



Dushyant Chautala
DUSHYANT CHAUTALA
Deputy Chief Minister, Haryana

21st Annual Report

Financial Year 2019-20

Haryana State Roads & Bridges Development Corporation Limited

Bays No. 13-14, Sector-2, Panchkula-134112 (Haryana)
CIN: U45203HR19995GC034240

Ankur Gupta
(Ankur Gupta, IAS)
ACS, PWD B&R Arch.

Ankur Gupta
Managing Director
HSRDC Panchkula



Haryana State Roads & Bridges
Development Corporation Ltd.
(A State Govt. Undertaking)
Bays No. 13-14, Sector-2, Panchkula
CIN:U45203HR1999SGC034240



BOARD OF DIRECTORS

POSITION

- | | |
|---|----------------------|
| 1. Sh. Anurag Rastogi, IAS,
ACS PWD (B&R), Hry.Govt. | Chairman |
| 2. Sh. Nihal Singh
Secretary General, HARRIDA | Managing Director |
| 3. Sh. N. K. Tomar, CE (Roads),
PW (B&R) Deptt., Hry.Govt. | Nominee Director |
| 4. Sh. Karan Gilhotra,
Co-Chairman-PHD Chamber Punjab | Independent Director |
| 5. Sh. Hardeep Kumar Mahotra,
Owner, Ottoman Industries, Faridabad | Independent Director |
| 6. Sh. Vishal Seth,
Former Technical Advisor, Hry.Govt. | Independent Director |
| 7. Smt. Sheilza Bhatia,
Secretary General (Women) Hry., JJP | Independent Director |

COMPANY SECRETARY

Smt. Dolly Gaur

AUDITORS

STATUTORY

M/s M Kamal Mahajan Co. &LLP,
Chartered Accountants

SECRETARIAL

M/s Suresh Kumar Pillay
Company Secretaries

REGISTERED & CORPORATE OFFICE

Bays No. 13-14, Sector-2, Panchkula-134112 (Haryana)



Haryana State Roads & Bridges
Development Corporation Ltd.
(A State Govt. Undertaking)
Bays No. 13-14, Sector-2, Panchkula
CIN:U45203HR1999SGC034240



AUDIT COMMITTEE

- | | |
|---|----------|
| 1. Sh. Hardeep Kumar Mahotra,
Independent Director | Chairman |
| 2. Sh. Nihal Singh,
Managing Director | Member |
| 3. Sh. N. K. Tomar,CE(Roads)
Nominee Director | Member |
| 4. Sh. Karan Gilhotra,
Independent Director | Member |
| 5. Sh. Vishal Seth,
Independent Director | Member |
| 6. Smt. Sheilza Bhatia,
Independent Director | Member |

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

- | | |
|--|----------|
| 1. Sh. Nihal Singh,
Managing Director | Chairman |
| 2. Sh Hardeep Kumar Mahotra,
Independent Director | Member |
| 3. Sh. N. K. Tomar,CE(Roads)
Nominee Director | Member |
| 4. Sh. Karan Gilhotra,
Independent Director | Member |
| 5. Sh. Vishal Seth,
Independent Director | Member |
| 6. Smt. Sheilza Bhatia,
Independent Director | Member |



Haryana State Roads & Bridges
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NOMINATION & REMUNERATION COMMITTEE

- | | |
|---|----------|
| 1. Sh. Hardeep Kumar Mahotra,
Independent Director | Chairman |
| 2. Sh. N. K. Tomar,CE(Roads)
Nominee Director | Member |
| 3. Sh. Vishal Seth,
Independent Director | Member |
| 4. Smt. Sheilza Bhatia,
Independent Director | Member |

INTERNAL COMPLAINTS COMMITTEE(MADE UNDER PREVENTION OF SEXUAL HARRASMENT POSH LAWS)

- | | |
|--|-----------------|
| 1. Ms. Bharti Kaushik,
Manager-II, HSRDC | Chairman |
| 2. Ms. Dolly Gaur,
Company Secretary, HSRDC | Internal Member |
| 3. Ms. Jyoti Sharma,
IT Programmer, HSRDC | Internal Member |
| 4. Mr. Varun Katyal,
Legal Advisor | External Member |

KEY MANAGERIAL PERSONNEL

- | | |
|-------------------------|-------------------------|
| 1. Sh. Nihal Singh | Managing Director |
| 2. Smt. Dolly Gaur | Company Secretary |
| 3. Sh. Bansi Dhar Mehta | Chief Financial Officer |



Haryana State Roads & Bridges
Development Corporation Ltd.
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NOTICE-CUM-AGENDA
FOR 21st
ADJOURNED ANNUAL GENERAL MEETING
OF MEMBERS
OF
HARYANA STATE ROADS AND BRIDGES
DEVELOPMENT CORPORATION LTD.

DAY : MONDAY

DATE : 25.07.2022

TIME : 12:00 NOON

SCHEDULED TO BE HELD UNDER THE CHAIRMANSHIP OF
ADDITIONAL CHIEF SECRETARY TO GOVERNMENT,
HARYANA PUBLIC WORKS (BUILDINGS AND ROADS) DEPTT.
AT THE COMMITTEE ROOM
OF THE REGISTERED OFFICE BUILDING OF HSRDC
SITUATED AT BAYS NO. 13-14, SEC-2, PANCHKULA, HARYANA



Haryana State Roads & Bridges Development Corporation Ltd.
(A State Govt. Undertaking)
Bays No. 13-14, Sector-2, Panchkula. Ph: 0172-2585265



No. 121-127/CS/HSRDC

Dated: 30.06.2022

To

- | | |
|--|-------------|
| 1. ACS PWD(B&R)-on behalf of GoH | Shareholder |
| 2. ACS PWD(B&R)-cum-Chairman, HSRDC | Shareholder |
| 3. Chief Engineer (Roads), PWD (B&R) | Shareholder |
| 4. Chief Engineer (NCR), PWD (B&R) | Shareholder |
| 5. Chief Engineer (Bridges), PWD (B&R) | Shareholder |
| 6. Chief Engineer (Buildings), PWD (B&R) | Shareholder |
| 7. Chief Engineer (NH), PWD (B&R) | Shareholder |

Sub: Notice of 21st Adjourned Annual General Meeting of HSRDC to be held on 25.07.2022 at 12:00 noon

Notice is hereby given that the 21st Adjourned Annual General Meeting of the Shareholders of the Haryana State Roads & Bridges Development Corporation Ltd. will be held under the Chairmanship of ACS PWD (B&R) in the Committee Room of the Registered Office of HSRDC situated at Bay No. 13-14, Sector-2, Panchkula, Haryana on 25.07.2022 at 12:00 noon to transact the following business:-

Ordinary Business

1. To receive, consider and adopt the Audited Annual Accounts, Directors' Report, Auditor's Report alongwith the comments of the Comptroller & Auditor General of India for the financial year 2019-20.

For and on behalf of the Board
For Haryana State Roads & Bridges Development Corporation Ltd.

Nihal Singh
(Nihal Singh) 30/07/2022

(Managing Director, HSRDC)

Dated: 30.06.2022

Endst. No. 128-135/CS/HSRDC

A copy of above letter is forwarded to the following with a request to attend the above mentioned meeting:

A. Directors on the Board of HSRDC:-

- | | |
|--|----------------------|
| 1. Sh. Anurag Rastogi, IAS-ACS PWD (B&R) | Chairman, HSRDC |
| 2. Sh. N. K. Tomar, CE (Roads), PWD (B&R) | Nominee Director |
| 3. Sh. Karan Gilhotra,
Co-Chairman-PHD Chamber, Punjab | Independent Director |
| 4. Sh. Hardeep Kumar Mahotra
Owner, Ottoman Industries, Faridabad | Independent Director |
| 5. Sh. Vishal Seth,
Former Technical Advisor, Hry. Govt. | Independent Director |
| 6. Smt. Sheilza Bhatia,
Secretary General (Women) Hry., JJP | Independent Director |

B. Auditors of HSRDC:-

- | | |
|--|---------------------|
| 1. M/s M Kamal Mahajan Co. & LLP,
Chartered Accountants | Statutory Auditor |
| 2. M/s Suresh Pillay
Company Secretary | Secretarial Auditor |

On behalf of the Board
For Haryana State Roads & Bridges Development Corporation Ltd.

Nihal Singh
30/10/2022
(Nihal Singh)
(Managing Director, HSRDC)

Note:

A member entitled to attend and vote at the meeting is entitled to appoint a Proxy to attend and vote instead of himself. A proxy need not be a member. Proxies in the form annexed hereto must be lodged at the registered office of the Company before the commencement of the meeting.



Haryana State Roads & Bridges Development Corporation Ltd.
(A State Govt. Undertaking)
Bays No. 13-14, Sector-2, Panchkula. Ph: 0172-2585265



Form No. MGT-11

Proxy form

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN: U45203HR1999SGC034240

Name of the Company: Haryana State Roads & Bridges Development Corporation Ltd.

Registered office: Bays No. 13-14, Sector-2, Panchkula.

Name of the Member(s):

Registered address:

E-mail Id:

Folio No/ Clint Id:

DP ID:

I/ We being the member of, holding.....shares, hereby appoint

I. Name:

Address:

E-mail Id:

Signature: or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at 21st Adjourned Annual General Meeting of members of the Company, to be held on 25.07.2022 at 12:00 noon at the Registered office of the Company at Bays No. 13-14, Sector-2, Panchkula and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.

I

Signed this day of..... 2022

Signature of Shareholder

Signature of Proxy holder(s)

Affix
Revenue
Stamp



Haryana State Roads & Bridges
Development Corporation Ltd.
(A State Govt. Undertaking)
Bays No. 13-14, Sector-2, Panchkula.
CIN: U45203HR1999SGC034240



BOARD OF DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present the 21st Annual Report on performance of HSRDC during F.Y. 2019-20 together with Audited Financial Statements and Auditor's report for the Financial Year ended 31st March 2020.

Financial Review:

The financial performance of the Company for the year ended 31st March, 2020 alongwith comparative position of the previous year is as under:

Particulars	Financial Year 2019-20 (Rs. In lakh)	Financial Year 2018-19 (Rs. In lakh)
Profit before depreciation	1992.03	2438.41
Less: provision for depreciation	18.14	18.68
Add: Exceptional Items	6.36	(55.68)
Net profit	1980.25	2363.92

1. Share Capital

As on March 31, 2020, the Authorized Share Capital of the company was Rs. 125,00,00,000/- divided into 12.50 crore equity shares of Rs. 10/- each. The issued & paid up share capital was Rs. 122,04,23,000/- consisting of 12,20,42,300 equity shares of Rs. 10/- each. The Company did not issue any new shares during the F.Y.2019-20.

2. Dividend

The Board of Directors has not recommended Dividend during the year in view of future fund requirements.

3. Extract of Annual Return

The Extract of Annual Return required under Section 134(3)(a) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, forms part of this report and is annexed herewith. **(Annexure-1)**

4. Particulars of contracts or arrangements with related parties

The details of related party transactions is given in the FORM AOC-2 annexed to this report. **(Annexure-1)**

5. Operational Performance of HSRDC during F.Y. 2019-20

HSRDC undertakes the construction of roads and bridges throughout the state of Haryana. At present HSRDC undertakes mainly three types of projects as mentioned under:-

1. Road and ROB projects to be taken with NCRPB loan scheme
2. ROB/RUB falling under NCR area, under State Head
3. Building Deposit works of State
Department/Corporation/Boards/University

An overview of major projects undertaken by the Company during F.Y. 2019-20 is given at **Annexure-2** enclosed with this report.

6. Change in the nature of business, if any

There was no material change in the nature of business of the Company during the year under review.

7. Material changes between the date of the Board Report and end of Financial Year

There have been no material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report.

8. Reserves

The Balance in Reserves stands at Rs. 149.76 Crore as on 31st March, 2020. The previous year balance of Reserves was Rs. 135.09 Crore.

9. Change of name

There is no Change in the name of the Company.

10. Particulars of Employees

There was no Employee who was paid remuneration more than Rs. 8.50 Lacs per month or Rs.1.02 crore per annum.

11. Board of Directors

The Directors of the Company are appointed by the State Government. The composition of Board of Directors of HSRDC as on the date of this report is as under: -

S.No.	Name	Occupation	Position in HSRDC	Date of appointment
1.	Sh. Anurag Rastogi, IAS	ACS PWD (B&R)	Chairman	01.12.2021
2.	Sh. Nihal Singh	Secretary General, HARRIDA	Managing Director	26.08.21
3.	Sh. N. K. Tomar	CE (Roads) PWD (B&R)	Nominee Director	17.02.22
4.	Sh. Karan Gilhotra	Co-Chairman- PHD Chamber Punjab	Independent Director	02.12.20
5.	Sh. Hardeep Kumar Mahotra	Owner, Ottoman Industries, Faridabad	Independent Director	24.03.21
6.	Sh. Vishal Seth	Former Technical Advisor, Hry.Govt.	Independent Director	23.6.21
7.	Smt. Sheilza Bhatia	Secretary General (Women) Hry., JJP	Independent Director	23.6.21

12. Changes in Board

The composition of the Board of Directors and KMP has undergone some changes during the FY 2019-20. The following Directors and KMP have been appointed/ transferred/retired/ ceased to be Directors of the Company from April, 2019 till 31.03.2020: -

S. NO.	DATE	NAME	POSITION	DIN/ PAN	NATURE OF CHANGE
1.	01/04/2019	DOLLY GAUR	COMPANY SECRETARY	ANHPG7384D	Appointment
2.	27/06/2019	GEETA BHARTI	NOMINEE DIRECTOR	07936106	Transfer
3.	31/07/2019	RAKESH MANOCHA	MANAGING DIRECTOR	07580363	Retirement
4.	05/08/2019	R.K. GANDHI	MANAGING DIRECTOR	07996103	Appointment
5.	10/09/2019	A.K. GOEL	EXECUTIVE DIRECTOR	08391596	Transfer
6.	14/11/2019	VIRENDER JAKHAR	NOMINEE DIRECTOR	08631865	Appointment
7.	27/11/2019	RAJEEV ARORA	CHAIRMAN	00263865	Appointment
8.	27/11/2019	ALOK NIGAM	CHAIRMAN	02973269	Transfer
9.	28/11/2019	RAJEEV AGGARWAL	EXECUTIVE DIRECTOR	08624154	Appointment
10.	13/01/2020	RAJEEV AGGARWAL	EXECUTIVE DIRECTOR	08624154	Transfer
11.	13/01/2020	NIHAL SINGH	EXECUTIVE DIRECTOR	02973269	Appointment
12.	31/01/2020	R.K. GANDHI	MANAGING DIRECTOR	07996103	Retirement

The Board places on record its deep sense of gratitude and appreciation to outgoing Directors for immense contribution, strategic guidance provided during their tenure in the Company.

13. Board Meetings & Attendance

The Board meets at regular intervals to discuss and decide business policies and strategy apart from other Board businesses and matters. The notice and agenda of Board Meetings is given well in advance to all the Directors. During the FY 2019-20, four meetings of the Board of Directors were held and the presence of Directors in these meetings is mentioned hereunder. The meetings of the Board are conducted by the Company Secretary.

The Details of Board Meetings held during the year is given hereunder:-

BOARD MEETING NO.	DATE OF MEETING	BOARD'S STRENGTH	DIRECTORS PRESENT (NO.)
77	24.04.2019	7	3
78	26.06.2019	7	5
79	06.09.2019	6	5
80	13.12.2019	7	7

COVID-19

In the last month of FY 2019-20, the COVID-19 pandemic developed rapidly into a global crisis, forcing governments to enforce lock-down of all economic activity. In view of the lockdown, the Board meeting for the last quarter of F.Y. 2019-20 scheduled on 27.03.2020 could not be held.

14. Details of Meetings of Audit Committee, CSR Committee and Nomination and Remuneration Committee held during the year:

COMMITTEE	MEETINGS NO.	DIRECTORS PRESENT
CSR	1	3
	2	3
	3	3
NRC	1	2
	2	3
AUDIT	1	2
	2	3

15. Relation between Directors Inter-Se

None of the Directors of the Company are related to each other within the meaning of Relative as per Section-2(77) of the Companies Act, 2013.

16. Independent Directors

During the F.Y. 2019-20, there were 2 Independent Directors in HSRDC namely Sh. Hardeep Kumar Mahotra and Smt. Paratibha Aggarwal. On the date of this report, while Sh. Hardeep Kumar Mahotra is still continuing as Independent Director, Smt. Paratibha Aggarwal resigned from the said position during December, 2020.

17. Meeting of Independent Directors

As required under Schedule-IV of Companies Act, 2013, one meeting of Independent Directors was held during the year under review.

18. Declaration by Independent Directors

During the F.Y. 2019-20, the Independent Directors submitted a Declaration of Independence stating that he/ she meets the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013. Further, as on date of this report, all 4 Independent Directors have been empanelled on the Independent Directors Databank as maintained by Indian Institute of Corporate Affairs(IICA).

19. Auditors

M/s M Kamal Mahajan & Co., LLP Chartered Accountants were appointed as Statutory Auditors of the Company by the Comptroller & Auditors General for auditing its accounts for the financial year 2019-20. The Annual Accounts of F.Y. 2019-20 including Balance Sheet, Profit & Loss Account, Cash Flow Statement, Notes on Financial Statement and statutory audit report thereon is annexed herewith.(Annexure-3)

20. Auditors' Report and Comments of CAG of India

The Comments of Comptroller & Auditor General of India under section 143 (6) (b) of the Companies Act, 2013 on annual accounts of F.Y. 2019-20 have been annexed alongwith replies of Management.(Annexure-4)

21. Secretarial Audit

As per Section 204 (1) of the Companies Act, 2013 , Secretarial Audit is applicable to the every public company having paid up share capital of Rs. 50 crore or more. Since paid up capital of HSRDC is Rs. 122,04,23,000/- , the Company appointed CS. Suresh Pillay as Secretarial

Auditor for F.Y. 2019-20. The Secretarial Audit Report submitted by the said Company Secretary is annexed herewith. (Annexure-5)

22. Deposits

The Company has not accepted any deposit from the public within the purview of Section-73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014. There were no outstanding deposits on the date of the Financial Statement.

23. Particulars of loans, guarantees or investments under Section 186

The Company has not given any loans, guarantees or has made any Investments covered under Section 186 of the Companies Act, 2013. Therefore the Information to be furnished under this head is NIL.

24. Obligation of Company under the Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013

Company has adopted a policy for prevention of Sexual Harassment of Women at workplace and has set up Committee for implementation of said policy. During the year, Company has not received any complaint of harassment.

25. Foreign exchange earnings and Outgo

The Company has not earned any Foreign Exchange during the year. There were no Foreign Exchange Expenses incurred.

26. Details of Company's Corporate Social Responsibility

The provisions of the Corporate Social Responsibility as contained under the Companies Act, 2013 are applicable on the Corporation. The Company has constituted a CSR Committee and also formulated a CSR Policy which is displayed on its website i.e. www.hsrdc.org.in Therefore, an expenditure of Rs.54,43,000/- was incurred towards CSR expenditure by the Corporation during F.Y. 2019-20. A detailed annexure of CSR activities undertaken during F.Y. 2019-20 is annexed herewith.

27. Details of Subsidiary/Joint Ventures/Associate Companies

Pursuant to sub-section (3) of section 129 of the Act, Company is having not having any Associate/joint venture/subsidiary Company.

28. Transfer of Amounts to Investor Education and Protection Fund

The Company was not required to transfer any amount to Investor Education and Protection Fund.

29. Directors' Responsibility Statement

In pursuance of Statement referred to in clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013, Directors hereby confirm that—

a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;

(c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(d) the directors had prepared the annual accounts on a going concern basis;

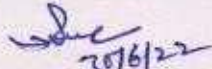
(f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

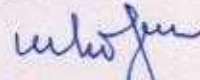
30. Acknowledgements

The Board of Directors gratefully acknowledge the support given by the State Government, Department of Public works (B&R), Department of Finance, Haryana during the year under review and look forward to it in the year ahead.

For and on behalf of the Board of Directors of
Haryana State Roads and Bridges Development Corporation Ltd.

Place: Chandigarh


30/6/22
N.K. Tomar


Nihal Singh

Dated: 30/6/22 (Nominee Director, HSRDC) (Managing Director, HSRDC)
-CE Roads

FORM NO. AOC -2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm's length basis.

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	NIL
b)	Nature of contracts/arrangements/transaction	NIL
c)	Duration of the contracts/arrangements/transaction	NIL
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	NIL
e)	Justification for entering into such contracts or arrangements or transactions'	NIL
f)	Date of approval by the Board	NIL
g)	Amount paid as advances, if any	NIL
h)	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	NIL

2. Details of contracts or arrangements or transactions at Arm's length basis.

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	NIL
b)	Nature of contracts/arrangements/transaction	NIL

c)	Duration of the contracts/arrangements/transaction	NIL
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	NIL
e)	Date of approval by the Board	NIL
f)	Amount paid as advances, if any	NIL

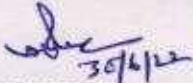
Note:

There are no related parties of the corporation. All the shares are held by Government of Haryana. Shares are allotted to the post sanctioned to the officers of the Government of Haryana. No individual can control or make key decisions in individual capacity. Further all the shareholders are Haryana Government employees.

However, the corporation has paid salary to the Executive Director/ Managing Director and Chief Financial Officer as mentioned below: (Amt. in Rs.)

Related Party	Name	Salary (in Rs.)
Managing Director	Sh. R. K. Gandhi	17,56,634/-
Executive Director	Sh. A.K. Goel	8,46,625/-
Chief Financial Officer	Sh. B. D. Mehta	3,22,160/-
Company Secretary	Smt. Dolly Gaur	4,80,000/-

**For and on behalf of the Board of Directors of
Haryana State Roads and Bridges Development Corporation Ltd.**

Place: Chandigarh
Dated: 30/6/22

N.K. Tomar


Nihal Singh

(Nominee Director, HSRDC) (Managing Director, HSRDC)
-CE Roads

Works of ROBs/RUBs allotted during the F.Y. 2019-20 under State Head 5054 R&B (Plan)

ANNEXURE-2

Sr. no.	Name of work	A/A (Rs. in Crores)	Agreement Amount (Rs. in Crores)	Date of allotment	Percentage completion as on date
1	Construction of ROB on Delhi-Bahinda Railway line at LC-139C crossing Narwana-Samain road district Jind (CM Announcement Code No. 17981 Dt. 18.12.2016).	Rs. 25.00 Crore	Rs. 12.59 Crore	10.09.2019	90% work completed
2	Construction of ROB on Bhiwani-Hansi road to Tosham bypass road in lieu of LC-54-A in Bhiwani District.	Rs. 36.00 Crore	Rs. 22.74 Crore	20.12.2019	95% work completed
3	Construction of 2 Lane ROB on Rohtak Bhiwani Railway Line at LC-45 at Railway Km. 40/8-9 on Gohana Lakhani Majra Mehram Bhiwani Road (SH-16-A) in Bhiwani District.	Rs. 27.97 Crore	Rs. 16.24 Crore	20.01.2020	78% work completed
4	Construction of RUB at LC-73 on Uchana to Rukhanpur road (Road ID-7460) Under Pass in Karnal District.	Rs. 15.00 Crore	Rs. 9.75 Crore	04.02.2020	85% work completed
5	Construction of ROB on LC 6B on Hisar-Mangali-Sharwa road. (CM Announcement No. 20371 Dt. 03.11.2017).	Rs. 47.82 Crore	Rs. 43.36 Crore	14.02.2020	90% work completed
Total of Agreement Amount			Rs. 104.68 Crore		

Building Works allotted during the F.Y. 2019-20 under deposit Head

Sr. no.	Name of work	Administrative Approval	Agreement Amount	Date of allotment	Percentage completion as on date
1	Construction of 200 bedded additional block in Civil Hospital at Panipat	Rs. 4217.87 Lakh	Rs.721.24 Lakh	14.07.2017	Work completed on 15.12.2019
2	Construction of Academic Block at Regional Centre Kharal in Jind District	Rs. 13.50 Crore	Rs. 10.55 Crore	11.09.2019	Work recently completed
3	Construction of Academic/Teaching Block at Regional Centre Krishan Nagar (Lula Ahir) in Rewari District	Rs. 15.00 Crore	Rs. 11.38 Crore	21.11.2019	72% work completed

HARYANA STATE ROADS & BRIDGES DEVELOPMENT CORPORATION LTD.
Balance Sheet as at 31st March, 2020

		(Amount in Rs.) 31st March, 2020	(Amount in Rs.) 31st March, 2019
EQUITY AND LIABILITIES			
1 Shareholder's Funds			
(a) Share Capital	1	1,220,423,000	1,220,423,000
(b) Reserves and Surplus	2	1,497,657,344	1,350,888,593
(c) Money received against share warrants		-	-
2 Share application money pending allotment		-	-
3 Non-Current Liabilities			
(a) Long-term borrowings	3	-	-
(b) Deferred tax liabilities (Net)	4	1,925,163	-
(c) Other Long term liabilities	5	1,442,222,574	1,503,021,058
(d) Long term provisions	6	-	-
4 Current Liabilities			
(a) Short-term borrowings	7	-	-
(b) Trade payables	8	882,141,433	743,084,959
(c) Other current liabilities	9	12,069,840	9,237,270
(d) Short-term provisions	10	36,974,792	50,573,950
Total		5,093,414,146	4,877,228,830
ASSETS			
1 Non-current assets			
(a) Fixed assets			
(i) Tangible assets	11	17,741,412	18,223,179
(ii) Intangible assets		-	-
(iii) Capital work-in-progress		-	-
(iv) Intangible assets under development		-	-
(b) Non-current investments	12	-	-
(c) Deferred tax assets (net)	13	-	-
(d) Long term loans and advances	14	98,095,712	12,356,709
(e) Other non-current assets	15	(0)	55,297,488
2 Current assets			
(a) Current investments	16	-	-
(b) Inventories	17	-	-
(c) Trade receivables	18	460,752,285	479,396,118
(d) Cash and cash equivalents	19	3,502,853,724	3,288,010,421
(e) Short-term loans and advances	20	52,818	16,200
(f) Other current assets	21	1,013,918,195	1,023,928,715
Total		5,093,414,146	4,877,228,830

The Schedules referred to above are an integral part of Balance Sheet.
Significant Accounting Policies and Notes on Accounts - Please refer to Note '29' and '30'

As per our report of even date,
For M. Kamal Mahajan & Co. LLP
Chartered Accountants

M No.
Firm Regn. No. :-
Place PANCHKULA
Date

For M Kamal Mahajan & Co LLP
Chartered Accountants
FRN 006855N/N500061
Sureshi Mahajan
CA Sureshi Mahajan
Partner
M.No. 532126



21 JUN 2021

For Haryana State Roads & Bridges Development Corporation Limited

Nihal Singh
Nihal Singh
(Managing Director)

Sunil Saran
Sunil Saran
(Director)

B. C. Mehta
B. C. Mehta
(Chief Financial Officer)

Dolly Gaur
Dolly Gaur
(Company Secretary)

HARYANA STATE ROADS & BRIDGES DEVELOPMENT CORPORATION LTD.
Profit and Loss statement for the year ended 31st March, 2020

Particulars	Note	As on 31st March, 2020	As on 31st March, 2019
I. Revenue from operations	22		
II. Other income	23	12,775,958	17,467,728
III. Total Revenue (I + II)		272,886,186	287,471,594
IV. Expenses:			
Cost of materials consumed	24		
Purchase of Stock-in-Trade			
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade			
Employee benefit expense	25		
Financial costs	26	55,650,153	48,718,172
Depreciation and amortization expense	27	4,178	7,662
Other expenses	11	1,813,732	1,867,915
Total Expenses	28	30,804,321	12,385,172
Profit before exceptional and extraordinary items and tax	(III - IV)	197,389,760	241,960,401
Exceptional Items-Previous year Incomes/Expenses		635,656	(5,567,681)
II. Profit before extraordinary items and tax (V - VI)		198,025,416	236,392,720
III. Extraordinary Items		-	-
Profit before tax (VII - VIII)		198,025,416	236,392,720
Tax expense:			
(1) Current tax			
(2) Deferred tax Asset		(36,974,792)	(50,573,950)
Profit(Loss) from the period from continuing operations	(IX + X)	(14,281,872)	18,317,028
I. Profit(Loss) from discontinuing operations		146,768,751	204,135,798
II. Tax expense of discounting operations		-	-
V. Profit(Loss) from Discontinuing operations after tax (XII - XIII)		-	-
Profit(Loss) for the period (XI + XIV)		146,768,751	204,135,798
Earning per equity share:			
(1) Basic		1.20	1.67
(2) Diluted		1.20	1.67

Figures referred to above are an integral part of Balance Sheet.
 Accounting Policies and Notes on Accounts - Please refer to Note '29' and '30'

Report of even date,
 Kamal Mahajan & Co. LLP
 Chartered Accountants

For Haryana State Roads & Bridges Development Corporation Limited

Nihal Singh
 Nihal Singh
 (Managing Director)

Sunil Saran
 Sunil Saran
 (Director)

B. G. Mehta
 B. G. Mehta
 (Chief Financial Officer)

Dolly Gaur
 Dolly Gaur
 (Company Secretary)

For M Kamal Mahajan & Co LLP
 Chartered Accountants
 FRN 006855N/N500061
Suruchi Mahajan
 CA Suruchi Mahajan
 Partner
 M.No. 532126



21 JUN 2021

ARYANA STATE ROADS & BRIDGES DEVELOPMENT CORPORATION LTD.
NOTES TO BALANCE SHEET

Share Capital
AUTHORISED SHARE CAPITAL :
 25000000 Equity Shares of Rs. 10/- each
 Previous Year 125000000 Equity Shares of Rs. 10/- each

ISSUED, SUBSCRIBED & PAID UP CAPITAL :
 22042300 Equity Shares of Rs. 10 each fully paid up
 Previous Year 122042300 Equity Shares of Rs. 10/- each

	(Amount in Rs.) As on 31st March, 2020	(Amount in Rs.) As on 31st March, 2019
	1,250,000,000	1,250,000,000
	1,220,423,000	1,220,423,000
	1,220,423,000	1,220,423,000
	42,830,460	42,830,460
	42,830,460	-
	1,308,058,133	1,103,922,335
	146,768,751	204,135,798
	1,454,826,884	1,308,058,133
	1,497,657,344	1,350,888,593
	1,925,163	-
	1,925,163	-

List of Shareholders holding more than 5% shares as on 31/03/2020

Name of Shareholder	No of Shares	Percentage
Sh. Alok Nigam behalf of Governor of Haryana)	122,042,230	100

Reserve & Surplus
Share Premium Account
 As at Commencement of the Year
 Add : Received on further issue of shares

General Reserve
 Opening Balance
 Add : Previous year taxes Regrouped

Profit & Loss Account
 Opening Balance
 Add : - Net Profit (Loss) for the current year

Reserve & Surplus
 : 3 Long-Term Borrowings
 A) Secured Loans
 Long Term Loans - From Banks
 Long Term Loans - Others
 B) Unsecured Loans
 Long Term Loans - Others

Deferred Tax Liability
 On Depreciation (Difference of as per Books &
 as Per Income Tax Act)

M Kamal Mahajan & Co. LLP
 Chartered Accountants

For Haryana State Roads & Bridges Development Corporation Limited

Nihal Singh
Nihal Singh
 (Managing Director)

Sunil Saran
Sunil Saran
 (Director)

B. D. Mehta
B. D. Mehta
 (Chief Financial Officer)

Dolly Gaur
Dolly Gaur
 (Company Secretary)

For M Kamal Mahajan & Co LLP
 Chartered Accountants
 FRN 006855N/N500061
Suruchi Mahajan
 CA Suruchi Mahajan
 Partner
 M.No. 532126



21 JUN 2021

5 Other Long Term Liabilities

Securities Money
Other Liability

6 Long Term Provisions

7 Short Term Borrowings

8 Trade Payable
Sundry Creditors

9 Other Current Liabilities
Cheque Pending for realisation
Salary Payable
Statutory Liability
Other Payable
Audit Fee Payable
consultancy charge payable

10 Short-Term Provisions
Provision for Tax

M. Kamal Mahajan & Co. LLP
Chartered Accountants

Regn. No. :-
PANCHKULA

For M Kamal Mahajan & Co LLP
Chartered Accountants
FRN 006855N/N500061
Suruchi Mahajan
CA Suruchi Mahajan
Partner
M.No. 532126

21 JUN 2021



	(Amount in Rs.) As on 31st March, 2020	(Amount in Rs.) As on 31st March, 2019
	1,146,453,974	1,179,630,956
	295,768,600	323,390,102
	1,442,222,574	1,503,021,058
	-	-
	-	-
	-	-
	-	-
	882,141,433	743,084,959
	882,141,433	743,084,959
	-	204,910
	3,079,490	3,312,516
	8,254,621	5,291,926
	358,181	219,418
	365,048	208,500
	12,500	-
	12,069,840	9,237,270
	36,974,792	50,573,950
	36,974,792	50,573,950

For Haryana State Roads & Bridges Development Corporation Limited

Nihal Singh
Nihal Singh
(Managing Director)

Sunil Saran
Sunil Saran
(Director)

B. D. Mehta
B. D. Mehta
(Chief Financial Officer)

Dolly Gaur
Dolly Gaur
(Company Secretary)

Sched of Asset	Opening Balance as on 01.04.2019	Additions	Deductions	Total Balance as on 31.03.2020	Depreciation		Net Book Value	
					Rate	For the year	Closing Balance as on 31.03.2020	Opening Balance as on 01.04.2019
Land	2,064,775	-	-	2,064,775	-	-	2,064,775	2,064,775
Building	12,887,398	-	-	12,887,398	0.0316	417,877	12,088,521	12,887,398
Telephone	440,245	-	-	440,245	0.2589	351,372	314,273	440,245
Photocopy Machine	38,691	-	-	38,691	0.2589	14,407	32,770	38,691
Furniture & fixture	54,236	-	-	54,236	0.2590	188,414	40,239	54,236
Car	692,437	-	-	692,437	0.2589	342,300	861,062	692,437
CC TV Camera	1,322,442	-	-	1,322,442	0.2589	1,384	1,322,442	1,322,442
Medical Equipment	5,346	-	-	5,346	0.2589	1,384	3,962	5,346
AC Conditioner	298,012	-	-	298,012	0.2589	91,578	206,434	298,012
IT System	606,308	-	-	606,308	0.2589	171,279	435,029	606,308
Motor Vehicle	1,021	-	-	1,021	0.2589	204	757	1,021
Tools & implements	23,934	-	-	23,934	0.1810	5,073	34,101	23,934
Generator	20,068	-	-	20,068	0.2589	5,080	22,998	20,068
Star Power Plant	215	-	-	215	0.0722	58	159	215
Power Equipment	0.00	-	-	0.00	0.0722	0.182	791,838	0.00
Computer & Printer	0.00	-	-	0.00	0.2589	4,275	22,542	0.00
Peripherals	0.00	-	-	0.00	0.2589	4,275	22,542	0.00
IT Software	0.00	-	-	0.00	0.2589	4,275	22,542	0.00
IT Hardware	0.00	-	-	0.00	0.2589	4,275	22,542	0.00
IT Peripherals	0.00	-	-	0.00	0.2589	4,275	22,542	0.00
IT Software	0.00	-	-	0.00	0.2589	4,275	22,542	0.00
IT Hardware	0.00	-	-	0.00	0.2589	4,275	22,542	0.00
IT Peripherals	0.00	-	-	0.00	0.2589	4,275	22,542	0.00
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IT Peripherals	0.00	-	-	0.00	0.2589	4,275	22,542	0.00
IT Software	0.00	-	-	0.00	0.2589	4,275	22,542	0.00
IT Hardware	0.00	-	-	0.00	0.2589	4		

12 Non-Current Investments
Long Term Investment

13 Deferred Tax Asset
On Depreciation (Difference of as per Books &
as Per Income Tax Act)

14 Long-Term Loans & Advances

A) Secured Advances
Security Deposits
Mobilization Advance
Advance with Contractors, others

B) Unsecured Advances
Advances to Staff
Testing Charges Recoverable

Loans & Advances to related parties :-

M Kamal Mahajan & Co. LLP
Chartered Accountants

Regn. No. :-
PANCHKULA

For M Kamal Mahajan & Co LLP
Chartered Accountants
FRN 006855N/N500061
Suruchi Mahajan
CA Suruchi Mahajan
Partner
M.No. 532126



21 JUN 2021

(Amount in Rs.) As on 31st March, 2020	(Amount in Rs.) As on 31st March, 2019
-	-
-	-
-	12,356,709
-	12,356,709
129,957	118,832
1,888,200	1,888,200
95,602,270	52,815,171
10,000	10,000
465,285	465,285
98,095,712	55,297,488

For Haryana State Roads & Bridges Development
Corporation Limited

Nihal Singh
Nihal Singh
(Managing Director)

Sunil Saran
Sunil Saran
(Director)

B. D. Mehta
B. D. Mehta
(Chief Financial Officer)

Dolly Gaur
Dolly Gaur
(Company Secretary)

16 Current Investment
Investment in Shares & Securities

17 Inventories
Raw Material
Consumables
Finished Goods
Packing Material
Scrap & wastage

18 Trade Receivables

A) Debts outstanding for a period exceeding six months

- a) Considered good
b) Considered doubtful

Less: Provision for Bad & Doubtful debts

B) Other Debts

19 Cash and cash equivalents

- Cash in hand
With Schedule Banks
With Schedule Banks in FDRs
Accrued Interest (Others)

20 Short-term Loans & Advances

- A) Secured Advances
B) Unsecured Advances

21 Other Current Assets

- Advance to employees
Sales Tax Receivable
Prepaid Expenses
Advance to supplier
Taxes paid for Current Financial Year
-Advance Tax
-TDS

Taxes paid for earlier Financial Year

- Demand paid for AY 2011-12
- Demand paid for AY 2012-13
- Demand paid for AY 2013-14
- Demand paid for AY 2016-17

- Refund for AY 2018-19
Refund for AY 2019-20
Accrued Interest
NPS

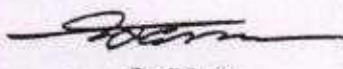
(Amount in Rs.)
As on
31st March, 2020

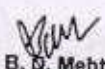
(Amount in Rs.)
As on
31st March, 2019

	(Amount in Rs.) As on 31st March, 2020	(Amount in Rs.) As on 31st March, 2019
16 Current Investment	-	-
17 Inventories	-	-
18 Trade Receivables		
A) Debts outstanding for a period exceeding six months		
a) Considered good	460,752,285	479,396,118
b) Considered doubtful	12,021,894	12,021,894
Less: Provision for Bad & Doubtful debts	472,774,179	491,418,012
	12,021,894	12,021,894
B) Other Debts	460,752,285	479,396,118
	-	-
	460,752,285	479,396,118
19 Cash and cash equivalents		
Cash in hand	15,147	30,250
With Schedule Banks	1,695,860,024	2,878,302,728
With Schedule Banks in FDRs	1,806,964,662	409,677,443
Accrued Interest (Others)	13,892	-
	3,502,853,724	3,288,010,421
20 Short-term Loans & Advances		
A) Secured Advances	-	-
B) Unsecured Advances	52,818	16,200
	52,818	16,200
21 Other Current Assets		
Advance to employees	174,646	416,781
Sales Tax Receivable	192,884	192,884
Prepaid Expenses	62,945	67,061
Advance to supplier	8,000	-
Taxes paid for Current Financial Year		
-Advance Tax	25,800,000	73,707,204
-TDS	17,173,587	3,804,166
Taxes paid for earlier Financial Year		
- Demand paid for AY 2011-12	101,835,335	101,835,335
- Demand paid for AY 2012-13	391,572,713	391,572,713
- Demand paid for AY 2013-14	325,539,577	325,539,577
- Demand paid for AY 2016-17	66,143,296	66,143,296
Refund for AY 2018-19		
Refund for AY 2019-20	58,414,710	58,414,710
Accrued Interest	26,932,710	-
NPS	67,792	226,768
	-	8,220
	1,013,918,195	1,023,928,715

For Haryana State Roads & Bridges Development Corporation Ltd.


Nihal Singh
(Managing Director)


Sunil Saran
(Director)


B. G. Mehta
(Chief Financial Officer)


Dolly Gaur
(Company Secretary)

M. Kamal Mahajan & Co. LLP
Chartered Accountants

M.No.
Firm Regn. No. :-
Place :- PANCHKULA
Date :-

For M Kamal Mahajan & Co LLP
Chartered Accountants
FRN 006855N/N500061

CA Suruchi Mahajan
Partner
M.No. 532126



21 JUN 2021

26 Employee benefits expenses
 Salary & Wages
 EPF (employer's share)
 Leave Salary & Pension Contribution
 NPS contribution
 Other Allowances
 Reimbursement Medical Expenses
 Staff Welfare/ Refreshment

27 Financial Cost
 Interest & Bank Charges
 Interest on TDS

28 Other Expenses

A) Selling & Distribution Expenses

Advertisement & Publicity

Business Promotion

Tender Fee Expense

B) Operating, Administrative & Other Expenses

Misc. Expenses

Postage & Courier/ Telegram

Printing & Stationery

Training Expenses

Professional Charges

Office Expenses

Elect. & Water Charges

Repairs & Maintenance (General)

Repairs & Maintenance (Building)

Repairs & Maintenance (Computer)

Repairs, Running & Maintenance (Vehicle)

Rates, Fees & Taxation

Telephone Expenses

Travelling & Conveyance

Tax Hiring Expenses

Insurance

Fuel expenses

Website charges

Legal Expense

Arbitration Charges

Award Money

Internet charges

Interest on TDS

Interest on GST

ROC Penalty

Interest on Arbitration Award

Rounding Off

Testing charges

Amount Written off

Audit Fee

Rebate/Toll

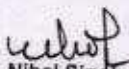
Interest on Income tax


CSR Expense


	(Amount in Rs.) As on 31st March, 2020	(Amount in Rs.) As on 31st March, 2019
	54,353,538	44,747,877
	331,849	578,837
	556,620	1,766,142
	191,260	356,049
	72,157	1,190,861
	38,957	78,406
	105,672	
	55,650,153	48,718,172
	4,178	7,662
	-	-
	-	-
	4,178	7,662

Advertisement & Publicity	98,587	429,998
Business Promotion	-	-
Tender Fee Expense	17,894	-
Misc. Expenses	-	-
Postage & Courier/ Telegram	17,441	38,616
Printing & Stationery	84,441	82,038
Training Expenses	720,505	720,770
Professional Charges	1,236	-
Office Expenses	2,824,864	1,671,401
Elect. & Water Charges	502,503	467,935
Repairs & Maintenance (General)	554,742	564,532
Repairs & Maintenance (Building)	106,480	157,967
Repairs & Maintenance (Computer)	34,080	265,427
Repairs, Running & Maintenance (Vehicle)	152,143	103,138
Rates, Fees & Taxation	1,219,653	659,909
Telephone Expenses	440,109	102,284
Travelling & Conveyance	239,093	308,488
Tax Hiring Expenses	1,969,906	1,216,084
Insurance	480,967	29,040
Fuel expenses	120,001	153,695
Website charges	579,059	900,111
Legal Expense	8,310	6,600
Arbitration Charges	-	1,802,619
Award Money	731,225	1,860,200
Internet charges	-	29,250
Interest on TDS	41,280	-
Interest on GST	210	136,224
ROC Penalty	20,702	-
Interest on Arbitration Award	169,800	-
Rounding Off	-	28,970
Testing charges	(14.56)	-
Amount Written off	3,000.00	-
Audit Fee	13,751,168	-
Rebate/Toll	148,480	-
Interest on Income tax	323,456	-
CSR Expense	-	669,876
	5,443,000	
	30,804,321	12,385,172

For Haryana State Roads & Bridges Development Corporation Limited


 Nihal Singh
 (Managing Director)


 Sunil Saran
 (Director)


 B. D. Mehta
 (Chief Financial Officer)


 Dolly Gaur
 (Company Secretary)

For M Kamal Mahajan & Co LLP
 Chartered Accountants
 FRN 006855N/N500061

 CA Suruchi Mahajan
 Partner
 M.No. 532126



21 JUN 2021

**HARYANA STATE ROADS & BRIDGES DEVELOPMENT CORPORATION LTD.
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2020**

PARTICULARS	YEAR 2020	YEAR 2019
A. Cash Flow From Operating Activities		
Net profit after taxes (as per Statement of Profit & loss)	146,768,751	204,135,798
Adjustment for taxes	(51,256,664)	(32,256,922)
Net Profit before tax and extraordinary items(as per Statement of Profit and Loss)	198,025,415	236,392,720
Adjustments for non Cash/ Non trade items:		
Depreciation & Amortization Expenses		
Finance Cost	1,813,732	1,867,915
Other Inflows / (Outflows) of cash	4,178	7,662
Income Tax (Paid) / Refund of previous years	(50,573,950)	544,858,885
Operating profits before Working Capital Changes	149,269,375	783,127,182
Adjusted For:		
(Increase) / Decrease in trade receivables	18,643,832	108,006,893
Increase / (Decrease) in trade payables	139,056,474	155,084,432
Increase / (Decrease) in other current liabilities	2,832,570	(61,313,516)
(Increase) / Decrease in other current assets	10,010,520	(631,703,443)
Cash generated from Operations	319,812,771	353,201,548
Net Cash flow from Operating Activities(A)	319,812,771	353,201,548
B. Cash Flow From Investing Activities		
Purchase of tangible assets	(1,331,964)	(1,307,768)
Cash advances and loans made to other parties	(42,834,842)	(29,601,414)
Cash advances and loans received back		
Other Inflow / (Outflows) of cash	(60,798,484)	(925,313,168)
Net Cash used in Investing Activities(B)	(104,965,290)	(956,222,350)
C. Cash Flow From Financing Activities		
Finance Cost	(4,178)	(7,662)
Other Inflows / (Outflows) of cash		
Net Cash used in Financing Activities(C)	(4,178)	(7,662)
Net Increase / (Decrease) in Cash & Cash Equivalents	214,843,303	(603,028,464)
Cash & Cash Equivalents at Beginning of period	3,288,010,421	3,891,038,885
Cash & Cash Equivalents at End of period	3,502,853,724	3,288,010,421
G. Net Increase / (Decrease) in Cash & Cash Equivalents(F-E)		
H. Difference (F-(D+E))		

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

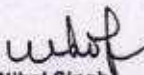
"in terms of our separate report annexed".


For M. Kamal Mahajan & Co. LLP


Chartered Accountants

For Haryana State Roads & Bridges Development Corporation Limited

M.NO.
Firm Regn. No. :-
PLACE: PANCHKULA
DATED:

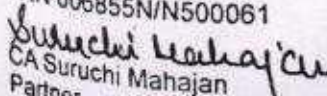

Nihal Singh
(Managing Director)


Sunil Saran
(Director)


B. D. Nigta
(Chief Financial Officer)


Dolly Gaur
(Company Secretary)

For M Kamal Mahajan & Co LLP
Chartered Accountants
FRN 006855N/N500061


CA Suruchi Mahajan
Partner

M.No. 532126

21 JUN 2021



HARYANA STATE ROADS & BRIDGES DEVELOPMENT CORPORATION LTD.

**Balance Sheet Abstract and Company's General Business Profile
(As on 31.03.2020)**

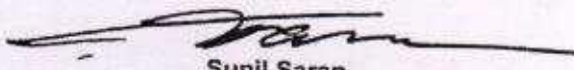
	(Amt. Rs. In thousands)
I <u>Registration Details :-</u>	
Registration No.	
State Code	34240
Balance Sheet Date	5
II <u>Capital Raised during the year:-</u>	31-03-20
Public Issue	
Right issue	NIL
Bonus Issue	NIL
Private Placement	NIL
III <u>Position of Mobilisation and Deployment of Funds</u>	NIL
Total Liabilities	
Total Assets	5093414
<u>Sources of funds:-</u>	5093414
Paid up Capital	
Application Money	1220423
Deferred Government Grant	0
Reserve & Surplus	0
Secured Loan	1497657
Unsecured Loan	NIL
<u>Application of Funds:-</u>	0
Net Fixed Assets	
Investments	17741
Net Current Assets	NIL
Accumulated Losses	4046391
Misc. Expenditure	0
IV <u>Performance of Company</u>	0
Total Income	
Total Expenditure	285662
Profit & Loss before Tax	88272
Profit / Loss after Tax	198025
Earning per Share	146769
Dividend Rate	1.20
V <u>Generic Names of Two Principal Prod./Services of the Co.</u>	NIL
Item Code No.(ITC Code)	
Product Description	NIL
	Service charges on projects

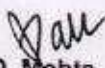
AUDITOR'S REPORT

"In-terms of our separate report annexed".
For M. Kamal Mahajan & Co. LLP
Chartered Accountants

For Haryana State Roads & Bridges Development
Corporation Limited.


Nihal Singh
(Managing Director)


Sunil Saran
(Director)


B. D. Mehta
(Chief Financial Officer)


Dolly Gaur
(Company Secretary)

M.No :
Firm Regn. No. :-
Place : PANCHKULA
Date :

For M Kamal Mahajan & Co LLP
Chartered Accountants
FRN 006855N/N500061

CA Suruchi Mahajan
Partner
M.No. 532126



NOTE NO: 29

SIGNIFICANT ACCOUNTING POLICIES

1. BASIS OF PREPARATION OF FINANCIAL STATEMENTS:-

The financial statements of the Company have been prepared on an accrual basis and under the historical cost convention, in accordance with generally accepted accounting principles in India, the relevant provisions of the Companies' act 2013, read with general circular 15/2013 dated 13 September 2013 of Ministry of Corporate Affairs including accounting standards notified there to the extent applicable.

2. PROPERTY, PLANT & EQUIPMENT:-

Fixed Assets are stated at Written down method. 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.

3. DEPRECIATION:-

The depreciation on fixed assets has been charged as per revised policy in accordance with the Company Act, 2013. The depreciation on fixed assets has been charged on WDV. The rates of depreciation on various assets have been worked out in accordance with the method given in the Company Act, 2013. For this purpose the original acquisition cost of assets minus 5% residual value of the asset is taken and life of the assets as mentioned in the Company Act, 2013 has been taken.

4. IMPAIRMENT OF ASSETS:-

The Corporation assesses on each Balance Sheet date whether there is any indication that an asset or a group of assets (cash generating unit) may be impaired. If any such indication exists, the Corporation estimates the recoverable amount of the asset or a group of assets. If such recoverable amount of the assets or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying is reduced to it recoverable amount. The reduction is treated as an impairment loss and is recognized in the Profit & Loss Account. If at Balance Sheet date, there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and asset is reflected at the recoverable amount subject to a maximum of depreciable historical cost. However, at the year end as well as in the previous years, there is no material impairment of assets which require affects to be given.

5. **FOREIGN CURRENCY TRANSACTIONS :-**

Expenditure in foreign exchange incurred by the company during the year is INR 7,38,000/- on account of study tour in South East Asian Model infrastructure developed in Singapore, Kuala Lumpur & Bangkok.

6. **BORROWING COST:-**

There is no borrowing cost incurred during the year.

7. **CURRENT & DEFFERED TAX:-**

Tax on income for current year has been determined on the basis of taxable income under the income tax act 1961. Adjustment on account of taxes paid for earlier years has been charged to profit & loss account as per AS-22.

The Income Tax Assessments of the Corporation have been completed up to the A.Y. 2016-17 except 2015-16. Appeals for the A.Y. 2008-09, 2011-12, 2012-13, 2013-14, 2014-15, 2016-17 and 2017-18 preferred by the Corporation, are pending before different appellate authorities till the date of this Balance Sheet. The financial impact of the same will be determined on the decisions of the pending appeals.

8. **PROVISIONS & 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.

9. **CAPITAL WORK IN PROGRESS:-**

Projects under progress are carried at cost comprising direct cost, related incidental expenses, interest and other financial costs payable on funds specifically borrowed to the extent they relate to the period till assets are put to use. No capital projects are under progress as at the end of current Financial Year.

10. **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 as well as



revenue expenditure is deducted from grant in aid. No grant has been received during the current Financial Year.

11. PRIOR PERIOD ITEMS:-

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

Note No. 30

OTHER NOTES ON ACCOUNTS:-

1. Contingent liabilities on account of :-

	(Rupees in crore)	
	2019-20	2018-19
i) Disputed Income Tax matters in Appeal with different Appellate Authorities	68.02	237.62
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, FBT, EPF, Labour Cess and liability on account of Service tax, Sales Tax, etc.	NIL	0.05
iv) Disputed court cases.	377.74	377.74

Toll cases:-

High Court

HSRDC v/s Mahashiv Promoter (TP-2) filed case against arbitration award of Rs. 64,05,118/- + Rs. 12% interest p.a. The case has been settled and nothing is payable now.

Arbitration cases – Building

SR. NO	Title of case	Claims	Latest status
1	HSRDC V/s M/s Starrco Engineers, Delhi	Rs.346.15 lakhs	Next date of case is fixed for 20.11.2020
2	HSRDC V/s TCIL, TCIL Bhawan G.K. New Delhi	Rs. 1,09,81,043/-	The case was fixed for hearing on 27.01.2020 and next of hearing is 20.11.2020.
4	MD HSRDC V/s M/s Jai Bhagwan	Rs.91,94,930/-	Next hearing date is 09.10.2020.
5	The Hisar friends Colony C-op V/s HSRDC	Rs.25,02,832/-	Next date of hearing is fixed for 09.02.2021



NCR

Sr No	i) Title of case ii) SE/EE/ DGM	Claims / Counter Claim	Present status
1.	M/s Niraj Cement Structural Ltd. Mumbai V/s HSRDC SE, Rewari/ EE, PD Rewari	Contractor = Rs.93.45 Cr. HSRDC = Rs.16.19 Cr.	Award received on 20.02.2020. Award challenged by HSRDC in Punjab & Haryana High Court.
2.	M/s. MG Kundu Shivaliya Rohtak V/s HSRDC SE Jhajjar DGM-IV, Jhajjar	Contractor = Rs.83.12 Cr. Plus interest @ 18% p.a. HSRDC = Rs.231.22 Cr.	Award received. Award challenged by HSRDC in Punjab & Haryana High Court.
3.	M/s GR -Gawar (Joint Venture), V/s HSRDC SE Rothak DGM-IV Jhajjar	Contractor = Rs.62.85 Cr. HSRDC = Rs.211.06 Cr.	Next date of hearing is fixed for 14.03.2020 and next date of internal hearing is 21.11.2020 or 22.11. 2020.
4.	M/s. Centrodorstroy (India) Pvt. Ltd. V/s HSRDC SE Gurgaon DGM-II, Gurgaon	Contractor = Rs.107 Cr. HSRDC = Rs.149.45 Cr.	Award received. Award challenged by HSRDC in Punjab & Haryana High Court.
5.	M/s Gawar Construction Limited, Hisar SE Gurgaon DGM-I Gurgaon	Contractor claim is yet to be filed by them	Case is fixed for hearing on 14.03.2020. Next date of internal Hearing is 21.11.2020 or 22.11.2020.
6.	M/s. Yongma Engineering Co. Ltd. SE Gurugram DGM-I Gurugram Case No. 187	69,05,760	Award received. Award challenged by HSRDC in Punjab & Haryana High Court
7.	M/s. PNC Infratech Ltd. SE Gurugram DGM-I Gurugram Package No. 6	Contractor claim is yet to be filed by them	Award received. Award challenged by HSRDC in Punjab & Haryana High Court.



LIST OF ARBITRATION CASES DECIDED BY THE ARBITRATOR AGAINST HSRDC AND APPEAL FILED BY HSRDC

Sr. No.	Name of agency	Amount of award in favour of claimant	Present Status
1.	Om Parkash Hooda	Rs.1,02,45,468/-	The case was heard on 11.05.2020 and no further date has fixed.
2.	M/s. RK Jain Infra Projects Pvt. Ltd.	Rs.1,41,86,571/-	The award was decided in favor of HSRDC by commercial Court Gurugram on 04.04.2019. M/s R. K. Jain Infra Project has challenged the orders of Commercial Court Gurugram in High Court and case is fixed for 19.12.2020.
3.	Sumer Singh, Yamuna Nagar	Amount to be paid to Sh. Sumer Singh = Rs.20,33,592/- Amount to be recovered from sh. Sumer singh = Rs.17,35,500 /-	Next date of hearing is 16.04.2020. Next date of hearing is 06.01.2021.
4.	M/s. RK Jain Infra Projects Pvt. Ltd. VS HSRDC	Rs.93,55,213/- plus interest plus litigation charges	The objection petition filed by HSRDC was dismissed by commercial court on 30.01.2019. Appeal filed in High Court and the case is fixed for 12.12.2020



Sr. No.	Name of agency	Amount of award in favour of claimant	Present Status
6.	M/s KCC Buildcon Pvt. Ltd.	An amount of Rs.3,93,30,035/- [Rs.3,03,27,185/- +Rs.90,02,850/- interest upto 31.10.2017] Future interest of 10.25% on awarded amount of Rs.3,03,27,185/-, if it is not paid within stipulated period in the arbitration act.	Award received
7.	M/s. Niraj J Mhatre Pkg-9/HSRDC /2010	Rs. 14,79,36,410/- plus interest	The necessary appeal has been filed by the advocate. The case has not been listed in Hon'ble High Court due to COVID -19, pandemic.

LIST OF ARBITRATION CASES DECIDED BY THE ARBITRATOR IN FAVOUR OF HSRDC BUT CHALLENGED BY PRIVATE CONTRACTORS

TOLL BRANCH

Sr. No.	Name of agency	Amount of award in favour of claimant (HSRDC)	Present Status
1.	Sh.Parshant Gupta	Rs.18,45,195/- plus 0.06% interest per day from 01.01.2011 to till actual date of realization	Next date of hearing is 24.09.2019 Execution application has also been filed which is fixed for 03.12.2020
2.	Sh. Om Parkash Gupta	Rs.2,41,04,748/- plus 0.06% interest per day from 01.10.2013 to till actual date of realization	Next date of hearing is 16.01.2021



Sr. No	Particulars	Rs. (In Lacs)	Status
			<p><i>been adjusted against the pending demands for the AY 2011-12, 2012-13 and 2013-14 as intimated vide their letter dated 02.06.2020 and no further date of hearing has been fixed in these cases due to software up-dation in IT Department.</i></p>
5.	<p>Appeal filed to Commissioner Income Tax (Appeal) against re-assessment order of Deputy Commissioner of Income Tax Panchkula for the Assessment Year 2011-12 u/s 143(3) w.r.t. u/s 147 of Income Tax Act, 1961. (Re-opened case)</p> <p>Appeal No. CIT(A), Panchkula/10364/2016-17(Manual Appeal Register No. 115/PKL/16-17</p>	<p>Disallowed expenses for the A.Y.2011-12 amounting to Rs.117.43 lacs</p> <p>i) Expenses of Registration fee and stamp duty Rs.95.60 lacs</p> <p>ii)Expenses of Departmental Toll collection and Traffic survey fee Rs.21.83 lacs</p> <p>iii) Calculation mistake</p> <p><u>Total Rs. 117.43 lacs</u></p>	<p>The case was fixed for hearing on 11.12.2019 with CIT(A), Panchkula and the case was adjourned to 19.12.2019. The software system of I.T. Department is being updated. Therefore, no further date of hearing in this case has been.</p>
6.	<p>Appeal filed to Commissioner Income Tax (Appeal) against assessment order of Deputy Commissioner of Income Tax Panchkula Circle for the AY 2012-13 u/s 271(1)(c) of Income Tax Act, 1961. (Penalty case)</p>	<p>Imposed Penalty for the AY 2012-13 amounting to Rs.6,85,99,693/- due to non-acceptance of Revised Tax Audit.</p> <p><u>Total Rs. 685.99 lacs</u></p>	<p>The case was heard on 12.12.2017 and adjourned sine die till the decision of main case for the AY 2012-13.</p>



Sr. No	Particulars	Rs. (In Lacs)	Status
7.	Appeal filed with Commissioner Income Tax against assessment order of Deputy Commissioner of Income Tax (Appeals) Panchkula for the AY 2014-15 u/s 250(6) of Income Tax Act, 1961.	Against the claim of interest of Rs. 99,66,91,956/- paid to PWD (B&R) Total Rs. 9966.92 lacs	The case was decided in favour of HSRDC on 22.10.2019 (orders received on 29.11.2019). A request letter for effect of appeal was issued to Assistant Commissioner of Income Tax for refund along with interest vide letter dated 11.12.2019 and subsequent reminders issued on 02.03.2020, 19.05.2020 & 08.07.2020. <i>Refund of Rs. 30.14 crore was credited in HSRDC's bank Account maintained with Axis Bank, Manimajra, Chandigarh on 17.07.2020 against the tax deposited amounting to Rs. 31.14 crore. Since the detail of refund was not intimated by IT Department, therefore, the same was sought vide this office letter dated 08.07.2020. Now I.T. Department vide their letter dated 23.09.2020 has intimated that refund of Rs. 37.09 crore has been determined in this case. Against the said refund Rs. 30.14 crore has been credited in HSRDC bank Account and balance Rs. 6.95 crore have been adjusted against the outstanding demands for the AY 2011-12 & 2012-13.</i>
8.	Appeal filed with CIT(Appeals) on 21.12.2018 against the order of Asst. CIT for A.Y 2016-17	Appeal filed against the addition of Rs.54.98 Cr. in respect of unspent funds lying with HSRDC	Appeal filed with CIT (A) and 20% of demand raised i.e. Rs.4.97 Cr. has been deposited. The case was fixed for hearing on 17.12.2019 with CIT (A). The software system of I.T. Department is being updated. Therefore, no further date of hearing in this case has been.



Sr. No	Particulars	Rs. (In Lacs)	Status
9.	Appeal filed with CIT(Appeals) for AY 2017-18	Appeal filed against the addition of Rs.2.50 Cr.	Appeal has been filed with CIT (A) against the addition of Rs. 2.50 crore on 20.12.2019. The software system of I.T. Department is being updated. Therefore, no further date of hearing in this case has been.

1. Disclosure under Accounting Standard-24 (Discontinuing Operations):-

There were two main sources of income of the Corporation, one was from the operation of Toll points which was levied on roads in the state of Haryana and other is Service Charges which are levied on construction work of buildings and roads which the corporation executes for client departments. From 23.07.2015 the corporation has discontinued the operation of Toll points which are transferred to the department of PWD B&R Haryana as per the notification of Haryana Govt. dated 23.07.2015.

- 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). Balance outstanding under LADT Funds with the Corporation as on 31st March 2020 (Rural & Urban) are Rs. 145.65 Lacs.
- 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.
- 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.
- A sum of Rs. 42.63 Lacs (Rs.42.63 lacs) is payable to Haryana Industries Department for settling the accounts with HUDA & HFC on account of amount received for allotment of Suites at HUDCO Complex, New Delhi and the same has been shown under the head Non Current Liabilities.



6. Details of Prior period Adjustment :-

Particulars	(Amount in Rs.)	
	2019-20	2018-19
Previous year expenses	95,547	60,94,108
Previous year income	7,31,203	5,26,427
Net Total	6,35,656	55,67,681

7. Trade Receivables amounting to Rs. 4727.74 lacs have been classified above six months, out of which provision for Bad & Doubtful debts is made for Rs.120.22 lacs. Management is of the opinion that all the other debtors amounting to Rs. 4607.52 lacs are good. Hence no provisions on the same have been made.

8. The net amount recoverable from expired contractor Mr. Manoj Kumar (Toll No. 12 & 24) amounting to Rs.120.22 lacs have been provided as Bad and Doubtful Debts in the books of accounts for the year ending 31.03.2009. The Management of the Corporation has filed a suit for recovery against the Legal Heirs of the Deceased.

9. **Corporate Social Responsibility (CSR) Expenditure**

Particular for the year ended 31st March, 2020

Gross Amount Required to spend	Rs. 53.52 Lakh		
Amount Spend during the Year	In Cash	Yet to paid in cash	Total
(i)Construction/acquisition of any asset	-	-	-
(ii)On purposes other than (i) above	54.43 Lakh	-	54.43 Lakh

10. **Auditors Remuneration: -**

(Amount in Rs.)

	2019-20	2018-19
a) Audit Fee	88,500	88,500
B) Tax Audit Fee	12,980	12,980



11. The Service charges for the Construction Project Works have been charged by the Corporation detailed as below :-

Branches	Work Done	Service charges	% age
DGM I	15,345,560	153,456	1
DGM III- NCR Works	391,917,470	3,919,173	1
DGM III - Building Works	24,922,635	1,246,131	5
DGM V	159,575,591	1,596,464	1
DGM II- NCR work	322,921,390	3,229,223	1
DGM II- Building Work	14,773,757	738,687	5
EEPD Rohtak	21,303,127	213,031	1
EEPD Hisar	18,886,836	188,870	1
EEPD Panipat	54,747,920	547,479	1
EEPD Panipat- Building Work	255,000	12,750	5
EEPD Jind	2,141,700	42,834	2
EEPD Narwana	17,527,912	887,860	5
Total	1044318898	12775958	

12. Earnings per share as per Accounting Standards (AS-20) issued by ICAI :-

Particulars	(Amount in Rs.)	
	2019-20	2018-19
Profit/ Loss after Tax	146,768,751	204,135,798
Weighted average number of Equity shares outstanding during the year	12,20,42,300	12,20,42,300
Diluted Earning per share	1.20	1.67

13. Accrued interest as on 31st March 2020 on saving bank accounts has been provided for on the basis of bank statements/ bank certificates. Interest on FDR accrued during the FY 2019-20 has been added to the principal amount of FDR.

14. The balances, debit/credit in the accounts of various parties/agencies is subject to their confirmation and reconciliation.



15. The Corporation is having some staff of PWD (B&R) on deputation as on 31.03.2020. The expenditure on them is borne by the Corporation as per the terms and conditions of the deputation.

16. No provision for Dividend on paid up capital of the company during the year ending 31.03.2020 have been made.

17. Additional information required under Schedule VI of the Companies Act 2013.

a) Particulars of Employees Number Salary Allowances and other perks:-

I) Employees whose remuneration is Rs. 60 lacs and above in the Financial year-NIL

II) Employees whose remuneration is Rs. 5 lacs and above per Month -NIL

a) Quantitative Information -NIL

b) Value of goods imported during the year -NIL

c) FOB value of foreign exchange earning during the year -NIL

d) Figures shown in brackets denote Previous Year figures.

18. Mobilisation Advance and Advances to Contractors are regrouped in the balance sheet so as to make it consistent with the nature of advances. They are transferred from unsecured advances to secured advances.

19. There are no related parties of the corporation. All the shares are held by Government of Haryana. Shares are allotted to the post sanctioned to the officers of the Government of Haryana. No individual can control or make key decisions in individual capacity. Further all the shareholders are Haryana Government employees.

However, the corporation has paid salary to the Executive Director/ Managing Director and Chief Financial Officer as mentioned below:

(Amt. in Rs.)

Related Party	Name	Salary
Managing Director	Sh. R. K. Ghandhi	17,56,634
Executive Director	Sh. A.K. Goel	8,46,625
Chief Financial Officer	Sh. B. D. Mehta	3,22,160
Company Secretary	Smt. Dolly Gaur	4,80,000



20. Various heads have been regrouped in order to present a fair and true view in Balance Sheet.
21. The figures in the balance sheet are rounded off to nearest rupee.

AUDITORS' REPORT

"In terms of our separate report annexed"

for M. Kamal Mahajan & Co. LLP
CHARTERED ACCOUNTANTS

for Haryana State Roads & Bridges
Development Corporation Limited

M.No.:-
Firm Regn. No. :-
PLACE: PANCHKULA
DATED:


Nihal Singh
(Executive Director)


Sunil Saran
(Director)


B. D. Mehta
(Chief Financial Officer)


Dolly Gaur
(Company Secretary)

For M Kamal Mahajan & Co LLP
Chartered Accountants
FRN 006855N/N500061

CA Suruchi Mahajan
Partner
M.No. 532126



21 JUN 2021



Independent Auditor's Report

To the Members of Haryana State Roads & Bridges Development Corporation Limited

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the financial statements of **Haryana State Roads & Bridges Development Corporation Limited** (hereinafter referred to as 'the Corporation' or 'HSRDC'), which comprise the Balance Sheet as at 31st March 2020, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, except for the effects/possible effects of the matters described in the *Basis for Qualified Opinion* section of our report, the aforesaid financial statements give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Corporation as at 31st March 2020, its profit and its cash flows for the year ended on that date.

Basis for Qualified Opinion

Following are the basis of our Qualified Opinion:

1. Reference is invited to Balance sheet, Note No. 4- Deferred Tax liability, Profit and Loss Statement Note No. X- Tax expense (2) Deferred Tax Asset of Notes to Balance Sheet of the Corporation, whereby the Corporation has not charged depreciation as per the provisions of Income Tax Act, 1961.



The details of the same are as follows:

Name of Assets	Amount (in ₹)	Remarks	Depreciation taken while calculating Deferred Tax (A)	Depreciation as per Income Tax-Act,1961 (B)	Difference (B-A)
Telephone	5,490/-	Depreciation not charged on asset @15%	Nil	823.50	823.50
Inventor	17,316/-	Depreciation charged @15% instead of 7.5%.	2,597.40	1,298.70	(1,298.70)
Total (in ₹)			2,597.40	2,122.20	475.20

The financial impact of the same, on tax expenses, profit, deferred tax asset (in profit and loss statement), deferred tax liabilities (Net) (in balance sheet) and reserves and surplus, could not be ascertained due to lack of sufficient information.

- II. Reference is invited to Note : 10 Short Term Provisions, Note : 21 - Other Current Assets - Taxes paid for Current Financial year - Advance Tax of Notes to Balance Sheet of the Corporation and Profit and Loss Statement X- Tax expense : Current Tax of the Corporation, whereby the corporation has deposited excess Advance Tax amounting to ₹ 59,98,800/- during the financial year as the total taxes deposited amount to ₹ 4,29,73,587/- as against a Provision of Income Tax of ₹ 3,69,74,791/- only. As a result, the Corporation has deposited excess tax with the Authorities leading to blockage of funds and thereby resulting into financial loss of interest to the Corporation. The financial impact of the same cannot be ascertained due to lack of sufficient information.



III. Reference is invited to Note : 11 – Fixed Assets of Notes to Balance Sheet of the Corporation, whereby the corporation :

- a. Has not mentioned the Gross amount of the Fixed Assets held in the name of the Corporation, which is not in accordance with “Section 129 read with Schedule III” of the Companies Act, 2013 which requires the corporation to present a reconciliation of the gross and net carrying amounts of each class of assets at the beginning and end of the reporting period showing additions, disposals, acquisitions through business combinations and other adjustments and the related amortization and impairment losses/reversals to be disclosed separately. Further, certain fixed assets are valued at ₹ 1/- for which no documents, fixed asset register or explanation has been furnished to us. As such, the financial impact of the same, if any, cannot be ascertained due to lack of sufficient information.
- b. Has charged excess depreciation on the addition made to fixed assets under the head Telephone of ₹ 5,490/- for 10 days. As such the amount of fixed assets are understated, depreciation is overstated, profit is overstated, reserves & surplus are overstated to the extent of excess depreciation on the same, the deferred tax asset as mentioned in profit and loss statement is understated and the deferred tax liability (net) in balance sheet is overstated, however the amount of the same could not be ascertained due to lack of sufficient information. The financial impact of the same cannot be ascertained due to lack of sufficient information.

IV. Reference is invited to Note : 19– Cash and Cash Equivalents of Notes to Balance Sheet of the Corporation, whereby as per the information and explanations furnished to us during the course of our audit , the amount mentioned in ‘With Schedule Banks’ includes temporary parking of funds amounting in the form of deposits received from other Haryana Government departments and , :

- a. These deposits do not relate to the projects to be executed by the Corporation. Further, there is no financial income / interest of the



Corporation in receiving these deposits as actual interest earned on these deposits are also credited to the respective parties /departments. Thus, there is mere routing of funds through the corporation in this transaction without any financial gain to the corporation. The said fact or amount of funds has not been disclosed by the Corporation in its notes to accounts. We were not furnished with the amount of such deposits and as such we are unable to ascertain the amount of deposit along with interest actually due to the respective parties /departments by the Corporation. The financial statements do not include the impact of adjustments, if any, which may arise out of the confirmation and reconciliation process.

b. The deposits received by the Corporation from various Government of Haryana departments for projects to be executed remain unutilised till the end of the financial year. As per the Orders of the Finance Department , Government of Haryana issued on 9th March , 2011 ; all Boards/Corporations/Societies to whom various Departments provide funds will pay an interest at the rate of 6 per cent per annum on half yearly basis, as such the corporation is liable to pay interest on the said deposits. However, the Corporation has neither paid nor made the provision of the said interest during the current financial year which is not in accordance with Fundamental accounting assumption, "Accrual" as mentioned in Accounting Standard 1. As we were not furnished with the amount of such deposits, we are unable to ascertain the amount of interest payable by the corporation. The financial impact of the same cannot be ascertained due to lack of sufficient information.

V. Reference is invited to Note : 21 Other Current Assets: Taxes paid for the earlier Financial Year whereby the corporation has shown the taxes paid for the Assessment year 2011-12 as ₹ 1018.35 lakhs instead of ₹ 1918.35 lakh and for the Assessment year 2012-13 as ₹ 3915.73 lakh instead of ₹ 3015.73 lakh. Further, no efforts are being made by the Corporation to correct the same as the same existed in the financial statements for the financial year ended on 31.03.2019 as well. The



financial impact of the same, if any, cannot be ascertained due to lack of sufficient information.

VI. *Reference is invited to Note: 29 Significant accounting policies of the Corporation, whereby the corporation has not disclosed the accounting policy related to revenue recognition. The only source of income of the Corporation is by way of service charges which are levied on the construction work of buildings and roads which are executed for client departments. The Corporation has credited the service charges in books of accounts as income on the basis of the value of work executed during the year and certified by the officials of the Corporation. Further, there is no accounting policy regarding payables to the contractors and expenditure on work. The Corporation credited the service charges in books of accounts as income on the security amount of contractor retained by them as deferred receivable, which is also not disclosed in notes to accounts which is not as per Accounting Standard 1, Disclosure of Accounting Policies issued by the Institute of Chartered Accountants of India which states that to ensure proper understanding of financial statements, it is necessary that all significant accounting policies adopted in the preparation and presentation of financial statements should be disclosed. The financial impact of the same, if any, cannot be ascertained due to lack of sufficient information.*

VII. *Reference is invited to, Note No. 30 Other Notes on Accounts - Contingent Liabilities of notes to balance sheet of the Corporation, whereby the corporation has not updated the latest/present status till date of pending cases. The financial impact of the same on financial statements cannot be ascertained due to lack of sufficient information.*

VIII. *During the course of our audit, the following discrepancies were observed with respect to compliances under the Companies Act, 2013:*

- a. *During the year, the tenure of five years of independent director (Sh. Hardeep Kumar Malhotra) was completed on 15.03.2020. As such there is one independent director instead of two after 15.03.2020 which is not in*



accordance with Section 149 sub section 4 of Companies Act, 2013 and Section 149 of Companies Act, 2013 read with second Proviso to Rule 4 of Companies (Appointment & Qualification of Directors) Rules 2014. Section 172 of Companies Act, 2013 states that if a company is in default in complying with any of the provisions of this Chapter and for which no specific penalty or punishment is provided therein, the company and every officer of the company who is in default shall be liable to a penalty of fifty thousand rupees, and in case of continuing failure, with a further penalty of five hundred rupees for each day during which such failure continues, subject to a maximum of three lakh rupees in case of a company and one lakh rupees in case of an officer who is in default.

- b) The Corporation has neither obtained confirmation from its supplier about their registration status under Micro, Small and Medium Enterprises Development Act, 2006 nor segregated its suppliers into Micro or Small or Medium Enterprises or Non-MSME Enterprises. The details regarding the outstanding dues to Micro, Small and Medium Enterprises were neither made available to us nor separately depicted in the financial statement (as per Section 22 of Micro, Small and Medium Enterprises Development Act, 2006). As such, due to lack of sufficient information, we are unable to comment if the Corporation is required to file the MSME Form - 1 and provide for the compound interest with monthly rests (as per Section 16 of Micro, Small and Medium Enterprises Development Act, 2006) if any in the financial statement on the outstanding amount due to Suppliers whose balances is due beyond the appointed day or forty five days, as the case maybe.

The financial statements do not include the impact of adjustments, if any, which may arise out of the change on account of the mentioned non-compliances of the Companies Act, 2013.



IX. During the course of our audit, the following discrepancies were observed regarding the liabilities of Statutory Dues of the Corporation which are as follows :

a. Non-Compliances of Goods and Services Tax Act (GST), 2017 :

- i. Reference is invited to the Statutory Liability - Note No. 9 - Other Current Liabilities of Notes to Balance Sheet of the Corporation, whereby as per the information and explanation furnished to us, during the course of our audit, the corporation has made the provision Goods and Services Tax payable amounting to ₹ 59.34 lakhs on the service charges received from Public Works Department and other agencies for earlier years. However, the corporation has neither paid nor made the provision of interest payable on the same in the financial statements for the year ended 31.03.2020.
- ii. Reference is invited to Note : 22 Revenue from Operation of Notes to Profit & Loss Statement of the Corporation, whereby as per the information and explanation furnished to us, during the course of our audit, it has been observed that taxable turnover as per the Goods and Service Tax returns/forms filed by the Corporation is understated by ₹7,81,673/- as compared to the taxable turnover as mentioned in the financial statements. The Corporation has not paid the Goods and Services Tax on the same on the due date and further the corporation has not made the provision of interest payable on the same in the financial statements for the year ended 31.03.2020.
- iii. As per the information and explanation furnished to us, during the course of our audit, the Corporation has obtained GST registration number on 07.09.2019 and started filing GST returns from September, 2019 onwards. The taxable turnover of ₹ 35,91,696/- relating to the period from April, 2019 to August, 2019, was shown in Goods and Services Tax return filed for the month of September, 2019 and tax was paid accordingly. The corporation has neither paid nor made the provision of the liability of



interest due on the late payment of tax in the financial statements for the year ended 31.03.2020.

- iv. As per the information and documents furnished to us during the course of our audit, the Corporation has not charged Goods and Services Tax on the tender/document fees and sale of code book for Public Works Document B&R accrued or received during the year. The details of the same are as follows :

Division	Nature of Receipt	Amount Received (₹)	Amount of GST (₹)
HSRDC (Head Office)	Tender/Document Fees	11,236/-	1,713/-
HSRDC (Head Office)	Code Book for PWD B&R	9,200/-	1,104/-
DGM V Faridabad	Tender/ Document Fees	5,500/-	839/-
Total (in ₹)		25,936/-	3,656/-

The corporation has neither paid nor made the provision of the liability of interest due on the above in the financial statements for the year ended 31.03.2020.

- v. As per the information and explanation furnished to us, during the course of our audit, it has been observed that the Corporation has not made the provision of the liability of Goods and Services Tax on Reverse Charge Mechanism basis as per the Central Goods and Services Tax Act, 2017 vide notification No. 13/2017- Central tax (Rate) dated 28th June, 2017. The details of the same are as follows:

Head office					
Sr. No.	Name of Payee	Nature of Payment	Date of payment/credit	Taxable value of invoice (₹)	GST Payable under RCM @18% (₹)
1.	Vishal Garg	Legal Services	31/10/2019	46,250	8,325
2.	Chaman Lal	Legal	09/12/2019	25,000	4,500



	Sharma	Services			
3.	Chaman Lal Sharma	Legal Services	16/12/2019	45,000	8,100
Total (in ₹)				1,16,250	20,925

Sr. No.	Nature of Payment	Date of payment/credit	Taxable value of invoice (₹)	GST Payable under RCM @5% (₹)
1.	Taxi Hire Services	07/10/2019	56,089	2,804
2.	Taxi Hire Services	15/10/2019	50,610	2,531
3.	Taxi Hire Services	27/11/2019	49,770	2,489
4.	Taxi Hire Services	12/12/2019	59,230	2,962
5.	Taxi Hire Services	22/01/2020	54,319	2,716
6.	Taxi Hire Services	03/03/2020	50,130	2,507
Total (in ₹)			3,20,148	16,009

DGM-IV Jhajjar/Rohtak					
Sr. No.	Name of Payee	Nature of Payment	Date of payment/credit	Taxable value of invoice (₹)	GST Payable under RCM @18% (₹)
1.	Ajay Koushik	Legal Services	28/11/2019	13,000	2,340
2.	Vivek Verma	Legal Services	09/10/2019	22,000	3,960
3.	Anil Grover	Legal Services	9/10/2019	37,455	6,742
Total (in ₹)				72,455/-	13,042/-
Grand Total (in ₹)				5,08,853/-	3,39,542/-

The corporation has neither paid nor made the provision of the liability of interest due on the above in the financial statements for the year ended 31.03.2020.



- vi. *The Corporation has availed Input tax credit on GST paid for taxi hire charges of ₹ 16,008/- which is not eligible as per the provisions of Section 17(5)(b)(i) of the Central Goods and Service Tax Act, 2017.*

In view of the above, the corporation has not complied with the :

- *Section 50 (1) of Central Goods and Service Tax, 2017, which specifies that every person who fails to pay the tax or any part thereof to the Government within the period prescribed, shall pay, on his own, interest at eighteen per cent.*
- *Section 50(3) of Central Goods and Service Tax, 2017, which specifies that a taxable person who makes an undue or excess claim of input tax credit or undue or excess reduction in output tax liability shall pay interest at such twenty four per cent.*
- *Section 122 (2) clause (a) of Central Goods and Service Tax, 2017, which specifies that any registered person who supplies any goods or services or both on which any tax has not been paid or short-paid or erroneously refunded, or where the input tax credit has been wrongly availed or utilised, for any reason, other than the reason of fraud or any wilful misstatement or suppression of facts to evade tax, shall be liable to a penalty of ten thousand rupees or ten percent of the tax due from such person, whichever is higher.*

The financial impact of all the above said non-compliances, could not be ascertained due to lack of sufficient information.

b. Other non-Compliances of Statutory Dues:

- i. *As per the information and explanation provided to us during the course of our audit, it has been observed that the Corporation has short deducted the Tax at Source (TDS) on the payments made against the*



services received by the Corporation in accordance with provisions of 194J of the Income Tax Act 1961. The details of the same as made available to us are as follows :

S. No.	Party Name	Amount charged to Profit and loss account during the year as Professional fees (in ₹)	TDS deducted (in ₹)	TDS short deducted (in ₹)
1.	Agate Management Consultant	57,000/-	4,600/-	1,100/-
Total (in ₹)		57,000/-	4,600/-	1,100/-

ii. The Corporation has not deposited TDS on or before the due date prescribed as per the Income Tax Act 1961. The details of the same, as made available to us are as follows :

Sr.	TDS Related to Form No.	Month	Amount Involved	Due Date of Deposit	Date of Deposit	Delay (No. of Days)
1.	24Q	March, 2020	31,425	30/04/2020	05/05/2020	5
2.	26Q	March, 2020	15,230	30/04/2020	05/05/2020	5

The consequences of above non-compliance are as follows:

- In accordance with section 201 sub section (1A) of the Income Tax Act, 1961, if company does not deduct the whole or any part of the tax or after deducting fails to pay the tax as required by or under this Act, it shall be liable to pay simple interest,—(i) at one per cent for every month or part of a month on the



amount of such tax from the date on which such tax was deductible to the date on which such tax is deducted; and (ii) at one and one-half per cent for every month or part of a month on the amount of such tax from the date on which such tax was deducted to the date on which such tax is actually paid, and such interest shall be paid before furnishing the statement in accordance with the provisions of sub-section (3) of section 200.

- In accordance with section 271C of the Income Tax Act, 1961, the company shall be penalized with a sum equal to the amount of tax not deducted.
- In accordance with section 276B of the Income Tax Act, 1961, If a person fails to pay to the credit of the Central Government,—the tax deducted at source by him he shall be punishable with rigorous imprisonment for a term which shall not be less than three months but which may extend to seven years and with fine.
- Under section 40(a)(ia) of the Income Tax Act, 1961 thirty per cent of any sum payable to a resident, on which tax is deductible at source and such tax has not been deducted or, after deduction, has not been paid on or before the due date specified in sub-section (1) of section 139 shall not be allowed as deduction while computing the income chargeable under the head Profits and gains of business or profession.

The corporation has neither paid nor made the provision of the liability of interest due on the above in the financial statements for the year ended 31.03.2020. The financial impact of all the above said non compliances on financial statements cannot be ascertained due to lack of sufficient information.

- X. As per the information and explanation provided to us during the course of our audit, it has been observed that there are certain old balances which are being carried over from year to year, pending confirmation/ reconciliation, the net effect of which is unascertained. The financial statements do not include the



impact of adjustments, if any, which may arise out of the confirmation and reconciliation process. The details of the same are as follows:

Division	Name of the party	Nature	Amount (in ₹)
Head office	Yatinder Mathur	Debtor	
Head office	Treasury Hry /AG	Debtor	35,820
	Hry		1,90,400
Head office	S.N. Jain(AO)	Advance to staff	1,00,000
Head office	Advance to supplier (HDFC, YGR)	Loan and Advances	49,218
Head office	Agate Management	Professional Charges payable	3,600
Head office	Naresh Kumar Sanghi	Debtor	36,447
Total (₹)			4,15,485

In the absence of balance confirmations, we are unable to comment on the actual amounts recoverable/payable.

- XI. As per the information and explanation provided to us during the course of our audit, it has been observed that the following balance has been classified incorrectly. The details of the same is as follow:

Field Name	Correct Classification	Wrongly Classified as	Amount (in ₹)
DGM V Palwal	Salary Payable	Audit fee payable	2,27,568/-

The financial statements do not include the impact of adjustments, if any, which may arise out of the confirmation and reconciliation process.

- XII. During the course of our audit, it has been observed that the internal audit system and internal controls of the Corporation are inadequate and does not



commensurate with the nature and size of its business and it needs to be further strengthened. Due to weak internal control system, following discrepancies have been observed in the workings of the Corporation:

- a) Reference is invited to Note No.30- Other Notes to Accounts of the Corporation, whereby the Arbitration awards/Cases are pending since long. It seems that no time frame has been incorporated in the arbitrator's terms of appointment by the legal division of the Corporation.
- b) The Corporation has not maintained fixed asset register showing full particulars of original cost, date of purchase/ disposal and situation of the fixed asset etc. Further , as per the information and explanations provided to us , the Corporation has neither physically verified its fixed assets nor has any policy regarding the same.
- c) The Corporation has neither physically verified its fixed assets nor has any policy regarding the same.

XIII. General Observations :

- a) Reference is invited to Note No. 2- Reserves and Surplus of Notes to Balance Sheet of the Corporation, whereby the balances shown as on 31st March,2019 are not as per the previous audited balance sheet for the year ended 31st March, 2019. The details of the same are as follows :

(Amount in ₹)

Sr. No.	Particulars	Amount as per Audited Balance Sheet for the year ended 31.03.2019	Balance as on 31 st March ,2019 shown in the Balance Sheet for the year ended 31.03.2020
	General Reserve		
1.	Opening Balance	(50,20,28,425)	0



<i>Balance as on 31.03.2020</i>			
<i>Note 15: Other Non Current Assets as on 31st March,2020 and 31st March,2019</i>	<i>0</i>	<i>-1</i>	<i>1</i>
<i>Note 19: Cash and cash equivalents</i>	<i>3,50,28,53,724</i>	<i>3,50,28,53,725</i>	<i>1</i>
<i>Note 28: Other Expenses</i>	<i>3,08,04,321</i>	<i>3,08,04,320</i>	<i>1</i>

Further , reference is invited to In Profit and loss statement : Point IV Depreciation and amortization expenses whereby the corporation has carried forwarded from Note 11 – Fixed Assets amounting ₹18,67,915/- instead of ₹18,67,914/-.

c) Reference is invited to Note No. 11 – Fixed Assets of Notes to Balance Sheet of the corporation and Note No. 28 –Other Expenses of Notes to Profit & Loss Statement of the corporation whereby the corporation has not followed its own policy and has mentioned figures in decimals instead of rounding off to the nearest rupee.

d) Reference is invited to 10 - Auditors Remuneration whereby the corporation has disclosed the bifurcation of Auditor remuneration amounting ₹1,01,480/- as against audit fees of ₹ 1,48,480/- as mentioned in Note 28 : Other expenses of Notes to Profit & Loss Statement of the Corporation.

e) Reference is invited to Note No. 30 : Other Notes on Accounts – Income tax Cases of the Corporation, whereby in the point no 6. Appeal filed to Commissioner Income Tax (Appeal) against assessment order of Deputy Commissioner of Income Tax Panchkula Circle for the Assessment Year 2012-13 u/s 271(1)(c) of Income Tax Act, 1961 (Penalty case) an amount of ₹6,85,99,693/- is mentioned instead of ₹ 6,84,99,693/- . As such, the said amount is overstated by ₹1, 00,000/-.

As a result, we are unable to comment on the same due to lack of sufficient information. The financial impact of all the above on financial statements, wherever applicable, cannot be ascertained due to lack of sufficient information. .



XIV. We have not been furnished with sufficient and appropriate audit evidence for the following :

- a) Note : 5 Other Long Term Liabilities and Note : 9 Other Current Liabilities of Notes to Balance Sheet of the Corporation which includes the following long outstanding statutory dues for which no details or explanations were furnished to us :

Sr. No.	Field Name	Nature of Statutory Liability	Amount (In ₹)
1.	Elevated Road Rohtak	GST	466
2.	Elevated Road Rohtak	TDS	66,415
3.	HSRDC 200 Bed Hospital, Panipat	Service Tax	13,63,413
4.	Regional Centre Jind	Labour Cess	1,671
5.	Regional Centre Jind	Sales Tax	5,16,851
6.	Rohtak New Work	Sales Tax	1,92,884(Dr.)
7.	Rohtak New Work	TDS	1,54,000
8.	Rohtak New Work	Labour Cess	78,995
8.	Head Office	Labour Cess	1,556
9.	Head Office	TDS	26,000
10.	Head Office	Registration fee payable	5,23,500
11.	Head Office	Stamp Duty Payable	98,41,728
12.	ROB Hisar Sadalpur Railway Line	Labour Cess	20,286
Total (in ₹)			1,24,01,997

The Corporation has not made any provision for the interest due on the same, if any, till date. As we were not furnished with any details for the same, we are unable to ascertain the amount of provision or contingent liability to be made by



the corporation. Further, no efforts are being made by the Corporation to trace the same as the same amount existed in the financial statements for the financial year ended on 31.03.2019 as well. The financial impact of the same cannot be ascertained due to lack of sufficient information.

b) Note : 19 Cash and Cash Equivalents

The bank Statements of the following bank accounts were not furnished to us during the course of our audit :

Sr. No.	Field Name	Bank Account	(Amount in ₹)
			Balance as per Books
1.	Hospital Add	1.HDFC Bank A/c No. 2931-	4,94,228/-
	Block Rewari	2.IDBI Bank A/c No. 11732	8,576/-
2.	Bahadurgarh	Bank name not known	2,13,280/-
3.	Head Office	Fixed Deposit – State Bank of India	5,303/-
Total (in ₹)			7,21,387/-

The above balances are being carried over from year to year, pending confirmation/reconciliation and no efforts are being made to trace the same.

c) The Corporation has not produced before us the third party (balance) confirmations and age wise details in respect of Other long term Liabilities, Trade payables, Other current liabilities, Short term provisions , Long term Loans and advances , Trade Receivables , Short term Loans and Advances , Other Current Assets. The above liabilities / assets are subject to confirmation, reconciliation and consequential adjustments, if any. As a result, due to absence of information and explanations, we are unable to express our opinion on the same.



VI. No data for details of works executed during financial year 2019-20, as certified by the field officers and the payment of same made in financial year 2020-21 was made available to us during the course of our audit.

VII. The overall effect of our above basis of qualifications where amount is ascertainable is overstatement of Reserves and Surplus by ₹ 4,28,30,460/-.

VIII. We are unable to ascertain the financial impact, if any, where the amount is unascertainable.

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Companies Act, 2013. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Corporation in accordance with the *Code of Ethics* issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Emphasis of Matter – Global Pandemic and its impact

The outbreak of Coronavirus (COVID-19) pandemic is causing disturbance and slowdown of economic activity throughout the world and is impacting operations of the businesses, by way of interruption in business operations. On March 23, 2020, the Government of India ordered a nationwide lockdown followed by phases of Lockdown. There has been considerable impact on travelling/ communication throughout the country amidst some relaxation by Government. Any Audit process requires the Professionals to visit the respective offices of the auditee to assess the effectiveness of the Internal Controls and checking of the relevant documentation/ record / statements to gain reasonable assurance towards the accuracy and authenticity of the record that help form opinion whether the records give true and fair view and adhere to the relevant Auditing and Accounting Standards. Such travelling and communication constraints



affected the Audit and Assurance work using only Online Auditing Techniques. Although such techniques of Online Auditing embed utmost care and diligence, they cannot match the level of assurance obtained by carrying out physical processes. Further, notwithstanding the Corporation having considered its possible effects, the actual result may vary and may have effect on carrying amounts of receivables, other current assets, payables etc. that cannot be quantified at this stage.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone financial statements of the current period. These matters were addressed in the context of our audit of the Standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Reporting of key audit matters as per SA 701, "Key Audit Matters" are not applicable to the Corporation as it is not a Listed Company.

Information other than the Financial Statements and Auditor's Report thereon

The Corporation's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that if there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Corporation's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Corporation in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under section 133 of the Companies Act, 2013. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Corporation and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Corporation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Corporation or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Corporation's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance,



but is not a guarantee that an audit conducted in accordance with Standards on Auditing (SAs) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Standards on Auditing (SAs), we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013 we are also responsible for expressing our opinion on whether the Corporation has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's



report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with the statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matters

Reference is invited to Note No.30 Other Notes on Accounts, Point No. 1 Contingent liabilities, whereby the Corporation has not updated the latest status and the claim amount of the cases. The amount of the same is unascertainable due to non-availability of sufficient information and as such, we are unable to comment or express our opinion on the effect thereof on financial statements.



Our opinion on the financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Companies Act, 2013 we give in the 'Annexure-A', a statement on the matters specified in paragraphs 3 and 4 of the Order to the extent applicable.

2. As required by section 143(3) of the Act, based on our audit, we report that:

a) We have sought and *except for the possible effects of the matters described in the Basis for Qualified Opinion section*, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

b) In our opinion, proper books of account as required by law have been kept by the Corporation so far as it appears from our examination of those books, *except for the effects/possible effects of the matters described in the Basis for Qualified Opinion section*;

c) the financial statements dealt with by this report are in agreement with the books of account *except for the effects/ possible effects of the matters described in the Basis for Qualified Opinion section*;

d) In our opinion, the aforesaid financial statements comply with the Accounting Standards prescribed under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014 (as amended) *except for the effects/possible effects of the matters described in the Basis for Qualified Opinion section*;



- e) On the basis of the written representations received from the company secretary of the Corporation as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Corporation and the operating effectiveness of such controls, refer to our separate Report in "Annexure B";
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Corporation to its directors during the year is in accordance with the provisions of section 197 of the Act.

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
- i. The Corporation has disclosed the impact of pending litigations on its financial position in its financial statements as at 31st March, 2020 *except for those mentioned under the Basis for Qualified Opinion paragraph of our Audit Report; – Refer Note No. 30 Other Notes on Accounts 1. Contingent Liability to the financial statements;*
 - ii. As per information and explanation furnished to us during the course of our audit, the Corporation did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31st March, 2020;
 - iii. As per information and explanation furnished to us during the course of our audit, there were no amounts which were required to be transferred to the



Investor Education and Protection Fund by the Corporation during the year ended 31st March 2020;

3. As required by the directions issued under section 143(5) of the Companies Act 2013, we report that:

- i. As per the information and explanations furnished to us during the course of our audit, the Corporation has clear lease deeds for freehold and leasehold lands respectively;
- ii. As per the information and explanations furnished to us during the course of our audit, there are no case of restructuring of an existing loan or cases of waiver/ write off of debts / loans / interest etc. made by a lender to the corporation due to the Corporation's inability to repay the loan;
- iii. As per the information and explanations furnished to us, there is no inventory lying with the third parties and there are no assets received as gift from government or other authorities. Hence , provisions of this para are not applicable to the Corporation;
- iv. As per the information and explanations furnished to us during the course of our audit, there is no case of encroachment of any ideal land owned by the Corporation and there are proper measures to prevent the same;
- v. As per the information and explanations furnished to us, no Public Private Partnership project has been dealt by the Corporation during the relevant financial year;
- vi. As per the information and explanations furnished to us and based on our examination of the books of accounts there is a proper mechanism for monitoring the execution of work vis-à-vis the milestones stipulated in the agreements and all the revenues and losses relating to the projects have been properly accounted for in the books;



- vii. As per the information and explanations furnished to us and based on our examination of books of accounts, funds received / receivable for specific scheme from Central State agencies were properly accounted for and utilised by the Corporation and as per our examination there is no case of deviation
- viii. As per the information and explanations furnished to us, bank guarantees have been revalidated in time;
- ix. No confirmation of trade payables and trade receivables provided to us. However, term deposits , bank balances and cash balances have been verified by us, *except for those mentioned under the Basis for Qualified Opinion paragraph of our Audit Report;*
- x. As per the information and explanations furnished to us , there is no case of abandonment of any project during the relevant financial year;
- xi. As per the information and explanations furnished to us, the Corporation has the suitable pricing policy to ensure that all the cost components are covered;
- xii. The Corporation has properly charged and recorded the services charges receivable for works executed on behalf of government / other organisations. The Corporation has an efficient system of billing and collection of revenue;
- xiii. As per the information and explanations furnished to us and based on our examination of the books of account, the Corporation has proper system for regularly monitoring timely receipt of subsidy from government and the same is properly recorded in its books of accounts however, there is no subsidy received by the Corporation during the relevant financial year;
- xiv. As per the information and explanations furnished to us, interest earned on parking of funds received for specific projects from government have been properly accounted for in the books of the Corporation *except as mentioned under the Basis for Qualified Opinion paragraph of our Audit Report;*



of the Companies Act, 2013. Accordingly, paragraph 3 (iv) of the order is not applicable.

v. According to the information and explanations furnished to us during the course of our audit, the Corporation has not accepted any deposits, *except for those mentioned under the Basis for Qualified Opinion paragraph of our Audit Report.*

vi. The Central Government of India has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Act for any of the activities of the Corporation and accordingly paragraph 3 (vi) of the order is not applicable.

vii. In respect of statutory dues:

a) According to the information and explanations furnished to us during the course of our audit and on the basis of our examination of the records of the Corporation, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income-tax, Goods and Service tax, and other material statutory dues as may be applicable to the Corporation with the appropriate authorities, *except for those mentioned in the Basis of Qualified Report paragraph of our report*, have been generally regularly deposited during the year by the Corporation with the appropriate authorities.

According to the information and explanations furnished to us during the course of our audit, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, goods and service tax, duty of customs, duty of excise, cess and other material statutory dues were in arrears as at March 31, 2020 for a period of more than six months from the date they became payable, *except for those mentioned under Basis for Qualified report paragraph of our report.*

b) According to the information and explanations furnished to us during the course of our audit and the records of the Corporation examined by us, there are no dues



ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in Para 1 under 'Report on other legal and regulatory requirements' section of our report to the members of Haryana State Roads and Bridges Development Corporation of even date)

- i. In respect of the Corporation's Fixed Assets:
 - a) *The Corporation has not maintained proper records showing full particulars, including quantitative details and situation of fixed assets.*
 - b) *The Corporation has neither physically verified its fixed assets nor has any policy regarding the same. As such, we are unable to comment on the same.*
 - c) According to information and explanation furnished to us by the Corporation during the course of our audit the title deeds of the immovable properties are held in the name of the Corporation.
- ii. As per the information and explanation furnished to us during the course of our audit, the Corporation is in Service industry and thus there is no inventory held in the name of the Corporation as on 31st March 2020. Accordingly, para 3(ii) of the order is not applicable.
- iii. According to information and explanation furnished to us during the course of our audit, the Corporation has not granted any loan, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register required under section 189 of the Companies Act, 2013. Accordingly, paragraph 3 (iii) of the order is not applicable.
- iv. According to information and explanation furnished to us during the course of our audit, the Corporation has not granted any loans or provided any guarantees or given any security or made any investments to which the provision of section 185 and 186



have been disclosed in the financial statements as required by the applicable accounting standards.

- xiv. According to the information and explanations furnished to us during the course of our audit and based on our examination of the records of the Corporation, the Corporation has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the order is not applicable.
- xv. According to the information and explanations furnished to us during the course of our audit, the Corporation has not entered into non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the order is not applicable.
- xvi. According to the information and explanations furnished to us during the course of our audit and based on our examination of the records of the Corporation, the Corporation is not required to be registered under Section 45-IA of the Reserve Bank of India Act 1934.

For M Kamal Mahajan & Co LLP
Chartered Accountants
FRN :006855N/N500061

Suruchi Mahajan
CA Suruchi Mahajan
Partner
M.No:532126
UDIN: 21532126AAAAAD1036



Place: Chandigarh
Date: 21.06.2021

of income-tax, sales- tax, service tax, goods and service tax, duty of customs, duty of excise and value added tax which have not been deposited on account of any dispute, *except as mentioned under Note No. 30 Other Notes on Accounts I. Contingent Liabilities of Notes to Balance Sheet and for those mentioned under Basis for Qualified report paragraph of our report.*

- iii. According to the information and explanations furnished to us during the course of our audit, the Corporation has no outstanding dues to any financial institutions, banks, government, debenture holders during the year. Accordingly, paragraph 3 (viii) of the order is not applicable.
- ix. The Corporation has not raised any money by way of initial public offer or further public offer (including debt instruments) and has not taken any term loans during the year. Accordingly, paragraph 3 (ix) of the order is not applicable.
- x. According to the information and explanations furnished to us during the course of our audit, no material fraud by the Corporation or on the Corporation by its officers or employees has been noticed or reported during the year.
- xi. According to the information and explanations furnished to us during the course of our audit and based on our examination of the records of the Corporation, the Corporation has paid /provided for managerial remuneration in accordance with the provisions of Section 197 read with Schedule V of the Companies Act 2013.
- xii. According to the information and explanations furnished to us during the course of our audit, the Corporation is not a Nidhi Company and accordingly, paragraph 3 (xii) of the order is not applicable to the Corporation.
- xiii. According to the information and explanations furnished to us during the course of our audit, transactions with the related parties are in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable and details of such transactions



reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management of override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become



ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in Para 2(f) under 'Report on other legal and regulatory requirements' section of our report to the Members of Haryana State Roads and Bridges Development Corporation of even date.)

Report on the internal financial controls over financial reporting under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Haryana State Roads and Bridges Development Corporation ("the Corporation") as at 31st March 2020, in conjunction with our audit of the financial statements of the Corporation for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Corporation based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the standards on auditing prescribed under Section 143 (10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those standards and the guidance note require that we comply with ethical requirements and plan and perform the audit to obtain



reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management of override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become



inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Basis for Disclaimer of Opinion

In our opinion, to the best of our information and according to the explanations given to us, and on the basis of the assessment of the internal financial controls over financial reporting, the Corporation has not established its internal financial control over financial reporting on criteria based on or considering the essential components of internal control stated in the Guidance Note on Audit of internal financial controls over financial reporting issued by the ICAI. Because of this reason, we are unable to obtain sufficient appropriate audit evidence to provide a basis for our opinion whether the Corporation had adequate internal financial control over financial reporting and whether such internal financial controls were operating effectively as at 31.03.2020. This disclaimer does not affect our opinion on the financial statements of the Corporation.

Opinion

Because of the significance of the matters described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act"). This disclaimer does not affect our opinion on the financial statements of the Corporation.

For M Kamal Mahajan & Co LLP

Chartered Accountants

FRN :006855N/N500061

Suruchi Mahajan
CA Suruchi Mahajan

Partner

M.No:532126

UDIN: 21532126AAAAAD1036



Place: Chandigarh

Date: 21.06.2021

CMS-1141
11/03/2022

सत्यमेव जयते

भारतीय लेखा एवं लेखापरीक्षा विभाग
कार्यालय प्रधान महालेखाकार (लेखापरीक्षा) हरियाणा
प्लॉट नं.5, सेक्टर 33.बी, दक्षिण मार्ग- चण्डीगढ़-160020
(Indian Audit & Accounts Department)
Office of the Principal Accountant General (Audit),
Haryana, Plot No-5, Sector 33-B, Dakshin Marg,
Chandigarh-160020



अनुचितता नास्त्येति
Dedicated to Truth in Public Interest

No. AMG-III/Cluster -5/HSR&BDCL/Accounts/2019-20/2021-22/ 705

04/3/22

सेवा में,

प्रबन्ध निदेशक,
हरियाणा स्टेट रोड्स एंड ब्रिजिस डेवलपमेंट कारपोरेशन लि.,
बैज न०-13-14,
सेक्टर 2, पंचकुला

MP
GM
DG/II
AO
11/3
11/03
11/3/22

विषय:

कम्पनी अधिनियम 2013 की धारा 143(6)(बी) के अंतर्गत हरियाणा स्टेट रोड्स
एंड ब्रिजिस डेवलपमेंट कारपोरेशन लि., के 31 मार्च 2020 को समाप्त हुए वर्ष के
वार्षिक लेखों पर भारत के नियंत्रक एवं महालेखापरीक्षक की टिप्पणियाँ ।

महोदय,

मैं इस के साथ कम्पनी अधिनियम 2013 की धारा 143
(6) (बी) के अंतर्गत हरियाणा स्टेट रोड्स एंड ब्रिजिस डेवलपमेंट कारपोरेशन लि., के 31
मार्च 2020 को समाप्त हुए वर्ष के वार्षिक लेखों पर भारत के नियंत्रक एवं
महालेखापरीक्षक की टिप्पणियाँ एवं प्रबन्धन पत्र संलग्न करता हूँ ।

टिप्पणियों को कॉर्पोरेशन की वार्षिक महासभा (ए.जी.एम.) में प्रस्तुत
करने की तिथि एवं समय इस कार्यालय को सूचित किया जाए तथा Annual
Report की 2 प्रति इस कार्यालय को प्रेषित की जाए ।

संलग्न: टिप्पणियाँ

भवदीय,
ल. सिंह
उप-महालेखाकार
(ए.एम.जी.- III)



सत्यमेव जयते

भारतीय लेखा एवं लेखापरीक्षा विभाग
कार्यालय प्रधान महालेखाकार (लेखापरीक्षा) हरियाणा
सेक्टर 33.बी, दक्षिण मार्ग- चण्डीगढ़-160020
(Indian Audit & Accounts Department)
Office of the Principal Accountant General (Audit),
Haryana, Plot No-5, Sector 33-B, Dakshin Marg,
Chandigarh-160020



लोकहितार्थं सत्यनिष्ठा
Dedicated to Truth in Public Interest

No. AMG-III/Cluster -5/1SR&BDCL/Accounts/2019-20/2021-22/ 705

Date:-04.03.2022

To

The Managing Director,
Haryana State Road and Bridges Development Corporation Limited,
Bays No. 13-14, Sector-2,
Panchkula - 134 112

Subject: Management letter.

Sir,

The annual accounts of Haryana State Road and Bridges Corporation Limited for the year 2019-20 have been audited and the Comments of the Comptroller and Auditor General of India thereon have been issued vide letter dated 04/03/22. During the course of audit, the following deficiencies were noticed which were not included in the Separate Audit Report. These are being brought to your notice for remedial action.

**A. Comment on Financial Position
Balance Sheet**

I. Fixed Assets (Note-11) - ₹. 177.41 lakh

The above included of ₹. 768040 being the cost of solar power plant after adjusting GST Input of ₹. 65962 while actual payment was made ₹. 667200 (80% of ₹. 834002 the total cost of project) as on 06-02-2020 and shown ₹. 166802 payable to the supplier. But the commercial operation of the solar power point was actually begun (put to use) in the month of July 2020. It should have been shown under CWIP and no depreciation should have been charged on it. But HSRDC accounted it as fixed asset and charged ₹. 8182 as depreciation on it.

Thus, non-showing CWIP in accounts has resulted in overstatement of fixed assets by ₹. 759858, creditor by ₹. 166802 (as it was not confirmed liability because this 20% payment should have been released after satisfactory completion of project),

depreciation by ₹. 8182, GST Input adjustment by Rs 65962 (as it was not the fixed asset) and understatement of CWIP by Rs 667200. Clause 9 of Signification Accounting Policies (Note 29) is also incorrect to that extent.

2. Non-Current Liabilities

- a) Other Long Term Liabilities (Note-5) - ₹. 144.22 Crore
 Securities Money - Rs 114.65 Crore
 b) Trade payable (Note 8) - ₹. 88.21 crore

The Finance Department, Government of Haryana (FD) instructed (March 2011) that all Board/Corporations/societies to whom various departments provide funds for works/purchase will pay an interest @ 6% per annum to such departments on half yearly basis, till the funds are actually utilized by them. However, the company neither paid nor made provision in accounts for the interest amount as required by AS 29.

The BOD of the company decided (December 2018) to take advice of FD in this matter and accordingly referred (January 2019) the case. The FD advised (December 2019) that the interest may be charged according to FD instructions dated 24-10-2019 in this regard. As per the instructions ibid (October 2019), the Government departments/Boards/Corporations etc. will pay interest on the basis of the marginal cost of funds based lending rate (MCLR) of State Bank of India (SBI) prevalent at the time of keeping of idle funds in the banks for the period for which the funds remained idle. However, the company has not made provision for the interest amount in the accounts for the year 2019-20. The detail of **unutilized funds during the whole year** as per Note 5 & 8 above, of various departments/corporations with the company during last three years and interest payable as per FD instructions are given below:

(₹. In crore)

Year	Unutilized funds during the whole year (Note 5)	Unutilized funds during the whole year (Note 8)	Total unutilized funds during the whole year	MCLR of SBI as on 1 st April for one year	Amount of interest for one year
2017-18	162.29	6.81	169.10	8.00	13.53
2018-19	84.84	8.88	93.72	8.15	7.64
2019-20	81.16	5.39	86.55	8.55	7.40

Total amount and interest	349.37		28.57
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As such, ₹. 349.37 crore remained unutilized with the Company for the whole year during 2017-20 and it has not made provision of ₹. 28.57 crore for the annual simple interest at MCLR. Thus, non-provision has resulted in understatement of current liabilities, expenses and overstatement of profit by ₹. 28.57 Crore.

3. Other long term liabilities (Note-5) - ₹. 144.22 crore
Other liability - ₹. 29.58 crore

The above includes an amount of ₹. 98.42 lakh payable (After netting with ₹. 120.69 lakh receivable) on account of stamp duty (@ 1.5% of contract price) as per the agreement and ₹. 5.24 lakh payable (After netting with ₹. 5.13 lakh receivable) on account of registration fees from various contractors on award of toll collection. Court cases filed by the company for recovery of stamp duty have been dismissed from various courts and appeal is also not pending regarding these cases as detailed below:

Sr. No.	Titled of the case	Brief Particulars	Amount involved	Registration fee	Case dismissed as on
1	HSRD C V/s. Pankaj Singla	Pankaj Singla IP-26 [Kala Amb-Sadhaura-Shahbad road(near Himachal Border)]	₹.1,16,250/-	15000/-	23.01.2019
2	HSRD C V/s. Ranbir Singh	Ranbir Singh IP-9 [Sardulgarh-Sirsa Road (near Pb. Border)]	₹.92,638/-	15000/-	06.07.2018
3	HSRD C V/s. Vikas Rajput	Vikas Rajput IP-11 (Jagadhari-Chachhrauli-Paonta road)	₹.1,68,750/-	15000/-	28.02.2018
4	HSRD C V/s. Vikas Rajput	Vikas Rajput IP-11 (Jagadhari-Chachhrauli-Paonta road)	₹.2,18,250/-	15000/-	No report from SE Chandigarh has been received so far for filing

81.

				of Court case.
			Total	
			595888/-	60000/-

As such, there was nothing recoverable from the above detailed contractors on account of stamp duty and registration fee and the recoverable amount of ₹ 6.56 lakh (Stamp duty ₹. 5.96 lakh + Registration fee ₹ 0.60 lakh) should have been written off. This has resulted in understatement of other liability and overstatement of Profit by ₹ 6.56 lakh.

4. Comments on Auditor's Report

1. A reference is invited to clause IV (b) wherein Auditor has stated that provision of interest @ 6% on unused fund of other departments/corporations etc. has not been made as per the instructions of Finance Department, Government of Haryana (FD) dated 09-03-2011. However, the FD has advised (December 2019) that the interest may be charged on the basis of the marginal cost of funds based lending rate (MCLR) of State Bank of India (SBI) prevalent at the time of keeping of idle funds in the banks for the period for which the funds remained idle as per the instructions of FD dated 24-10-2019. As such, the revised instructions of FD should have been quoted by the Auditor.
2. A reference is invited to clause XIII (a) wherein Auditor has stated that the closing balance of General reserves (Note 2) was ₹. 4.28 crore in the annual accounts for the year 2018-19 whereas, this figure for 2018-19 has been depicted as nil in the annual accounts for the year 2019-20. It is further stated that the opening balance of General reserves (Note 2) for the year 2019-20 has been shown as ₹. 4.28 crore instead of nil. A reference is also invited to clause XV wherein Auditor has stated that the overall effect of our basis of qualifications is overstatement of Reserves & Surplus by ₹. 4.28 crore while the other impact is not ascertainable.

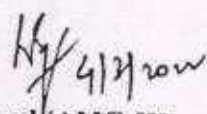
The note of the Statutory Auditor is incorrect because the amount of ₹. 4.28 crore for 2018-19 in the annual accounts for the year 2019-20 has been mistakenly depicted under 'Add: Previous year taxes regrouped' instead of under opening/closing balance of General Reserve (Note 2). However, the opening balance for the year 2019-20 has been rightly shown as ₹. 4.28 crore. Further, the closing balance of ₹. 135.09 crore under Reserve & Surplus (Note 2) for 2018-19 in the annual accounts for the year 2019-20 tallies with the closing balance in the annual accounts for the year 2018-19. Thus, there is no

overstatement of Reserves & Surplus by ₹. 4.28 crore as stated by the Statutory Auditor. The Statutory Auditor's report is deficient to the above extent.

5. General

1. Audit fee amounting ₹. 148480 has been shown under 'Other expenses' (Note 28) which includes ₹. 11000 pertaining to year 2018-19. Whereas, the amount under audit fee should have been ₹. 137480 and ₹. 11000 should have been shown under prior period expenses.
2. A reference is invited to Note 10 of the Notes on accounts wherein auditors remuneration has been shown as ₹. 101480 (Audit fee ₹. 88500 + Tax audit fee ₹. 12980) instead of ₹. 137480. The internal auditor's fee amounting ₹. 36000 has not been added.

Yours faithfully,


Dy. Accountant General (AMG-III)

REPLIES OF COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6) (b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF HARYANA STATE ROADS & BRIDGES DEVELOPMENT CORPORATION LIMITED FOR THE YEAR ENDED 31ST MARCH 2020

Sr. no.	Comments on Financial Position	Reply of HSRDC
<p>I. Balance Sheet I.1 Current Assets I.1.1 Trade Receivables (Note 18) – Rs. 46.08 crore</p>	<p>The above includes Rs. 231.32 Lakh recoverable from Haryana Rural Roads and Infrastructure Development Agency (HARRIDA) on account of excess payment. HARRIDA had also been counter claiming Rs. 159.66 lakh along with interest on account of TDS refunds pertaining to Financial Years 2002-03 to 2007-08. Company decided (February 2021) to pay HARRIDA Rs. 16.49 lakh as interest plus claimed amount of Rs. 159.66 Lakh out of total refund of Rs. 330.45 Lakh received from Income Tax Department, thereby reducing the recoverable amount to Rs. 55.17 lakh (Rs. 231.32 lakh – Rs. 159.66 lakh – Rs. 16.49 lakh).</p> <p>As the payment/adjustment of Rs. 159.66 lakh to HARRIDA was undisputed as on 31-03-2020, the recoverable amount of Rs. 231.32 lakh should have been reduced to Rs. 71.66 lakh (Rs. 231.32 lakh – Rs. 159.66 lakh) in the accounts for the year 2019-20.</p> <p>The non-adjustment of the undisputed claim of HARRIDA has resulted in overstatement of trade receivable as well as profit for the year 2019-20 by Rs. 159.66 lakh.</p>	<p>An amount of Rs. 231.32 Lakh was recoverable from HARRIDA. A meeting was held on 10.2.2021 to decide the issue of refund of TDS amounting to Rs. 159.66 Lakh plus interest of Rs. 16.49 Lakh received from Income Tax Department on account of deposit of funds related to HARRIDA and it was decided in the meeting that an amount of Rs. 176.15 Lakh is payable by HSRDC to HARRIDA (PMGSY) and after adjustment of Rs. 231.32 Lakh (recoverable as mentioned above), an amount of Rs. 55.17 Lakh is payable by HARRIDA to HSRDC.</p> <p>Regarding adjustment of claim of HARRIDA as on 31.03.2020, it is submitted that the claim was under consideration and amount payable was also unascertainable as on 31.03.2020. It is very apparent from the minutes of meeting held on 10.02.2021 that final amount payable to HARRIDA was decided in the said meeting. Due to above mentioned issue as on 31.03.2020, HSRDC has not adjusted the amount payable to HARRIDA with the recoverable amount of Rs. 231.32 lakh. Hence, HSRDC had correctly showed the trade receivable by Rs. 231.32 Lakh without adjusting the claim of HARRIDA as on 31.03.2020.</p> <p>However, after the decision taken in the meeting, the payable amount of Rs. 176.15 Lakh to HARRIDA has been adjusted against the recoverable amount of Rs. 231.32 Lakh from HARRIDA. The Balance amount of Rs. 55.16 Lakh has also been received from HARRIDA on account of recoverable amount against Rs. 231.32 Lakh as decided by the Competent Authority. After receiving amount of Rs. 55.16 Lakh as on date 24.03.2021, the trade receivable has been duly adjusted in the books of accounts accordingly. Hence, all the adjustments were duly complied with in the books of account in the FY 2020-21.</p> <p>In view of the above, the effect of the above mentioned adjustments has only been deferred to the year 2020-21 and so in totality of all the years, no overstatement of profit is there by Rs. 159.66 lakh. Thus, HSRDC showed the balance of HARRIDA as Trade Receivables as on</p>

<p>1.2 Other Current assets (Note 21) Taxes paid for earlier years- Demand paid for AY 2013-14 – Rs. 32.55 crore</p>	<p>31.03.2020 at Rs. 231.32 Lakh on the basis of balance available in the Books of Account as on that date. So, it is requested that this Para may kindly be dropped.</p>
<p>The company deposited Rs. 32.55 crore with the Income Tax Department (ITD) during April 2016 to October 2018 for the AY 2013-14 as per demand raised. The appeal cases for the Assessment Years 2013-14 and 2014-15 were decided (October 2019) in favor of the company. The company had already passed the accounting entry in respect of AY 2014-15 and did not pass accounting entry for Rs. 37.10 crore (including interest) as ordered by ITD in respect of AY 2013-14.</p> <p>As per appeal effect passed (July 2020) by ITD for the AY 2013-14, the amount of Rs. 0.11 crore and Rs. 6.85 crore were adjusted against income tax demands for AY 2011-12 and AY 2012-13 respectively and the balance of Rs. 30.14 crore was refunded. As such, the tax paid amount for the AY 2011-12 and AY 2012-13 should have been increased by Rs. 0.11 crore and Rs. 6.85 crore respectively besides reducing the tax paid amount by Rs. 2.41 crore (Rs. 32.55 crore - Rs. 30.14 crore) for the AY 2013-14. Further, the interest amount of Rs. 4.55 crore (Rs. 37.10 crore - Rs. 32.55 crore) should also have been booked under income.</p> <p>This non-accounting of refund and subsequent adjustment of income tax has resulted in understatement of tax paid amount for the AY 2011-12 and AY 2012-13 by Rs. 0.11 crore and Rs. 6.85 crore respectively, overstatement of tax paid amount for the AY 2013-14 by Rs. 2.41 crore and understatement of profit for the year 2019-20 by Rs. 4.55 crore.</p>	<p>As, the refund amount has been actually received in July 2020 and accordingly compliance is made in next financial year i.e. FY 2020-21 on actual basis. So, all the entries relating to adjustment of Income tax has been duly noted in the books of account for the FY 2020-21. In view of the above, it is requested that this Para may kindly be dropped.</p>

1.3 Current liabilities
Trade Payables (Note 8) – Rs. 88.21 crore

The above has been understated by Rs. 18.41 crore due to non inclusion of works completed during the year 2019-20 but payments made during 2020-21. There is consequent understatement of Current Liabilities and value of work done during the year by Rs. 18.41 crore.

The budget for works is sanctioned to the Corporation on yearly basis by the Government under relevant Head of accounts and accordingly the Budget/ Letter of credit is released under the same Head of Accounts. Therefore, even though the works amounting to Rs. 18.41 Crore has been executed in the Financial year 2019-20, but the expenditure is booked in the books of accounts of the Corporation under the relevant head as and when the Letter of credit / Budget is released by the Government i.e. in the FY 2020-21 on Actual receipt basis so that the expenditure account of the Corporation is duly reconciled with the Budget / Letter of credit released by the Government. As the funds were actually received in the month of April-May 2020 by the Corporation, so the expenditure was booked in that period only.

Hence, Trade Payables balance was shown on Actual basis in the FY 2019-20 but this practice has been rectified in the FY 2020-21 and Works done has been duly recorded on Accrual basis. In view of the above, it is requested that this Para may kindly be dropped.

1.4 Non-current liabilities
Deferred tax liabilities (Net) – Rs. 19.25 lakh

The company had created deferred tax liability of Rs. 59.60 lakh in the year 2017-18. During 2018-19, depreciation as per Companies Act and Income Tax Act were Rs. 18.68 lakh and Rs. 647.70 lakh respectively resulting in timing difference of Rs. 629.02 lakh (Rs. 647.70 lakh - Rs. 18.68 lakh). Therefore, deferred tax liability amounting Rs. 183.17 lakh should have been created, whereas, the company had incorrectly created deferred tax asset of Rs. 183.17 lakh. As such, after netting with the deferred tax liability amounting Rs. 59.60 lakh (Note 4) for the year 2017-18, the deferred tax asset amounting Rs. 123.57 lakh (Note 13) was shown in the accounts for 2018-19 and instead the deferred tax liability of Rs. 242.77 lakh (Rs. 59.60 lakh + Rs. 183.17 lakh) should have been shown.

The company has not corrected the previous accounting treatment during the year 2019-20. During 2019-20, the depreciation as per Companies Act and Income Tax Act were Rs. 18.14 lakh and Rs. 585.60 lakh respectively resulting in deferred tax liability amounting Rs. 142.82 lakh due to timing difference of Rs. 567.46 lakh (Rs. 585.60 lakh - Rs. 18.14 lakh). As such, after netting with the deferred tax asset amounting Rs. 123.57 lakh (Note 13) for the year

As the correction of Accounting treatment of Deferred taxes for the year 2018-19 will be duly complied with in the FY 2021-22 as it was left by mistake to be corrected in the annual accounts for the year 2019-20 and 2020-21 and no such errors will be repeated in the future. So, it is requested that this Para may kindly be dropped.

2018-19, the deferred tax liability amounting Rs. 19.25 lakh (Note 4) has been shown in the accounts for 2019-20, whereas, the deferred tax liability amounting Rs. 385.59 lakh (Rs. 242.77 lakh + Rs. 142.82 lakh) should have been shown.

Thus, non-correction of accounting treatment of deferred taxes for the year 2018-19 has resulted in understatement of non-current liability and overstatement of profit for the current year by Rs. 366.34 lakh (Rs. 385.59 lakh - Rs. 19.25 lakh).

1.5 Other long term liabilities (Note-5) - Rs. 144.22 crore
Other liability – Rs. 29.58 crore

The above has been understated by Rs. 18.38 Lakh (Stamp Duty Rs. 17.46 Lakh + Registration Fee Rs. 0.92 Lakh) arrived at after considering recoverable from seven contractors, cases in respect of recovery from whom have been dismissed by various courts. This has consequently resulted in overstatement of Profit by Rs. 18.38 Lakh.

It is submitted that the status of 7 Court cases as pointed out by Audit regarding recovery of stamp duty in various courts is given as under:-

Sr. No.	Titled of the case	Brief Particulars	Amount involved	Status of case
1	HSRDC V/s. Pankaj Singla	i) Pankaj Singla TP-12 [V/Nagar-Radour-Ladwa-Thanesar road (at Km 42.300 near Yamuna Nagar)]	Rs.7,65,000/-	i) Civil Suit filed on 14.11.2011 was dismissed on 06.01.2016 by Civil Court Chandigarh due to limitations. ii) Appeal filed in District Court Chandigarh was dismissed on 23.01.2019 on account of delay. iii) Legal Advisor HSRDC has opined that Corporation should not file an appeal against the order dated 23.01.2019 as the chances of success in further appeal is very remote particularly as there is a concurrent finding by both the Courts that the suit is time barred as it was filed after the expiry of three years after the contract was expired.
2	HSRDC V/s. K.K. Singh	i) K.K. Singh TP-16 [Sohama-Nuh-Ferozpur-Zhirka-Alwar Road (Near Rajasthan Border)]	Rs.7,06,500/-	i) Civil Suit filed in Civil court Chandigarh was dismissed on 15.12.2015 on the ground of limitation without deciding the case on merit. ii) Appeal filed in the District Court Chandigarh was dismissed on 11.10.2018 on account of delay. iii) Revision petition filed against the order dated 11.10.2018 was dismissed by Hon'ble High Court Chandigarh on 01.05.2019. iv) Sh. Vishal Garg, Advocate opined that the

					<p>decision of Hon'ble High Court Chandigarh is absolutely legal and if the appeal is filed against the order dated 01.05.2019, that would be in vain. Thus, no useful purpose would be served by filing SLP against the judgment dated 01.05.2019.</p> <p>v) Legal Advisor HSRDC has also agreed with opinion of Sh. Vishal Garg, Advocate that there is no scope of getting any relief in the appeal.</p>
3	HSRDC V/s. Umrao Singh HarParshad	<p>i) Umrao Singh HarParshad TP-26</p> <p>ii) [Kala Amb-Sadhaura-Shahbad road/near Himachal Border]]</p>	Rs.1,47,750/-	<p>i. Civil Suit filed in Civil Court Chandigarh was dismissed on 06.01.2016 due to limitation.</p> <p>ii. Appeal filed in District Court Chandigarh dismissed on 23.01.2019.</p> <p>iii. SE Chandigarh vide letter dated 05.04.2019 was requested to supply copy of judgment along with recommendations.</p> <p>iv. No recommendations and opinion of Advocate have been received so far inspite of repeated reminders to SE Chandigarh / EE Naraingarh</p>	
4	HSRDC V/s. M/s. Star India (P) Ltd	<p>i) M/s. Star India (P) Ltd</p> <p>ii) TP-17 ((Shajahan pur-Rewari road near Rajasthan border)</p>	Rs.45,008/-	<p>i) Civil Suit filed was disposed of on 03.03.2014.</p> <p>ii) The appeal was filed and dismissed on 05.10.2015.</p> <p>iii) Legal Advisor HSRDC is of the opinion that we should not challenge the orders of dismissal of Civil Court Chandigarh as it prima-facia appears that Corporation have to spend more money in the litigation if it continues with the case which may be higher than the amount of Rs. 45,008</p>	
5	HSRDC V/s. Ranbir Singh	<p>i) Ranbir Singh TP-21</p> <p>ii) (Barwala-Agroha-Bhadra road)</p>	Rs.28,500/-	<p>i) Civil Suit filed in Civil Court Chandigarh on 14.11.2011 but later on the case was transferred to Civil Court Hisar as per orders of Hon'ble Court. EE PD-I Hisar was authorized to file civil suit in the Civil Court Hisar on 14.03.2016.</p>	

				ii) No report from SE Hisar has been received so far.
				iii) In this case the amount involved is only Rs.28,500/-, a very meagre amount and it is felt that we should not file appeal in this case, as decided in other cases as per opinion of Legal Advisor HSRDC.
6	HSRDC V/s. Pankaj Singla	i) Pankaj Singla TP. 21(Barwala -Agroha- Bhadra road) ii)	Rs.19,238/-	i) Civil Suit filed in Civil Court Chandigarh was dismissed on 06.01.2016 due to limitation. ii) Civil appeal filed in the District Court Chandigarh was disposed off on 16.10.2018. iii) In this case the amount involved is only Rs.19,238/-, a very meagre amount and it is felt that we should not file appeal in this case, as decided in other cases as per opinion of Legal Advisor HSRDC.
7	HSRDC V/s. Naresh Kumar	i) Naresh Kumar TP-28 ii) (Bhatulud esar-Jamal road upto Rajasthan Border)	Rs.33,788/-	i) Civil Suit filed in Civil Court Hisar was decided on 11.07.2018 due to limitation. ii) On opinion of Legal Advisor HSRDC, it has been decided that we should not go for appeal in this case as the amount in this case is only Rs.33,788/-.

However, the case for written off amount with regard to cases mentioned at Sr. No. 1,2,4,5,6 and 7 is being processed and will be considered in the FY 2021-22. Legal opinion in the case mentioned at Sr. No. 3 is being taken from Advocate to take further action in the matter accordingly. Thus, the effect of the above mentioned cases has only been deferred to the year 2021-22 and so in totality of all the years no overstatement of profit is there by Rs. 18.38 lakh.

Since the matter of written off and filing of appeal is under consideration, therefore, the compliance in the matter is required to be taken after final decision by Competent Authority. Hence, this para may kindly be dropped.

<p>1.6 Contingent liability (Note 30) Disputed court cases – Rs. 377.74 crore</p> <p>The above does not include:</p> <ol style="list-style-type: none"> 1. claim value Rs. 86.80 crore of arbitration case relating to work of improvement of Gurgaon-Nuh-Rajasthan Border (SH-13) km 7.200 to km 95.890; and 2. claim of Rs. 42.75 crore plus interest amounting Rs. 81.38 crore of arbitration cases relating to work of improvement of Punhan-Jurhera road and providing service lane and drains on Gurugram-Nuh-Alwar road in Gurugram and Mewat District which was decided against the company for Rs. 42.75 crore on 26 December 2020. 	<p>Sincere efforts have been made to disclose the relevant information, but due to oversight the error has been occurred. However, more sincere efforts will be made to avoid such type of mistakes in future. As the compliance has been made in Financial Year 2020-21, so keeping in view of the above facts, this para may kindly be dropped.</p>
<p>B. Comments on Profitability 2 Statement of Profit and loss 2.1 Expenses 2.2 Other expenses (Note 28) Rs. 3.08 crore</p> <p>The above does not include GST @ 18% amounting Rs. 28.41 lakh to be paid on Liquidated Damages (LD) of Rs. 157.83 lakh (Rs. 72 lakh + Rs. 85.83 lakh) recovered from the suppliers as per Section 15(2) of CGST Act, 2017 which requires that any penalty recovered from suppliers against any form of consideration by them was taxable.</p> <p>The non-accountal of GST on LD has resulted in understatement of the other expenses and liabilities as well as overstatement of profit by Rs. 28.41 lakh.</p>	<p>As with regard to the deduction of GST on LD, the provisions of GST @ 18 % will be complied in the books of accounts in the FY 2021-22 and necessary action will be taken to recover the GST amount from the concerned authority by HSRDC.</p> <p>Therefore, it is requested that this para may kindly be dropped.</p>
<p>C. General</p> <p>In terms of Indian Accounting Standards (IndAS) rules notified (February 2015) by Ministry of Corporate Affairs, Govt. Of India, every unlisted company having net-worth of Rs. 250 crore or more but less than Rs. 500 crore shall comply with the IndAS from the immediate next accounting year beginning on or after 1 April 2017.</p> <p>The Company had a net worth of Rs. 257.13 crore (Rs. 122.04 crore + Rs. 135.09 crore) as on 31-03-2019. Therefore, the annual accounts for the year 2019-20 were to be prepared in compliance with the IndAS which has not been done. The Statutory Auditors have also failed to comment in their report.</p>	<p>As per directions given by the office of Principal Accountant General (Audit), Haryana, Chandigarh, the Annual Accounts of HSRDC has been re-casted as per IndAS from the FY. 2017-18 onwards. Since the compliances have been made with regard to IndAS, therefore, this para may kindly be dropped.</p>

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2020

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Haryana State Roads and Bridges Development Corporation Limited
Bay No 13-14, Sector 2
Panchkula Haryana- 134109

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Haryana State Roads and Bridges Development Corporation Limited** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on March 31, 2020 **has complied with the statutory provisions listed hereunder** and has followed proper Board-processes and compliance-mechanism in place to the extent, **except the following points mentioned hereunder:**

I have examined the books, papers, minute books, forms and returns filed and other records maintained by **Haryana State Roads and Bridges Development Corporation Limited** ("the Company") for the financial year ended on March 31, 2020 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder; **(Not Applicable to the company)**
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder; **(Not Applicable to the company)**
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; **(Not Applicable as the company does not have any Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings)**

Suresh
Kumar
Pillay

- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): **(Not Applicable as the company is not a listed company)**
- a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) (Amendment) Regulations, 2013; **(Not Applicable as the company is not a listed company)**
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992; **(Not Applicable as the company is not a listed company)**
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009- **(Not applicable as the company is not a listed company)**
 - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999- **(Not applicable as the company is not a listed company).**
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008- Not applicable as the company has not issued any debt securities during the financial year under review. **(Not applicable as the company is not a listed company).**
 - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client- **(Not applicable as the company is not a listed company).**
 - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009- - **(Not applicable as the company is not a listed company).**
 - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998- Not applicable as the company has not bought back any of its securities during the financial year under review. **(Not applicable as the company is not a listed company).**

VI. The Management has identified and confirmed the following laws as specifically applicable to the company

- i. The Factories Act, 1948, The Payment of Wages Act, 1936,
- ii. The Environment (Protection) Act, 1986
- iii. The Minimum Wages Act, 1948,
- iv. The Payment of Bonus Act, 1965,
- v. Industrial Dispute Act, 1947, Employee State Insurance Act, 1948,
- vi. The Employee's Provident Fund and Miscellaneous Provisions Act, 1952,
- vii. The Payment of Gratuity Act, 1972,
- viii. The Industrial Employment (Standing Order) Act, 1946,
- ix. Equal Remuneration Act, 1976,
- x. The Employment Exchange (Compulsory Notification of Vacancies) Act, 1956.

I have also examined compliance with the applicable clauses of the following:

- a) Secretarial Standards issued by The Institute of Company Secretaries of India.

Suresh
Kumar
Pillay

Chartered Secretary
The Institute of Company Secretaries of India
100, Park Road, Anna Salai, Chennai - 600 002
Tamil Nadu
India
Ph: 044-2435 5500
Fax: 044-2435 5501
www.icsi.org

b) During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following Non compliances and observation:

i. During the course of our audit, the following discrepancies/observation were observed with respect to various compliances under the Companies Act 2013:

- a) The Corporation had not conducted the quarterly committee and board meeting, which was scheduled on 27.03.2020 due the lockdown imposed by the state Government and Central Government due to outbreak of COVID 19. Further the Ministry had also granted extension for holding the Board Meeting of Last quarter and same was conducted on 20.05.2020.
- b) The Corporation has not obtained the utilization Certificate for the amount spent in pursuance of its Corporate Social Responsibility Policy.
- c) The Corporation has neither obtained confirmation from its supplier about their registration status under Micro, Small and Medium Enterprises Development Act, 2006 nor segregated its suppliers into Micro or Small or Medium Enterprises or Non-MSME Enterprises. The details regarding the outstanding dues to Micro, Small and Medium Enterprises were neither made available to us nor separately depicted in the financial statement (as per Section 22 of Micro, Small and Medium Enterprises Development Act, 2006). As such, due to lack of sufficient information, we are unable to comment if the Corporation is required to file the MSME Form - 1 and provide for the compound interest with monthly rests (as per Section 16 of Micro, Small and Medium Enterprises Development Act, 2006) if any in the financial statement on the outstanding amount due to Suppliers whose balances is due beyond the appointed day or forty five days, as the case maybe
- d) The Corporation Annual General Meeting for the financial year 2018-2019 was held on 27/09/2019 but the meeting stands adjourned due to non-finalization of accounts and non receipt of comments of Comptroller and Auditor General of India and held 24.03.2021. Hence the signing of audited financial statement was not as per the provisions of section 134 of the Act and report of directors is as per sub - sections (3), (4) and (5) thereof. Hence the corporation had contravened the provisions of Section 134 of the Companies Act 2013
- e) The Corporation had not filed audited adopted financial statement in AOC-4 XBRL for the financial Year 2018-19 due to non receipt of comments of Comptroller and Auditor General of India during the year. However, the comments of Comptroller and Auditor General of India were received on 13.01.2021 and accordingly the audited adopted financial statement in AOC-4 XBRL for the financial Year 2018-19 was filed on 19.04.2021.

- f) The Corporation had not conducted its first quarterly committee meeting of Audit committee and Nomination Remuneration Committee. As the composition of the Committee was approved by the Board on 26.06.2019 and changed on 27.06.2019 due to the transfer of Non-Executive Director and the same was reconstituted in its subsequent board meeting held on 06.09. . Hence the corporation had contravened the provisions of Section 177 of the Companies Act 2013
- g) As per the various applicable provisions of the Companies Act, 2013 , the corporation maintained the Statutory Registers as per the Companies Act, 2013 except Fixed Assets Register.
- h) During the year, the tenure of five years of independent director (Sh. Hardeep Kumar Malhotra) was completed on 15.03.2020. As such there is one independent director instead of two after 15.03.2020 which is not in accordance with Section 149 sub section 4 of Companies Act, 2013 and Section 149 of Companies Act, 2013 read with second Proviso to Rule 4 of Companies (Appointment & Qualification of Directors) Rules 2014. Section 172 of Companies Act, 2013 states that if a company is in default in complying with any of the provisions of this Chapter and for which no specific penalty or punishment is provided therein, the company and every officer of the company who is in default shall be liable to a penalty of fifty thousand rupees, and in case of continuing failure, with a further penalty of five hundred rupees for each day during which such failure continues, subject to a maximum of three lakh rupees in case of a company and one lakh rupees in case of an officer who is in default.

Based on our examination and the information received and records maintained, I further report that

1. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
2. Adequate notice is given to all directors to schedule the Board Meetings agenda and detailed notes on agenda were sent well in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
3. All decisions are carried through majority while the dissenting members' views, if any, are captured and recorded as part of the minutes.
4. The company has proper board processes.

Based on the compliance mechanism established by the company and on the basis of the compliance certificate(s) issued by the Management/ Officers and taken on record by the board of directors in their meeting(s), I am of an opinion that:

Suresh
Kumar
Pillay

Chartered Accountant
Firm: Suresh Kumar Pillay & Co.
101, 102, 103, 104, 105, 106, 107, 108, 109, 110, 111, 112, 113, 114, 115, 116, 117, 118, 119, 120, 121, 122, 123, 124, 125, 126, 127, 128, 129, 130, 131, 132, 133, 134, 135, 136, 137, 138, 139, 140, 141, 142, 143, 144, 145, 146, 147, 148, 149, 150, 151, 152, 153, 154, 155, 156, 157, 158, 159, 160, 161, 162, 163, 164, 165, 166, 167, 168, 169, 170, 171, 172, 173, 174, 175, 176, 177, 178, 179, 180, 181, 182, 183, 184, 185, 186, 187, 188, 189, 190, 191, 192, 193, 194, 195, 196, 197, 198, 199, 200, 201, 202, 203, 204, 205, 206, 207, 208, 209, 210, 211, 212, 213, 214, 215, 216, 217, 218, 219, 220, 221, 222, 223, 224, 225, 226, 227, 228, 229, 230, 231, 232, 233, 234, 235, 236, 237, 238, 239, 240, 241, 242, 243, 244, 245, 246, 247, 248, 249, 250, 251, 252, 253, 254, 255, 256, 257, 258, 259, 260, 261, 262, 263, 264, 265, 266, 267, 268, 269, 270, 271, 272, 273, 274, 275, 276, 277, 278, 279, 280, 281, 282, 283, 284, 285, 286, 287, 288, 289, 290, 291, 292, 293, 294, 295, 296, 297, 298, 299, 300, 301, 302, 303, 304, 305, 306, 307, 308, 309, 310, 311, 312, 313, 314, 315, 316, 317, 318, 319, 320, 321, 322, 323, 324, 325, 326, 327, 328, 329, 330, 331, 332, 333, 334, 335, 336, 337, 338, 339, 340, 341, 342, 343, 344, 345, 346, 347, 348, 349, 350, 351, 352, 353, 354, 355, 356, 357, 358, 359, 360, 361, 362, 363, 364, 365, 366, 367, 368, 369, 370, 371, 372, 373, 374, 375, 376, 377, 378, 379, 380, 381, 382, 383, 384, 385, 386, 387, 388, 389, 390, 391, 392, 393, 394, 395, 396, 397, 398, 399, 400, 401, 402, 403, 404, 405, 406, 407, 408, 409, 410, 411, 412, 413, 414, 415, 416, 417, 418, 419, 420, 421, 422, 423, 424, 425, 426, 427, 428, 429, 430, 431, 432, 433, 434, 435, 436, 437, 438, 439, 440, 441, 442, 443, 444, 445, 446, 447, 448, 449, 450, 451, 452, 453, 454, 455, 456, 457, 458, 459, 460, 461, 462, 463, 464, 465, 466, 467, 468, 469, 470, 471, 472, 473, 474, 475, 476, 477, 478, 479, 480, 481, 482, 483, 484, 485, 486, 487, 488, 489, 490, 491, 492, 493, 494, 495, 496, 497, 498, 499, 500, 501, 502, 503, 504, 505, 506, 507, 508, 509, 510, 511, 512, 513, 514, 515, 516, 517, 518, 519, 520, 521, 522, 523, 524, 525, 526, 527, 528, 529, 530, 531, 532, 533, 534, 535, 536, 537, 538, 539, 540, 541, 542, 543, 544, 545, 546, 547, 548, 549, 550, 551, 552, 553, 554, 555, 556, 557, 558, 559, 560, 561, 562, 563, 564, 565, 566, 567, 568, 569, 570, 571, 572, 573, 574, 575, 576, 577, 578, 579, 580, 581, 582, 583, 584, 585, 586, 587, 588, 589, 590, 591, 592, 593, 594, 595, 596, 597, 598, 599, 600, 601, 602, 603, 604, 605, 606, 607, 608, 609, 610, 611, 612, 613, 614, 615, 616, 617, 618, 619, 620, 621, 622, 623, 624, 625, 626, 627, 628, 629, 630, 631, 632, 633, 634, 635, 636, 637, 638, 639, 640, 641, 642, 643, 644, 645, 646, 647, 648, 649, 650, 651, 652, 653, 654, 655, 656, 657, 658, 659, 660, 661, 662, 663, 664, 665, 666, 667, 668, 669, 670, 671, 672, 673, 674, 675, 676, 677, 678, 679, 680, 681, 682, 683, 684, 685, 686, 687, 688, 689, 690, 691, 692, 693, 694, 695, 696, 697, 698, 699, 700, 701, 702, 703, 704, 705, 706, 707, 708, 709, 710, 711, 712, 713, 714, 715, 716, 717, 718, 719, 720, 721, 722, 723, 724, 725, 726, 727, 728, 729, 730, 731, 732, 733, 734, 735, 736, 737, 738, 739, 740, 741, 742, 743, 744, 745, 746, 747, 748, 749, 750, 751, 752, 753, 754, 755, 756, 757, 758, 759, 760, 761, 762, 763, 764, 765, 766, 767, 768, 769, 770, 771, 772, 773, 774, 775, 776, 777, 778, 779, 780, 781, 782, 783, 784, 785, 786, 787, 788, 789, 790, 791, 792, 793, 794, 795, 796, 797, 798, 799, 800, 801, 802, 803, 804, 805, 806, 807, 808, 809, 810, 811, 812, 813, 814, 815, 816, 817, 818, 819, 820, 821, 822, 823, 824, 825, 826, 827, 828, 829, 830, 831, 832, 833, 834, 835, 836, 837, 838, 839, 840, 841, 842, 843, 844, 845, 846, 847, 848, 849, 850, 851, 852, 853, 854, 855, 856, 857, 858, 859, 860, 861, 862, 863, 864, 865, 866, 867, 868, 869, 870, 871, 872, 873, 874, 875, 876, 877, 878, 879, 880, 881, 882, 883, 884, 885, 886, 887, 888, 889, 890, 891, 892, 893, 894, 895, 896, 897, 898, 899, 900, 901, 902, 903, 904, 905, 906, 907, 908, 909, 910, 911, 912, 913, 914, 915, 916, 917, 918, 919, 920, 921, 922, 923, 924, 925, 926, 927, 928, 929, 930, 931, 932, 933, 934, 935, 936, 937, 938, 939, 940, 941, 942, 943, 944, 945, 946, 947, 948, 949, 950, 951, 952, 953, 954, 955, 956, 957, 958, 959, 960, 961, 962, 963, 964, 965, 966, 967, 968, 969, 970, 971, 972, 973, 974, 975, 976, 977, 978, 979, 980, 981, 982, 983, 984, 985, 986, 987, 988, 989, 990, 991, 992, 993, 994, 995, 996, 997, 998, 999, 1000

1. There are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
2. Apart from the laws and the regulations stated above, there are no specific acts applicable to the company which are specific to the industry in which the company is currently operating.

I, further report that during the audit period, there were no instances of:

- (i) Public / Rights / Preferential issue of shares / debentures / sweat equity.
- (ii) Redemption / buy-back of securities.
- (iii) Merger / amalgamation / reconstruction etc.
- (iv) Foreign technical collaborations.

Place: Zirakpur
Date : 25.06.2021

**Suresh
Kumar
Pillay**

Suresh Kumar Pillay
ACS No. 43865
C P No.: 21089
UDIN: A043865C000516361

This report is to be read with our letter of event date which is annexed as "Annexure A" and forms an integral part of this report.

"Annexure-A"

To,
The Members,
Haryana State Roads and Bridges Development Corporation Limited
Bay No 13-14, Sector 2
Panchkula Haryana- 134109

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records, based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of secretarial records. The verification was done on test basis to ensure that the correct facts are reflected in secretarial records. We believe that the processes and practices, we followed, provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the company.
4. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the extent of verification of procedures on test basis.
6. The secretarial audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company

Place: Zirakpur
Date : 25.06.2021

Suresh
Kumar
Pillay
Suresh Kumar Pillay
ACS No. 43865
C P No.: 21089
UDIN: A043865C000516361

A. **FORMAT FOR THE ANNUAL REPORT ON CSR ACTIVITIES TO BE INCLUDED IN THE BOARD'S REPORT**

1. A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.

Soft copy of CSR policy is enclosed.

2. The composition of the CSR Committee.

3.

S. No	Designation
1.	Executive Director/ Non-executive Director
2.	Executive Director/ Non-executive Director
3.	One Independent Director

4. Average net profit of the company for last three financials years.

Net profits of preceding 3 years:

- 2018-19- Rs. 23,64,05,002
- 2017-18- Rs. 24,94,89,022
- 2016-17- Rs. 31,69,17,734

5. Prescribed CSR Expenditure (two per cent. of the amount as in item 3 above).

$$2\% \text{ of average net profit of 3 years} = 2\%((23,64,05,002+24,94,89,022+31,69,17,734)/3)=Rs.53,52,078$$

6. Details of CSR spent during the financial year.

(a) Total amount to be spent for the financial year;
Rs. 54 lacs approximately

(b) Amount unspent, if any;
NIL

(c) Manner in which the amount spent during the financial year is detailed below.

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No	CSR project or activity Identified	Sect or in whi	Projects or programs (1) Local	Amoun t outlay (budget	Amount spent on the projects or programs	Cumulati ve expendit	Amount spent: Direct or

		ch the project is covered	area or other (2) Specify the state and district where projects or programs was undertaken) project or programs wise	sub-Heads: (1) Direct expenditure on projects or programs (2) Overheads:	ure upto the reporting period.	through implementing agency
1.	Environmental Sustainability	Plan tation	Gurugram	38 lacs	6.43 lacs	6.43 lacs	Through imple-nting agency
2.	Welfare of differently-abled persons	Wel fare of Deaf and dumb children	Panchkula	48 lacs	48 lacs	48 lacs	Through imple-nting agency
3.							
	Total						

- In case the company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.

N.A.

- A responsibility statement of CSR Committee that the implementation and monitoring of CSR policy, is in compliance with CSR objectives and policy of the company.

A responsibility statement of CSR Committee that the implementation and monitoring of CSR policy, is in compliance with CSR objectives and policy of the company Will be provided at the earliest

- B.** Details of information relating to schedule VII-Projects (numbers),the amount provided and amount spent there against.

Sr. No	Head of expenditure	No. of projects sanctioned	Estimated Amount to be spent	No of project on which work started	Actual amount spent
	Urban slum development				
	Rural development				
	PM relief fund				

Rural sports					
Technology incubation					
Environment sustainability	1	38 lacs	1	6.43 lacs	
Armed forces					
Heritage, Art & culture					
Gender equality					
Education and skills	1	48 lacs	1	48 lacs	
Healthcare					

C. Actual to prescribed spent by the CPSE

Exactly as prescribed
