



22nd Annual Report

Financial Year 2020-21

Haryana State Roads & Bridges Development Corporation Limited

Bays No. 13-14, Sector-2, Panchkula-134112 (Haryana)
CIN: U45203HR1999SGC034240



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



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



| No. | /CS/HSRDC | Dated: |
|-----|---------------------------------------|-------------|
| 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 22nd Adjourned Annual General Meeting of HSRDC to be held on 29.09.2023 at 03:30 p.m.

Notice is hereby given that the 22nd 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 **29.09.2023 at 03:30 p.m.** 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 2020-21.

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

Anil Kumar Dahiya
(Managing Director, HSRDC)

Endst. No. /CS/HSRDC

Dated:

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 (PWD)
3. Sh. Karan Gilhotra, Independent Director

Co-Chairman-PHD Chamber, Punjab

- | | |
|--|----------------------|
| 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 Kansal Jain & Associates, Chartered Accountants | Statutory Auditor |
| 2. CS. Suresh Pillay Company Secretary | Secretarial Auditor |

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

Anil Kumar Dahiya
(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

1. Name:

Address:

E-mail Id:

Signature:, or failing him

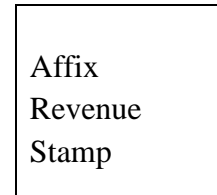
as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at 21st Adjourned Annual General Meeting of members of the Company, to be held on 25.07.2022 at 12:00 noon at the Registered office of the Company at Bays No. 13-14, Sector-2, Panchkula and at any adjournment thereof in respect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

Resolution No.1

Signed this day of..... 2022

Signature of Shareholder

Signature of Proxy holder(s)



Note: This form of proxy in order to be effective should be duly completed and deposited 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.
CIN: U45203HR1999SGC034240



BOARD OF DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present the 22nd Annual Report on performance of HSRDC during F.Y. 2020-21 together with Audited Financial Statements and Auditor's report for the Financial Year ended 31st March 2021.

Financial Review:

The financial performance of the Company for the year ended 31st March, 2021 alongwith comparative position of the previous year is as under:

| Particulars | Financial Year 2020-21 (Rs. In lakh) | Financial Year 2019-20 (Rs. In lakh) |
|----------------------------------|---|---|
| Profit before depreciation | 1639.01 | 1992.03 |
| Less: provision for depreciation | 16.02 | 18.14 |
| Add: Exceptional Items | (71.71) | 6.36 |
| Net profit | 1551.28 | 1980.25 |

1. Share Capital

As on March 31, 2021, 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.2020-21.

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. 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.

6. 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.

7. Reserves

The Balance in Reserves stands at Rs. 173.17 Crore as on 31st March, 2021. The previous year balance of Reserves was Rs. 149.76 Crore.

8. Change of name

There is no Change in the name of the Company.

9. 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.

10. 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 | 16.04.2023 |
| 2. | Sh. Anil Kumar Dahiya | E-I-C PWD (B&R) | Managing Director | 10.02.2023 |
| 3. | Sh. N. K. Tomar | CE (Roads) PWD (B&R) | Nominee Director | 17.02.2022 |
| 4. | Sh. Karan Gilhotra | Co-Chairman- PHD Chamber Punjab | Independent Director | 02.12.2020 |

| | | | | |
|----|---------------------------|--------------------------------------|----------------------|------------|
| 5. | Sh. Hardeep Kumar Mahotra | Owner, Ottoman Industries, Faridabad | Independent Director | 24.03.2021 |
| 6. | Sh. Vishal Seth | Former Tech.Advisor, Hry.Govt. | Independent Director | 23.6.2021 |
| 7. | Smt. Sheilza Bhatia | Secretary General (Women) Hry., JJP | Independent Director | 23.6.2021 |

11. Changes in Board

The composition of the Board of Directors and KMP has undergone some changes during the FY 2020-21. The following Directors and KMP have been appointed/ transferred/retired/ ceased to be Directors of the Company from 01.04.2020 till 31.03.2021: -

| S. NO. | DATE | NAME | POSITION | DIN/ PAN | NATURE OF CHANGE |
|--------|------------|-------------------|----------------------|----------|------------------|
| 1. | 30.06.2020 | VIRENDER JAKHAR | NOMINEE DIRECTOR | 08631865 | Retirement |
| 2. | 29.08.2020 | HARDEEP MAHOTRA | INDEPENDENT DIRECTOR | 00219216 | Cessation |
| 3. | 26.08.2020 | NIHAL SINGH | MANAGING DIRECTOR | 02973269 | Appointment |
| 4. | 30.09.2020 | RAJEEV ARORA | CHAIRMAN | 00263865 | Transfer |
| 5. | 30.09.2020 | ALOK NIGAM | CHAIRMAN | 02973269 | Appointment |
| 6. | 02.12.2020 | KARAN GILHOTRA | INDEPENDENT DIRECTOR | 01900164 | Appointment |
| 7. | 22.12.2020 | PRATIBHA AGGARWAL | INDEPENDENT DIRECTOR | 08422858 | Resignation |
| 8. | 15.12.2020 | P.K.DHAKA | NOMINEE DIRECTOR | 09028855 | Appointment |
| 9. | 24.03.2021 | HARDEEP MAHOTRA | INDEPENDENT DIRECTOR | 00219216 | Appointment |

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.

12. 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 2020-21, 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.) |
|--------------------------|------------------------|-------------------------|--------------------------------|
| 81 | 20.05.2020 | 6 | 4 |
| 82 | 28.07.2020 | 5 | 3 |
| 83 | 11.11.2020 | 4 | 3 |
| 84 | 03.03.2021 | 5 | 5 |

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

| COMMITTEE | MEETING NO. | DATE OF MEETING | TOTAL MEMBERS | DIRECTORS PRESENT |
|------------------|--------------------|------------------------|----------------------|--------------------------|
| AUDIT | 03 | 20.05.2020 | 4 | 2 |
| | 04 | 15.09.2020 | 3 | 2 |
| | 05 | 14.01.2021 | 4 | 3 |
| | 06 | 03.03.2021 | 4 | 3 |
| CSR | 04 | 20.05.2020 | 4 | 2 |
| | 05 | 15.09.2020 | 3 | 2 |
| | 06 | 14.01.2021 | 4 | 3 |
| | 07 | 03.03.2021 | 4 | 3 |
| NRC | 03 | 15.09.2020 | 3 | 2 |
| | 04 | 14.01.2021 | 3 | 2 |
| | 05 | 03.03.2021 | 3 | 2 |

14. 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.

15. Independent Directors

As on 31.03.2021, there were 2 Independent Directors in HSRDC namely Sh. Hardeep Kumar Mahotra and Sh. Karan Gilhotra. On the date of this report, 2 more Independent Directors have been appointed by Haryana Govt. order in HSRDC namely Sh. Vishal Seth and Smt. Sheilza Bhatia.

16. 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.

17. Declaration by Independent Directors

During the F.Y. 2020-21, 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 Independent Directors of HSRDC are empanelled on the Independent Directors Databank, maintained by Indian Institute of Corporate Affairs (IICA).

18. 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 2020-21. The Annual Accounts of F.Y. 2020-21 including Balance Sheet, Profit & Loss Account, Cash Flow Statement, Notes on Financial Statement and statutory audit report thereon is annexed herewith. (**Annexure-2**)

19. 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. 2020-21 have been annexed alongwith replies of Management.(**Annexure-3**)

20. 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. 2020-21. The Secretarial Audit Report submitted by the said Company Secretary is annexed herewith. (**Annexure-4**)

21. 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.

22. 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.

23. 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.

24. Foreign exchange earnings and Outgo

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

25. 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.46,00,000/- was incurred towards CSR expenditure through contribution towards PM CARES Fund by the Corporation in respect of F.Y. 2020-21. A detailed annexure of CSR activities undertaken during F.Y. 2020-21 is annexed herewith.(**Annexure-5**)

26. 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.

27. Transfer of Amounts to Investor Education and Protection Fund

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

28. 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;

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 arm's 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:

| Related Party | Name | Salary (in Rs.) |
|-------------------------|-----------------|------------------------|
| Managing Director | Sh. Nihal Singh | 10.59 lakhs |
| Chief Financial Officer | Sh. B. D. Mehta | 8.87 lakhs |
| Company Secretary | Smt. Dolly Gaur | 5.56 lakhs |

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

Place: **N.K.Tomar** **Anil Kumar Dahiya**
Dated: **(Nominee Director, HSRDC) (Managing Director, HSRDC)**

HARYANA STATE ROADS & BRIDGES DEVELOPMENT CORPORATION LIMITED



ANNUAL FINANCIAL STATEMENTS / BALANCE SHEET

F.Y **:2020-21**
A.Y **:2021-22**

HARYANA STATE ROADS & BRIDGES DEVELOPMENT CORPORATION LIMITED
BAYS NO. 13-14, SECTOR-2, PANCHKULA-134112 (HARYANA)

HARYANA STATE ROADS AND BRIDGES DEVELOPMENT CORPORATION LTD
Balance sheet as at March 31, 2021

Amount in Rs. Lakhs

| Particulars | Notes | March 31, 2021 | March 31, 2020 | March 31, 2019 | March 31, 2018 |
|---------------------------------------|-------|------------------|------------------|------------------|------------------|
| ASSETS | | | | | |
| (A) NON CURRENT ASSETS | | | | | |
| i Property, Plant and Equipment | 1 | 168.92 | 177.43 | 182.23 | 187.83 |
| ii Capital Work-in-Progress | | - | - | - | - |
| iii Investment Property | | - | - | - | - |
| iv Financial Assets | | | | | |
| Investment | 2 | - | - | - | - |
| Loans | 3 | - | - | - | - |
| v Deferred Tax Assets (Net) | 4 | 1,070.61 | - | 123.57 | - |
| vi Other Non Current Assets | 5 | 3,780.37 | 980.95 | 552.97 | 257.12 |
| (B) CURRENT ASSETS | | | | | |
| i Inventories | 6 | - | - | - | - |
| ii Financial Assets | | | | | |
| (a) Trade Receivables | 7 | 4,340.45 | 4,607.52 | 4,793.96 | 5,874.03 |
| (b) Cash & Cash Equivalents | 8 | 42,951.16 | 35,028.54 | 32,880.10 | 38,910.39 |
| (d) Loans | 3 | - | - | - | - |
| iii Other Current Assets | 5 | 7,486.05 | 10,139.71 | 10,239.45 | 3,922.25 |
| Total Assets | | 59,797.56 | 50,934.15 | 48,772.28 | 49,151.62 |
| EQUITY AND LIABILITIES | | | | | |
| (C) EQUITY | | | | | |
| i Equity Share capital | 9 | 12,204.23 | 12,204.23 | 12,204.23 | 12,204.23 |
| ii Other Equity | | | | | |
| (a) Reserve & Surplus | 10 | 16,888.90 | 14,548.27 | 13,080.57 | 11,039.22 |
| (b) Other Reserves | | 428.31 | 428.31 | 428.31 | (5,020.28) |
| Total Equity | | 29,521.44 | 27,180.81 | 25,713.11 | 18,223.17 |
| (D) LIABILITIES | | | | | |
| Non Current Liabilities | | | | | |
| i Financial Liabilities | | | | | |
| Borrowings | 11 | - | - | - | - |
| Other Financial Liabilities | 11 | 14,828.71 | 14,422.23 | 15,030.21 | 24,283.35 |
| ii Provisions | 12 | - | - | - | - |
| iii Deferred Tax Liabilities (Net) | 4 | - | 19.25 | - | 59.60 |
| Current Liabilities | | | | | |
| i Financial Liabilities | | | | | |
| (a) Borrowings | 11 | - | - | - | - |
| (b) Trade payables | 14 | 14,937.97 | 8,821.41 | 7,430.84 | 5,880.00 |
| (c) Other Financial Liabilities | 11 | - | - | - | - |
| ii Other Current Liabilities | 13 | 208.92 | 120.70 | 92.38 | 44.30 |
| iii Provisions | 12 | 300.52 | 369.75 | 505.74 | 661.20 |
| Total Equity & Liabilities | | 59,797.56 | 50,934.15 | 48,772.28 | 49,151.62 |

The above financial statement should be read in conjunction with the basis of preparation and Significant accounting policies appearing in Notes to the Financial Statements

For Haryana State Roads & Bridges Development Corporation Limited

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

Nihal Singh
(Managing Director)
(DIN : 08688708)

N.K. Tomar
(CE Roads, Nominee Director)
(DIN : 09538579)

M.No :
Firm Regn. No. :-

Place :
Dated :

B. D. Mehta
(Chief Financial Officer)

Dolly Gaur
(Company Secretary)

HARYANA STATE ROADS AND BRIDGES DEVELOPMENT CORPORATION LTD
Statement of Profit and Loss for the year ended 31st March 2021

Amount in Rs.
Lakhs

| Particulars | Notes | March 31, 2021 | March 31, 2020 | March 31, 2019 | March 31, 2018 |
|--|-------|-----------------|-----------------|-----------------|-----------------|
| Continuing operations | | | | | |
| Income | | | | | |
| Revenue from Operations | 15 | 141.81 | 127.76 | 174.68 | 179.55 |
| Other Income | 16 | 2,313.12 | 2,728.84 | 2,874.72 | 3,216.31 |
| Total Income | | 2,454.93 | 2,856.60 | 3,049.40 | 3,395.86 |
| Expenses | | | | | |
| Cost of Raw Material and Components Consumed | 17 | - | - | - | - |
| Changes in inventories of finished goods, work in progress and traded goods | 17A | - | - | - | - |
| Employee Benefits Expense | 18 | 518.38 | 556.51 | 487.18 | 359.12 |
| Finance Costs | 19 | 0.01 | 0.04 | 0.08 | 0.17 |
| Depreciation and Amortization Expense | 1 | 16.02 | 18.11 | 18.69 | 12.64 |
| Other Expenses | 20 | 297.53 | 308.03 | 123.85 | 529.04 |
| Total Expenses | | 831.94 | 882.69 | 629.80 | 900.97 |
| -Profit/(Loss) before exceptional and extraordinary items and tax | | 1,622.99 | 1,973.91 | 2,419.60 | 2,494.89 |
| - Exceptional Items- Previous year Incomes/Expenses | | (71.71) | 6.36 | (55.68) | - |
| - Profit before extraordinary items and tax | | 1,551.28 | 1,980.27 | 2,363.92 | 2,494.89 |
| Income tax expense | | (789.35) | 512.57 | 322.57 | 720.80 |
| (1) Current tax | | 300.52 | 369.75 | 505.74 | 661.20 |
| (2) Deferred tax | | (1,089.87) | 142.82 | (183.17) | 59.60 |
| (3) Mat Credit | | - | - | - | - |
| Profit/(Loss) for the year from Continuing operations | | 2,340.63 | 1,467.70 | 2,041.35 | 1,774.09 |
| Discontinuing operations | | | | | |
| Profit/(loss) after tax for the year from discontinued operations | 21 | - | - | - | - |
| Tax Income/ (expense) of discontinued operations | | - | - | - | - |
| Profit/ (loss) for the year from discontinued operations | | - | - | - | - |
| Profit/(Loss) for the year | | 2,340.63 | 1,467.70 | 2,041.35 | 1,774.09 |
| Other comprehensive income/(loss) | | | | | |
| Other comprehensive income not to be reclassified to profit or loss | | - | - | - | - |
| Other comprehensive income that will be reclassified to Profit or Loss | | - | - | - | - |
| Income tax effect | | - | - | - | - |
| Other comprehensive income/(loss) for the year, net of tax | | - | - | - | - |
| Total comprehensive income for the year, net of tax attributable to : | | 2,340.63 | 1,467.70 | 2,041.35 | 1,774.09 |
| Earnings per equity share (Nominal Value of Share INR 10 per share) | | | | | |
| Basic earning per share | | 1.92 | 1.20 | 1.67 | 1.45 |
| Diluted earning per share | | 1.92 | 1.20 | 1.67 | 1.45 |

The above financial statement should be read in conjunction with the basis of preparation and Significant accounting policies appearing in Notes to the Financial Statements

For Haryana State Roads & Bridges Development Corporation Limited

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

Nihal Singh
(Managing Director)
(DIN : 08688708)

N.K. Tomar
(CE Roads, Nominee Director)
(DIN : 09538579)

M.No :
Firm Regn. No. :-
Place:
Dated:

B. D. Mehta
(Chief Financial Officer)

Dolly Gaur
(Company Secretary)

HARYANA STATE ROADS & BRIDGES DEVELOPMENT CORPORATION LTD

CASH FLOW STATEMENT

| | PARTICULARS | YEAR 2021 | YEAR 2020 | YEAR 2019 | YEAR 2018 |
|----|--|-----------------|-----------------|-----------------|------------------|
| A. | Cash Flow From Operating Activities | | | | |
| | Net profit after taxes (as per Statement of Profit & loss) | 2,340.63 | 1,467.70 | 2,041.35 | 1,774.09 |
| | Adjustment for taxes | (789.35) | 512.57 | 322.57 | (720.80) |
| | Net Profit before tax and extraordinary items(as per Statement of Profit and Loss) | 1,551.28 | 1,980.26 | 2,363.92 | 1,053.29 |
| | Adjustments for non Cash/ Non trade items: | 0 | | | |
| | Depreciation & Amortization Expenses | 16.02 | 18.11 | 18.69 | 12.64 |
| | Finance Cost | 0.01 | 0.04 | 0.08 | 0.17 |
| | Other inflows / (Outflows) of cash | -2311.95 | 0.00 | 0.00 | -5020.28 |
| | Income Tax (Paid) / Refund of previous years | -369.75 | -505.74 | 5448.59 | 0 |
| | | 0 | | | |
| | Operating profits before Working Capital Changes | -1114.38 | 1492.69 | 7831.27 | -3752.18 |
| | Adjusted For: | | | | |
| | (Increase) / Decrease in trade receivables | 267.07 | 186.44 | 1080.07 | 508.28 |
| | Increase / (Decrease) in trade payables | 6116.54 | 1390.56 | 1550.84 | -3771.52 |
| | Increase / (Decrease) in other current liabilities | 88.22 | 28.33 | -613.14 | -2721.48 |
| | (Increase) / Decrease in other current assets | 2653.68 | 100.11 | -6317.03 | -3907.60 |
| | Cash generated from Operations | 8011.12 | 3198.13 | 3532.02 | -13644.50 |
| | Net Cash flow from Operating Activities(A) | 8011.12 | 3198.13 | 3532.02 | -13644.50 |
| B. | Cash Flow From Investing Activities | | | | |
| | Purchase of tangible assets | -7.60 | -31.31 | -13.08 | -23.72 |
| | Cash advances and loans made to other parties | -2799.43 | -428.35 | -296.01 | -0.05 |
| | Cash advances and loans received back | 0 | 0 | 0 | 68.30 |
| | Other Inflow / (Outflows) of cash | 2718.43 | -607.98 | -9253.13 | 2730.18 |
| | Net Cash used in Investing Activities(B) | -88.60 | -1049.65 | -9562.22 | 2774.71 |
| C. | Cash Flow From Financing Activities | | | | |
| | Finance Cost | -0.01 | -0.04 | -0.08 | -0.17 |
| | Other Inflows / (Outflows) of cash | | | | |
| | Net Cash used in Financing Activities(C) | -0.01 | -0.04 | -0.08 | -0.17 |
| | Net Increase / (Decrease) in Cash & Cash Equivalents(A+B+C) | 7922.62 | 2148.43 | -6030.28 | -9632.42 |
| E. | Cash & Cash Equivalents at Beginning of period | 35028.54 | 32880.10 | 38910.39 | 48542.81 |
| F. | Cash & Cash Equivalents at End of period | 42951.16 | 35028.54 | 32880.10 | 38910.39 |
| 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.

As per our report of even date attached.

For M. Kamal Mahajan & Co. LLP
Chartered Accountants

Nihal Singh
(Managing Director)
(DIN : 08688708)

N.K. Tomar
(CE Roads, Nominee Director)
(DIN : 09538579)

M.No :
Firm Regn. No. :-

Place :

Date:

B. D. Mehta
(Chief Financial Officer)

Dolly Gaur
(Company Secretary)

HARYANA STATE ROADS AND BRIDGES DEVELOPMENT CORPORATION LTD
NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2021

Amount in Rs. Lakhs

Note: 1 Property, Plant and Equipment (PPE)

| Particulars | Land | Building | Computer and Printer | Telephone | Photocopy Machine | Furniture And Fixtures | Car | CCTV Camera | Electrical Equipmnt | Air Conditioner | GPS System | Water Purifier | Books and Periodicals | Cycle | Solar Power Plant | Office Equipment | Grant Asset | Total | Captial Work-in-progress |
|--|--------------|---------------|----------------------|-------------|-------------------|------------------------|--------------|-------------|---------------------|-----------------|-------------|----------------|-----------------------|-------------|-------------------|------------------|-------------|---------------|--------------------------|
| Transition as at 1 April 2017 | | | | | | | | | | | | | | | | | | | |
| Gross carrying amount | | | | | | | | | | | | | | | | | | | |
| Deemed cost as at 1 April 2017 | 20.65 | 140.20 | 1.39 | 0.18 | 0.99 | 3.02 | 5.69 | 0.07 | 3.86 | 0.29 | 0.01 | 0.19 | 0.21 | 0.00 | 0.00 | 0.00 | 0.00 | 176.75 | 0.00 |
| <i>Additions/(Reduction) on account of</i> | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| PPE on account of Government grant received under EPCG License Scheme | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Unamortised processing charges | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Closing gross carrying amount as at 1 April 2017 | 20.65 | 140.20 | 1.39 | 0.18 | 0.99 | 3.02 | 5.69 | 0.07 | 3.86 | 0.29 | 0.01 | 0.19 | 0.21 | 0.00 | 0.00 | 0.00 | 0.00 | 176.75 | 0.00 |
| Accumulated depreciation as at 1 April 2017 | | | | | | | | | | | | | | | | | | | |
| <i>Additions/(Reduction) on account of</i> | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Depreciation charged at transition on Property, plant and equipment EPCG | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Closing accumulated depreciation as at 1 April 2017 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Net carrying amount as at 1 April 2017 | 20.65 | 140.20 | 1.39 | 0.18 | 0.99 | 3.02 | 5.69 | 0.07 | 3.86 | 0.29 | 0.01 | 0.19 | 0.21 | 0.00 | 0.00 | 0.00 | 0.00 | 176.75 | 0.00 |
| Year ended 31 March 2018 | | | | | | | | | | | | | | | | | | | |
| Gross carrying amount | | | | | | | | | | | | | | | | | | | |
| Opening gross carrying amount | 20.65 | 140.20 | 1.39 | 0.18 | 0.99 | 3.02 | 5.69 | 0.07 | 3.86 | 0.29 | 0.01 | 0.19 | 0.21 | 0.00 | 0.00 | 0.00 | 0.00 | 176.75 | 0.00 |
| Additions | 0.00 | 0.00 | 6.16 | 0.41 | 0.00 | 2.62 | 14.19 | 0.00 | 0.34 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 23.72 | 0.00 |
| Disposals | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Closing gross carrying amount as at 31 March 2018 | 20.65 | 140.20 | 7.55 | 0.59 | 0.99 | 5.64 | 19.88 | 0.07 | 4.20 | 0.29 | 0.01 | 0.19 | 0.21 | 0.00 | 0.00 | 0.00 | 0.00 | 200.47 | 0.00 |
| Accumulated depreciation | | | | | | | | | | | | | | | | | | | |
| Opening accumulated depreciation | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Depreciation charged during the year | 0.00 | 6.83 | 1.42 | 0.16 | 0.24 | 0.88 | 2.03 | 0.00 | 0.92 | 0.07 | 0.00 | 0.05 | 0.04 | 0.00 | 0.00 | 0.00 | 0.00 | 12.64 | 0.00 |
| Depreciation charged during the year from discountoung operation | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Disposals | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Closing accumulated depreciation as at 31 March 2018 | 0.00 | 6.83 | 1.42 | 0.16 | 0.24 | 0.88 | 2.03 | 0.00 | 0.92 | 0.07 | 0.00 | 0.05 | 0.04 | 0.00 | 0.00 | 0.00 | 0.00 | 12.64 | 0.00 |
| Net carrying amount as at 31 March 2018 | 20.65 | 133.37 | 6.13 | 0.43 | 0.75 | 4.76 | 17.85 | 0.07 | 3.28 | 0.22 | 0.01 | 0.14 | 0.17 | 0.00 | 0.00 | 0.00 | 0.00 | 187.83 | 0.00 |
| Year ended 31 March 2019 | | | | | | | | | | | | | | | | | | | |
| Gross carrying amount | | | | | | | | | | | | | | | | | | | |
| Opening gross carrying amount | 20.65 | 140.20 | 7.55 | 0.59 | 0.99 | 5.64 | 19.88 | 0.07 | 4.20 | 0.29 | 0.01 | 0.19 | 0.21 | 0.00 | 0.00 | 0.00 | 0.00 | 200.47 | 0.00 |

| Particulars | Land | Building | Computer and Printer | Telephone | Photocopy Machine | Furniture And Fixtures | Car | CCTV Camera | Electrical Equipmnt | Air Conditioner | GPS System | Water Purifier | Books and Periodicals | Cycle | Solar Power Plant | Office Equipment | Grant Asset | Total | Capitail Work-in-progress |
|--|--------------|---------------|----------------------|-------------|-------------------|------------------------|--------------|-------------|---------------------|-----------------|-------------|----------------|-----------------------|-------------|-------------------|------------------|-------------|---------------|---------------------------|
| Additions | 0.00 | 0.00 | 2.61 | 0.07 | 0.00 | 3.36 | 0.00 | 0.00 | 0.66 | 6.11 | 0.00 | 0.15 | 0.15 | 0.00 | 0.00 | 0.00 | 0.00 | 13.11 | 0.00 |
| Disposals | 0.00 | 0.00 | 0.00 | 0.00 | 0.02 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.02 | 0.00 |
| Closing gross carrying amount as at 31 March 2019 | 20.65 | 140.20 | 10.16 | 0.66 | 0.97 | 9.00 | 19.88 | 0.07 | 4.86 | 6.40 | 0.01 | 0.34 | 0.36 | 0.00 | 0.00 | 0.00 | 0.00 | 213.56 | 0.00 |
| Accumulated depreciation | | | | | | | | | | | | | | | | | | | |
| Opening accumulated depreciation | 0.00 | 6.83 | 1.42 | 0.16 | 0.24 | 0.88 | 2.03 | 0.00 | 0.92 | 0.07 | 0.00 | 0.05 | 0.04 | 0.00 | 0.00 | 0.00 | 0.00 | 12.64 | 0.00 |
| Depreciation charged during the year | 0.00 | 6.50 | 4.34 | 0.12 | 0.19 | 1.59 | 4.62 | 0.02 | 0.95 | 0.27 | 0.00 | 0.05 | 0.04 | 0.00 | 0.00 | 0.00 | 0.00 | 18.69 | 0.00 |
| Depreciation charged during the year from discountoung operation | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Disposals | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Closing accumulated depreciation as at 31 March 2019 | 0.00 | 13.33 | 5.76 | 0.28 | 0.43 | 2.47 | 6.65 | 0.02 | 1.87 | 0.34 | 0.00 | 0.10 | 0.08 | 0.00 | 0.00 | 0.00 | 0.00 | 31.33 | 0.00 |
| Net carrying amount as at 31 March 2019 | 20.65 | 126.87 | 4.40 | 0.38 | 0.54 | 6.53 | 13.23 | 0.05 | 2.99 | 6.06 | 0.01 | 0.24 | 0.28 | 0.00 | 0.00 | 0.00 | 0.00 | 182.23 | 0.00 |
| Year ended 31 March 2020 | | | | | | | | | | | | | | | | | | | |
| Gross carrying amount | | | | | | | | | | | | | | | | | | | |
| Opening gross carrying amount | 20.65 | 140.20 | 10.16 | 0.66 | 0.97 | 9.00 | 19.88 | 0.07 | 4.86 | 6.40 | 0.01 | 0.34 | 0.36 | 0.00 | 0.00 | 0.00 | 0.00 | 213.56 | 0.00 |
| Additions | 0.00 | 0.00 | 2.25 | 0.05 | 0.00 | 1.43 | 0.00 | 0.00 | 0.24 | 1.24 | 0.00 | 0.15 | 0.00 | 0.00 | 7.68 | 0.27 | 0.00 | 13.31 | 0.00 |
| Disposals | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Closing gross carrying amount as at 31 March 2020 | 20.65 | 140.20 | 12.41 | 0.71 | 0.97 | 10.43 | 19.88 | 0.07 | 5.10 | 7.64 | 0.01 | 0.49 | 0.36 | 0.00 | 7.68 | 0.27 | 0.00 | 226.87 | 0.00 |
| Accumulated depreciation | | | | | | | | | | | | | | | | | | | |
| Opening accumulated depreciation | 0.00 | 13.33 | 5.76 | 0.28 | 0.43 | 2.47 | 6.65 | 0.02 | 1.87 | 0.34 | 0.00 | 0.10 | 0.08 | 0.00 | 0.00 | 0.00 | 0.00 | 31.33 | 0.00 |
| Depreciation charged during the year | 0.00 | 6.18 | 3.51 | 0.11 | 0.14 | 1.89 | 3.42 | 0.01 | 0.92 | 1.71 | 0.00 | 0.05 | 0.05 | 0.00 | 0.08 | 0.04 | 0.00 | 18.11 | 0.00 |
| Depreciation charged during the year from discountoung operation | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Disposals | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Closing accumulated depreciation as at 31 March 2020 | 0.00 | 19.51 | 9.27 | 0.39 | 0.57 | 4.36 | 10.07 | 0.03 | 2.79 | 2.05 | 0.00 | 0.15 | 0.13 | 0.00 | 0.08 | 0.04 | 0.00 | 49.44 | 0.00 |
| Net carrying amount as at 31 March 2020 | 20.65 | 120.69 | 3.14 | 0.32 | 0.40 | 6.07 | 9.81 | 0.04 | 2.31 | 5.59 | 0.01 | 0.34 | 0.23 | 0.00 | 7.60 | 0.23 | 0.00 | 177.43 | 0.00 |
| Year ended 31 March 2021 | | | | | | | | | | | | | | | | | | | |
| Gross carrying amount | | | | | | | | | | | | | | | | | | | |
| Opening gross carrying amount | 20.65 | 140.20 | 12.41 | 0.71 | 0.97 | 10.43 | 19.88 | 0.07 | 5.10 | 7.64 | 0.01 | 0.49 | 0.36 | 0.00 | 7.68 | 0.27 | 0.00 | 226.87 | 0.00 |
| Additions | 0.00 | 0.00 | 1.26 | 0.20 | 0.00 | 4.10 | 0.00 | 0.00 | 0.88 | 0.61 | 0.00 | 0.41 | 0.06 | 0.00 | 0.08 | 0.01 | 0.00 | 7.61 | 0.00 |
| Disposals | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.10 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.10 | 0.00 |
| Closing gross carrying amount as at 31 March 2021 | 20.65 | 140.20 | 13.67 | 0.91 | 0.97 | 14.53 | 19.88 | 0.07 | 5.98 | 8.25 | 0.01 | 0.80 | 0.42 | 0.00 | 7.76 | 0.28 | 0.00 | 234.38 | 0.00 |
| Accumulated depreciation | | | | | | | | | | | | | | | | | | | |
| Opening accumulated depreciation | 0.00 | 19.51 | 9.27 | 0.39 | 0.57 | 4.36 | 10.07 | 0.03 | 2.79 | 2.05 | 0.00 | 0.15 | 0.13 | 0.00 | 0.08 | 0.04 | 0.00 | 49.44 | 0.00 |
| Depreciation charged during the year | 0.00 | 5.88 | 2.27 | 0.11 | 0.10 | 2.08 | 2.54 | 0.01 | 0.72 | 1.49 | 0.00 | 0.17 | 0.04 | 0.00 | 0.55 | 0.06 | 0.00 | 16.02 | 0.00 |
| Depreciation charged during the year from discountoung operation | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Disposals | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |

HARYANA STATE ROADS AND BRIDGES DEVELOPMENT CORPORATION LTD

NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2021

| 2. Investments | March 31, 2021 | March 31, 2020 | March 31, 2019 | March 31,2018 |
|---|-----------------------|-----------------------|-----------------------|----------------------|
| Investment in Shares (Unquoted) | - | - | - | - |
| Less: Fair Valuation of Shares as on Transition | - | - | - | - |
| | - | - | - | - |
| Current | - | - | - | - |
| Non-Current | - | - | - | - |

Amount in Rs. Lakhs

| 3. Financial Assets | March 31, 2021 | March 31, 2020 | March 31, 2019 | March 31,2018 |
|---|-----------------------|-----------------------|-----------------------|----------------------|
| (Unsecured, considered good, unless otherwise stated) | | | | |
| Loans | - | - | - | - |
| Security Deposits | - | - | - | - |
| Others | - | - | - | - |
| | - | - | - | - |
| Current | - | - | - | - |
| Non-Current | - | - | - | - |

| 4. Deferred Tax Assets/Liabilities (Net) | March 31, 2021 | March 31, 2020 | March 31, 2019 | March 31,2018 |
|---|-----------------------|-----------------------|-----------------------|----------------------|
| MAT Credit | - | - | - | - |
| Deferred Tax Asset/(Liability) | 1,070.61 | (19.25) | 123.57 | (59.60) |
| | 1,070.61 | (19.25) | 123.57 | (59.60) |

As per our report of even date attached.

For M. Kamal Mahajan & Co. LLP

Chartered Accountants

Nihal Singh

(Managing Director)

(DIN : 08688708)

N.K. Tomar

(CE Nominee Director)

(DIN : 09538579)

M.No :

Place :

Dated :

B. D. Mehta

(Chief Financial Officer)

Dolly Gaur

(Company Secretary)

HARYANA STATE ROADS AND BRIDGES DEVELOPMENT CORPORATION LTD

NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2021

4. Deferred Tax Assets/Liabilities (Net)

Amount in Rs. Lakhs

| Deferred tax relates to the following: | Balance Sheet | | | | Profit & Loss | |
|--|----------------|----------------|----------------|----------------|----------------|----------------|
| | March 31, 2021 | March 31, 2020 | March 31, 2019 | March 31, 2018 | March 31, 2021 | March 31, 2020 |
| Accelerated depreciation for tax purposes | 1,070.61 | (19.25) | 123.57 | (59.60) | (1,165.50) | 142.82 |
| Prepayments | - | - | - | - | - | - |
| Fair Valuation of Long Term Investments | - | - | - | - | - | - |
| Provision for Gratuity/Leave Encashment | - | - | - | - | - | - |
| Loans & Advances | - | - | - | - | - | - |
| Other Liabilities | - | - | - | - | - | - |
| Unabsorbed Depreciation | - | - | - | - | - | - |
| Tax during the period recognized in OCI | - | - | - | - | - | - |
| Deferred Tax Expense/(Income) | - | - | - | - | (1,165.50) | 142.82 |
| Net Deferred Tax Assets/(Liabilities) | 1,070.61 | (19.25) | 123.57 | (59.60) | - | - |

As per our report of even date attached.

For M. Kamal Mahajan & Co. LLP

Chartered Accountants

M.No :

Firm Regn. No. :-

Nihal Singh

(Managing Director)

(DIN : 08688708)

B. D. Mehta

(Chief Financial Officer)

N.K. Tomar

(CE Roads, Nominee Director)

(DIN : 09538579)

Dolly Gaur

(Company Secretary)

Place :

Dated :

NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2021 Amount in Rs. Lakhs

| Reconciliation of deferred tax liabilities (net): | March 31, 2021 | March 31, 2020 | March 31, 2019 | March 31,2018 |
|---|-----------------------|-----------------------|-----------------------|----------------------|
| Opening balance | - | - | - | - |
| Tax income/(expense) during the period recognized in profit or loss | (789.35) | 142.82 | (183.17) | 59.60 |
| Tax income/(expense) during the period recognized in OCI | - | - | - | - |
| Closing balance as at 31 March | (789.35) | 142.82 | (183.17) | 59.60 |
| 5. Other Assets | March 31, 2021 | March 31, 2020 | March 31, 2019 | March 31,2018 |
| Other Non-Current Assets | - | - | - | - |
| Other Advances | | | | |
| -Security Deposits | 131.29 | 1.30 | 1.19 | 1.18 |
| -Mobilization Advance | 2,821.02 | 18.88 | 18.88 | 114.73 |
| -Advance with Contractors, others | 823.31 | 956.02 | 528.15 | 136.44 |
| - Advances To staff | 0.10 | 0.10 | 0.10 | 0.10 |
| - Testing Charges Recoverable | 4.65 | 4.65 | 4.65 | 4.67 |
| Closing balance as at 31 March | 3,780.37 | 980.95 | 552.97 | 257.12 |
| Other Current Assets | | | | |
| - Others | 0.04 | 0.53 | 0.16 | - |
| - Prepaid expenses | 1.03 | 0.63 | 0.67 | 0.83 |
| - Advance to employees | 1.31 | 1.73 | 4.17 | 2.06 |
| - Advance to Suppliers | 0.07 | 0.08 | - | - |
| Interest and other Receivable | | | | |
| - Accrued Interest | 4.80 | 0.68 | 2.27 | - |
| - NPS | - | - | 0.08 | - |
| Balance with Revenue Authorities | | | | |
| TDS | 159.81 | 171.74 | 38.04 | 144.95 |
| Advance tax | 112.47 | 258.00 | 737.07 | 963.00 |
| Sales Tax Receivable | 1.93 | 1.93 | 1.93 | 1.93 |
| Taxes deposited under protest/appeal | | | | |
| - Demand paid for AY 2011-12 | 1,029.07 | 1,018.35 | 1,018.35 | - |
| - Demand paid for AY 2012-13 | 4,600.72 | 3,915.73 | 3,915.73 | 159.92 |
| - Demand paid for AY 2013-14 | - | 3,255.40 | 3,255.40 | 2,649.56 |
| - Demand paid for AY 2016-17 | 661.43 | 661.43 | 681.43 | - |
| - Refund for AY 2020-21 | 59.89 | - | - | - |
| - Refund for AY 2018-19 | 584.15 | 584.15 | 584.15 | - |
| - Refund for AY 2019-20 | 269.33 | 269.33 | - | - |
| | 7,486.05 | 10,139.71 | 10,239.45 | 3,922.25 |
| Current Assets | 7,486.05 | 10,139.71 | 10,239.45 | 3,922.25 |
| Non-current Assets | 3,780.37 | 980.95 | 552.97 | 257.12 |
| 6. Inventories | March 31, 2021 | March 31, 2020 | March 31, 2019 | March 31,2018 |
| (a) Raw Materials (at Cost) | - | - | - | - |
| (b) Work-in-progress (including appropriate overhead) | - | - | - | - |
| (c) Finished Goods (at lower of cost and net realisable value) | - | - | - | - |
| (d) Stock at depot (at lower of cost and net realisable value) | - | - | - | - |
| (e) Stores and spares (at Cost) | - | - | - | - |
| (f) Packing Material (at Cost) | - | - | - | - |
| (g) Fuel (at Cost) | - | - | - | - |
| | - | - | - | - |
| 7. Trade receivables | March 31, 2021 | March 31, 2020 | March 31, 2019 | March 31,2018 |
| (Unsecured, considered good) | | | | |
| Trade receivables | 4,460.67 | 4,727.74 | 4,914.18 | 5,994.25 |
| Less:- Provision for doubtful debt | 120.22 | 120.22 | 120.22 | 120.22 |
| | 4,340.45 | 4,607.52 | 4,793.96 | 5,874.03 |
| <p>No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.</p> <p>As per our report of even date attached.</p> <p>For M. Kamal Mahajan & Co. LLP</p> <p>Chartered Accountants</p> <p align="center">Nihal Singh (Managing Director)</p> <p align="center">N.K. Tomar (CE Roads, Nominee Director) DIN : 09538579)</p> <p>M.No : (DIN : 08688708)</p> <p>Firm Regn. No. :-</p> <p>Place : B. D. Mehta Dolly Gaur</p> <p>Dated : (Chief Financial Officer) (Company Secretary)</p> | | | | |

NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2021

Amount in Rs Lakhs

| 8. Cash and cash equivalent | March 31, 2021 | March 31, 2020 | March 31, 2019 | March 31, 2018 |
|---|------------------|------------------|------------------|------------------|
| (A) Balances with Banks | | | | |
| <i>(I) Bank balances held as margin money or as security against:</i> | | | | |
| (i) Guarantees | - | - | - | - |
| (ii) Letters of Credit | - | - | - | - |
| (iii) Other commitments | - | - | - | - |
| (II) On Current Accounts | 2,192.98 | 16,958.60 | 28,783.03 | 15,585.56 |
| (III) On FDRs | 40,758.12 | 18,069.65 | 4,096.77 | 23,324.40 |
| (IV) Accrued Interest | - | 0.14 | - | 0.01 |
| (B) Cheques, drafts on hand | | | | |
| (C) Cash-in-hand | 0.06 | 0.15 | 0.30 | 0.42 |
| | 42,951.16 | 35,028.54 | 32,880.10 | 38,910.39 |
| Cash & Cash Equivalents | 42,951.16 | 35,028.54 | 32,880.10 | 38,910.39 |
| Bank Balance other than above | | - | - | - |

| 9. Share Capital | No. of Shares | INR Lakhs |
|-------------------------------------|---------------|-----------|
| Authorised Share Capital | | |
| Equity Shares | | |
| At April 1, 2017 | 125,000,000 | 12,500.00 |
| Increase/(decrease) during the year | - | - |
| At March 31, 2018 | 125,000,000 | 12,500.00 |
| Increase/(decrease) during the year | - | - |
| At March 31, 2019 | 125,000,000 | 12,500.00 |
| Increase/(decrease) during the year | - | - |
| At March 31, 2020 | 125,000,000 | 12,500.00 |
| Increase/(decrease) during the year | - | - |
| At March 31, 2021 | 125,000,000 | 12,500.00 |

Terms/ rights attached to equity shares

The company has only one class of equity shares having par value of INR 10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends, if any, in Indian rupees. The dividend proposed, if any, by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

| Issued Share Capital | No. of Shares | INR Lacs |
|-------------------------------------|----------------------|------------------------------------|
| Equity Shares | | |
| At April 1, 2017 | 122,042,300 | 12,204.23 |
| Issued during the year | - | - |
| At March 31, 2018 | 122,042,300 | 12,204.23 |
| Issued during the year | - | - |
| At March 31, 2019 | 122,042,300 | 12,204.23 |
| Issued during the year | - | - |
| At March 31, 2020 | 122,042,300 | 12,204.23 |
| Issued during the year | - | - |
| At March 31, 2021 | 122,042,300 | 12,204.23 |
| Subscribed Share Capital | | |
| Equity Shares of INR 10 each | No. of Shares | Subscribed & Fully Paid |
| At April 1, 2017 | 122,042,300 | 12,204.23 |
| Issued during the year | - | - |
| At March 31, 2018 | 122,042,300 | 12,204.23 |
| Issued during the year | - | - |
| At March 31, 2019 | 122,042,300 | 12,204.23 |
| Issued during the year | - | - |
| At March 31, 2020 | 122,042,300 | 12,204.23 |
| Issued during the year | - | - |
| At March 31, 2021 | 122,042,300 | 12,204.23 |

As per our report of even date attached.

For M. Kamal Mahajan & Co. LLP

Chartered Accountants

M.No :

Firm Regn. No. :-

Place :

Dated:

Nihal Singh

(Managing Director)

(DIN : 08688708)

B. D. Mehta

(Chief Financial Officer)

N.K. Tomar

(CE Roads, Nominee Director)

(DIN : 09538579)

Dolly Gaur

(Company Secretary)

Statement of Changes in equity for the year ended March 31, 2021 (Amount in Rs. Lakhs)

a. Equity Share Capital:

| | No. of Shares | |
|--|---------------|-----------|
| Equity shares of INR 10 each issued, subscribed and fully paid | | |
| At April 1, 2017 | 122,042,300 | 12,204.23 |
| Equity shares issued | - | - |
| At March 31, 2018 | 122,042,300 | 12,204.23 |
| Equity shares issued | - | - |
| At March 31, 2019 | 122,042,300 | 12,204.23 |
| Equity shares issued | - | - |
| At March 31, 2020 | 122,042,300 | 12,204.23 |
| Equity shares issued | - | - |
| At March 31, 2021 (Refer Note on. 11) | 122,042,300 | 12,204.23 |

b. Other Equity

For the year ended March 31, 2021

| | Attributable to the equity holders | | Total Equity |
|---|------------------------------------|-------------------|-----------------|
| | Reserves and Surplus | | |
| | Security Premium | Retained Earnings | |
| As at April 1, 2020 | 428.31 | 14,548.27 | 14,976.58 |
| Profit for the year | - | 2,340.63 | 2,340.63 |
| Other comprehensive income for the year | - | - | - |
| At March 31, 2021 | 428.31 | 16,888.90 | 17317.21 |

For the year ended March 31, 2020

| | Attributable to the equity holders | | Total Equity |
|---|------------------------------------|-------------------|------------------|
| | Reserves and Surplus | | |
| | Security Premium | Retained Earnings | |
| As at April 1, 2019 | 428.31 | 13,080.57 | 13,508.88 |
| Profit for the year | - | 1,467.70 | 1,467.70 |
| Other comprehensive income for the year | - | - | - |
| At March 31, 2020 | 428.31 | 14,548.27 | 14,976.58 |

For the year ended March 31, 2019

| | Attributable to the equity holder | | Total Equity |
|---|-----------------------------------|-------------------|------------------|
| | Reserves and Surplus | | |
| | Security Premium | Retained Earnings | |
| As at April 1, 2018 | (5,020.28) | 11,039.22 | 6,018.94 |
| Profit for the year | - | 2,041.35 | 2,041.35 |
| Other comprehensive income for the year | - | - | - |
| Previous Year Taxes Regrouped | 5,448.59 | - | 5,448.59 |
| At March 31, 2019 | 428.31 | 13,080.57 | 13,508.88 |

For the year ended March 31, 2018

| | Attributable to the equity holder | | Total Equity |
|---|-----------------------------------|-------------------|-----------------|
| | Reserves and Surplus | | |
| | Security Premium | Retained Earnings | |
| As at April 1, 2017 | - | 9,265.13 | 9,265.13 |
| Profit for the year | - | 1,774.09 | 1,774.09 |
| Other comprehensive income for the year | - | - | - |
| Previous Year Taxes Regrouped | (5,020.28) | - | (5,020.28) |
| At March 31, 2018 | (5,020.28) | 11,039.22 | 6,018.94 |

For Haryana State Roads & Bridges Development Corporation Limited

The above financial statement should be read in conjunction with the basis of preparation and Significant accounting policies appearing in Notes to the Financial Statements

As per our report of even date attached.

For M. Kamal Mahajan & Co. LLP

Chartered Accountants
M.No :

Firm Regn. No. :-

Place :

Dated :

Nihal Singh
(Managing Director)

(DIN : 08688708)

B. D. Mehta
(Chief Financial Officer)

N.K. Tomar
(CE Roads, Nominee Director)

(DIN : 09538579)

Dolly Gaur
(Company Secretary)

HSRDC: NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2021

Details of shareholders shares in the Company

| Name of the shareholder | As at 31 March 2021 | | As at 31 March 2020 | | As at 31 March 2019 | | As at 31 March 2018 | |
|--|---------------------|------------------------|---------------------|------------------------|---------------------|------------------------|---------------------|------------------------|
| | No. of shares | % holding in the class | No. of shares | % holding in the class | No. of shares | % holding in the class | No. of shares | % holding in the class |
| Equity Shares of INR 10 each | | | | | | | | |
| Sh. Rajeev Arora | - | 0.000000 | 10 | 0.000008 | - | 0.000000 | - | 0.000000 |
| Sh. Rajeev Aggarwal | - | 0.000000 | 10 | 0.000008 | 10 | 0.000008 | - | 0.000000 |
| Sh. Virender Jakhar | - | 0.000000 | 10 | 0.000008 | - | 0.000000 | - | 0.000000 |
| Sh. Alok Nigam | 10 | 0.000008 | - | 0.000000 | 10 | 0.000008 | 10 | 0.000008 |
| Sh. Rakesh Manocha | - | 0.000000 | - | 0.000000 | 10 | 0.000008 | 10 | 0.000008 |
| Sh. R. K. Gandhi | - | 0.000000 | - | 0.000000 | 10 | 0.000008 | - | 0.000000 |
| Sh. G. D. Goel | - | 0.000000 | - | 0.000000 | 10 | 0.000008 | 10 | 0.000008 |
| Sh. H. R. Raheja | - | 0.000000 | - | 0.000000 | 10 | 0.000008 | 10 | 0.000008 |
| Sh. A. K. Goel | - | 0.000000 | - | 0.000000 | 10 | 0.000008 | 10 | 0.000008 |
| Sh. Anup Chauhan | - | 0.000000 | - | 0.000000 | - | 0.000000 | 10 | 0.000008 |
| Chief Engineer PWD | - | 0.000000 | - | 0.000000 | - | 0.000000 | 10 | 0.000008 |
| Sh. Nihal Singh | 10 | 0.000008 | 20 | 0.000016 | - | 0.000000 | - | 0.000000 |
| Sh. Sanjit Kumar Dhull | 10 | 0.000008 | - | 0.000000 | - | 0.000000 | - | 0.000000 |
| Sh. Balraj Singh | 10 | 0.000008 | - | 0.000000 | - | 0.000000 | - | 0.000000 |
| Sh. Chander Mohan | 10 | 0.000008 | 10 | 0.000008 | - | 0.000000 | - | 0.000000 |
| Sh. P.K. Dhaka | 10 | 0.000008 | 10 | 0.000008 | - | 0.000000 | - | 0.000000 |
| Sh. Mahesh Kumar Madan | 10 | 0.000008 | - | 0.000000 | - | 0.000000 | - | 0.000000 |
| Sh. Alok Nigam (On behalf of Governor of Haryana) | 122,042,230 | 99.999943 | - | 0.000000 | 122,042,230 | 99.999943 | 122,042,230 | 99.999943 |
| Sh. Rajeev Arora (On behalf of Governor of Haryana) | - | 0.000000 | 122,042,230 | 99.999943 | - | 0.000000 | - | 0.000000 |
| Total | 122,042,300 | 100.00 | 122,042,300 | 100.00 | 122,042,300 | 100.00 | 122,042,300 | 100.00 |

As per our report of even date attached.

For M. Kamal Mahajan & Co. LLP

Chartered Accountants

M.No :

Firm Regn. No. :-

Place :

Dated

Nihal Singh

(Managing Director)

(DIN : 08688708)

B. D. Mehta

(Chief Financial Officer)

N.K. Tomar

(CE Roads, Nominee Director)

(DIN : 09538579)

Dolly Gaur

(Company Secretary)

NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2021

Amount in
Rs. Lakhs

| 10. Other Equity | March 31, 2021 | March 31, 2020 | March 31, 2019 | March 31, 2018 |
|----------------------|-------------------|------------------|-------------------|-------------------|
| a. General Reserve | 428.31 | 428.31 | 428.31 | (5,020.28) |
| b. Retained Earnings | 16,888.90 | 14,548.27 | 13,080.57 | 11,039.22 |
| | 17,317.21 | 14,976.58 | 13,508.88 | 6,018.94 |
| Reserves and Surplus | 16,888.90 | 14,548.27 | 13,080.57 | 11,039.22 |
| Other Reserve | 428.31 | 428.31 | 428.31 | (5,020.28) |

| a. Securities Premium Reserve | March 31, 2021 | March 31, 2020 | March 31, 2019 | March 31, 2018 |
|---|------------------|------------------|-------------------|-------------------|
| Opening Balance | - | - | - | - |
| Appropriations during the year | - | - | - | - |
| Closing Balance | - | - | - | - |
| | | | | |
| b. Retained Earnings | March 31, 2021 | March 31, 2020 | March 31, 2019 | March 31, 2018 |
| Opening balance | 14,548.27 | 13,080.57 | 11,039.22 | 9,265.13 |
| Net profit for the period | 2,340.63 | 1,467.70 | 2,041.35 | 1,774.09 |
| <i>Appropriation from :</i> | | | | |
| Items of OCI recognised directly in retained earnings | | | | |
| Re-measurement gains/(losses) on defined benefits plan (net of tax) | - | - | - | - |
| Closing balance | 16,888.90 | 14,548.27 | 13,080.57 | 11,039.22 |

| 12. Provisions | March 31, 2021 | March 31, 2020 | March 31, 2019 | March 31, 2018 |
|---------------------------------|----------------|----------------|-------------------|-------------------|
| Provision for tax | 300.52 | 369.75 | 505.74 | 661.20 |
| Provision for employee benefits | - | - | - | - |
| | 300.52 | 369.75 | 505.74 | 661.20 |
| Current | 300.52 | 369.75 | 505.74 | 661.20 |
| Non-Current | - | - | - | - |

As per our report of even date attached.

For M. Kamal Mahajan & Co. LLP

Chartered Accountants

Nihal Singh
(Managing Director)
(DIN : 08688708)

N.K. Tomar
(CE Roads, Nominee Director)
(DIN : 09538579)

M.No :

Firm Regn. No. :-

Place :

B. D. Mehta
(Chief Financial Officer)

Dolly Gaur
(Company Secretary)

Dated :

HARYANA STATE ROADS AND BRIDGES DEVELOPMENT CORPORATION LTD

NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2021

Amount in Rs. Lakhs

| 11. Financial Liabilities | Effective Interest rate | Maturity period | Installment Quarterly (Nos.) | March 31, 2021 | March 31, 2020 | March 31, 2019 | March 31, 2018 |
|---|-------------------------|-----------------|------------------------------------|----------------|----------------|----------------|----------------|
| | | | | | | | |
| Non-Current Borrowings | | | | | | | |
| Term Loan | | | | | | | |
| From Banks | | | | | | | |
| (i) Term loan | | | | - | - | - | - |
| (ii) Vehicle Loans | | | | - | - | - | - |
| Unsecured loans | | | | | | | |
| - From Directors (Unsecured) | | | | - | - | - | - |
| Total borrowings | | | | - | - | - | - |
| Less: Amount clubbed under Other Financial Liabilities | | | | - | - | - | - |
| Less: Current maturities of debt | | | | - | - | - | - |
| Less: Current maturities of vehicle loans | | | | - | - | - | - |
| Less: Interest accrued and due | | | | - | - | - | - |
| Non current borrowings | | | | - | - | - | - |

As per our report of even date attached.

For M. Kamal Mahajan & Co. LLP

Chartered Accountants

M.No :

Firm Regn. No. :-

Place :

Dated :

Nihal Singh

(Managing Director)

(DIN : 08688708)

B. D. Mehta

(Chief Financial Officer)

N.K. Tomar

(CE Roads, Nominee Director)

(DIN : 09538579)

Dolly Gaur

(Company Secretary)

HARYANA STATE ROADS AND BRIDGES DEVELOPMENT CORPORATION LTD
NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2021

| | | | | | | Amount in Rs. Lakhs |
|---|-------------------------|----------|-----------------------|-----------------------|-----------------------|-----------------------|
| 11 | Effective Interest rate | Maturity | March 31, 2021 | March 31, 2020 | March 31, 2019 | March 31, 2018 |
| | | | INR | INR | INR | INR |
| Current borrowings | | | | | | |
| (A) Loans repayable on demand | | | | | | |
| Secured | | | | | | |
| Cash Credits From banks | | | - | - | - | - |
| Unsecured | | | | | | |
| Loans from Related Party | | | - | - | - | - |
| Total Current borrowings | | | | | | |
| | | | - | - | - | - |
| | | | March 31, 2021 | March 31, 2020 | March 31, 2019 | March 31, 2018 |
| | | | INR | INR | INR | INR |
| (B) Other financial liabilities | | | | | | |
| Current Maturities of Long term borrowings | | | | | | |
| Current maturities of debt | | | - | - | - | - |
| Current maturities of vehicle loans | | | - | - | - | - |
| Interest accrued and due | | | - | - | - | - |
| Others | | | | | | |
| Security Deposits | | | 12,007.99 | 11,464.54 | 11,796.31 | 20,309.06 |
| Others liability | | | 2,820.72 | 2,957.69 | 3,233.90 | 3,974.29 |
| | | | 14,828.71 | 14,422.23 | 15,030.21 | 24,283.35 |
| Current | | | - | - | - | - |
| Non-Current | | | 14,828.71 | 14,422.23 | 15,030.21 | 24,283.35 |

As per our report of even date attached.

For M. Kamal Mahajan & Co. LLP

Chartered Accountants

Nihal Singh
(Managing Director)
(DIN : 08688708)

N.K. Tomar
(CE Roads, Nominee Director)
(DIN : 09538579)

M.No :

Firm Regn. No. :-

Place :

Dated :

B. D. Mehta
(Chief Financial Officer)

Dolly Gaur
(Company Secretary)

HARYANA STATE ROADS AND BRIDGES DEVELOPMENT CORPORATION LTD
NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2021

| | | | | Amount in Rs. Lakhs |
|---|------------------|-----------------|-----------------|---------------------|
| 13. Other Current Liabilities | March 31, 2021 | March 31, 2020 | March 31, 2019 | March 31, 2018 |
| Cheque pending for realisation | - | - | 2.05 | 0.45 |
| Statutory Dues Payables | 168.63 | 82.55 | 52.92 | 37.65 |
| Salary payable | 35.66 | 30.79 | 33.13 | 2.58 |
| Other liabilities and payables | 3.43 | 3.71 | 2.19 | - |
| Audit fee payable | 0.86 | 3.65 | 2.09 | 3.62 |
| Legal & Professional fee Payable | 0.34 | - | - | - |
| | 208.92 | 120.70 | 92.38 | 44.30 |
| Current | 208.92 | 120.70 | 92.38 | 44.30 |
| Non-Current | - | - | - | - |
| | | | | |
| 14. Trade Payables | March 31, 2021 | March 31, 2020 | March 31, 2019 | March 31, 2018 |
| Micro & Small Enterprises | - | - | - | - |
| Raw Materials ,Packing Materials & General Stores | - | - | - | - |
| Fuel & Other Goods Suppliers | - | - | - | - |
| Contractor & Other Services | 14,937.97 | 8,821.41 | 7,430.84 | 5,880.00 |
| TOTAL | 14,937.97 | 8,821.41 | 7,430.84 | 5,880.00 |

Terms and conditions of the above financial liabilities

► Trade payables are non-interest bearing and are normally settled as per terms of the respective contract.

As per our report of even date attached.

For M. Kamal Mahajan & Co. LLP

Chartered Accountants

M.No :

Firm Regn. No. :-

Place :

Dated

Nihal Singh

(Managing Director)

(DIN : 08688708)

B. D. Mehta

(Chief Financial Officer)

N.K. Tomar

(CE Roads, Nominee Director)

(DIN : 09538579)

Dolly Gaur

(Company Secretary)

HARYANA STATE ROADS AND BRIDGES DEVELOPMENT CORPORATION LTD
NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2021

| | | | | Amount in Rs. Lakhs |
|--|-----------------|-----------------|-----------------|---------------------|
| 15. Revenue from Operations | March 31, 2021 | March 31, 2020 | March 31, 2019 | March31,2018 |
| Service Charges from construction work | 141.81 | 127.76 | 174.68 | 179.55 |
| Total | 141.81 | 127.76 | 174.68 | 179.55 |
| | | | | |
| 16. Other Income | March 31, 2021 | March 31, 2020 | March 31, 2019 | March31,2018 |
| <i>Other non-operating income</i> | | | | |
| Sale of Bid Documents | - | 0.11 | 6.08 | 9.64 |
| Interest Income | 1,786.23 | 2,721.67 | 2,764.18 | 3,206.06 |
| PWD B&R Code book | 0.26 | 0.66 | 0.20 | 0.15 |
| Amount written off/ Short Excess | 0.01 | 0.03 | - | - |
| Tender fees | 0.03 | 1.76 | - | - |
| Misc. Income | 0.24 | 0.41 | 28.83 | 0.46 |
| Labour cess revenue | 0.63 | 0.40 | - | - |
| Accomodation Rent | - | 3.09 | - | - |
| Interest on Income tax refund | 525.72 | - | 75.43 | - |
| NOC fees | - | 0.08 | - | - |
| Court fee | - | 0.63 | - | - |
| Total | 2,313.12 | 2,728.84 | 2,874.72 | 3,216.31 |

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

M.No :
Firm Regn. No. :-
Place :
Dated :

Nihal Singh
(Managing Director)
(DIN : 08688708)

B. D. Mehta
(Chief Financial Officer)

N.K. Tomar
(CE Roads, Nominee Director)
(DIN : 09538579)

Dolly Gaur
(Company Secretary)

| 17. Cost of Raw Material and Components Consumed | Rs. in Lakhs | | | |
|---|---|---|-----------------------|---------------------|
| | March 31, 2021 | March 31, 2020 | March 31, 2019 | March31,2018 |
| a. Raw material Consumed | | | | |
| Inventory at the beginning of the year | - | - | - | - |
| Add: Purchase | - | - | - | - |
| Less: Inventory at the end of the year | - | - | - | - |
| Cost of raw material consumed | - | - | - | - |
| b. Packing Material Consumed | March 31, 2021 | March 31, 2020 | March 31, 2019 | March31,2018 |
| Inventory at the beginning of the year | - | - | - | - |
| Add: Purchase | - | - | - | - |
| Less: Inventory at the end of the year | - | - | - | - |
| Cost of components consumed | - | - | - | - |
| Cost of Raw Material and Components Consumed | - | - | - | - |
| Note : 17 A Change In Inventory Of Finished Goods, WIP, Stores & Spare Parts | March 31, 2021 | March 31, 2020 | March 31, 2019 | March31,2018 |
| Finished Goods | | | | |
| (A) Opening Stock | - | - | - | - |
| Sub Total (A) | - | - | - | - |
| (B) Closing Stock | - | - | - | - |
| Sub Total (B) | - | - | - | - |
| (Increase)/decrease in Finished Goods | - | - | - | - |
| (C) Stores & Spares parts | | | | |
| Opening Stock | - | - | - | - |
| Closing Stock | - | - | - | - |
| (Increase)/decrease in Stores & Spare parts (C) | - | - | - | - |
| Stock Adjustment (D) | - | - | - | - |
| Work - in- Progress | | | | |
| Opening Stock | - | - | - | - |
| Closing Stock | - | - | - | - |
| (Increase)/decrease in Work-in-Progress | - | - | - | - |
| Total (Increase)/decrease in Stock of Finish Goods, WIP and Stores & Spare Parts | - | - | - | - |
| 18. Employee Benefits Expense | March 31, 2021 | March 31, 2020 | March 31, 2019 | March31,2018 |
| Salaries, wages and bonus | 490.91 | 543.54 | 447.48 | 339.43 |
| Contribution to provident and other funds | 6.10 | 3.32 | 5.79 | 3.31 |
| Leave Salary and Pension Contrubition | 7.59 | 5.57 | 17.66 | 10.13 |
| NPS contribution | 2.99 | 1.91 | 3.56 | 4.28 |
| Other Allowances | 5.30 | 0.72 | 11.91 | 1.56 |
| Medical Expenses | 4.14 | 0.39 | 0.78 | 0.41 |
| Staff Welfare/ Refreshment | 1.35 | 1.06 | - | - |
| | 518.38 | 556.51 | 487.18 | 359.12 |
| 19. Finance Costs | March 31, 2021 | March 31, 2020 | March 31, 2019 | March31,2018 |
| Interest and bank charges | 0.01 | 0.04 | 0.08 | 0.17 |
| Interest on Vehicles Loan | - | - | - | - |
| Interest on Working Capital Loans | - | - | - | - |
| Other borrowing cost | - | - | - | - |
| | 0.01 | 0.04 | 0.08 | 0.17 |
| As per our report of even date attached. For M. Kamal Mahajan & Co. LLP Chartered Accountants | Nihal Singh (Managing Director) | N.K. Tomar (CE Roads, Nominee Director) | | |
| M.No : | (DIN : 08688708) | (DIN : 09538579) | | |
| Firm Regn. No. :- | B. D. Mehta (CFO) | Dolly Gaur (Company Secretary) | | |
| Place : | | | | |
| Dated : | | | | |

| Rs. in Lakhs | | | | |
|---|---|-----------------------|--|---------------------|
| 20. Other Expenses | March 31, 2021 | March 31, 2020 | March 31, 2019 | March31,2018 |
| A) Selling & Distribution Expenses | | | | |
| Advertisement & Publicity | 0.83 | 0.99 | 4.30 | 2.20 |
| Tender Fee Expense | - | 0.18 | - | - |
| Business Promotion | - | - | - | 0.24 |
| B) Operating, Administrative & Other Expenses | | | | |
| Misc. Expenses | 0.03 | 0.17 | 0.39 | 1.22 |
| Postage & Courier/ Telegram | 0.41 | 0.84 | 0.62 | 0.64 |
| Printing & Stationery | 8.63 | 7.21 | 7.21 | 6.64 |
| Training Expenses | - | 0.01 | - | - |
| Professional Charges | 17.45 | 28.25 | 15.70 | 16.39 |
| Office Expenses | 6.81 | 5.03 | 4.68 | 2.38 |
| Elect. & Water Charges | 3.87 | 5.55 | 5.65 | 5.54 |
| Repairs & Maintenance (General) | 1.45 | 1.06 | 1.58 | 0.31 |
| Repairs & Maintenance (Building) | - | 0.34 | 2.65 | 2.69 |
| Repairs & Maintenance (Computer) | 1.02 | 1.52 | 1.03 | 1.02 |
| Repairs, Running & Maintenance (Vehicle) | 3.92 | 12.20 | 6.60 | 13.83 |
| Rates, Fees & Taxation | 0.27 | 4.40 | 1.02 | 8.31 |
| Telephone Expenses | 1.88 | 2.39 | 3.08 | 3.32 |
| Travelling & Conveyence | 6.32 | 19.70 | 12.16 | 147.54 |
| Taxi Hiring Expenses | - | 4.81 | 0.29 | 0.87 |
| Insurance | 0.71 | 1.20 | 1.54 | 1.16 |
| Fuel expenses | 12.50 | 5.79 | 9.00 | 5.51 |
| Website charges | 0.06 | 0.08 | 0.07 | 0.93 |
| Legal Expense | 7.29 | - | 18.03 | 8.59 |
| Arbitration Charges | - | 7.31 | 18.60 | 86.74 |
| Award Money | - | - | 0.29 | 9.97 |
| Internet charges | 0.43 | 0.41 | - | - |
| Interest on TDS | 0.22 | 0.00 | 1.36 | 181.60 |
| Interest on GST | 0.34 | 0.21 | - | - |
| Interest on Arbitration Award | - | - | 0.29 | 20.40 |
| Interest on Income Tax | - | - | 6.70 | - |
| ROC Penalty | - | 1.70 | - | - |
| Testing charges | - | 0.03 | - | - |
| Loss on sale of fixed assets | 0.08 | - | - | - |
| Amount Written off | 159.66 | 137.51 | - | - |
| Audit Fee | 0.86 | 1.48 | 1.01 | 1.00 |
| RebateToll | - | 3.23 | - | - |
| Income tax Refund Interest amount - HARRIDA | 16.49 | - | - | - |
| CSR Expense | 46.00 | 54.43 | - | - |
| | 297.53 | 308.03 | 123.85 | 529.04 |
| Payment to Auditors | March 31, 2021 | March 31, 2020 | March 31, 2019 | March31,2018 |
| As auditor: | | | | |
| Statutory Audit fee | 0.75 | 0.89 | 0.89 | 0.89 |
| Tax Audit fee | 0.11 | 0.13 | 0.13 | 0.13 |
| | 0.86 | 1.02 | 1.02 | 1.02 |
| 21. Discontinued operations | March 31, 2021 | March 31, 2020 | March 31, 2019 | March31,2018 |
| Revenue | - | - | - | - |
| Expenses | - | - | - | - |
| Finance Cost | - | - | - | - |
| Impairment loss recognised on the re-measurement to fair value less costs to sell | - | - | - | - |
| Profit/(loss) before tax from a discontinued operation | - | - | - | - |
| Tax (expenses)/income: | | | | |
| Related to current pre-tax profit/(loss) | - | - | - | - |
| Related to measurement to fair value less costs of disposal (deferred tax) | - | - | - | - |
| Profit/(loss) for the year from a discontinued operation | - | - | - | - |
| As per our report of even date attached. | | | | |
| For M. Kamal Mahajan & Co. LLP | | | | |
| Chartered Accountants | Nihal Singh | | N.K. Tomar | |
| M.No : | (Managing Director) | | (CE Roads, Nominee Director) | |
| Firm Regn. No. :- | (DIN : 08688708) | | (DIN : 09538579) | |
| Place : | | | | |
| Dated: | B. D. Mehta (Chief Financial Officer) | | Dolly Gaur (Company Secretary) | |

Significant Accounting Policies

1.1 Basis of Preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015(as amended from time to time).

For all periods up to and including the year ended March 31, 2020, the Company prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

These financial statements for the year ended March 31, 2021 are the first financial statements which have been prepared in accordance with the Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time.

In respect of financial information for the year ended March 31, 2021, the Company followed the same accounting policies and accounting policy choices (both mandatory exceptions and optional exceptions availed as per Ind AS 101) as initially adopted on transition date i.e. April 1, 2019.

The financial statements have been prepared on a historical cost basis.

In accordance with IND AS 101 First-time Adoption of Indian Accounting Standard, the Company has presented a reconciliation from the presentation of Financial Information under Accounting Standards notified under Previous GAAP to IND AS of Restated Shareholders' equity as at March 31, 2020 and April 1, 2019 and of the Statement of Profit and loss and other comprehensive Income for the year ended March 31, 2020.

The financial information are presented in Indian Rupees (INR) and all values are rounded to the nearest lakhs, except where otherwise indicated.

1.2 Summary of Significant Accounting Policies:

1.2.1 Property, Plant & Equipment (PPE):

Under the previous GAAP (Indian GAAP), all assets were carried in the balance sheet at cost, less accumulated depreciation and accumulated impairment losses, if any. On the date of transition to IND AS, the Company has applied exemptions of Ind AS 101 to continue the carrying value of all property, plant and equipment as at the date of transition as its deemed cost.

The expenditure charged to the capital account in the books of corporation wholly represent the addition to or improvement of existing capital account of corporation and amount so charged do not in any instance represent repair & maintenance of such assets. Cost Include all incidental expenditure.

The net value of fixed assets has been arrived at after writing-off amount as at the balance sheet date and the book value of all fixed assets do not exceed their recoverable amount as at the balance sheet date. The provision made for depreciation of fixed assets are not in excess of what is consider reasonably necessary for that purpose.

1.2.2 Current versus Non-Current Classification:

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelvemonths after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and non-current liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The company has identified twelve months as its operating cycle.

1.2.3 Taxes:

CURRENT & DEFFERED TAX:-

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities in accordance with the Income Tax Act, 1961 (as amended) and Income Computation and Disclosure Standards(ICDS) enacted in India by using the tax rates and tax laws that are enacted or substantively enacted, at the reporting date in India where the Company operates and generates taxable income.

Current income tax relating to items recognized outside profit or loss is recognized outside profit or loss (either another comprehensive income or in equity). Current tax items are recognized in correlation to the underlying transaction either in OCI(Other Comprehensive Income) or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

DEFERRED TAX:

Deferred tax is provided using the liability method on temporary differences between the tax basis of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill for an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;

Deferred tax assets (including Mat credit, if any), are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized.

Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the assets realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

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.

Goods & Service Tax (GST)/ Sales/ Value Added Taxes (VAT) paid on acquisition of assets or on incurring expenses:

Expenses and assets are recognized net of the amount of GST/sales tax/ [value added taxes paid, except:

- When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- When receivables and payables are stated with the amount of tax included

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of other current assets or other current liabilities in the balance sheet.

1.2.4 FOREIGN CURRENCY TRANSACTIONS :-

No Expenditure in foreign exchange incurred by the company during the year.

1.2.5 BORROWING COST:-

There is no borrowing cost incurred during the year.

1.2.6 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

1.2.7 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.

1.2.8 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.

1.2.9 REVENUE RECOGNITION:-

Service charges represent the amount receivable for services provided. Revenues/Incomes and Costs/Expenditures are being generally accounted on accrual basis, as HSRDC are earned or incurred.

1.2.10 EMPLOYEE BENEFITS:

PROVIDENT FUND:- Retirement benefits in the form of provident fund whether in pursuance of law or otherwise is accounted on accrual basis and charged to profit & loss account of the year.

1.2.11 BUSINESS SEGMENT:

The company is engaged in the provision of services which in context of Indian Accounting Standard-108-“Operating Segments” is considered the only business segment. So separate segment reporting is not applicable.

1.2.12. IMPAIRMENT Of FIXED ASSETS:

As at 31st March, 2021 the company has reviewed the future earning of its cash generating unit in accordance with the “Indian Accounting Standard 36 Impairment of Assets”. As the carrying amount of the assets does not exceed the future recoverable amount consequently, no adjustment is considered necessary by the management.

1.2.13 PRIOR PERIOD ITEMS:-

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

OTHER NOTES ON ACCOUNTS:-

1. Contingent liabilities on account of :-

(Rupees in Lakhs)

| | 2020-21 | 2019-20 | 2018-19 | 2017-18 |
|---|----------|----------|----------|----------|
| i) Disputed Income Tax matters in Appeal with different Appellate Authorities | 2796.00 | 6802.00 | 23762.00 | 8298.00 |
| ii) Estimated amount of contracts remaining to be executed on capital account and not provided for. | NIL | NIL | 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 | NIL | 0.05 | NIL |
| iv) Disputed court cases. | 22511.00 | 37774.00 | 37774.00 | 46687.00 |

Arbitration cases – Building

| Sr.no. | Title of case | Claims | Latest status |
|--------|--|------------------|---|
| 1 | HSRDC V/s M/s Starrco Engineers, Delhi | Rs.346.15 lakhs | Pending in the court of ADJ Chandigarh. Next date of hearing is 04.11.2022 |
| 2 | HSRDC V/s TCIL, TCIL Bhawan G.K. New Delhi | Rs. 109.81 lakhs | Pending in Civil Court Hisar Next date of hearing is 22.11.2022 |
| 4 | MD HSRDC V/s M/s Jai Bhagwan | Rs.91.94 lakhs | Pending in Civil Court Chandigarh Next dated of hearing is fixed for 27.09.2022. |
| 5 | The Hisar friends Colony C-op V/s HSRDC | Rs.25.02 lakhs | Pending in District Court Hisar. The case was disposed off on 23.05.2022 |

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. 393.00 lakhs | Award received on 20.02.2020 in favour of Claimant. Award challenged in District Court Panchkula by HSRDC. Next Date of hearing 18.11.2022. |
| 2. | M/s. MG Kundu Shivaliya Rohtak V/s HSRDC SE Jhajjar DGM-IV, Jhajjar | Contractor = 1512.00 lakhs | Award received on 05.08.2019 in favour of Claimant. Award challenged in District Court Chandigarh by HSRDC. Next Date of hearing 17.11.2022 |
| 3. | M/s GR –Gawar (Joint Venture), V/s HSRDC SE Rothak DGM-IV Jhajjar | Contractor = Rs.5438.00 lakhs | Award received on 26.12.2020 in favour of Claimant. Award challenged in District Court Panchkula by HSRDC. Next Date of hearing 21.11.2022. |
| 4. | M/s. Centrodorstroy (India) Pvt. Ltd. V/s HSRDC SE Gurgaon DGM-II, Gurgaon | Contractor = Rs. 3708.00 lakhs | Award received on 05.08.2019 in favour of Claimant. Award challenged in Commercial Court Gurugram by HSRDC The next date of hearing is fixed for 20.09.2022. |
| 5. | M/s Gawar Construction Limited, Hisar SE Gurgaon DGM-I Gurgaon | Contractor = Rs. 4748 lakhs | Award received on 26.12.2020 in favour of Claimant. Award challenged in District Court Panchkula by HSRDC. Next Date of hearing 21.11.2022. |

| Sr No | i) Title of case ii) SE/EE/ DGM | Claims / Counter Claim | Present status |
|-------|--|---------------------------------|--|
| 6. | <p>M/s. Yongma Engineering Co. Ltd.</p> <p>SE Gurugram</p> <p>DGM-I Gurugram</p> <p>Case No. 187</p> | Rs. 69.05 lakhs | <p>Award received on 28.02.2019 in favour of Claimant. Award challenged in District Court Chandigarh by HSRDC</p> <p>Next Date of hearing 19.11.2022.</p> |
| 7. | <p>M/s. PNC Infratech Ltd.</p> <p>SE Gurugram</p> <p>DGM-I Gurugram</p> <p>Package No. 6</p> | Contractor = Rs. 3091.00 lakhs. | <p>Award received on 03.02.2019 in favour of Claimant. Award challenged in Commercial Court Gurugram by HSRDC</p> <p>Sine Die on 26.08.2021 by Commercial Court Gurugram.</p> <p>Challenged in Commercial Court Chandigarh.</p> <p>Next date 20.09.2022.</p> |

| Sr No | i) Title of case ii) SE/EE/ DGM | Claims / Counter Claim | Present status |
|-------|---|--------------------------------|---|
| 8. | M/s KCC Buildcon Pvt. V/s HSRDC | Contractor = Rs. 1117.00 lakhs | <p>Award dated 01.11.2017 received in favour of claimant. Award challenged in Spl. Commercial Court at Gurugram.</p> <p>Hon'ble Spl. Commercial Court at Gurugram has decided the case in favour of claimant on dated 04.01.2020.</p> <p>Exec application no. 480/2020 in District Court Rewari.</p> <p>The decision Commercial Court Gurugram has been challenged in the Punjab & Haryana High Court at Chandigarh bearing no. FAO CARB/3/2021.</p> <p>Next date of hearing is 10.10.2022.</p> |
| 9. | State of Haryana V/s. M/s. KCC Buildcon Pvt. Ltd. | Contractor = Rs. 117.00 lakhs | <p>Award dated 08.01.2019 received in favour of claimant. Award challenged by HSRDC in High Court Delhi</p> <p>Next date of hearing is 23.09.2022</p> |

| Sr No | i) Title of case ii) SE/EE/ DGM | Claims / Counter Claim | Present status |
|-------|------------------------------------|--------------------------------|---|
| 10. | HSRDC V/s. M/s Niraj J Mhatre | Contractor = Rs. 1479.00 lakhs | Ld. AT awarded in favour of M/s. Niraj JM Mhatre on 16.10.2017 . Award challenged in Commercial Court Gurugram. Hon'ble Spl. Commercial Court at Gurugram has decided the case in favour of claimant on dated 26.02.2020. The decision Commercial Court Gurugram has been challenged in the Punjab & Haryana High Court at Chandigarh. Next date of hearing is 07.10.2022 |
| 11. | MSV Internation Inc. V/s. HSRDC | Rs. 11.24 laks | The award dated 07.08.2021 is under consideration. |

TOLL BRANCH

| Sr. No. | Name of the agency | Amount of award in favour of claimant. | Brief facts | Present Status |
|---------|-----------------------------|--|---|---|
| 1. | M/s. RK Jain Infra Projects | Rs.141.87 lakhs | The award dated 04.01.2017 challenged in Commercial Court Gurugram bearing no. ARB 20/2019. Decided on 30.01.2019. Execution petition (No. EXE 1233/2017) filed by HSRDC for taking the amount of arbitration award dated 04.01.2017 as awarded by the Sole Arbitrator amounting to Rs.1,41,86,871/- in the matter of Arbitration for the work of collection of Toll at TP-1/2014. | Sine die on 28.09.2021. Main Case is FAO CARB-37/2019 in High Court Chandigarh Next date 29.09.2022 |

| | | | | |
|----|---|---|---|---|
| 2. | Sh. Sumer Singh | Rs.20.34 lakhs - to be paid to Sh. Sumer Singh. | Arbitrator has given Rs.14,77,000/- in favour of Sumer Singh vide award dated 26.02.2017. Challenged in District Court Panchkula | The case was dismissed on 26.07.2022. FAO is being filed in Hon'ble High Court against the order dated 26.07.2022 |
| 3. | M/s. RK Jain Infra Projects Pvt. Ltd. Vs. HSRDC | Rs.93.55 lakhs plus interest litigation charges | The award of the arbitrator dated 21.02.2018 has been challenged in Commercial Court Gurugram bearing No. ARB-226/2018. ARB-226/2018 disposed on 04.04.2019 by Commercial Court Gurugram. HSRDC filed FAO CARB-37/2019 in High Court Chandigarh against the orders dated 04.04.2019 of Comm. Court Gurugram | Next Date 29.09.2022 |

INCOME TAX CASES

| Sr. No | Particulars | Rs. (In Lacs) | Status |
|--------|--|--|---|
| 1. | Appeal filed in Income Tax Appellate Tribunal (ITAT) for the Assessment Year 2008-09. Appeal No.-1155/CHANDI-2014. | Expenses for the A. Y. 2008-09 amounting to Rs. 217.02 lacs disallowed. i) Difference in income and expenses Rs.115.20 lacs. ii) Guarantee fee Rs. 96.91 lacs iii) Provision of TDS deduction Rs. 4.91 Lacs. <u>Total Rs. 217.02 lacs</u> | Appeal filed against the Assessment order Asstt. Commissioner of Income Tax, Panchkula on 28.10.2021 before the Commissioner of Income Tax (Appeals), Panchkula. The case was heard on 23.02.2022. Further, next date of hearing was fixed on 05.08.2022 and reply submitted on due date through Online Income Tax Portal by this office. The next date of hearing is yet to be fixed by CIT (A). |
| 2. | Appeal filed with Income Tax Appellate Tribunal (ITAT) against | Disallowed expenses for the A.Y. 2011-12 amounting to Rs.20.48 lacs and deduction u/s | Appeal filed against the Assessment order of |

| Sr. No | Particulars | Rs. (In Lacs) | Status |
|--------|--|--|---|
| | orders of Comm. Income Tax Appeals Panchkula for the Assessment Year 2011-12 u/s 250(6) of Income Tax Act, 1961. Appeal No.1156/CHANDI-2014. | 80IA. i) Sales Tax Rs.10.62 lacs ii) LabourCess Rs.9.86 lacs. <u>Total Rs. 20.48 lacs</u> | Asstt. Commissioner of Income Tax, Panchkula on 30.10.2021 before the Commissioner of Income Tax (Appeals), Panchkula. The date of hearing is yet to be fixed by CIT (A). |
| 3. | Appeal filed with Income Tax Appellate Tribunal (ITAT) against orders of Comm. Income Tax Appeals Panchkula for the Assessment Year 2012-13 u/s 250(6) of Income Tax Act, 1961. Appeal No.-582/CHANDI-2016 | Disallowed expenses for the A.Y. 2012-13 amounting to Rs.13.75 lacs, the revised return and deduction u/s 80IA. i) Sales Tax Rs. 13.36 lacs ii) LabourCess Rs. 0.39 lacs. <u>Total Rs. 13.75 lacs</u> | The case was fixed for hearing on 11.12.2019 with CIT (A) and the case was adjourned to 19.12.2019. Due to change of system of Income tax to physical hearing to faceless method no further intimation has been received from IT Deptt. |
| 4. | 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) Appeal No. CIT(A), Panchkula/10364/2016-17(Manual Appeal Register No. 115/PKL/16-17 | Disallowed expenses for the A.Y.2011-12 amounting to Rs.117.43 lacs i) Expenses of Registration fee and stamp duty Rs.95.60 lacs ii)Expenses of Departmental Toll collection and Traffic survey fee Rs.21.83 lacs iii) Calculation mistake <u>Total Rs. 117.43 lacs</u> | The case was fixed for hearing on 11.12.2019 with CIT(A), Panchkula and the case was adjourned to 19.12.2019. Due to change of system of Income Tax to physical hearing to faceless method no further intimation has been received from IT Deptt. |
| 5. | 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) | Imposed Penalty for the AY 2012-13 amounting to Rs.6,85,99,693/- due to non- acceptance of Revised Tax Audit. <u>Total Rs. 684.99 lacs</u> | The case was heard on 12.12.2017 and adjourned sine die till the decision of main case for the AY 2012-13. |
| 6. | 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.5498.00 lakhs 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). Due to change of system of Income Tax to physical |

| Sr. No | Particulars | Rs. (In Lacs) | Status |
|--------|---|--|--|
| | | | hearing to faceless method no further intimation has been received from IT Deptt. |
| 7. | Appeal filed with CIT(Appeals) for AY 2017-18 | Appeal filed against the addition of Rs.250.00 lakhs | Appeal has been filed with CIT (A) against the addition of Rs. 2.50 crore on 20.12.2019. Due to change of system of Income Tax to physical hearing to faceless method no further intimation has been received from IT Deptt. |

2. 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.

3. 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 2021 (Rural & Urban) are Rs. 145.65 Lacs.
4. 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.
5. 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.
6. A sum of 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.

7. Details of Prior period Adjustment :-

(Amount in Rs.)

| Particulars | 2020-21 | 2019-20 | 2018-19 | 2017-20 |
|------------------------|------------------|-------------------|--------------------|-------------|
| Previous year expenses | 71,79,341 | 95,457 | 60,94,108 | 0.00 |
| Previous year income | (8182) | (7,31,203) | 5,26,427 | 0.00 |
| Net Total | 71,71,159 | (6,35,656) | (55,67,681) | 0.00 |

8. Trade Receivables amounting to Rs. 4,460.67 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. 4,340.45 lacs are good. Hence no provisions on the same have been made.

9. 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.

10. Corporate Social Responsibility (CSR) Expenditure

Particular for the year ended 31st March, 2021

| | | | |
|--|-------------|---------------------|------------|
| Gross Amount Required to spend | Rs. 46 Lakh | | |
| Amount Spend during the Year | RTGS | Yet to paid in cash | Total |
| (i)Construction/acquisition of any asset | - | - | - |
| (ii)On purposes other than (i) above | 46.00 Lakh | - | 46.00 Lakh |

HSRDC paid Rs. 46 Lakh to State Health Society, Hry NRHM on 31.03.2021 on account of CSR Expenditure for F.Y. 2020-21. Since the amount was not utilized by the society, HSRDC transferred on dated 30.09.2021 equal amount of Rs. 46 Lakh to PM Care Fund specified in schedule VII of Companies Act. 2013 as per amendment in CSR Rules.

11. Auditors Remuneration: - (Amount in Rs.)

| | 2020-21 | 2019-20 | 2018-19 | 2017-18 |
|------------------|---------------|---------|---------|---------|
| a) Audit Fee | 75,000 (+GST) | 88,500 | 88,500 | 88,500 |
| B) Tax Audit Fee | 11,000 (+GST) | 12,980 | 12,980 | 12,980 |

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

| Branches | Work Done | Service charges | % age |
|---|-----------------------|------------------------|--------------|
| DGM III, HSRDC, Sonapat | 18,35,676 | 1,83,568 | 10 |
| Relief Road Gogripur Karnal | 27,90,50,470 | 27,90,506 | 1 |
| Trf. Fund DGM-II HSRDC Gurgaon/Rewari | 64,37,66,213 | 64,37,659 | 1 |
| Const. of Elevated Road From Chotu Ram Chowk to Old | 3,64,22,353 | 3,64,222 | 1 |
| 4 Lane ROB at LC-79 Delhi Bathinda Road Gohana Lakh | 6,79,590 | 6,795 | 1 |
| Trf Fund DGM III Relief Road- Goghripur to Bawana | 17,70,913 | 17,709 | 1 |
| Add. 2-Lane ROB at LC-3 at Dabra Chowk Hisar | 17,69,144 | 17,691 | 1 |
| TRF Funds DGM-V, Palwal/Faridabad | 92,20,831 | 92,208 | 1 |
| Trf. Fund DGM IV- Jhajjar/Rohtak (NCR Work)98/09 | 1,00,12,406 | 1,00,124 | 1 |
| 2 Lane ROB at Bamnikhera Hassanpur Rd at LC NO. 561 | 71,54,638 | 71,546 | 1 |
| Trf. Fund DGM-I Hsrdc Gurgaon(NCR Work) | 78,658 | 787 | 1 |
| Advance to Be Adjusted | 35,07,443 | 35,074 | 1 |
| Trf. Fund DGM-III,HSRDC Sonapat(NCR Work)85/09 | 25,000 | 250 | 1 |
| Upgradation of Haily Mandi to Pehlawas Road (GGN) | 17,475 | 175 | 1 |
| Jhajjar Farrukhnagar Rd 0-21.30-GG-I | 36,87,735 | 36,878 | 1 |
| Trf of Fund to EEPD Panipat ROB Jattal | 26,842 | 268 | 1 |
| Const. of Medical College Habitpur in Jind | 2,35,30,828 | 4,66,334 | 2 |
| Teaching Block at Regional Center Kharal | 4,85,43,703 | 24,23,686 | 5 |
| Trf. Fund Dertpp Works Yamuna Nagar | 24,50,355 | 1,22,518 | 5 |
| Teaching Block South Campus BPSMV Khanpur Kalan | 1,19,89,564 | 5,99,477 | 5 |
| Const of 2 Lane RUB on Sonipat Ganaur Rd | 1,60,490 | 16,049 | 10 |
| Trf. Fund Library Work Murthal(36/08) | 1,93,219 | 9,661 | 5 |
| Teaching Block at Regional Center Lula Ahir | 77,52,827 | 3,87,642 | 5 |
| Total | 1,09,36,46,373 | 1,41,80,828 | |

13. Earnings per share

Basic and diluted earnings per Equity Share are computed in accordance with Indian Accounting Standard 33 'Earnings per Share', notified accounting standard by the Companies (Indian Accounting Standards) Rules of 2015 (as amended). Basic earnings per share is calculated by dividing the net profit or loss attributable to equity holder of company (after deducting preference dividends and attributable taxes, if any) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period.

The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a right issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders of the company and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

14. First-time adoption of Ind AS

These financial statements for the year ended March 31, 2021, are the first financial statements the Company has prepared in accordance with Ind AS. For periods up to and including the year ended March 31, 2020, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on March 31, 2021, together with the comparative period data as at and for the year ended March 31, 2020, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at April 1, 2019, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at April 1, 2019 and the financial statements as at and for the year ended March 31, 2020.

Exemptions applied

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions:

- The Company has opted to continue with the carrying value as recognized in previous GAAP financials as deemed cost for all its Property, Plant & Equipment (PPE) after considering the necessary. Freehold land and buildings (properties), other than investment property, were carried in the balance sheet prepared in accordance with Indian GAAP on the basis of valuations performed on March 31, 2019. The Company has elected to regard those values of property as deemed cost at the date of the revaluation since they were broadly comparable to fair value. The company has also determined that revaluation as at March 31, 2019 does not differ materially from fair valuation as at April 1, 2019. Accordingly, the company has not revalued the property at April 1, 2019 again.

Estimates:

The estimates at April 1, 2019 and at March 31, 2020 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies) except for Impairment of financial assets based on expected credit loss model where application of Indian GAAP did not require estimation.

The estimates used by the Company to present such amounts in accordance with Ind AS reflect conditions at April 1, 2019, the date of transition to Ind AS and as of March 31, 2020.

15. Reconciliation of Equity as at April 1, 2019 (date of transition to Ind AS) (Amounts in Rs. Lakh)

| Particulars | Notes | IGAAP April 2019 | 1, Adjustment as at 01.04.2019 | Ind As April 1, 2019 |
|---------------------------------------|-------|------------------------|--|-------------------------|
| ASSETS | | | | |
| (A) NON CURRENT ASSETS | | | | |
| i Property, Plant and Equipment | 3 | 182.23 | - | 182.23 |
| ii Investment Property | | - | | - |
| iii Capital Work-in-Progress | | - | | - |
| iv Financial Assets | | | | |
| Loans | 4 | - | | - |
| Investment | 5 | - | | - |
| v Deferred Tax Assets (Net) | 6 | 123.57 | - | 123.57 |
| vi Other Non Current Assets | 7 | 552.97 | - | 552.97 |
| vii Prepayments | 8 | - | | - |
| (B) CURRENT ASSETS | | | | |
| i Inventories | 9 | - | | - |
| ii Financial Assets | | | | |
| (a) Trade Receivables | 10 | 4,793.96 | - | 4,793.96 |
| (b) Cash & Cash Equivalents | 11 | 32,880.10 | - | 32,880.10 |
| (c) Bank Balance other than (b) above | | - | | - |
| (d) Loans (Including Others) | 4 | - | | - |
| iii Other Current Assets | 7 | 10,238.78 | - | 10,238.78 |
| iv Prepayments | 8 | 0.67 | - | 0.67 |

| | | | |
|---------------------------------------|----|------------------|------------------|
| iv Current Tax Liabilities | 18 | - | - |
| Total Equity & Liabilities | | 48,772.29 | 48,772.29 |

16. Reconciliation of Profit & Loss Accounts:-

| Profit and Loss statement for the year ended 31st March, 2019 | | | |
|---|--------------------|--|------------------|
| Particulars | As per IGAAP as on | | As per Ind AS |
| | 31st March, 2019 | | 31st March, 2019 |
| I. Revenue from operations | 174.68 | | 174.68 |
| II. Other Income | 2874.72 | | 2874.72 |
| III. Total Revenue (I +II) | 3049.39 | | 3049.39 |
| <u>IV. Expenses:</u> | | | |
| Cost of materials consumed | 0.00 | | 0.00 |
| Purchase of Stock-in-Trade | 0.00 | | 0.00 |
| Changes in inventories of finished goods, work-in-progress and Stock-in-Trade | 0.00 | | 0.00 |
| Employee benefit expense | 487.18 | | 487.18 |
| Financial costs | 0.08 | | 0.08 |
| Depreciation and amortization expense | 18.68 | | 18.68 |
| Other expenses | 123.85 | | 123.85 |
| Total Expenses | 629.79 | | 629.79 |
| V. Profit before exceptional and extraordinary items and tax | 2419.60 | | 2419.60 |
| VI. Exceptional Items-Previous year Incomes/Expenses | -55.68 | | -55.68 |
| VII. Profit before extraordinary items and tax (V - VI) | 2363.93 | | 2363.93 |
| VIII. Extraordinary Items | 0.00 | | 0.00 |
| IX. Profit before tax (VII - VIII) | 2363.93 | | 2363.93 |
| X. Tax expense: | 322.57 | | 322.57 |
| (1) Current tax | 505.74 | | 505.74 |
| (2) Deferred tax Asset | -183.17 | | -183.17 |
| XI. Profit(Loss) from the period from continuing operations | 2041.36 | | 2041.36 |
| XII. Profit/(Loss) from discontinuing operations | 0.00 | | 0.00 |
| XIII. Tax expense of discounting operations | 0.00 | | 0.00 |
| XIV. Profit/(Loss) from Discontinuing operations after tax (XII - XIII) | 0.00 | | 0.00 |

| | | | |
|--|---------|--|---------|
| XV. Profit/(Loss) for the period (XI + XIV) | 2041.36 | | 2041.36 |
| | | | |
| XVI. Earning per equity share: | | | |
| (1) Basic | 1.67 | | 1.67 |
| (2) Diluted | 1.67 | | 1.67 |
| | | | |

17. Accrued interest as on 31st March 2021 on saving bank accounts has been provided for on the basis of bank statements/ bank certificates. Interest on FDR accrued during the FY 2020-21 has been added to the principal amount of FDR.

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

19. The Corporation is having some staff of PWD (B&R) on deputation as on 31.03.2021. The expenditure on them is borne by the Corporation as per the terms and conditions of the deputation.

20. No provision for Dividend on paid up capital of the company during the year ending 31.03.2021 have been made.

21. Additional information required under 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.

22. Mobilisation Advance and Advances to Contractors are regrouped in the balance sheet so as to make it consistent with the nature of advances.

23. 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. Nihal Singh | 10.59 lakhs |
| Chief Financial Officer | Sh. B. D. Mehta | 8.87 lakhs |
| Company Secretary | Smt. Dolly Gaur | 5.56 lakhs |

24. Various heads have been regrouped in order to present a fair and true view in Balance Sheet.

“In terms of our separate report annexed”

for M. Kamal Mahajan & Co. LLP
CHARTEREDACCOUNTANTS

For Haryana State Roads & Bridges
Development Corporation Limited

M.No.:-

Firm Regn. No. : -

PLACE:

DATED:

Nihal Singh

(Managing Director)

P.K. Dhaka

(Director)

B. D. Mehta

(Chief Financial Officer)

Dolly Gaur

(Company Secretary)

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 accompanying 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 2021, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of changes in Equity and the Cash Flow Statement for the year ended on that date, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

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 the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Corporation as at 31st March 2021, its profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Qualified Opinion

Following are the basis of our Qualified Opinion:

- I. Reference is invited to Note 1 – Property, Plant & Equipment of Notes to Accounts whereby the Corporation has valued certain fixed assets 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.

II. Reference is invited to Note 5 - Other Current Assets –Balance with Revenue Authorities – Advance Tax ; Note : 12 Provisions of Notes to Accounts of the Corporation and Statement of Profit and Loss - Income Tax expense (1) Current Tax whereby the corporation has deposited Advance Tax of only ` 112.47 Lakhs as against provision of ` 300.52 lakhs. As a result , the corporation has deposited interest of ` 5.56 lakhs on account of delay and shortfall in payment of advance tax. Further , the corporation did not file the income tax return on the due date and as such the corporation deposited interest of ` 0.93 lakhs on account of delay in filing the return of income. The same has resulted into excess outflow of funds and financial loss to the Corporation. The financial impact of the same cannot be ascertained due to lack of sufficient information.

III. Reference is invited to Note 8– Cash and Cash Equivalent of Notes to Accounts of the Corporation, whereby as per the information and explanations furnished to us during the course of our audit , the amount mentioned in Balances with Banks include temporary parking of funds 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 Indian 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.*

IV. Reference is invited to Significant Accounting Policies :

a. *Para 1.2.9 Revenue Recognition of the Corporation, whereby the corporation has not properly 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.

b. The corporation has not disclosed the policies of short term employee benefits, post employment benefits and long term employee benefits as per Ind-AS 19 –Employee Benefits. Further , the corporation has not provided any actuarial valuation by independent valuer regarding the same. The financial impact of the same on financial statements cannot be ascertained due to lack of sufficient information.

V. Reference is invited to Other Notes on Accounts- 1. Contingent Liabilities 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.

VI. 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 Note 13 - Other Current Liabilities – Statutory Dues Payable of Notes to Accounts of the Corporation which as per the information and explanation furnished to us during the course of our audit includes the provision for Goods and Services Tax payable amounting to `59.34 lakhs of 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 31.03.2021.

ii. Reference is invited to Note 15 - Revenue from Operation of Notes to Accounts 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 Annual

Return filed by the Corporation is overstated by ₹9.96 lakhs as compared to the taxable turnover as mentioned in the financial statements. The corporation has not explained the reasons of the same and as such the financial impact of the same cannot be ascertained due to lack of sufficient information.

- iii. *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 for 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:*

| <i>DGM-IV Jhajjar/Rohtak</i> | | | | | |
|------------------------------|----------------------|------------------------------------|--------------------------------|--|--|
| <i>Sr. No.</i> | <i>Name of Payee</i> | <i>Nature of Payment</i> | <i>Date of payment/ credit</i> | <i>Taxable value of invoice (` Lakhs)</i> | <i>GST Payable under RCM @18% (` Lakhs)</i> |
| <i>1.</i> | <i>Vivek Verma</i> | <i>Legal/ Arbitration Services</i> | <i>01/07/2020</i> | <i>0.30</i> | <i>0.05</i> |
| <i>Total (in ` Lakhs)</i> | | | | <i>0.30</i> | <i>0.05</i> |

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 31.03.2021.

Further , the Corporation has also not deposited Goods and Services Tax on Reverse Charge within the due date in the following instances:-

| <i>Head office</i> | | | | | |
|--------------------|----------------------|--------------------------|--------------------------------|--|--|
| <i>Sr. No.</i> | <i>Name of Payee</i> | <i>Nature of Payment</i> | <i>Date of payment/ credit</i> | <i>Taxable value of invoice (` Lakhs)</i> | <i>GST Payable under RCM @18% (` Lakhs)</i> |
| <i>1.</i> | <i>Varun Katyal</i> | <i>Legal Services</i> | <i>30/04/2020</i> | <i>0.30</i> | <i>0.054</i> |
| <i>2.</i> | <i>Varun Katyal</i> | <i>Legal</i> | <i>31/05/2020</i> | <i>0.30</i> | <i>0.054</i> |

| | | | | | |
|---------------------------|---------------------|-----------------------|-------------------|-------------|--------------|
| | | <i>Services</i> | | | |
| 3. | <i>Varun Katyal</i> | <i>Legal Services</i> | <i>30/06/2020</i> | <i>0.30</i> | <i>0.054</i> |
| <i>Total (in ` Lakhs)</i> | | | | <i>0.90</i> | <i>0.162</i> |

The corporation has not made the provision of the liability of interest due on the above in the financial statements for the year ended 31.03.2021.

- iv. *As per the information and explanation furnished to us, during the course of our audit, it has been observed that the Corporation has not deducted TDS which is required to be deducted at the rate of 2% (1% SGST +1% CGST) if the value of a contract exceeds 2.5 lakhs as per section 51 of the CGST Act, 2017 read with Notification No. 50/ 2018-Central Tax, dated 13th September, 2018. The value of supplies will be taken as amount excluding GST and cess. The detail of the same is as follow:*

| <i>Sr. No.</i> | <i>Centre</i> | <i>Name of Payee</i> | <i>Nature of Payment</i> | <i>Taxable value of invoice (` Lakhs)</i> | <i>TDS under GST @2% (` Lakhs)</i> |
|----------------|----------------------------|------------------------------------|---------------------------|---|------------------------------------|
| 1. | <i>DGM Jhajjar /Rohtak</i> | <i>Army Enterprise</i> | <i>Contractual Salary</i> | <i>1.12</i> | <i>0.02</i> |
| 2. | <i>DGM Jhajjar /Rohtak</i> | <i>Army Enterprise</i> | <i>Contractual Salary</i> | <i>1.27</i> | <i>0.03</i> |
| 3. | <i>DGM Jhajjar /Rohtak</i> | <i>Army Enterprise</i> | <i>Contractual Salary</i> | <i>1.95</i> | <i>0.04</i> |
| 4. | <i>DGM Jhajjar /Rohtak</i> | <i>Army Enterprise</i> | <i>Contractual Salary</i> | <i>1.92</i> | <i>0.04</i> |
| 5. | <i>DGM Jhajjar /Rohtak</i> | <i>Army Enterprise</i> | <i>Contractual Salary</i> | <i>1.92</i> | <i>0.04</i> |
| 6. | <i>Head Office</i> | <i>SAS Security & Manpower</i> | <i>Contractual Salary</i> | <i>2.62</i> | <i>0.05</i> |
| 7. | <i>Head Office</i> | <i>SAS Security & Manpower</i> | <i>Contractual Salary</i> | <i>2.62</i> | <i>0.05</i> |
| 8. | <i>Head Office</i> | <i>SAS Security & Manpower</i> | <i>Contractual Salary</i> | <i>2.38</i> | <i>0.05</i> |
| 9. | <i>Head Office</i> | <i>SAS Security & Manpower</i> | <i>Contractual Salary</i> | <i>2.49</i> | <i>0.05</i> |

| | | | | | |
|---------------------------|-------------|-------------------------|--------------------|--------------|-------------|
| 10. | Head Office | SAS Security & Manpower | Contractual Salary | 2.61 | 0.05 |
| 11. | Head Office | SAS Security & Manpower | Contractual Salary | 2.67 | 0.05 |
| 12. | Head Office | SAS Security & Manpower | Contractual Salary | 0.61 | 0.01 |
| 13. | Head Office | SAS Security & Manpower | Contractual Salary | 2.46 | 0.05 |
| 14. | Head Office | SAS Security & Manpower | Contractual Salary | 0.09 | 0.00 |
| 15. | Head Office | SAS Security & Manpower | Contractual Salary | 2.82 | 0.06 |
| 16. | Head Office | SAS Security & Manpower | Contractual Salary | 3.14 | 0.06 |
| 17. | Head Office | SAS Security & Manpower | Contractual Salary | 3.38 | 0.07 |
| 18. | Head Office | SAS Security & Manpower | Contractual Salary | 3.89 | 0.08 |
| 19. | Head Office | SAS Security & Manpower | Contractual Salary | 3.91 | 0.08 |
| Total (in ` Lakhs) | | | | 43.85 | 0.88 |

In view of the above , the corporation has not complied with Section 122 (2) clause (a) of Central Goods and Service Tax, 2017 and Section 50(1) of the IGST/CGST Act, 2017

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 not deducted the*

Tax at Source (TDS) on the payments made against the services received by the Corporation in accordance with provisions of the Income Tax Act 1961. The details of the same as made available to us are as follows :

| <i>Sr. No.</i> | <i>Centre</i> | <i>Party Name</i> | <i>Nature of Payment</i> | <i>Amount (` Lakhs)</i> | <i>Amount of TDS (` Lakhs)</i> |
|---------------------------|------------------------|---------------------------------|-----------------------------|--------------------------|---------------------------------|
| <i>1</i> | <i>DGM V Faridabad</i> | <i>Vipin Gupta & Co. CA</i> | <i>Professional Charges</i> | <i>0.080</i> | <i>0.0080</i> |
| <i>2</i> | <i>DGM V Faridabad</i> | <i>Vipin Gupta & Co. CA</i> | <i>Professional Charges</i> | <i>0.075</i> | <i>0.0075</i> |
| <i>3</i> | <i>DGM V Faridabad</i> | <i>Vipin Gupta & Co. CA</i> | <i>Professional Charges</i> | <i>0.075</i> | <i>0.0075</i> |
| <i>4</i> | <i>DGM V Faridabad</i> | <i>Vipin Gupta & Co. CA</i> | <i>Professional Charges</i> | <i>0.075</i> | <i>0.0075</i> |
| <i>5</i> | <i>DGM V Faridabad</i> | <i>Vipin Gupta & Co. CA</i> | <i>Professional Charges</i> | <i>0.035</i> | <i>0.0035</i> |
| <i>Total (in ` Lakhs)</i> | | | | <i>0.340</i> | <i>0.0340</i> |

The Corporation is liable on account of above non-compliance under section 40(a)(ia), Section 201 sub section (1A), Section 271C and Section 276B of the Income Tax Act, 1961. 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 31.03.2021. The financial impact of all the above said non compliances on financial statements cannot be ascertained due to lack of sufficient information.

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

- a) There is neither an independent director nor woman director in the corporation 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 and the company is liable for action under Section 172 of Companies Act, 2013.*

b) *The Corporation has neither obtained confirmation from its suppliers 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.

VIII. *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:*

| <i>Sr. No.</i> | <i>Division</i> | <i>Name of the party</i> | <i>Nature</i> | <i>Amount (` Lakhs)</i> |
|----------------|--------------------|-------------------------------|--------------------------|------------------------------|
| <i>1.</i> | <i>Head office</i> | <i>Yatinder Mathur</i> | <i>Trade Receivables</i> | <i>0.36</i> |
| <i>2.</i> | <i>Head office</i> | <i>Treasury Hry /AG Hry</i> | <i>Trade Receivables</i> | <i>1.90</i> |
| <i>3.</i> | <i>Head office</i> | <i>Naresh Kumar Sanghi</i> | <i>Trade Receivables</i> | <i>0.36</i> |
| <i>4.</i> | <i>Head office</i> | <i>Manoj Kumat (Toll 12)</i> | <i>Trade Receivables</i> | <i>120.22</i> |
| <i>5.</i> | <i>Head office</i> | <i>Ranbir Singh (Toll 14)</i> | <i>Trade Receivables</i> | <i>0.69</i> |
| <i>6.</i> | <i>Head office</i> | <i>Parshant (Toll 19)</i> | <i>Trade Receivables</i> | <i>19.45</i> |
| <i>7.</i> | <i>Head office</i> | <i>Sumer Singh</i> | <i>Trade Receivables</i> | <i>19.66</i> |
| <i>8.</i> | <i>Head office</i> | <i>Om Parkash Gupta</i> | <i>Trade Receivables</i> | <i>134.10</i> |

| | | | | |
|---------------------------|-------------|------------------|------------------------------|---------------|
| 9. | Head office | S.N. Jain(AO) | Advance to staff | 1.00 |
| 10. | Head office | Agate Management | Professional Charges payable | 0.04 |
| Total (in ` Lakhs) | | | | 297.78 |

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

IX. *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 Other Notes to Accounts - 1 Contingent Liabilities 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 there is any policy regarding the same.*

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

- a) *Note 5 Other Current Assets, Note 11 Other Financial Liabilities and Note 13 Other Current Liabilities of Notes to Accounts of the Corporation which includes the following long outstanding statutory dues for which no details or explanations were furnished to us :*

| <i>Sr. No.</i> | <i>Field Name</i> | <i>Nature of Statutory Liability</i> | <i>Amount (` Lakhs)</i> |
|----------------|-----------------------------|--------------------------------------|--------------------------|
| 1. | Elevated Road Rohtak | TDS | 0.66 |

| | | | |
|---------------------------|--|---------------------------------|-------------------|
| 2. | <i>HSRDC 200 Bed Hospital, Panipat</i> | <i>Service Tax</i> | 13.63 |
| 3. | <i>Regional Centre Jind</i> | <i>Labour Cess</i> | 0.02 |
| 4. | <i>Regional Centre Jind</i> | <i>Sales Tax</i> | 5.17 |
| 5. | <i>Rohtak New Work</i> | <i>Sales Tax</i> | 1.93 (Dr.) |
| 6. | <i>Rohtak New Work</i> | <i>TDS</i> | 1.54 |
| 7. | <i>Rohtak New Work</i> | <i>Labour Cess</i> | 0.79 |
| 8. | <i>Head Office</i> | <i>Labour Cess</i> | 0.02 |
| 9. | <i>Head Office</i> | <i>TDS</i> | 0.26 |
| 10. | <i>Head Office</i> | <i>Registration fee payable</i> | 5.24 |
| 11. | <i>Head Office</i> | <i>Stamp Duty Payable</i> | 98.42 |
| 12. | <i>ROB Hisar Sadalpur Railway Line</i> | <i>Labour Cess</i> | 0.38 |
| 13. | <i>Library Building at Murthal</i> | <i>Labour Cess</i> | 0.02 |
| 14. | <i>Library Building at Murthal</i> | <i>TDS payable</i> | 0.04 |
| 15. | <i>Rohtak Elevated Road NH 10</i> | <i>TDS payable</i> | 0.66 |
| <i>Total (in ` Lakhs)</i> | | | 124.92 |

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 31.03.2020 as well. The financial impact of the same cannot be ascertained due to lack of sufficient information.

b) Note : 8 Cash and Cash Equivalents

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

(Amount in ` Lakhs)

| <i>Sr. No.</i> | <i>Field Name</i> | <i>Bank Account</i> | <i>Balance as per Books</i> |
|---------------------------|----------------------------------|---|-----------------------------|
| 1. | <i>Hospital Add Block Rewari</i> | <i>1.HDFC Bank A/c No. 2931 2.IDBI Bank A/c No. 11732</i> | 4.94 0.08 |
| 2. | <i>Bahadurgarh</i> | <i>Bank name not known</i> | 2.13 |
| 3. | <i>Head Office</i> | <i>Fixed Deposit – State Bank of India</i> | 0.05 |
| <i>Total (in ` Lakhs)</i> | | | 7.21 |

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 Financial Liabilities, Trade payables, Other current liabilities, Provisions , Other Non-Current Assets , Trade Receivables and 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.*
- d) No data for details of works executed during financial year 2020-21, as certified by the field officers and the payment of same made in financial year 2021-22 was made available to us during the course of our audit.*

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

We conducted our audit of the financial statements in accordance with the Standards on Auditing (“SA”s) 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 made 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 obtained by us is sufficient and appropriate to provide a basis for our qualified opinion on the financial statements.

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.

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 there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibilities 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 including other comprehensive income, changes in equity and cash flows of the Corporation in accordance with the Ind AS and other accounting principles generally accepted in India. 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 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 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 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 Other Notes on Accounts – 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 Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Cash Flow Statement 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 Ind AS specified under Section 133 of the Act ***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, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 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, 2021 ***except for those mentioned under the Basis for Qualified Opinion paragraph of our Audit Report– Refer Other Notes on Accounts 1- Contingent Liabilities;***
 - 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, 2021;
 - 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 2021;
3. As required by the directions issued under section 143(5) of the Companies Act, 2013 on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, on the directions issued by the Comptroller and Auditor General of India, 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 is 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 during the relevant financial year. 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 were 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. As per the information and explanations furnished to us, 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;*
- xv. As per the information and explanations furnished to us, the Corporation has not entered into memorandum of understanding with its administrative ministry during the year.
- xvi. As per the information and explanations furnished to us during the course of our audit, all the accounting transactions have been processed through Tally system.

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

CA Suruchi Mahajan
Partner
M.No: 532126
UDIN: 22532126BEHPTN2926
Place: Chandigarh
Date: 28.11.2022

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 2021. 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 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, 2021 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 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: Other Notes on Accounts-***

1.Contingent Liabilities and for those mentioned under Basis for Qualified report paragraph of our report.

- viii. 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 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

CA Suruchi Mahajan
Partner
M.No: 532126
UDIN: 22532126BEHPTN2926

Place: Chandigarh
Date: 28.11.2022

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 2021, 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 Management 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 (the “ICAI”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Corporation’s policies , the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Corporation’s 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 ICAI 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 (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Corporation; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Corporation are being made only in accordance with authorizations of management and directors of the Corporation; and (3) 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 31.03.2021. This disclaimer does not affect our opinion on the financial statements of the Corporation.

Disclaimer of Opinion

Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph above, 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 31.03.2021. Accordingly, we do not express an opinion on the Corporation's Internal Financial Controls over Financial Reporting 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

CA Suruchi Mahajan
Partner
M.No: 532126
UDIN: 22532126BEHPTN2926
Place: Chandigarh
Date: 28.11.2022

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, 2021.

The preparation of financial statements of the Haryana State Roads and Bridges Development Corporation Limited for the year ended 31 March 2021 in accordance with financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the Company. The statutory auditor appointed by the Comptroller and Auditor General of India under Section 139 (5) of the Act is responsible for expressing opinion on the financial statements under Section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143 (10) of the Act. This is stated to have been done by them vide their Audit Report dated 28 November, 2022.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of Haryana State Roads and Bridges Development Corporation Limited for the year ended 31 March 2021 under Section 143 (6) (a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

Based on my supplementary audit, I would like to highlight the following significant matters under Section 143 (6) (b) of the Act which have come to my attention and which in my view are necessary for enabling a better understanding of financial statements and the related audit report.

A Comments on Financial Position

Balance Sheet

1. Liabilities

Other Financial Liabilities (Note 11): ₹ 148.29 crore

Other liabilities: ₹ 28.21 crore

1.1 Against contracts awarded for toll collection, Company filed six court cases for recovery of stamp duty and registration fees of ₹16.76 lakh. These cases have been dismissed from courts and no appeal is pending. However, the Company has not provided for it in the accounts. This has resulted in understatement of Other Liabilities and overstatement of Profit by ₹16.76 lakh.

1.2 Other Current Liabilities (Note 13): ₹2.09 crore

Above does not include ₹21.76 lakh on account of various revenue expenses relating to year 2020-21, payment for which were made in the year 2021-22. This resulted in understatement of current liabilities, expenses and overstatement of profits by ₹21.76 lakh.

1.3 Trade Payable (Note14) : ₹ 149.38 crore

(i) Above includes minus balance of ₹20.31 crore (Deferred Government Receivable: ₹ 20.07 crore, Executive Engineer Panipat: ₹24.21 lakh and Satish Sagar-Arbitrator: ₹0.08 lah) which should have been shown under Current Assets-Trade Receivable. This resulted in understatement of Current Liability-Trade Payable as well as understatement of Current Assets-Trade Receivable by ₹20.31 crore.

(ii) Above does not include ₹5.33 crore on accounts of eight works which was executed during the year 2020-21 but payment for which was made in 2021-22. This resulted in understatement of liability towards contractors and overstatement of balance towards various government departments by ₹5.33 crore.

2. Assets

2.1 Other Current Assets (Note5) : ₹74.86 crore.

Above includes Rs. 8.53 crore on account of refund receivable for Assessment Years (AY 2018-19: ₹5.84 crore and AY2019-20: ₹2.69 crore) from Income Tax Department. As Income Tax Department order dated 17.04.2021 for assessment year 2018-19 and order dated 08.06.2020 for assessment year 2019.20, the amount of refund payable to the Company was ₹8.10 crore (AY 2018-19: ₹5.67 crore and AY 2019-20: ₹2.43 crore). This resulted in overstatement of Current Assets as well as overstatement of Profit by ₹0.43 crore.

2.2 Advance with Contractors:- ₹8.23 crore.

The above includes ₹.71.20 lakh on account of secured advance given to M/s KBG Engg. for construction work of hospital in Panipat. This advance was given during the year 2015-16. This work has been completed and final payment has been made to the contractor during the year 2020-21. However, the advance outstanding in the accounts has not been adjusted. The non adjustment of this advance has resulted in overstatement of current assets and understatement of value of work done by ₹.71.20 lakh.

B. Net Impact of comments on profitability

The net impact of above comments is that profit is overstated by ₹0.82 crore. If this is taken into account, the profit of the Company for the year ₹ 23.41 crore will decrease to ₹22.59 crore

India

Place: Chandigarh

Date: 29.09.2023

(Audit)

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

**(Navneet Gupta)
Principal Accountant General**

Haryana

AUDIT OF ANNUAL ACCOUNTS OF HARYANA STATE ROADS & BRIDGES DEVELOPMENT CORPORATION LIMITED, PANCHKULA FOR THE YEAR 2020-21

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, 2021.

| Sr. no. | Comments on Financial Position | Reply of HSRDC |
|---------|---|--|
| | <p>Balance Sheet 1. Liabilities Other Financial Liabilities (Note 11): ₹ 148.29 crore Other liabilities: ₹ 28.21 crore</p> <p>1.1 Against contracts awarded for toll collection, Company filed six court cases for recovery of stamp duty and registration fees of ₹16.76 lakh. These cases have been dismissed from courts and no appeal is pending. However, the Company has not provided for it in the accounts. This has resulted in understatement of Other Liabilities and overstatement of Profit by ₹16.76 lakh.</p> | <p>It is submitted that the legal opinion in the cases, in total amounting to ₹ 16.76 lakh, is being taken from Advocate to take further action in the matter accordingly i.e. whether to proceed for further appeal or not. In view of the above there is no understatement of other liabilities and overstatement of profit by ₹16.76 lakh.</p> <p>Since the matter of filing of appeal is under consideration, therefore, the compliance in the matter will be done only after the final decision by the Competent Authority is taken.</p> <p>Hence, this para may kindly be dropped.</p> |
| | <p>1.2 Other Current Liabilities (Note 13): ₹2.09 crore</p> <p>Above does not include ₹21.76 lakh on account of various revenue expenses relating to year 2020-21, payment for which were made in the year 2021-22. This resulted in understatement of current liabilities, expenses and overstatement of profits by ₹21.76 lakh.</p> | <p>It is hereby to be submitted that the invoices for the expenses amounting to ₹21.76 lakhs relate to financial year 2021-22 and not financial year 2020-21 as the invoice date pertains to financial year 2021-22, hence as per the principles of accounting, the expenses were booked accordingly.</p> <p>Therefore, it is requested that this para may kindly be dropped.</p> |

| | | |
|--|--|--|
| | <p>1.3 Trade Payable (Note14) : ₹ 149.38 crore</p> <p>(i) Above includes minus balance of ₹20.31 crore (Deferred Government Receivable: ₹ 20.07 crore, Executive Engineer Panipat: ₹24.21 lakh and Satish Sagar-Arbitrator: ₹0.08 lakh) which should have been shown under Current Assets-Trade Receivable. This resulted in understatement of Current Liability-Trade Payable as well as understatement of Current Assets-Trade Receivable by ₹20.31 crore.</p> <p>(ii) Above does not include ₹5.33 crore on accounts of eight works which was executed during the year 2020-21 but payment for which was made in 2021-22. This resulted in understatement of liability towards contractors and overstatement of balance towards various government departments by ₹5.33 crore.</p> | <p>(i) It is hereby to be submitted that the amount of ₹20.31 crore recorded as negative balance in the books of accounts as the deferred government receivable is the security deposited by the respective contractors and which needs to be paid to the respective contractors as and when it will be released from the concerned department of the Government on the completion of work. So, it is recorded as Current Liability in the books of accounts for the F.Y. 2020-21.</p> <p>It is to be further submitted that to present the better picture of the Annual Accounts, the compliance for the same has been made in the books of the accounts for the F.Y. 2022-23. Therefore, it is requested that the para may kindly be dropped.</p> <p>(ii) The Budget for works is sanctioned to the Corporation on yearly basis by the Government under relevant head of accounts and accordingly the budget/LOC is released under the same head of accounts. Therefore, even though the works amounting of ₹5.33 crore has been executed in the F.Y. 2020-21 but the expenditure is booked in the books of accounts of the Corporation under the relevant head as and when the LOC/ Budget is released by the Government so that the expenditure account of the Corporation is duly reconciled with the Budget/ LOC released by the Government. As the funds were received in the year 2021-22 by the Corporation, the expenditure was booked in that period/ year.</p> <p>In the view of above, it is hereby requested that this para may kindly be dropped.</p> |
|--|--|--|

| | |
|--|--|
| <p>2. Assets 2.1 Other Current Assets (Note5) : ₹74.86 crore.</p> <p>Above includes Rs. 8.53 crore on account of refund receivable for Assessment Years (AY 2018-19: ₹5.84 crore and AY2019-20: ₹2.69 crore) from Income Tax Department. As Income Tax Department order dated 17.04.2021 for assessment year 2018-19 and order dated 08.06.2020 for assessment year 2019.20, the amount of refund payable to the Company was ₹8.10 crore (AY 2018-19: ₹5.67 crore and AY 2019-20: ₹2.43 crore). This resulted in overstatement of Current Assets as well as overstatement of Profit by ₹0.43 crore.</p> | <p>Sincere efforts have been made to disclose the relevant information, but due to oversight the error has occurred. However, more sincere efforts will be made to avoid such type of mistakes. The compliance has been made in the Financial Year i.e. 2022-23. Keeping in view the above facts, para may kindly be dropped.</p> |
| <p>2.2 Advance with Contractors:- ₹8.23 crore.</p> <p>The above includes ₹.71.20 lakh on account of secured advance given to M/s KBG Engg. for construction work of hospital in Panipat. This advance was given during the year 2015-16. This work has been completed and final payment has been made to the contractor during the year 2020-21. However, the advance outstanding in the accounts has not been adjusted. The non adjustment of this advance has resulted in overstatement of current assets and understatement of value of work done by ₹.71.20 lakh.</p> | <p>It is submitted that the amount of ₹ 71.20 lakhs was transferred to field office on account of secured advance while the work was being executed by the Corporation but after that the work was transferred to PWD B&R Department and the further payments were made through the said Department only. The amount of secured advance stood unadjusted in the books of the Corporation for the Financial year 2020-21 due to the said transfer of work to PWD B&R Department.</p> <p>However, as confirmed from the concerned field office the amount of secured advance has already been recovered from the contractors due bills and accordingly the adjustment of the same has been made in the books of accounts for the F.Y. 2022-23. Therefore, it is requested that the para may kindly be dropped.</p> |

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2021

*[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 **M/s 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, 2021 has complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by **M/s Haryana State Roads and Bridges Development Corporation Limited** ("the Company") for the financial year ended on March 31, 2021, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder.
- (ii) Secretarial Standards issued by The Institute of Company Secretaries of India.

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

- i. The Payment of Wages Act, 1936,
- ii. The Minimum Wages Act, 1948,
- iii. The Environment (Protection) Act, 1986
- iv. The Payment of Bonus Act, 1965,
- v. Industrial Dispute Act, 1947,
- vi. Employee State Insurance Act, 1948,
- vii. The Employee's Provident Fund and Miscellaneous Provisions Act, 1952,
- viii. The Payment of Gratuity Act, 1972,
- ix. Equal Remuneration Act, 1976,
- x. The Contract Labour (Regulation and Abolition) Act, 1970

I have also checked and also the management identified that the following laws are not applicable upon the company:

- (a) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder; **(Not Applicable as the company is not a listed company)**
- (b) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder; **(Not Applicable on the company)**
- (c) 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)**
- (d) 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)**
- (e) 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)**
- (f) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992; **(Not Applicable as the company is not a listed company)**
- (g) 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)**
- (h) 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).**
- (i) 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).**
- (j) 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).**
- (k) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009- - **(Not applicable as the company is not a listed company).**
- (l) 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).**

We have observed that the company has not make compliances with regard to the following:

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

- a) **The Corporation had not spent any amount as required under the provision of section 135 of the Companies Act, 2013 for the financial year 2015-16 to financial year 2018-2019. Hence, the corporation has contravened the provisions of Section 135 of the Companies Act 2013.**
- b) **Annual General Meeting for the financial year 31.03.2020 was held 02.12.2020 but the meeting stands adjourned as statutory audit report and comments of Comptroller and Auditor General of India were not available on the date of AGM. Hence the report of directors is as per sub - sections (3), (4) and (5) thereto.**
- c) **The corporation had neither adopted financial statements for the Financial year 2019-2020 nor filed the same with the Registrar of company as comments of Comptroller and Auditor General of India were not available till date of this report.**
- d) **The corporation has not conducted the secretarial audit for the financial year 2017-18; As per the provision of section 204 of the Companies Act,2013, the corporation is required to conduct a secretarial audit report for the financial year 2017-18. Hence the corporation has contravened the provisions of Section 204 of the Companies Act 2013.**
- e) **The corporation had neither adopted the financial statements for the Financial year 2019-2020 nor filed the same with the Registrar of company as comments of Comptroller and Auditor General of India were not available till date of this report.**
- f) **The Board of Directors of the corporation was not duly constituted with proper balance of Executive Directors , Non - Executive Directors and independent Directors, as there was only one director appointed during the year. The Corporation has contravened the provisions of the Section 149 of the Companies Act 2013.**

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 in the prior period, have been filed with the Registrar of Companies during the year under review. However, it is hereby reported that the composition of Committees of the Board have been properly constituted as required to be constituted under the provisions of the Companies Act, 2013 and rules made thereunder.
2. Adequate period notices for convening the Board Meetings have not been given to the directors. However, a system exists for seeking information and clarifications on the

agenda items even before the meetings in order to have 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 not followed the 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:

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.

Apart from the business stated above, 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 05.04.2022

UDIN:F011552D000017844

FCS No. 11552

C P No.: 21089

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.

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

Our report 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 05.04.2022
UDIN:F011552D000017844

FCS No. 11552
C P No.: 21089

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.**

CSR policy is enclosed at the end of this document.

- 2. The composition of the CSR Committee:**

| S. No | Designation |
|--------------|---|
| 1. | Executive Director / Non – Executive Director |
| 2. | Executive Director / Non – Executive Director |
| 3. | Independent Director |

- 3. Average net profit of the company for last three financials years 2017-18 to 2019-20: Rs. 22,82,37,822.33**

- 4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above):
Rs. 45,64,756.45.**

- 5. Details of CSR spent during the financial year:**

- (a) Total amount to be spent for the financial year:**

Rs. 45.65 lakh 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) |
|-------------|---|---|--|--|--|--|--|
| F.Y. | CSR project or activity Identified | Sector in which the project is covered | Projects or programs (1) Local area or other (2) Specify the state and district where projects or programs was undertaken | Amount outlay (budget) project or programs wise | Amount spent on the projects or programs sub-Heads: (1) Direct expenditure on projects or programs (2) Overheads: | Cumulative expenditure upto the reporting period. | Amount spent: Direct or through implementing agency |
| 2020-21 | Contribution to any funds set-up by Central Govt. | PM CARE S Fund | - | - | - | - | Rs. 46 lakhs |
| | Total | | | | | | Rs. 46 lakhs |

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 | | | | Rs. 46 lakhs |
| | Rural sports | | | | |
| | Technology incubation | | | | |
| | Environment sustainability | | | | |
| | Armed forces | | | | |
| | Heritage, Art & culture | | | | |
| | Gender equality | | | | |
| | Education and skills | | | | |
| | Healthcare | | | | |

C. Actual to prescribed spent by the CPSE
As mentioned above

**CORPORATE SOCIAL
RESPONSIBILITY POLICY**
**-HARYANA STATE ROADS & BRIDGES DEVELOPMENT
CORPORATION LIMITED**

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1. Introduction:

Corporate Social Responsibility (herein after referred to as CSR) is strongly connected with the principles of Sustainability (i.e., an organization should make decisions based not only on financial factors and business outcomes, but also on the social and environmental consequences). Haryana State Roads & Bridges Development Corporation Limited (herein after referred to as the Company) wishes to contribute to harmonious and sustainable development of society and the Earth through its business activities. This Policy sets forth the Company's goals in complying with all the CSR-related provisions of the Companies Act, 2013.

2. Objectives of the Policy:

- 2.1 To behave ethically and contribute to sustainable development
- 2.2 To contribute to Society through the Company's Business
- 2.3 To comply with the provisions of Companies Act, 2013 and rules made thereunder
- 2.4 To act with utmost respect for human rights and pursue a high sense of corporate ethics
- 2.5 To promote social contribution activities as a good corporate citizen in order to make a better society
- 2.6 To build a bond and sense of harmony with the environment
- 2.7 To play an effective role in addressing issues such as access to education, health care and livelihood opportunities

3. Scope and Applicability:

This Policy is formulated based on the provisions of Companies Act, 2013, Companies (Corporate Social Responsibility Policy) Rules, 2014 and notification made thereunder.

The Policy must be followed by such Directors who are appointed from the Board of the Company from time to time. The members of Corporate Social Responsibility Committee may modify this Policy if required with the approval of Board of Directors of the Company. The Board shall abide by this Policy.

4. Activities to be undertaken:

The Company is committed towards environmental and social safety and protection. In compliance of the Schedule VII of the Companies Act, 2013 and the Company's Policy any of the below mentioned activities shall be carried out by the Company to contribute towards CSR:

- 4.1 Eradicating hunger poverty and malnutrition, promoting preventing health care and sanitation and making available safe drinking water.
- 4.2 Promoting social business projects like giving medical and legal aid, treatment to road accident victims and provisions for aid and appliances to disabled persons.
- 4.3 Promoting education, including special education and employment enhancing vocational skills especially among children, women, elderly and disabled persons and livelihood enhancement projects.
- 4.4 Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centers and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically disadvantaged groups.
- 4.5 Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare and agro forestry, conservation of natural resources and maintaining quality soil, air and water.
- 4.6 Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works for art; setting up public libraries, promotion and development of traditional arts and handicrafts.
- 4.7 Measure for benefit of armed forces veterans, war widows and their dependents.
- 4.8 Training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports.

- 4.9 Contribution to Prime Minister national Relief Fund or any other fund setup by the central government for socio-economic development and relief and welfare of the scheduled tribes, other disadvantaged classes, minorities and women.
- 4.10 Contributions or funds provided to technology incubators located within academic institution which are approved by the central government.
- 4.11 Rural development projects.

5. CSR Committee:

The Company's Corporate Social Responsibility Committee shall be constituted in accordance with the terms of reference, powers and functions covered under this Policy for the purpose of establishing a formal, purposive and transparent Committee for initiating, overseeing, recommending and reviewing the Company's CSR activities and projects undertaken by it from time to time.

The Committee shall ensure that the Policy & Practices in the Company reflect the highest standards of corporate governance and facilitate necessary compliances and appropriate disclosures periodically.

6. Composition of the Committee:

6.1 The Committee shall be constituted with three Directors, provided if the number of Directors in the Company falls to two, such two Directors shall be the members of the Committee

6.2 The Chairman of the Committee can be any member of the Committee

6.3 The members of the Committee shall be elected by the Board of the Company

6.4 Tenure of the membership in the Committee shall be based on tenure of the Directorship in the Company

6.5 The Committee shall be formulated with following Members:

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

6.6 The Directors of the Committee may be changed by the Board of Directors as and when required.

7. Committee Meetings:

1.1 Frequency of the Meeting:

The CSR Committee shall meet in person **at least two** times in a financial year and one meeting shall be held to recommend CSR activities and to allocate the funds for CSR programs/projects and one meeting shall be held to review the activities of CSR and any other meetings at such appropriate times as is deemed necessary by the Committee.

1.2 Quorum and Place of the Meeting:

- 1.2.1 The quorum necessary for the meeting shall be a minimum of two Directors present in person.
- 1.2.2 The Meeting can be held at any place as the Directors decide.
- 1.2.3 Any person other than Directors of the Committee may attend the Meeting.

1.3 Notice of the Meeting:

- 1.3.1 Meeting shall be called by any Director or at the request of the Board of Directors of the Company.
- 1.3.2 Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed, shall be forwarded to each Director of the Committee, any other person required to

attend and all other non-executive directors, not later than **seven days** before the date of the meeting.

1.4 Minutes of the Meeting:

- 1.4.1 Any authorized person shall minute the proceedings and decisions of all the meetings of the Committee including recording the names of those who are present and in attendance.
- 1.4.2 Draft minutes of Committee meetings shall be circulated promptly to all Directors of the Committee and should be signed by the Chairman of that meeting not later than 30 days after the meeting.
- 1.4.3 Once approved, minutes should be circulated to all other members of the Company's Board of Directors and shall be taken on record in the immediately subsequent meeting of the Company's Board of Directors.

8. Functions and Powers of the Committee:

- 8.1 Formulate and recommend to the Board, a CSR Policy which shall indicate the activities to be undertaken by the Company as specified in areas of CSR chosen by the Board from time to time.
- 8.2 The Committee shall recommend the projects/activities to be taken up during the financial year to the Company's Board of Directors.
- 8.3 To receive reports and review activities initiated or/and implemented by the Company from associated agencies and companies managing CSR operations of the Company across all areas.
- 8.4 Recommending the amount of expenditure to be incurred on the activities to the Board to ensure that the financial statements relating to CSR is correct, sufficient and credible.
- 8.5 Approval of payment to any independent professionals or consultants for any other services rendered for the purpose of monitoring and effectively implementing the CSR projects/programmes of the Company.

- 8.6 To prepare the Annual Company/Group Corporate CSR Report to be included in the Annual Report including website communications of the Company and ensure that it is a fair reflection of the Company's CSR approach, policies, systems and performance, is coherent and published in a timely manner.
- 8.7 To review the internal CSR program of the Company, ensure co-ordination between internal and external activities and ensure that the internal CSR function is adequately resourced and has appropriate standing within the Company.
- 8.8 Monitor and Review the CSR projects from time to time as may be required.
- 8.9 The Committee shall institute a transparent monitoring mechanism for implementation of the CSR projects or programs or activities undertaken by the Company.
- 8.10 To consider other matters as may be specified by the Board.

9. Execution of CSR Projects:

9.1 Outsourcing to External Trust or NGO:

- 9.1.1 The Company may make arrangements with Registered Trust or registered society or a company established under Section 8 of the Companies Act, 2013 or any Non-Governmental Organization organized for the principal purpose of carrying out CSR activities and, if so, the Company shall conduct the agreed upon CSR activity(ies) with such external organization.
- 9.1.2 The Company shall specify the CSR activity(ies) to be undertaken by such external organizations.
- 9.1.3 The modalities of utilization of funds on such projects and programs should be specified by the Company and be monitored.

9.2 Collaboration with other Body Corporate:

The Company may have collaboration with other companies for undertaking CSR projects or programs in such a manner that the CSR Committees of the both companies are in a position to report separately on such activities or programs in accordance with their respective CSR Policies.

9.3 Management to conduct the CSR projects/ programs:

The Company shall decide on the projects or programs carried out under this Policy with consultation with the CSR Committee. Such projects/programs shall be conducted by the Company individually.

10. Allocation for CSR:

- 10.1 The Company shall contribute for CSR activities in every financial year (after the adoption of this Policy) at least two percent (2%) of its average net profit earned during three immediately preceding financial years.
- 10.2 Based on the profits earned the Board of Directors may allocate for CSR activities more than two percent of the net profit earned during three immediately preceding financial year but shall not exceed 5 percent (5%).
- 10.3 In case, if the Company does not fall under Section 135 of the Companies Act, 2013 in any financial year, the Company may not allocate funds for CSR purpose in such financial year.

11. CSR Expenditure:

- 11.1 The amount allocated for the purpose of CSR projects/programs decided by the Board, shall be spent only for the purposes/activities mentioned under this Policy.
- 11.2 If the Company arrives at any surplus from the activities conducted under this Policy, such amount shall not be considered as business profit.
- 11.3 Such surplus should be utilized for the purpose of other CSR activities under this Policy only.
- 11.4 Expenses incurred by the Company's Parent or subsidiaries for CSR activities in India as routed through the Company shall be considered as CSR spend of the Company.

12. Computation of Net Profit:

The net profit for the purpose of CSR spending shall be computed according to Section 198 of the Companies Act, 2013. The following shall be taken into consideration for calculation of net profit for this purpose:

- 12.1 In making the computation of net profit, the following sums shall be deducted:
- (a) All the usual working charges;
 - (b) Directors' Remuneration;
 - (c) Bonus or commission paid or payable to any member of the company's staff, or to any engineer, technician or person employed or engaged by the Company, whether on a whole-time or on a part-time basis;
 - (d) Any tax notified by the Central Government as being in the nature of a tax on excess or abnormal profits;
 - (e) Any tax on business profits imposed for special reasons or in special circumstances and notified by the Central Government in this behalf;
 - (f) Interest on debentures issued by the Company;
 - (g) Interest on mortgages executed by the company and on loans and advances secured by a charge on its fixed or floating assets;
 - (h) Interest on unsecured loans and advances;
 - (i) Expenses on repairs, whether to immovable or to movable property, provided the repairs are not of a capital nature;
 - (j) Outgoings inclusive of contributions made to any charitable funds etc.
 - (k) Depreciation to certain extent;
 - (l) The excess of expenditure over income, which had arisen in computing the net profits in accordance with this section in any year;
 - (m) Any compensation or damages to be paid in virtue of any legal liability including a liability arising from a breach of contract;
 - (n) Any sum paid by way of insurance against the risk of meeting any liability
 - (o) Debts considered bad and written off or adjusted during the year of account.

- 12.2 In making the computation aforesaid, the following sums shall not be deducted:
- (a) Income-tax and super-tax payable by the Company under the Income-tax Act, 1961, or any other tax on the income of the Company;
 - (b) Any compensation, damages or payments made voluntarily, that is to say, otherwise than in virtue of a liability;
 - (c) Loss of a capital nature including loss on sale of the undertaking or any of the undertakings of the Company or of any part thereof not including any excess of the written-down value of any asset which is sold, discarded, demolished or destroyed over its sale proceeds or its scrap value;
 - (d) Any change in carrying amount of an asset or of a liability recognized in equity reserves including surplus in profit and loss account on measurement of the asset or the liability at fair value.

13. Implementation Process:

- 13.1 The projects to be undertaken by the Company under this Policy shall be identified in particular manner in consultation with the CSR Committee members.
- 13.2 The projects should be within the purview of the activities mentioned in this Policy.
- 13.3 The Board of Directors shall oversee each CSR project for effective implementation in consultation with the CSR Committee.
- 13.4 Time frame should be given for each projects/ programs undertaken.
- 13.5 The focus area of CSR activities by the Company shall include but not be limited to education and gender equality/women's empowerment.

14. Organizational mechanism and responsibilities:

- 14.1 The Board of Directors shall periodically review the performance of the CSR Committee, **at least annually** review its constitution and terms of reference to

ensure it is operating efficiently and recommend any changes it considers necessary.

- 14.2 Evaluate the performance of the CSR Committee and the individual members of the Committee.
- 14.3 Shall monitor the implementation of every project taken up by the Company including evaluation of the projects by an outside agency.
- 14.4 Give due consideration to laws and regulations, the provisions of the Companies Act, 2013, and any other applicable laws, as appropriate.

15. Management Commitment:

The Board of Directors, Directors of the CSR Committee, and directors of the HSRDC are committed to developing impactful CSR programs/projects to contribute to a harmonious and sustainable development of society and the Earth, and to encourage Company employees and their families to participate in such programs/projects to transform their local communities.

16. CSR Reporting:

- 16.1 The Company must prepare an annual report containing all the particulars of activities conducted during every financial year.
- 16.2 The annual report shall be in the format given in Annexure I to the Policy.
- 16.3 The Board of Directors must in its Report to the Shareholders disclose by way of a detailed report the composition of the CSR Committee, a description of the programs/projects initiated and implemented, ongoing status and impact of the CSR activities proposed and undertaken by the Company along with the accounts and accounting treatment thereof.

17. Information Dissemination:

The Board of Directors of the Company shall disclose the content of this Policy in its annual Report and the same shall be made available on the Company's website.

Annexure I:

FORMAT FOR THE ANNUAL REPORT ON CSR ACTIVITIES

1. Brief outline of the Company’s CSR Policy
2. Overview of the projects undertaken or proposed to be undertaken
3. Composition of CSR Committee
4. Average Net Profit of the Company for last three years
5. Amount allocated for the purpose of CSR
6. CSR expenditure made during the year
7. Details of CSR spent during the financial year
 - Total amount spent during the financial year
 - Amount unspent, if any
8. Manner in which the amount was spent during the financial year is detailed below:

| Sl. No | CSR Projects/ activities identified | Section in which The projects Is covered | Projects or Programs Local area or other Specify the state and district where projects or programs was undertaken | Amount outlay per projects | Amount spent on the projects | Cumulative expenditure | Amount spent directly Or through implementing agencies |
|--------|-------------------------------------|--|---|----------------------------|--|------------------------|--|
| | | | | | Direct expenditure on projects or programs | | |
| | | | | | Overheads | | |

| | | | | | | | |
|-------|--|--|--|--|--|--|--|
| | | | | | | | |
| | | | | | | | |
| Total | | | | | | | |

9. Details of implementing agency

10. In case the company has failed to spend the two per cent, 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

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

Annexure II:

YEARLY PLAN OF ACTION:

This annexure contains the plan of action for the Company for the financial year April 1, 2019 to March 31, 2020. This annexure shall be revised by the CSR Committee members for every financial year.

1. First Meeting of the Committee: The CSR Committee must meet in the financial year to adopt this policy and to recommend the activities to be undertaken during the year. In the first year of the contribution of CSR, the Company shall focus on the following activities –
 - Plantation of trees in order to be covered under 'Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare and agro forestry, conservation of natural resources and maintaining quality soil, air and water.' Clause of Schedule VII of the Companies Act, 2013.
 - Any other expenditure qualifying for CSR purposes as per provisions of Companies Act, 2013 and meant for welfare of the society.
2. Approval by Board of Directors: The board should meet and approve the activities recommended by the Committee and shall allocate the funds for CSR activities.
3. Review of CSR activities: The Committee shall review the activities undertaken at least once in every three months.
4. The Committee shall prepare a brief report of the progress of the activities undertaken and place the same before the Board.
5. The Committee shall meet in the first quarter of the next financial year to take a complete over view of the activities conducted during the year.
6. An annual report as per Annexure I shall be prepared by the Committee and the same shall be made as a part of annual report of the Company.