

ANNUAL REPORT **2019-20**



National Highways Authority of India

(Ministry of Road Transport & Highways)

www.nhai.gov.in

Nation Building Through Highways

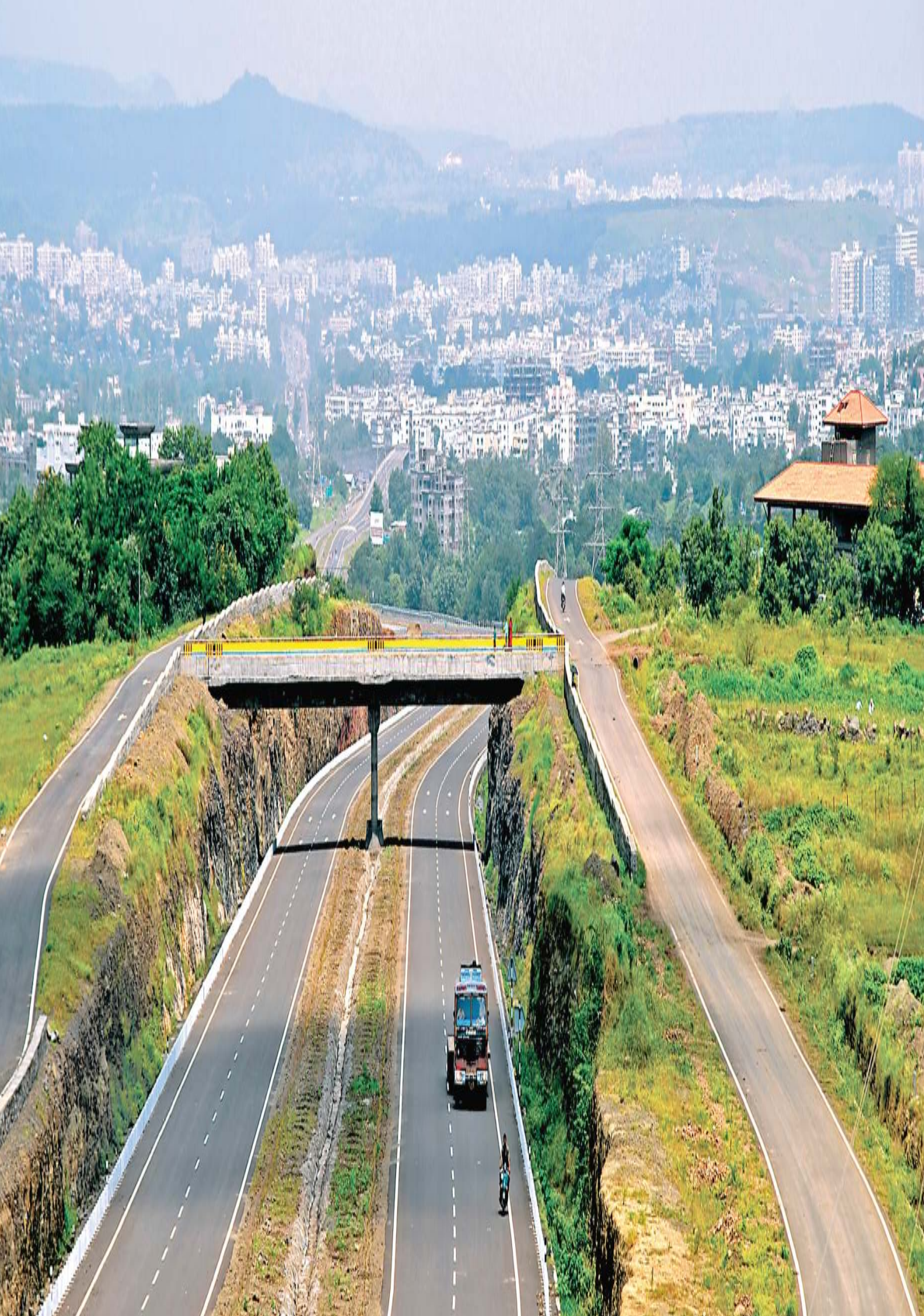




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1 Introduction

National Highways Authority of India (NHAI) is India's premier highway infrastructure creator entrusted with developing, maintaining, and managing National Highways. It is a statutory body under the administrative control of the Ministry of Road Transport and Highways.

NHAI was constituted by an Act of Parliament in 1988 to take over the development and maintenance of the National Highway system from the Central Government, which was responsible for planning, approval of design, estimates, monitoring, etc., of National Highway projects and the state PWDs which executed them. NHAI became operational in February 1995.

NHAI's operations are governed by four principal Acts:

- National Highways Authority of India Act, 1988 and rules framed thereunder govern the overall functioning of NHAI.
- National Highways Act, 1956 governs land acquisition and tolling.
- Control of National Highways (Land and Traffic) Act, 2002 governs matters related to encroachment and regulating the traffic on the highways and control of land within National Highways.
- The Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013 provides for payment of compensation, resettlement, and rehabilitation.

These Acts provide the governing framework for NHAI for the development, maintenance, and management of National Highways. In addition, policies, guidelines, and rules have been formulated to govern NHAI's day to day operations.

Additionally, the Green Highways (Plantation & Maintenance) Policy-2015 has been developed to promote the development of eco-friendly National Highways with the participation of the community, farmers, NGOs, private sector, institutions, government agencies, and the Forest Department.

NHAI has a three-tier structure-the Headquarters (HQ), the Regional Offices (ROs), and the Project Implementation Units (PIUs). The PIUs, headed by Project Directors, are responsible for the implementation of projects assigned to them. ROs, headed by a CGM level officer, have been set-up in various parts of the country for decentralising and strengthening the field level operations in NHAI. The HQ is responsible for the overall supervision of the works assigned to NHAI.

NHAI's sources of funds include Government support in the form of capital base, cess fund, additional budgetary support, capital grant, maintenance grant, ploughing back of toll revenue, loan from multilateral agencies, and market borrowings.

Fulfilling its commitment to building world-class highway infrastructure for the country, NHAI over the years has delivered some of the most iconic projects including the Dera Baba Nanak-Kartarpur Corridor, Lucknow-Sultanpur Section of NH-731, Chenani-Nashri Tunnel, the New Narmada Bridge. It has also been working diligently for ensuring the time-bound implementation of Bharatmala Pariyojana.

NHAI has been working diligently in fulfilling its mandate of ensuring contract awards and procurements which conform to the best industry practices and secure implementation of projects conforming to best quality requirements.

From its humble beginnings in 1995, NHAI has gone on to establish itself as the fulcrum of the highways sector, steadily contributing to India's rapid strides towards becoming a global superpower.

2 Vision and Mission

Vision

To meet the Nation's need for provision and maintenance of National Highways network to global standards and to meet the user's expectations in the most time-bound and cost-effective manner, within the strategic policy framework set by the Government of India and thus promote economic well-being and quality of life of the people

Mission

- To develop, maintain and manage National Highways vested in it by the Central Government.
- To regulate and control the plying of vehicles on National Highways for its proper management.
- To develop and provide consultancy and construction services in India and abroad, and carry out research activities in relation to the development, maintenance and management of highways or any other facilities thereat.
- Provide such facilities and amenities for the users of the highways vested in, or entrusted to, it as are, in the opinion of the Authority, necessary for the smooth flow of traffic on such highways;
- Construct offices or workshops and establish and maintain hotels, motels, restaurants and rest-rooms at or near the highways vested in or entrusted to, it;
- To advise the Central Government on matters relating to highways.
- To assist, on such terms and conditions as may be mutually agreed upon, any State Government in the formulation and implementation of schemes for highway development.



3 Chairman's Report

I am delighted to report that FY 2019-20 has been a year of achievements and big strides for NHAI. To start with, NHAI accomplished construction of 3,979 km of national highways in the financial Year 2019-20 which is the highest ever highway construction achieved in a financial year. NHAI awarded 3,211 km of projects during the year. As can be seen, NHAI has maintained a healthy pace of award and 40% of the length has been awarded as of FY19-20. In terms of land acquisition, 18,896 Ha was notified, and 7,473 Ha was taken in possession for the year. Further DPRs are in progress for the balance length of 16,958 km of which 16,958 km, DPR is in advanced stages for 3,100 km where bids have already been awarded.

Many important projects such as the Lucknow-Sultanpur Section of NH-56, Lucknow Ring Road, Dera Baba Nanak-Kartarpur Sahib project, which holds international significance, among others were completed before time. This only shows the proactiveness of NHAI team and I commend the effort for setting forward an example of what adherence to commitment is.

Apart from building highways, road safety has been another matter of primary concern for us this year. Various initiatives were undertaken to improve road safety on National Highways. Rectification of blackspots, conducting road safety audits, road safety awareness campaigns, imparting training to officers & concessionaires, and other stakeholders comprised our road safety efforts. Various NHAI officers were nominated for different training programs in India and abroad. Learning and advancement have been the essence of our methodology this year.

On the finance front too, NHAI performed well and made a successful financial closure of its first project under Toll-Operate-Transfer (TOT) in 2018. The first TOT bundle of 9 projects, totalling approximately 681 km of roads was awarded during the year for Rs.9,681 crore. NHAI also deposited Rs.18,957.05 crore in Consolidated Fund of India (CFI) during 2018-19 towards user fee collection, revenue share, negative grant, and interest thereon.

NHAI was able to monetize 566 km of roads under TOT Bundle-3 for Rs.5,011 crore with the date of signing of the Agreement as 27.12.2019. However, the Concession fee was not deposited during the year.

It is due to our consistent and remarkable performance that all the major credit rating agencies such as CRISIL, CARE, and India Ratings have allotted the highest credit rating i.e. "AAA/Stable" to NHAI Borrowing programme amounting to Rs.75,000 crore for FY 2019-20.

Our major emphasis has been towards the smooth and timebound implementation of FASTag which will transform the way toll is collected across India, bringing us one step closer to PM's vision of digitising India.

Before concluding, I would like to address the concern which has recently engulfed our nation and the larger world. The spread of COVID-19 has forced many countries to go under lockdown and India too has adopted this approach to contain this fast-spreading disease and safeguard the lives of our citizens. Nonetheless, this halt in economic activities is only for the time being and we are confident that once the lockdown is lifted, we would be ready to serve the nation again with even more fervor. Work from home has been extended to all the NHAI employees to keep the pace of work undisrupted.

Looking forward to a progressive and fruitful FY 2020-21.

4 Infrastructure and Road Sector

4.1 Infrastructure Sector in India:

The infrastructure sector is the cornerstone of the Indian economy and plays a critical role in accelerating India's growth and development.

Aimed at boosting the infrastructure sector, the Government has launched National Infrastructure Pipeline (NIP) in 2019, wherein it has planned to invest about Rs.102 lakh crore on infrastructure projects by 2024-25. As much as 19 per cent of the Rs.102 lakh crore, will be spent on road projects.



The NIP is the latest among the host of reforms initiated by the Government to boost infrastructure and investment in the sector. Other initiatives to attract investments include foreign direct investment up to 100% in the road sector, duty-free import of high capacity and modern construction equipment.

4.2 Road Sector:

4.2.1 India's road network, the second largest in the world with around 59 lakh kilometers of length, is the most preferred mode of transport in the country for both freight and passengers. In a country such as India, a robust road network becomes the lifeline as it is pivotal for the smooth functioning of not just the economic activities but also for social integration of the country. A good road network offers last-mile connectivity for transportation of goods and passengers, accessibility to schools and hospitals, and opens avenues of trade in the least developed regions.

4.2.2 A strong road network is also imperative for seamless inter-modal transport development, be it connectivity to airports, railway stations, and ports. In the financial year in review, the rate of development of roads has increased substantially.

4.2.3 If strong intracity roads are integral for the development of the region, an equally robust national highways network is the backbone of the country as it directly contributes to the development of smaller regions by generating employment opportunities via a large number of small restaurants also known as dhabas, local inns, fueling stations and factories along the length of the highways. For national highways, several measures have been taken to make them safe for commuters and minimize adverse impacts on the environment.

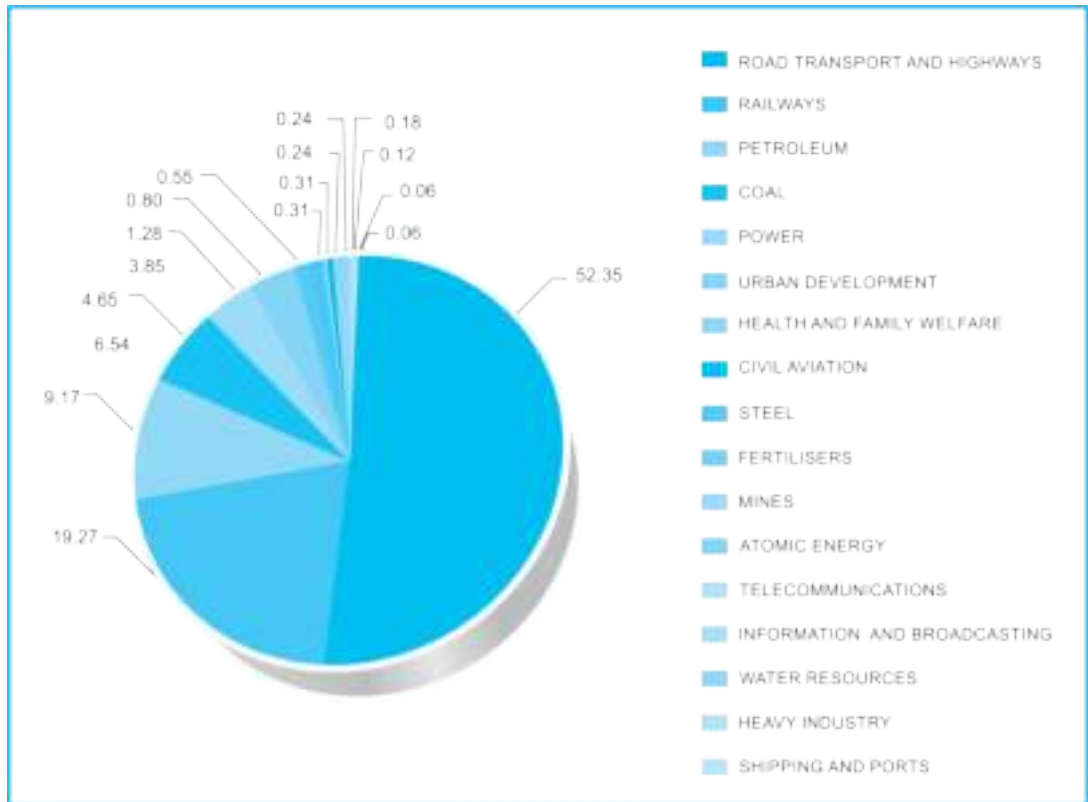
4.2.4 India has the second largest road network in the world after USA. India's road network stands at over 58,97,671 km. This comprises National Highways, Expressways, State Highways, Major District Roads, other District Roads and Village Roads as under;

Particulars	Km
National Highways/ Expressway	1,32,500
State Highways	*1,56,694
Other Roads	*56,08,477
Total	58,97,671

Source: Ministry of Road Transport & Highways Annual Report for FY 2019-20



4.2.5 The Govt. of India lays great emphasis on the road sector to energize the economy. It is evident from the report of Ministry of Statistics and Programme Implementation (MoSPI) which is as follows:



Source: Annual Report of Ministry of Statistics and Programme Implementation (MOSPI), GOI FY 2019-20

4.2.6 As shown in the figure above, approximately 52.35% of total projects under implementation during FY 2019-20 pertained to Road Transport & Highways. These projects are being handled by the Ministry of Road Transport and Highways (Roads Wing), National Highways Authority of India (NHAI), State PWDs, Border Roads Organization (BRO) and the National Highways & Infrastructure Development Corporation Limited (NHIDCL).



5 Human Resource and Administration

5.1 Organisational set up:

NHAI has a good mix of permanent officers and officers on deputation. The officers on deputation are drawn from Ministry of Road Transport & Highways, various state PWDs, and other related organisations. While NHAI benefits from the rich experience of the professionals from various departments, it faces challenges as all the employees on deputation may not adjust equally to NHAI's business model. There is also the possible loss of continuity within NHAI as employees on deputation revert back to parent organizations.

NHAI is moving towards increasing the strength of regular officers by inducting technical officers at the level of Deputy Manager through GATE score of IIT. Also, NHAI has been empowered to create all posts up to the level of General Manager to meet its rapidly changing requirements. Such permanent technical employees are allowed to gain experience of both core functions and operational/corporate planning functions over a period of time to build a core of officers within NHAI that can provide long-term leadership and managerial material for the organization. It facilitates knowledge management and the creation of a long term "institutional memory" without fundamentally altering the outsourcing model.

5.2 NHAI Board:

NHAI Board comprises Chairman, 6 full time Members and 4 part time Members and 2 non-Government part time Members. The status of the Board as on 31.03.2020 is as under:

Full-time Members	Name
Chairman	Dr. Sukhbir Singh Sandhu
Member (Administration)	Shri Alok
Member (Finance)	Shri Asheesh Sharma
Member (PPP)	Vacant
Member (Projects)	Shri R. K. Pandey
Member (Projects)	Vacant
Member (Technical)	Vacant

Part-time Members	Name
Secretary, Department of Expenditure, Ministry of Finance	Dr. T. V. Somanathan
CEO NITI Aayog	Shri Amitabh Kant
Secretary (RT&H), MoRT&H	Dr. Sanjeev Ranjan
Director General (RD) & SS, MoRT&H	Shri I. K. Pandey

Non-Government Part-time Members	Name
Member	Vacant
Member	Vacant



5.3 Human Resource:

NHAI is a lean organisation and has a staff strength of 1,083 for managing the projects portfolio of more than 64,000 km. NHAI has a three tier system i.e. HQ, Regional Offices and Project Implementation Units (PIUs) for supervising and close monitoring of the projects. Regional Offices have their presence in all the State Capitals where projects are being implemented.

In 2019-20, there are 26 Regional Offices and 185 PIUs in the country and 1 PIU abroad established for expediting the execution of projects. List of Regional Offices and Project Implementation Units is enclosed at Annexure 1.

The total manpower strength of the Authority under various categories as on 31.03.2020 is as under:

Group of post	Present strength of the employees	Regular	Deputation	Contract	SC	ST	OBC	Person with Disability
A	661	409	248	4	75	28	154	5
B	305	294	8	3	47	4	83	0
C	117	114	0	3	5	2	45	0
Total	1,083	817	256	10	127	34	282	5

5.4 Strengthening of Human Resources:

The provisions of National Highways Authority of India (Recruitment, Seniority and Promotion) Regulations, 1996 were amended to attract competent professionals from various sectors to work in NHAI on deputation. For Capacity Building of officers/staff of NHAI, employees of NHAI were deputed to prestigious training institutions in India and abroad for various training programmes. Details of training programmes attended by officers/staff of NHAI are given below:

Domestic Training Programmes		Foreign Training Programmes	
No. of Programmes	No. of Officers who have attended the programmes	No. of Programmes	No. of officers who attended the programmes
27	278	08	11

6 Project Portfolio

6.1 Bharatmala Pariyojana:

Overview:

Bharatmala Pariyojana is the umbrella program for National Highway development focusing on improving the efficiency of road freight and passenger movement across the country by bridging critical infrastructure gaps in the highway infrastructure. Bharatmala network was designed with an objective of enabling corridor-based highway development in the country. It envisages development of 50 Economic Corridors, provide connectivity to more than 550 districts in the country through NH linkages and improve the average speed of road travel in the country.

The Cabinet Committee on Economic Affairs had approved the implementation of Phase-I of Bharatmala Pariyojana on 24th October 2017. Phase-I of Bharatmala Pariyojana envisaged a development of a network of 24,800 km of National Highway corridors under Bharatmala Program, in addition to completion of 10,000 km of balance road works under NHDP, taking the total to 34,800 km.

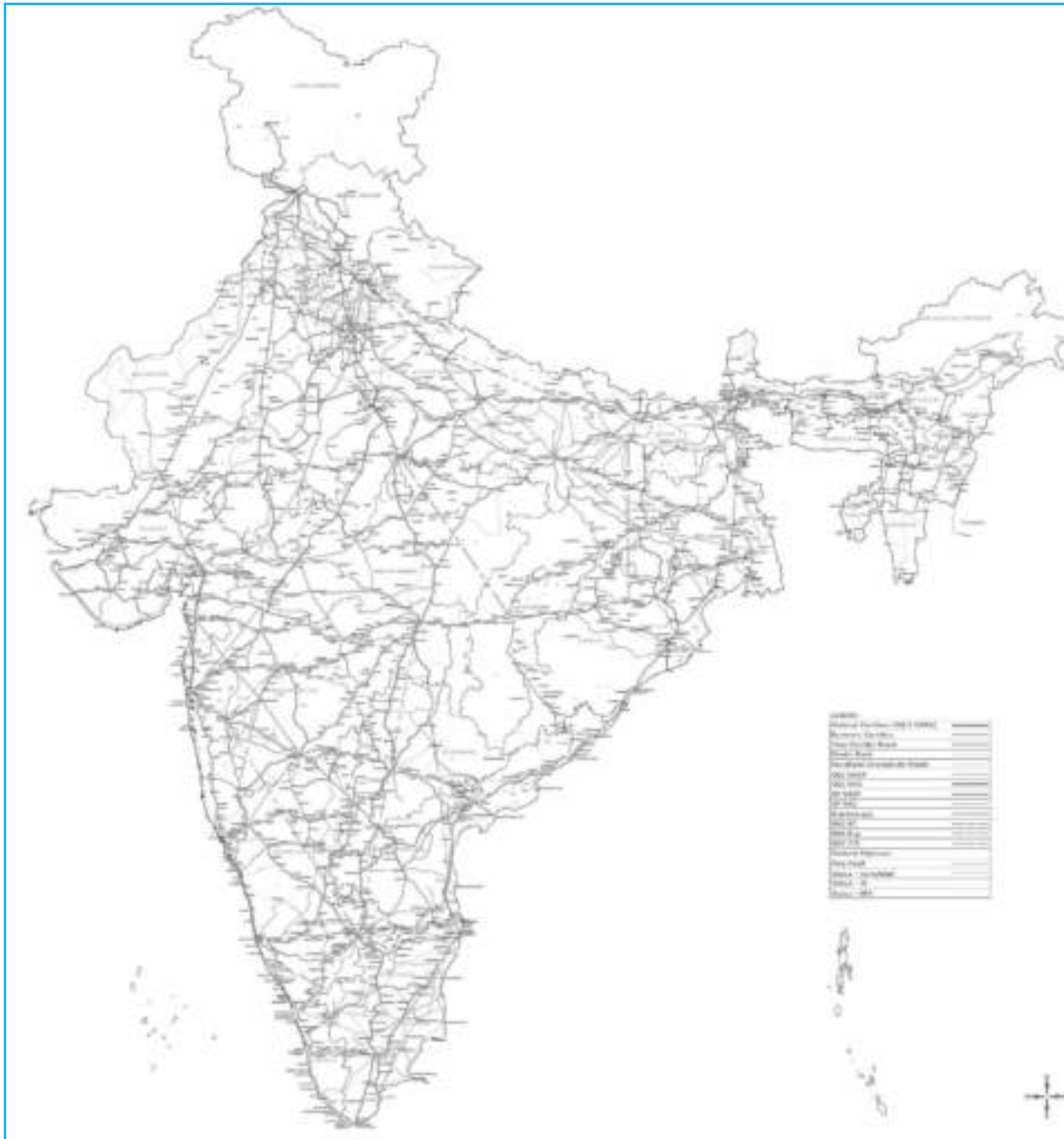
Out of the 34,800 km, 279 projects, having a length of 10,773 km and total capital cost of Rs.2,54,496 crore have been awarded under the Bharatmala Pariyojana projects till date. As for the current year, 90 projects of 2,995 km length and capital cost of Rs.74,750 crores were awarded in FY19-20. In comparison, 71 projects of 2,049 km length and capital cost of Rs.57,663 crores were awarded in previous year of FY18-19.

Bharatmala Pariyojana is being implemented by 3 agencies, namely, the National Highways Authority of India (NHAI), the Roads Wing of the Ministry of Road Transport & Highways (MoRTH) and the National Highways & Infrastructure Development Corporation Limited (NHIDCL). NHAI has a mandate to develop 22,660 km out of the 24,800 km length to be developed under Bharatmala Pariyojana. The component wise breakup of length entrusted to the three implementation agencies is provided in the table below:

Sr. No.	Component	CCEA Approval for Bharatmala Phase-I (in km)	Length with NHAI (km)	Length with MoRTH (km)	Length with NHIDCL (km)
1	Economic Corridors	9,000	8,000	49	951
2	Inter Corridor Routes	6,000	6,000	-	-
3	Feeder Routes				
4	National Corridors	5,000	5,000		
5	Border & International Connectivity Roads	2,000	860	121	1,019
6	Coastal & Port Connectivity Roads	2,000	2,000		
7	Expressways	800	800		
	Total	24,800	26,660	170	1,970



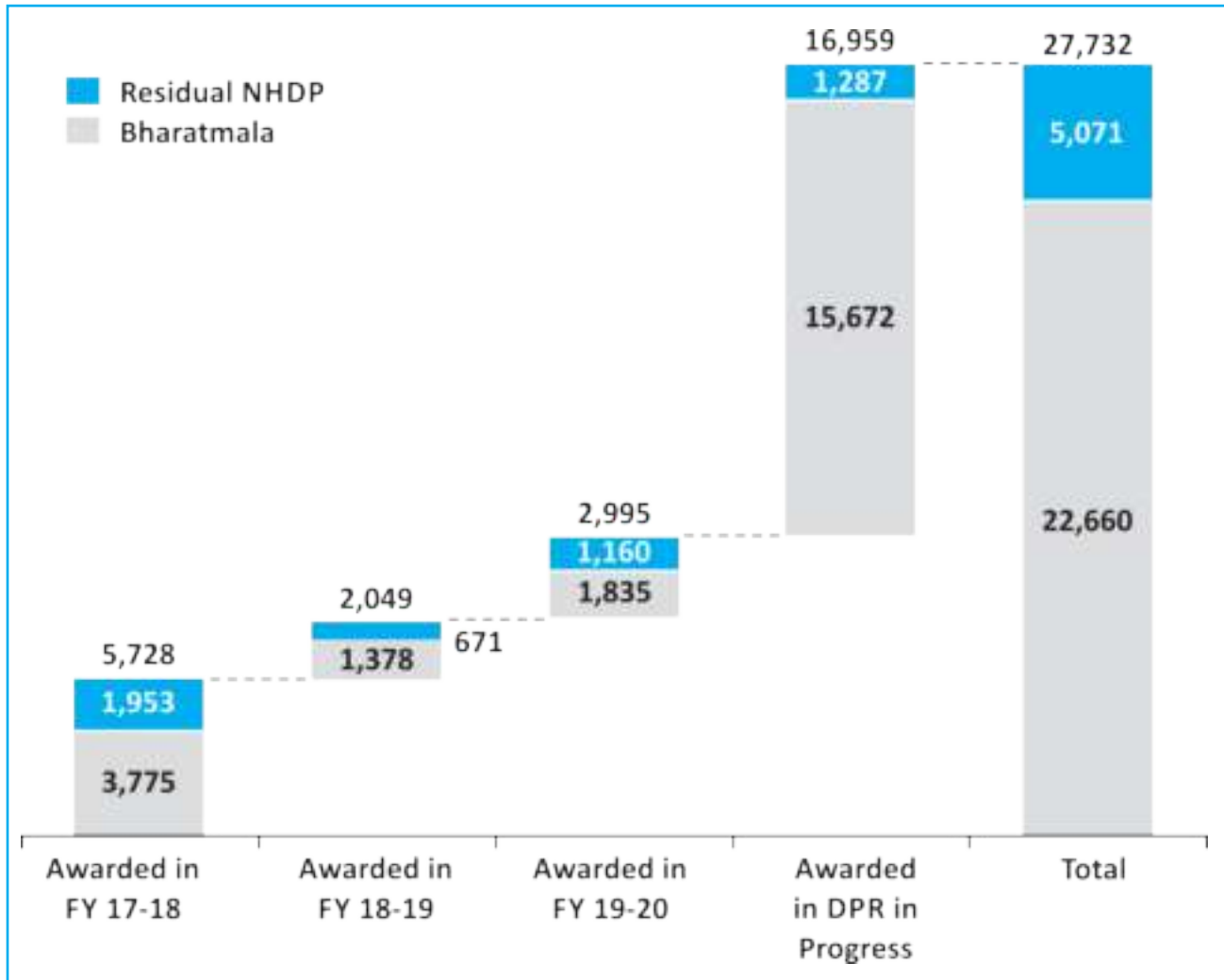
Bharatmala Pariyojana Map



Award Status of Bharatmala Pariyojana:

A total of length of 5,728 km was awarded by NHAI in FY 17-18, comprising of 3,775 km of projects of Bharatmala Pariyojana and 1,953 km of residual NHDP projects. In addition, projects with length 1,378 km have been awarded by NHAI, under Bharatmala Pariyojana in the FY 18-19. Similarly, out of the 10,000 km approved under residual NHDP in Bharatmala Phase-I, projects with length 671 km have been awarded by NHAI under Bharatmala Pariyojana in FY 18-19. In total, 2,049 km has been awarded by NHAI under Bharatmala Pariyojana

including residual NHDP in FY 18-19. Further, NHA has awarded a length of 2,995 km i.e. 1,835 km under Bharatmala Pariyojana and 1,160 km under residual NHDP in FY 19-20. The summary of the progress can be seen in the chart below:



As it can be seen NHA has maintained a healthy pace of award and 40% of the length has been awarded as of FY 19-20. Further DPRs are in progress for the balance length of 16,958 km. Of these 16,958 km, DPR is in advanced stages for 3,100 km where bids have already been awarded.

The progress of award across the different corridor types can be seen in the table below:

Classification	Projects	Length (km)
Economic Corridor	77	2,783
Inter Corridor Routes	12	476
Feeder Routes	7	240
National Corridors	43	1,090
National Corridor Efficiency Improvement	21	596
Expressways	23	659
Border Roads	6	977



Classification	Projects	Length (km)
Coastal Roads	2	77
Port Connectivity	4	91
Total	195	6,988
Residual NHDP	84	3,784
Grand Total	279	10,773

Financial outlay of projects awarded under Bharatmala Pariyojana Phase-I:

Out of the total approved financial outlay of Rs.3,85,000 crore for projects to be awarded under Bharatmala Pariyojana Phase-I, projects of length 6,988 km have been awarded till FY19-20 with a total expected financial outlay of Rs.1,89,884 crore. Similarly, against the approved outlay of Rs.1,50,000 crore for residual NHDP projects, projects with length 3,784 km have been awarded till FY 19-20 post the approval of Bharatmala Pariyojana with an expected financial outlay of Rs.64,612 crore. A summary of the total capital cost for different corridor types of the Bharatmala Pariyojana Phase-I is given below:

Classification	Projects	Length (km)	Total Cost (INR Cr.)
Economic Corridor	77	2,783	73,374
Inter Corridor Routes	12	476	11,497
Feeder Routes	7	240	4,745
National Corridors	43	1,090	29,366
National Corridor Efficiency Improvement	21	596	29,499
Expressways	23	659	34,897
Border Roads	6	977	4,563
Coastal Roads	2	77	1,171
Port Connectivity	4	91	771
Total	195	6,988	1,89,884
Residual NHDP	84	3,784	64,612
Grand Total	279	10,773	2,54,496

Expressways and Access Controlled Corridors:

Bharatmala Pariyojana envisages the development of 34,800 km of national highways at a total cost of Rs.5.35 lakh crore under Phase-I to improve the efficiency of logistics and freight movement in the nation. Post the approval of Phase-I of the Bharatmala Pariyojana, based on traffic flow, capacity constraints and development being done by the State Governments, the network was optimized by adding, deleting and modifying certain stretches to provide straighter, shorter and faster connectivity between economic centers. For instance, the length of expressways under Bharatmala was increased from 1,840 km to 2,500 km. Out of these, 2,375 km are proposed for development under Phase-I of Bharatmala. Similarly, shorter greenfield alignments were identified across economic and other national corridors which are targeted to be developed as access-controlled highways. 18 access-controlled corridors with a total length of 5,300 km have been identified for development under Phase-I of Bharatmala.

Expressways under Bharatmala Pariyojana Phase-I:

6 expressways with a length of 2,375 km have been identified under Phase-I of Bharatmala Pariyojana. Out of these 2,375 km, projects with length 630 km have already awarded. The table below provides the list of these corridors along with the status as on 31st March, 2020:

Sr. No.	Expressway	Length (km)	Under Construction			Awarded - Construction yet to commence			Approved - Yet to be Awarded		
			# Pkg	Length (km)	Cost (INR Cr.)	# Pkg	Length (km)	Cost (INR Cr.)	# Pkg	Length (km)	Cost (INR Cr.)
1	Delhi-Mumbai (Delhi - Vadodara Section) EXP	845	12	347	17,138	6	188	7,554	9	217	11,184
2	Delhi-Mumbai (Vadodara - Mumbai Section) EXP	445	5	124	11,304						
3	Ahmedabad-Dholera EXP	110									
4	Delhi-Amritsar - Katra EXP	640									
5	Bengaluru-Chennai EXP	272									
6	Kanpur-Lucknow EXP	63									
Total		2,375	17	471	28,443	6	188	7,554	9	217	11,184

Access controlled corridors Bharatmala Pariyojana Phase-I:

Along with the 6 expressways, 18 access controlled corridors with length 5,306 km have also been identified across the nation to increase connectivity, reduce commute time and enhance logistics efficiency across the nation. The list of corridors along with status as on 31st March, 2020 is shared in the table below:

Sr. No.	Expressway	Length (km)	Under Construction			Awarded - Construction yet to commence			Approved - Yet to be Awarded		
			# Pkg	Length (km)	Cost (INR Cr.)	# Pkg	Length (km)	Cost (INR Cr.)	# Pkg	Length (km)	Cost (INR Cr.)
1	Ambala-Kotputli	310	7	220	8,143	3	90	3,232			
2	Delhi-Faridabad -Sohna	60									
3	Chennai -Salem	277									
4	Amritsar-Bhatinda -Jamnagar	762	6	167	4,064	17	469	10,644	4	125	2,959
5	Durg-Raipur-Arang	92									
6	Raipur-Vishakhapatnam	464									
7	Surat-Ahmednagar -Solapur	420							1	41	1,046
8	Bangalore Ring Road	280									
9	Urban Extension Road II	75									
10	Delhi- Saharanpur - Dehradun	169									

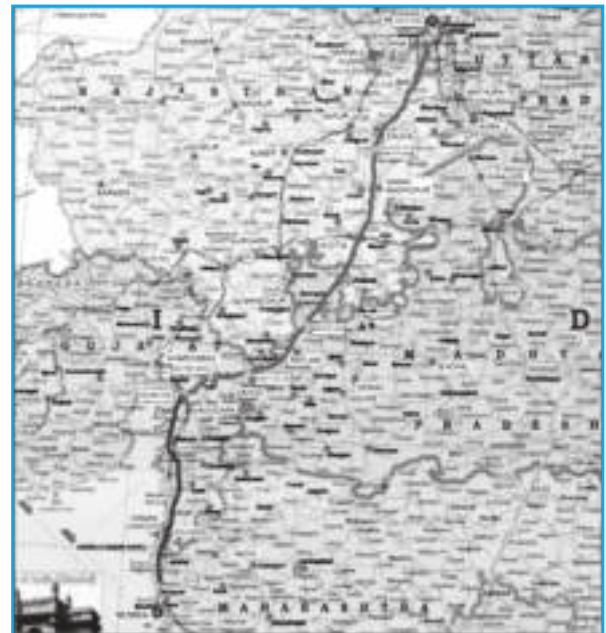


Sr. No.	Expressway	Length (km)	Under Construction			Awarded - Construction yet to commence			Approved - Yet to be Awarded		
			# Pkg	Length (km)	Cost (INR Cr.)	# Pkg	Length (km)	Cost (INR Cr.)	# Pkg	Length (km)	Cost (INR Cr.)
11	Chitoor-Thatchur	125									
12	Kharagpur-Siliguri	235									
13	Solapur-Kurnool	318	1	39	1,123						
14	Indore -Hyderabad	627	4	183	4,456	3	145	2,773			
15	Hyderabad -Vishakhapatnam	221	1	59	2,032						
16	Kota-Indore (Garoth to Ujjain)	136									
17	Hyderabad-Raipur	330									
18	Nagpur-Vijayawada	405				1	42	1,549	1	53	1,309
Total		5,306	19	668	19,817	24	746	18,198	6	219	5,315

Under Implementation Expressways and Greenfield Corridors:

Delhi-Mumbai Expressway: While earlier, the connectivity to Vadodara from Delhi was being provided through the Delhi-Mumbai GQ, a new greenfield alignment was proposed connecting Delhi-Mumbai through a straighter route. Once completed, the 1,350 km long Delhi Mumbai expressway (Delhi Vadodara Expressway, Vadodara Mumbai Expressway and Delhi Faridabad Sohna) will be the longest expressway in India, which will enhance the connectivity between India's National Capital of Delhi and Financial Capital of Mumbai.

The completely eight lane greenfield expressway, being developed at a cost of Rs.85,000 crore, will also improve the connectivity to major economic hubs including Jaipur, Bhopal, Indore and Ahmedabad. The map below shows the comparison between the greenfield alignment with the existing brownfield alignment. The



8-lane expressway with a design speed of 120 km/h will reduce the travel time between the National capital Delhi and the financial capital Mumbai by up to 12 hours from 24+ hours.

The corridor will be fully access-controlled with major interchanges planned to provide connectivity to important economic hubs of Jaipur, Bhopal, Indore, and Ahmedabad. The corridor will be developed with 8 lanes initial development, expandable to 12 lanes.

Wayside amenities have been planned at every half hour of travel time, with integrated facilities to be built for trucks and passenger vehicles. Trees will be planted along the expressway along with a provision for rainwater harvesting. It is estimated that the greenfield development would reduce the vehicle operating cost by approximately 10%.

Ambala-Kotputli (Trans Haryana) Corridor: This was proposed as a new route to diverge traffic from the already congested North-South National Corridor for traffic moving southwards from Ambala. Earlier all the major traffic had to be routed through the highly congested Ambala-Delhi route on the North-South Corridor.

The six-lane access-controlled highway, will provide seamless connectivity between Ambala and Kotputli for the traffic originating from H.P., Chandigarh & Ambala and bound for Mumbai & Kandla/Mundra bypassing the congested section of NH 44 from Ambala and Delhi.



Amritsar-Bhatinda-Jamnagar Corridor: The 1,224 km long Amritsar - Bhatinda - Jamnagar provides improved connectivity from Amritsar in Punjab to Jamnagar in Gujarat passing through the state of Rajasthan. Once operational it will provide a direct connection among several economic hubs in Punjab, Rajasthan and Gujarat to the major ports in Gujarat. As a part of expansion, greenfield stretches of Sangaria to Santalpur with length 762 km and Amritsar to Bhatinda of length 155 km have been planned.

Dwarka Expressway:

Dwarka Expressway is a 27 km long eight-lane controlled accessway which connects Dwarka in Delhi to Gurugram in Haryana. The expressway, starting at the Mahipalpur Shiv Murti clover leaf interchange passes through Bijwasan and Gurgaon and will also support traffic to Indira Gandhi International Airport. Dwarka Expressway is expected to reduce traffic congestion in the Delhi-Gurugram expressway and provide an alternate route for people travelling from Delhi to Gurugram and vice versa. The expressway being developed is expected to become operational and open to public traffic by March 2021.

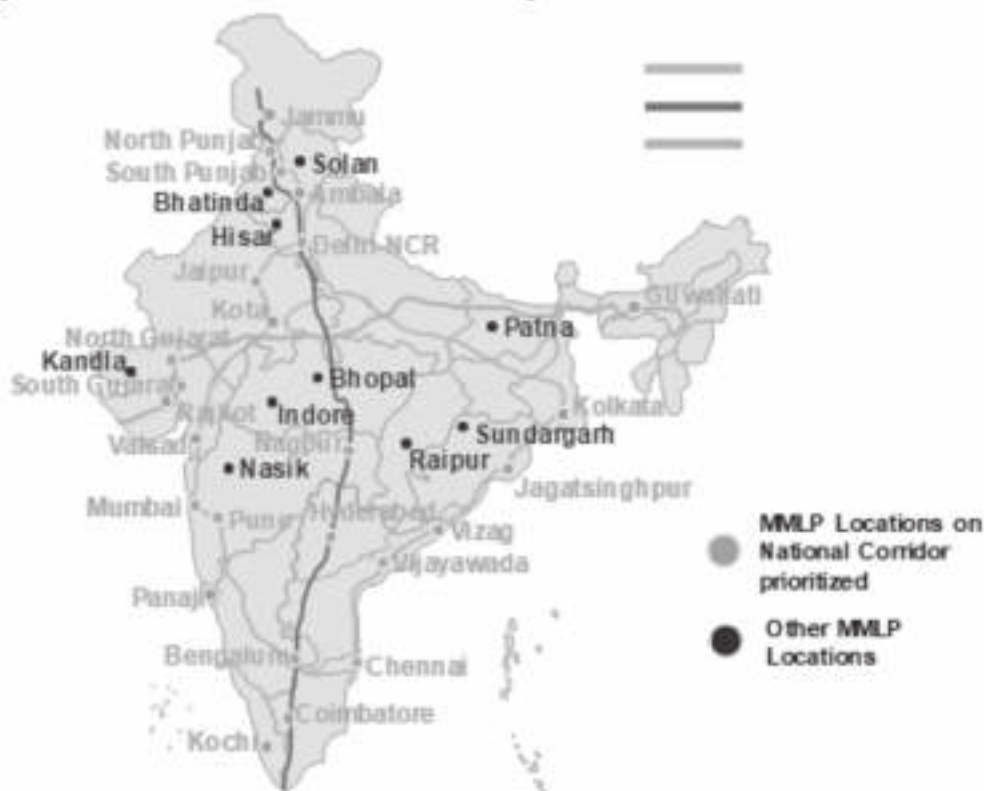
Multimodal Logistics Parks:

Multimodal Logistics Parks have been conceptualized to act as freight aggregation and disaggregation centers to enable migration to more efficient modes such as higher sized trucks, rail or coastal shipping, thereby decongesting and improving the efficiency of the existing National corridors. A network of 35 Multimodal



Logistics Parks had been identified and approved by the cabinet as a part of the National Corridor Efficiency Enhancement Component of Bharatmala Pariyojana. Of the 35 Multi Modal Logistics Parks, 15 have been identified for development in the Phase-I of Bharatmala Pariyojana of which DPR Consultants have been appointed for MMLPs at Nagpur, Mumbai, Bengaluru, Chennai, Surat, Sangrur, Guwahati (Jogigopha). These MMLPs are in various stages of pre project preparation activities and sites have been finalized for Chennai, Nagpur and Jogigopha.

35 Nodes planned for MMLP Development in India



Congestion Points:

It was observed that even on the already developed corridors such as the Golden Quadrilateral and North-South, East-West corridors, and other high density routes, there are multiple points of local congestion hampering the speed of vehicular movement, driven by the interaction of city traffic with the highway traffic. 191 such points of local congestion had been identified on the entire network. These congestion points are being addressed by separating the city traffic from the highway traffic through development of grade separators, city bypasses, ring roads, etc.

These 191 congestion points are being addressed as a part of several highway projects being executed across the country. Out of the 191 congestion points, interventions have already been completed in 23 congestion points. Interventions are under construction in 83 congestion points. In addition, detailed project reports are being prepared for 83 congestion points. There are 2 congestion points for which the detailed project reports are still to be initiated.

The summary of status of the intervention of the 191 congestion points as on 31st March, 2020 is provided in the table below:

Status of Intervention Planned	# of Congestion Points
Interventions Planned	191
<i>Completed</i>	23
<i>Under Implementation</i>	83
<i>Detailed Project Report Being Prepared</i>	83
<i>DPR to be initiated</i>	2
Grand Total	191

Inter Modal Station:

Inter Modal Stations are conceptualized with a view to address the issue of city congestion arising out of the ever-increasing traffic growth and severe under capacity of transport infrastructure. An Inter-modal station is envisioned as a world-class passenger movement facility, to be designed to provide a hub for interfacing and interconnecting a variety of inter-city, regional and local public transport systems, all within a single facility. Development of these stations has two clear benefits of:

- i. Reducing City congestion: Aggregation of transportation nodes in the city can eliminate localized congestion. Further, if these hubs are near national highways or ring roads, they can provide effective city evacuation. Traffic due to transit passengers is largely eliminated.
- ii. Improved passenger convenience: Transits are seamless as various transport modes operate from the same premises. These stations will also provide international standard amenities and cater to needs of a wide passenger demographic.
- iii. Nagpur has been identified as one of the cities to pilot the intermodal station concept and Ajni Railway station has been identified as the potential site. MoU was signed between NHAI and RLDA and foundation stone was laid on 06.03.2019. Inter-ministerial steering committee and working committee are being set up with officials from various agencies of MoRTH and Railways, for oversight and guidance on the project. Bids have been invited for implementation of IMS Nagpur with award of work targeted in FY 2020-21.



7 Iconic Projects completed in 2019-20

7.1 Lucknow-Sultanpur NH-56 (New NH-731):

The work for 4-laning of Lucknow-Sultanpur Section of NH-56 was awarded to M/s DBL Lucknow Sultanpur Expressways Limited, Bhopal under Hybrid Annuity Mode (HAM) and the appointed date was fixed on 8th May, 2017 and Schedule completion dated for the project was 04.11.2019. The total Project Length is 127.425 km and total project cost is Rs.3,222.10 crore.

The project was completed on 03.07.2019. This was first 4-lane Hybrid Annuity Mode (HAM) project in India which was completed before the schedule completion time. The entire stretch having 4 bypasses namely Jagdishpur Bypass (18.578 km), Musafirkhana Bypass (7.050 km), Aliganj Bypass (5.276 km) and Shabaganj & Bandhuakalan bypass (1.750 km) with three numbers of Realignments (6.250 km). In the project Highway there are two toll plazas having 16-lane situated at Bara and Asroga.

7.2 Lucknow Ring Road:

Construction of Lucknow Outer Ring Road was divided in 4 packages which are Package-1, Package-2, Package-3A and Package-3B. The work for Lucknow Ring Road Pkg-3B was awarded to M/s Gawar Construction Limited, Gurgaon under EPC mode and the appointed date was fixed on 01.08.2017 and schedule completion date was 31.07.2019. The Total project length is 14.707 km and total project cost is Rs.726.10 crore.

The project was completed on 09.05.2019. The project was completed before the schedule completion time. The Ring Road once completed will provide a way for traffic on NH-28 (Lucknow-Faizabad Section), NH-24 (Lucknow-Sitapur Section), NH-25 (Lucknow-Kanpur Section) and NH-24B (Lucknow-Raebareli Section) to bypass the Lucknow City.

7.3 Dera Baba Nanak-Kartarpur Corridor:

The sacred place Gurudwara Darbar Sahib is in Kartarpur of Narowal District in Pakistan, about 4.5 kilometers from the international border between Pakistan and India. Thousands of pilgrims used to worship the holy shrine from a distance as the land was closed to Indians in 1947 and the Gurudwara could only be seen with help of a telescope from the Indian Border post. Responding to the nearly 20 years old demand for a pilgrims-friendly border corridor, GoI decided that Kartarpur Corridor would be developed from Dera Baba Nanak, Gurdaspur, Punjab to international border. Dera Baba Nanak -Kartarpur Sahib Project was a prestigious project of international importance, foundation laying was done by Hon'ble Vice President on 26.11.2018. In principle approval of the project was accorded by MoRT&H on 24.01.2019 for Rs.120 crore (Rs.94.054 crore for civil work and Rs. 26 crore for Pre-construction activities), land acquisition process completed in record time of 03 months, civil work started on 15.04.2019 and completed in record time by 30.10.2019. The project was inaugurated by Hon'ble Prime Minister of India on 09.11.2019. This corridor is being used for the pilgrimage to Kartarpur Sahib Gurudwara.

7.4 Karauli-Dholpur section of NH-11B:

Karauli-Dholpur section of NH-11B having configuration of two lane with paved shoulder and total length of 100.900 km was constructed at the cost of Rs. 261 crore on EPC mode under NHDP-Phase-IV and PCOD for the project was issued on 13.08.2016 (99.400 km) and further CoD was issued on 10.10.2019.

The project provided safe and cheap access to the commuters of Karauli, Basedi, Badi and Dholpur and further connects to the NH-03 which leads to Agra and Gwalior, both have historical precedence.

7.5 2LPS of Uncha Nagla-Dholpur section of NH-123:

Uncha Nagla-Dholpur section of NH-123 having configuration of two lane with paved shoulder and total length of 75.008 km was constructed at the cost of Rs. 261.11 crore on EPC mode under NHDP-Phase- IV and PCOD was issued on 27.11.2018 (73 km) and further CoD was issued on 01.10.2019.

The project provided the safe and easy access to Bharatpur, an important site due to Ghana National Park and Khanwa, famous for historical war between Mughal Emperor Babar and Rajput King Rana Sanga.

The project further connects to the NH-03 which leads to Agra and Gwalior both having historical importance and also connects to the NH-11 which leads to Fatehpur Sikri and Jaipur.

7.6 2LPS of Tonk-Sawaimadhopur section of NH-116 (New NH-552):

The 66.8 km section of NH-116 from Tonk to Sawaimadhopur under Phase-IV was completed in May, 2019 at civil cost of Rs.216.11 crore. This highway will provide easier and more convenient access to the Ranthambore Sanctuary, which is a renowned & globally acclaimed historical heritage of Sawaimadhopur district in the state of Rajasthan and also reduce in travel time by almost 1 hr between two districts. This highway will also provide a way for traffic on NH-148D (Uniara-Hindoli) for better connectivity of Bundi/Kota district with Sawaimadhopur.

7.7 2LPS of Manoharpur-Dausa section of NH-11A (New NH-148):

Two lane with paved shoulder of Manoharpur-Dausa section of NH-11A is a 62.318 km length project connects Jaipur-Delhi NH-8 (New NH-48) at Manoharpur and Jaipur-Agra NH-11 (New NH-21) at Dausa city. The project has provisionally completed (on 01.10.2018) before its schedule completion date i.e. 19.10.2018. There is one toll plaza at Nekawala which is six lane having all lanes equipped with hybrid ETC and weigh in motion (WIM).

7.8 2LPS/4L of Phalodi-Jaisalmer:

This Project of strategic and national importance is of length 160.457 km from Phalodi to Jaisalmer constructed under NHDP IV. This project has been completed at a cost of Rs. 726.89 crore and has been dedicated to the nation on 30.05.2019. To facilitate traffic and smooth movement there are five ROB, two Flyover and one VUP. The construction of this road has facilitated the operations of the Indian Army in the border districts. It provides an easy way for tourists to reach the religious places Ramdevra and Tanot Mata Temples and the city of national and international importance of tourism Jaisalmer. The construction of this road has played an important role in tourism, religious connectivity and strategic movements.

7.9 Porbandar-Dwarka section of NH51:

The Porbandar-Dwarka section of NH51 (old NH8E) is having a length of 117.748 km in the state of Gujarat. This is an important national highway connecting two pilgrimage as well as port cities, Porbandar and Dwarka. This newly constructed 4-lane highway will boost the development of coastal area of Porbandar and Dwarka. This project will further link the Coastal Highway to the Economic Corridor (EC) through Dwarka (Kuranga)-Khambhalia-Devariya and Dhrol-Amran-Maliya national highway under Bharatmala Pariyojna.

The project was awarded to M/s GR Infraprojects Ltd. with a cost of Rs.1,600 crore and construction work started on 12.02.2018 with scheduled completion period of 3 years. The 117.748 km 4-Lane project has been completed in a record time of 2 years which is one year well before the scheduled completion date.

The national highway is 117.748 km long 4-Lane rigid pavement with two bypasses namely (i) Porbandar Bypass (21.70 km) (ii) Visawada Bypass (1.6 km).

8 Key Operational Highlights

8.1 Project Award & Completion:

NHAI has achieved highest targets in terms of award of projects and length completed in the year 2019-20. A summary of length awarded and length completed since 2006-07 is as follows;

Financial Year	Length Awarded (km)	Length Completed (km)
2006-07	1,730	636
2007-08	1,234	1,684
2008-09	643	2,205
2009-10	3,359	2,693
2010-11	5,058	1,783
2011-12	6,491	2,248
2012-13	1,116	2,844
2013-14	1,435	1,901
2014-15	3,067	1,501
2015-16	4,344	1,988
2016-17	4,335	2,628
2017-18	7,396	3,071
2018-19	2,222	3,380
2019-20	3,211	3,979

8.2 Land Acquisition:

Sr. No.	Achievements	2015-16	2016-17	2017-18	2018-19	2019-20
1	Land notified u/s 3 D (Ha)	6,432	8,303	10,275	25,980	18,896
2	Possession (Ha)	9,285	7,491	9,494	13,982	7,473

8.3 Collection of user fee:

During the year 2019-20, 4,669 km (Public Funded NHs: 2,162 km, State Highway Transferred from MoRTH: 1,603 km and BOT (Toll): 904 km) of completed National Highway sections have been added for tolling. The total length under tolling is 29,666 km. [Public Funded 16,387 km; BOT (Toll) 12,598 km and TOT 681 km]. User Fee (Toll) on 16,387 km length/sections completed on Public Funded / BOT (Annuity)/OMT mode involving 311 user fee plazas is being collected through following Four methods:-

OMT Contracts: In this method, the agency selected through competitive bidding is responsible for operation, maintenance and collection of Toll/User Fee for the stretch, with a right to retain the toll collected against payment of a fixed sum to NHAI over a fixed concession period. 1,594 km (comprising of 30 user fee plazas) have already been handed over to OMT Concessionaires.

Three months Contract based on e-bids: this is a time gap arrangement wherein, toll is collected and retained by the successful bidder (contractor) selected through competitive e-bidding, against payment of a fixed sum to NHAI on daily basis for a period of three months of mobilization of new agency on regular basis whoever is earlier.

One year Contracts based on e-bids: In this method, toll is collected and retained by the successful bidder (contractor), selected through competitive e-bidding, against payment of a fixed sum to NHAI on weekly basis for a period of one year.

Four year Contract based on e-bids: In this method, toll is collected and retained by the successful bidder (contractor), selected through competitive e-bidding,

against payment of a fixed sum to NHAI on monthly basis in advance for a period of Four year. As on date two projects of Vadodra-Bharuch Section (Mandava toll plaza) and Nagpur-Betul section (Khambara, Milanpur and Patanswangi toll plaza) is awarded on Four year contracts.

8.4 Toll-Operate-Transfer (ToT) Contracts:

- 8.4.1 NHAI has been authorized to monetize public funded NH Projects which are operational and are collecting toll for at least 1 year through the Toll Operate Transfer (ToT) model.
- 8.4.2 TOT model is a new concept for asset recycling to generate more resources for construction of future highways which envisages long-term investment opportunity in the highway sector.
- 8.4.3 Under this Model, projects that are operational and have stable revenues are given out to the private sector for operation, maintenance, and toll collection for 15-30 years, in return for a one-time upfront concession payment.

8.5. The status of TOT Bundles are as under:

- 8.5.1 Since the inception of TOT mode, NHAI has monetized 1st and 3rd bundle of TOT comprising 9 projects each totalling to 681 km and 566.27 km and received upfront concession amount of Rs.9,681.50 crore (received from M/s. Macquaire-Ashoka on 28.08.2018) and Rs.5,011 crore (received from M/s. Cube Mobility Investment Pte. Ltd. On 19.10.2020) against the IECV of Rs.6,258 crore and Rs.4,995 crore, respectively. The details of the stretches of Bundle 1 & 3 are as under:

TOT Bundle 1

S. No	Name of Stretch	Length (km)	Name of Toll Plaza	Name of SPV
1	Siddhantham to Gundugolanu section (from km 950 + 542 to km 1022 + 494) of NH5 in the State of Andhra Pradesh	71.95	Unguturu	Siddhantham Tollway Private Limited
2	Diwancheruvu to Siddhantham section (from km 901 + 500 to km 950 + 542) of NH5 in the State of Andhra Pradesh	49.04	Eethakota	Diwantham Tollway Private Limited
3	Annavaram to Diwancheruvu section (from km 830 + 525 to km 901 + 500) of NH5 in the State of Andhra Pradesh	70.98	Krishnavaram	Diwancheruvu Tollway Private Limited
4	Ankapalli to Annavaram (Tuni) section (from km 741 + 255 to km 830 + 525) of NH5 in the State of Andhra Pradesh	88.53	Vemapadu	Ankapalli Tollway Private Limited
5	Icchapuram to Narasannapeta section (from km 484 + 000 to km 580 + 700) of NH5 in the State of Andhra Pradesh	96.70	Laxmipuram	Icchapuram Tollway Private Limited
6	Puintola to Icchapuram section (from km 419 + 600 to km 484 + 000) of NH5 in the State of Odisha and Andhra Pradesh	64.40	Bellupada	Puintola Tollway Private Limited
7	Bamanbore to Garamore section (from km 182 + 600 to km 254 + 537) of NH8A in the State of Gujarat	71.94	Vaghasia	Bamanbore Tollway Private Limited
8	Garamore to Samakhiyali section (from km 254 + 537 to km 306 + 000) of NH8A in the State of Gujarat	51.46	Surajbari	Garamore Tollway Private Limited
9	Porbandar - Jetpur section (2 Toll Plaza) (from km 001 + 960 to km 117 + 600) of NH8B in the State of Gujarat	115.64	Vanana Town & Dumiyani	Porbandar Jetpur Tollway Private Limited
Total		680.64		

8.5.2 TOT Bundle 3

S. No	Name of Stretch	Length (km)	Name of Toll Plaza	Name of SPV
1	Jhansi-Lalitpur (Package-1) section of NH-25 & 26 from km 000+000 to km 49+700 in the state of Uttar Pradesh	49.70	At km 32/100 Babina Toll Plaza	M/s Jhansi-Lalitpur Tollway Limited
2	Jhansi-Lalitpur (Package-2) section of NH-26 from km 49+700 to km 99+005 in the state of Uttar Pradesh	49.31	At km 85/280 Vighaket Toll Plaza	M/s Jhansi-Vigakhet Tollway Limited
3	Lucknow -Raibrelly section of NH-24B from km 12+700 to km 82+700 in the state of Uttar Pradesh	70.00	At km 42/650 Dakshinasekpur Toll Plaza	M/s Lucknow-Raebareli Tollway Limited
4	Kotwa-Muzaffarpur Section of NH-28 from km 440+000 to km 520+000 in the state of Bihar	80.00	At km 467/700 Parsoni Khem Toll Plaza	M/s Kotwa-Muzaffarpur Tollway Limited
5	Hazaribagh-Ranchi including Ramgarh bypass Section of NH-33 from km 41+500 to km 115+290 in the state of Jharkhand	73.79	At km 100/600 Pundag Toll Plaza	M/s Hazaribagh Tollway Limited
6	Madurai to Kanyakumari Section of NH-7 from km 000+000 to km 52+300 in the state of Tamil Nadu	52.30	At km 18/652 Kappalur Toll Plaza	M/s Madurai-Kanyakumari Tollway Limited
7	Madurai to Kanyakumari Section of NH-7 from km 52+300 to km 116+500 in the state of Tamil Nadu	64.20	At km 74/930 Etturvattun Toll Plaza	M/s Kanyakumari-Etturavattam Tollway Limited
8	Madurai to Kanyakumari Section of NH-7 from km 116+500 to km 180+000 in the state of Tamil Nadu	63.50	At km 125/350 Salaipudhur Toll Plaza	M/s Salaipudhur-Madhurai Tollway Limited
9	Madurai to Kanyakumari Section of NH-7 from km 180+000 to km 243+470 in the state of Tamil Nadu	63.47	At km 185/387 Nanguneri Toll Plaza	M/s Nanguneri-Kanyakumari Tollway Limited
Total		566.00		

8.5.3 TOT bundle 2 was annulled due to higher bid being 14% lower from the IECV.

8.5.4 Bids for TOT Bundle-4 were invited with bid due date on 30.09.2020.

8.5.5 NHA has tentatively identified 82 more projects which can be taken up in future under the TOT model for monetization in coming 5 years.

9 Key Financial Highlights

9.1 Sources of Funds:

9.1.1 NHAI receives its funding through:

- (i) Government support in the form of capital base, cess fund, additional budgetary support, capital grant, maintenance grant, ploughing back of toll revenue and Toll Operate & Transfer (TOT) proceeds;
- (ii) Loan from multilateral agencies, and
- (iii) Market borrowings
- (iv) Borrowing from International market through Masala Bonds by Inaugural international debt offering.

9.1.2 The Sources of Funds during the year 2019-20 are as under:

- (i) A sum of Rs.11,091 crore in the form of Cess Fund for Capital investment in National Highways from Central Road and Infrastructure Fund, Rs.413.82 crore for Maintenance of National Highways and Rs.55.83 crore for Swachhta Action Plan (SAP) was received by NHAI from Ministry of Road Transport & Highways through Union Budget. No additional budgetary support received for development of National Highways (Original) Works during the current fiscal.
- (ii) NHAI has raised Rs.4,450.80 crore by way of issue of Capital Gain Tax Exemption Bonds under section 54EC of Income Tax Act, 1961, apart from raising Rs.59,536 crore from domestic Market, LIC, NSSF and a term loan of Rs.6,000 crore and Rs.5,000 crore from SBI and PNB respectively.
- (iii) NHAI has deposited a total amount of Rs.9,947.44 crore in Consolidated Fund of India (CFI) during 2019-20 towards User Fee collection, Revenue share, Negative Grant and interest thereon; against this the Ministry has released Rs.10,600 crore to NHAI through Permanent Bridge Fee Fund (PBFF) as plough back of Toll Remittance made to CFI. In addition NHAI has received Rs.5,000 crore towards advance plough back of TOT.

9.2 Achievements:

- (i) Funds amounting to Rs.48,736 crore were raised through taxable bonds on e-bidding basis. The investors include institutions like LIC & EPFO, Banks, Insurance Companies, pension fund & QIBs etc.
- (ii) A sum of Rs.11,000 crore was raised as Term Loan from Banks (Rs.6,000 crore from State Bank of India and Rs.5,000 crore from Punjab National Bank) for 10 years tenor.
- (iii) In addition to above, Rs.10,000 crore was raised as Loan from NSSF collection sanctioned by Ministry of Finance.
- (iv) Funds to the tune of Rs.4,450.81 crore were raised by way of 54EC Bonds during the period reported upon.
- (v) Govt. of India introduced ETF (Exchange Traded Fund) for the 1st time and NHAI also actively participated therein and raised Rs.800 crore through ETF during FY 2019-20.



9.3 Credit Rating:

All the major credit rating agencies such as CRISIL, CARE and India Ratings have assigned highest credit rating i.e. “AAA/Stable” to NHAI Borrowing programme amounting to Rs.75,000 crore for FY 2019-20. These ratings enable NHAI to borrow funds at competitive rates.

9.4 Following are the Highlights of Financial Performance for FY 2019-20:

Sources of Funds	2019-20	2018-19
Receipts of Cess	11,091.00	11,569.00
Plough Back of Toll Revenue	10,600.00	9,570.13
Plough Back TOT Remittance	5,000.00	9,681.50
Additional Budgetary Support	1,000.00	-
Capital Grant (JICA &WB)	157.00	-
Capital Gain Tax Exemption Bonds	4,450.80	4,706.35
Taxable Bonds	49,536.00	17,510.40
Rupee Denominated Offshore (Masala) Bonds		-
Loan from National Small Saving Fund	10,000.00	20,000.00
Term loan from SBI	11,000.00	19,000.00
Other Sources/Working capital Changes	380.23	5,688.66
Total	1,03,215.03	97,726.04

Application of Funds	2019-20	2018-19
Land Acquisition	29,226.13	36,047.92
Project Expenditure	50,003.06	40,380.40
Repayment of Loans and Interest thereon	19,419.88	14,612.35
Other Outflow	4,565.96	6,685.37
Total	1,03,215.03	97,726.04



10 Key Contracting Models

10.1 BOT (Toll):

In BOT (Toll) pattern, the private developers/operators meet the upfront cost and expenditure on annual maintenance and recover the entire cost along with the interest from toll collections as per toll policy during the concession period. To increase the viability of projects, a capital grant up to a maximum of 40% is provided by NHAI.

10.2 BOT (Annuity):

In BOT (Annuity) projects, the private sector is required to meet the entire upfront cost and the expenditure on annual maintenance. The concessionaire recovers the entire investment through pre-determined annuity payments by NHAI. Government is responsible for collecting toll revenue and thereby commercial risk is not transferred to the concessionaire.

10.3 Engineering, Procurement and Construction (EPC):

In new Engineering, Procurement and Construction (EPC) model, projects are contracted for a fixed term, fixed time and fixed cost. There is a shift from an item rate construction contract to an EPC (lump sum) contract to minimize time and cost overruns. The Government collects toll revenue after construction period. No commercial risk for the Contractor except maintenance for 4 years of defect liability period.

10.4 Hybrid Annuity Model:

HAM assures better risk allocation amongst private concessionaires and NHAI. 40% of bid project cost is payable to the concessionaire by NHAI in five equal instalments linked to project completion milestones and concessionaires shall have to arrange the balance 60% of the bid project cost.

Once the project is completed, the NHAI collect toll and pay annuities till the end of concession period. The toll collection is done by NHAI. For concessionaires, the traffic risk is not associated with them as compared to BOT Toll model. It gives them some comfort level to borrow from the banks.

10.5 Special Purpose Vehicle (SPV) for Port Connectivity:

NHAI has taken up development of port connectivity projects by setting up Special Purpose Vehicles (SPVs) wherein NHAI contributes up to 30% of the project cost as equity. The SPVs also have equity participation by port trusts, State Governments or their representative entities.



11 Road Safety

For improvement of road safety on National Highways, NHAI has taken various steps including rectification of blackspots, conducting road safety audits, road safety awareness campaign, capacity building in road safety through training of officers, concessionaires and other stakeholders.

Ministry has identified about 5,064 blackspots on National Highways in 28 States/UTs based on accident data of 2015-18. Up to March 2020, 729 blackspots were rectified with rectification measures such as sign boards, junction development, widening, construction of under passes/flyovers etc. In total, short term measures like warning sign boards, rumble strips, road markings etc. have been completed at more than 1500 blackspots. Further, out of 789 blackspots identified by Ministry on National Highways during 2011-2014, 503 are under jurisdiction of NHAI. By the end of FY 2019-20, 301 blackspots have been rectified with long-term or short-term measures. Out of these 51 blackspots were rectified during 2019-20.

During the year, two days trainings were conducted by the Road Safety Expert Team for NHAI Field officers, Concessionaires, Consultants, Contractors, and IE/AE teams engaged in delivery of projects under various Regional Offices of NHAI across the country. This training on Road Safety Measures in Project Implementation was attended by 450 trainees in fourteen trainings sessions conducted at different project sites. These trainings were organized under the supervision of the respective RO/PD of NHAI. Apart from the above trainings, NHAI officers were nominated for various training programs in India and abroad. Five officers were nominated for 5 days training on Road Safety Audit for Highways organised by IAHE from 1st to 5th July 2019. One officer was nominated to participate in fourth Global Road Safety Leadership Programme (GRSLP) held from 8th to 20th September 2019 at Baltimore, USA. Six officers from NHAI attended the International Conference on Modern & Innovative Construction Technologies at Vigyan Bhavan, New Delhi on 25th & 26th February, 2020.

Road Safety Audit (RSA) is conducted mandatorily in all projects of NHAI at all stages (development, construction and operation) through Safety Consultants appointed for the projects. A total of 29,821 km of audit has been carried out by independent Road Safety Auditors till March, 2020.

The 31st National Road Safety Week, 2020 was observed from 11th-17th January, 2020. It was inaugurated by Hon'ble Minister of Road Transport & Highways Shri Nitin Gadkari in the presence of Minister of Defence Shri Rajnath Singh and MoS of Road Transport & Highways, General (retd.) Dr. V. K. Singh at Plenary Hall, Vigyan Bhawan, New Delhi on the 13th of January, 2020. The event was attended by a host of school children, NGOs, and stakeholders in road safety from Government and industry. A Symposium on Safer Roads was also organized by MoRTH & NHAI on 17th January, 2020 at Vigyan Bhavan which was attended by various professionals engaged in road safety on National Highways.

Various programmes were also held during the Road Safety Week at NHAI Regional Offices and Toll Plazas including workshops on Road Safety Engineering. These were attended by NHAI Officers, IE/AE, Concessionaires, Contractors, and Safety Consultants. During the Road Safety Week Health-cum-Eye Check-up Camp were organized at Toll Plaza Locations of NHAI where more than 9,000 beneficiaries were examined. In addition to this, road safety awareness campaigns were organized for school children and general public with support from state police department.

12 Information Technology Initiative

12.1 Greater thrust on Information Technology (IT):

Information Technology is crucial for quick collaboration. It is equally important during the planning, monitoring and evaluating process, and hence introduction of IT is one of the major focus areas in NHAI.

NHAI is imbibing the best & latest information technologies in various aspects of highway development and management. In the past, NHAI had used technology and knowledge management tools to a limited extent, but in last 03 years NHAI has introduced most advance IT tools and applications such as AI (Artificial Intelligence), Drones, Satellite monitoring, GPS- GIS mapping and Electronic Toll Collection effectively with a significant thrust on technology envisaged to be one of the important strategies for NHAI to successfully manage its systems. Therefore, a comprehensive strengthening of the IT system is being carried out. NHAI is planning to create an AI based Data Lake to monitor its project real time using 5D BIM & Digital Twin technology.

12.2 Data Lake and Project Management Software with Big Data Analytic:

NHAI has developed an unique cloud based Project Management Software and Data Lake with Big Data Analytics platform to manage NHAI projects. Data Lake Project Management Software manages the complete Projects Workflow, Work Program, Drawing, Designs, Quality Assurance Plan (QAP), Request For Inspection (RFIs), Site Inspections, Approvals, Issue Management, Change of Scope(COS) and Extension of Time (EoT), Monthly Progress Report, Monthly Inspection Report, Documentation including Test reports, Project Photos, and Videos, Works Diary and payments.

This involves huge amount of data coming from various IoT devices, Drones, LiDAR, Network Service Vehicle (NSV), FWD, Satellite Imagery, Design software, Monitoring Software and Building Information Management (BIM) tools alongwith GIS features.

It's the complete process flow of end to end Project Management through Big Data Analysis on Web Portal. On this Portal DPR Consultants/Contractors/Concessionaires, Authority/Independent Engineers, PIUs, ROs, and NHAI HQ Officials everyone is having role-based logins.

12.3 Setting up Center of Excellence (CoE) on use of Artificial Intelligence in Data Driven Decision Making in NHAI:

National Highways Authority of India (NHAI) signed a Memorandum of Understanding (MoU) with the Indian Institute of Technology, Delhi to set up a Centre of Excellence (CoE) for Use of Artificial Intelligence in Data Driven decision making and Advance Data Management System for Highways.

Under the partnership, IIT Delhi will work with NHAI on developing advance analytics based on AI and ML, prepare simulation models, enhance data storage and retrieval capacities to further strengthen NHAI's capabilities in data-driven decision making. The collaboration will be undertaken on the identified thrust areas like the Project Management and Data Management, Highway Network Traffic Demand and Incident Management, Highway safety, Highway Work-zone Management, Highway Pavement Management System. IIT Delhi will also give inputs for NHAI data management policy.

12.4 Audit and Collection of Traffic Data by use of Camera Based Traffic Survey ANPR AI Based as Automated Traffic Counter and Classification System on 24x7x365 basis in free flow mode of Traffic on National Highway Toll Plazas:

To carry out traffic survey in accordance with ANPR+AI based model to suit the use of new technology equipment viz. ATCC with Video based systems. The traffic survey data after authentication through video and analysis shall be submitted to NHAI in the form of reports as required by NHAI for each toll plaza location.



The survey shall be carried out on NH project stretches. Survey locations have been divided into 4 (four) zones to this Schedule. The agency shall collect round the clock traffic data on real-time basis for a continuous and uninterrupted period on 24x7x365 basis using portable ATCC. The agency shall also record video of the vehicle movement with timestamp during the same period in order to validate the traffic data captured by it. The traffic data should be categorized into categories prescribed (as per relevant toll fee notification of concerned location) with axle count, direction of travel, along with time stamp etc.

Separate setup of ATCC system and Videography shall be provided for upstream and downstream traffic on the project highway around 500-600 meters away from toll plaza at a suitable location i.e. just before flaring.

12.5 Toll Remittance Management System (TRMS):

This software initially store the records and generate letter of awards of requisite public funded toll plazas. Software also integrated with Bank API to get real time information of toll amount deposited through various toll agencies and track remittance of all public funded Plazas.

12.6 e-Procurement System:

In order to improve transparency, accountability and speeding up the bidding process, NHAI has switched to e-Procurement & e-Tendering for all types of projects including BoT in the year of 2011. NHAI has migrated e-Procurement platform to the new system developed by National Informatics Centre (NIC) Central Public Procurement Portal (CPPP) w.e.f 01.04.2017 for all tendering processes of NHAI.

12.7 Central Command & Control Centre (CCC):

A state of the art Central Command Control Centre is functional at NHAI to facilitate decision making based on the analysis of various digital inputs received in Data Lake/ERP and then disseminate the relevant information back to the stakeholders. As per NHAI requirement, Central Command Control Centres provides various 24X7 basic infra facilities to control & implement various time bound NHAI initiatives/drives such as implementation of FASTag on PAN India basis etc.

12.8 NHAI Website:

The NHAI website nhai.org has been upgraded with features such as Chatboat and other State of Art features linked with real time display of information and social media. Contemporary outlook of 24*7 website is being maintained.

12.9 Modern Survey Techniques for Digital Inventory of National Highway:

NHAI is also working on modern techniques for survey and is preparing a digital inventory of various assets. The study shall develop a web-based GIS network of NHAI road network database assets and related inventory. NHAI has already completed pilot data collection of 3000+ kilometers and published RFP for Engagement of Consultant for Highway Pavement Management System for Maintenance of National Highways in India to institutionalize the techniques which will help NHAI enhance its monitoring and maintenance capabilities, allow for proactive road maintenance, and reduce the overall maintenance costs.

Further, Agencies are being empanelled by NHAI to capture high resolution aerial video of National Highway using Drones. Following are the key benefit of Drone videography on National Highway.

- i) Status/conditions of highway sections before award of COD
- ii) Monitoring/Inspection during execution of highway projects
- iii) Aerial surveys based on specific requirement of HQ/RO/PIU

12.10 Wi-Fi Zone, New Network and Data Centre:

Entire NHAI field offices & HQ connected with 100 Mbps MPLS clouds, and is now Wi-Fi zone. Modernization of IT infra, Wi-Fi office and 1GBps connectivity are new addition.

13 Challenges And Remedial Measures

13.1 Financial Closure Impediments:

Lack of Equity and over-leveraged Balance sheets of the developers: Most developers have significantly leveraged their balance sheets in anticipation of high levels of growth. The economic downturn seen in the last few years has resulted in revenue realization at a much lower rate than what was anticipated. Many developers have taken significant future obligations which creates difficulties in debt servicing.

Stress on the existing road infrastructure loan portfolios of Financial Institutions: Reduced revenue realization due to economic slowdown is affecting the debt servicing ability of the concessionaires. Often the concessionaire is unable to service the debt and has to propose restructuring of the debt to the lenders. While the first restructuring exercise is permitted by lenders without any adverse asset classifications, any subsequent exercise automatically affects the assets classification in the books of its lenders leading to disproportionately high level of NPAs.

Mismatch between project and debt duration: The current practice of financing large infrastructure projects is based on revenue streams spread over 20 to 30 years. For a project with a debt that spans over 10 to 15 year tenure period, this leads to sustainability issues and a consequent asset liability mismatch.

Sector exposure norms of Financial Institutions getting exhausted: With the debt obligations mounting on account of debt repayment deferment, FI's exposure to this sector has increased significantly, reaching defined exposure norms for the sector.

Delayed Projects: A number of projects are stuck or delayed turning many bank loans into NPAs and further constraining the banks' lending to such infrastructure projects.

13.2 Regulatory Impediments:

13.2.1 Acquisition of Land (LA):

With the promulgation of the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013 (RFCTLARR Act), affected landowners have, in some cases, refused to hand over possession of land demanding higher compensation including solatium and interest even in cases where land acquisition was completed much before the promulgation of the Act. Competent Authorities for Land Acquisition (CALAs), who acquire land for highway-development projects are State Government officials for whom, usually, it is an additional work. They accord lower priority to land acquisition for NHAI vis-a-vis their regular official duties. They also lack adequate infrastructure for expeditious acquisition of land.

13.2.2 Approvals for Railway Over Bridges (ROBs) / Railway Under Bridges (RUBs), General Approval Drawings (GADs), etc.

To avoid delay in GAD from Railways, an MOU has been signed between MoRTH and Ministry of Railways on 10.11.2014. Time line of 60 days for GAD approval is proposed and various charges imposed by Railway has been waived off. After signing of this GAD approval became easier and fast. In this regard during year 2019-2020 total 49 number of GAD proposal of ROBs/RUBs of NHAI has been approved out 89 GAD uploaded on RORACS.



13.2.3 Simplification of process of Environment and Forest Clearance

MoEF&CC vide OM dated 19.03.2013, Circular dated 20.08.2014 and Gazette Notification dated 10.10.2014 simplified the statutory clearance process for linear projects. The details are as under

- i) De-linking of environment and forest clearance-Consideration of projects for grant of environment clearances under EIA Notification 2006, which involve forest land-Procedure to be followed (OM dated 19.03.2013)
- ii) Decentralisation of forest clearance of linear projects by constitution of Regional Empowered Committee (REC) in 10 Regional Offices of MoEF&CC
- iii) De-linking of grant of forest clearance from the clearance of Standing Committee of Wildlife (Circular dated 20.08.2014)

Further :

- iv) The compliance under FRA is not required for grant of in-principle approval (MoEF&CC circular dated 26th February, 2019)
- v) Extraction or sourcing or borrowing of ordinary earth for the linear projects such as roads, pipelines, etc. has been exempted from Environment Clearance (MoEF&CC Gazette Notification dated 28th March, 2020)
- vi) Applicability of Wildlife clearance for road projects located in ESZ but outside Protected Areas (MoEF&CC Communication F. No. 6-60/2020WL Part (I) dated 26th July, 2020)

13.2.4 Measures Facilitating Investment:

13.2.4.1 Refinancing/restructuring loan

NHAI is actively supporting refinancing/restructuring of loans, where there is no increase in the overall liability of NHAI (though, it may differ on any particular date as per the revised repayment schedule). During 2019-20, 6 projects were refinanced to the extent of Rs.1,685.72 crore (Outstanding senior debt) and Rs.62.33 crore (additional debt) by the banks.

13.2.4.2 Equity Divestment

During 2015-16, the cabinet Committee on Economic affairs (CCEA) approved the proposal for permitting 100% Equity divestment after Two years of construction completion for all BOT projects. Accordingly, 10 Projects, 100% equity divestment (Including Transfer to InvIT) were permitted during the period under report i.e. FY 2019-20.

13.2.4.3 Infrastructure Debt Fund

The infrastructure Debt fund created as a step towards easing the burden for the banks. During 2019-20, 2 projects were approved for IDF Funding of Rs.313 crore.

13.2.4.4 Premium Rescheduling

To ensure that project execution does not suffer due to cash flow constraints a policy on rescheduling of premium was approved by CCEA, which is applicable to Concessionaire which have a revenue shortfall. Till 31st March, 2020, 26 projects

were considered and approved by the Board of NHA for grant of deferment of premium. In all, these 26 proposals involve deferment of premium for a total value of Rs.12,012 crore. The period during which such deferment has been considered spans FY 2015 to FY 2031, with the deferment granted during FY 20 amounting to Rs.1,073.55 crore. This facility should provide breathing space to cash constrained Concessionaire.

13.2.4.5 One-time fund infusion

Policy of one time fund infusion is one time dispensation for all such projects that were languishing as on 01.11.2014. The facility is available to project that have achieved 50% physical completion and it is also established that infusion of moderate funding can quickly bring this project to completion.

Till financial year 2019-20 NHA has sanctioned Rs.2,413 crore of loan out of which Rs.1,646.37 crore has been disbursed.

13.2.4.6 Harmonious Substitution

In view of the difficulties faced by Concessionaire in Public-Private-Partnership (PPP Projects), Government has decided to permit the substitution of existing concessionaires or the selected bidder/consortium Members of such project SPV, in a harmonious manner, in accordance with the provisions of clause 40.3 of the Model Concession Agreement read with the Substitution Agreement. The scheme of Harmonious Substitution was circulated vide NHA circular no. NHA/11033/CGM (FA)/4/2014 dated 29.01.2014 and circular no. 8.4.19/2020 dated 24.02.2020. During 2019-20 two cases of Harmonious Substitution were approved by NHA Board.

13.2.4.7 Hybrid Annuity Mode

A new PPP mode i.e. Hybrid Annuity Mode (HAM) was introduced whereby NHA bears 40% of the Project Cost besides providing semi-annual Annuities for 15 years during operation and maintenance period. During 2019-20, 2 (two) HAM projects were refinanced to the extent of Rs.518.82 crore (Outstanding senior debt) and Rs.75.70 crore (additional debt) by the banks. Information i.r.o. of Equity Divestment, IDF, OTFIS, and Harmonious Substitution is Nil.

13.3 Dispute Resolution:

- a. Amended Arbitration & Conciliation Act, has prescribed the time-lines of one year for deciding the arbitration matters.
- b. Resolution of Claims are being attempted in NHA in the following ways viz.
 - i. Resolution of dispute through Dispute Resolution Board
 - ii. Conciliation through CCIE (Conciliation Committee of Independent Experts)
 - iii. Conventional Arbitration under the provisions of various contract/concession agreements.
- c. Dispute Resolution through CCIEs

- i. NHAI on 02.06.2017 established two CCIEs for amicable settlement of disputes. During the year 2017-18, 10 number of cases were referred out of which none was settled successfully.
- ii. During the year 2018-19, 26 cases were dealt by CCIEs out of which 8 cases were settled successfully for Rs.1,245 crore against the claim amount of Rs.3,019 crore.
- iii. In quest for speedy resolution of disputes, 3rd CCIE was constituted on 16.09.2019. For the year 2019-20, 71 cases were dealt by all the three CCIEs out of which 27 cases were settled successfully for Rs.2,436 crore against the claim amount of Rs.6,920 crore.

13.4 Society for Affordable Redressal of Disputes (SAROD):

- 13.4.1 NHAI, in association with National Highways Builders Federation (NHBF), has formed an institution for the speedy and affordable redressal of disputes called as the Society for Affordable Redressal of Disputes (SAROD) registered under the Societies Registration Act, 1860. It provides a forum for dispute resolution at reasonable cost. Provision for mandatory application of this mode of dispute resolution has also been incorporated in the Modal Concession Agreement (MCA). There are four (4) categories of members namely Founding Member, Primary Member, Associate Member and Honorary Member. The apex body of the Society is General Body which comprises of all the members of Society and the general administration is handled by the Governing Body assisted by a Secretariat.
- 13.4.2 As on 05th October, 2020, there are 52 Primary Members and 5 Associate Members of SAROD. There are forty five (45) cases referred under SAROD Arbitration Rules as on 05th October, 2020 out of which 28 cases have been awarded, 5 cases are settled out of Court or withdrawn and 12 cases are at various stages of adjudication. Further, as on date 51 numbers of Arbitrators are empanelled under SAROD.
- 13.4.3 To streamline and improve operational efficiency of Secretariat, advisory guidelines have been issued with the approval of the Governing Body to all the Members. Further, a new website has been created for SAROD.
- 13.4.4 In an endeavor to make paperless functioning, a software namely "Arbitration Information Management System" is developed internally which would facilitate all the stakeholders in terms of filing application for Arbitration, selection of Arbitrators, uploading of minutes etc. and would also act as repository of all previous Arbitral Awards for reference.

14 Systemic Improvements

14.1 Improvement in Toll Collection:

- (a) Ministry of Road Transport & Highways along with National Highways Authority of India has implemented National Electronic Toll Collection (NETC) programme on pan India basis on all the National Highways to remove traffic congestion at fee plazas and ensure seamless movement of traffic by allowing electronic payment of user fees through a RFID-based tag-FASTag. This flagship initiative of Government is being implemented by NHAI through M/s Indian Highways Management Company Limited (IHMCL), a NHAI promoted company under Companies Act.
- (b) ETC infrastructure have been installed on all National Highways Fee Plazas (591 NHAI Fee Plazas & 43 MoRTH Fee Plazas) and more than 1.95 crore FASTag have been issued till date. Many States are also integrating with NETC for their selected State Highways fee plazas and 92 State Highways Fee Plazas are live under NETC programme.
- (c) All lanes (except one on each side) at all NH Toll Plazas have been declared dedicated FASTag lane. The fee collection through ETC has reached to Rs.65 crore per day, with over 36 lakh transactions per day and ETC penetration upto 73% of total toll revenue.

14.2 CCTV Surveillance System:

Going forward, IP (Internet Protocol) based CCTV Surveillance Systems has been installed at toll plazas. The CCTV system is being used to monitor the tolling lane area. A control centre equipped with Video Wall for online monitoring of Video feeds from all toll plazas has been established at NHAI Head Quarter.

14.3 Implementation of Automatic Vehicle Counter & Classifier (AVCC) System at Toll Plazas:

AVCC System to provide classification and counting of vehicles passing through the lanes has been installed at NHAI toll plazas. Toll Management System checks AVCC class and classification entered by the Toll Collector. If there is a mismatch, the Lane Camera captures a digital image of the vehicle together with details of the class discrepancy message, transaction number with its date and time, lane number and toll collector. The image and discrepancy information is communicated to the supervisory console for further processing by the toll supervision staff. Data on counting and classification can also be accessed remotely.



15 Other Management Initiatives

15.1 Decentralised decision making process:

- (i) Regional Officers and Project Directors in the field have been further delegated financial powers for quick decision making to expedite the project implementation.
- (ii) Standard guidelines and procedures have been formulated to expedite Land Acquisition and Utility Shifting.
- (iii) Regional Officers are empowered to augment the Human Resources required at the field level by hiring retired Central/State Government Officials and private personnel through the outsourcing agencies.
- (iv) Video Conferencing facility is also introduced in all Regional Offices for regular reviews and interaction with the Headquarters to expedite the decision making process.
- (v) Regional Officers have been made the nodal officers and the Convener of the High Powered Committees chaired by the Chief Secretary of the concerned States to sort out the local issues for expediting the preconstruction activities like Land Acquisition and Environment Clearances etc.

15.2 Improvement in Planning and Execution Process:

- (a) In order to ensure better riding quality of National highways constructed under EPC mode, the maintenance criteria as part of obligations of the Contractor during the Defect Liability Period has been crucially altered with emphasis on better performance parameters & desired level of services. The Defect Liability Period has been also enhanced to 5/10 years, from existing 4 years, depending on the nature of pavement.
- (b) The RFP for Authority Engineer/Independent Engineer/Supervision Consultant for projects under implementation/O&M Phase have been modified to include equipment based monitoring of National Highways which would help improve the life of pavements with better riding quality.
- (c) The provisions to ensure dedicated key personnel of Authority Engineer/Independent Engineer, engaged for projects under implementation and O&M phase, during the currency of the works have been adopted.
- (d) To encourage usage of less explored technologies & processes, research studies have been assigned to IITs for laboratory/field trials and these technologies may be adopted in road construction based on recommendations from these institutions. Further, the trial stretches for use of various unconventional materials/waste plastic etc. have been also identified to assess/demonstrate long term performance of National Highways.

15.3 Focus on a network-wise approach for managing the highways under its purview:

An integrated approach focusing on an entire network rather than the operational aspects of individual highway stretches is a key strategy area for NHAI which includes asset management, revenue management, road safety, security management, traffic management etc.

15.4 Wayside Amenities:

NHAI is developing Wayside amenities along national highways to provide rest and refreshment for highway commuters. These facilities are classified in two categories:

Highway Nest (Mini)- 482 nos. of Nest Mini facilities have been constructed near toll plazas approx. 200 meters downstream providing facilities of toilets, Water ATMs, small kiosk having tea/coffee vending machine and packaged food.

Way Side Amenities (WSA)- These facilities are being developed on NH land under PPP model at an interval of approx. 50 km on National Highways. After construction, the concessionaires will operate & maintain for concession period of upto 30 years. Works have been awarded for development and operation of 12 sites on lease basis.

15.5 Incident Management:

As part of incident management NHAI has deployed over 1500 ambulances, patrol vehicles and tow-away cranes/vehicles at/near its toll plazas.

15.6 Swacch Bharat Mission:

- Display of Swachhata message and discouraging littering through hoardings at 1392 places.
- Installation of dustbins at 2,358 nos. on each lane of toll plazas on National Highways.
- Constructions of Toilets: To achieve the objective of providing the road users with hygienic toilets facility under Swachh Bharat Abhiyan 771 nos. of ladies toilets and 783 nos. of gents toilets have been constructed on upside and downside of the toll plazas along National Highways upto 31.03.2020.

15.7 Infrastructure Investment Trust (InvIT):

- Given the magnitude of the Bharatmala program (with a total investment of Rs.5,35,000 crore), NHAI would need adequate funds to complete the Projects within the prescribed timelines. As a part of this exercise, a workable option is to monetize the completed and operational NH assets to unlock their value and attract private players to invest in construction of National Highways.
- Hon'ble Finance Minister, in his Budget Speech for year 2018-19, had stated that NHAI may consider organizing its road assets into Special Purpose Vehicles and use innovative monetizing structures such as Toll, Operate and Transfer (ToT) model and Infrastructure Investment Trusts (InvITs).
- InvIT will be an additional alternative source of raising money and help in unlocking capital in completed and operational national highway projects. The proposal provides for an alternative mechanism to raise funds which will be utilised for repayment of existing borrowings through creation of a reserve fund.
- Accordingly, NHAI has sponsored an Infrastructure Investment Trust, viz., NATIONAL HIGHWAYS INFRA TRUST and incorporated two SPVs in exercise of monetization completed and operational road assets. Through the InvIT, NHAI will be issuing Units under Private Placement mechanism and the expected funds to be raised during the FY 2020-21 is Rs.5,000 crore.



15.8 Vigilance Division:

Vigilance Division has disposed of 229 vigilance cases during the year 2019-20 (01.04.2019 to 31.03.2020). The details of which are as under:

Sr. No.	Nature of case	Number of Vigilance cases	
		Disposed of during (in number) April 2019- March 2020	Pending till 31.03.2020 (in number)
1	Toll related	39	59
2	LA/ Alignment related	41	67
3	Project related viz. construction, maintenance, quality, procurement, contractual matter etc.	90	265
4	Administrative issues	27	30
5	Other (Utility shifting, access permission, encroachment etc.)	32	62
Total number of cases		229	483

15.9 Implementation of the Official Language Policy of the Government:

In compliance with the constitutional provisions and Presidential Orders, various efforts have been made by all the officials of National Highways Authority of India for the implementation of Official Language Act 1963, Official Language Rules 1976 & Orders issued by Department of Official Language from time to time regarding Official Language Policy of Govt. of India. The use of Hindi for all the Official purposes in NHAI is increased during the year 2019-20.

Annual Programme 2019-20 issued by Deptt. Of Official Language was sent to all officials with the objective to make them acquainted with the Official Language Rules and targets set by the Govt. of India so that the officials may discharge their responsibilities more effectively.

Hindi Fortnight was organized from Sept. 01 to Sept. 15, 2019 to boost up the morale of all the officials for working in Hindi. Six Hindi competitions were conducted in which a large number of officers and employees participated and outstanding performers were awarded with cash awards and certificates in a grand function organized by the Authority on Sept. 16, 2019. An attractive Hindi Incentive Scheme is implemented in NHAI to inspire the officers and employees for increasing the use of official language Hindi in their day to day official work.

During the year 2019-20 four quarterly Hindi workshops were organized with the focus on promoting original work in Hindi such as noting, drafting and the correspondence pertaining to all the administrative, financial and technical matters of NHAI. The officers and employees were imparted training for working in Hindi on computers and practice in Hindi noting and drafting with the objective to achieve the targets set by the Department of Official Language, Govt. of India. During the year 2019-20, special attention was given to the IT system related to the development of Official Language. The facility of working in Hindi is made available in all the computers of NHAI.

The use of Official Language Hindi has been maximized in the noting and correspondence including e-mails etc. with the inter departmental Offices/Organisations as well as non-Government Organisations. Meetings of the Official Language Implementation Committee of the Authority have been held regularly in each quarter wherein necessary decisions were taken after reviewing the progressive use of Hindi in the NHAI. As a result, the overall percentage of Hindi Correspondence and noting on files during the year 2019-20 in region A, B and C has been increased to 81.53%, 79.07% & 60.32% and 73.21% respectively. The Quarterly Progress reports of all the four quarters and an Annual Assessment report for the year 2019-20 were sent to Department of Official Language through online system.

15.10 Right to Information Act (RTI):

NHAI is promptly attending to all the applications filed under Right to Information Act, 2005. Directions are issued to all its field offices to dispose all RTI Applications/Appeals in a time bound manner and upload the status on RTI Portal. Internal reminders circulating the pendency status is done on a regular basis in order to clear the pendency at the level of each and every CPIO and Appellate Authority spreading across the length and breadth of the country.

Furthermore, for the last one year all applications are processed through the online portal only, i.e. the physical receipts are scanned and uploaded to the RTI MIS Portal for speedy transfer and speedy disposal thereby reducing the response time for each and every RTI applications made under the Act of 2005. The filing of Quarterly Returns on behalf of NHAI is also done on a regular basis in the RTI MIS Portal at <https://rtionline.gov.in/RTIMIS/NODAL/index.php> and as on date there is nil pendency with respect to filing of Quarterly returns.

The updated status (as on 31.03.2020) for RTI Applications is presented below:

Action taken by Nodal officer					
Total Online Receipt(s)	Transfer To other Public Authority	Forward To CPIO	Returned To Applicant	Disposed of	Pending
23,131	50	22,983	10	0	16

Action taken by CPIO(s)				
Physical Receipt (s)	Forward by Nodal Officer	Total Receipt (s)	Disposed of	Pending
4,073	22,983	27,056	25,532	4,475

The updated status (as on 31.03.2020) for RTI Appeal is presented below:

Action taken by Nodal officer			
Total Online Receipt (s)	Forward To FAA	Returned To Applicant	Pending
1,051	2,669	1	15

Action taken by FAA(s)				
Physical Receipt (s)	Forward by Nodal Officer	Total Receipt(s)	Disposed of	Pending
136	2,669	2,805	1,200	440



15.11 VIP References:

NHAI is promptly attending to all the VIP references received directly or through MoRTH. Directions are issued from time to time to dispose timely reply to the VIP references. An online portal has recently been made functional for monitoring of VIP references and its timely disposal, the link of which is as under:

<https://www.morthedisha.gov.in/omniapp/pages/login/loginapp.jsf>

VIP references so received in the online portal are being forwarded to the concerned divisions for speedy disposal thereby reducing the response time for each VIP reference. The updated status as on 31.03.2020 is as under:

Action taken by Nodal officer		
S. No	Total VIP reference received	Forwarded to Concerned divisions
1	942	942

15.12 Library and Technical Resource Centre:

NHAI has a fully automated and well stocked Library and Technical Resource Centre. Standards/specifications relating to roads, highways, bridges, transportation etc. published by Indian Roads Congress and other institutions in the world form the core collection of the Technical Resource Centre. The centre has an excellent collection of journals and reference books on Civil Engineering, Highways Engineering, Transportation and related disciplines. A good number of books on Finance, Administrative Law and ICT etc. are available in the centre. Press Clippings relating to roads, highways and infrastructure development have been maintained in electronic form since March 1997. Photo section stocks a collection of over 4,000 photographs of NHAI projects.

15.13 Media:

Media cell is actively working towards brand building and engaging stake holders of NHAI through various media platforms. NHAI effectively communicated the various initiatives it took during the year that included campaign to create awareness on road safety, implementation of FASTag and educating people on developments on National Highways projects through different media vehicles that included traditional and social media.

15.14 Green Highway Initiatives:

NHAI has set up a Green Highway Division with the objective to undertake plantations along the highways and median in accordance with IRC SP:21:2009 and Green Highway Policy, 2015. The plantation work is carried out through concessionaires as BOQ Item and also through the forest department and private agencies, where this job is not under the scope. In the year 2019-20, more than 36.2 lakh plants have been planted in the available right of way and median.



16 Welfare Activities

16.1 NHA Club:

NHA club was constituted in November 2001 for looking after various social, cultural and other related activities for the employees of the NHA. All the officers and staff of NHA posted at the Headquarters are members of the club. NHA Club also contributes a sum of Rs.1.0 lakh to the family of a deceased member of the Club towards immediate financial support.

16.2 Death due to Illness, Accident or Natural Causes:

As per the NHA policy, in case of death of any NHA employee due to illness, accident or natural causes, the nominee of the deceased employee is entitled to receive a sum of Rs.5 lakh for employees drawing salary in the pay scale of Rs.6,500-10,500/- (Pre-revised) and above and Rs.4 lakh for the remaining categories. The scheme was first introduced in the year 2005 as part of Group Life Insurance Policy and the scheme is funded through the annual budget of NHA from 2013 onwards.

16.3 Death Benevolent Scheme:

A voluntary scheme viz., Death Benevolent Scheme, has also been introduced in NHA w.e.f. 01.01.2015 wherein a sum of Rs.50/- is contributed by the employees every month. An ex-gratia amount of Rs.1 lakh is given as relief in case of death of the employee.



17 Audit

The Audit Report on the accounts of the Authority for the year 2019-20 issued by the Office of C&AG of India is attached as Annexure-2, Balance Sheet and the Management's replies on the Audit's comments on accounts are attached as Annexure-3.





18 ANNEXURE 1

List of PIUs

Sl. No	Name of Regional Office	Name of PIUs/CMUs	
1	Andhra Pradesh at VIJAYAWADA	1	Visakhapatnam
		2	Nellore
		3	Kadapa (shifted from Nandyal)
		4	Rajamundry
		5	Vijayawada
		6	Anantpur
		7	Amaravathi
		8	Tirupati
2	Telangana at HYDERABAD	9	Hyderabad
		10	Nirmal
		11	Warangal
		12	Mahabubnagar
		13	Mancherial
		14	Sangareddy
		15	Khammam
3	Bihar at PATNA	16	Begusarai
		17	Darbhanga
		18	Chhapara
		19	Patna
		20	Purnea
		21	Gaya
		22	Motihari
		23	Sasaram
		24	Munger
4	Madhya Pradesh at BHOPAL	25	Sagar
		26	Gwalior
		27	Chhindwara
		28	Jabalpur
		29	Indore
		30	Bhopal
		31	Shivpuri
		32	Chattarpur
		33	Rewa
		34	Ratlam
		35	Ujjain
		36	Narsinghpur

Sl. No	Name of Regional Office	Name of PIUs/CMUs	
5	Karnataka at BENGALURU	37	Bengaluru
		38	Chitradurga
		39	Dharwad
		40	Gulbarga
		41	Hospet
		42	Mangaluru
		43	Hassan
		44	Tumkur
		45	Ramanagara
6	Gujarat at GANDHINAGAR	46	Surat (Expressway)
		47	Ahmedabad
		48	Rajkot
		49	Gandhidham
		50	Palanpur (Site Office)
		51	Somnath
		52	Bharuch
		53	Bhavnagar
		54	Dwarka
7	Haryana & Punjab at CHANDIGARH	55	Ghodbunder
		56	Godhra
		57	Chandigarh
		58	Hissar
		59	Rohtak
		60	Ambala
		61	Mohali
		62	Ludhiana
		63	Bhatinda
8	Himachal Pradesh at SHIMLA	64	Ludhiana (Expressway)
		65	Jalandhar
		66	Mandi
		67	Shimla
9	J&K at JAMMU	68	Palampur
		69	Hamirpur
		70	Jammu
10	Jharkhand at RANCHI	71	Srinagar (at Ramban)
		72	Ramban
		73	Ranchi
		74	Dhanbad
		75	Jamshedpur
		76	Deoghar
		77	Hazaribagh
		78	Sahibganj
		79	Daltonganj



Sl. No	Name of Regional Office	Name of PIUs/CMUs	
11	Kerala at THIRUVANTHAPURAM	80	Palakkad
		81	Cochin
		82	Kozhikode
		83	Thiruvananthapuram
12	Maharashtra & Goa at MUMBAI	84	Pune
		85	Panvel
		86	Solapur
		87	Nashik
		88	Ratnagiri
		89	Goa
		90	Thane
13	N.E. at GUWAHATI	91	Ahmednagar
		92	Bongaigaon
		93	Nagaon
		94	Halflong
		95	Shillong
		96	Guwahati
14	Odisha at BHUBANESWAR	97	Myanmar
		98	Sambalpur
		99	Bhubaneswar
		100	Balasore
		101	Rourkela
		102	Keonjhar
		103	Dhenkanal
		104	Bhadrak
15	Rajasthan at JAIPUR	105	Puri
		106	Jaipur
		107	Udaipur
		108	Sikar
		109	Jodhpur
		110	Barmer
		111	Kota
		112	Ajmer
		113	Dausa
		114	Chittorgarh
		115	Bikaner
		116	Jaipur (South)
		117	Jaisalmer
		118	Hanumangarh
		119	Sawai Madhopur

Sl. No	Name of Regional Office	Name of PIUs/CMUs	
16	Tamil Nadu at CHENNAI	120	Chennai
		121	Coimbatore
		122	Karur
		123	Villupuram
		124	Krishnagiri
		125	Bangalore (Expressway)
		126	PIU- Salem
		127	Kanchipuram
17	Tamil Nadu at MADURAI	128	Madurai
		129	Karaikudi
		130	Thanjavur
		131	Trichy
		132	Nagercoil
		133	Dindigul
		134	Tutikorin
18	RO Western UP at LUCKNOW	135	Agra
		136	Aligarh
		137	Meerut
		138	Moradabad
		139	Bareilly
		140	Jhansi
		141	Kannauj at Kanpur
		142	Baghpat
		143	PIU Kanpur
19	RO Eastern UP at VARANASI	144	PIU Lucknow
		145	Raebareilly
		146	Allahabad
		147	Gorakhpur
		148	Varanasi
		149	Mirzapur
		150	Azamgarh
20	Uttarakhand at DEHRADUN	151	Rudrapur
		152	Dehradun
		153	Nazibabad
		154	Roorkee



Sl. No	Name of Regional Office	Name of PIUs/CMUs	
21	West Bengal at KOLKATA	155	Kharagpur
		156	Kolkata
		157	Jalpaiguri
		158	Durgapur
		159	Malda
		160	Kolkata (North)
		161	Krishnagar
22	Maharashtra 2nd RO at NAGPUR	162	PIU-1 Nagpur
		163	Aurangabad
		164	Dhule
		165	Nanded
		166	Yawatmal
		167	Amravati
		168	PIU-2 Nagpur
		169	Washim
		170	Chandrapur
		171	Kolhapur
		172	Jalgaon
23	Chattisgarh at RAIPUR	173	Raipur
		174	Bilaspur
		175	Dhamtari
24	Delhi & NCR at RO DELHI	176	Ghaziabad
		177	Gurgaon
		178	CMU Faridabad (Mathura)
		179	Rewari
		180	Bhiwani
		181	Sohna
25	RO EPE at DELHI	182	Dwarka, Delhi
		183	Eastern Peripheral Expressway (EPE)-I, Pitampura, Delhi
26	RO (HQ) Sh. Maneesh Rastogi, CGM(T)	184	Eastern Peripheral Expressway (EPE)-II, Greater Noida (NCR)
		185	Sonipat





लोकहितार्थं सव्यभिचारं
Dedicated to Trust in Public Interest

गोपनीय

संख्या / No.

भारतीय लेखापरीक्षा और लेखा विभाग,
कार्यालय, महानिदेशक लेखापरीक्षा (इन्फ्रास्ट्रक्चर), दिल्ली
INDIAN AUDIT & ACCOUNTS DEPARTMENT,
OFFICE OF THE DIRECTOR GENERAL OF AUDIT
(INFRASTRUCTURE), DELHI

दिनांक / Dated

सेवा में,

सचिव, भारत सरकार,
सड़क परिवहन और राजमार्ग मंत्रालय,
परिवहन भवन, संराय मार्ग,
नई दिल्ली-110001

विषय- भारतीय राष्ट्रीय राजमार्ग प्राधिकरण (NHAI) के वर्ष 2019-20 के वार्षिक लेखाओं पर भारत के नियंत्रक एवं महालेखापरीक्षक की पृथक लेखा परीक्षा प्रतिवेदन।

महोदय,

मैं इस पत्र के साथ भारतीय राष्ट्रीय राजमार्ग प्राधिकरण (NHAI) के वर्ष 2019-20 के प्रमाणित वार्षिक लेखों की प्रति तथा उन पर पृथक लेखा परीक्षा प्रतिवेदन संसद के पटल पर रखने के लिए अर्पित कर रही हूँ। कृपया यह सुनिश्चित किया जाए कि पृथक लेखा परीक्षा प्रतिवेदन को संसद के दोनों सदनों के सम्मक्ष प्रस्तुत करने से पहले शासी निकाय (Governing body) को नियमानुसार अवश्य प्रस्तुत किया जाए। संसद को प्रस्तुत कर दस्तावेजों की दो प्रतियाँ उस विधि को दर्शाते हुए, जब वे संसद को प्रस्तुत किए गए थे, इस कार्यालय को तथा भारत के नियंत्रक एवं महालेखापरीक्षक के कार्यालय को भेजी जाए।

भवदीय,

हस्ता

(रिना अकोइजम)

महानिदेशक

संख्या- PD/Infra/1144/2021/A/C Rev/153/3-23/21-22/153 दिनांक- 28/9/2021

प्रतिलिपि-

1. अध्यक्ष, भारतीय राष्ट्रीय राजमार्ग प्राधिकरण, को मंत्रालय को जारी किए गये पत्र के साथ भारतीय राष्ट्रीय राजमार्ग प्राधिकरण (NHAI) के वर्ष 2019-20 के लेखाओं पर पृथक लेखा परीक्षा प्रतिवेदन की प्रति सूचनार्थ एवं आवश्यक कार्यवाही प्रेषित है।

M

am/26
01/10/21

E-202180

(रिना अकोइजम)

महानिदेशक

राष्ट्रीय तल, ए-स्कन्ध, इन्द्रप्रस्थ भवन, इन्द्रप्रस्थ एस्टेट, नई दिल्ली-110002
3rd Floor, A-Wing, Indraprastha Bhawan, I. P. Estate, New Delhi-110002
दूरभाष/Tele.: 011-23378473, फैक्स/Fax : 011-23378432, 011-23378871
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19 ANNEXURE 2

AUDIT REPORT OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA ON THE ACCOUNTS OF NATIONAL HIGHWAYS AUTHORITY OF INDIA FOR THE YEAR ENDED 31 MARCH 2020:

We have audited the attached Balance Sheet of the National Highways Authority of India (NHAI) as at 31st March, 2020 and the Profit and Loss Account for the year ended on that date under section 23 of the National Highways Authority of India Act, 1988 (NHAI Act, 1988) and Rule 6(5) of National Highways Authority of India (Budget, Accounts, Audit, Investment of Funds and Powers to Enter Premises) Rules 1990 as amended from time to time. These financial statements include the accounts of 202 units {177 Project Implementation Units (PIUs), 24 Regional Offices and the accounts of NHAI Headquarters}. Preparation of these financial statements is the responsibility of the Management. Our responsibility is to express an opinion on these financial statements based on our audit.

We have conducted our audit in accordance with the auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of financial statements. We believe that our audit provides a reasonable basis for our opinion.

Based on our audit, we report that:

- I. We have obtained all the information and explanations, subject to Annexure-11, which to the best of our knowledge and belief were necessary for the purposes of audit.
- II. The Balance Sheet and Profit and Loss Account dealt with by this report have not been drawn up in the format approved by the Government of India under Section 34 (2)(g) of NHAI Act, 1988 and Rule 6(1)(b) of NHAI Rules 1990, as amended from time to time.
- III. Proper books of accounts and other relevant records have not been maintained by the Authority, in so far as it appears from our examination of such books as enumerated below:
 - (a) As per Section 23 of the NHAI Act, 1988, the format of annual Statements of accounts of NHAI has been duly prescribed by the Government of India (Gol) in consultation with the Comptroller and Auditor General of India (C&AG). However, the following deviations were noticed in the accounts prepared when compared to the approved format of accounts:
 - (i) Assets held on behalf of Gol (completed & ongoing) amounting to Rs.4,62,896.54 crore are being shown as Fixed assets of NHAI, in contravention to approved format of accounts and Generally Accepted Accounting Principles (GAAP) in spite of the fact that ownership of these national highway projects lies with Gol and not with the NHAI and the same were entrusted to NHAI by Gol, for development & maintenance purposes only. The Solicitor General of India in his opinion of January 2015 reiterated the fact that NHAI is an executive agency of the Gol and ownership of the national highways vests with Gol. The accounting treatment and disclosure given by NHAI, in its Financial Statements, to national highways and related projects is also in deviation to the opinion given by the Expert Advisory Committee (EAC) of the Institute of Chartered Accountants of India which opined that if the NHAI was acting only as an executing agency on behalf of Gol and did not exercise any control over the roads/highways and/or. future economic benefits out of such resources did not accrue to the NHAI, then, NHs were not NHAI's Assets. Accordingly, recognising these as its assets and recognizing them as Capital work in progress {now shown as Assets held on behalf of Gol (completed and ongoing)} in NHAI's Balance Sheet was not correct.

Audit also noticed that another PSU, i.e. National Highways and Infrastructure Development Corporation Limited (NHIDCL) incorporated by Ministry of Road Transport & Highways (MoRTH) for development and maintenance of National Highways on behalf of Gol as executing agency, used to maintain its accounts on line similar to NHAI. However, after getting MoRTH directions in July 2019. In regard to transfer of completed assets by NHIDCL to Gol as per modalities decided, NHIDCL in its Balance Sheet as at 31st March, 2019 onwards had netted off Assets held on behalf of Gol against the Funds received for the same.

Thus, Fixed Assets of NHAI are overstated to the extent of Assets held on behalf of Gol (completed & ongoing) amounting to Rs.4,62,896.54 crore appearing as NHAI's Fixed Assets.

This issue was raised earlier also by Audit, however, no corrective action has been taken by the management.

- (ii) The approved format provides that the surplus/deficit in the Profit and Loss Account is to be carried to the Balance Sheet under Reserves and Surplus. As against this, NHAI instead of arriving at surplus/deficit in the prescribed manner, computed the 'Net Establishment Expenditure' which was in actual the deficit and transferred the same to Assets held on behalf of Gol (completed and ongoing) under Fixed Assets.

It was further observed that the Profit and Loss Account was being prepared in contravention to GAAP also which states that the expenditure of revenue nature cannot be booked to completed projects and instead should be routed through Profit and Loss Account, however, NHAI capitalised the entire amount of Rs.488.86 crore with respect to Net Establishment Expenses for the year. In absence of project-wise details in NHAI, Audit could not quantify the amount of incorrect accounting.

- (b) The borrowing costs on completed projects, in contravention to GAAP is not being routed through Profit & Loss Account. Resultantly, Borrowing Costs amounting to Rs.15,314.80 crore have been adjusted, during 2019-20, from Assets held on behalf of Gol (completed & ongoing) without differentiating between completed and ongoing projects. As NHAI is not maintaining project-wise details, Audit could not verify the correctness of Borrowing Costs amounting to Rs.15,314.80 crore allocated to Assets held on behalf of Gol (completed & ongoing) during 2019-20 and the total Borrowing Costs amounting to Rs.48,923.33 crore allocated to completed and ongoing projects till date.

IV We further report that:

(A) Revision of Accounts:

NHAI revised its accounts based on audit observations relating to charging or depreciation on National Highways, borrowing costs relating to fund borrowed for National Highways, treatment of maintenance grant-in-aid received from GOI, etc. without consequent change in relevant Acts and Rules.

(B) Balance Sheet

(1) Sources of Funds

1.1 Shareholders' Fund

Capital (Schedule 1): Rs.2,19,026.69 crore

- (i) Expenditure on Toll Collection Activities (w.e.f. 01.04.2010), being a deduction from capital, includes amount of Rs.123.03 crore booked, upto 31st March, 2020, on account of cost of creation of capital infrastructure for toll collection electronically under Scheme name Electronic Toll Collection and Toll Management System. Since this expenditure was of capital nature it should have been debited as Project Expenditure. This has resulted in understatement of Capital and Assets held on behalf of Gol by Rs.123.03 crore.



This issue was raised earlier also by Audit, however, no corrective action has been taken by the management.

Further Significant Accounting Policy No. 8 which professes such treatment of Assets purchased or constructed for toll collection activities (in spite they are being of capital nature), to be booked as expenditure on toll collection activities, is deficient to that extent against plough back of toll remittance rather than debiting them to Assets held on behalf of Gol.

- (ii) As per the Approved format of Accounts, the Grants-in-aid received for Maintenance of Highways and expenditure incurred thereon should be accounted for in Profit and Loss Account. However, NHAI deviated from this and has adjusted the Maintenance Grant and Expenditure incurred on Maintenance of Highways against Capital Account (Plough back of Toll Remittance, etc.). During the year, NHAI incurred Rs.1,981.92 crore as the total expenditure on maintenance of highways (Rs.1,259.74 crore) and toll collection activities (Rs.722.18 crore). Against this, MoRTH released a grant of Rs.413.82 crore for maintenance of highways during the year 2019-20. After adjusting Rs.74.75 crore of 'Other Receipts from O & M of Highways' during the year 2019-20, balance amount of Rs.1,493.35 crore, has been set off against the Shareholder's fund. Thus, this has resulted in understatement of Loss for the year and Shareholder's fund-Capital by Rs.1,493.35 crore.

(1.2) Borrowings (Schedule 4): Rs.2,48,831.66 crore:

As per Rule 9 (Reserve Fund) of NHAI Rules, 1990 for every loan raised by NHAI not being a loan repayable before expiration of one year from the date of the loan, the Authority shall set apart a sum half yearly out of its income in the reserve fund, sufficient to liquidate the loan within a period which shall not in any case exceed thirty years. NHAI might apply the whole or any part of the sums accumulated in the reserve fund in or towards the discharge of the loan liabilities for repayment of which the fund was established. Provided that Authority paid into the fund each year and accumulated until the whole of the money borrowed was discharged, a sum equivalent to the interest which would have been produced by the reserve fund or part of the reserve funds so applied.

As on 31st March, 2020, an amount of Rs.2,48,831.66 crore was payable by NHAI, towards bond holders of Capital Gain Tax Free Bonds-54EC, Tax free Secured Redeemable Non-Convertible Bonds, Taxable Bonds, Rupee Denominated Offshore (Masala) Bonds, Loan from Asian Development Bank, State Bank of India, Punjab National Bank and National Small Savings Fund, however, NHAI in contravention to NHAI rules has not created any Reserve Fund.

In contravention to Rule 9 (Reserve Fund) of NHAI Rules, 1990, no reserve fund has been created by NHAI to liquidate its long-term borrowings within thirty years. It is pertinent to mention here that NHAI incurred Rs.15,314.79 crore as finance cost during 2019-20 alone, while its total receipts were Rs.28,317.65 crore. Thus, during 2019-20, NHAI expended more than 54.08 per cent of its receipts as borrowing cost (leave apart the repayment of principal loan as and when due) and resultantly to undertake its core activity of developing and maintaining National Highways, NHAI availed bank overdraft of Rs.41,913.25 crore during 2019-20 besides the market borrowings of Rs.74,986.81 crore taken during 2019-20.

This issue was raised earlier also by Audit, however, no corrective action has been taken by the management.

(2) Application of Funds:

(2.1) Fixed Assets

Assets held on behalf of Gol (Schedule 5): Rs.4,62,896.54 crore

- (i) The above head includes amount of Rs.128.82 crore incurred, upto 31st March, 2020, on construction of second office building for NHAI at Dwarka, Delhi. Since these are assets of NHAI and not part of CWIP-ongoing project (road and bridge), these should have been disclosed as Capital Works in Progress of NHAI. This has resulted in overstatement of Assets held on behalf of Gol by Rs.128.82 crore and understatement of Capital Works in Progress of NHAI by the same amount.
- This issue was raised earlier also by Audit, however, no corrective action has been taken by the management.
- (ii) The above head does not include an amount of Rs.144.81 crore, being wrongful deduction from it, during 2019-20, of interest accrued on loan disbursed to eight Special Purpose Vehicle (SPV) companies of NHAI. This amount should have been instead booked as income of NHAI in its Profit and Loss account. This has resulted in understatement of Assets held on behalf of Gol and overstatement of Deficit carried to Balance Sheet by Rs.144.81 crore. This issue was raised earlier also by Audit, however, no corrective action has been taken by the management.
- (iii) The above head does not include amount of Rs.5.77 crore incurred during 2014-15 on construction of toll plaza at Jalandhar-Jammu section. In spite of it being an expenditure of Capital nature, this amount was booked as revenue expenditure during that period. This has resulted in understatement of Assets held on behalf of Gol and Capital by Rs.5.77 crore. This issue was raised earlier also by Audit, however, no corrective action has been taken by the management.
- (iv) The above does not include an amount of Rs.267.65 crore deducted as Capital Reserve, during 2019-20, from above without categorizing it into capital or revenue. As per GAAP, no revenue income is to be deducted from capital assets after commissioning /putting it to use. Further, in absence of project-wise accounting in NHAI, the income has been added over the years and entire amount reduced from overall amount of Assets held on behalf of Gol (completed & ongoing). Thus, the financial statements of NHAI have not been prepared as per GAAP and as per its own Significant Accounting Policy no. 12(c) which states that any income which is in the nature of revenue receipt and not payable to Gol is recognized as revenue of NHAI.

(2.2) Current Assets, Loans and Advance (Schedule 7): Rs.52,248.87 crore

- (i) The above includes Rs.11,225.40 crore booked as recoverable from MoRTH on account of payment made by NHAI, as per directions of MoRTH, for various National Highways Projects being developed, under NHDP-III, NHDP-IV and NH (0) (VGF) Schemes of MoRTH, to various State Governments Agencies. MoRTH categorically denied (June 2018) to make good these recoverable and clarified that no separate funds would be released to NHAI for such recoverable and the same has to be met by NHAI from its overall resources but still these recoverable are appearing in books of NHAI in spite of no further assurances received from MoRTH. This has resulted in overstatement of Current Assets, Loans and Advance by Rs.11,225.40 crore.
- (ii) The above includes an amount of Rs.297.18 crore disbursed as loan by NHAI to three of its subsidiaries viz. Ahmedabad-Vadodara Expressway Company Limited (A VEXCL), Moradabad Toll Road Company Limited (MTRCL) and Cochin Port Road Company Limited (CPRCL). In view of NHAI Board's in-principle approval, during 2018-19, to wind up these subsidiaries, and provision being already made for diminution in value of entire investment of Rs.403.11 crore in these three subsidiaries by NHAI, the loan of Rs.297.18 crore should also have been provided for in the books of NHAI. This has resulted in overstatement of Current Assets, Loans and Advance by Rs.297.18 crore and understatement of Deficit carried to the Balance Sheet. This issue was raised earlier also by Audit, however, no corrective action has been taken by the management. Further, in view of winding up of MTRCL being approved by National Company Law



Tribunal vide its order dated 21st May, 2019, the provision of Rs.32.36 crore made against investment by NHAI in it should have been written off from books of accounts.

- (iii) The above does not include an amount of Rs.4.02 crore recoverable from concessionaires of two projects towards excess payment made to concessionaire on account of change of scope as per Article 16.3 of concession agreements. Thus, this has resulted in understatement of Current Assets, Loans and Advance by Rs.4.02 crore and overstatement of Assets held on behalf of Gol by the same amount.

(2.3) Current Liabilities and Provisions

Liabilities (Schedule 8): Rs.34,284.01 crore

- (i) The above does not include Rs.43.05 crore due to non-provisioning of various services provided by IHMCL to NHAI viz. Traffic Survey, Wayside Amenities, Road User Helpline, Citizen Centric App-You Report, Time and Motion Study upto 31st March, 2020 and payable to IHMCL. This has resulted in understatement of Current Liabilities and Provisions and Expenditure of Toll Collection Activities by Rs.43.05 crore.
- (ii) The above head does not include amount of Rs.68.36 crore payable to IHMCL, upto 31st March, 2020, against capital infrastructure created by NHAI through IHMCL under scheme of Electronic Toll Collection and Toll Management System for collection of user fees. This has resulted in understatement of Current Liabilities and Provisions and Assets held on behalf of Gol by Rs.68.36 crore.

This issue was raised earlier also by Audit, however, no corrective action has been taken by the management.

- (iii) **The above is understated by Rs.790.33 crore due to non/short provisioning of liabilities towards:**

		(Rs. In crore)
A	Compensation payable for acquisition of land despite issue of 3D Notification/JG award by CALA award.	424.81
B	Amount payable to Gol for interest on mobilization advance and other deposit	9.00
C	Amount payable to Go I in respect of short remittance of toll/interest thereon by contractor/concessionaire	3.84
D	Amount payable to Gol in respect of short remittance of Premium/interest thereon by contractor/concessionaire	16.89
E	Amount payable to Contractor/Concessionaire in respect of Construction work done	236.51
F	Amounts payable to the Contractor/Concessionaire/utility department for utility shift in	11.94
G	Amounts payable to the Contractor/Concessionaire for maintenance work done	12.08
H	Amounts payable to the Contractor/Concessionaire on account of Bonus/Annuity payment.	21.15
I	Amount payable to Contractor/Concessionaire on account of royalty charges	15.73
J	Amount payable to Contractor/Concessionaire on account of GST	9.80
K	Amounts payable to Consultants for supervision work and DPR preparation	2.25
L	Amount payable to forest department	0.33
M	Amount payable in court as deposits	26.00
Total		790.33

This has resulted in understatement of Assets held on behalf of Gol by Rs.722.52 crore, Recoverable from Contractors/Concessionaires by Rs.29.73 crore, Deposits with Court by Rs.26 crore and Expenditure on Maintenance of Highways by Rs.12.08 crore.

(B) Profit and Loss Account

Transfer of Net Establishment Expenses for the year to Sch.-5: Rs.488.86 crore

The above head does not include amount of Rs.11.77 crore received/receivable, upto 31st March 2019, by NHAI from Ministry of External Affairs (MEA) as remuneration for rendering Project Management and Consultancy (PMC) in the capacity of technical executing agency for MEA for the project related to construction/upgradation of the Kalewa-Yargi Road Section in Myanmar. Instead of booking PMC charges received/receivable by NHAI as its income, the same has been booked as advance. This has resulted in overstatement of Deficit carried to Balance Sheet by Rs.11.77 crore, overstatement of Currents Liabilities & Provisions by Rs.11.18 crore and understatement of Current Assets, Loans and Advance by Rs.0.59 crore.

(C) Notes on Accounts (Schedule 19)

Contingent Liability is understated by Rs.806.74 crore on account of claims of land compensation and claims relating to five projects. Thus, Note No. 26 pertaining to disclosure of Contingent Liability is deficient to that extent.

(D) General

- (i) On test check basis, audit observed that in respect of eight Project Implementation Units (PIUs) against acquisition of 8,535.90 hectares of land by such PIUs for implementing the Roads and Bridges Projects on behalf of Gol, merely 2,900.96 hectares of land (i.e. 33.98 percent) was mutated upto 31st March, 2020. These facts along with the data of land acquisition and mutation thereof by NHAI have not been disclosed in the Notes to Financial Statement.
- (ii) Capital-net off Toll collection, Negative Grant etc., upto 31st March, 2010, amounting to Rs.6,183.56 crore has been transferred to NHAI's Capital Account without obtaining any approval of the Ministry of Finance and Ministry of Road Transport & Highways for the same. Suitable disclosure of the above facts needs to be made in Notes to financial statements.

This issue was raised earlier also by Audit, however, no corrective action has been taken by the management.

- (iii) Commitments made by NHAI in prospectus issued for Tax Free Secured Redeemable Non-Convertible Bonds of Rs.10,000 crore (2011-12), Tax Free Secured Redeemable Non-Convertible Bonds of Rs.5,000 crore (2013-14), Tax Free Secured Redeemable Non-Convertible Bonds of Rs.19,000 crore (2015-16), Taxable Bonds (2018-19) and Taxable Bonds (2019-20) were as follows:
 - a. All monies received out of each tranche issue of the bonds to the public shall be transferred to a separate bank account;
 - b. Details of all monies utilized out of each tranche issue shall be disclosed under an appropriate separate head in the Balance Sheet indicating the purpose for which such monies were utilised;
 - c. Details of all unutilized monies out of each tranche issue shall be disclosed under an appropriate separate head in the Balance Sheet indicating the form in which such unutilised monies have been invested.

However, the above commitments were not adhered to and NHAI has only given a general disclosure vide Note No. 9 (f) of Notes to Accounts wherein it was mentioned that 'All receipts of NHAI viz. Funds received from the Ministry, Market borrowings through issue of NHAI Tax free Bonds, Taxable Bonds, NHAI Capital Gains Tax Exemption Bonds under Section 54-EC, interest on surplus funds etc. are credited in the National Highways Authority of India Funds and all expenditure is met out of this Fund as per the

provisions of Article 18 of NHA Act, 1988. As such, no separate Account is maintained for utilization of NHA Bond proceeds’.

- (iv) A reference is invited to Note No. 24 pertaining to “Finalization of Accounts in Current Format” wherein it is stated that “The format of accounts has been approved by C&AG vide letter dated 22-06-1992. NHA, since inception, is using this format. In the subsequent years some requirement based minor changes have been made in the format of accounts, mainly to satisfy audit observations or to accommodate changes in accounting policies”.

The above note is deficient to the extent that the format being used by NHA is not in conformity with the approved format. This issue is being highlighted by the Audit since 2012-13 and instead of repeated assurances by Management, no action has been taken by the Management.

Further, till 2017-18, a disclosure was being given in this note that based on audit observations, amendment to the Format of NHA Accounts was pending. However, this disclosure has also been deleted without there being any changes in format of accounts.

(E) Corrections carried out at the instance of Audit

On the basis of observations issued during Phase-II Accounts Audit for the year 2019-20, the Management carried out corrections in the accounts to the extent of Rs.374.34 crore as detailed below:

(Rs. in crore)

S. No.	Particulars	Inter Head		Intra Head	
		Debit	Credit	Debit	Credit
1	Assets	210.61	55.87	106.57	106.57
2	Liabilities	25.87	210.63	1.20	1.20
3	P&L Ale	30.04	0.02	0.05	0.05
	Total	266.52	266.52	107.82	107.82

- V. Subject to our observations in the preceding paragraphs, we report that the Balance Sheet and Profit and Loss account dealt with by this report are in agreement with the books of accounts.
- VI. In our opinion and to the best of our information and according to the explanations given to us, the said financial statements read together with the Accounting Policies and Notes on Accounts, and subject to the significant matter stated above and other matters mentioned in Annexure I and II to this Audit Report give a true and fair view in conformity with accounting principles generally accepted in India:
- a) In so far as it relates to the Balance Sheet, of the state of affairs of the Authority as at 31st March, 2020; and
- b) In so far as it relates to the Profit and Loss Account, of the Net Establishment Expenses for the year ended on 31st March, 2020.

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



(Rina Akoijam)

Director General of Audit (Infrastructure)
New Delhi

Place: New Delhi
Dated: 28 September 2021

Annexure - I

(To the Audit Report on the Accounts of National Highways Authority of India for the year 2019-20)

(1) Internal Audit System

Internal Audit System of NHAJ needs to be strengthened further so as to commensurate with the size of the organization.

(2) Internal Control System

(i) In the books of accounts of NHAJ, following amounts are lying un-reconciled for long period as detailed below:

(Rs. in crore)

S. No.	Details/Heads of account	Amount	Period
(i)	Advance given against deposit work	42.61	Reconciliation pending for period ranging between 2003 to 2017
(ii)	Advances given for maintenance of highway.	100.10	Reconciliation pending since 2009
(iii)	Liability for land acquisition	43.99	Reconciliation pending since April 2016
(iv)	Other Advances	3.84	Reconciliation pending since 2013

This issue was raised earlier also by Audit, however, no corrective action has been taken by the management.

(ii) National Highways Fee (Determination of Rates and Collection) Rules 2008, as amended in January 2011 stipulated that after recovery of the capital cost of the public funded projects through user fee, the fee leviable would be reduced to 40 per cent of the user fee. MoRTH issued (24th January, 2013) guidelines on the method of working out of capital cost. As per guidelines, NHAJ was required to prepare project-wise balance sheet and cash flow statement from April 2013 onwards. However, NHAJ in non-compliance to MoRTH guidelines failed to prepare project-wise balance sheet and cash flow statement, making computation of capital cost and resultant reduction of user fee to 40 per cent not possible.

This issue was raised earlier also by Audit, however, no corrective action has been taken by the management.

(iii) Debit balance of bank overdraft of Rs.634.91 crore upto 31st March, 2020 has been wrongly reduced from Other Liabilities, inspite of there being a separate head of Bank Overdraft in NHAJ Financial Statements, resulting understatement of debit balance of Bank Overdraft and Other Liabilities by Rs.634.91 crore.

(iv) Management failed to furnish any 'Confirmation of Balance' letters in regard to its Claims Recoverable, Recoverable from Subsidiary Companies, Recoverable on account of Expenditure on Eastern Peripheral Expressways, Recoverable from MoRTH and other Recoverable and same is the position in regard to payables also. This issue was raised earlier also by Audit, however, no corrective action has been taken by the management.



(3) System of physical verification of Fixed Assets in NHAI needs to be strengthened further so as to commensurate with the size of the organization. Also, physical verification report of IT Assets at NHAI Headquarters only, has been given to Audit while report in relation to other tangible assets located at NHAI Headquarters has not been furnished. During review of the above mentioned physical verification report, Audit observed the following discrepancies:

- The committee which did the physical verification of IT assets comprised of all the members from the IT division only, casting doubt over the independence of the physical verification process.
- In most of the report, computations of quantity column, rate column and amount column were mismatching.

(4) System of physical verification of Inventory

There is no inventory in books of NHAI.

(5) Regularity in payment of Statutory Dues

Significant instances of delay in deposit of Statutory Dues were not noticed during the audit.



Annexure - II

**(To the Audit Report on the Accounts of
National Highways Authority of India for the year 2019-20)**

(1) Internal Audit System

Internal Audit System of NHAI needs to be strengthened further so as to commensurate with the size of the organization.

(2) Internal Control System

(i) In the books of accounts of NHAI, following amounts are lying un-reconciled for long period as detailed below:

S. No.	Particular of information/records requisitioned	Requisition No. & Date	Reminder date
1.	Cases of theft, fraud, embezzlement, presumptive fraud, etc. as came into the notice of the Management during the year 2019-20	01, 9 th November, 2020	24 th November, 3 rd & 15 th December, 2020
2.	In NHAI a mechanism was prevailing wherein a tripartite agreement entered to facilitate funds to concessionaire from financial institutions and used to get 1% for the guarantee fee. In this regard the details of such agreements (project wise) entered, amount disbursed and guarantee fee received up to 31.03.2020 may be furnished	07, 24 th November, 2020	3 rd & 15 th December, 2020
3.	Detail of amount in respect of deferred premium along with the interest on the Same.	07, 24 th November, 2020	3 rd & 15 th December, 2020
4.	A copy of agreement entered with the contractors in respect of the fund infusion in BOT projects. Further, also clarify that whether the same is interest bearing. If yes, detail of the interest charged in respect of the same may also kindly be furnished.	08, 25 th November, 2020	3 rd & 15 th December, 2020
5.	NHAI is having in possession of three pieces of land as per records of HO (2 land pieces relating to office Bldg. and one relating to Residential Bldg. at sector 17, Dwarka. In this regard the cost of land pertaining to piece of land on which presently the work relating to construction of Residential building is going on may be furnished with supporting documents. Further the status in relation with availability of title/lease deed may also be furnished	08, 25 th November, 2020	3 rd & 15 th December, 2020
6.	The amount of contingent liability for legal claims with respect to land acquisition as consolidated for all PIUs, ROs and HO level	20, 10 th December, 2020	15 th December, 2020
7.	Files/ records wherein it was decided that the agency charges to be accounted through memorandum accounting from the FY 2008-2009.	Vide email dated 15 th December, 2020	

NATIONAL HIGHWAYS AUTHORITY OF INDIA

G-5 & 6, Sector-10, Dwarka
NEW DELHI - 110 075BALANCE SHEET AS AT 31st MARCH, 2020

	PARTICULARS	SCHEDULE	CURRENT YEAR Rs. In Lakh	PREVIOUS YEAR Rs. In Lakh
	(1)	(2)	(3)	(4)
I.	SOURCES OF FUNDS			
1	Shareholders' Fund			
	a) Capital	1	21,902,669.11	19,285,401.29
	b) Reserves & Surplus	2	-	-
2	Grants			
	a) Capital	3	1,398,210.33	1,382,510.33
3	Borrowings	4	24,883,166.07	17,943,786.63
	TOTAL		48,184,045.52	38,611,698.26
II.	APPLICATION OF FUNDS			
1	Fixed Assets	5		
	a) Gross Block		22,927.29	17,652.59
	b) Less: Assets created out of Grant		758.11	758.11
	c) Assets out of Own Fund		22,169.18	16,894.48
	d) Less: Depreciation		11,449.98	10,061.76
	e) Net Block		10,719.20	6,832.73
	Assets held on behalf of GoI			
	a) Completed		22,085,894.44	
	b) Ongoing		24,203,759.62	
	Total (a+b)		46,289,654.06	37,131,458.01
	Total		46,300,373.26	37,138,290.73
2	Investment	6	95,177.34	93,617.34
3	Current Assets, Loans and Advance	7		
	a) Inventories		-	-
	b) Deposits, Loans & Advances		4,581,634.85	6,315,984.74
	c) Interest accrued but not due on deposits		2,836.50	2,421.71
	d) Interest accrued and due on CALA deposits		5,888.13	5,549.75
	e) Cash & Bank Balance		634,527.58	655,725.06
	f) Inter Unit Account		-	0.00
	sub total		5,224,887.07	6,979,681.25
	Less: Current Liabilities and Provisions			
	a) Liabilities	8	3,428,401.31	5,592,789.67
	b) Reserves & Provisions	9	7,990.84	7,101.39
	sub total		3,436,392.15	5,599,891.07
	Net Current Assets		1,788,494.91	1,379,790.18
4	Misc. Expenditure (to the extent not written off)	10		
5	Profit & Loss Account (Debit balance if any)			
	TOTAL		48,184,045.52	38,611,698.26

Significant Accounting Policy (Schedule 18) and Notes on Accounts (Schedule 19) are integral part of this Financial Statement.

For and on behalf of the Board of the Authority

Place : New Delhi
Date : 24.06.2021Sd/-
Member (Finance)Sd/-
Chairman

NATIONAL HIGHWAYS AUTHORITY OF INDIA

G-5 & 6, Sector -10, Dwarka
NEW DELHI - 110 075

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2020

	PARTICULARS	SCHEDULE	CURRENT YEAR Rs. In Lakh	PREVIOUS YEAR Rs. In Lakh
	(1)	(2)	(3)	(4)
I.	INCOME			
	a) Value of Work done			
	b) Other income	11	1,261.30	1,143.66
	c) Interest (Gross)	12	0.15	0.30
	d) Net Increase/Decrease in Work-in-progress (+)/(-)	13		
	TOTAL INCOME		1,261.45	1,143.96
II.	EXPENDITURE			
	a) Construction Stores/Material consumed Other stores,spares & tools etc. consumed Work Expenses	14	-	-
	Personnel & Administrative Expenses	15	44,246.68	45,460.82
	Finance Charges	16	6.51	9.85
	Depreciation		1,286.21	1,382.99
	Assets of Small Value Charged Off		25.08	43.84
	<u>Exceptional Item</u>			
	Provision for diminution in the value of investment		-	-
	Less: Provision transferred to Capital (Sch-1)		-	-
	TOTAL EXPENDITURE		45,564.48	46,897.50
	Profit / (Loss) for the period		(44,303.04)	(45,753.54)
	Add: Prior Period Items net(+/-) (details to be given)	17	(4,582.72)	(1,419.95)
	Transfer of Net Establishment Expenses for the year to Sch-5		48,885.76	47,173.48
	Less/Add: Provision for Taxation		-	-
	Net Profit			
	Less: Transfer to Capital Reserve			
	Less: Transfer to other specific Reserve/Fund			
	Less/Add: Transfer to/Transfer from General Reserve (+/-)			
	Less/Add: Surplus brought forward from previous year			
	Surplus carried to Balance Sheet			

For and on behalf of the Board of the Authority

Place : New Delhi
Date : 24.06.2021

Sd/-
Member (Finance)

Sd/-
Chairman

NATIONAL HIGHWAYS AUTHORITY OF INDIA

G-5 & 6, Sector -10, Dwarka
NEW DELHI - 110 075CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020

	CURRENT YEAR Rs. In Lakh	PREVIOUS YEAR Rs. In Lakh
A. Cash flow from operating activities:		
Net profit before tax	(44,303.04)	(45,753.54)
<i>Adjustments for:</i>		
Depreciation	1,286.21	1,382.99
Profit/Loss on sale of assets	(5.39)	(4.45)
Interest income	(0.15)	(0.30)
Operating profit before working capital changes	(43,022.36)	(44,375.30)
<i>Adjustments for:</i>		
(Increase)/Decrease in Deposits, Loans & Advances	1,734,349.89	(1,242,152.30)
Increase/(Decrease) in Liabilities	(2,164,388.36)	1,456,532.17
(Increase)/Decrease in Provision for Gratuity and Leave Encashment	889.45	2,170.63
Cash flow before extraordinary item & prior period items	(472,171.39)	172,175.20
Prior period items	(4,582.72)	(1,419.95)
Net cash generated from operating activities	(476,754.11)	170,755.26
B. Cash flow from investing activities:		
Purchase of fixed assets	(5,177.24)	(1,480.11)
Realisation from sale of assets	9.95	15.21
(Increase)/Decrease in Capital Work in progress	(7,832,613.01)	(7,642,832.35)
(Increase)/Decrease in investment	(1,560.00)	-
Interest Income	227,263.74	240,122.79
Capital Reserve (Receipts)	26,765.46	20,591.80
Net cash used in investing activities	(7,585,311.11)	(7,383,582.67)
C. Cash flow from financing activities:		
Cess funds received from Govt of India	1,109,100.00	1,156,900.00
Capital additional budgetary receipts	100,000.00	-
EAP Grant Received & utilised towards Revenue Expenditure	15,700.00	(719.11)
Adjusted Plough back of Toll Remittance, etc	1,408,167.82	1,750,574.91
Net decrease in loan from ADB due to Exchange Loss after Adjustment of Repayments	(2,027.66)	(2,186.92)
Proceeds from issue of 54EC Capital Gains Tax-Free Bonds	445,081.30	470,634.60
Proceeds from issue of Taxable bonds	4,953,600.00	1,751,040.00
Proceeds from NSSF Loan & SBI Term Loan	2,100,000.00	3,900,000.00
Redemption of 54EC Capital Gains Tax- Free Bonds	(557,274.20)	(428,117.00)
Interest and other expenditure on Bond	(1,531,479.51)	(1,133,369.66)
Net cash generated from financing activities	8,040,867.75	7,464,756.81
Net increase/(decrease) in cash and cash equivalents (A+B+C)	(21,197.47)	251,929.40
Opening cash and cash equivalents	655,725.06	403,795.66
Closing cash and cash equivalents	634,527.58	655,725.06
Notes:		
Cash and cash equivalents include:		
Cash and cheques in hand / in transit	1.35	-
Balance with banks-Current Account	78,188.52	61,641.24
Balance with banks-Savings Bank Account	528,641.74	564,947.91
Balance with banks-Fixed Deposit Account	27,695.98	29,135.90
Balance as per books of account	634,527.58	655,725.06

For and on behalf of the Board of the Authority

Place : New Delhi
Date: 24.06.2021Sd/-
Member (Finance)Sd/-
Chairman

NATIONAL HIGHWAYS AUTHORITY OF INDIA

G-5 & 6, Sector -10, Dwarka

NEW DELHI - 110 075

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31st MARCH, 2020

		CURRENT YEAR Rs. In Lakh	PREVIOUS YEAR Rs. In Lakh
SCHEDULE - 1			
i) Capital U/S 12(i)(b) - Commencing Capital			
ii) Capital U/S 17			
a) Capital Base		80,100.00	80,100.00
b) Cess Fund	11,748,765.00		10,591,865.00
Add : Received during the Year	1,109,100.00	12,857,865.00	1,156,900.00
c) Additional Budetary Support			
- Additional Budetary Support (NHDP)	1,521,670.00		1,421,670.00
- Additional Budetary Support (others)	376,584.00	1,898,254.00	376,584.00
d) Capital -Net off Toll Collection, Negative Grant etc. upto 31.03.10	618,355.88		618,355.88
e) Plough back of Toll Remittance, etc. w.e.f. 01.04.10 (Gross)	7,362,466.00		5,802,466.00
Less: Plough back transferred to SPVs	(17,407.23)		(17,407.23)
Less: 1) Expenditure on Toll Collection Activities (wef. 01.04.2010)	(309,346.82)		(237,128.37)
2) (Excess)/Surplus of Expenditure on Maintenance of Highways over Maintenance Grant Received (wef. 01.04.2010).	(547,306.84)		(467,693.11)
3) Transfer of Exceptional item from P & L A/c	(40,310.88)	7,066,450.11	(40,310.88)
Total (Schedule 1)		21,902,669.11	19,285,401.29
SCHEDULE - 2			
(Additions and deductions since last balance sheet to be shown under each of the specified heads)			
i) Capital Reserve			
Opening Balance	162,593.15		
Add : Additions during the Period	26,765.46		
Capital Reserve transferred to Sch-5	189,358.61		
ii) General Reserve			
iii) Premium on Tax-Free Bond issue		-	-
iv) National Highways Authority of India fund under Section 18(i)			
v) Credit balance of P & L A/C			
Opening Balance			
Less: Adjusted During the Year			
Total (Schedule 2)		-	-
SCHEDULE - 3			
Grant			
i) Capital Grant			
ia) For Externally Aided Projects	1,405,282.00		1,389,582.00
Interest earned on un-utilized Grant	1,001.00		1,001.00
Less : Assets created out of Grants (Sch.-5)	(758.11)		(758.11)
Less : Revenue Expenditure out of Grant	(7,314.55)	1,398,210.33	(7,314.55)
ib) For office building at Dwarka	150.00		150.00
Less: Transferred to Building Account (Sch.- 5)	(150.00)	-	(150.00)
ic) For servicing of 54EC Bonds issue	1,000.00		1,000.00
Interest earned on un-utilized Grant	496.68		496.68
Less : Expenditure incurred on 54EC Bonds:			
Bond Issue Expenses	(9,426.87)		(9,174.13)
Interest on Bond	(828,582.54)		(736,034.70)
Others	(3.00)		(3.00)
Deficit transferred to schedule-5	836,515.73		743,715.15
Total (Schedule 3)		1,398,210.33	1,382,510.33

NATIONAL HIGHWAYS AUTHORITY OF INDIA

G-5 & 6, Sector -10, Dwarka
NEW DELHI - 110 075

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31st MARCH, 2020

	CURRENT YEAR Rs. In Lakh	PREVIOUS YEAR Rs. In Lakh
SCHEDULE - 4		
Secured Loans		
Capital Gains Tax free Bonds- 54EC	1,581,457.20	1,693,650.10
Tax Free Secured Redeemable Non-Convertible Bonds (10Yr & 15Yr) 11-12	1,000,000.00	1,000,000.00
Tax Free Secured Redeemable Non-Convertible Bonds (10Yr & 15Yr) 13-14	500,000.00	500,000.00
Tax Free Secured Redeemable Non-Convertible Bonds (10Yr & 15Yr) 15-16	1,900,000.00	1,900,000.00
Taxable Bonds (25Yrs) 2016-17	1,000,000.00	1,000,000.00
Taxable Bonds (5Yrs) 2016-17	904,500.00	904,500.00
Taxable Bonds (30Yr) 2016-17	850,000.00	850,000.00
Taxable Bonds (5Yr) 2017-18	237,500.00	237,500.00
Taxable Bonds (30Yr) 2017-18	850,000.00	850,000.00
Taxable Bonds (15Yr) 2017-18	500,000.00	500,000.00
Taxable Bonds 2018-19	1,751,040.00	1,751,040.00
Taxable Bonds 2019-20	4,953,600.00	
(Secured against a Flat in Ahmedabad and Fixed Assets of NHAI)		
Loan from ADB- (Surat Manor Project)	55,068.87	57,096.53
(Guaranteed by GoI)		
Unsecured Loans		
Taxable Bonds (15Yr) 2017-18 (from EPFO)	500,000.00	500,000.00
Rupee Denominated Offshore (Masala) Bonds 2017-18	300,000.00	300,000.00
Term Loan from State Bank of India	2,500,000.00	1,900,000.00
Term Loan from Punjab National Bank	500,000.00	
Loan from National Small Savings Fund (NSSF, MoF, GOI)	5,000,000.00	4,000,000.00
Total (Schedule 4)	24,883,166.07	17,943,786.63

NATIONAL HIGHWAYS AUTHORITY OF INDIA

G-5 & 6, Sector -10, Dwarka
NEW DELHI - 110 075

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31st MARCH, 2020

Rs. In Lakh

SCHEDULE 5	Rate of Depreciation	GROSS BLOCK						Depreciation						NET BLOCK		ASSETS CREATED OUT OF GRANT
		As at 01.04.2019	Addition	Adjusted/ Deducted (+)	Adjusted/ Deducted (-)	Total cost as at 31.03.2020	As At 01.04.2019	For the period	Adjusted/ Deducted (+)	Adjusted/ Deducted (-)	Total Depreciation upto 31.03.2020	As at 31.03.2019	As at 31.03.2020	As at 31.03.2020		
LAND FREEHOLD	NIL	1,786.87	-	-	-	1,786.87	-	-	-	-	-	1,786.87	1,786.87	1,786.87	1.23	
LAND LEASEHOLD	NIL	1,297.17	-	-	-	1,297.17	-	-	-	-	-	1,297.17	1,297.17	1,297.17	32.43	
BUILDINGS	5%	2,294.91	-	4,833.54	-	7,128.45	1,387.43	276.64	241.68	-	1,905.75	907.48	5,222.69	307.62		
STAFF QUARTERS	5%	-	-	-	-	-	-	-	-	-	-	-	-	204.65		
ROADS & BRIDGES	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
COMPUTERS & EDP	60%	6,225.99	292.29	43.19	190.11	6,371.35	5,359.78	648.09	30.17	165.69	5,872.34	866.21	499.01	75.61		
LABORATORY & SURVEY EQUIPMENT	25%	0.91	-	0.00	-	0.91	0.82	0.09	-	-	0.91	0.09	-	0.26		
FURNITURE, FITTINGS & ELECTRICAL INSTALLATION	10%	2,714.36	157.04	4.46	4.58	2,871.27	1,383.13	165.17	1.92	2.51	1,547.71	1,331.23	1,323.56	69.21		
MOTOR VEHICLES	-	-	-	0.00	-	-	-	-	-	-	-	-	-	-		
AIR CONDITIONERS / HEATERS	25%	692.21	27.35	4.05	4.68	718.93	559.89	39.59	2.49	2.49	599.48	132.32	119.45	16.63		
OFFICE EQUIPMENT	25%	1,882.07	116.01	0.24	4.08	1,994.23	1,370.71	156.63	0.15	3.70	1,523.79	511.36	470.44	50.47		
SUB TOTAL: I		16,894.48	592.68	4,885.48	203.46	22,169.18	10,061.76	1,286.21	276.42	174.40	11,449.98	6,832.73	10,719.20	758.11		
Assets held on behalf of GoI		35,185,207.78	7,832,613.01			43,017,820.79							43,017,820.79			
Add: Int/ other expenses on S4EC Bond Issue (deficit transfer from Sch-3)		743,715.15	92,800.57			836,515.73							836,515.73			
Add: Tax Free Bond Exps-Recurring		1,661.88	(8.24)			1,653.64							1,661.88	1,653.64		

NATIONAL HIGHWAYS AUTHORITY OF INDIA

G-5 & 6, Sector -10, Dwarka

NEW DELHI - 110 075

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31st MARCH, 2020

Rs. In Lakh

SCHEDULE 5	Rate of Depreciation	GROSS BLOCK						Depreciation				NET BLOCK		ASSETS CREATED OUT OF GRANT
		As at 01.04.2019	Addition	Adjusted/Deducted (+)	Adjusted/Deducted (-)	Total cost as at 31.03.2020	As At 01.04.2019	For the period	Adjusted/Deducted (+)	Adjusted/Deducted (-)	Total Depreciation upto 31.03.2020	As at 31.03.2019	As at 31.03.2020	
Add: Bond Issue Expenses		626.65	113.14			739.78						626.65	739.78	
Add: Interest on Tax Free Bonds		1,278,619.36	263,296.06			1,541,915.43						1,278,619.36	1,541,915.43	
Add: Interest on Taxable Bonds/Masala Bonds & NSSF Loan		1,091,767.57	1,001,759.77			2,093,527.34						1,091,767.57	2,093,527.34	
Add: Int on Gov Loan/OD		244,463.30	173,518.20			417,981.50						244,463.30	417,981.50	
Add: Net Establishment Exps. Transferred from P&L A/c		196,125.83	48,885.76			245,011.59						196,125.83	245,011.59	
Less: CAPITAL RESERVE		(162,593.15)	(26,765.46)			(189,358.61)						(162,593.15)	(189,358.61)	
Less: Intt. on Unutilised Capital		(1,448,136.35)	(228,016.77)			(1,676,153.12)						(1,448,136.35)	(1,676,153.12)	
SUB TOTAL: II		37,131,458.01	9,158,196.05	-	-	46,289,654.06						37,131,458.01	46,289,654.06	
GRAND TOTAL (I) + (II)		37,148,352.49	9,158,788.73	4,885.48	203.46	46,311,823.24	10,061.76	1,286.21	276.42	174.40	11,449.98	37,138,290.73	46,300,373.26	758.11
PREVIOUS YEAR: 31.03.2019		28,579,922.13	8,568,613.40	114.16	297.19	37,148,352.49	8,804.24	1,382.99	51.76	177.23	10,061.76	28,571,117.89	37,138,290.73	758.11



NATIONAL HIGHWAYS AUTHORITY OF INDIA

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SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2020

	CURRENT YEAR Rs. In Lakh	PREVIOUS YEAR Rs. In Lakh
SCHEDULE - 6		
Investment		
A. Investment in Share Capital of Subsidiary Companies:		
a) 25500000 Equity Shares of Rs.10 each fully paid-up in M/s Moradabad Toll Road Co. Ltd. In addition, 4500000 Equity Shares of Rs.10 each in M/s Moradabad Toll Road Co. Ltd. acquired from M/s UPSBCL in 2009-10 at a cost of Rs.6,85,88,305/- Equity shares of Rs.10 each fully paid-up in each of the following	3,235.88	3,235.88
b) Ahmedadabad-Vadodara Expressway Co. Ltd.(31,28,50,000 equity shares)	31,285.00	31,285.00
c) Visakhapatnam Port Road Co. Ltd.(3,87,00,007 equity shares)	3,870.00	3,870.00
d) Calcutta-Haldia Port Road Co. Ltd (15,66,00,007 equity shares) of Rs.10 each and 1,60,00,000 equity shares of Rs.10 each at a premium of Rs.15 each	19,660.00	19,660.00
e) Cochin Port Road Co. Ltd. (5,79,00,000 equity shares)	5,790.00	5,790.00
f) Tuticorin Port Road Co. Ltd. (9,87,00,000 equity shares)	9,870.00	9,870.00
g) Paradeep Port Road Co. Ltd. (15,00,00,000 equity shares)	15,000.00	15,000.00
h) New Manglore Port Road Co. Ltd.(10,39,30,000 equity shares)	10,393.00	10,393.00
i) Application Money (New Manglore Port Road Co. Ltd.)	-	-
Less: Provision for Diminution in the value of investment in AVEXCL, CPRCL & MTRCL	(40,310.88)	(40,310.88)
Sub Total	58,793.00	58,793.00
B. Investment in Share Capital of Other Companies:		
a) M/s Indian Highways Management Co. Ltd (75,00,000 equity shares)	750.00	750.00
b) M/s Chennai-Ennore Port Road Co. Ltd. (13,98,00,007 equity shares)	13,980.00	13,980.00
c) Mormugao Port Road Co. Ltd. (1527,00,000 equity shares)	15,270.00	13,710.00
d) M/s Mumbai-JNP Port Road Co. Ltd. (6,38,43,397 equity shares)	6,384.34	6,384.34
Sub Total	36,384.34	34,824.34
Total (Schedule 6)	95,177.34	93,617.34

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SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31st MARCH, 2020

	CURRENT YEAR Rs. In Lakh	PREVIOUS YEAR Rs. In Lakh
SCHEDULE - 7		
Current Assets, Loans & Advances		
A. Inventories (As taken, valued & certified by the management)		
i) Tools		
ii) Stores & Spares (at cost including in transit)		
iii) Construction Stores/Materials		
iv) Work-in-progress (mode of valuation to be stated)		
Sub Total (A)	-	-
B. Deposits, Loans & Advances		
i) Deposits		
ii) Advances to Staff	166.71	161.75
iii) Advances to Contractors / Consultants		
a) Mobilisation Advance	935,132.26	755,479.46
b) Material Advance	4,034.56	1,976.30
c) Fund Infusion	164,637.05	126,750.97
iv) a) Advance against deposit works	109,875.51	102,778.97
b) Advance for maintenance of highways	28,159.38	27,074.13
v) Advances to Suppliers	36,890.76	712.50
vi) Claims recoverable	716,085.19	496,708.49
vii) Prepaid expenses	32.20	89.62
viii) Advance Others Including Advance Income Tax (TDS)	62,281.26	49,770.96
ix) Security deposits & Deposits against Court direction/Arbitration	590,928.87	422,350.32
x) Advance rent	34.72	35.65
xi) Recoverable/(Payable) from/(to) Subsidiary Companies	(3,755.06)	(3,903.48)
xii) Loan to Subsidiary Companies	268,230.91	239,636.56
xiii) Recoverable on account of Expenditure on Eastern Peripheral Expressways	366,270.63	554,465.36
xiv) (As per Contra in Schedule-8) Un-disbursed balance with:		
Central CALA A/c	-	2,416,964.05
xv) Recoverable from MORTH (NHDP-4A Projects)	1,122,539.72	1,022,776.91
xvi) Loan to contractor/consultant/others	180,090.19	102,156.23
Sub Total (B)	4,581,634.85	6,315,984.74
C. Interest accrued but not due on deposits	2,836.50	2,421.71
D. Interest accrued and due on CALA deposits	5,888.13	5,549.75
E. Cash & Bank balances		
i) Cash & Cheques in hand including stamps	1.35	-
ii) Balances with Scheduled Banks		
- Deposits accounts (excluding interest accrued & due on Deposits with CALA)	27,695.98	29,135.90
- Current Account	78,188.52	61,641.24
- Savings Bank Account	528,641.74	564,947.91
iii) Balances with Non scheduled banks		
- On deposits accounts (incl. interest accrued)		
iv) Remittance in transit	-	-
Sub Total (E)	634,527.58	655,725.06
F. Inter Unit Account	-	-
Grand Total	5,224,887.07	6,979,681.25

NATIONAL HIGHWAYS AUTHORITY OF INDIA

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SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2020

	CURRENT YEAR Rs. In Lakh	PREVIOUS YEAR Rs. In Lakh
SCHEDULE - 8		
Current Liabilities		
i) Liabilities for sundry creditors		
ii) Other liabilities	2,294,599.03	1,954,902.94
- Application money for 54EC Bonds	-	1.30
iii) Deposits held on account of others (if applicable)		
a) Sundry parties	117,721.29	123,893.54
b) Contractors	388,709.23	286,407.07
c) Suppliers	-	-
d) (As per Contra Schedule-7) Un-disbursed balances with:		
Central CALA A/c		2,416,964.05
e) Received on A/c of Eastern Peripheral Expressway		80,025.00
f) Payable on Kalewa-Yargi Project at Myanmar	18,755.42	18,773.15
iv) Payable to GOI w.e.f. 01.04.2010		
a) Toll Revenue, Shared Revenue, Negative Grant, etc.	603,359.39	411,365.43
b) Other Receipts	5,256.94	5,076.01
v) Bank Overdraft	-	295,381.18
Total (Schedule 8)	3,428,401.31	5,592,789.67
SCHEDULE - 9		
Provisions		
i) Provisions for taxes		
ii) Provisions for gratuity	3,687.36	3,238.80
iii) Provisions for Leave Salary	4,303.48	3,857.82
iv) Other provisions	-	4.78
Total (Schedule 9)	7,990.84	7,101.39
SCHEDULE - 10		
Misc. Expenditure to the extent not written off.		
Total (Schedule 10)		
SCHEDULE - 11		
Other Income		
Sale of Tender Documents	1,139.29	1,036.26
Fee for other services	83.51	75.82
Profit/Loss on sale of assets	5.39	4.45
Misc. Receipts	33.11	27.13
Total (Schedule 11)	1,261.30	1,143.66
SCHEDULE - 12		
Interest (Gross)		
From banks on deposits	-	-
From employees on advances	0.15	0.30
From others	-	-
Total (Schedule 12)	0.15	0.30



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SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31st MARCH, 2020

	CURRENT YEAR Rs. In Lakh	PREVIOUS YEAR Rs. In Lakh
SCHEDULE - 13		
Net Increase/Decrease in Work-in-progress		
Closing Stock		
Work-in-progress		
Less: Opening Stock		
Work-in-progress		
Received on A/c of Eastern Peripheral Expressway		
Net Increase/Decrease		
Total (Schedule 13)		
SCHEDULE - 14 - WORKS EXPENSES		
A. Work Expenses etc.		
Electricity Power & Fuel		
Survey Expenses		
Consultancy Expenses		
Payment to Contractor		
Escalation claims		
Sub Total (A)		
B. Repair & Maintenance		
Roads & Bridges		
Less : Transfer from Grant A/C		
Buildings		
Plant, Machinery & Equipment		
Sub Total (B)		
C. Others		
Insurance:-		
Technical studies & consultancy charges		
Research & Development expenses		
Others		
Sub Total (C)		
Total (Schedule 14)		

NATIONAL HIGHWAYS AUTHORITY OF INDIA

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SCHEDULES FORMING PART OF THE BALANCE SHEET AS ON 31st MARCH, 2020

	CURRENT YEAR Rs. In Lakh	PREVIOUS YEAR Rs. In Lakh
SCHEDULE - 15		
Personnel and other administrative expenses		
- On Savings Bank Account		
Salaries, wages & other staff benefit:		
Salaries & Allowances Chairman/Members	135.90	229.67
Salaries & Allowances other than Chairman/Members	15,924.88	16,290.91
Salaries & Wages-Short Term Contract Employess	6,838.25	
Workman Staff Welfare Expenses	2,525.72	2,983.13
Contribution to Provident Fund	1,224.34	1,195.20
Pension & Leave Salary-Chairman & Members	17.15	29.73
Pension & Leave Salary-others	1,162.03	2,230.98
Gratuity	603.41	760.78
Rent for office accommodation	1,915.98	1,917.57
Rates and Taxes	50.93	19.76
Repairs & maintenance	822.17	1,127.83
Insurance	20.88	12.56
Honoraria fee and other professional charges	4,026.72	2,996.41
Travelling expenses, Conveyance	4,294.45	5,397.85
Printing & Stationery	542.59	623.87
Postage & Communication	699.28	644.30
Advertisement & publicity	206.54	433.32
Research & Development Expenses	-	
Remuneration to Auditors-C&AG	468.11	420.84
Other Revenue Expenses	2,766.18	8,144.25
Misc. Expenses	1.18	1.84
Total (Schedule 15)	44,246.68	45,460.82
SCHEDULE - 16 FINANCE CHARGES		
i) Interest		
On over draft	-	-
On Loans from banks	-	-
On Tax deducted at Source	2.63	7.57
On Others	-	-
On Bonds/Debentures	-	-
On Loans from Govt. of India	-	-
ii) Discounting Charges		
iii) Guarantee Commission/Bank charges	3.88	2.28
iv) Bond Issue Expenses		
Total (Schedule 16)	6.51	9.85
SCHEDULE - 17		
Prior Period Adjustments		
Prior period income (Credit)	(1.46)	122.95
Prior period Expenses (Debit)	4,584.18	1,297.00
Total (Schedule 17)	4,582.72	1,419.95

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Grouping Schedule 15

PARTICULARS		CURRENT YEAR Rs. In Lakh	PREVIOUS YEAR Rs. In Lakh
Personnel & Other Administrative Expenses			
A. Salaries, Wages & Other Staff benefits.			
i) Salary & Wages		15,082.52	15,412.92
ii) Chairman & Members		135.90	229.67
iii) Salary & Wages-Short-Term Contract Employees		6,838.25	-
iv) Over Time Allowance		3.79	-
v) Rent for Residence/Licence fee		438.96	592.08
vi) Bonus		3.94	6.94
vii) Incentives		1.55	2.32
viii) Leave Encashment		64.97	81.03
ix) Ex-gratia		329.15	195.62
Sub Total (A)		22,899.04	16,520.58
B. Workman Staff Welfare Expenses			
i) Medical reimbursement		1,109.48	1,275.51
ii) Staff Welfare:			
Welfare expenses		849.59	970.51
Kitchen, Utensil & Appliances		5.97	6.93
iii) Seminar/Training expenses		453.24	500.07
iv) LTC		107.43	230.10
v) Liveries			
Sub Total (B)		2,525.72	2,983.13
C. Contribution to:			
i) Provident Fund		1,224.34	1,195.20
ii) Pension & Leave salary Members & Chairman		17.15	29.73
iii) Pension & Leave salary - Others		1,162.03	2,230.98
iv) Others-Gratuity		603.41	760.78
Sub Total (C)		3,006.93	4,216.70
D. Repairs & Maintenance			
i) R & M Office Building		404.78	568.50
ii) R & M Office Equipments		92.27	102.27
iii) R & M Light vehicles		17.36	12.53
iv) R & M Others		93.72	165.05
v) R & M Computer & EDP		214.03	279.49
Sub Total (D)		822.17	1,127.83
E. Insurance			
i) Light Vehicles		-	-
ii) Others		20.88	12.56
Sub Total (E)		20.88	12.56

NATIONAL HIGHWAYS AUTHORITY OF INDIA

G-5 & 6, Sector -10, Dwarka
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Grouping Schedule 15

PARTICULARS		CURRENT YEAR Rs. In Lakh	PREVIOUS YEAR Rs. In Lakh
F.	Honoraria fee & other professional charges		
	i) Fee of liaison work		
	ii) Consultancy fee	2,924.21	2,202.19
	iii) Honoraria fee	4.95	0.91
	iv) Legal, & Statutory fee	708.41	440.43
	v) Professional charges	-	-
	vi) Internal Audit fee	389.15	352.88
	Sub Total (F)	4,026.72	2,996.41
G.	Travelling Expenses		
	i) Local conveyance	2,835.45	2,746.13
	ii) Travelling Expenses (India)	1,441.95	2,587.27
	iii) Travelling Expenses (Abroad)	17.05	64.46
	Sub Total (G)	4,294.45	5,397.85
H.	Printing & Stationery Postage & Communication		
	i) Printing & stationery	542.59	623.87
	ii) Postage, Telegram including air freight	154.60	153.44
	iii) Telephones & Telex	544.67	490.86
	Sub Total (H)	1,241.87	1,268.17
I.	Remuneration to Auditors -C&AG		
	i) Audit fee	453.28	412.08
	a) For taxation	-	-
	b) For other services	-	-
	ii) Reimbursement of Travelling & out of pocket expenses	14.83	8.77
	Sub Total (I)	468.11	420.84
J.	Other Revenue Expenses		
	i) Entertainment Expenses	-	-
	ii) Tender bond expenses	-	-
	iii) Membership fee	5.99	6.58
	iv) Publications, Books & Newspaper	26.53	34.41
	v) Donation	0.50	-
	vi) Sundry balances written off	(0.00)	0.00
	vii) Staff recruitment expenses	20.57	41.07
	viii) Deficit from Seminars/Trg. organised (Net)	-	-
	ix) Security expenses/Short-Term Contract Staffs	1,858.93	7,305.73
	xi) Electricity & Water charges	853.66	703.55
	xii) Gifts & Presents	-	52.90
	Sub Total (J)	2,766.18	8,144.25
K.	Miscellaneous office expenses	1.18	1.84
L.	Rent	1,915.98	1,917.57
M.	Rates & Taxes	50.93	19.76
N.	Research & Development Expenses	-	-
O.	Advertisement & Publicity	206.54	433.32
	GRAND TOTAL	44,246.68	45,460.82

Significant Accounting Policies 2019-20 (Revised) :**1. Basis of Accounting:**

The financial statements are generally prepared under the historical cost conventions and on accrual basis, unless indicated otherwise.

2. Capital:

Capital of Authority is provided by Government of India and is not divided into shares. Government of India provides the capital through budget allocation in the Union Budget, as Capital Base, allocation of a portion of Cess on diesel & petrol for the national highways out of the Central Road and Infrastructure Fund (CRIF) and through plough back of user fees and Toll Operate Transfer (TOT) proceeds collected and deposited by the Authority to the Consolidated Fund of India (CFI). Government of India also provides Additional budgetary support for NHDP, Bharat Mala and other specific projects.

3. Capital Grant:

Apart from above, Government of India also provides specific Grants for execution of various externally Aided Projects/to meet expenditure on various activities. Such grants are accounted as Capital Grant. Expenditure made/Fixed assets created out of such Grant are set off against the Grant. Assets created out of Capital Grant are not subjected to depreciation. Interest earned on the unutilized grant is credited to interest on unutilized capital.

4. Land Acquisition:

Land, for the purpose of National Highways, is acquired through Competent Authority -Land Acquisition (CALA). Compensation as determined by CALA, after approval of NHAI is deposited in to a special CALA account, from where the amount is distributed to the beneficiaries. Such amount is booked to Capital work-in-progress. Interest earned on the amount of undisbursed compensation is accounted for on accrual basis and credited to interest on unutilized capital.

5. Borrowings:

Government of India makes allocation in the Union Budget for Internal Extra Budgetary Resources (IEBR). On the basis of allocations made by the Government of India and with the approval of Authority and the MORTH, NHAI raises funds through secured and unsecured bonds/loans. The most common sources of borrowings are as follows:

- a) Capital Gains Tax Exemption Bonds under Section 54EC of the Income Tax Act, 1961
- b) Public issue of Tax free, secured, redeemable, non-convertible bonds under Section 10 (15) (iv) (h) of IT Act 1961 and Private placement.
- c) Taxable bonds from the Market through e-bidding.
- d) Rupee-denominated offshore (Masala) Bonds.
- e) Borrowings from LIC, NSSF, EPFO etc.
- f) Short-term loans and overdraft from Scheduled Commercial banks.
- g) NHAI also goes for project specific loans from multilateral agencies guaranteed by Government of India.

6. Assets held on behalf of Government of India (GOI):

The Authority is an implementing agency of the Government of India and is mandated to develop, maintain and manage the national highways and any other highways entrusted to or vested in it by the Government. Authority is not the owner of the highways entrusted to it, therefore, pending decision on the matter, highways developed by the Authority are shown as “Assets held on behalf of GoI”.

“Assets held on behalf of GoI” include direct costs like DPR, land acquisition, utility shifting, tree cutting, civil construction, annuity, VGF etc. and indirect costs such as interest and issue expenses on market borrowings/loans availed by the Authority for highways, net establishment expenditure after setting off the income and interest earned on deposit, loans, advances and receipts from ongoing projects as shown in Schedule 5.

7. Allocation of Cost:

- a) The expenses on pre-construction activities for more than one project [to the extent not specifically allocable to the projects] are apportioned to the projects on the basis of the length of the projects.
- b) The expenses on construction supervision for more than one project [to the extent not specifically allocable to the projects] are apportioned to the projects on the basis of the awarded value of the civil works contracts.

8. Fixed Assets & Depreciation :

Highway projects received from Government of India (GOI) have not been accounted for / capitalized in absence of information on transfer price. Authority being an executing agency of GOI, holds the highways projects developed by it on behalf of GOI, hence, these assets are not depreciated.

Depreciation on other fixed assets (like Computer EDP, Furniture, Office equipment etc.) is provided on the basis of written down value (WDV) method as under:

Item of Fixed Asset	Rate of Depreciation (%) per annum
Roads and Bridges	-
Building	5
Computers	60
Furniture & Fixtures and Electrical Fittings & Installations	10
Motor Vehicles	20
Air Conditioners & Heaters	25
Office Equipment	25
Laboratory and Survey Equipment	25

An item of asset costing Rs.5,000/- or less is charged off to revenue in the year of acquisition/purchase /commission/available for use.

Assets with written down value of Rs.5,000/- or less as at the beginning of the year is fully depreciated during the year.

Depreciation at full rate is charged if the asset is available for/put to use for 180 days or more in the given financial year. Depreciation @ 50% of the rate shown above is charged if an asset is available for/ put to use for less than 180 days in a given financial year.

No depreciation is provided on the assets or the portion of the assets financed out of the capital grant.

Assets purchased or constructed for toll collection activities are classified under expenditure on Toll collection activities and are set off against plough back of toll remittance therefore are not subjected to depreciation.

9. Maintenance Grant:

Expenditure on Maintenance of Highways and toll collection activities, after setting of maintenance grant received from Gol for maintenance of highways is reduced from plough back of toll remittances and shown as capital (Schedule-I) under additional budgetary support plough back of toll remittance.

10. Payments to Government Departments / Agencies:

Payments made to various Central & State Government departments and other Government Agencies are regulated as under-

- a) Payments made to forest department on the basis of demands raised by them, as per their prescribed norms towards afforestation and tree cutting, are directly capitalized.
- b) Payments made to Government Departments towards supervision/agency charges for utility shifting and to Railways towards construction of ROBs are capitalized on acknowledgement of receipt of such amount by the concerned department.
- c) Payments towards maintenance of highways to the State Government departments are shown as 'Advance for maintenance of highways'. Expenditure incurred against such advances, based on the utilization statements furnished by respective state agencies, is shown as expenditure on maintenance of highways.

11. Toll Revenue, Shared Revenue and Negative Grant and TOT Proceed:

The amount of toll revenue, shared revenue, negative grant, TOT Proceeds and interest earned thereon, is remitted to Consolidated Fund of India (CFI) on actual receipt basis.

12. Revenue Recognition:

- a) Sale proceeds of tender documents are accounted for as income (and the related expenditure is accounted for under the appropriate heads of expenditure) of the Authority.
- b) Supervision charges, if any, received against deposit work and supervision and monitoring fees received under Durg bypass (BOT contract) are treated as income of the Authority.
- c) Any other income, which is in the nature of revenue receipt and not payable to the Govt. of India.

13. Agency Charges:

Agency charges on the value of various projects executed w.e.f. 1/4/2008 is recognized notionally at the following rates.

- a) 1% on all capital works projects, including on the total expenditure on BOT and Annuity projects;
- b) 9% on the expenditure on maintenance of highways directly done by NHAI;
- c) 2% on the expenditure on maintenance of highways carried out through the State Public Works Departments.

Agency charges are accounted for through a Memorandum Account. All establishment expenditure, after setting off the income, is appropriated against the Agency Charges through a Memorandum Account and disclosed in the Notes to Accounts.

14. Retirement Benefits:

The liability for retirement benefits of the regular employees and employees on contract (long term) of the Authority in respect of gratuity and leave encashment is accounted for on accrual basis and invested in fixed deposits with banks. Every year these investments are adjusted in line with the accrued liability.

15. Foreign Exchange Transactions:

- a) Foreign exchange transactions relating to purchase of/acquisition of or in relation to fixed assets, goods and services are accounted for at the exchange rates prevailing as on the date of the transaction.
- b) Foreign Currency loans outstanding at the end of the year are translated at the exchange rate as indicated by the Bill Selling (BC selling) rate prevailing on the last date of the financial year or the most proximate previous working day. Since the Authority is only an implementing agency and all the capital expenses are incurred on behalf of the Government of India, losses or gains, if any, due to exchange fluctuations relating to the loans utilized for acquisition of fixed assets/Capital Work-in-progress are adjusted to the carrying cost of the relevant assets/Capital Work-in-progress (instead of recognizing in the profit and loss account).

16. Miscellaneous:

- a) Cheques issued but not presented within three (3) months from the dates of issuance are credited to the stale cheque account. Any amount outstanding in the stale cheque account for three (3) years is transferred to the miscellaneous income account.
- b) Expenses/Incomes related to earlier years up to value of Rs.50,000/- are charged to natural heads of accounts in current year and items exceeding Rs.50,000/- are booked under prior period items account.
- c) The Authority is only an implementing agency of the Government of India to develop, maintain and manage the national highways and any other highways entrusted to or vested in it by the Government and there are no different segment reporting as per Accounting Standard-17 issued by the Institute of Chartered Accountants of India.
- d) The Authority is not required to consolidate its financial statements and the financial statements of its subsidiaries as per the NHAI Act, 1988 and accordingly, the Accounting Standard-21 issued by the Institute of Chartered Accountants of India is not applicable.
- e) Long-term investments are stated at cost or book value whichever is lower.

17. Project Revenue:

User fee received from completed projects is deposited to Consolidated Fund of India (CFI) and are not part of Authority's revenue.

SCHEDULE 19**Notes to Accounts 2019-20:****1. Capital:**

During the year, an amount of Rs.11,091 crore (previous year Rs.11,569 crore) has been received from the Government of India as Cess Fund. This year additional budgetary support of Rs.1,000 crore have been received for development of National Highways (Original) Works (previous year Rs.Nil), also Rs.10,600 crore (previous year Rs.9,570.13 crore) has been received from Govt. of India as plough back of toll remittances. In addition to this Rs.5,000 crore (previous year Rs.9,681.50 crore) has been received as Plough Back of ToT from MoRTH. These amounts have been credited to the Capital Account.

2. Capital Grant:

During the year Rs.157 crore (previous year Rs.186 crore) has been received from Japan International Cooperation Agency (JICA) aided projects.

3. Maintenance Fund:

An amount of Rs.413.82 crore (previous year Rs.263.37 crore) has been received during the year from MoRTH towards maintenance of National Highways. Amount spent on maintenance of highways during the year is Rs.1,259.74 crore (previous year Rs.1,336.54 crore).

4. Swachhta Action Plan:

During the year an amount of Rs.55.83 crore (previous year Rs.100 crore) has been received from MoRTH towards grant for Swachhta Action plan and Rs.20.41 crore (previous year Rs.21.71 crore) have been spent on it.

5. Interest on unutilized capital, loans & advances :

Cumulative interest on unutilized capital and also on loans & advances to contractors/consultants etc., amounting to Rs.16,761.53 crore (previous year Rs.14,481.36 crore) have been allocated to projects.

6. Externally Aided Projects & Grants:

The Authority, in addition to the projects funded out of capital funds, has implemented various Externally Aided Projects (EAPs). These projects are funded by multilateral agencies like the World Bank (WB), the Asian Development Bank (ADB) and Japan Bank for International Cooperation (JBIC). These agencies provide funds to Government of India (GOI) under the respective loan agreements signed by them with GOI, which in turn gets passed on to the Authority in the ratio of 80:20 as grant and loan in the case of WB and ADB and 100% grant in the case of JBIC. The loans on these projects have since been repaid.

7. Loans:

A Loan of USD 180 million was sanctioned from Asian Development Bank (ADB) for execution of Surat-Manor project on NH-8. Against this, USD 149.75 million was finally disbursed. There is an outstanding balance of Rs.550.69 crore (USD 72.51 million @ Rs.75.9450/USD) as on 31.03.2020 and the same has been included under 'Borrowings'. Interest charges amounting to Rs.20.15 crore on loan (previous year Rs.21.15 crore which pertains to post construction period) has been paid during the year. Up to 31.03.2010, it was shown as reduction from toll revenue payable to GOI, since the interest payment on

the loan was to be met out of the toll collection. From 01.04.2010 this is being shown as deduction from additional budgetary support (plough back of toll remittance). Provision for guarantee fee amounting to Rs.1.37 crore (previous year Rs.1.42 crore) in respect of Government of India guarantee has also been made in the accounts.

8. Toll Remittances & Plough Back:

The GoI has decided that from 01.04.2010 onwards, the toll revenue, shared revenue and negative grant collected by NHAI should be deposited in the Consolidated Fund of India and additional budgetary provisions would be provided for expenditure from the Consolidated Fund of India (CFI) in line with the amount deposited by NHAI in CFI. During 2019-20 NHAI has deposited a total amount of Rs.9,947.44 crore (toll revenue Rs.6,986.27 crore, shared revenue Rs.2,035.70 crore, negative grant Rs.925.47 crore) in Consolidated Fund of India as per the direction of the Ministry. The Ministry, during 2019-20 has released Rs.10,600 crore (previous year Rs.9,570.13 crore) to NHAI against plough back of toll revenue through Permanent Bridge Fee Fund (PBFF) to meet the expenditure on development, operation and maintenance of National Highways, toll collection activities and repayment of loans etc.

In addition, NHAI has received Rs.5,000 crore towards advance plough back of Toll Operate and Transfer (TOT) from MoRTH. During the year Authority has not received any concession fee from Concessionaire towards ToT, consequently not deposited anything into CFI on this account (previous year Rs.9,681.50 crore was received as concession fee from the award of first bundle of Toll Operate and Transfer (TOT) and the same was deposited into CFI. MoRTH in turn has ploughed back Rs.9,681.50 crore to NHAI.

9. Borrowings:

- a) **Capital Gains Tax Exemption Bonds-** During the year Authority has issued Capital Gains Tax Exemption Bonds under Section 54-EC of the Income Tax Act, 1961 for an amount of Rs.4,450.81 crore (previous year Rs.4,706.35 crore).

Cumulative expenses on issue of Bonds amounts to Rs 94.27 crores up to 31.03.2020 (up to previous year Rs 91.74 crore).

Cumulative interest on 54EC bond up to 31.03.2020 amounting to Rs.8,285.83 crore (up to previous year Rs.7,360.35 crore) being part of finance cost has been allocated to projects.

- b) **Tax Free Bonds-** Authority has so far raised Rs.34,000 crore through tax free secured, redeemable, non-convertible bonds (2011-12: Rs.10,000 crore, 2013-14: Rs.5,000 crore 2015-16: Rs.19,000 crore).
- c) **Taxable Bonds-** During F.Y. 2019-20, Authority has raised Rs.49,536 crore (previous year Rs.17,510.40 crore) through taxable bonds.
- d) **Rupee Denominated Offshore (Masala) Bonds-** During the year Authority has not raised money through Rupee Denominated Offshore (Masala) Bonds. However during 2017-18 an amount of Rs.3,000 crore was raised through Masala Bonds.
- e) **Loan from National Small Saving Fund (NSSF, MoF, GOI)-** Authority, during 2019-20 has received Rs.10,000 crore (previous year Rs.20,000 crore) as loan from National Small Saving Fund.
- f) Apart from the above, the Authority during the year has also taken a term loan of Rs.6,000 crore (previous year Rs.19,000 crore) from State Bank of India and Rs.5,000 crore (previous year Rs.Nil) from Punjab National Bank.

Except Rs.88,000 crore [(Rs.3,000 crore (Masala) Bonds, Rs.5,000 crore (borrowed from EPFO under taxable bond on 22nd Nov. 2017), Rs.50,000 crore (loan from NSSF), Rs.25,000 crore (term loan from SBI) and Rs.5,000 crore (term loan from PNB)] all the bonds are secured through a mortgage over the property of NHAI situated at Ahmedabad along with fixed assets of NHAI, being highway projects comprising of all superstructures including highway lightings, road barriers and dividers, bridges, culverts and all other super structures constructed on national highways except those under the Surat-Manor Tollway Project entrusted to NHAI with a minimum security cover of one time of the aggregate face value amount of Bonds outstanding at all times.

All receipts of NHAI viz. Funds received from the Ministry, Market borrowings through issue of NHAI Tax free Bonds, Taxable Bonds, NHAI Capital Gain Tax Exemption Bonds under Section 54-EC, interest on surplus funds etc. are credited in the National Highways Authority of India Funds and all expenditure is met out of this Fund as per the provisions of Article 18 of NHAI Act, 1988. As such, no separate Account is maintained for utilization of NHAI Bond proceeds.

Name and contact details of debenture trustee for 2019-20 is as under-

M/s Beacon Trusteeship Ltd,

4C & D Siddhivinayak Chambers, Gandhi Nagar,
Opp. MIG Cricket Club,
Bandra (East) Mumbai-400 051
Email: teama@beacontrustee.co.in

As on 31.03.2020, no investor complaint was pending for redressal.

10. Assets held on behalf of Government of India (Gol) :

NHAI has initiated implementation of project-based accounting w.e.f. 01.04.2019. Project expenditure up to 31.03.2020, as per Significant Accounting Policy-7, has been shown as Assets held on behalf of Gol (Completed & Ongoing).

11. Provision for Gratuity and Leave Salary:

Provision for accrued liability for Gratuity and Leave encashment as per Gratuity Act and NHAI rules to the tune of Rs.79.91 crore (last year Rs.70.97 crore) as on 31.03.2020 has been made in the books. Accordingly, existing FDR of Rs.70.97 crore, representing accrual up to previous year, is to be increased to Rs.79.91 crore.

12. Land:

Land acquired by NHAI for construction of highways are mutated in the name of Government of India. The process of mutation is in various stages. In order to expedite the process of mutation, NHAI has recently issued SOP on mutation of land. Cost of land acquired by NHAI in respect of ongoing and completed projects is reflected under Assets held on behalf of Gol.

During 2016-17, Authority has introduced Central CALA account system for payment of land compensation (refer Significant Accounting Policy 4). Majority of old CALA accounts under old system have been closed by transferring the balance to Central CALA account. At the end of financial year Rs.26,113.43 crore is lying undisbursed in the remaining bank accounts and Central CALA accounts.

13. Income Tax exemption:

NHAI has been granted Income Tax exemption under section 10(23C) (iv) of the Income Tax Act, 1961 on continuous basis vide Order No. DGIT(E)/10(23C)(iv)/2009, dated 13th February, 2009 issued by Director

General of Income Tax (Exemptions) granting exemption for AY 2008-09 and onwards. Accordingly, provision for Income Tax has not been made as in the previous years.

Income Tax deducted at source by various parties is claimed as refund through Annual Income Tax Returns (ITRs). As per the ITRs filed by NHAI up to 31.03.2019, the Income Tax Department has refunded Rs.76.79 crore, Rs.114.74 crore, Rs.84.71 crore for the FYs 2015-16, 2016-17 & 2017-18 respectively. The amounts for 2016-17 and 2017-18 are inclusive of interest.

14. Loans and Advances to Chairman/Members:

Granted to Chairman/ Members.

Debts/Loans/Advance due from Chairman/Members - Nil

Maximum amount due from Chairman/Members

at any time during the year - Nil

15. Investments in Subsidiaries & Associate Companies:

Investment	Amount (Rs. in Crore)
Subsidiary Companies	991.04
Associate Companies	363.84
Total	1,354.88

- a) Moradabad Toll Road Co. Ltd. (MTRCL)-National Company Law Tribunal (NCLT) New Delhi, vide its order dated 21.05.2019, has approved the winding up of Moradabad Toll Road Company Limited (MTRCL) under section 272 (1) (a) and (e) of Companies Act, 2013.
- b) Ahmedabad-Vadodara Expressway Company Limited (AVEXCL)-Petition for winding up has been filed with National Company Law Tribunal (NCLT) on 11.12.2017. The next date of hearing is 26.07.2019.
- c) The NHAI Board, in its 128th meeting held on 16.08.2018, has also given in-principle approval for winding up of following SPVs:
 - (i) Calcutta-Haldia Port Road Company Limited (CHPRCL)
 - (ii) Cochin Port Road Company Limited (CPRCL)
 - (iii) New Mangalore Port Road Company Limited (NMPRCL)
 - (iv) Chennai-Ennore Port Road Company Limited (CEPRCL)
 - (v) Tuticorin Port Road Company Limited (TPRCL)
 - (vi) Vishakhapatnam Port Road Company Limited (VPRCL)
 - (vii) Paradip Port Road Company Limited (PPRCL)

The Boards of respective SPVs are working on the proposal.

Investments of NHAI in the loss making subsidiaries were valued by professional valuers in 2016-17. On the basis of valuer's report, provision for diminution in the value of investment for Rs.312.85 crore, Rs.32.36 crore & Rs.57.90 crore in respect of AVEXCL, MTRCL & CPRCL respectively were made which still exists in the books.

Following is the details of loan and advances in the nature of loan to Subsidiaries & Associates Companies as on 31.03.2020

Name of Subsidiary/Associate	Loans (Rs. in crore)
Ahmedabad-Vadodara Ex.way Co. Ltd.	5.29
Mormugao Port Road Co. Ltd.	82.34
Visakhapatnam Port Road Co. Ltd.	69.67
Calcutta-Haldia Port Road Co. Ltd.	661.78
Chennai-Ennore Port Road Co. Ltd.	100.57
Cochin Port Road Co. Ltd.	242.51
Tuticorin Port Road Co. Ltd.	245.73
Paradeep Port Road Co. Ltd.	796.20
New Mangalore Port Road Co. Ltd.	428.84
Moradabad Toll Road Co. Ltd.	49.38
Total	2,682.31

16. Deposits, Loans & Advances :

- a) **Eastern Peripheral Expressway-** Against a deposit of Rs.2,000.25 crore, Authority has spent Rs.5,662.96 crore on Eastern Peripheral Expressway thus the recoverable stands at Rs.3,662.71 crore.
- b) **Recoverable from MoRTH-** Authority, on the basis of direction received from MoRTH, has made payments for some of the NHDP Phase-IV project, which are under the direct control of MoRTH. Expenditure on such projects is shown as "Recoverable from MoRTH". Accumulated amount of such recoverable as on 31st March, 2020 is Rs.11,225.40 crore.
- c) **Kalewa-Yargi Project-** NHAI has entered into an agreement with Ministry of External Affairs, Government of India for rendering Project Management and Consultancy services for construction/upgradation of the Kalewa-Yargi Road Section from Milepost 40/0 to Milepost 115/5 (120.74 km) of the Trilateral Highway in Myanmar. NHAI is to receive (as per prescribed schedule), as its remuneration, 6% of the estimated or tendered cost of construction whichever was lower besides the cost of construction which was to be received by NHAI as per milestones achieved by sub-contractor. Up to 31st March, 2020, NHAI has received Rs.11 crore as its remuneration and Rs.176.55 crore as advance for construction work. Up to 31st march, 2020, NHAI has achieved financial progress of 13.53%.

17. Deferred Premium:

Up to 31.03.2018 interest due on deferred premium, as per the provisions of Article 28.2 of Model Concession Agreement, has been accounted for on cash basis on receipt. In compliance with audit observation w.e.f. 2018-19 interest is accounted for on accrual basis.

18. BOT Annuity Projects:

Under the BOT (Annuity) contracts, fixed half-yearly annuities over a period of 12 to 18 years from the dates of completion of the projects amounting to Rs.78,402.40 crore are required to be paid by the Authority. Out of this, an amount of Rs.33,958.45 crore has been paid till 31.03.2020 (up to previous year Rs.29,250.25 crore), which has been included in Assets held on behalf of Gol.

19. Fraudulent Withdrawal:

During 2012-13 a fraudulent withdrawal of Rs.1.06 crore from one of the bank accounts of Competent Authority Land Acquisition (CALA) was detected under PIU-Chandigarh. Out of this, a sum of Rs.18.45 lakh has been recovered by police and lying with the court as ‘case property’. Further, with the intervention of Court, compensation to the tune of Rs.27 lakh has been paid to one of the land holders for whom this compensation was meant for. As per the minutes of meetings dated 22.04.2014 Punjab Government has to pay the remaining amount of compensation.

20. Depreciation:

Depreciation wherever applicable has been charged as per significant accounting policies.

21. Goods and Services Tax:

Implementation of Goods and Services Tax (GST) Act, 2017 has triggered the “Change in Law” clause in various contracts. The effect of such changes is accounted for as and when payment under “Change in Law” clause is released.

22. Agency Charges:

As explained in Significant Accounting Policies of NHAI, Agency Charges is recognized notionally at the following rates on the value of various projects executed w.e.f. 1st April, 2008.

- (a) 1% on all capital works projects, including on the total expenditure on EPC, BOT (Toll), BOT (Annuity) and SPV projects.
- (b) 9% on the expenditure on maintenance of highways directly done by NHAI.
- (c) 2% on the expenditure on maintenance of highways carried out through the State Public Works Departments.

All administrative expenditure, after setting off the receipts is charged to Asset held on behalf of GoI within the overall ceiling of Agency Charges.

Memorandum Account of Agency Charges

Particulars	Amount (Rs. in Crore)
Agency charges-Opening balance as on 01.04.2019	3,165.43
Add: Agency charges for the FY 2019-20	1,065.00
Total	4,230.43
Less: Net Administrative expenses for the year	488.86
Agency Charges: Balance as on 31.03.2020	3,741.57

23. Members’ Responsibility:

With respect to the Members’ Responsibility Statement, it is hereby confirmed that:

- (a) Authority is not a Company registered under the Companies Act, 2013, and hence, Accounting Standards are not applicable. However, in order to give a true and fair view to the Statements of Accounts, Accounting Standards related to the area of operations of the Authority have generally been followed, only exception being AS-15 (Employee Benefits).

- (b) The Members have selected such accounting policies and applied them consistently and made adjustments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Authority at the end of the year.
- (c) The Members have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with section 34(2)(g) of the NHAI Act, 1988 for safeguard of the assets of the Authority and for preventing and detecting fraud and other irregularities.
- (d) The Members have prepared the annual accounts of the Authority on a "Going Concern" basis.
- (e) No income/fund of NHAI for the year ended 31st March, 2020 has been used or applied directly or indirectly for the benefit of Board Members, their relatives and entities in which Board Members or their relatives have substantial interest.

24. Finalization of Accounts in Current Format:

The format of accounts has been approved by C&AG vide letter dated 22.06.1992. NHAI, since inception, is using this format. In the subsequent years some requirement based minor changes have been made in the format of accounts, mainly to satisfy audit observations or to accommodate changes in accounting policies.

25. Regrouping and rounding:

Previous year's figures, wherever necessary, have been regrouped and rearranged to make them comparable with current year figures. All figures are in lakh rupees and there might be rounding off difference up to Rs.0.01 lakh in the financial statements.

26. Contingent Liability:

Contingent Liability not acknowledged as debt:

- (a) On the close of financial year, total numbers of pending Arbitration and Court cases are 153 and 258 respectively. In the Arbitration cases, Contractors/ Concessionaires have claimed Rs.71,764.54 crore & USD 3,39,185.03 whereas NHAI has claimed Rs.42,945.90 crore. In the court cases Contractors/Concessionaires and NHAI has filed petitions/appeals in various courts involving Rs 5,991.97 crore and Rs.13,561.51 crore respectively. Authority has also given bank guarantee to the tune of Rs.70.41 crore and has deposited of Rs.5,541.04 crore in the form of FDRs as per various court orders. In respect of other claims/legal cases, the liability is not ascertainable at present.
- (b) Authority has so far issued Letters of Credits to the tune of Rs.619.48 crore for payment of annuities.
- (c) The total estimated value of EPC, Consultancy and O&M contracts remaining to be executed as on 31.03.2020 are Rs.79,196.45 crore, Rs.7,676.25 crore and Rs.6,232.27 crore respectively.

For and on behalf of the Board of the Authority

Place: New Delhi
Date: 24.06.2021

Member (Finance)

Chairman

20 ANNEXURE 3

MANAGEMENT REPLY TO AUDIT REPORT OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA ON THE ACCOUNTS OF NATIONAL HIGHWAYS AUTHORITY OF INDIA FOR THE YEAR ENDED 31st MARCH, 2020

Audit Report		Management Reply
1	<p>We have audited the attached Balance Sheet of the National Highways Authority of India (NHAI) as at 31st March, 2020 and the Profit and Loss Account for the year ended on that date under section 23 of the National Highways Authority of India Act, 1988 (NHAI Act, 1988) and Rule 6(5) of National Highways Authority of India (Budget, Accounts, Audit, Investment of Funds and Powers to Enter Premises) Rules 1990 as amended from time to time. These financial statements include the accounts of 202 units {177 Project Implementation Units (PIUs), 24 Regional Offices and the accounts of NHAI Headquarters}. Preparation of these financial statements is the responsibility of the Management. Our responsibility is to express an opinion on these financial statements based on our audit.</p> <p>We have conducted our audit in accordance with the auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of financial statements. We believe that our audit provides a reasonable basis for our opinion.</p>	
	Based on our audit, we report that	
i	We have obtained all the information and explanations, subject to Annexure-II which, to the best of our knowledge and belief, were necessary for the purposes of audit.	<i>i. Reply to the issues raised in Annexure-II has been recorded therein.</i>
ii	The Balance Sheet and Profit and Loss Account dealt with by this report have not been drawn up in the format approved by the Government of India under Section 34 (2)(g) of NHAI Act, 1988 and Rule 6(1)(b) of NHAI Rules, 1990, as amended from time to time.	<i>ii. The Balance Sheet and Profit and Loss Account have been drawn in the format approved by Government of India in June 1992 under Section 34 (2)(g) of NHAI Act, 1988 and Rule 6(1)(b) of NHAI Rules, 1990 subject to disclosure no. 24, Notes to Accounts (Schedule-19) which states-</i>



Audit Report			Management Reply
			<p><i>"The format of accounts has been approved by C&AG vide letter dated 22.06.1992. NHAI, since inception, is using this format. In the subsequent years some requirement based minor changes have been made in the format of accounts, mainly to satisfy audit observations or to accommodate changes in accounting policies".</i></p>
	iii	Proper books of accounts and other relevant records have not been maintained by the Authority, in so far as it appears from our examination of such books as enumerated below:	<p><i>iii. Books of accounts and other relevant records, as required under the law, have been properly maintained. Audit were requested to kindly name the specific records which, according to them, are not maintained so that same could be maintained. As required under Rule 5 of NHAI Rules, 1990, Authority maintains the following records:</i></p> <p><i>i) all sums of money received and expended by the Authority;</i></p> <p><i>ii) all sales and purchases of goods or services of the Authority;</i></p> <p><i>iii) all assets and liabilities of the Authority.</i></p>
3	(A)	As per Section 23 of the NHAI Act, 1988, the format of annual statements of accounts of NHAI has been duly prescribed by the Government of India (GoI) in consultation with the Comptroller and Auditor General of India (C&AG). However, the following deviations were noticed in the accounts prepared when compared to the approved format of accounts:	<i>(a) Point wise reply is submitted as under</i>
	(i)	Assets held on behalf of GoI (completed & ongoing) amounting to Rs.4,62,896.54 crore are being shown as Fixed assets of NHAI, in contravention to approved format of accounts and Generally Accepted Accounting Principles (GAAP) in spite of the fact that ownership of these national highway projects lies with GoI and not with the NHAI and the same were entrusted to NHAI by GoI, for development & maintenance purposes only. The Solicitor General of India in his opinion of January, 2015 reiterated the fact that NHAI is an executive agency of the GoI and ownership of the national highways vests with GoI. The accounting treatment and disclosure given by NHAI, in its Financial Statements, to national highways and related projects is also in deviation to the opinion given by the Expert Advisory Committee (EAC) of the Institute of Chartered Accountants of India which opined that if the NHAI was acting only as an executing agency on behalf of GoI and did not exercise any control over the roads/highways and/or future economic benefits out of such resources did not accrue to the NHAI, then, NHs were not NHAI's Assets. Accordingly,	<p><i>(i) Assets held on behalf of GoI (Completed & Ongoing) (Schedule 5) Rs.4,62,896.54 crore</i></p> <p><i>In the approved format of 1992, the completed highway projects are to be placed under Roads and Bridges (Schedules) and shown under fixed assets in the balance sheet and charged depreciation thereon which is not feasible because NHAI is not the owner of highway projects and has only been mandated to develop, maintain and manage the highway projects. Thus in view of the fact that NHAI is not the owner of highway projects, the format of accounts provided in 1992 does not cater to the accounting requirements of the Authority. Therefore, in the meeting of 5-Member Committee, which was constituted by the Office of C&AG, held on 09.06.2016 and its minutes/ recommendations circulated by PDCA MAB-I vide letter dated 13.07.2016, it is clearly mentioned that NHAI shall show these assets in its books as "Assets held on behalf of Government</i></p>

Audit Report	Management Reply
<p>recognising these as its assets and recognizing them as Capital Work in progress {now shown as Assets held on behalf of Gol (completed and ongoing)} in NHA's Balance Sheet was not correct.</p> <p>Audit also noticed that another PSU, i.e. National Highways and Infrastructure Development Corporation Limited (NHIDCL) incorporated by Ministry of Road Transport & Highways (MoRTH) for development and maintenance of National Highways on behalf of Gol, as executing agency, used to maintain its accounts on line similar to NHA. However, after getting MoRTH directions in July 2019 in regard to transfer of completed assets by NHIDCL to Gol as per modalities decided, NHIDCL in its Balance Sheet as at 31st March, 2019 onwards had netted off Assets held on behalf of Gol against the Funds received for the same.</p> <p>Thus, Fixed Assets of NHA are overstated to the extent of Assets held on behalf of Gol (completed & ongoing) amounting to Rs.4,62,896.54 crore appearing as NHA's Fixed Assets.</p> <p>This issue was raised earlier also by Audit, however, no corrective action has been taken by the management.</p>	<p><i>of India" (Query No.18 and 19). Copy of this has been made available to Audit.</i></p> <p><i>So far as advice given by Expert Advisory Committee (EAC) of the Institute of Chartered Accountants of India and the Attorney General of India are concerned, the same was earlier presented before C&AG for directions. Office of C&AG decided not to accept the views of EAC and issued direction for capitalization vide letter dated 19th June, 2018, which was subsequently reversed as per the decision taken in the meeting between office of C&AG and NHA on 01.06.2021.</i></p> <p><i>NHA is governed by an Act of Parliament and has specific mandate for development, maintenance and management of highways entrusted to it within the frame work of NHA Act, 1988 read with NHA Rules, 1990. So far as Generally Accepted Accounting Principles (GAAP) are concerned, NHA follows the provisions of GAAP so long as they do not interfere with the provisions of NHA Act and Rules.</i></p> <p><i>If the treatment made by NHIDCL, which is incorporated under the Companies Act, is acceptable, Audit is requested to kindly confirm so that NHA may consider sending a proposal to MoRTH on this line.</i></p> <p><i>Further, In the meeting held between office of C&AG and NHA on 01.06.2021 it was agreed that the current format requires revision in consultation with the Office of C&AG. NHA shall adopt the revised format of Accounts as soon as it is prescribed by Government of India in consultation with C&AG.</i></p>
<p>(ii) The approved format provides that the surplus/deficit in the Profit and Loss Account is to be carried to the Balance Sheet under Reserves and Surplus. As against this, NHA instead of arriving at surplus/deficit in the prescribed manner, computed the 'Net Establishment Expenditure' which was in actual the deficit and transferred the same to Assets held on behalf of Gol (completed and ongoing) under Fixed Assets.</p> <p>It was further observed that the Profit and Loss Account was being prepared in contravention to GAAP also which states that the expenditure of revenue nature cannot be booked to completed projects and instead should be routed through Profit and Loss Account, however, NHA capitalized the entire amount of Rs.488.86 crore with respect to Net Establishment Expenses for the year. In absence of project-wise details in NHA, Audit could not quantify the amount of incorrect accounting.</p>	<p><i>(ii) The Revenue Expenditure, which is essential and incidental to achieve the mandate of development, maintenance and management of highways given to NHA, is added to the value of assets created by NHA on behalf of Gol. This is done to arrive at the total cost of projects for presentation in the Balance Sheet. This is consistently being done since inception and is covered by the provisions of Significant Accounting Policy No. 6 "Assets held on behalf of Gol".</i></p> <p><i>Authority has not booked or capitalized the expenditure; it is mere presentation which is consistently being followed and is likely to continue till the time final decision on allocation/treatment of indirect cost is taken.</i></p>



Audit Report		Management Reply
		<p><i>So far as Generally Accepted Accounting Principles (GAAP) are concerned, NHAI follows the provisions of GAAP so long as they do not interfere with the provisions of NHAI Act and Rules.</i></p> <p><i>While preparing the Annual Accounts 2019-20, Projects wise accounting was done by NHAI which, as per the decision taken in the meeting held on 01.06.2021 between the office of C&AG and NHAI it was reversed and Annual Accounts 2019-20 (Revised) were submitted to Audit. NHAI is awaiting fresh directions/advise from C&AG on the matter of capitalization of completed projects and is willing to implement it.</i></p>
	<p>(B) The borrowing costs on completed projects, in contravention to GAAP is not being routed through Profit & Loss Account. Resultantly, Borrowing Costs amounting to Rs.15,314.80 crore have been adjusted, during 2019-20, from Assets held on behalf of Gol (completed & ongoing) without differentiating between completed and ongoing projects. As NHAI is not maintaining project-wise details, Audit could not verify the correctness of Borrowing Costs amounting to Rs.15,314.80 crore allocated to Assets held on behalf of Gol (completed & ongoing) during 2019-20 and the total Borrowing Costs amounting to Rs.48,923.33 crore allocated to completed and ongoing projects till date.</p>	<p><i>(b) Borrowing cost is accounted for as per the provisions of Significant Accounting Policy No. 6 as NHAI is not the owner of the highway projects being developed by it, therefore, borrowing cost can't be routed through Profit & Loss Account. For the purpose of presentation in the balance sheet, all indirect costs including borrowing costs are clubbed with the Assets held on behalf of Government of India. It is mere presentation and the borrowing cost are still lying in the relevant ledger accounts they actually belong to.</i></p> <p><i>Query related to, Generally Accepted Accounting Principles (GAAP) have already been replied in the preceding paragraph.</i></p> <p><i>Borrowings made by NHAI are not project specific, therefore, project wise details of borrowing cost are neither applicable nor required to be maintained. The details of presentation of borrowing cost have already been provided and explained to Audit.</i></p>
5	<p>(iv) We further report that:</p> <p>(A) Revision of Accounts</p> <p>NHAI revised its accounts based on audit observations relating to charging of depreciation on National Highways, borrowing costs relating to fund borrowed for National Highways, treatment of maintenance grant-in-aid received from GOI, etc. without consequent change in relevant Acts and Rules.</p>	<p><i>iv</i></p> <p>(A) Revision of Accounts</p> <p><i>The entries, as per the decision taken in the meeting on 01.06.2021 have since been reversed and revised accounts submitted to Audit.</i></p>
	<p>(B) Balance Sheet</p> <p>(i) Sources of Funds:</p> <p>(1.1) Shareholders' Fund:</p> <p>Capital (Schedule 1): Rs.2,19,026.69 crore</p>	<p>(B) Balance Sheet</p> <p>Sources of Funds:</p> <p>Shareholders' Fund:</p> <p>Capital (Schedule 1): Rs.2,19,026.69 crore</p>

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(i)	<p>Expenditure on Toll Collection Activities (w.e.f. 01.04.2010), being a deduction from capital, includes amount of Rs.123.03 crore booked, upto 31st March, 2020, on account of cost of creation of capital infrastructure for toll collection electronically under Scheme name Electronic Toll Collection and Toll Management System. Since this expenditure was of capital nature it should have been debited as Project Expenditure. This has resulted in understatement of Capital and Assets held on behalf of GoI by Rs.123.03 crore.</p> <p>This issue was raised earlier also by Audit, however, no corrective action has been taken by the management.</p> <p>Further Significant Accounting Policy No. 8 which professes such treatment of Assets purchased or constructed for toll collection activities (in spite they are being of capital nature), to be booked as expenditure on toll collection activities, is deficient to that extent against plough back of toll remittance rather than debiting them to Assets held on behalf of GoI.</p>	<p>(i) <i>This expenditure has been incurred through IHMCL, As per the provisions of Significant Accounting Policy No. 11 "Expenditure on Maintenance of Highways and toll collection activities, after setting of maintenance grant received from GoI for maintenance of highways is reduced from plough back of toll remittances and shown as capital (Schedule-I) under additional budgetary support plough back of toll remittance."</i></p> <p><i>Thus, the treatment is as per the Significant Accounting Policy and the capital is not understated. This policy is consistently being followed as the projects are being developed and maintained by NHAI but not owned by NHAI.</i></p> <p><i>Significant Accounting Policy No. 8 is related to depreciation and not Toll as pointed out by Audit.</i></p>
(ii)	<p>As per the Approved format of Accounts, the Grants-in-aid received for Maintenance of Highways and expenditure incurred thereon should be accounted for in Profit and Loss Account. However, NHAI deviated from this and has adjusted the Maintenance Grant and Expenditure incurred on Maintenance of Highways against Capital Account (Plough back of Toll Remittance, etc.). During the year, NHAI incurred Rs.1,981.92 crore as the total expenditure on maintenance of highways (Rs.1,259.74 crore) and toll collection activities (Rs.722.18 crore). Against this, MoRTH released a grant of Rs.413.82 crore for maintenance of highways during the year 2019-20. After adjusting Rs.74.75 crore of 'Other Receipts from O & M of Highways' during the year 2019-20, balance amount of Rs.1,493.35 crore, has been set off against the Shareholder's fund. Thus, this has resulted in understatement of Loss for the year and Shareholder's fund-Capital by Rs.1,493.35 crore.</p>	<p>(ii) <i>The treatment given to maintenance grant and expenditure maintenance of Highways is as per the provisions of Significant Accounting Policy No. 9, which states as under:</i></p> <p><i>"Expenditure on Maintenance of Highways and toll collection activities, after setting of maintenance grant received from GoI for maintenance of highways is reduced from plough back of toll remittances and shown as capital (Schedule-I) under additional budgetary support plough back of toll remittance."</i></p> <p><i>This policy is consistently being followed. As the projects are being developed and maintained by NHAI but not owned by NHAI, therefore, adjustment of Grant-in-aid with maintenance expenditure is in order. In case NHAI had been the owner of the projects, which are being developed and maintained by it, then the Grant-in-aid received for Maintenance of Highways and expenditure incurred thereon should have been accounted for in Profit and Loss account.</i></p>
6	<p>(1.2) Borrowings (Schedule 4): Rs.2,48,831.66 crore As per Rule 9 (Reserve Fund) of NHAI Rules, 1990, for every loan raised by NHAI not being a loan repayable before expiration of one year from the date of the loan, the Authority shall set apart a sum half yearly out of its income in the reserve fund, sufficient to liquidate the loan within a period which shall not in any case exceed thirty years. NHAI might apply the whole or any part of</p>	<p><i>As per the provisions of Rule 9, of NHAI Rules 1990, reserve is required to be created out of income of Authority. NHAI being an executing agency of Government of India, does not have any source of income. In absence of any income, it is not possible to create Reserve fund by setting apart a sum on half yearly basis, for liquidating the loans.</i></p>



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	<p>the sums accumulated in the reserve fund in or towards the discharge of the loan liabilities for repayment of which the fund was established. Provided that Authority paid into the fund each year and accumulated until the whole of the money borrowed was discharged, a sum equivalent to the interest which would have been produced by the reserve fund or part of the reserve funds so applied.</p> <p>As on 31st March, 2020, an amount of Rs.2,48,831.66 crore was payable by NHAI, towards bond holders of Capital Gain Tax Free Bonds-54EC, Tax free Secured Redeemable Non-Convertible Bonds, Taxable Bonds, Rupee Denominated Offshore (Masala) Bonds, Loan from Asian Development Bank, State Bank of India, Punjab National Bank and National Small Savings Fund. However, NHAI in contravention to NHAI rules has not created any Reserve Fund.</p> <p>In contravention to Rule 9 (Reserve Fund) of NHAI Rules, 1990, no reserve fund has been created by NHAI to liquidate its long-term borrowings within thirty years. It is pertinent to mention here that NHAI incurred Rs.15,314.79 crore as finance cost during 2019-20 alone, while its total receipts were Rs.28,317.65 crore. Thus, during 2019-20, NHAI expended more than 54.08 per cent of its receipts as borrowing cost (leave apart the repayment of principal loan as and when due) and resultantly to undertake its core activity of developing and maintaining National Highways, NHAI availed bank overdraft of Rs.41,913.25 crore during 2019-20 besides the market borrowings of Rs.74,986.81 crore taken during 2019-20.</p> <p>This issue was raised earlier also by Audit, however, no corrective action has been taken by the management.</p>	<p><i>However, based on the provision the of Act and the observations made by C&AG, Management has decided to create Reserve Fund out of the InvIT proceeds generated from monetization of NHAI projects.</i></p> <p><i>So far as Bank over draft is concerned, it is resorted to fill the gap between fund requirement and actual fund receipt. Bank Over Draft are generally paid on receipt of fund.</i></p>
7	<p>(2) Application of Funds: (2.1) Fixed Assets: Assets held on behalf of GoI (Schedule 5): Rs.4,62,896.54 crore</p> <p>(i) The above head includes amount of Rs.128.82 crore incurred, upto 31st March, 2020, on construction of second office building for NHAI at Dwarka, Delhi. Since these are assets of NHAI and not part of CWIP-ongoing project (road and bridge), these should have been disclosed as Capital Works in Progress of NHAI. This has resulted in overstatement of Assets held on behalf of GoI by Rs.128.82 crore and understatement of Capital Works in Progress of NHAI by the same amount.</p> <p>This issue was raised earlier also by Audit, however, no corrective action has been taken by the management.</p>	<p>(2) Application of Funds: (2.1) Fixed Assets: Assets held on behalf of GoI (Schedule 5): Rs.4,62,896.54 crore</p> <p>(i) <i>The cost of Residential flats, Delhi at the time of construction was shown under CWIP series (GLC 3307) and on completion the cost was transferred to GLC 3003 Buildings under Fixed Assets in 2019-20. On the same line, the cost of second office building, during construction has been shown under GLC 3307 Buildings under CWIP series. This building has been completed during 2020-21, however the final payment is yet to be made. Once the payment is finalized entire cost will be transferred from GLC 3307 Buildings under CWIP series to GLC 3003 Buildings under Fixed Assets series.</i></p>

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<p>(ii) The above head does not include an amount of Rs.144.81 crore, being wrongful deduction from it, during 2019-20, of interest accrued on loan disbursed to eight Special Purpose Vehicle (SPV) companies of NHAI. This amount should have been instead booked as income of NHAI in its Profit and Loss account. This has resulted in understatement of Assets held on behalf of GoI and overstatement of Deficit carried to Balance Sheet by Rs.144.81 crore.</p> <p>This issue was raised earlier also by Audit, however, no corrective action has been taken by the management.</p>	<p>(ii) NHAI being an implementing agency of Government of India, interest on unutilized capital has never been an item of income for Authority. This practice is consistently being followed almost since the inception of National Highways Authority of India. Interest received on unutilized capital (which includes interest on loans given to SPVs), has always been treated as part of finance cost and as per the provisions of policy it is still part of finance cost</p>
<p>(iii) The above head does not include amount of Rs.5.77 crore incurred during 2014-15 on construction of toll plaza at Jalandhar-Jammu section. In spite of it being an expenditure of Capital nature, this amount was booked as revenue expenditure during that period. This has resulted in understatement of Assets held on behalf of GoI and Capital by Rs.5.77 crore.</p> <p>This issue was raised earlier also by Audit, however, no corrective action has been taken by the management.</p>	<p>(iii) Construction of toll plaza is an activity related to toll collection. Significant Accounting Policy no. 9 (a) provides as under:</p> <p><i>“Assets purchased or constructed for toll collection activities are classified under expenditure on Toll collection activities and are set off against plough back of toll remittance”.</i></p> <p><i>Therefore, expenditure on construction of toll plazas is adjusted against the plough back of toll remittances and shown as capital provided by Government of India. This is consistently being followed since the date plough back of toll remittance was started by MoRTH.</i></p>
<p>(iv) The above does not include an amount of Rs.267.65 crore deducted as Capital Reserve, during 2019-20, from above without categorizing it into capital or revenue. As per GAAP, no revenue income is to be deducted from capital assets after commissioning/putting it to use. Further, in absence of project-wise accounting in NHAI, the income has been added over the years and entire amount reduced from overall amount of Assets held on behalf of GoI (completed & ongoing). Thus, the financial statements of NHAI have not been prepared as per GAAP and as per its own Significant Accounting Policy no. 12(c) which states that any income which is in the nature of revenue receipt and not payable to GoI is recognized as revenue of NHAI.</p>	<p>(iv) Receipts during the construction phase of a project are capital in nature and are therefore, accounted for under the head 1201 Capital Reserve. Whereas, receipts from projects during the operation and maintenance phase of the project are revenue receipt in nature and are therefore accounted for under the head 2864 other receipts from operation and maintenance of highways.</p> <p><i>This policy is consistently being followed.</i></p> <p><i>At the time of presentation of capital cost in the balance sheet, the Capital Reserve is reduced from total project cost whereas other receipts from operation and maintenance of Highways is set off against the expenditure on maintenance of Highways as per Significant Accounting Policy No. 9.</i></p> <p><i>Query related to Generally Accepted Accounting Principles (GAAP) have been replied against preceding observation.</i></p>



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8	<p>(2.2) Current Assets, Loans and Advance (Schedule 7): Rs.52,248.87 crore</p> <p>(i) The above includes Rs.11,225.40 crore booked as recoverable from MoRTH on account of payment made by NHAI, as per directions of MoRTH, for various National Highways Projects being developed, under NHDP-III, NHDP-IV and NH (O) (VGF) Schemes of MoRTH, to various State Governments Agencies. MoRTH categorically denied (June 2018) to make good these recoverable and clarified that no separate funds would be released to NHAI for such recoverable and the same has to be met by NHAI from its overall resources but still these recoverable are appearing in books of NHAI in spite of no further assurances received from MoRTH. This has resulted in overstatement of Current Assets, Loans and Advance by Rs.11,225.40 crore.</p>	<p>(2.2) Current Assets, Loans and Advance (Schedule 7): Rs.52,248.87 crore</p> <p>(i) <i>Payment for development of NHDP Phase-IV projects have been made out of the fund provided by Government of India as per the direction of MoRTH. In absence of any specific accounting guidelines from MoRTH it has been shown as "Recoverable from MoRTH".</i></p> <p><i>MoRTH vide letter dated 10th September, 2018 has stopped the earlier arrangement and decided that NHAI shall not release any payment to contractors if projects are not being executed by NHAI directly.</i></p> <p><i>NHAI has written a letter dated 03.02.2020 to MoRTH to reimburse Rs.10,227.21 crore or issue necessary direction for adjustment of the same. MoRTH is being reminded for a decision on the matter so that the issue may be resolved.</i></p>
	<p>(ii) The above includes an amount of Rs.297.18 crore disbursed as loan by NHAI to three of its subsidiaries viz. Ahmedabad-Vadodara Expressway Company Limited (AVEXCL), Moradabad Toll Road Company Limited (MTRCL) and Cochin Port Road Company Limited (CPRCL). In view of NHAI Board's in-principle approval, during 2018-19, to wind up these subsidiaries, and provision being already made for diminution in value of entire investment of Rs.403.11 crore in these three subsidiaries by NHAI, the loan of Rs.297.18 crore should also have been provided for in the books of NHAI. This has resulted in overstatement of Current Assets, Loans and Advance by Rs.297.18 crore and understatement of Deficit carried to the Balance Sheet.</p> <p>This issue was raised earlier also by Audit, however, no corrective action has been taken by the management.</p> <p>Further, in view of winding up of MTRCL being approved by National Company Law Tribunal vide its order dated 21st May, 2019, the provision of Rs.32.36 crore made against investment by NHAI in it should have been written off from books of accounts.</p>	<p>(ii) <i>In-principal approval for winding up of Ahmedabad-Vadodara Expressway Co. Ltd. (AVEXCL), Moradabad Toll Road Company Limited (MTRCL) and Cochin Port Road Company Limited (CPRCL) was taken by the Board of NHAI.</i></p> <p><i>The winding up of MRTCL has also been approved by National Company Law Tribunal vide its order dated 21st May, 2019 and this has been disclosed in the Notes to Accounts. The process of winding up is yet to be completed. At the time of winding up, necessary accounting entries for Investments, Loans and other assets and liabilities shall be made in the books of Authority.</i></p>
	<p>(iii) The above does not include an amount of Rs.4.02 crore recoverable from concessionaires of two projects towards excess payment made to concessionaire on account of change of scope as per Article 16.3 of concession agreements. Thus, this has resulted in understatement of Current Assets, Loans and Advance by Rs.4.02 crore and overstatement of Assets held on behalf of Gol by the same amount.</p>	<p>(iii) <i>Observation noted for future compliance.</i></p>

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9	<p>(2.3) Current Liabilities and Provisions Liabilities (Schedule 8): Rs.34,284.01 crore</p> <p>(i) The above does not include Rs.43.05 crore due to non-provisioning of various services provided by IHMCL to NHAI viz. Traffic Survey, Wayside Amenities, Road User Helpline, Citizen Centric App-You Report, Time and Motion Study upto 31st March, 2020 and payable to IHMCL. This has resulted in understatement of Current Liabilities and Provisions and Expenditure of Toll Collection Activities by Rs.43.05 crore.</p>	<p>(2.3) Current Liabilities and Provisions Liabilities (Schedule 8): Rs.34,284.01 crore</p> <p>(i) <i>All expenditures made through IHMCL, except cash back and transaction fee, are made out of advances and adjusted against utilization certificate.</i></p> <p><i>So far as, understatement of payable by Rs.43.05 crore and understatement of Expenditure on Toll Collection Activities (w.e.f. 01.04.2010) by the same amount is concerned, it is intimated that this expenditure is met by IHMCL out of the monthly advances given to them for providing this service. Therefore, provision for payment was not required to be made.</i></p>																								
	<p>(ii) The above head does not include amount of Rs.68.36 crore payable to IHMCL, upto 31 March 2020, against capital infrastructure created by NHAI through IHMCL under scheme of Electronic Toll Collection and Toll Management System for collection of user fees. This has resulted in understatement of Current Liabilities and Provisions and Assets held on behalf of Gol by Rs.68.36 crore.</p> <p>This issue was raised earlier also by Audit, however, no corrective action has been taken by the management.</p>	<p>(ii) <i>All expenditures made through IHMCL, except cash back and transaction fee, are made out of advances and adjusted against utilization certificate.</i></p> <p><i>So far as, understatement of current liabilities and provisions payable by Rs.68.36 crore and understatement of Assets held on behalf of Government of India by the same amount is concerned, it is intimated that this expenditure is met by IHMCL out of the monthly advances given to them for providing this service. Therefore, provision was not required to be made</i></p>																								
10	<p>(iii) The above is understated by Rs.790.33 crore due to non/short provisioning of liabilities towards:</p> <p style="text-align: right;">(Rs. in crore)</p> <table border="1"> <tbody> <tr> <td>A</td> <td>Compensation payable for acquisition of land despite issue of 3D Notification / 3G award by CALA award.</td> <td>424.81</td> </tr> <tr> <td>B</td> <td>Amount payable to Gol for interest on mobilization advance and other deposit</td> <td>9.00</td> </tr> <tr> <td>C</td> <td>Amount payable to Gol in respect of short remittance of toll/interest thereon by contractor/concessionaire</td> <td>3.84</td> </tr> <tr> <td>D</td> <td>Amount payable to Gol in respect of short remittance of Premium/interest thereon by contractor/concessionaire</td> <td>16.89</td> </tr> <tr> <td>E</td> <td>Amount payable to Contractor/ Concessionaire in respect of Construction work done</td> <td>236.51</td> </tr> <tr> <td>F</td> <td>Amount payable to the Contractor/ Concessionaire/utility department for utility shifting</td> <td>11.94</td> </tr> <tr> <td>G</td> <td>Amount payable to the Contractor/ Concessionaire for maintenance work done</td> <td>12.08</td> </tr> <tr> <td>H</td> <td>Amount payable to the Contractor/ Concessionaire on account of Bonus/ Annuity payment.</td> <td>21.15</td> </tr> </tbody> </table>	A	Compensation payable for acquisition of land despite issue of 3D Notification / 3G award by CALA award.	424.81	B	Amount payable to Gol for interest on mobilization advance and other deposit	9.00	C	Amount payable to Gol in respect of short remittance of toll/interest thereon by contractor/concessionaire	3.84	D	Amount payable to Gol in respect of short remittance of Premium/interest thereon by contractor/concessionaire	16.89	E	Amount payable to Contractor/ Concessionaire in respect of Construction work done	236.51	F	Amount payable to the Contractor/ Concessionaire/utility department for utility shifting	11.94	G	Amount payable to the Contractor/ Concessionaire for maintenance work done	12.08	H	Amount payable to the Contractor/ Concessionaire on account of Bonus/ Annuity payment.	21.15	<p>(iii) <i>Audit were requested to provide Unit wise details of the observation in respect of sl. A to M. In absence of such details, the issue could not be related to any specific unit and activity. However, it is assured that a general instruction shall be issued to units to be more cautious in future.</i></p>
A	Compensation payable for acquisition of land despite issue of 3D Notification / 3G award by CALA award.	424.81																								
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Audit Report			Management Reply																		
		<table border="1"> <tr> <td>I</td> <td>Amount payable to Contractor/ Concessionaire on account of royalty charges</td> <td>15.73</td> </tr> <tr> <td>J</td> <td>Amount payable to Contractor/ Concessionaire on account of GST</td> <td>9.80</td> </tr> <tr> <td>K</td> <td>Amount payable to Consultants for supervision work and DPR preparation</td> <td>2.25</td> </tr> <tr> <td>L</td> <td>Amount payable to forest department</td> <td>0.33</td> </tr> <tr> <td>M</td> <td>Amount payable in court as deposits</td> <td>26.00</td> </tr> <tr> <td colspan="2" style="text-align: center;">Total</td> <td>790.33</td> </tr> </table> <p>This has resulted in understatement of Assets held on behalf of GoI by Rs.722.52 crore, Recoverable from Contractors/ Concessionaires by Rs.29.73 crore, Deposits with Court by Rs.26 crore and Expenditure on Maintenance of Highways by Rs.12.08 crore.</p>	I	Amount payable to Contractor/ Concessionaire on account of royalty charges	15.73	J	Amount payable to Contractor/ Concessionaire on account of GST	9.80	K	Amount payable to Consultants for supervision work and DPR preparation	2.25	L	Amount payable to forest department	0.33	M	Amount payable in court as deposits	26.00	Total		790.33	
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Total		790.33																			
11	(B)	<p>Profit and Loss Account:</p> <p>Transfer of Net Establishment Expenses for the year to Sch.-5: Rs.488.86 crore</p> <p>The above head does not include amount of Rs.11.77 crore received/receivable, upto 31st March, 2019, by NHAI from Ministry of External Affairs (MEA) as remuneration for rendering Project Management and Consultancy (PMC) in the capacity of technical executing agency for MEA for the project related to construction/upgradation of the Kalewa-Yargi Road Section in Myanmar. Instead of booking PMC charges received/receivable by NHAI as its income, the same has been booked as advance. This has resulted in overstatement of Deficit carried to Balance Sheet by Rs.11.77 crore, overstatement of Currents Liabilities & Provisions by Rs.11.18 crore and understatement of Current Assets, Loans and Advance by Rs.0.59 crore.</p>	<p>(B) Profit and Loss Account:</p> <p>Loss for the period of Rs.488.85 crore</p> <p><i>It is a deposit work being executed by NHAI on behalf of Ministry of External Affairs (MEA). Therefore, amount received from MEA towards Project Management Consultancy (PMC) is credited to a separate ledger account as advance for deposit work. Expenses towards the monthly fee paid to the project consultant, salary of officers and staff deputed for this project and other establishment related expenditure are to be debited to the same ledger account.</i></p> <p><i>This will continue till the project is under construction. On the completion of project excess of Project Management Consultancy fee received from Ministry of External Affairs over the expenses incurred on account of consultancy and administrative expenditure shall be taken to P&L account of NHAI.</i></p> <p><i>So far as deduction of Rs.0.59 crore from PMC charges by MEA is concerned it has been accounted for in FY 2021-22 vide JV No. 2021000052 dated 14.07.2021.</i></p>																		
	(C)	<p>Notes on Accounts (Schedule 19)</p> <p>Contingent Liability is understated by Rs.806.74 crore on account of claims of land compensation and claims relating to five projects. Thus, Note No. 26 pertaining to disclosure of Contingent Liability is deficient to that extent</p>	<p>(C) Notes on Accounts (Schedule 19)</p> <p><i>The details of contingent liabilities on the closing date of financial year are compiled on the basis of information available with Legal and Arbitration Cell at NHAI HQ. The issues raised by audit shall be examined and necessary action, if required, shall be taken to streamline the reporting of Contingent Liabilities in future.</i></p>																		

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12	<p>(D) General</p> <p>(i) On test check basis, audit observed that in respect of eight Project Implementation Units (PIUs) against acquisition of 8,535.90 hectares of land by such PIUs for implementing the Roads and Bridges Projects on behalf of Gol, merely 2,900.96 hectares of land (i.e. 33.98 percent) was mutated up to 31st March, 2020. These facts along with the data of land acquisition and mutation thereof by NHAI have not been disclosed in the Notes to Financial Statement.</p>	<p>(D) General</p> <p>(i) <i>In the Notes on Accounts (Schedule-19) sl. no. 12 following disclosure regarding mutation of land has been made- "Land acquired by NHAI for construction of highways are mutated in the name of Government of India. The process of mutation is in various stages. In order to expedite the process of mutation, NHAI has recently issued SOP* on mutation of land. Cost of land acquired by NHAI in respect of ongoing and completed projects is reflected under Assets held on behalf of Gol".</i></p> <p><i>(*circular no. NHAI/LA/Mutation/2019 dated 12.06.2019)</i></p> <p><i>This disclosure will be further streamlined in future.</i></p>
	<p>(ii) Capital-net off Toll collection, Negative Grant etc., upto 31st March, 2010, amounting to Rs.6,183.56 crore has been transferred to NHAI's Capital Account without obtaining any approval of the Ministry of Finance and Ministry of Road Transport & Highways for the same. Suitable disclosure of the above facts needs to be made in Notes to financial statements.</p> <p>This issue was raised earlier also by Audit; however, no corrective action has been taken by the management.</p>	<p>(ii) <i>Ministry of Finance (MoF) had raised certain queries in the year 2015, which was replied by NHAI. Thereafter no further query from MoF was received. Hence, it was construed that MoF has given its consent.</i></p> <p><i>As per discussion held on 25.10.2019 with Dy. Director (Audit), NHAI again wrote a letter to MoRTH (letter no. NHAI /F&A /C&AG Audit /2019-20/SKS/109 dated 23rd December, 2019) to take up the matter with Ministry of Finance for ex-post-facto approval. Further follow up shall be made.</i></p>
	<p>(iii) Commitments made by NHAI in prospectus issued for Tax Free Secured Redeemable Non-Convertible Bonds of Rs.10,000 crore (2011-12), Tax Free Secured Redeemable Non-Convertible Bonds of Rs.5,000 crore (2013-14), Tax Free Secured Redeemable Non-Convertible Bonds of Rs.19,000 crore (2015-16), Taxable Bonds (2018-19) and Taxable Bonds (2019-20) were as follows:</p> <p>a. All monies received out of each tranche issue of the bonds to the public shall be transferred to a separate bank account;</p> <p>b. Details of all monies utilized out of each tranche issue shall be disclosed under an appropriate separate head in the Balance Sheet indicating the purpose for which such monies were utilised;</p> <p>c. Details of all unutilized monies out of each tranche issue shall be disclosed under an appropriate separate head in the Balance Sheet indicating the form in which such unutilised monies have been invested.</p>	<p>(iii) <i>As regards maintenance of separate bank accounts for utilization of NHAI Bond proceeds, Section 18 of the NHAI Act 1988 provides that Authority will have a common fund called National Highways Authority of India Fund to which all receipts including borrowed funds will be credited.</i></p> <p><i>As there is a conflict between the prospectus and the provisions of NHAI Act 1988, NHAI sticks to the provisions of the NHAI, Act 1988 and make a disclosure to this effect in the Notes on Accounts (Schedule 19). As under -</i></p> <p><i>All receipts of NHAI viz. Funds received from the Ministry, Market borrowings through issue of NHAI Tax free Bonds, Taxable Bonds, NHAI Capital Gain Tax Exemption Bonds under Section 54-EC, interest on surplus funds etc. are credited in the National Highways Authority of India Funds and all expenditure is met out of this Fund as per the provisions of Article 18 of NHAI Act, 1988. As such, no separate Account is maintained for utilization of NHAI Bond proceeds.</i></p>



Audit Report		Management Reply																																		
	<p>However, the above commitments were not adhered to and NHAI has only given a general disclosure vide Note No. 9 (f) of Notes to Accounts wherein it was mentioned that 'All receipts of NHAI viz. Funds received from the Ministry, Market borrowings through issue of NHAI Tax free Bonds, Taxable Bonds, NHAI Capital Gains Tax Exemption Bonds under Section 54-EC, interest on surplus funds etc. are credited in the National Highways Authority of India Funds and all expenditure is met out of this Fund as per the provisions of Article 18 of NHAI Act, 1988. As such, no separate Account is maintained for utilization of NHAI Bond proceeds'.</p>	<p><i>In addition, the bonds being issued by NHAI are in compliance with all applicable laws related to such issue including the Securities Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 as amended from time to time. Further, certificate for compliance of applicable laws by NHAI in relation to each tranche has also been issued by the Registrar and Transfer Agents of the respective issues.</i></p>																																		
13	<p>(iv) A reference is invited to Note No. 24 pertaining to "Finalization of Accounts in Current Format" wherein it is stated that "The format of accounts has been approved by C&AG vide letter dated 22-06-1992. NHAI, since inception, is using this format. In the subsequent years some requirement based minor changes have been made in the format of accounts, mainly to satisfy audit observations or to accommodate changes in accounting policies".</p> <p>The above note is deficient to the extent that the format being used by NHAI is not in conformity with the approved format. This issue is being highlighted by the Audit since 2012-13 and instead of repeated assurances by Management, no action has been taken by the Management.</p> <p>Further, till 2017-18, a disclosure was being given in this note that based on audit observations, amendment to the Format of NHAI Accounts was pending. However, this disclosure has also been deleted without there being any changes in format of accounts.</p>	<p>(iv) <i>The issue of format of accounts was discussed in the meeting held on 01.06.2021 between the office of C&AG and NHAI. After detailed discussion it was inter-alia agreed that the format of financial statement of NHAI, which was provided in the year 1992, requires revision and the same shall be expedited. NHAI intends to take up this issue along with other major issues related to accounting of assets (highway project), establishment expenses, maintenance grant and maintenance expenditure, borrowing cost, interest income, expenditure on toll assets etc. in consultation with MoRTH and C&AG so that these issues are resolved at the earliest.</i></p>																																		
14	<p>(E) Corrections carried out at the instance of Audit:</p> <p>On the basis of observations issued during Phase-II Accounts Audit for the year 2019-20, the Management carried out corrections in the accounts to the extent of Rs.374.34 crore as detailed below:</p> <p style="text-align: right;">(Rs. in crore)</p> <table border="1"> <thead> <tr> <th rowspan="2">Sr. No.</th> <th rowspan="2">Particulars</th> <th colspan="2">Inter Head</th> <th colspan="2">Intra Head</th> </tr> <tr> <th>Debit</th> <th>Credit</th> <th>Debit</th> <th>Credit</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Assets</td> <td>210.61</td> <td>55.87</td> <td>106.57</td> <td>106.57</td> </tr> <tr> <td>2</td> <td>Liabilities</td> <td>25.87</td> <td>210.63</td> <td>1.20</td> <td>1.20</td> </tr> <tr> <td>3.</td> <td>P&L A/c</td> <td>30.04</td> <td>0.02</td> <td>0.05</td> <td>0.05</td> </tr> <tr> <td></td> <td>Total</td> <td>266.52</td> <td>266.52</td> <td>107.82</td> <td>107.82</td> </tr> </tbody> </table>	Sr. No.	Particulars	Inter Head		Intra Head		Debit	Credit	Debit	Credit	1	Assets	210.61	55.87	106.57	106.57	2	Liabilities	25.87	210.63	1.20	1.20	3.	P&L A/c	30.04	0.02	0.05	0.05		Total	266.52	266.52	107.82	107.82	<p>Corrections carried out at the instance of Audit:</p> <p><i>No comments</i></p>
Sr. No.	Particulars			Inter Head		Intra Head																														
		Debit	Credit	Debit	Credit																															
1	Assets	210.61	55.87	106.57	106.57																															
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3.	P&L A/c	30.04	0.02	0.05	0.05																															
	Total	266.52	266.52	107.82	107.82																															

Audit Report		Management Reply
v.	Subject to our observations in the preceding paragraphs, we report that the Balance Sheet and Profit and Loss account dealt with by this report are in agreement with the books of accounts.	
vi	<p>In our opinion and to the best of our information and according to the explanations given to us, the said financial statements read together with the Accounting Policies and Notes on Accounts, and subject to the significant matter stated above and other matters mentioned in Annexure I and II to this Audit Report give a true and fair view in conformity with accounting principles generally accepted in India:</p> <p>a) In so far as it relates to the Balance Sheet, of the state of affairs of the Authority as at 31st March, 2020; and</p> <p>b) In so far as it relates to the Profit and Loss Account, of the Net Establishment Expenses for the year ended on 31st March, 2020.</p>	

For and on behalf of the Board of the Authority

Place: New Delhi
Date: 14.10.2021

Member (Finance)

Chairman



Annexure I

(To the Audit Report on the Accounts of National Highways Authority of India for the year 2019-20)

<p>(1) Internal Audit System Internal Audit System of NHAI needs to be strengthened further so as to commensurate with the size of the organization.</p>	<p>(1) Internal Audit System <i>Presently a team of 54 Audit firms have been engaged and are given 1 to 5 units each based on their eligibility. Apart from this we have a resident Audit firm at NHAI, HQ who are doing the internal audit on day-to-day basis. ROs are audited on yearly basis whereas PIUs are audited on half yearly basis.</i></p>																				
<p>(2) Internal Control System</p> <p>(i) In the books of accounts of NHAI, following amounts are lying un-reconciled for long period as detailed below: (Rs. in crore)</p> <table border="1" data-bbox="215 811 786 1249"> <thead> <tr> <th>S. No.</th> <th>Details/Heads of account</th> <th>Amount</th> <th>Period</th> </tr> </thead> <tbody> <tr> <td>(i)</td> <td>Advance given against deposit work</td> <td>42.61</td> <td>Reconciliation pending for period ranging between 2003 to 2017</td> </tr> <tr> <td>(ii)</td> <td>Advances given for maintenance of highway.</td> <td>100.10</td> <td>Reconciliation pending since 2009</td> </tr> <tr> <td>(iii)</td> <td>Liability for land acquisition</td> <td>43.99</td> <td>Reconciliation pending since April 2016</td> </tr> <tr> <td>(iv)</td> <td>Other Advances</td> <td>3.84</td> <td>Reconciliation pending since 2013</td> </tr> </tbody> </table> <p>This issue was raised earlier also by Audit, however, no corrective action has been taken by the management.</p>	S. No.	Details/Heads of account	Amount	Period	(i)	Advance given against deposit work	42.61	Reconciliation pending for period ranging between 2003 to 2017	(ii)	Advances given for maintenance of highway.	100.10	Reconciliation pending since 2009	(iii)	Liability for land acquisition	43.99	Reconciliation pending since April 2016	(iv)	Other Advances	3.84	Reconciliation pending since 2013	<p>(2) Internal Control System</p> <p>(i) <i>The exercise of examination of various ledger accounts, reconciliation of balances and consequent corrections in various ledger accounts is a continuous process and are carried out at NHAI HQ as well field units level.</i></p> <p><i>Some of the cases of reconciliation of ledger accounts are more than 17 years old and all the related records in respect of these transactions are not readily available.</i></p> <p><i>Further, at the time of switch over to computerized accounting, balances under some of the ledger accounts were taken as a consolidated opening balance without capturing activity wise/party wise break up. This has made subsequent adjustment of advances difficult.</i></p> <p><i>However, on the basis of available physical records adjustments as far as possible are being made. Efforts are on to further reduce the outstanding balances.</i></p>
S. No.	Details/Heads of account	Amount	Period																		
(i)	Advance given against deposit work	42.61	Reconciliation pending for period ranging between 2003 to 2017																		
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<p>(ii) National Highways Fee (Determination of Rates and Collection) Rules 2008, as amended in January 2011 stipulated that after recovery of the capital cost of the public funded projects through user fee, the fee leviable would be reduced to 40 per cent of the user fee. MoRTH issued (24 January 2013) guidelines on the method of working out of capital cost. As per guidelines, NHAI was required to prepare project-wise balance sheet and cash flow statement from April 2013 onwards. However, NHAI in non-compliance to MoRTH guidelines failed to prepare project-wise balance sheet and cash flow statement, making computation of capital cost and resultant reduction of user fee to 40 per cent not possible.</p> <p>This issue was raised earlier also by Audit; however, no corrective action has been taken by the management.</p>	<p>(ii) <i>The funding and borrowing pattern of NHAI is not project specific still NHAI management took initiatives for project wise accounting and the process of project coding, project wise allocation of establishment and finance cost, capitalization of completed projects and charging depreciation thereon were started w.e.f. FY 2019-20 and reflected in the annual accounts 2019-20.</i></p> <p><i>However, as per the decision taken in the meeting with the office of C&AG on 01.06.2021 the entries were reversed and financial statements 2019-20 were revised.</i></p> <p><i>After detailed discussion it was inter-alia agreed that the format of financial statement of NHAI, which was provided in the year 1992, requires revision and the same shall be expedited.</i></p> <p><i>NHAI intends to take up this issue along with other major issues related to accounting of assets (highway project), establishment expenses, maintenance grant and maintenance expenditure, borrowing cost, interest income, expenditure on toll assets etc. in consultation with MoRTH and C&AG so that these issues are resolved at the earliest.</i></p>																				

<p>(iii) Debit balance of bank overdraft of Rs.634.91 crore up to 31st March 2020 has been wrongly reduced from Other Liabilities, in spite of there being a separate head of Bank Overdraft in NHAI Financial Statements, resulting understatement of debit balance of Bank Overdraft and Other Liabilities by Rs.634.91 crore.</p>	<p>(iii) <i>There is a debit balance of Rs.634.91 crore in the books of Authority on 31.03.2020 under "GLC1825-Overdraft with Canara Bank". This is due to the fact that the overdraft has been repaid and there was a deposit of Rs.634.91 crore on 31.03.2020 with Canara Bank in this account. At the time of finalization of accounts, the positive balance under overdraft account has been treated as deposit in current account with bank and has accordingly been shown in schedule 7 (e) Cash and Bank Balances (ii) Balances with Schedule Banks, Current Account Rs.781.88 Crore. This includes Rs.634.91 crore of deposit in bank overdraft account. Thus, there is no question of understatement of debit balance of Bank Overdraft and other liabilities.</i></p>
<p>(iv) Management failed to furnish any 'Confirmation of Balance' letters in regard to its Claims Recoverable, Recoverable from Subsidiary Companies, Recoverable on account of Expenditure on Eastern Peripheral Expressways, Recoverable from MoRTH and other Recoverable and same is the position in regard to payables also.</p> <p>This issue was raised earlier also by Audit; however, no corrective action has been taken by the management.</p>	<p>(iv) <i>The observations made by Audit have been noted. The matter will be examined and corrective measures shall be taken in the current financial year.</i></p>
<p>(2) System of physical verification of Fixed Assets</p> <p>System of physical verification of fixed assets in NHAI needs to be strengthened further so as to commensurate with the size of the organization.</p> <p>Also, physical verification report of IT Assets at NHAI Headquarters only, has been given to Audit while report in relation to other tangible assets located at NHAI Headquarters has not been furnished. During review of the above-mentioned physical verification report, Audit observed the following discrepancies:</p> <ul style="list-style-type: none"> • The committee which did the physical verification of IT assets comprised of all the members from the IT division only, casting doubt over the independence of the physical verification process. • In most of the report, computations of quantity column, rate column and amount column were mismatching. 	<p>(2) System of physical verification of Fixed Assets</p> <p><i>NHAI has put in place a system of annual physical verification of assets vide policy circular no. 3.4.3/2019 dated 24.10.2019. This system is followed by all the units of NHAI. Observations made by Audit have been noted for future compliance.</i></p>
<p>(3) System of physical verification of Inventory</p> <p>There is no inventory in books of NHAI.</p>	<p>(3) System of physical verification of Inventory</p> <p><i>NHAI has no inventory.</i></p>
<p>(4) Regularity in payment of Statutory Dues</p> <p>Significant instances of delay in deposit of Statutory Dues were not noticed during the audit.</p>	<p>(4) Regularity in payment of Statutory Dues</p> <p><i>No Comments.</i></p>

Annexure II

(To the Audit Report on the Accounts of National Highways Authority of India for the year 2019-20)

Sl. No.	Particular of information/ records requisitioned	Requisition No. & Date	Reminder Date	Sl. No.	Details of submission
1	Cases of theft, fraud, embezzlement, presumptive fraud, etc. as came into the notice of the Management during the year 2019-20	01 st , 9 th November, 2020	24 th November, 3 rd & 15 th December, 2020	1	<i>Out of the 37 cases pointed out by audit in Jan. 2021, record/information in respect of 30 cases have already been provided/made available to Audit.</i>
2	In NHAI a mechanism was prevailing wherein a tripartite agreement entered to facilitate funds to concessionaire from financial institutions and used to get 1% for the guarantee fee. In this regard the details of such agreements (project wise) entered, amount disbursed and guarantee fee received up to 31.03.2020 may be furnished	07 th , 24 th November, 2020	3 rd & 15 th December, 2020	2	<i>In respect of remaining 7 cases despite our best-efforts documents/information could not be provided. This is mainly due to the reason that the records/information are either not readily available with the concerned or it requires more time for collection and compilation of data.</i>
3	Detail of amount in respect of deferred premium along with the interest on the same.	07 th , 24 th November, 2020	3 rd & 15 th December, 2020	3	
4	A copy of agreement entered with the contractors in respect of the fund infusion in BOT projects. Further, also clarify that whether the same is interest bearing. If yes, detail of the interest charged in respect of the same may also kindly be furnished.	08 th , 25 th November, 2020	3 rd & 15 th December, 2020	4	<i>NHAI, during FY 2019-20 has issued a circular to all Divisions/Field offices for immediate production of records/information to Audit. During the current year, NHAI, intends to further streamline the system so that similar problem do not reoccur.</i>
5	NHAI is having in possession of three pieces of land as per records of HO (2 land pieces relating to office Bldg. and one relating to Residential Bldg. at sector 17, Dwarka In this regard the cost of land pertaining to piece of land on which presently the work relating to construction of Residential building is going on may be furnished with supporting documents. Further the status in relation with availability of title/ lease deed may also be furnished	08 th , 25 th November, 2020	3 rd & 15 th December, 2020	5	

Sl. No.	Particular of information/ records requisitioned	Requisition No. & Date	Reminder Date	Sl. No.	Details of submission
6	The amount of contingent liability for legal claims with respect to land acquisition as consolidated for all PIUs, ROs and HO level	20 th , 10 th December, 2020	15 th December, 2020		
7	Files/ records wherein it was decided that the agency charges to be accounted through memorandum accounting from the FY 2008-2009.	Vide email dated 15 th December, 2020			

