpura in Jaipur, approved by Jaipur Development Authority (JDA) for “residential use” was purchased and registered in favour of IRWO on 03-12-2013 and building plans got sanctioned by JDA. 261 multi-storied dwelling units are to be constructed. Work was awarded on 27-11-2015. Structural work of all the six buildings and construction of boundary wall have been completed. Blocks A and D have been taken up for completing 81 DUs. Erection of lifts, firefighting works, external electrification and external works are in progress.

Solar panels have been installed. The scheme has been re-opened for blood relations of IRWO members, employees of Nationalized Banks, employees of other Government establishments etc. and for other Indian Nationals also to fill up the vacancies. Registration with RERA has been done.



**Jaipur Phase-III in progress**

**vi) Lucknow Phase-IV**

A plot of residential land measuring 2.13-Acre at Lucknow was purchased and registered in favour of IRWO on 19-11-2013. Building plans were submitted to Lucknow Industrial Development Authority (LIDA) for approval in May-2014. After regular chasing, LIDA conveyed approval of the building plans on 20.12.2017. Environment clearance has been obtained. Tender for the work has already been finalized. Booking letters have been issued to eligible applicants. Total 22 allottees are available at present. The scheme is to be reopened for booking as cost of units has escalated due to delay of more than three years in sanction by LIDA.



## **D. RECENTLY COMPLETED PROJECTS**

### **i) Sonapat**

Sonapat is one of the largest group housing projects constructed by IRWO. There are 660 dwelling units and 117 EWS units. Buildings have been designed for earthquake resistant forces and fire-fighting installations have been provided as per the Haryana Government norms. Colony is provided with Solar Water Heaters, rain water harvesting and sewerage treatment plant (STP) with provision of recycling of waste water etc. The colony has been given Gold Grading by State Environment Appraisal Committee (SEAC) for satisfying laid down parameters of water conservation, energy conservation and noise level control etc. So far 627 possession letters have been issued and 621 allottees have taken possession. 22 EWS units have been handed over out of 24 possession letters issued. 18 dwelling units are vacant. Scheme has been reopened for booking for all Indian nationals. Occupancy certificate has been issued by DGT & CP of Government of Haryana.



**Sonapat**

### **ii) Zirakpur (near Chandigarh)**

In Zirakpur, IRWO's project is located on Ambala Road towards Delhi about 15 KM from Chandigarh railway station. The site has come up very well as good development has taken place in the nearby vicinity. Total 399 DUs and 44 EWS units were planned in two phases. All the 195 units in Phase-I and 204 units in Phase-II have been completed.

Draw for allotment of specific unit for Phase-I and Phase-II was held on 30-05-2015 and 17-10-2015 respectively. 390 allottees have taken possession. RERA registration number is: PBRERA-SAS79-PR0043. 3 defaulters are being pursued for payment. 6 DUs are vacant. Scheme has been opened for all Indian nationals.



**Zirakpur**

**iii) Hyderabad Phase-III**

This scheme is located near Lingampally Railway Station adjoining the Rail Vihar Phase-I on 1.51-Acre of land. 60 multi-storied units were planned. All construction and finishing works have been completed. Draw for allotment of specific unit was held on 24-09-2015. The occupancy certificate has been obtained from GHMC. CPM Hyderabad has issued possession letters to all the 60 allottees. ***IRWO office at Hyderabad has been closed on 31-12-2017.***



**Hyderabad Phase-III**

**iv) Asansol**

In Phase-II, 43 dwelling units were planned. Construction of dwelling units has been completed. Draw for allotment of specific unit was held on 07-04-2016 and result has been uploaded on IRWO website. All allottees have already taken possession.

**E. PROJECTS IN PIPELINE**

**i) Jabalpur**

About 9.6–Acre of land was purchased and registered in favour of IRWO in village Salivada and Kosamghat, on NH-12A Jabalpur – Mandla Road. Layout plans were approved by the local authority. Contractor had mobilized and done survey and setting out of the colony. Construction of site office was completed. RERA registration number is also obtained: P-JBP-17-1212. As only a few DUs have been booked for this project, the construction work has been foreclosed for the time being. The work will remain suspended for the present and will be taken up after adequate number of bookings is available. The amount paid by the existing allottees has been refunded.

**ii) Bengaluru**

A plot of about 20-Acre of land was purchased in the years 2009 & 2010 after it was duly converted to Residential use. Building plans were submitted to BDA and were under examination by them for approval in the BDA Board meeting. However, approvals are held up due to:

(a) Even though two court cases in respect of this land were decided in favour of IRWO in 2012, but the same were not deleted from RTC by Revenue Department. One case has now been got deleted by the Secretary Revenue, Govt. Of Karnataka after MS wrote to CS, Karnataka.

(b) Even though land was converted to “residential” in 2008, the village map still shows existence of a water tank. This needs correction. At present there is no watertank at site physically.

(c) One water stream is also shown in this land, even though the land is converted to residential use. This also needs correction.

Matter is being actively pursued with Government of Karnataka. DT and DF IRWO have also met BDA officials. A letter was written again by MS Railway Board to the Chief Secretary, Government of Karnataka, to help IRWO get the sanction of plans from BDA.

A turnkey tender including consultancy, Architectural services and construction has been opened on 04-10-2018. Pre-bid meeting was held on 10-07-2018. Presentation by tenderers is to be given on 05-12-2018.

## **F. Efforts for Land Procurement by IRWO**

### **i) Sohna**

Land Committee inspected plots of land offered at Sohna (located in District Gurugram) which are suitable for IRWO group housing. Three bids, one for land and other two on turnkey basis, were received from interested Sellers. The bids were under examination. One bid was short-listed and further discussions were held with the Builder. The Builder was reconciling the details of areas of the DUs for costing of the units. A demand survey for confirmation with increased commitment money and over - riding priority for allotment of a DU, were carried out to confirm if adequate number of units shall get booked to take up the turnkey project. Last date of submission of application in the confirmation survey was extended from 31-01-2017 to 15-03- 2017. Forty applications were received.

It is also being explored if IRWO may negotiate bulk purchase of required number of DUs with a reputable Builder selected after proper due diligence and to advise interested IRWO members to buy a unit directly from the selected builder at the price as negotiated by IRWO.

### **ii) Kolkata**

Tenders for turnkey project by Builders for ready-built dwelling units including land transfer, was opened on 11-03-2014 for Kolkata. No bids were received. In the meantime, a few plots of land offered in New Town, Rajarhat, Kolkata were inspected by the Land Committee on 21-05-2014.

Letter of Intent (LOI) was issued for the purchase of 2.76-Acre of land in New Town, Rajarhat. Though the LOI was accepted by the Seller, he could not arrange the clearances required and the LOI had to be cancelled.

Land Committee again inspected three plots of land offered at Kolkata. LOI for purchase of a plot of 5.61-Acre of land, in Mouza Patharghata, located in P.S Rajarhat, New Town, Kolkata was issued. The seller accepted the LOI. There were 99 owners in 35 Dag numbers. Seller submitted the letters of consent from all owners to sell their land to IRWO. "Due diligence" to ascertain marketability of the title of land of the owners was done. But succession certificate for land owners, who had expired subsequently, could not be established; so the deal did not materialize.

LOI dated 15-04-2017 issued for purchase of 2.5138-Hectare of land in Mouza Genragari, J.L No. 37, P.S Rajarhat in North 24 Parganas (West Bengal), was accepted by the Seller on 25-04-2017. Seller is processing the purchase and conversion of land to residential use before offering it to IRWO for transfer and registration. In the meantime, agreement for the purchase of land has been executed with the Sellers. Sellers have advised that so far, 3.21-Acres of land has been aggregated by them and balance is under procurement.

### **iii) Shimla**

In a demand survey done by IRWO for booking a dwelling unit around Shimla by the members, very good response was received. Offers for sale of plots of land to IRWO were invited and inspected by the land committee. LOI for purchase of about 3.3-Acre of land at Fagu was issued but it was not accepted by the Sellers.

More offers were invited and three plots of land offered were again inspected by the land committee. LOI has been issued for the purchase of 2.68-Acre of land at Kufri near Shimla. The LOI has been accepted by the Sellers. "Due diligence" to ascertain marketability of the title of land of the owners has been completed and Sellers have sent documents to clarify points that came



up in the due diligence report of the advocate. The advocate has checked the details furnished with the Revenue records at Shimla and sent his report. Clause for including approval for sale and transfer of land to IRWO members who are non-agriculturists and non-residents of Himachal Pradesh, is required to be included. Sellers have sent the details of the proposal for giving the DU on long lease to the IRWO allottees. Legal Firm appointed has also given a report on the issue of transfer of the DU to IRWO allottees. The proposals have been examined and Public Notice for calling objections to the purchase of land was published in newspapers on 04-10-2017. As no objections were received, agreement for purchase was finalized and sent to the Sellers for execution. In the meantime, National Green Tribunal has ordered construction of only up to  $2\frac{1}{2}$  – storied buildings in and around Shimla. This reduces the FAR from 1.5 to less than 1.0 thus increasing the already high cost of land and making the project unviable. In view of this, a demand survey is being done advising members the tentative increased cost of DUs with deposit of commitment money. Thereafter when a final decision on NGT recommendations is taken by the State Govt., land purchase around Shimla can be reviewed and decided.

#### **iv) Bhubaneswar**

The Land Grant Policy of Government of Odisha for Bhubaneswar 2015 provides that land can be allotted to statutory authorities such as Bhubaneswar Development Authority (BDA), Orissa State Housing Board (OSHB) and other similar bodies like co-operative societies that Government may notify from time to time. Under this provision, IRWO has applied for allotment of a plot of land at Bhubaneswar for construction of DUs for Railwaymen. Joint Mission Director, Odisha Urban Housing Mission (OUHM) has recommended for allotment of a plot of land to IRWO. IRWO has written to Director of Estates, General Administrative Department, Govt of Odisha, for allotment of a plot of land to IRWO at Gadakan / Patia / Chandrasekharapur. IRWO has also requested the Secretary, Housing and Urban Development, Govt of Odisha, to allot 10-Acre of land to IRWO. Commissioner – cum – Secretary, OUHM, has recommended allotment of plot in Chandrasekharapur area for IRWO to Director of Estate, GA and PG Deptt. IRWO is pursuing with Principal Secretary of the Deptt. to allot the land to IRWO. East Coast Railway Shramik Union has also been helping IRWO for allotment of a plot of land. As and when the land is allotted, IRWO will make the payment as per the rates fixed by the State Government and take possession of the land.

#### **v) Panvel in Mumbai**

Letter of Intent (LOI) for purchase of 10.5-Acre of land in Panvel in Mumbai on Mumbai – Goa highway was issued. In the meantime, the land had come under NAINA (Navi Mumbai Airport Influence Notified Area). The available FAR as ascertained from CIDCO is very low (0.2 only) and it was decided to give up this proposal.

In the meantime, a plot of land was identified near Karjat railway station. Demand survey for procurement of land at Karjat was announced with last date of submission of the application as 31-12-2015. Only 20 applications were received in the demand survey.

Three fresh proposals for purchase of land at Panvel in Mumbai were received as rules with increased FAR for plots in NAINA area are under finalization. The offered plots of land have been inspected by MD, DT and DF IRWO along with GM WZ Mumbai.

A turnkey proposal has been received for construction of multi-storied DUs in Village Belavali near Panvel in Mumbai. GM WZ Mumbai has examined the details of the plot and other terms and conditions and advised that as NAINA has still not finalized the rules and standards, any purchase of land in Panvel area has to wait. GM WZ has been asked to explore a suitable plot of land outside NAINA scheme; also to examine an offer for construction on turnkey basis in Panvel, outside NAINA area. It is also being explored if IRWO may negotiate bulk purchase of required number of DUs with a reputed Builder selected after proper due diligence and to advise interested IRWO members to buy a unit directly from the selected builder at the price negotiated by IRWO.

#### **vi) Hyderabad**

A piece of 5.40-Acre of land was allotted to IRWO by Telengana State Industrial Infrastructure Corporation (TSIIC). Another Co-operative Society had challenged this allotment in High Court and matter was sub-judice. Unfortunately, TSIIC also cancelled the allotment to IRWO against which IRWO got a stay from High Court, Hyderabad. Both the W.P's have been dismissed by the High Court recently. Copy of court order was obtained and TSIIC were requested to take payment as given earlier and give possession of the plot of land to IRWO.

The case was pursued with the State Govt. Letter was written by the then Member Staff, Railway Board to Chief Secretary, Govt. of Telengana, followed by a letter from the MR to the Chief Minister, Telengana to assist in obtaining the possession of land to IRWO from TSIIC. The matter was being pursued with the State Govt.

Upon appeals from the members of Co-op Society, a two-judge bench of Hon'ble High Court had set the order aside and referred the case back to the single judge of Hon'ble High Court for hearing. First hearing was held on 16-03-2016. TSIIC was made a party instead of APIIC and *Vakalatnama* was filed by TSIIC. The writ petition has since been heard and as per their order dated 04-10-2017, the Hon'ble High Court, Hyderabad have set aside the allotment of land to The Co-operative Society and allowed IRWO's Writ Petition. TSIIC has now been approached to re-allot the plot of land to IRWO and issue the demand letter for deposit of the land cost. MS & Chairman IRWO has also written a letter to the Chief Secretary, Government of Telangana, to help IRWO in the matter. It is understood, that TSIIC do not propose to allot the land to IRWO on the ground that as per policy framed in 2005, no land will be allowed as residential in the industrial area.

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## INDEPENDENT AUDITOR'S REPORT

### TO THE GOVERNING BODY OF INDIAN RAILWAY WELFARE ORGANISATION

#### Report on the Financial Statements

We have audited the accompanying financial statements of **INDIAN RAILWAY WELFARE ORGANISATION** ("the Society"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2018, and the Income and Expenditure Account for the year then ended, and a summary of the significant accounting policies and other explanatory information.

#### Management's Responsibility for the Financial Statements

The Society's Managing/Governing Body is responsible for the preparation and presentation of these financial statements that give a true and fair view of the financial position and financial performance of the Society in accordance with the accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Society Act for safeguarding of the assets of the Society 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 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.

#### Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements based on our audit.

We have conducted our audit in accordance with the Standards on Auditing generally accepted in India. Those Standards 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.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal control relevant to the Society's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Society has in place an adequate internal controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Society's 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 audit opinion on the financial statements.

**We Report that:-**

- I. We draw attention to Schdeule-10 to the financial statements, on the basis of records available to us we have observed that, fixed assets of the society is not physically verified as on 31<sup>st</sup> March'2018.  
Further, Work in progress and Material at site is subject to physical verification and have been taken as per books of accounts maintained at the Head office on the basis of return/ information received from the respective project sites – Refer Schdeule-20 (Para-1 & 4) to the financial statements.
- II. Amount of Contingent Liability against pending court cases has not been ascertained. Refer Schedule-20 (Para-8b) of the financial statement.
- III. In our opinion and to the best of our information and according to the explanations given to us, proper Books of Account have been kept by the Society so far as it appears from our examination of those books.
- IV. The Attached Balance Sheet, and Income Expenditure Account dealt with by this report are in agreement with the books of account.
- V. Subject to our comments at S. No. I to III above in our opinion and to the best of our information and according to the explanation given to us, the Balance sheet and the Income and Expenditure Accounts read together with the significant accounting policies and notes to accounts attached there to give the required information and give a true and fair view :-





- (a) In the case of the balance sheet, of the state of affairs of the Society as at 31<sup>st</sup> March 2018.
- (b) In the case of the Income and Expenditure Account of the Excess of expenditure over Income for the year ended on that date.

Place: New Delhi  
Date : 30/10/2018

For UCC & Associates LLP  
Chartered Accountants  
FRN. 010585N/1500017



Umesh Chand Goyal, FCA  
Partner  
Membership No. 088328

**Comments of the Management on Report of Statutory Auditors on Accounts Balance Sheet for the year ending 31.3.2018**

**Para Nos. III, IV and V of Audit Report are informative only and hence 'No Comments'**

<b>Para No.</b>	<b>Observations of Statutory Auditors</b>	<b>Comments of the Management</b>
<b>I.</b>	<p>We draw attention to Schedule – 10 to the financial statements, on the basis of records available to us we have observed that, fixed assets of the Society is not physically verified as on 31<sup>st</sup> March 2018.</p> <p>Further, work in progress and material at site is subject to physical verification and have been taken as per books of accounts maintained at the Head Office on the basis of return / information received from the respective project sites – Refer Schedule – 20 (Para- 1 &amp; 4) to the financial statements.</p>	Physical verification has been done by the Project Managers but was not in proper form.
<b>II.</b>	<p>Amount of Contingent Liability against pending court cases has not been ascertained. Refer Schedule – 20 (Para – 8b) of the financial statement.</p>	<p>Liability against court cases cannot be fully ascertained unless the cases are decided. To be on the safer side, IRWO has not yet closed the accounts of such projects finally and adequate provision exists to honour court orders in case the decision goes against IRWO.</p>

**INDIAN RAILWAY WELFARE ORGANISATION**  
**Balance Sheet as on 31st March, 2018**

	Schedule		(Rs. In thousands)
		As on 31.3.2018	As on 31.3.2017
<b>Sources of Funds</b>			
Land Corpus Fund	1	806950	815480
Primary Registration Fee	2	35012	34799
General Reserve	3	152405	146773
Deposit from Members	4	345906	374583
Loan Funds	5	30000	30000
Current Liabilities	6	800599	761105
Gratuity Fund	7	34800	36086
<b>Total</b>		<b>2205672</b>	<b>2198826</b>
<b>Application of Funds</b>			
Purchase of Land	8	798113	798513
Investment	9	476871	607932
Fixed Assets	10	1709	1092
Preliminary Expenses	11	3003	2683
Loans and Advances	12	9232	12879
Receivable from Members	4	625944	470252
Other Current Assets	13	155368	131171
Publication Stock	14	119	127
Cash/Bank Balances	15	135313	174177
<b>Total</b>		<b>2205672</b>	<b>2198826</b>

The Schedules are an integral part of these financial Statements  
Accounting Policies & Notes to the Accounts

19-20

This is the Balance Sheet referred  
to in our Report of even date.

For and on behalf of  
UCC & Associates, LLP  
Chartered Accountants

Umesh Chand Goyal  
Partner  
M.No. 088328  
FRN 010585N/NS00019  
Place: New Delhi  
Dated: 30/03/2018



(K.B. Nanda)  
Director, Finance  
IRWO

(V.K. Jain)  
Managing Director  
IRWO

# INDIAN RAILWAY WELFARE ORGANISATION

## Statement of Income & Expenditure For the year ending 31st March, 2018

	Schedule	(Rs. In thousands)	
		As on 31.3.2018	As on 31.3.2017
<b>Income</b>			
Interest on Investments		30170	28793
Interest on Advances to Projects		22057	20138
Other Receipts	16	4536	3579
Total Income		56763	52510
Less: Adjustments	17	31143	27019
Balance		25620	25491
<b>Expenditure</b>			
Establishment & General Expenses	18	35297	34275
Total Expenditure		35297	34275
Excess of Expenditure over Income		9677	8784
Allocated to Projects		9677	8784
Balance		-nil-	-nil-

This is the Income & Expenditure Account referred to in our Report of even date.

The schedules referred to above form an integral part of Income & Expenditure Account.

For and on behalf of  
UCC & Associates, LLP  
Chartered Accountants



Umesh Chand Goyal, FCA  
Partner  
M.No. 088328  
FRN 010585N/NS00017  
Place: New Delhi  
Dated: 30/10/2018

(K.B. Nanda)  
Director, Finance  
IRWO

(V.K. Jain)  
Managing Director  
IRWO

**Schedules annexed to Accounts for the year ending on 31.3.2018**

**Schedule - 1 Land Corpus Fund**

		<b><u>(Rs. In thousands)</u></b>
	<b><u>As on 31.3.2018</u></b>	<b><u>As on 31.3.2017</u></b>
Balance at the beginning of the year	<b>815480</b>	749680
Add: Contribution from Projects	<b>3770</b>	7131
Add: Interest Earned	<b>0</b>	58669
Less: Transfer to Faridabad Project against Additional Land Cost	<b>12300</b>	0
	<b><u>806950</u></b>	<u>815480</u>

**Schedule - 2 Primary Registration Fee**

Balance at the beginning of the year	<b>34799</b>	34564
Add: Received during the year	<b>213</b>	<u>235</u>
	<b><u>35012</u></b>	<u>34799</u>

**Schedule - 3 General Reserve**

Balance at the beginning of the year	<b>146773</b>	134675
Add: Contribution from Projects	<b>3771</b>	11298
Handling Charges on withdrawal / Cancellation	<b>1861</b>	<u>800</u>
	<b><u>152405</u></b>	<u>146773</u>



<b>Schedule- 4 - Deposits from Members</b>				<i>(Amount (Rs. In thousands)</i>		
<b>S. No.</b>	<b>Name of the Project</b>	<b>As on 31.03.2017</b>	<b>Receipt during the year 2017-18</b>	<b>Total</b>	<b>Expenditure during the year 2017-18</b>	<b>As on 31.03.2018</b>
1	Bengaluru	33,747	(24,634)	9,113	1,525	7,588
2	Chennai-II (A)	25,566	162,385	187,951	154,741	33,210
3	Chennai- II (B)	(70,454)	44,861	(25,593)	15,698	(41,291)
4	Demand Survey	114,079	10,524	124,603	(1,352)	125,955
5	Jaipur-III	(63,806)	20,218	(43,588)	128,954	(172,542)
6	Lucknow- IV	(73,237)	(11,170)	(84,407)	14,247	(98,654)
7	Moradabad I & II	9,405	11,782	21,187	7,644	13,543
8	Kota	(18,772)	18,288	(484)	67,259	(67,743)
9	Sonepat Ph-I & Ph-II	153,771	20,024	173,795	10,713	163,082
10	Zirakpur - I & II	(80,875)	15,404	(65,471)	9,658	(75,129)
11	Jabalpur	1,552	3,319	4,871	2,343	2,528
12	Moradabad III	(163,108)	4,039	(159,069)	11,516	(170,585)
	<b>Total of I to 12</b>	<b>(132,132)</b>	<b>275,040</b>	<b>142,908</b>	<b>422,946</b>	<b>(280,038)</b>
13	<b>Total of closed Projects</b>	36,463	0	36,463	36,463	0
	<b>Grand Total (1 to 13)</b>	<b>(95,669)</b>	<b>275,040</b>	<b>179,371</b>	<b>459,409</b>	<b>(280,038)</b>

**Note:** The negative amount (i.e. the excess of construction expenditure over receipt from members) is shown as Receivable from member in assets which is calculated to be Rs.625944( Rs.470252 for previous year).

<b>Schedule - 5 Loan Funds</b>		
		<b>(Rs. In thousands)</b>
	<b>As on 31.03.2018</b>	<b>As on 31.03.2017</b>
<b><u>Outstanding Loans</u></b>		
Ministry of Finance	<b>30000</b>	30000
	<b>30000</b>	30000
<b>Schedule - 6 Current Liabilities</b>		
	<b>As on 31.03.2018</b>	<b>As on 31.03.2017</b>
Interest Payable to Ministry of Finance	<b>101471</b>	97871
Expenses Payable	<b>82</b>	83
Other Liabilities	<b>62252</b>	34837
Salary/Provident Fund Payable	<b>4583</b>	5608
Security Deposits / Sundry Creditors	<b>130142</b>	70465
Earnest Money	<b>11375</b>	18976
<b><u>Members Amount Refundable</u></b>		
Commitment Money 169243		
Members Fund: 120263	<b>289506</b>	323749
<b><u>Amount due to Societies</u></b>		
Maintenance Fund: 176529		
Depreciation Reserve Fund: 24659	<b>201188</b>	209516
	<b>800599</b>	761105
<b>Schedule - 7 Gratuity Fund</b>		
	<b>As on 31.03.2018</b>	<b>As on 31.03.2017</b>
Opening Balance	<b>36086</b>	31664
Add: Interest Earned	<b>1401</b>	2123
Less: Payment made during the year	<b>4632</b>	4886
Balance	<b>32855</b>	28901
Provision made during the year	<b>1945</b>	7185
Gratuity Fund	<b>34800</b>	<b>36086</b>
<b>Schedule - 8 Purchase of Land</b>		
	<b>As on 31.03.2018</b>	<b>As on 31.03.2017</b>
<b><u>Location:</u></b>		
Kota	<b>338832</b>	338832
Jabalpur	<b>221440</b>	221840
Jaipur	<b>237841</b>	237841
	<b>798113</b>	<b>798513</b>

<b>Schedule - 9 Investments</b>		
		<b>(Rs. In thousands)</b>
	<b>As on 31.03.2018</b>	<b>As on 31.03.2017</b>
<b>Fixed deposits with Scheduled Banks</b>		
<b>Allahabad Bank</b>		
New Delhi	10467	15715
<b>Indian Overseas Bank</b>		
New Delhi	255315	338081
Kolkata	33010	33569
Egmore, Chennai	42067	28958
<b>State Bank of India</b>		
New Delhi	54639	61135
<b>I.C.I.C.I. Bank Ltd., New Delhi</b>	12404	11500
<b>IndusInd Bank, New Delhi</b>	12113	11172
<b>Ratnakar Bank Limited, New Delhi</b>	21479	26479
	441494	526609
<b>Fixed deposits with other Financial Institutions</b>		
<b>Housing Development Finance Corporation Ltd., New Delhi</b>	35377	81323
	35377	81323
<b>Summary of Investments</b>		
<b>Scheduled Banks</b>	441494	526609
<b>Other Financial Institutions</b>	35377	81323
	476871	607932

**SCHEDULE- 10                      FIXED ASSETS AND DEPRECIATION SCHEDULE AS ON 31.3.2018**

*(Amount in Rs. In thousands)*

Fixed Assets	Value of Assets				Depreciation				Depreciated Value	
	<u>As on</u>	<u>Addition during</u>	<u>Transferred/</u>	<u>As on</u>	<u>As on</u>	<u>During the</u>	<u>Transferred /</u>	<u>As on</u>	<u>As on</u>	
	<u>01.4.2017</u>	<u>the year</u>	<u>Adjustment</u>	<u>31.3.2018</u>	<u>01.4.2017</u>	<u>year</u>	<u>Adjustment</u>	<u>31.3.2018</u>	<u>31.3.2017</u>	<u>31.3.2018</u>
Vehicles	1274	870	642	1502	1271	109	641	739	3	763
Office Equipment	1383	136	6	1513	1073	207	6	1274	310	239
Furniture & Fixtures	739	0	17	722	387	72	17	442	352	280
Tools & Plants	2	0	0	2	2	0	0	2	0	0
Noida shop	427	0	0	427	0	0	0	0	427	427
Total	3825	1006	665	4166	2733	388	664	2457	1092	1709
Previous Period	5531	158	1864	3825	4749	232	2248	2733	782	1092

Notes:

1. Depreciation is calculated on a straight line basis.
2. The Depreciation charges are dealt within the accounts as follows:-

	<u>2016-17</u>	<u>2017-18</u>
Work in progress	72	15
Income & Expenditure Accounts- Corporate Office	160	373
Total	232	388

<b>Schedule - 11 Preliminary Expenses</b>		
	<b>As on 31.03.2018</b>	<b>(Rs. In thousands)</b> As on 31.03.2017
Ahmedabad	110	110
Bhubaneshwar	427	346
Demand Survey (General)	541	541
Mumbai	213	213
Faridabad	24	24
Sohna - Gurugram	105	105
Kolkata Phase-IV	469	319
Noida Extension (Greater Noida)	202	202
Patna	48	48
Raj Nagar - Ghaziabad	41	41
Allahabad	6	-
Pune	5	-
Shimla	543	465
Varanasi	269	269
<b>Total</b>	<b>3003</b>	<b>2683</b>
<b>Schedule - 12 Loans and Advances</b>		
	<b>As on 31.03.2018</b>	<b>As on 31.03.2017</b>
Secured Advances	1351	2131
Staff Advances	1658	537
Mobilisation Advances	6223	10211
	<b>9232</b>	<b>12879</b>
<b>Schedule - 13 Other Current Assets</b>		
	<b>As on 31.03.2018</b>	<b>As on 31.03.2017</b>
Interest Accrued on Deposits	15051	23804
Materials Available at Site	24691	34782
ITC -CGST & SGST, IGST and KKC (CENVAT)	62965	43999
Sundry Debtors / Security Deposits/other current assets	52062	27946
TDS Recoverable (from IncomeTax Department)	599	640
	<b>155368</b>	<b>131171</b>
<b>Schedule - 14 Publication Stock</b>		
	<b>As on 31.03.2018</b>	<b>As on 31.03.2017</b>
IRWO - General Rules Book	119	127
	<b>119</b>	<b>127</b>



<b><u>Schedule - 15 Cash/Bank Balances</u></b>		
		<b><u>(Rs. In thousands)</u></b>
	<b><u>As on 31.03.2018</u></b>	<b><u>As on 31.03.2017</u></b>
Cash in Hand	<b>246</b>	940
Balance with Banks	<b><u>135067</u></b>	<u>173237</u>
	<b><u>135313</u></b>	<u>174177</u>
<b><u>Schedule - 16 Other Receipts</u></b>		
	<b><u>As on 31.03.2018</u></b>	<b><u>As on 31.03.2017</u></b>
Sale of Publications	<b>9</b>	102
Processing Charges	<b>4422</b>	3451
Miscellaneous Receipts	<b><u>105</u></b>	<u>26</u>
	<b><u>4536</u></b>	<u>3579</u>
<b><u>Schedule - 17 Adjustment</u></b>		
	<b><u>As on 31.03.2018</u></b>	<b><u>As on 31.03.2017</u></b>
Interest Payable to Ministry of Finance	<b>3600</b>	3600
Interest on Funds Transferred to Projects	<b>27167</b>	22790
Establishment & Other Office Expenditure of West Zone Office	<b><u>376</u></b>	<u>629</u>
	<b><u>31143</u></b>	<u>27019</u>
<b><u>Schedule - 18 Establishment &amp; General Expenses</u></b>		
	<b><u>As on 31.03.2018</u></b>	<b><u>As on 31.03.2017</u></b>
Salary, Provident Fund, Conveyance Charges etc.	<b>31360</b>	31030
Office Expenditure	<b>3326</b>	2743
General Expenses	<b>314</b>	374
Legal Expenses	<b>225</b>	108
Advertisement Expenses	<b>52</b>	0
Audit Fee	<b><u>20</u></b>	<u>20</u>
	<b><u>35297</u></b>	<u>34275</u>

## **Schedule – 19 Accounting Policies**

### **1. Basis of Preparation of Financial Statements:**

These financial statements have been prepared in accordance with generally accepted accounting principles in India under the historical cost convention on accrual basis.

### **2.Fixed Assets**

Fixed assets are stated at cost less accumulated depreciation Cost Comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

### **3. Depreciation/Amortization**

Depreciation on the fixed assets is provided on Straight Line Method (SLM) at the rates and in the manner specified as under:

<b><u>Assets</u></b>	<b><u>DepreciationRate</u></b>
Motor Vehicles	20%
Office Equipment	15%
Furniture	10%
Tools & Plant	15%

### **4. Revenue Recognition**

01.**Interest:** Interest Income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.However ,instalment & interest received from Members on delayed payments are recognized on receipt basis.

02.**Processing Fees:** Processing Fees are recognized on receipt basis.

03.**Other Income:** Other Income are recognized on receipt basis.

### **5. Inventory**

Inventories are stated at cost.

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## **Schedule – 20 Notes Forming Part of Accounts**

1. Work in progress and Materials at Site have been taken on the basis of returns/information received from respective project sites.
2. Interest on Investment of Rs.301.70 lakh as shown in the Income and Expenditure Account includes Rs.271.67 lakh towards interest earned on Projects Funds which have been transferred to respective Projects (Schedule-17).
3. Addition in Land Corpus Fund, towards contribution from Projects is Rs.37.70 lakh. This year no interest have been charged on funds utilized from Land Corpus Fund for Purchase of Land at Jaipur Phase-III, Kota and Jabalpur so as to keep the cost intact in view of the depressed scenario in the real estate market as there is very poor response even at the present cost. Further, during the year also contribution towards Land Corpus Fund in respect of Sonapat Project has not been credited. This is as per the recommendation of the Grievance Redressal Committee as approved by the Governing Body in their 42<sup>nd</sup> Meeting held on 11-12-2012.
4. Materials at site account shows a balance of Rs.246.91 lakh on Steel and Cement for projects in progress. This relates to material lying at site and also difference in procurement and issue price which will get adjusted when Projects are completed.
5. Cash in hand of Rs.2.46 lakh represents balance in Imprest Account with the Project Managers for meeting petty expenses. The amounts have been compiled from the statements received from Project sites.
6. Till the close of financial year 2017-18 Input Credit towards GST accrued was Rs.629.65 lakh as against CENVAT Credit towards Service Tax of Rs.439.99 lakh. The increase is due to very poor booking of Dwelling Units in Jaipur, Kota and Sonapat Projects after demonetization.
7. Surplus generated at the time of closing of accounts of Faridabad Project amounting to Rs.123 lakh was transferred to Land Corpus Fund which has been withdrawn during the year to meet the additional amount of Rs.452.46 lakhs demanded by HUDA Authorities against cost of Land at Faridabad. The balance amount has been paid by the allottees of Faridabad Project.

**8. Contingent Liabilities exists for:-**

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

Name of the Project	Amount of Bank Guarantee	Purpose
Jabalpur	Rs.0.50 lakh	Bank Guarantee in favour of SDM, Tehsil Jabalpur
Jabalpur	Rs.0.50 lakh	Bank Guarantee in favour of SDM, Tehsil Jabalpur
Sonepat	Rs.224.74 lakh	Bank Guarantee in favour of Directorate of Town and Country Planning, Haryana for Internal Development Works.

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

9. Handling Charges on account of withdrawals are credited to General Reserve up-to 30.6.2017, thereafter to respective Projects in order to comply with the provisions of Goods and Service Tax. Balance Corporate Office Expenses, after adjustment out of Corporate Office Income, are apportioned amongst Projects in proportion to the Construction Costs during the year.

10. Payment to Auditors.

	<b><u>2017-18</u></b> <b>(Rs in lakh)</b>	<b><u>2016-17</u></b> <b>(Rs in lakh)</b>
Audit Fees	<b>0.83</b>	0.83
Other Services	<b><u>1.07</u></b>	<u>1.59</u>
	<b><u>1.90</u></b>	<u>2.42</u>


11. Previous year's figures have been re-grouped/re-arranged wherever necessary.

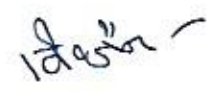
For and on behalf of  
(UCC& Associates, LLP)  
Chartered Accountants  
FRN 010585M/NS00014

(Umesh Chand Goyal), FCA  
Partner  
M.No.088328

Place: New Delhi  
Dated: 30/10/2018



  
(K.B. Nanda)  
Director, Finance  
IRWO

  
(V.K. Jain)  
Managing Director  
IRWO