

# **AGENDA**

**FOR**

**39<sup>TH</sup> MEETING**

**OF**

**BOARD OF DIRECTORS**

**OF**

**HARYANA STATE ROADS AND BRIDGES  
DEVELOPMENT CORPORATION LTD.**

**DAY : THURSDAY  
DATE : 08.04.2010  
TIME : 12.00 NOON**

**IN THE OFFICE OF FCPW, HARYANA,  
MINI SECRETARIAT, HARYANA  
SECTOR-17, CHANDIGARH**

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**AGENDA ITEM NO. 39.01**

**LEAVE OF ABSENCE**

Leave of absence may be granted to the directors who have shown their inability to attend the meeting.

<b>Sr. No.</b>	<b>Name</b>	<b>Designation</b>	<b>Present / Absent</b>
1.	Sh. S.S.Dhillon, IAS	Chairman	
2.	Sh. Harinder Kumar, IRS	Director	
3.	Sh. Mahesh Kumar, F-in-C	Managing Director	

## **AGENDA ITEM 39.02**

### **TO TAKE NOTE OF THE APPOINTMENT OF NEW STATUTORY AUDITORS FOR THE FINANCIAL YEAR 2007-08 AND CONSIDER & APPROVE THEIR APPOINTMENT AS TAX AUDITORS.**

It is brought to the notice of the Board that M/s Bansal Moza & Associates, Chartered Accountants were appointed as statutory auditors for the Company for the year 2007-08 vide letter no. 03 CA V 41-94 dated 19<sup>th</sup> January 2010. The Balance Sheet and Profit & Loss account for the year 2007-08 duly approved by the Board of Directors was sent to the Statutory Auditory M/s Bansal Moza and Associates vide this office letter No. 704/HSRDC dated 29.1.09 for conducting statutory audit. The statutory auditor failed to carry out the accounts of HSRDC. They started the audit after a period of about 4 months i.e. in the month of April & May, 2009 and left the job unfinished after handing over the letter dated 29.5.09.

Mrs. Aarti Bansal, partner of M/s Bansal Moza and Associates was contacted many times on telephone to take up the audit work of HSRDC. She made the excuse that as she has purchased a big house at Panchkula and can not start the work for a period of 2 months as she is busy in the renovation of the house. She was again contacted and then she made the excuse that she is again busy in the audit of some other Boards Corporations and could not conduct the audit of HSRDC during next 15 days. When again contacted, she again made the same excuse that the audit of other Boards Corporation is continuing. After that she attended the office of HSRDC on 9.4.09 at 4.05 PM and 29.04.1209 at 3.35 PM (date and time of every visitor is recorded in the register of HSRDC at reception). Then in the month of April, 2009 they started the audit, but left incomplete on 29.05.2009. She was again contacted many times but every time she made one or the other excuse. Then she was informed on telephone that either she should carry out the audit of the corporation or she should refuse to carry out the audit so that CAG can be requested to appoint some other statutory audit for the corporation. In order to clarify her position, she leveled allegation against the ex-Managing Director of his rude behavior to the A.G. As the statutory auditor had delayed the audit of the accounts of HSRDC badly even after persuasion, so the matter was brought to the notice of A.G.

The real cause of the problem was that Mrs. Aarti Bansal was interested in taking the internal audit of HSRDC and she handed over 3 quotations to M.D. (HSRDC) of the followings:

- |  |   |
|--|---|
| i) M s Vijay S. Mathur & Co.<br>#629, Sec. 6, Chandigarh                               | Rs. 25000 - per quarter + service<br>tax @ 12.36% |
| ii) M s H.Gupta & Associates.<br>624-A, Sector 35, Chandigarh                          | Rs. 21000 - per quarter + service<br>tax @ 12.36% |
| iii) M s Vishav Jyoti Mahajan & Co.<br>Chowk Bharat Nagar, Ferozepur road,<br>Ludhiana | Rs. 5000 - per quarter + service<br>tax @ 12.36%  |

It came to the notice from reliable sources that M s Vishav Jyoti Mahajan & Co. was a company of her relative. The matter was placed before the Board of Directors of HSRDC and the Board did not approve the appointment. As they were not appointed as internal auditor, so she was annoyed with HSRDC.

It is also brought to the notice of Board that the statutory auditors were demanding Rs. 80,000/- per year as audit fee against previous fee of Rs. 10,000 - per year. The matter was placed before the Board in its meeting held on 12.02.2009 for increase in the remuneration and the Board approved the fees to the tune of Rs. 30,000 - per year + taxes as applicable. The statutory auditors, of course agreed, but were not happy with this. This is the 2<sup>nd</sup> reason of their annoyance.

Since, the accounts of HSRDC were not audited within one month from the date of approval of accounts by the Board of the Corporation by statutory auditors, so the accounts were taken to the Board in its meeting dated 28.07.2009 in which the Board took a serious view of this and also approved the accounts of the Corporation which were again sent to the Statutory Auditor vide this office letter No. 4539.HSRDC/09 dated 7.08.2009 to take up the audit of the balance sheet.

Even after that, the statutory auditor failed to carry out the audit of the accounts of HSRDC. A.G. Haryana conducted a meeting of statutory auditors and representatives of the Boards Corporations whose accounts were in arrear on 15.08.2009 in his office, in which the statutory auditors promised to carry out the audit of HSRDC within 10 days. Despite assurance to the A.G., they again failed to even start the audit of the Corporation.

A request was also made vide this office No. 4862 HSRDC dated 27.08.2009 to statutory auditor. The matter was again brought to the notice of the A.G. vide letter No. 4863/HSRDC dated 27.08.2009. A.G. Haryana vide letter No. CA-I-HR&BD 2009-10/752-53 dated 11.09.2009 conveyed that as per assurance given by M/s Bansal Moza and Associates they will start the audit of HSRDC on 14.9.09 and complete it latest by 25.9.09. The statutory auditors again failed to start the audit of HSRDC.

It was therefore, requested to the CAG that the statutory auditor of the Corporation may be changed and suitable action as per rules should be initiated against M/s Bansal Moza and Associates.

The Comptroller & Auditor General of India vide letter No. CA V COY HARYANA, HSRBDC(1) 1353, dated 17.02.2010 has appointed M/s Jain & Associates, Chartered Accountants as Statutory Auditor of the Corporation for the Financial Years 2007-2010, for conducting the Supplementary audit under section 619(5) & (4) of the Company Act 1956 at the Remuneration for the above said audit is Rs. 30,000 - Taxes as applicable. The Corporation has received a letter dated 19.03.2010 (copy placed below at **Annexure I**) from M/s Jain & Associates, Statutory Auditor for the increase in the remuneration from Rs. 30,000 - to Rs. 75,000 - on the grounds of increase in the volume of business of the Corporation as compared to the previous year 2006-07.

Further, the Corporation has also received a letter No. 03 CA V 41 94 dated 19.01.2010 from Comptroller & Auditor General of India, New Delhi (copy placed below at **Annexure II**) desiring the Government Companies Corporations to fix the audit remuneration on the basis of work involved, effort (time) required to carry out the audit, category of professionals deployed for the job.

The Board is requested to take note of the appointment of new Statutory Auditors and consider and approve the increase in the audit fee for the financial year 2007-10

Further, it is brought to the notice of the Board that the Board in its 34<sup>th</sup> meeting held on 12.2.2009 had appointed M/s Bansal Moza & Associates as Tax Auditors for the financial year 2007-08 at a fee of Rs. 10,000 - plus service tax as applicable. It is proposed that M/s Jain & Associates, Chartered Accountants may be appointed as Tax Auditors for the financial year 2007-10 at a fee of Rs. 10,000 - plus service tax as applicable in place of M/s Bansal Moza and Associates.

Jain & Associates  
Chartered Accountants

S.C.O. 819-20, Sector 22A  
Chandigarh,  
Ph. 4652837, 2705761  
Email: jainassos@rediffmail.com

JA/SCP/2010

19<sup>th</sup> March, 2010

The Managing Director,  
Haryana State Roads and Bridges Development Corp.,  
Bay No. 13, 14, Sector 2,  
PANCHKULA (HARYANA)

Dear Sir,

Subject: Statutory Audit for the year ending 31.03.2008

This is to inform you that we have almost completed the audit of your corporation for the year ending 31.03.2008.

We are requesting with this letter an increase in our audit fees for the year ending 31<sup>st</sup> March, 2008 which at present is Rs. 3,00,000/- on the following grounds:

1. There has been increase in the assets of your corporation from Rs. 4648.81 Lacs to Rs. 5806.57 Lacs as compared to the year 2006-07.
2. Increase in Current Assets, i.e. Rs. 37,00,000/- from Rs. 17047.39 Lacs to Rs. 36834.11 Lacs which includes break-up cost of work in progress undertaken during the year ending 31.03.2008 of BPN, S.S. 100 PPP work and Tangri Bridge work for which separate site visits have to be made by our firm.
3. The current liabilities of the corporation have increased from Rs. 32998.99 Lacs to Rs. 56493.95 Lacs.
4. The miscellaneous expenditure of the corporation has been increased from Rs. 6671.54 Lacs to 10273.82 Lacs.
5. Checking of the compliance with new accounting standards issued by "The Institute of Chartered Accountants of India".

Due to overall increase in the volume of the business of the corporation as compared to the year 2006-07, the number in volume of transactions have increased which resulted in increased man hours of our audit staff who continuously worked for almost 10 hours a day at your office.



We have commenced the audit of your company on 1<sup>st</sup> March, 2010 with the following staff:

S.No	Staff
1.	Senior Partner
2.	Qualified chartered accountants
3.	Audit assistants

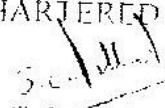
The above team continuously did the audit of your corporation including Saturdays spending almost 10 hours per day.

Considering the number of qualified and experienced staff and one Senior Partner involved in the audit of your corporation, it is hereby request that the audit fees for the year ended may kindly be increased from Rs. 50,000.00 to Rs. 75,000.00.

We hope you will consider our request favourably.

Thanking you

Yours faithfully,  
For JAIN & ASSOCIATES  
CHARTERED ACCOUNTANTS

  
(S.C. PATHAK)  
PARTNER



सत्यमेव जयते

12/1/10

Annex-II

No 03/CAV/41-94

भारत के नियंत्रक एवं महालेखापरीक्षक का कार्यालय  
9, दीन दयाल उपाध्याय मार्ग, नई दिल्ली-110 021

OFFICE OF THE  
COMPTROLLER & AUDITOR GENERAL OF INDIA  
9, DeenDayal Upadhyay Marg, New Delhi - 110 021

दिनांक / DATE 19 January 2010

To

The Managing Director,  
Haryana State Roads & Bridges Devp Corpn Ltd  
Sec 23, Sector 7-C, Marka Marg  
Chandigarh

Subject Remuneration of statutory auditors of Government Companies.

Sir/ Madam,

We have been receiving several representations from statutory auditors appointed by this office and the Institute of Chartered Accountants of India regarding low audit fees being paid by some Government Companies/ Corporations. In view of the responsibility endowed on the statutory auditor, it is pertinent that every company fixes the audit remuneration on the basis of the volume of work involved, effort (time) required to carry out the audit and express opinion on the financial statements and the levels of professionals performing the functions rather than on the company's capacity to pay to the auditors. The Institute of Chartered Accountants of India has recommended a scale of fee that it feels should be chargeable for the work done by the members of the Institute (copy enclosed). Therefore, negative net worth/ loss of the company alone may not be a ground for fixing low audit fee.

As low audit fee deters a firm of Chartered Accountants in the deployment of senior and competent professionals in the audit of a particular company and also causes administrative & other technical problems due to refusal of the audit by the Chartered Accountants due to low audit fee it is desirable that statutory auditors who carry out the audit and express opinion on the annual financial statements of any PSU are compensated suitably.

In view of above, you may like to review/ revise the audit fee appropriately, considering the volume of work, category of professionals deployed for the job, effort, man hours required to carry out the audit, rise in the cost of audit due to inflation and growth in the company's activities as contemplated in section 224(3)(aa) of the Companies Act.

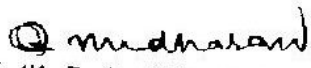
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1956 read with the guidelines issued by the Department of Company Affairs vide No 7/76 dated 8<sup>th</sup> April 1976 and 8/6/83/IGC dated 7<sup>th</sup> June 1984 and also additional responsibility laid on the auditor of a PSU like submission of Report under section 619(3) of the Companies Act, 1956.

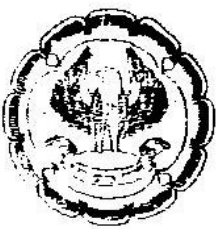
As the process of appointment of auditors for the year 2010-11 will start soon and auditors are selected mainly on the basis of audit fee you are requested to kindly furnish the amount of statutory audit fee (excluding fees for other services like tax audit, review of half yearly/quarterly financial statements and out of pocket expenses etc.) expeditiously.

Yours faithfully,

Encl: As above

  
(K. P. Sasidharan)  
Director General (Commercial)

- 1886 -



# The Institute of Chartered Accountants of India

*(Set up under an Act of Parliament)*

*(C.A. Bill, 1949)*

PD Box No. 7100, Indraprastha Marg, New Delhi - 110 002  
Phone: Direct +91 11 3011 0444 Board +91 11 3099 2929 Ext. 444  
Fax: +91 11 3011 0583. Email: pd@icai.org, Web: www.icai.org

PD/C&AG/2007

May 7, 2007

Shri Ranjit Majumder  
Sr. Administrative Officer/CA V  
Office of the Comptroller & Auditor  
General Of India,  
10, Bahadur Shah Zafar Marg,  
New Delhi - 110 002.

Dear Sir,

We are enclosing herewith 'Recommended sale of fee chargeable for the work done by the members of the Institute' as decided by the Council of the Institute in its meeting held in January 2006, for your kind perusal and information.

Thanking you,

Yours faithfully,

(J. Ernest Samuel)  
Secretary, Professional Development Committee

Encl: As above.

वाणिज्य विभाग में  
मावरी संख्या 50  
दिनांक 8/5/07

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Revision of recommended scale of fee chargeable for the work done by the members of the Institute.

The Council of the Institute of Chartered Accountants of India recommends from time to time scale of fees chargeable for the work done by the member of the Institute. Such scale of fees were last revised effective from April 1, 2000. Keeping in view the overall increase in the cost of living since then, the Council at its meeting held in January 2006, has revised the existing recommended fees as under (effective from 12<sup>th</sup> May 2006)

	Existing		Revised with effect from (12 <sup>th</sup> May 2006)	
	Between (Rs.)	And (Rs.)	Between (Rs.)	And (Rs.)
1. For giving expert evidence in courts of law in the Union of India according to professional standing of the witness.	5,000	10,000	7,500	15,000
	[For each day or part thereof, spent in attendance and/or travelling]		[For each day or part thereof, spent in attendance and/or travelling]	
2. Other work:				
(a) Statutory Audit, Tax Audit, Internal Audit, Accountancy and Secretarial Work:				
Principal	600	1,200	900	1,800
Qualified Assistants	300	600	450	900
Semi Qualified/Other Assistants	100	200	150	300
	[Per Hour]	[Per Hour]	[Per Hour]	[Per Hour]
(b) Taxation Work:				
Principal	1,000	2,000	1,500	3,000
Qualified Assistants	500	1,000	750	1,500
Semi-Qualified/Other Assistants	200	400	300	600
	[Per Hour]	[Per Hour]	[Per Hour]	[Per Hour]
(c) Investigation, Management Services or Special Assignments:				
Principal	1,500	3,000	2,250	4,500
Qualified Assistants	750	1,500	1,125	2,250
Semi-Qualified/Other Assistants	250	500	375	750
	[Per Hour]	[Per Hour]	[Per Hour]	[Per Hour]

**Note:**

- Office time spent in traveling would be chargeable. In case of outstation work, traveling and out-of-pocket expenses would also be chargeable.
- The Council issues for general information the above revised recommended scale of fees which it considers reasonable under present conditions. It will be appreciated that the actual fees charged in individual cases will be a matter of agreement between member and the client.

**AGENDA ITEM 39.03**

**TO CONSIDER & APPROVE THE RE-APPOINTMENT OF M/S MEHNDROO & CO. CHARTERED ACCOUNTANTS AS ACCOUNTS CONSULTANT**

It is brought to the notice of the Board that M/s Mehndroo & Co. Chartered Accountants were engaged as accounts Consultant on part time basis (regularly) at remuneration of Rs. 25,000/- per month – taxes as applicable for providing complete consultancy / guidance / supervision for maintenance of accounts alongwith consultancy on other accounts matter for the period 01/04/2009 to 31/03/2010, as approved in the BOD meeting held on 14/05/2009 vide item No. 35.06.

It is also brought to notice of the Board that the Statutory Auditors have started the Audit for the financial year 2007-08 wherein M/s Mehndroo & Co are actively associated in resolving the queries raised by the Statutory Auditors. The Corporation is in the process of finalizing the Balance Sheet for the financial year 2008-09 & 2009-10 and expected to complete the same within six months. At this stage, the services of M/s Mehndroo & Co. would be needed very badly, which is instrumental in finalizing the Balance Sheet for the Financial Year 2008-09 & 2009-10 and their guidance would also be required in the day-to-day affairs in the accounting tax matters.

Keeping in view of the above, it is proposed that the appointment of M/s Mehndroo & Co. Chartered Accountants may be renewed for another period of One year from 01/04/2010 to 31/03/2011 at the remuneration of Rs. 25,000/- – Taxes as applicable and on the existing terms and conditions.

The Board is requested to consider and approve the same.

*Handwritten notes:*  
next Board meeting never met  
2008-09 16/10/08  
2008-09 16/10/08

*Handwritten signature:* [Signature]

**AGENDA ITEM NO. 39.04**

**TO CONSIDER AND APPROVE THE ANNUAL ACCOUNTS FOR THE FINANCIAL YEAR 2007-2008.**

The draft Annual Accounts comprising Balance Sheet as on 31<sup>st</sup> March, 2008 and Profit & Loss Account of the Corporation for the period from 1.4.2007 to 31.3.2008 were placed before the Board in its meeting held on 12.2.2009 which were approved by the Board and the Board authorized Sh. Mahesh Kumar, Director and Sh. B. S. Singla, Managing Director of the Corporation to sign the Balance Sheet, Profit & Loss account and other schedules and further authorized them to approve changes as may be made in the accounts for the aforesaid period subsequently on the receipt of the comments of the Statutory Auditors and sign the same.

The Statutory Auditors have conducted the audit and desired some changes in the Balance Sheet. Sh. B.S.Singla who was authorized to approve changes alongwith Sh. Mahesh Kumar, has since been transferred, the annual accounts again needs to be authenticated by the two Directors, one of whom shall be the Managing Director.

The Board is requested to consider and approve the annual accounts which are placed below and authorize any two Directors to sign the same. These accounts duly signed shall be submitted to the statutory auditors for their report and the same shall be forwarded to the CAG for their comments thereon.

HARYANA STATE ROADS & BRIDGES DEVELOPMENT CORPORATION LTD.  
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2008

PARTICULARS	YEAR 2008	YEAR 2007
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
NET PROFIT BEFORE TAX	-318,879,133	-250,408,511
ADJUSTMENT FOR -		
DEPRECIATION (including prior period depreciation)	575,205,738	427,870,332
PRELIMINARY EXPENSES W/OFF	241,500	241,500
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>256,568,105</b>	<b>177,703,321</b>
ADJUSTMENT FOR -		
DEFERED REVENUE EXP	-41,540,000	0
SUNDRY DEBTORS & OTHER RECEIVABLES	-43,477,628	-14,722,251
LOANS & ADVANCES	-7,029,780	-19,812,775
TRADE / SUNDRY PAYABLES	2,152,801,091	1,114,386,426
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>2,067,271,588</b>	<b>1,257,554,721</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
PURCHASE SALE OF FIXED ASSETS - NET	-23,994,940	-2,064,775
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>-23,994,940</b>	<b>-2,064,775</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
INCREASE/(DECREASE) IN GRANT	-396,018	0
REPAYMENT OF HUDCO LOANS	-561,411,607	-509,256,748
SHARE APPLICATION MONEY	0	83,400,000
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>-561,807,625</b>	<b>-425,856,748</b>
OPENING CASH & CASH EQUIVALENTS	1,650,625,166	800,991,958
CLOSING CASH & CASH EQUIVALENTS	3,112,094,189	1,630,625,166

NOTES.

The above cash flow statement has been prepared under the indirect method as out in the Accounting Standard -3 on cash Flow Statement issued by the Institute of Chartered Accountant of India

AUDITOR'S REPORT

"In terms of our separate report annexed"

FOR JAIN AND ASSOCIATES  
CHARTERED ACCOUNTANTS

For Haryana State Roads & Bridges Development Corporation Limited.

(S.C. PATHAK)  
PARTNER  
M.No. 10194

( HARINDER KUMAR -IRS)  
DIRECTOR

(MAHESH KUMAR)  
MANAGING DIRECTOR

PLACE : PANCHKULA  
DATED :



**HARYANA STATE ROADS & BRIDGES DEVELOPMENT CORPORATION LTD.**  
BALANCE SHEET As at 31st March, 2008

PARTICULARS	Schedule	Amount Rs. as on 31.03.2008	Amount Rs. as on 31.03.2007
<b><u>SOURCES OF FUNDS:</u></b>			
<b>SHAREHOLDER'S FUNDS:</b>			
Share Capital	I	500,000,000	500,000,000
Share Application Money		720,423,000	720,423,000
<b>DEFERRED GOVERNMENT GRANT</b>	II	17,603,982	18,000,000
<b>LOANS FUNDS:</b>			
<b>Unsecured Loans:</b>			
-HUDCO Loan-State H/W (Phase I & II) 16646		593,542,044	592,553,651
-HUDCO Loan MDRs & ODRs (Phase I) 16982		491,523,050	543,123,650
-HUDCO Loan MDRs & ODRs (Phase II) 17035		690,201,600	784,601,600
-HUDCO Loan-State H/W (Phase III & IV) 16977		487,920,000	674,300,000
Total Rs.		<u>3,271,194,276</u>	<u>3,833,001,901</u>
<b><u>APPLICATION OF FUNDS:</u></b>			
<b>FIXED ASSETS</b>			
Gross Block	III	5,881,523,688	5,857,528,748
Less: Depreciation		1,671,727,150	1,096,521,411
Net Block		<u>4,209,796,538</u>	<u>4,761,007,337</u>
<b>CURRENT ASSETS, LOANS &amp; ADVANCES:</b>			
<b>Deposit Work In Progress</b>			
-BPS Work		386,690,333	0
-DCTRPP Work		47,494,067	0
-Tangri Bridge Work		24,628,630	0
Cash, Bank Balances & Sundry debtors	IV	1,170,520,030	1,654,386,207
Loans & Advances	V	57,333,482	50,353,702
Current Liabilities	VI	<u>5,280,716,341</u>	<u>1,704,739,909</u>
Net Current Assets		<u>(1,865,984,380)</u>	<u>(1,595,159,921)</u>
<b>MISCELLANEOUS EXPENDITURE</b>	VII	18,27,382,118	667,154,485
Total Rs.		<u>3,271,194,276</u>	<u>3,833,001,901</u>

Significant Accounting Policies & Notes to the accounts forming part of accounts at schedule XII.

**AUDITOR'S REPORT**

*"In terms of our separate report annexed".*

FOR JAIN AND ASSOCIATES  
CHARTERED ACCOUNTANTS

For Haryana State Roads & Bridges Development  
Corporation Limited.

(S.C. PATHAK)  
PARTNER  
M.No. 10194

(HARINDER KUMAR -IRS)  
DIRECTOR

(MAHESH KUMAR)  
MANAGING DIRECTOR

PLACE : PANCHKULA  
DATED :

**HARYANA STATE ROADS & BRIDGES DEVELOPMENT CORPORATION LTD.**  
**PROFIT & LOSS ACCOUNT for the year ending on 31.03.2008**

PARTICULARS	Schedule	Amount Rs. as on 31.03.2008	Amount Rs. as on 31.03.2007
<b><u>INCOME</u></b>	VIII	580,657,668	464,881,019
	Total Rs.	580,657,668	464,881,019
<b><u>EXPENDITURE:</u></b>			
To Administrative Exp.	IX	5,089,757	2,271,537
To Financial Exp.	X	241,133,027	284,653,621
To Personal Exp.	XI	4,178,026	178,367
To Depreciation		427,916,859	427,870,332
To Preliminary Expenses Written off		241,500	241,500
	Total Rs.	678,559,169	713,215,357
Loss for the year / Period		97,901,501	250,334,338
Less: Previous year Expenses : Income		220,977,632	74,173
Less: Previous year Adjustments			
Net Loss for the year		318,879,133	250,408,511
Less: Provision for Income Tax		-	-
Income tax for earlier years		-	-
Balance Carried to Balance Sheet	Total Rs.	318,879,133	250,408,511
Earning per share		(6.38)	(5.01)
Diluted Earning per share		(2.61)	(2.09)

Significant Accounting Policies & Notes to the accounts forming part of accounts at schedule XII.

**AUDITOR'S REPORT**

*"In terms of our separate report annexed"*

**FOR JAIN AND ASSOCIATES  
 CHARTERED ACCOUNTANTS**

For Haryana State Roads & Bridges Development  
 Corporation Limited.

(S.C. PATHAK)  
 PARTNER  
 M.No. 10194

(HARINDER KUMAR -IRS)  
 DIRECTOR

(MAHESH KUMAR)  
 MANAGING DIRECTOR

PLACE : PANCHKULA  
 DATED :

HARYANA STATES ROADS & BRIDGES DEVELOPMENT CORPORATION LTD.

SCHEDULE I: SHARE CAPITAL:	Amount Rs. as on 31.03.2008	Amount Rs. as on 31.3.2007
<b>Authorised Capital:</b>		
50000000 equity shares of Rs. 10/- each (Previous year 50000000 Equity share of Rs. 10/- each)	500,000,000	500,000,000
<b>Issued, Subscribed &amp; Paid up Capital</b>		
50000000 equity shares of 10/- each fully paid up (Previous year 50000000 Equity Share of Rs. 10/- each)	500,000,000	500,000,000
<b>Total Rs.</b>	<b>500,000,000</b>	<b>500,000,000</b>

HARYANA STATES ROADS & BRIDGES DEVELOPMENT CORPORATION LTD.

SCHEDULE II: DEFERRED GOVERNMENT GRANT	Amount Rs. as on 31.03.2008	Amount Rs. as on 31.03.2007
<b>GRANT FROM HARYANA GOVT.</b> (For Activation of Corporation)		
Opening Balance	18,000,000	18,000,000
Less: Utilised during the year	(3,603,982)	
<b>Total Rs.</b>	<b>17,603,982</b>	<b>18,000,000</b>

For Haryana State Roads & Bridges Development  
Corporation Limited

(HARINDER KUMAR -IRS)  
MANAGER

(MAHESH KUMAR)  
MANAGING DIRECTOR

HARYANA STATE ROADS & BRIDGES DEVELOPMENT CORPORATION LTD.  
Schedule "III" - Fixed Assets

Block of Asset	Gross Block		Depreciation		Net Block			
	Balance 01.04.2007	Additions (Transfers)	Balance 31.03.2008	Prior Period Adjustment	For the Period	Total Up To 31.03.2008	As On 31.03.2008	As On 31.03.2007
Land	2,064,775		2,064,775				2,064,775	2,064,775
Building	-	23,877,789	23,877,789		1,044	1,044	23,876,745	23,876,745
Computer & printer	-	277,174	277,174		22,920	22,920	254,254	254,254
Telephone	16,035		16,035		562	562	15,473	15,473
Photocopy Machine	111,748	45,640	157,388		9,991	9,991	147,379	147,379
Furniture & Fixture	6,160	25,013	31,173		1,130	1,130	29,997	29,997
Project of Improvement of State Highways	2,011,858,918		2,011,858,918		113,616,727	113,616,727	1,211,393,409	1,388,210,136
Project of Improvement of State Highways of Phase III & IV)	1,380,601,082		1,380,601,082		1,40,98,088	1,40,98,088	1,365,113,000	1,10,070,888
Project of Improvement of All State Highways of Phase II)	55,12,96,903		55,12,96,903		6,31,96,319	6,31,96,319	68,30,50,022	50,83,690,850
Project of Improvement of All State Highways of Phase II)	1,191,27,343		1,191,27,343		3,000,000	3,000,000	6,36,191,343	1,10,65,00,000
Amount utilised for Purchase of Assets								
Furniture & fixture		60,073	60,073		233	233	59,840	
Computer & Printer		1,31,315	1,31,315		16,235	16,235	115,080	
Photocopy Machine		88,200	88,200		4,730	4,730	83,470	
<b>Total</b>	<b>5,857,528,748</b>	<b>23,994,940</b>	<b>5,881,523,688</b>	<b>113,288,839</b>	<b>427,916,859</b>	<b>1,671,727,150</b>	<b>4,209,796,538</b>	<b>4,761,007,336</b>
<b>Previous Year Figure</b>	<b>5,855,463,973.00</b>	<b>2,064,775.00</b>	<b>5,857,528,748.00</b>		<b>427,870,332.00</b>	<b>1,096,521,411.00</b>	<b>4,761,007,337.00</b>	<b>5,186,912,894.00</b>

For Haryana State Roads & Bridges Development Corporation Limited

(HARINDER KUMAR -DRS)  
DIRECTOR

(MAHESH KUMAR)  
MANAGING DIRECTOR

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HARYANA STATE ROADS & BRIDGES DEVELOPMENT CORPORATION LTD.

SCHEDULE IV: CASH, BANK BALANCES & SUNDRY DEBTORS	Amount Rs. as on 31.03.2008	Amount Rs. as on 31.3.2007
<b>CASH &amp; BANK BALANCES:</b>		
Cash in hand	8,624	7,793
With Schedule Banks	103,624,750	85,024,590
With Schedule Banks in FDRs	1,12,359,491	1,53,350,483
Accrued Interest	3,090,814	12,042,373
<b>Sundry Debtors</b>		
A) Debts outstanding for a period exceeding six months		
a) Considered good	35,483,189	23,761,042
b) Considered doubtful	0	0
B) Other Debts	22,840,651	0
<b>Total Rs.</b>	<b>3,170,520,030</b>	<b>1,654,366,207</b>

HARYANA STATE ROADS & BRIDGES DEVELOPMENT CORPORATION LTD.

SCHEDULE V: LOANS & ADVANCES	Amount Rs. as on 31.03.2008	Amount Rs. as on 31.03.2007
Security Deposit (Advances recoverable in cash or in kind)	106,700	80,273
I.Tax / TDS A.Y. 2003-04	13,933,668	13,933,668
I.Tax / TDS A.Y. 2004-05	4,415,251	4,415,251
I.Tax / TDS A.Y. 2005-06	1,147,088	1,147,088
TDS on Bank FDR's(2006-07)	10,895,320	10,895,149
TDS on Bank FDR's(2007-08)	512,796	0
Cheque Pending Encashment	14,655	8,349,725
National Productivity Council	0	100,000
Divya Stationers	2,736	0
Cyber Infotech Ltd	1,352	0
H.T Media	126,338	0
Hindustan Motors	442,293	0
M/s S.P. Singla Const. Com. Pk.	216,000	0
Interest Recoverable PNB Sec-22	10,598	0
Kuljit Singh(Employee)	7,500	0
Davinder Kumar (Employee Assist.)	4,235	0
Yatinder Mathur Architect	37,820	0
Advance with Contractors	23,134,503	0
TCS Excess payment	167,153	167,153
Training & Development of Engineers (CIDC)	1,315,293	1,315,293
Building Construction Advance(PWD Hyna)	0	1,329,000
Suspension Bridge Morni	70,426	0
NCR Works	323,567	0
<b>Total Rs.</b>	<b>57,353,482</b>	<b>30,353,702</b>

For Haryana state Roads & Bridges Development  
Corporation Limited

(HARINDER KUMAR -IRS)  
DIRECTOR

(MAHESH KUMAR)  
MANAGING DIRECTOR

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HARYANA STATE ROADS & BRIDGES DEVELOPMENT CORPORATION LTD.

SCHEDULE VI: CURRENT LIABILITIES AND PROVISIONS	Amount Rs.	
	as on 31.03.2008	as on 31.3.2007
Sundry Creditors(As per List)	1,475,284	143,995
Deposits Received for Development Works (As per List)	2,528,795,392	732,543,337
PWD B & R Haryana	2,238,872,757	1,523,078,474
Haryana Industries Department	4,263,546	4,263,546
Bid & Performance Security	19,763,204	0
Earnest Money(At Site)	359,751	0
Retention Money(At Site)	22,490,250	0
Audit Fee Payable	88,343	63,304
Internal Audit Fee Payable	15,000	15,000
GIS Payable	335	0
GPF Payable	35,991	0
House Building Advance	1,036	0
House Rent Payable	98	0
LIC Payable	724	0
Marriage Loan	5,200	0
Vehicle Loan	1,800	0
Professional Fee Payable	45,115	115
Salary Payable	500,005	0
D.K.Chawla (Account Officer)	14,368	0
Toll (T-4) Security Refundable	1,600,000	1,600,000
Toll Tax Adjustable	30,908	30,908
Advance Toll Collection	46,480	46,480
Retainership Charges Payable	40,000	40,000
Misc. Expenses Payable	605,615	2,383
TDS Payable	262,219	229,757
TCS Payable	441,710	754,278
Sales Tax Payable	249,358	0
Guarantee Fee Payable	1,445,000	0
PWD B & R Building Const. Payable	2,775,754	0
Labour Cess Payable	51,576	0
Cheque issued but not Encashed	13,098,074	0
<u>GRANT PRIME MINISTER GRAM SADAK YOJANA</u>		
Opening Balance	747,81,111	46,323,818
Addition / Adjustments	2,362,107,000	2,004,300,000
Interest on Deposits	22,40,950	25,630,652
	<u>2,921,391,941</u>	<u>2,076,254,470</u>
Less: Utilised during the year	2,227,390,714	694,001,277
		<u>1,339,173,459</u>
<b>Total Rs.</b>	<b>5,652,700,921</b>	<b>3,299,899,830</b>

For Haryana state Roads & Bridges Development  
Corporation Limited

(HARINDER KUMAR - IRS)  
DIRECTOR

(MAHESH KUMAR)  
MANAGING DIRECTOR

HARYANA STATE ROADS & BRIDGES DEVELOPMENT CORPORATION LTD.

SCHEDULE VII: MISCELLANEOUS EXPENDITURE	Amount Rs.	Amount Rs.
	as on 31.03.2008	as on 31.03.2007
Preliminary Expenses (To the extent not written off or adjusted) Opening Balance as per last Balance Sheet Add: Addition during the year Less: Written of during the year	708,000  <u>241,500</u> 466,500	949,500  <u>241,500</u> 708,000
<u>Defered Revenue Expenditures</u> Guarntee Fee of HUDCO Loans	41,590,000	0
<u>Profit &amp; Loss Account</u> As per last Balance Sheet Add: Loss during the year	666,446,485 <u>318,879,133</u> 985,325,618	666,446,485
Total Rs.	<u>1,027,382,118</u>	<u>667,154,485</u>

HARYANA STATE ROADS & BRIDGES DEVELOPMENT CORPORATION LTD.

SCHEDULE VIII: INCOME	Amount Rs.	Amount Rs.
	as on 31.03.2008	as on 31.03.2007
Toll Receipts	413,354,148	371,077,629
<u>Other Income</u> Sale of Toll Forms & Bid Documents Interest on Deposits Interest on IT Refund Interest from Toll Contracts Security Forfieted(Toll Plaza) Misc. Income ( Empanelment fee. Amortisation of Grant Service Charges from Construction Work	1,302,050 132,200,039 0 3,554,492 6,754,769 330,500 21,018 22,940,651	590,000 87,103,153 599,044 393,787 5,000,000 117,406 0 0
Total Rs.	<u>580,657,668</u>	<u>464,881,019</u>

For Haryana State Roads & Bridges Development  
Corporation Limited

( HARINDER KUMAR -IRS)  
DIRECTOR

(MAHESH KUM  
MANAGING DIRI

HARYANA STATE ROADS & BRIDGES DEVELOPMENT CORPORATION LTD.

SCHEDULE IX: ADMINSTRITATIVE EXPENSES	Amount Rs. as on 31.3.2008	Amount Rs. as on 31.3.2007
Accounting & Retainership Charges	297,592	269,376
Advertisement & Publicity	421,952	640,443
Statutory Audit Fee	33,090	33,708
Tax Audit Fee	11,030	11,236
Internet Expenses	47,000	86,389
Security Fees (Police)	0	342,350
Misc. Expenses	52,730	6,585
Membership & Subscription	79,753	2,600
Newspaper & Periodicals	2,050	0
Postage & Courier Expenses	69,881	8,131
Printing & Stationery	593,187	236,051
Professional Charges	150,263	143,185
Technical & Cons. Charges	1,159,932	0
Office Exp.	4,056	0
Elect. & Water Charges	16,455	0
Refreshment Expenses	26,101	63,650
Repairs & Maintenance (General)	381,161	118,041
Repairs & Maintenance (Computer)	131,527	0
Rent, Rates, Fees & Taxation	425,256	11,000
Telephone Expenses	123,545	181,988
Travelling & Conveyence	32,241	114,804
Taxi Hiring Expenses	510,442	0
Interest on TDS	10,453	0
Total Rs.	5,089,757	2,271,537

For Haryana State Roads & Bridges Development  
Corporation Limited

( HARINDER KUMAR -IRS)  
DIRECTOR

(MAHESH K  
MANAGING D



HARYANA STATE ROADS & BRIDGES DEVELOPMENT CORPORATION LTD.

SCHEDULE X: FINANCIAL EXPENSES	Amount Rs. as on 31.3.2008	Amount Rs. as on 31.3.2007
Intt on Hudco loans	231,077,844	284,316,296
Interest & Bank Charges	364,153	45,501
Upfront fee	0	291,824
Guarantee Fee	0	0
Total Rs.	231,441,997	284,653,621

HARYANA STATE ROADS & BRIDGES DEVELOPMENT CORPORATION LTD.

SCHEDULE XI: PERSONEL EXPENSES	Amount Rs. as on 31.3.2008	Amount Rs. as on 31.3.2007
Salary & Wages	4,042,713	178,367
Leave Salary & Pension Contribution	135,313	0
Total Rs.	4,178,026	178,367

For Haryana State Roads & Bridges Development  
Corporation Limited

( HARINDER KUMAR -IRS)  
DIRECTOR

(MAHESH KUMAR)  
MANAGING DIRECTOR

HARYANA STATE ROADS & BRIDGES DEVELOPMENT CORPORATION LTD.

List of Deposits Received for Development Works as on 31st March 2005

<u>PARTICULARS</u>	<u>AMOUNT</u>
Central Assistant Grant Under ASIDE SCHEME	500000
Deposit-(Const.P.G.Regional Centre, Mirpur(Rewari)	85,200,000
Deposit-(Railway Deptt.-Shifting of Xing Satnali)	2,000,000
Deposit-(Civil Works- Govt.Polytechnic Nidokheri)	2,487,900
DEPOSIT (CONS. 3MRCC SLAB NIKHARI DISTY)	5,114,680
Deposit-(Cons.Bridge at Jagadhari Paonta)	13,157,000
Mohindruga	3,100,000
DEPOSIT (CONS. OF BUNDRY WALL, NARNAUL)AGRL. DEPY	278,900
Deposit (Const. Bridge NH 10, VILL. MUNDHAL)	1,200,000
Deposit-(Const.Bus Stand Kaithal)	1,000
Deposit-(Const.Chemical Lab,CH.Karnal)	95,000
SIRSA)	1,002,000
Deposit-(Const.MNSS Rai)Sonepat	14,500,000
Deposit-(Const. of Building for Govt Collage)	25,385,000
Deposit (Const. of Infrastructure Vill Matana)	2,325,000
Deposit-(Const. Staff Flat HIPA,Gurgoan)	2,130,000
Deposit ( Culture Model School Sanghi)	7,000,000
Deposit-(Distt Sports Council)Rohtak	571,198
Deposit-(Education Dept for ITI)	10,040,000
Deposit for KCC Slab Kakeria	1,815,797
Deposit for Sport Stadium M/ garh	3,200,000
Deposit for Tangri Bridge From HUDA	20,000,000
Deposit-Four Laning of Zirak Pur Parwanoo NH22	2,306,331
Deposit From BPS.Khanpur Kalan	172,700,000
Deposit (Girls Hostel YMCA Faridabad)	2,538,000
DEPOSIT ( GOVT. POLYTECHNICAL NATHUSARI SARSA	5,353,000
Deposit (Govt. Politechnical Women Sirsa)	3,675,000
DEPOSIT(HEALTH DEPTT. FOR PHC /CHC)	149,138,000
Deposit (IRC)	8,598,806
Deposit-(Jail Constructions)	21,582,800
DEPOSIT (LADT RURAL NEW)	8,36,327,000
PKI)	2,387,000
Deposit-(NDA Training Block Kunjipura)Karnal	4,47,000
Deposit ( Nurses Hostel Gurgaon )	17,37,522
Deposit-(Polytechnic-Lisana,Rewari)	40,828,000
Deposit (Preparation of DPR on BOT Basis)	3,00,70,028
Deposit-(Renovation Bldg.Murthal)Sonepat	40,000
DEPOSIT (REPAIR BOND,WALL	1,58,300
Deposit-(Residential Revenue House)Rohtak	1,00,000
DEPOSIT(ROAD CUN HISAAR)	33,720
Deposit-(Road Cut -Bhiwani)	1,447,964
Deposit-(Road Cut -Fatehabad)	383,000
Deposit-(Road Cut -Narnaul)	648,600
Deposit-(Road Cut -Rohtak)	2,714,579
Deposit-(Road Cut -Sonepat)	644,356
Deposit-(Rural Dev.Auth.Gurgoan)	6,30,000
Deposit-(Shifting of Exist.Crossing Satnali)	3,76,000
Deposit-(Working Women Hostel)	3,42,00,000
Deposit ( Siwalik Development Board)	3,40,00,000
Deposit ( Widening & 4 Lining Meuth Guhana Road)	31,00,000
Deposit Work-Health Services	7,189,000
Deen Bandhu Thermal Power Project, Y.Nagar	200,00,000
Deposit (Works)	1,88,00,000
Panipat Refinery	256
LADT Munciples Advances (As per List)	48,15,000
LADT Panchayats Advances (As per List)	8,20,2273
<b>TOTAL</b>	<b>2,528,795,392</b>

HARYANA STATE ROADS & BRIDGES DEVELOPMENT CORPORATION LTD.  
LIST OF SUNDRY CREDITORS AS ON 31.03.2008

<u>PARTICULARS</u>	<u>AMOUNT</u>
Bharat Enterprises	4419
Amar Ujala News Paper	6047
Dainik Bhasker	207968
Hans Ram	13671
Indian Express	2029
Jagran Parkashn Pvt Ltd	59216
Legend Traders	23780
Prem Sagar	52
Punjab Kesri	13473
Rajiv Singla	951504
Ranbir Singh Sanghi	592
RCI Ltd.	1100
Sundry Creditors	2000
Sushila Devi	10049
Thoman Commercial Services	6130
Times of India	42498
Tribune Trust	57455
Veer Singh	12958
V. Kaushik & Co.	41691
Tarun Mathur (Tangri Nadi Ambala)	18652
<b>TOTAL</b>	<b>1475284</b>

HARYANA STATE ROADS & BRIDGES DEVELOPMENT CORPORATION LTD.

LIST OF DEBTORS AS ON 31ST MARCH 2008

<u>PARTICULARS</u>	<u>LESS THAN</u>	<u>MORE THAN</u>	<u>TOTAL</u>
	<u>SIX MONTHS</u>	<u>SIX MONTHS</u>	
Deva Singh (04-05)	0	30135	30135
E.E.Gurgaon(Dept.Toll-01)	0	843800	843800
EE PWD Fatehabad(Dept Toll No 7)	0	10350	10350
E.E.Gurgaon(Dept.Toll-17)	0	451617	451617
Jai Singh	0	17502	17502
Krishan Pal Singh	0	2381074	2381074
Manoj Kumar	0	11633984	11633984
Nares Kumar Sanghi	0	510208	510208
Pankaj Singla	0	97839	97839
Prem Singla	0	3168492	3168492
Ranbir Singh	0	625792	625792
Sheesh Ram	0	1738885	1738885
Toll Tax Recoverable (03-04, 04-05)	0	1400000	1400000
Umrao Singh Har Parshad	0	1045092	1045092
Vikash Rajput	0	11530419	11530419
<u>Service Charges Receivable</u>			
- WIP BPS	19334517	0	19334517
- WIP DCRTTP	2374703	0	2374703
- WIP Tangri Nadi	1231432	0	1231432
<b>TOTAL</b>	<b>22940651</b>	<b>35485189</b>	<b>58425840</b>

**SCHEDULE - XII**  
**SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING**  
**PART OF THE ACCOUNTS AS ON 31<sup>ST</sup> MARCH, 2008**

**A) SIGNIFICANT ACCOUNTING POLICIES**

**1. BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

- 1.1) The accounts are prepared under the historical cost convention and on going concern basis. All expenses and incomes to the extent considered payable and receivable respectively unless stated otherwise, have been accounted for on MERCANTILE BASIS. Accounting standards as specified in Section 211(3C) of the Companies Act, 1956 have been complied with to the extent applicable.
- 1.2) Revenue / Income and Cost / expenditure are generally accounted for on accrual basis as they are earned or incurred.

**2. FIXED ASSETS & DEPRECIATION**

- 2.1) Fixed Assets are stated at cost of acquisition less accumulated depreciation. The cost of acquisition of these assets is inclusive of freight, duties, taxes and other incidental expenses are capitalized till the assets are ready to be put to use.
- 2.2) Depreciation is provided under the Straight Line Method at the rates specified in schedule XIV of the companies Act 1956 except in the case of completed Projects where depreciation has been provided over the usefull life of the assets estimated by the Management as follows :-
- |  |          |
|--|----------|
| a) Improvement of State Highways (Phase I & II )   | 14 Years |
| b) Improvement of State Highways (Phase III & IV ) | 13 Years |

**3. CAPITAL WORK IN PROGRESS**

Projects under progress are carried at cost comprising direct cost related incidental expense interest and other financing costs payable on funds specifically borrowed to the extent they relate to the period till assets are put to use.

**4. DEPOSIT WORK IN PROGRESS**

Deposit work in Progress undertaken by the corporation on behalf of other government agencies is considered as Current Asset of the corporation and accordingly the funds received from government agencies for carrying out the work is considered as Current Liability by the Corporation. Service charges for completing the work is recognized as revenue of the Corporation.

**5. BORROWING COST**

Borrowing costs attributable to the acquisition / construction of qualifying fixed assets are capitalized. Other borrowing costs are charged to profit and loss account.

Borrowing costs comprise of interest and other cost incurred in connection with borrowing of funds.

6. CONTINGENT LIABILITIES

Liabilities, though contingent, are provided for if there are reasonable chances of maturing such liabilities as per management. Other contingent liabilities, barring frivolous claims not acknowledged as debts, are disclosed by way of notes.

7. GRANTS IN AID

The government grants being received from the state government are being shown on Accrual basis. The amount utilized against the grant on capital expenditure is deducted from grant in aid to the extent of depreciation provided on those assets during the year and full amount is deducted in case of revenue nature of expenditure. The unspent grant at the close of the year is shown under the head "Deferred Government Grant" in the Balance Sheet.

8. DEFERRED REVENUE EXPENDITURE

Guarantee Fee payable to Haryana Government against the loan sanctioned by the HUDCO for up gradation of roads in phases has been treated deferred revenue expenditure in the books on pro rata basis over the life of repayment of loans.

9. PRIOR PERIOD ITEMS

Prior period expenses Income have been shown in Profit & Loss Account below the line and details of the same are disclosed by way of Notes on Accounts.

**B) NOTES ON ACCOUNTS**

1. Contingent liabilities on account of :-

	(Rupees in lakhs)	
	2007-08	2006-07
i) Disputed Income Tax matters in Appeal with different Appellate Authorities	2466.34	259.78
ii) Estimated amount of contracts remaining to be executed on capital account and not provided for.	NIL	NIL
iii) Penalties Interest on non compliance of provisions of TDS, TCS, Labour Cess and liability on account of Service tax, Sales Tax, etc.	Amount unascertained	Amount unascertained

2. Toll Tax receipts include Toll collection made through department and contractual Toll Plazas.

3. Building cost amounting to Rs. 233.78 Lacs has been capitalized and put to use on 31.03.2008 and accordingly depreciation for 1 day amounting to Rs. 0.01 Lacs has been provided.

4. The amounts under the head Share Application money amounting to Rs. 7204.23 Lacs (Rs. 7204.23 Lacs) represents funds received from Govt. towards counter part funding.
5. The corporation is the Nodel Agency for receiving the funds under PMGSY scheme but the actual funds are utilized by Haryana PWD B&R which is the executing agency for works under PMGSY Scheme. The Corporation has deposited the surplus funds received under the scheme in various FDR's and the interest earned on such deposits (net of TDS) has been added to the grant received. No Utilization certificate has been received under PMGSY Scheme from Haryana PWD B&R during the year, as well as balance is subject to confirmation.
6. The Grant received from Haryana government for the Activisation of Corporation amounting to Rs. 180.00 Lacs received in F.Y. 2005-06 is for the following purposes:-

	Grant in Aid	Utilized upto 2007-08
a) Setting up of Design Cell in HSRDC	Rs. 50.00 Lacs	6.28 lacs
b) Strengthening of HSRDC	Rs. 50.00 Lacs	-
c) Preparation of Project Report & Feasibility studies through HSRDC	Rs. 50.00 Lacs	-
d) Setting up of State Academy of Research & Training & Strengthening of quality control system	Rs. 30.00 Lacs	-
	Rs. 180.00 Lacs	6.28lacs

Amount utilized for setting up Design Cell in HSRDC of Rs. 6.28 Lacs includes expenses of Rs. 3.75 Lacs incurred as revenue expenditure in the year ending 31.03.2007 but considered in the current year ending 31.03.2008 as funds utilized from the grant to that extent. The expenses of Rs. 3.75 Lacs incurred is shown under the head Prior Period items.

As per guidelines, the funds cannot be diverted towards any other purpose from the purpose as specified above and it can be utilized by the corporation as and when required.

7. The Haryana Panchayat and Urban Development Department, has deposited funds under LADT scheme for Construction/repair/maintenance of Rural & urban Link Roads in the state. The execution of works has been carried forward through Haryana PWD (B&R). No utilization certification has been received from PWD (B&R) during the year. Interest earned on such utilized funds held by the

Corporation are retained as the income of the Corporation. Balance outstanding under LADT Funds with corporation as on 31<sup>st</sup> March 2008 (Rural & Urban) are Rs. 1410.57 Lacs (Rs. 3430.63 Lacs).

8. The small scale undertaking to whom amount outstanding for more than 30 days is Nil (NIL). The information has been compiled to the extent they could be identified as small scale ancillary undertaking on the basis of information available with the company.
9. In the opinion of the Board, the current Assets, Loans & Advances are approximately of the value stated if realized in the ordinary course of Business. The provision for all known liabilities is adequate and not in excess of the amount considered reasonably necessary.
10. A sum of Rs. 42.63 Lacs (Rs. 42.63 Lacs) is payable to Haryana Industries Department for settling the amounts with HUDCO & HFC and the same has been shown under the head Current Liabilities.
11. Details of Prior period Adjustment :-

	(Amount in Rs.)	
	2007-08	2006-07
Printing & Stationery	58800	16461
Advertisement	42903	57712
Taxi hiring Exp.	17094	
Guarantee fee	60875000	
Bank charges	11310	
Depreciation	147288879	
Excess provision	12071404	
Rebate for inoperative period to all contractors	1665895	
Exp. Payable	3180	
Hudco Interest	611607	
Grant from the Haryana Govt.	375000	
Interest on delayed installments	63866	
<b>Total</b>	<b>220977632</b>	<b>74173</b>

12. Sundry debtors have been classified below and above six months. Management is of the opinion that all the debtors are good. Hence no provision for doubtful debts has been provided.
13. The Income Tax Assessments of the corporation have been completed up to the A.Y. 2007-08. Appeals for the A.Y. 2003-2004, 2005-2006, 2007-2008 preferred by the corporation are pending before different appellate authorities as on 31.03.2008. The financial impact of the same will be determined on the decisions of the pending appeals.



No provision for tax has been made during the year as there is no tax liability. As per information and explanation given to us the entire Income for eligible business of the Corporation is exempt u/s 80IA of the Income Tax Act 1961.

14. Deferred Tax assets has not been recognized during the year as well as previous year in view of recurring losses.
15. Guarantee fee on HUDCO loans amounting to Rs. 705.66 Lacs have been charged as revenue expenditure during the year ending 31.03.2008 which includes expenditure of Rs. 608.75 Lacs upto the year ending 31.03.2007 which has been shown as prior period items. The guarantee fee amounting to Rs. 415.90 Lacs on HUDCO Loans which are not due for re-payment upto 31.03.2008 is shown under the head "Deferred revenue expenditure" in the balance sheet for the year ending 31.03.2008.
16. Service charges of the Construction project works are charged by the Corporation @ 5% of work in progress at BPS Vishwavidhyalya Khanpur Kalan, Sonapat, DCRTTP, Yamuna Nagar and Construction of Bridge over Tangri Nadi, Ambala.
17. Security Forfeited ( Toll Plaza ) amounting to Rs. 67.55 Lacs ( Rs. 50.00 Lacs ) booked under the head " Other Income " is in the nature of Extraordinary income as per AS-5 by the ICAI.
18. Auditors Remuneration:-

	(Amount in Rs.)	
	2007-08	2006-07
a) Audit Fee (including service tax)	33090	33708
B) Tax Audit Fee (including service tax)	11030	11236

19. Earning per share as per Accounting Standards (AS-20) issued by ICAI :-

	(Amount in Rs.)	
	2007-08	2006-07
Profit/ Loss after Tax	-318,879,133	-250,408,511
Weighted average number of Equity shares outstanding during the year	50000000	50000000
Basic Earning per share	-6.38	-5.01

	(Amount in Rs.)	
	2007-08	2006-07
Profit/ Loss after Tax	-318,879,133	-250,408,511
Weighted average number of Equity shares outstanding during the year	122042300	119957300
Diluted Earning per share	-2.61	-2.09

20. Expenditure in foreign exchange incurred on foreign tours during the year is NIL.
21. Accrued interest has been provided as on 31<sup>st</sup> March 2008 on the basis of bank certificates.

22. The balance confirmation to the debit credit in the accounts of various parties are subject to their confirmation and reconciliation
23. The corporation has taken during the year ending 31.03.2008 some staff of PWD(B&R) on deputation. The expenditure on them is borne by the corporation as per the terms and conditions of the deputation.
24. Additional information required under Scheme VI of the Companies Act 1956.
  - a. Particulars of Employees Number Salary Allowances and other perks:-
    - I) Employees whose remuneration is Rs. 6.00 lacs or more per year –NIL
    - II) Employees whose remuneration is Rs. 0.50 lacs or more per year –NIL
  - b. Quantitative Information –NIL
  - c. Value of goods imported during the year –NIL
  - d. FOB value of foreign exchange earning during the year –NIL
25. Figures shown in brackets denote Previous Year figures.
26. Previous year figures have been rearranged and regrouped wherever considered necessary. Figures for the current year have been rounded off to the nearest rupee.

#### AUDITOR'S REPORT

"In terms of our separate report annexed".

FOR JAIN AND ASSOCIATES for Haryana State Roads & Bridges Development  
CHARTERED Corporation Limited  
ACCOUNTANTS

(S.C. PATHAK)  
PARTNER

( HARINDER KUMAR JRS )  
DIRECTOR

(MAHESH KUMAR)  
MANAGING  
DIRECTOR

M.No. 10194  
PLACE : PANCHKULA  
DATED :

**HARYANA STATE ROADS & BRIDGES DEVELOPMENT CORPORATION LTD.**  
**ADDITIONAL INFORMATION AS REQUIRED UNDER PART IV OF SCHEDULE VI**  
**TO THE COMPANIES ACT, 1956**

**Balance Sheet Abstract and Company's General Business Profile**  
**(As on 31.03.2008)**

(Amt. Rs. In thousands)

<b>I</b>	<b><u>Registration Details :-</u></b>	
	Registration No.	34240
	State Code	5
	Balance Sheet Date	31/03/2008
<b>II</b>	<b><u>Capital Raised during the year:-</u></b>	
	Public Issue	NIL
	Right issue	NIL
	Bonus Issue	NIL
	Private Placement	NIL
<b>III</b>	<b><u>Position of Mobilisation and Deployment of Funds</u></b>	
	Total Liabilities	3271194
	Total Assets	3271194
	<b><u>Sources of funds:-</u></b>	
	Paid up Capital	500000
	Application Money	700423
	Deferred Government Grant	17604
	Secured Loan	NIL
	Unsecured Loan	2033167
	<b><u>Application of Funds:-</u></b>	
	Net Fixed Assets	4209797
	Investments	NIL
	Net Current Assets	(1965984)
	Accumulated Losses	985326
	Misc. Expenditure	42057
<b>IV</b>	<b><u>Performance of Company</u></b>	
	Total Income	580658
	Total Expenditure	678559
	Profit & Loss before Tax	(318879)
	Profit / Loss after Tax	(318879)
	Earning per Share	(6.38)
	Dividend Rate	NIL
<b>V</b>	<b><u>Generic Names of Two Principal Prod./Services of the Co.</u></b>	
	Item Code No. (ITC Code)	NIL
	Product Description	Toll Receipts Service charges on Projects

**AUDITOR'S REPORT**

"In terms of our separate report annexed".

**FOR JAIN AND ASSOCIATES**  
**CHARTERED ACCOUNTANTS**

For Haryana State Roads & Bridges Development  
 Corporation Limited.

(S.C. PATHAK)  
 PARTNER  
 M.No. 10194

**A. K. JAIN**  
 (HARINDER KUMAR - ICSI)  
*Executive* DIRECTOR

(MAHESH KUMAR)  
 MANAGING DIRECTOR

PLACE: PANCHKULA  
 DATED: