

ANNUAL REPORT 2021-22

Nation Building Through Highways



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Ministry of Road Transport & Highways
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NATIONAL HIGHWAYS AUTHORITY OF INDIA

MINISTRY OF ROAD TRANSPORT & HIGHWAYS

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ANNUAL REPORT

2021-22





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Contents

S. No.	Description	Page No.
1	Introduction	5
2	Vision and Mission	7
3	Chairman's Report	9
4	Indian Economy and Road Sector	11
5	Human Resources and Administration	13
6	Project Portfolio–Bharatmala Pariyojana	15
7	Some of the Major Projects completed by NHAI in 2021-22	27
8	Key Operational Highlights	29
9	Key Financial Highlights	31
10	Key Contracting Models for Highway Construction	33
11	Road Safety	35
12	Information Technology Initiative	37
13	Challenges and Remedial Measures	41
14	Systemic Improvements	47
15	Other Management Initiative	53
16	Welfare Activities Undertaken by the Authority	63
17	Audit	65
18	Annexure-1 List of Project Implementation Units and Regional Offices in the year 2021-22	67
19	Annexure-2 Audit Report 2021-22 by CAG	74
	(a) Balance Sheet	89
	(b) Significant Accounting Policy 2021-22	110
	(c) Notes on Accounts	115
20	Annexure-3 Management Reply to Audit Report Issued by the Comptroller and Auditor General of India on the Accounts of National Highways Authority of India for the Year Ended 31 March 2022	123



Akkulam Bridge, Kerala





01

CHAPTER

Introduction

The National Highways Authority of India (NHAI) was constituted by an Act of Parliament namely National Highways Authority of India Act, 1988 for development, maintenance and management of National Highways vested or entrusted to it by the Central Government. The Authority became operational in February 1995 with the appointment of its first Chairman.

The National Highways Authority of India (NHAI) is an autonomous agency responsible for development, maintenance and management of National Highways vested or entrusted to it by the Central Government. National Highways are the arterial roads that facilitate rapid movement of passengers and goods across the country. Spread over the length and breadth of the country, National Highways connect the national and state capitals, major cities, district headquarters, major ports and rail junctions while also providing connectivity to border roads and foreign highways.

Functions of the Authority are governed by National Highways Authority of India Act, 1988 and rules framed under the Act; Land acquisition for construction of national highways is governed by National Highways Act, 1956; and other matters related to encroachment and regulating the traffic on the highways are governed by The Control of National Highways (Land and Traffic) Act, 2002. These acts provide the governing framework for NHAI for the development, maintenance and management of the national highways entrusted to the authority by the Government.

NHAI's organogram consists of a three-tier structure – the Headquarters (HQ), Regional Offices (ROs) and the Project implementation Units (PIUs). The PIUs, headed by project directors, have been set-up in various parts of the country for decentralizing and strengthening the field level operations in NHAI. The HQ is responsible for overall supervision of the works assigned to NHAI.

NHAI receives its funding through Government support in the form of capital base, cess fund, additional budgetary support, capital grant, maintenance grant, ploughing back of toll revenue, through loan from multilateral agencies and market borrowings. NHAI is mandated to ensure that all contract awarded, and procurements conform to the best industry practices with regards to transparency of process, adoption of bid criteria to ensure healthy competition in award of contracts. It is also mandated to secure implementation of projects to best quality requirements and the highway system is maintained to ensure best user comfort and convenience.

In 2017, Government had announced Bharatmala Pariyojana, India's largest ever highway development program for a network of ~65,000 km. Bharatmala Pariyojana envisions to optimize the efficiency of road traffic movement across the country by bridging critical infrastructure gaps. The program signaled a paradigm shift to corridor approach of infrastructure development. The first phase of the program entails development of 34,800 km of national highways at a cost of INR 5.35 lakh crore connecting 600+ districts in the nation. Of this, NHAI is responsible of managing program development of ~30,257 km



length of projects. NHA also envisages development of new greenfield corridors under the Bharatmala Pariyojana to connect remote areas and opening of new avenues for the socio-economic development of the country. Development of 25 greenfield expressways and access-controlled corridors of over 9,100 km at INR 4 lakh crore is underway.

One other key initiative of NHA has been the plan to develop 35 Multimodal Logistics Parks to improve to enable seamless intermodal freight movement and offer multiple functionalities and services to users. MMLPs shall facilitate the shift from point-to-point to hub and spoke model which is a much more efficient, cheaper and environment friendly mode of logistics management. These logistics parks shall be developed in a PPP mode, where the government will be responsible for providing the land and providing external connectivity through road, rail, inland waterways, etc.

NHA has promoted the adoption of technology across the lifecycle of infrastructure development to drive efficiency, improve the quality of construction and effectively manage and maintain infrastructure. For example, Bhoomi Rashi portal has expedited the land acquisition process and improved transparency through electronic transfer of compensation. Data Lake and PMIS have been used for effective project monitoring while Drone-based surveys and GIS technology has been used to expedite development of Detailed Project Reports. Widespread adoption of ETC across the country has improved logistics efficiency and user convenience.

In recent years, NHA has expanded its vision to improve the overall transportation ecosystem of the nation including a Ropeway development program for improving connectivity in hilly regions and urban areas. There has been an extension of focus from connectivity to convenience by reducing the cost of logistics, providing multimodal and efficient transport, last-mile connectivity and improved existing supply chain infrastructure in the country.

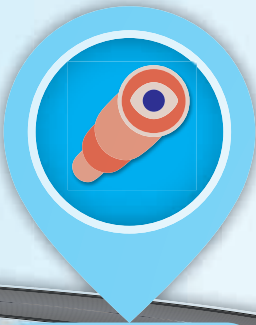


Ambala Kotputli





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.



4-laning of Nagercoil - Kavalkinaru section of NH 944





03

CHAPTER

Chairman's Report

Greetings to all. I am honored to share my views with all stakeholders and officials of National Highways Authority of India.

The highway sector has played a vital role in the country's growth story. The importance of this sector stems from the fact that the highways constitute only about 2% of total road network but caters to 40% of the traffic. NHAI, since its inception, has constructed 47,453 km and awarded 62,742 km. What is most satisfying for NHAI is not the construction of roads but the prosperity it brings by connecting regions, bringing goods and consumers closer, and truly, NHAI's impact extends beyond just what is plainly visible in its achievements. NHAI has continued with the outsourcing model which brings about advantage of keeping the organization relatively lean, at the same time, harnessing private sector efficiencies. NHAI nevertheless remains accountable to the NH users and the Government of India for the quality of service/output provided by contracted service providers, hence, NHAI has built capacity over the time for efficient procurement and monitoring of contract outputs and services.

In recent years, NHAI has expanded its vision to improve the overall transportation ecosystem of the nation, expanding focus from connectivity to convenience. Over 600 Wayside amenities are planned for award by FY 2024-25 to improve the overall commuter experience through world class facilities on National Highways. Improving safety of road transport has been a cornerstone for the ministry and due to such steps, accidents on NHs have reduced from 1.40 Lakh in 2018 to 1.16 Lakh in 2020.

NHAI has been a flagbearer in adoption of world class technology in highway construction. As a pilot project in the state of Gujarat, Drone Analytics is being implemented to progressively track construction and maintenance of highways. To go a step further, NHAI has deployed advanced real-time construction monitoring systems in Kanpur – Lucknow Expressway to remotely track the progress and quality of construction, which is planned to be deployed on other corridors after its successful implementation. NHAI has deployed Advanced Traffic Management Systems on national highways to ensure the safety of road users and provide a smooth highway driving experience.

NHAI had left no stone unturned to cope with the unprecedented COVID 19 pandemic situation—ensuring swift communication with state agencies to minimize gap in construction work, provide sufficient arrangements for safety of on-site working personnel etc. NHAI extensively used technology to minimize the impact of pandemic. Entire office work was transitioned to e-office, including entire training. Despite such challenging circumstances, I am proud to share that NHAI was able to award 6,306 km (vs. 4,818 km in FY 2020-21) and construction 4,326 km (vs. 4,218 km in FY 2020-21) length of projects. Further, NHAI awarded 5,129 km length of projects (vs. 4,290 km in FY 2020-21) under its flagship program – Bharatmala Pariyojana Phase I.

NHAI has been able to harness the full potential of smooth flow of traffic with implementation of FASTag across toll plazas with 97% of all toll payments collected through FASTag. Mandating



of FASTag for Electronic Toll Collection has eliminated manual intervention for toll collection thereby reducing waiting time at toll plazas, streamlining toll collection process and reducing leakages.

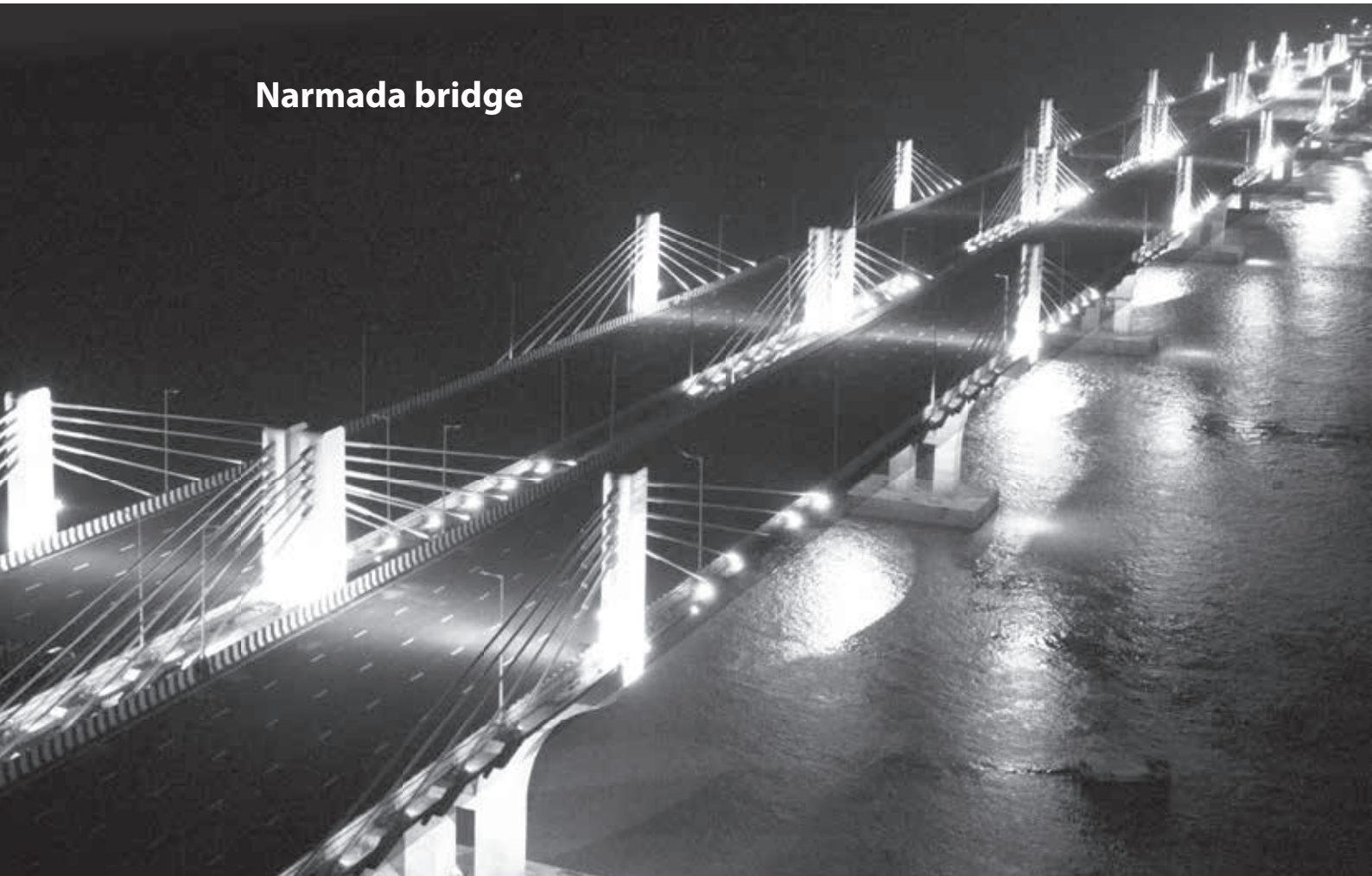
Since approval of Toll-Operate-Transfer (TOT) model by cabinet in FY 2016-17, NHAI has monetized multiple projects through this mode. This year we have awarded total length 135 km under TOT Bundle-7 at bid price of INR 6,267 Cr. To mobilize additional resources for massive Highways Development Programme, Ministry has also introduced project base financing model (SPV) for funding of major highway corridors including Delhi-Mumbai Expressway.

In line with the National multimodal logistics master plan, NHAI has further initiated planning for development of 8,000+ km of expressways and access-controlled corridors to drive the

next wave of economic growth in the country. By such initiatives, NHAI aspires to change not just the connectivity landscape of the country but also provide economic impetus to the nation's aspiration of becoming a 5 trillion-dollar economy, by accelerating freight speed, reducing logistics cost and making India competitive in the global marketplaces.

NHAI has evolved as a multidisciplinary professional body and the backbone for the road sector in the country. NHAI has a clear and evolving strategy to undertake these mega projects in a time bound and cost-effective manner. The process of continuous improvement in the system is the hallmark of NHAI's functioning. NHAI aims towards improvement of national highways across the country to bring about socio-economic development in the region and promote trade and commerce.

Narmada bridge





Indian Economy and Road Sector

4.1 Indian Economy

At least three shocks have hit the global economy since 2020. It all started with the pandemic-induced contraction of the global output, followed by the Russian-Ukraine conflict leading to a worldwide surge in inflation. The rate hike and persistent inflation also led to a lowering of the global growth forecasts for 2022 and 2023 by the IMF.

With inflation persisting in the advanced economies and the central banks hinting at further rate hikes, downside risks to the global economic outlook appear elevated.

The Indian economy, however, appears to have moved on after its encounter with the pandemic, staging a full recovery in FY 2021-22 ahead of many nations and positioning itself to ascend to the pre-pandemic growth path in FY 2022-23. There has been a real GDP growth in FY 2021-22 of 8.7 per cent, 1.5 per cent higher than the real GDP in FY 2019-20. Agencies worldwide continue to project India as the fastest-growing major economy at 6.5-7.0 per cent in FY 2022-23.

The Capital Expenditure (Capex) of the central government, which increased by 63.4 per cent in the first eight months of FY 2022-23, was another growth driver of the Indian economy in the current year, crowding in the private Capex since the January-March quarter of 2022.

A sustained increase in private Capex is also imminent with the strengthening of the balance sheets of the Corporates. There has been an investment of ₹ 47,500 crores under the PLI schemes in FY 2021-22 - 106% of the

designated target for the year. Consequently, the credit growth to the Micro, Small, and Medium Enterprises (MSME) sector has been remarkably high, over 30.6 per cent, on average during Jan-Nov 2022, supported by the extended Emergency Credit Linked Guarantee Scheme (ECLGS) of the Union government.

As per the findings of the 2022 report of UNDP on Multidimensional Poverty Index, 41.5 crore people exit poverty in India between FY 2005-06 and FY 2019-20.

(Source: Economic Survey, PIB)

4.2 Infrastructure Sector in India

A robust and resilient Infrastructure is fundamental to the growth of the economy and its sectors. Investment in infrastructure sector has a multiplier effect on overall economic growth as it catalyzes industrial growth and manufacturing.

Aimed at boosting investment in the infrastructure sector, the government has undertaken a host of reforms including strong budgetary support, foreign direct investment up to 100% in road sector, duty free import of high capacity and modern construction equipment. The National Investment and Infrastructure Fund has been created to provide investment opportunities to commercially viable projects. Besides, a Credit Enhancement Fund for infrastructure projects for increasing the credit rating of bonds floated by infrastructure companies is also in the offing.

The focus remains on reducing the cost of logistics, providing multimodal and efficient transport, last mile connectivity and improved existing



supply chain infrastructure in the country. With Bharatmala Pariyojana for highway development and Sagarmala for comprehensive development of India's coastline, navigable waterways and maritime sector, Indian infrastructure sector is steadily heading towards being world class.

4.3 Road Sector

4.3.1 Road transport is considered to be one of the most cost effective and preferred modes of transport, both for freight and passengers as it provides last mile connectivity and penetration in populated areas. A good road network is vital to the economic development and social integration of the country. It provides connectivity to remote areas, accessibility to markets, schools, and hospitals; and opens up backward regions to trade and investment. Roads also play an important role in inter-modal transport development, establishing links with airports, railway stations, and ports.

4.3.2 National Highways form the economic backbone of the country and have often facilitated development along their routes with many new towns developing alongside the major highways. It also contributes to generate long-term employment through a large number of small restaurants, inns (known as dhabas) and other way side amenities along their length. The National Highways facilitate medium and long-distance inter-city passenger and freight traffic across the country. The State Highways are intended to carry the traffic along major centers within the State. Other District Roads and Village Roads provide accessibility to the towns and villages to meet their social needs as also the means to transport agriculture produce from villages to nearby markets. Major District Roads provide the secondary function of linkage between main roads and rural roads.

4.3.3 India has the second largest road network in the world after USA. India's road network stands at over 63,71,847 km. This comprises National Highways, Expressways, State Highways, Major

District Roads, other District Roads and Village Roads as under:

Particulars	Kms
National Highways/ Expressway	1,40,995
State Highways	1,71,039
Other Roads	60,59,813
Total	63,71,847

Source: Ministry of Road Transport & Highways Annual Report for FY 2021-22

4.3.4 Global trends in infrastructure indicate increased focus on technology tools and IT applications to unlock operational efficiencies. In road sector, IT applications are progressively mainstreamed in all aspects. Use of Electronic Toll collection (ETC) has been one of the path breaking initiatives. It aims at eliminating the delay on toll roads by collecting toll electronically through RFID which uniquely identifies each vehicle and thus makes the system efficient.

4.3.5 NHA has made ETC compulsory through FASTag starting 15 February 2021. This enables users to make toll payment directly from the prepaid or savings account linked to it. Initially, dedicated lanes were built at some toll plazas. Further, FASTag has been made a mandatory requirement under the Central Motor Vehicles Rules 1989 while renewing 3 Party Insurance w.e.f. 1 April, 2021.

FASTag lanes were made available on national highways. Average FASTag collection was over ₹ 130 Cr per day in Mar 2022 which was approx. 30% higher than in March 2021. There has been a steady recovery on toll collection via FASTag post 2nd COVID wave.

To enable MoRT&H's vision of "zero wait time" at toll plazas with pass through tolling, the pilot for Gantry mounted Automatic Number Plate Recognition (ANPR) technology is currently under progress on Delhi Meerut Expressway. Barrier free tolling technologies are planned for implementation across all greenfield corridors in the country.





Human Resources and Administration

5.1 Organizational 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 organizations. 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 has been mandated to increase the strength of regular officers to the tune of 50% of the total work force. NHAI is moving in this direction by inducting technical officers at the level of Deputy Manager through GATE score of IIT. Also, NHAI has been empowered to create

all posts upto 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 six part time Members and 2 non-Government part time Members. The status of the Board as on 31.03.2022 is as under:

Full-time Members	Name
Chairperson	Smt. Alka Upadhyaya, IAS (MP: 90)
Member (Administration)	Shri Alok, IAS (RJ : 93)
Member (Finance)	Shri N.R.V.V.M.K Rajendra Kumar
Member (PPP)	Vacant
Member (Projects)	Shri R.K. Pandey
Member (Projects)	Shri Manoj Kumar
Member (Technical)	Shri Mahabir Singh

Full-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	Shri Giridhar Aramane
Director General (RD) & SS, MoRT&H	Vacant



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

5.3 Human Resource

NHAI is a lean organization and has a staff strength of 1165 for managing the projects portfolio of more than 65,000 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 2021-22, there are 25 Regional Offices, 185 PIUs and 06 Site 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 31.03.2022 is as under:

Group of post	Present strength of the employees	Regular	Deputation	Contract	SC	ST	OBC	Person with disability
A	753	506	246	01	92	38	184	07
B	295	286	08	01	48	04	82	01
C	117	116	0	01	09	02	45	01
Total	1165	908	254	03	149	44	311	09

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 programme	No. of Programmes	No. of officers who attended the Programme
84	910	NIL	NIL



Project Portfolio—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 1 of Bharatmala Pariyojana on 24th October 2017. Phase-1 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.

Out of the 34,800 km, 559 projects, having a length of 19,790 km and total capital cost of ₹ 643,240 crore have been awarded under the Bharatmala

Pariyojana projects till date under NHAI. As for the current year, 168 projects of 5,129 km length and capital cost of ₹ 224,780 crores were awarded in FY 2021-22. In comparison, 125 projects of 4,290 km length and capital cost of ₹ 158,525 crores were awarded in previous year of FY 2020-21.

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).

During the optimization exercise, the need for development of additional length of expressways and economic corridors in Phase I of Bharatmala Pariyojana to enhance the arterial National Highway network was identified. However, the total length for National Highway development under Phase I of Bharatmala Pariyojana (excluding residual NHDP) has been maintained at 24,800 km.

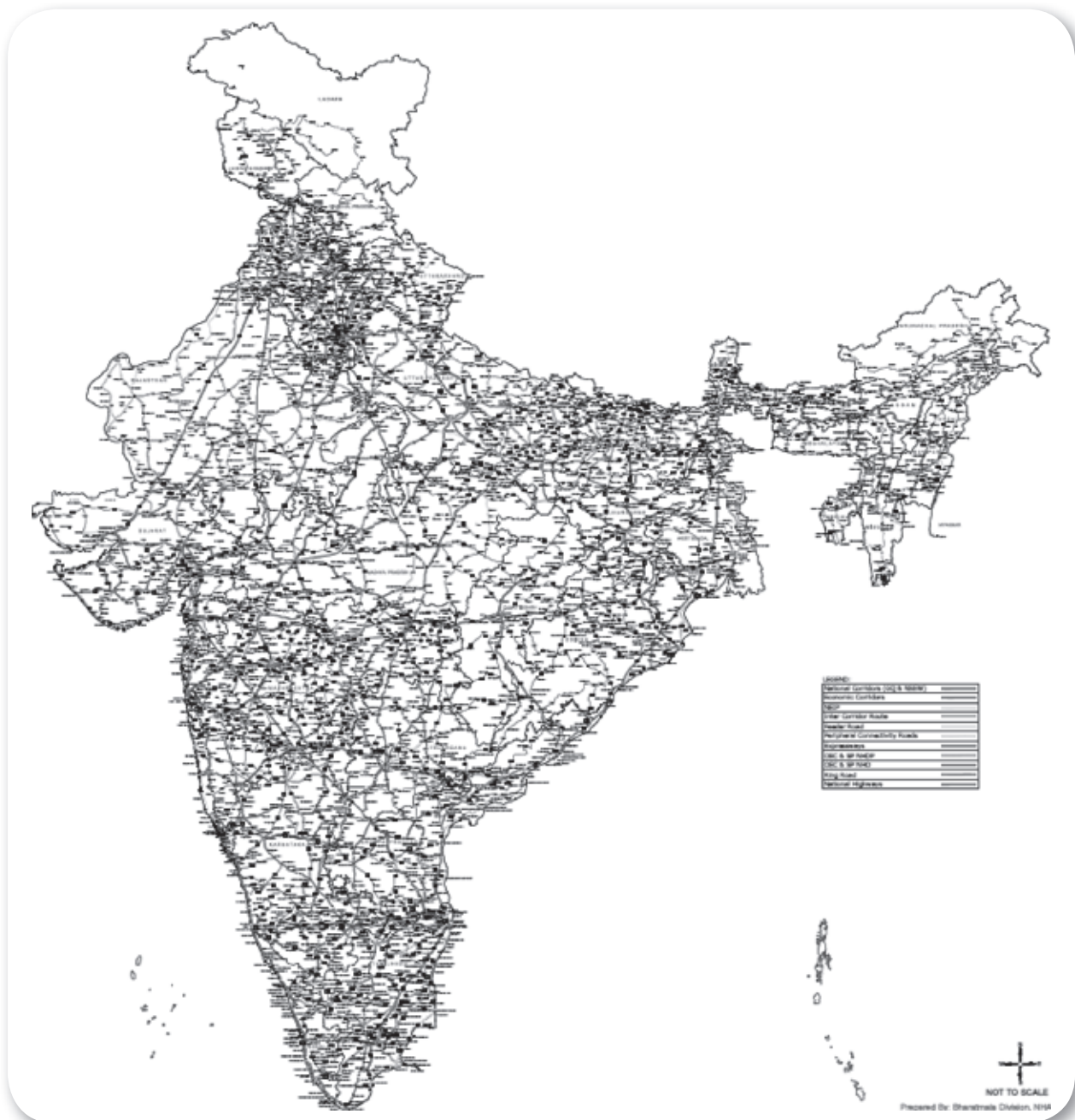
Overall, NHAI has a mandate to develop 22,016 km out of the 24,800 km length to be developed under Bharatmala Pariyojana. The component wise breakup of length entrusted to the three implementation agencies is provided in the table below:

Sr. No.	Component	CCEA Approval for Bharatmala Phase 1 (in km)	Revised length after Optimization (km)	Length with NHAI (km)	Length with MoRTH (km)	Length with NHIDCL (km)
1	Economic Corridors	9,000	12,002	10,200	757	1,045
2	Inter Corridor Routes	6,000	5,040	4,291	121	629
3	Feeder Routes					
4	National Corridors	5,000	2,601	2,576	0	25
5	Border & International Connectivity Roads	2,000	1,620	1,412	0	208



Sr. No.	Component	CCEA Approval for Bharatmala Phase 1 (in km)	Revised length after Optimization (km)	Length with NHAI (km)	Length with MoRTH (km)	Length with NHIDCL (km)
6	Coastal & Port Connectivity Roads	2,000	1,059	1,059	0	0
7	Expressways	800	2,479	2,479	-	-
Bharatmala		24,800	24,800	22,016	878	1,907
NHDP		10,000	10,000	8,241	1,478	280
Total Bharatmala Pariyojana		34,800	34,800	30,257	2,356	2,187

Bharatmala Pariyojana Map

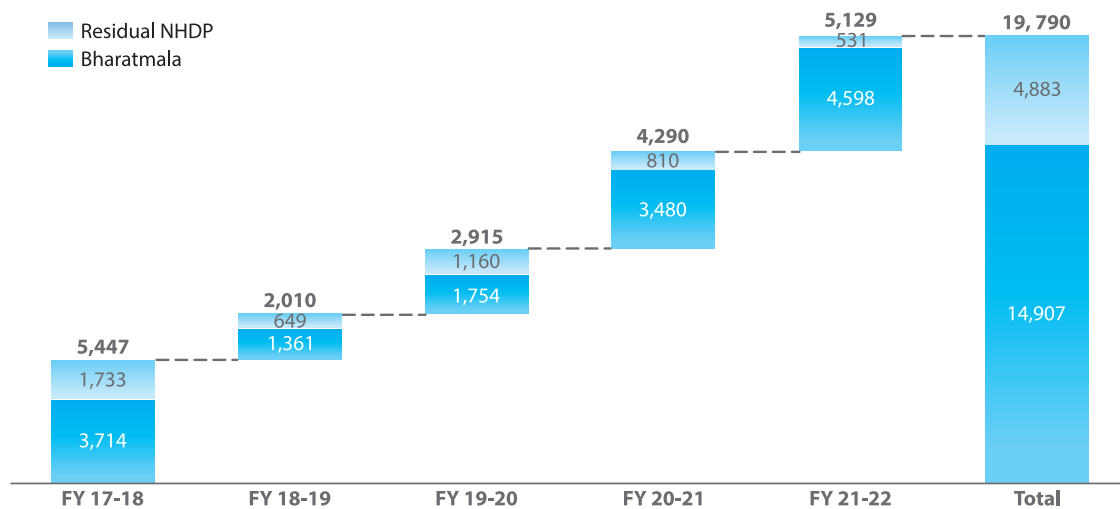




Award Status of Bharatmala Pariyojana:

A total of length of 5,906 km was awarded by NHAI in FY 2017 – 18, comprising of 3,938 km of projects of Bharatmala Pariyojana and 1,968 km of residual NHDP projects. In addition, projects with length 1,378 km have been awarded by NHAI, under Bharatmala Pariyojana in the FY 2018 - 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 2018 - 19. In total, 2,049 km has been awarded by NHAI under Bharatmala Pariyojana including residual NHDP in FY 2018 – 19. NHAI further 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 2019-20. NHAI has awarded a length of 4,290 km i.e. 3,480 km under Bharatmala Pariyojana and 810 km under residual NHDP in FY 2020-21. In the current financial year FY 2021-22, NHAI has awarded a length of 5,129 km i.e. 4,598 km under Bharatmala Pariyojana and 531 km under residual NHDP

The summary of the progress can be seen in the chart below:



As it can be seen NHAI has maintained a healthy pace of award and ~20% of extra length has been awarded compared to that of FY 2020-21.

The progress of awarded projects (of NHAI) across the different corridor types can be seen in the table below:

Classification	Projects	Length (km)
Economic Corridor	169	5,807
Inter Corridor Routes	47	2,043
Feeder Routes	18	649
National Corridors	61	1,686
National Corridor Efficiency Improvement	27	738
Expressways	83	2,389
Border Roads	11	1,338
Coastal Roads	2	77
Port Connectivity	8	180



Classification	Projects	Length (km)
Total	426	14,907
Residual NHDP	133	4,883
Grand Total	559	19,790

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

Out of the total approved financial outlay of ₹ 3,85,000 Crore for projects to be awarded under Bharatmala Pariyojana Phase-I, projects of length 14,907 km have been awarded till FY 2021-22 with a total expected financial outlay of ₹ 5,23,392 Cr. Similarly, against the approved outlay of ₹ 1,50,000 Crore for residual NHDP projects, projects with length 4,883 km have been awarded till FY 2021-22 post the approval of Bharatmala Pariyojana with an expected financial outlay of 119,848 Cr. 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	169	5,807	198,812
Inter Corridor Routes	47	2,043	46,573
Feeder Routes	18	649	17,547
National Corridors	61	1,686	58,913
National Corridor Efficiency Improvement	27	738	37,560
Expressways	83	2,389	151,501
Border Roads	11	1,338	9,813
Coastal Roads	2	77	1,171
Port Connectivity	8	180	1,501
Total	426	14,907	523,392
Residual NHDP	133	4,883	119,848
Grand Total	559	19,790	643,240

Expressways and Access Controlled Corridors:

Bharatmala Pariyojana envisages the development of 34,800 km of national highways at a total cost of 5.35 lakh crores under phase - 1 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 ~800 km to 2,489 km which is proposed for development under phase – 1 of Bharatmala. Similarly, shorter greenfield alignments were identified across economic and other national corridors which are targeted to be developed as access -controlled highways. 20 access-controlled corridors with a total length of 6,635 km have been identified for development under phase 1 of Bharatmala.



Expressways under Bharatmala Pariyojana Phase 1

Expressways with a length of 2,489 km have been identified under phase -1 of Bharatmala Pariyojana. Out of these 2,489 km, projects with length 2,368 km have already awarded. The table below provides the list of these corridors along with the status as on 31st March 2022:

S. No.	Corridor Name	Under Construction		Awarded - Not Appointed		Approved- Yet to be Awarded		Yet to be Approved		Total	
		Length	Total Capital Cost (INR Cr.)	Length	Total Capital Cost (INR Cr.)	Length	Total Capital Cost (INR Cr.)	Length	Total Capital Cost (INR Cr.)	Length	Total Capital Cost (INR Cr.)
		(km)		(km)		(km)		(km)		(km)	
1	Delhi - Mumbai EXP	1,198	76,340	139	18,161	0	0	49	6,919	1,386	101,420
1.A	Delhi – Vadodara	845	41,841	0	0	0	0	0	0	845	41,841
1.B	Vadodara – Mumbai	293	29,167	139	18,161	0	0	18	4,680	450	52,008
1.C	Delhi - Faridabad – Sohna	60	5,333	0	0	0	0	31	2,239	91	7,572
2	Ahmedabad – Dholera	109	4,192	0	0	0	0	0	0	109	4,192
3	Bengaluru – Chennai	95	6,353	167	10,377	0	0	0	0	262	16,730
4	Delhi - Amritsar - Katra	265	13,560	332	20,686	0	0	72	3,278	669	37,524
5	Kanpur - Lucknow EXP	0	0	63	4,063	0	0	0	0	63	4,063
	Expressway Total	1,668	100,445	700	53,287	0	0	121	10,198	2,489	163,930

Access controlled corridors Bharatmala Pariyojana Phase 1

Along with the expressways, access controlled corridors with length 6,635 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 2022 is shared in the table below:

S. No.	Corridor Name	Under Construction		Awarded - Not Appointed		Approved- Yet to be Awarded		Yet to be Approved		Total	
		Length	Total Capital Cost (INR Cr.)	Length	Total Capital Cost (INR Cr.)	Length	Total Capital Cost (INR Cr.)	Length	Total Capital Cost (INR Cr.)	Length	Total Capital Cost (INR Cr.)
		(km)		(km)		(km)		(km)		(km)	
6	Ambala – Kotputli	313	11,375	0	0	0	0	0	0	313	11,375
7	Amritsar - Bhatinda - Jamnagar	762	17,483	155	5,275	0	0	0	0	917	22,757
7.a	Amritsar to Bhatinda	0	0	155	5,275	0	0	0	0	155	5,275
7.b	Sangariya to Santalpur	762	17,483	0	0	0	0	0	0	762	17,483



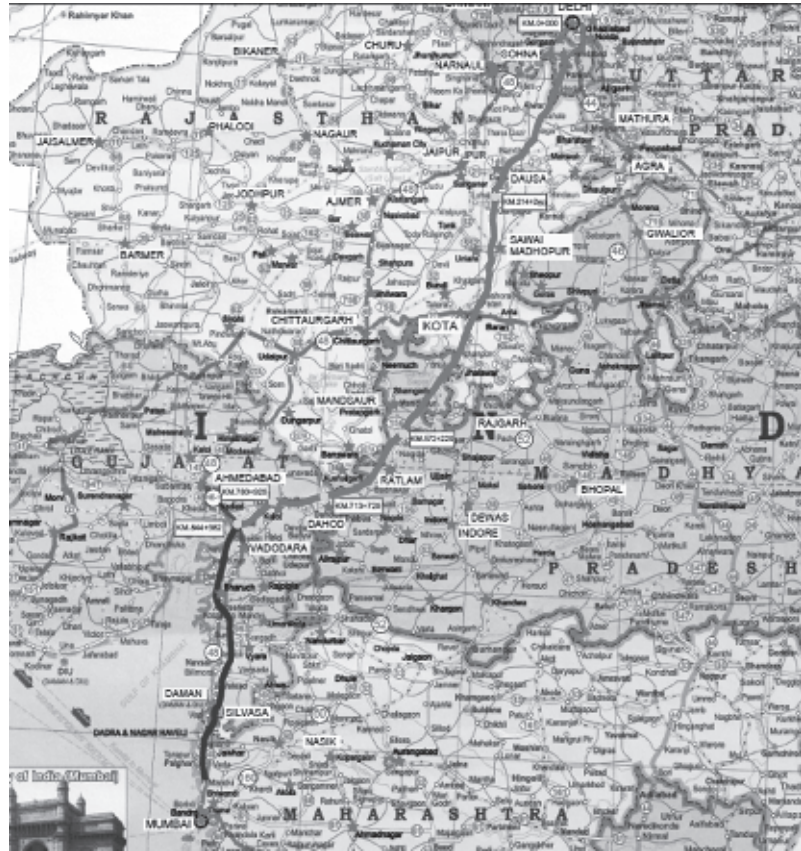
S. No.	Corridor Name	Under Construction		Awarded - Not Appointed		Approved- Yet to be Awarded		Yet to be Approved		Total	
		Length (km)	Total Capital Cost (INR Cr.)	Length (km)	Total Capital Cost (INR Cr.)	Length (km)	Total Capital Cost (INR Cr.)	Length (km)	Total Capital Cost (INR Cr.)	Length (km)	Total Capital Cost (INR Cr.)
8	Raipur – Vishakha patnam	289	9,426	176	7,087	0	0	0	0	465	16,513
9	Hyderabad Vishakh-apatnam	59	2,032	163	3,889	0	0	0	0	222	5,921
10	UER II	75	7,010	0	0	0	0	0	0	75	7,010
11	Chennai - Salem	0	0	0	0	0	0	277	7,232	277	7,232
12	Chittor Thatchur	0	0	116	4,754	0	0	0	0	116	4,754
13	Bangalore Ring Road	80	2,689	56	3,042	0	0	144	5,291	280	11,022
14	Delhi - Saharanpur - Dehradun	47	4,642	173	7,099	19	860	0	0	239	12,601
15	Durg Raipur Arang	0	0	0	0	0	0	92	3,333	92	3,333
16	Surat - Nashik- Ahmednagar- Solapur	121	3,104	0	0	0	0	598	20,817	719	23,921
17	Solapur- Kurnool - Chennai	39	1,123	189	5,831	66	2,125	46	1,738	340	10,817
18	Indore - Hyderabad	407	10,001	34	1,305	0	0	84	2,453	525	13,759
19	Kharagpur - Siliguri	0	0	0	0	0	0	235	8,635	235	8,635
20	Kota Indore (Garoth to Ujjain)	0	0	135	2,594	0	0	0	0	135	2,594
21	Sanchoe - Deesa - Mehsana - Ahmedabad	0	0	0	0	0	0	212	7,790	212	7,790
22	Bengaluru- Kadappa - Vijayawada EXP	0	0	0	0	0	0	342	13,559	342	13,559
23	Varanasi- Ranchi - Kolkata	0	0	0	0	0	0	612	22,490	612	22,490
24	Kota – Etawah	0	0	0	0	0	0	412	12,140	412	12,140
25	Mohali - Sirhind - Khanna Bypass - Malerkotla - Barnala	0	0	0	0	0	0	108	2,111	108	2,111
	Access Controlled	2,192	68,884	1,197	40,877	84	2,985	3,162	107,588	6,635	220,335
	Expressway	1,668	100,445	700	53,287	0	0	121	10,198	2,489	163,930
	Grand Total	3,860	169,330	1,897	94,164	84	2,985	3,282	117,786	9,124	384,265



Salient Features of Greenfield Corridors under Implementation

Delhi – Mumbai Greenfield Corridor: 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 1,386 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 101,420 crores, 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 of Delhi and the financial capital of 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 40 – 60 km of travel distance, 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%.

Two section of the corridor, Delhi – Jaipur – Lalsot (246 km) & Vadodara – Ankleshwar (100 km) will be made operational in Feb'23 and Jul'23 respectively. The overall Corridor is targeted to be completed in 2024.

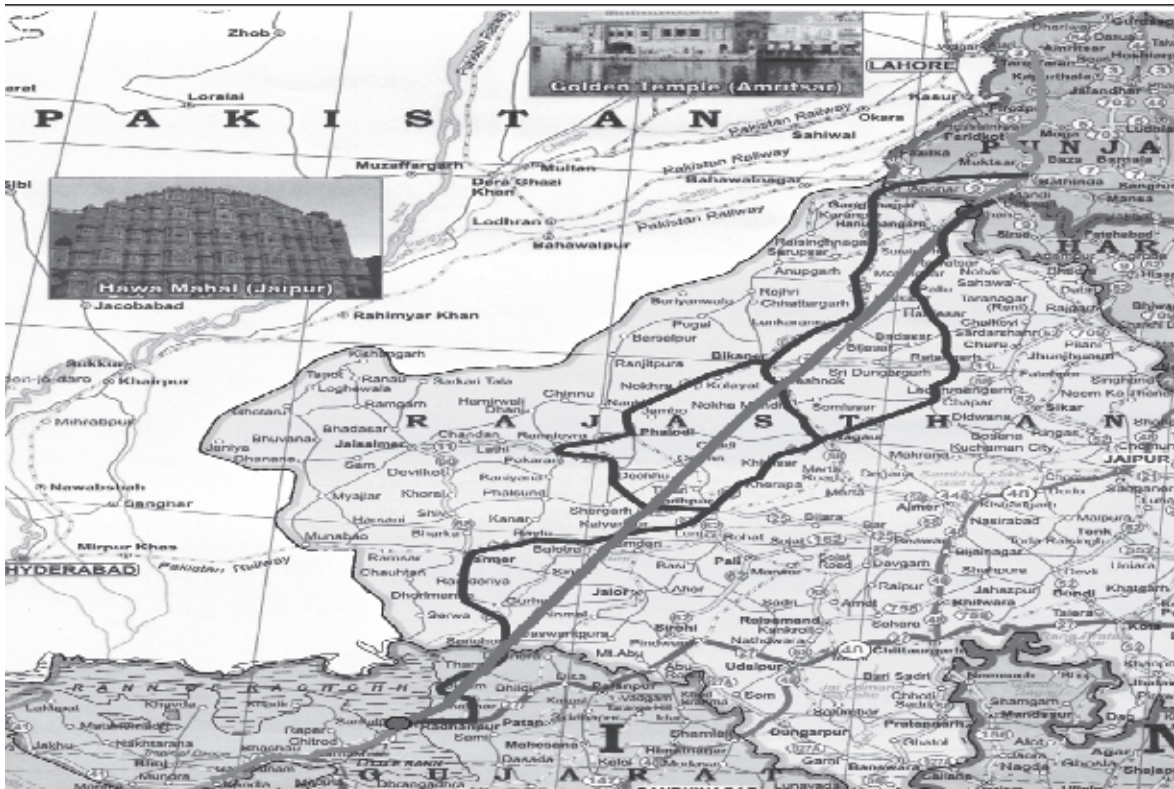
Salient Features of Ambala – Kotputli (Trans Haryana) Corridor:

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. The overall corridor is targeted to be open to traffic by August'22.

Salient Features of 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. The corridor is in advanced stages of construction and the 637 km long Rajasthan section of the corridor will be opened to traffic in Jun'23.

Salient Features of 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 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 vis-a-vis.

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, 1 project (Assam) is being undertaken by NHIDCL. Bids have been invited for 3 locations (Chennai, Bengaluru, Nagpur). DFR is ongoing for 1 site (Indore) and consultant is being engaged for DFR of 2 sites (Vishkahapatnam, Anantapur). Pre-feasibility study is on-going for 23 locations.

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 through 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 45 congestion points. Interventions are under construction in 86 congestion points. In addition, detailed project reports are being prepared for 60 congestion points.

The summary of status of the intervention of the 191 congestion points as on 31st March 2022 is provided in the table below:

Status of Intervention Planned	# of Congestion Points
Interventions Planned	191
<i>Completed</i>	45
<i>Under Progress</i>	86
<i>Detailed Project Report Being Prepared</i>	60
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.





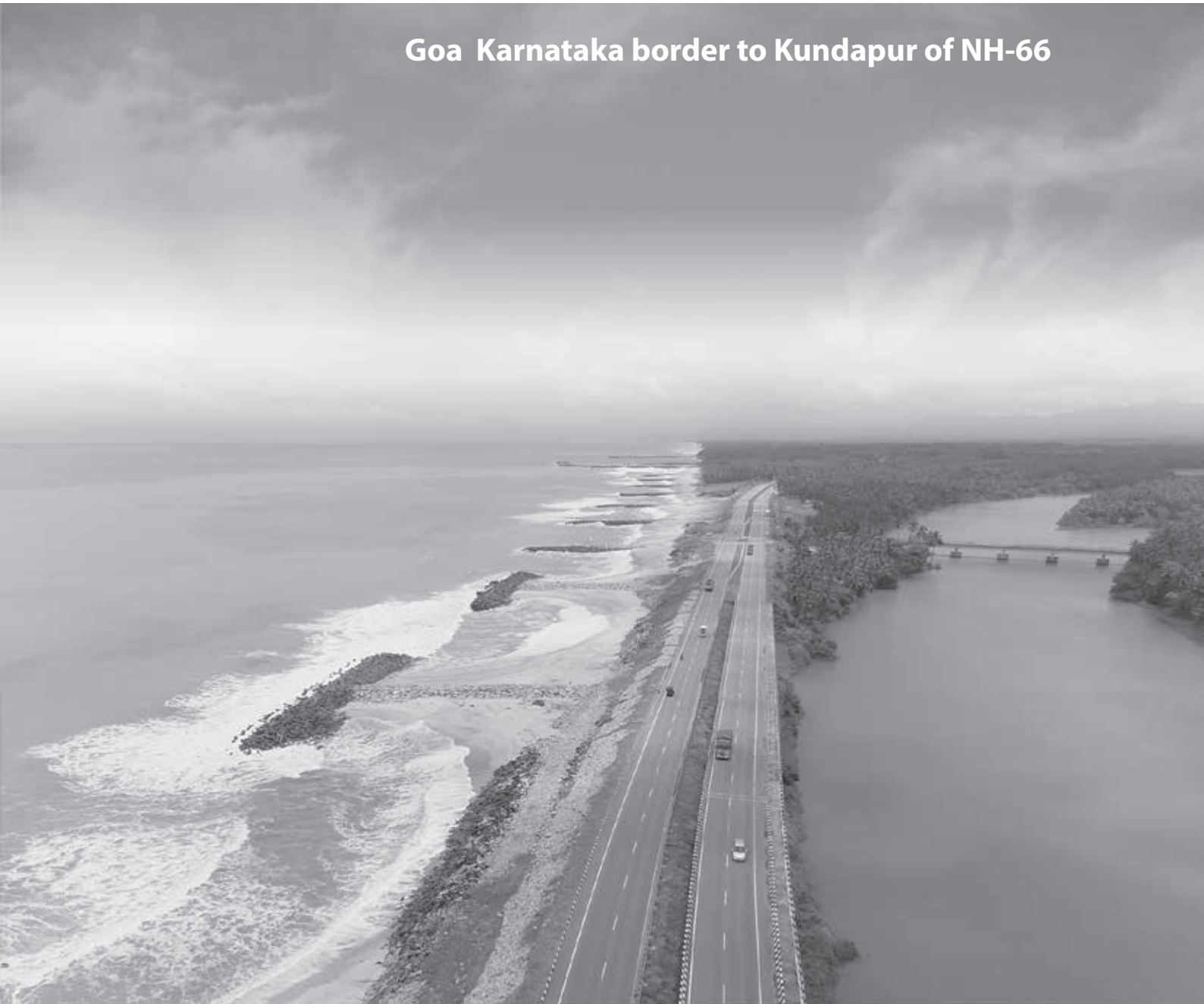
- ii. **Improved passenger convenience:** Transits are seamless as various transport modes operate from the same premises. These stations will also provide international standard amenities and cater to needs of a wide passenger demographic.

Feasibility study is being carried out for IMS Varanasi. DPR has been initiated for IMS Katra and consultant is being engaged for IMS Tirupati. Fresh DPR will be initiated for IMS Nagpur.

Ropeways

As an alternative mode of last mile sustainable connectivity, the Government has initiated Parvatmala Programme is being implemented for the development of ropeways to improve accessibility & convenience for passengers and to promote tourism in hilly regions (e.g., Kedarnath, Hemkund Sahib) and to ease traffic movement in congested urban locations (e.g., Varanasi, Ujjain).

Goa Karnataka border to Kundapur of NH-66





Bhatinda Malout Section of NH - 07





Some of the Major Projects completed by NHA in 2021-22

7.1 Main Elevated Corridor (MEC)

Mumbai Agra (old NH-3) bisects Nashik city into two halves & Nashik segment was witnessing huge number of accidents. It was decided to construct Multi-elevated Segmental Corridor (MEC) for this segment. Work was started in October, 2018 and completed in September, 2021, delay majorly attributable to epidemic. It was a tough challenge to retrofit corridor in available ROW given labyrinth of utilities, Urban built environment & heavy highway traffic coupled with urban traffic. MEC length is 2.75 Km with two sets of Up/down ramps. MEC is based on 'Deck Continuity' or 'Sucker Deck principle'. Overall design is very aesthetic with gentle curves. MEC apart from its utilitarian uses is in complete harmony with City. What is more noteworthy is seamless integration of old MEC with new MEC with gentle valley curve that enhances beauty, aesthetics & comfort to passengers. Another innovation was ternary concrete mix in which cement, flyash and microsilica were used for speedier gain of compressive strength and earlier prestressing.

Apart from this MEC, 4 Nos. flyovers and 01 No. Underpass was also constructed & dedicated to Nation by Hon'ble Minister, RT&H, Shri Nitin Gadkari on 4th October, 2021.

This project was awarded for '**Excellence in recognition of outstanding contribution in Bridges in 2021**' in a Programme Dtd. 28th June, 2022 graced by Hon'ble Speaker Loksabha, Hon'ble Minister for RT&H, Hon'ble Minister of State for RT&H at New Delhi. Concludingly Nashik Citizens welcomed this new MEC whole heartedly and it has brought great relief to local commuters as well as Highway traffic with substantial reduction in fatalities.

COD was achieved & toll collection commenced from 1st November, 2021 for additional Structures with substantial increase in toll collection.

7.2 Four laning Quazigund to Banihal section of NH-1A (KM 189.350 to KM 220.700) including 8.45 Km length twin tube tunnels

The Quazigund-Banihal tunnel is 8.45 Km long 4-lane twin tube tunnel constructed with an investment of ₹ 2027 Cr. The construction of the tunnel started on 05.06.2011 and was completed on 31.07.2021. It is located in Pir Panjal range in J&K connecting Banihal in Jammu with Quazigund in Kashmir province. It has replaced the existing Jawahar Tunnel which has limited capacity of 150 vehicles per day in either direction and high elevation of 2194 m (7198 ft). It has been designed at a lower elevation of 1790 m (5870 ft) i.e. 400 m lower than the existing Jawahar tunnel making it less prone to avalanches and provides all weather connectivity. This tunnel is constructed using the most advance technology in the world- **New Austrian Tunneling Method (NATM)**- of sequential excavation. It has been provided State-of-the-art monitoring and control systems for security as well as ventilation for extracting smoke, stale



air and infusing fresh air into the tunnel. Both tubes are interconnected by a cross passage at every 500 m interval for maintenance and emergency evacuation. This tunnel has reduced road distance between Jammu and Srinagar by 16 km, resulting in time saving of 1-1.5 hrs. This results in Annual time savings equivalent to about ₹ 300 Cr and annual fuel savings of about ₹ 90 Cr. Together with Dr. Shyama Prasad Mookerjee (Chenani-Nashri) Tunnel the distance between Jammu and Srinagar has reduced by about 50 Kms and the travel time by about 3-4 hrs (9-10 hours earlier to 5-5.5 hours now) resulting in fuel and time savings equivalent to ₹ 3 Cr per day or ₹ 1000 Cr per annum.





08

CHAPTER

Key Operational Highlights

8.1 Project Award & Completion:

A summary of length awarded and length completed since 2006-07 is as follows;

Financial Year	Length Constructed (Km.)	Length Awarded (Km.)
2006-07	636	1730
2007-08	1684	1234
2008-09	2205	643
2009-10	2693	3359
2010-11	1783	5058
2011-12	2248	6491
2012-13	2844	1116
2013-14	1901	1435
2014-15	1510	3103
2015-16	1937	4658
2016-17	2588	4366
2017-18	2993	7396
2018-19	3264	2228
2019-20	3979	3211
2020-21	4218	4898
2021-22	4331	6306

8.2 Land Acquisition :

Achievements	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Land Notified u/s 3D (Ha.)	6432	8303	10275	25980	33430	23805	16690
Possession (Ha.)	9285	7491	9494	18850	12092	20038	16510



8.3 Collection of user fee:

During the year 2021-22, 4,244 Kms (Public Funded fee plazas NHA: 2,855 Km, Fee plazas transferred from MoRTH : 1,389 Km) of completed National Highway sections have been added for tolling. The total length under tolling is 38,315 kms. [Public Funded 23,557 Kms; OMT 1,594 Kms, BOT (Toll) 11,927 Kms and TOT 1,237 Kms]. User Fee (Toll) is being collected on 38,315 Km length/sections completed on Public Funded/ BOT (Toll)/OMT/TOT mode involving 733 user fee plazas (281 Concessionaire and 452 Public Funded).

8.4 Toll-Operate-Transfer (ToT) Contacts

- In 2016, CCEA had authorized NHA for Monetization of Public Funded NH Projects. NHA had launched an Asset recycling initiative through Toll Operate Transfer (TOT) model. NHA has been authorized to monetize public funded NH Projects which are operational and are collecting toll for at least one year through the Toll Operate Transfer (ToT) model.
- 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 to the Indian Developers and platform developed by Pension and Foreign Infrastructure and Pension Funds.
- Till FY 2021-22, 19 stretches comprising of 1300 km have already been monetized through ToT mode in 3 Bundles, i.e. ToT Bundle-1, ToT Bundle-3 and ToT Bundle- 5(A-1). A sum of ₹ 15,703 crore already realized and remitted to CFI.

Awarded Projects under ToT (Awaiting appointed date) –

- ToT Bundle -5 (A-2) with total length of 105.900 km of the stretch of Palanpur-Radhanpur-Samakhiyali Section in the state of Gujarat was awarded in March.2021 and a sum of ₹ 1251 crore likely to be realized in Q-1 of FY 2022-23 as detailed below:

Details of Projects Awarded under ToT Bundle-5 (A-2)

S. No.	Section	Length in Km	Awarded Cost	Name of the Bidder
1	Palanpur-Radhanpur-Samakhiyali Section from km 536.000 to km 430.100 of NH-27 in the state of Gujarat	105.900	₹ 1251 Cr.	M/s D.P. Jain & Co. Infrastructure Pvt. Ltd.

- ToT Bundle – 7 with total length of 135.00 km of the stretch of Eastern Peripheral Expressway (EPE) Section in the state of Haryana & Delhi was awarded in March, 2022 as detailed below:

Details of Projects Awarded under ToT Bundle-7

S. No.	Section	Length in Km	Awarded Cost	Name of the Bidder
1	Eastern Peripheral Expressway (EPE)	135.00	₹ 6267.10 Cr.	M/s Indian Highways Concessions Trust

- ToT Bundles 2, 6 & 8 were annulled due to highest bid being lower than the Initial Estimated Concession Value (IECV) and ToT Bundle-4 was withdrawn as per the decision for non-disclosure of IECV.
- In addition to above, NHA is in a process of identifying the potential stretches for Asset Monetization and priority & mode of monetization shall be decided as per project viability and market appetite.



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, plough back of (a) toll revenue and (b) asset monetization;
- (ii) Loan from multilateral agencies;
- (iii) Market borrowings, Domestic and International.

9.1.2 The sources of Funds during the year 2021-22 are as under:

- i) A sum of ₹ 36,210 Crore in the form of Cess Fund for capital investment in National Highways from Central Road and Infrastructure Fund NHAI from Ministry of Road Transport & Highways through Union Budget. NHAI has also received additional budgetary support to the tune of ₹ 16,142.18 Crore for development of National Highways (Original) work during the current fiscal, capital grant (JICA & WB) of ₹ 1,000.00 Crore.
- ii) NHAI has raised ₹ 5,028.45 Crore by way of Capital Gains Tax Exemption Bonds under section 54EC of Income Tax Act, 1961 apart from raising ₹ 17,120.70 Crore through taxable bonds from domestic market and a term loan of ₹ 59,000.00 Crore from SBI, Axis Bank, HDFC, ICICI, IndusInd, Canara and Bank of Baroda.
- iii) NHAI has deposited a total amount of ₹ 13,962.83 Crore (Toll Revenue Rs. 10,743.06 Crore Shared Revenue ₹ 1,989.94 Crore, Negative Grant ₹ 1,153.25 Crore, non-FASTag penalty ₹ 76.58 Crore) on account of toll receipts and ₹ 1,011.00 crore towards ToT receipts into Consolidated Fund of India (CFI) during 2021-22. Against this, the Ministry has released ₹ 12,670.00 Crore towards toll plough back and ₹ 5,000.00 crore towards ToT plough back to NHAI through Permanent Bridge Fee Fund (PBFF). Authority has also received ₹ 7,350.40 Crore as concession fee from InvIT (phase-I).
- iv) Ministry of Road Transport and Highways has also provided ₹ 1,872.76 Crore for maintenance of national highways.

9.2 Fund raising:

- i) Funds amounting to ₹ 17,120.70 crore were raised through taxable bounds on e-bidding basis. The investors include institutions like LIC & EPFO, Banks, Insurance Companies, Pension Fund, QIBs etc.
- ii) A sum of ₹ 59,000.00 crore was raised as Term Loan from Bank (₹ 20,000.00 crore from State Bank of India, ₹ 10,000.00 crore from Bank of Baroda, ₹ 10,000.00 crore from Canara Bank, ₹ 6,500.00 crore from HDFC Bank, ₹ 6,500.00 crore from ICICI Bank, ₹ 3,000.00 crore from Axis Bank and ₹ 3,000.00 crore from IndusInd Bank.



- iii) Funds to the tune of ₹ 5,028.46 Crore were raised by way of 54EC Bonds during the period reported upon.
- iv) Govt. of India introduced ETF (Exchange Traded Fund) for the 1st time in FY 2019-20 and NHAI also actively participated therein and raised ₹ 1,180.00 Crore through ETF during FY 2021-22 which is included in taxable bonds referred at para 9.1.2 (ii).

9.3 Credit Rating

All the credit rating agencies such as CRISIL, ICRA, CARE and India Ratings have assigned highest credit rating i.e. "AAA/Stable" to NHAI Borrowing Programme amounting to ₹ 65,000.00 Crore for FY 2021-22. These ratings enable NHAI to borrow funds at competitive rates.

9.4 Following are the Highlights of Financial Performance for the year 2021-22

(₹ in Crore)

Sources of Funds	2021-22	2020-21
Receipts of Cess	36,210.00	23,882.60
Plough Back of Toll Revenue	12,670.00	11,500.00
Plough Back TOT Remittance	5,000.00	7,262.00
Additional Budgetary Support	16,142.18	2,800.00
Capital Grant (JICA & WB)	1,000.00	100.00
Capital Gains Tax Exemption Bonds	5,028.45	3,427.31
InvIT (Projects)	7,350.40	0.00
Taxable Bonds	17,120.70	45,802.60
Term Loan	35,428.57	15,850.00
Other Sources (DME, Interest, Capital Receipts, Maintenance etc.)	35,088.04	13,615.25
Utilization of opening balance	1,237.68	1,110.65
Total	1,72,276.02	125,350.41

Application of Funds	2021-22	2020-21
Land Acquisition	35,885.14	35,858.20
Project Expenditure	81,875.86	61,484.38
Repayment of Loans and Interest thereon	47,271.38	25,632.58
Other Outflow	7,243.64	2,375.25
Total	1,72,276.02	125,350.41





Key Contracting Models for Highway Construction

10.1 BOT (Toll)

In BOT (Toll) pattern, the private developers/ operators meets the upfront cost and expenditure on annual maintenance and recovers 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 upto 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 Mode

HAM assures better risk allocation amongst private concessionaires and NHAI. In new Hybrid Annuity Mode (HAM) 40% of bid project cost is payable to the concessionaire by NHAI in ten (10) equal installments linked to project completion milestones and concessionaires shall have to arrange the balance 60% of the bid project cost. The remaining Bid Project Cost shall be paid in the thirty (30) biannual installment.

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 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 upto 30% of the project cost as equity. The SPVs also have equity participation by port trusts, State Governments or their representative entities.



Jadcharla - Kothakota Section (Km.88.400), NH-44, Telangana





11

CHAPTER

Road Safety

1. For improvement of road safety on National Highways (NHs), NHAI has taken various steps, including rectification of blackspots, conducting road safety audits, observing National Road Safety Month, road safety awareness campaign, capacity building of officers, concessionaires and other stakeholders.
2. Ministry has identified about 4002 blackspots on NHs entrusted to NHAI based on accident data of 2015-18. Up to March 2022, 2548 blackspots have been rectified with remedial measures, such as sign boards, junction development, improving road geometry/widening, construction of under passes/flyovers, etc. Furthermore, short-term measures like warning sign boards, rumble strips, road markings and so on have been completed at all blackspots. In addition, out of 789 blackspots identified by Ministry on NHs based on accident data of 2011-14, 503 blackspots are under jurisdiction of NHAI. By March 2022, 372 blackspots were rectified.

Lighting/illumination provisions have been made at vulnerable locations/intersections of NH with SH/MDR/ODR/Village roads for improving road safety and avoiding accidents during night in addition to locations mentioned in 4/6 laning IRC Manual.

3. Road Safety Audit (RSA) is conducted at all projects of NHAI at all stages (development, construction and operation) through Safety Consultants appointed for the projects. During 2021-22, independent safety consultants carried road safety audit of 16508 km of NHs. NHAI has empanelled a total of 53 teams of Road Safety Consultants, each consisting of one Road Safety Auditor- cum- Team Leader and one Traffic Planner.

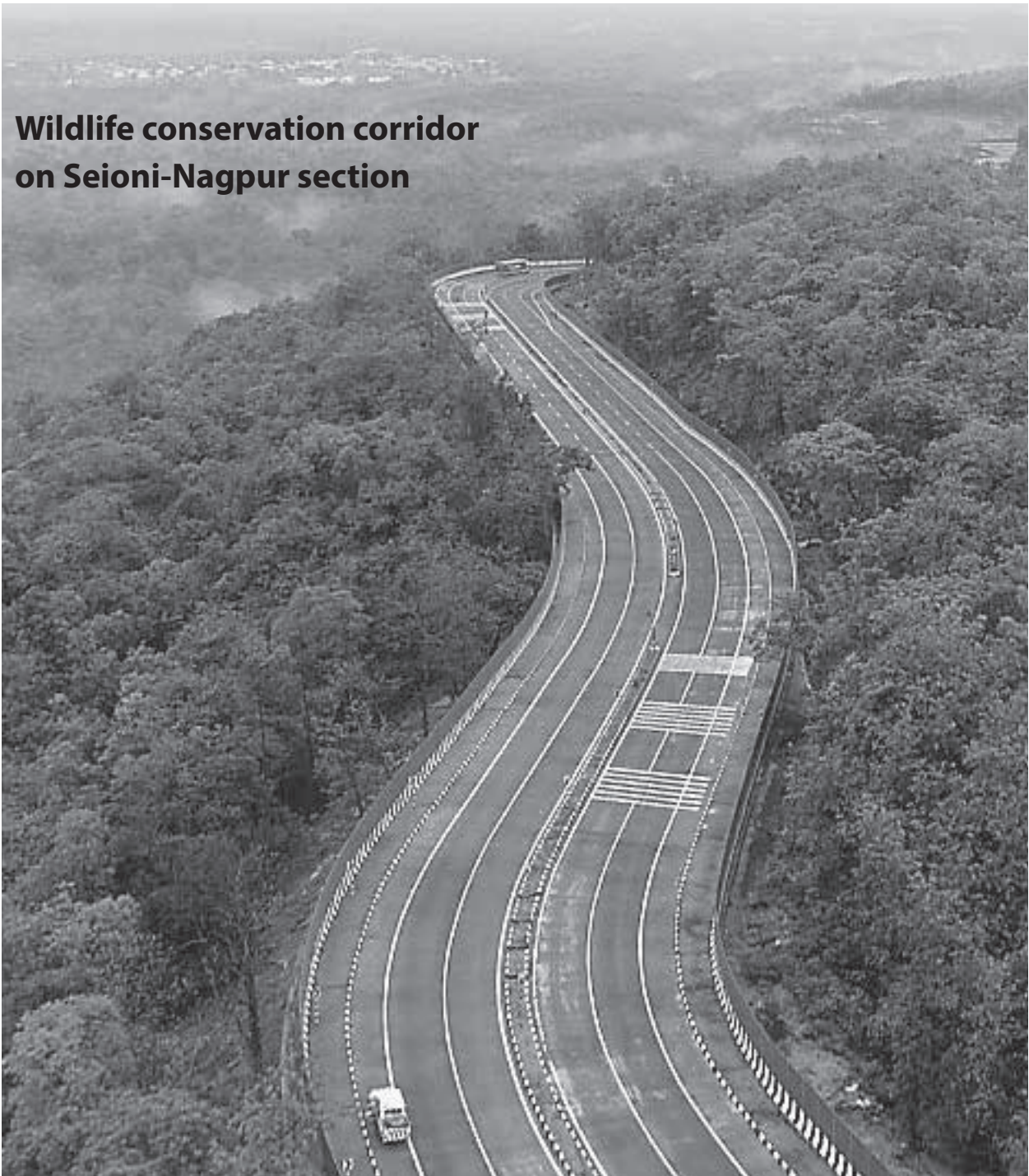
NHAI also conducted Road Assessment Programme (iRAP) safety ratings of 1288 km of NHs in the state of Uttar Pradesh, Maharashtra and Tamil Nadu. The study assess safety features of road based on different road users, such as vehicle occupants, motorcyclists, bicyclist, and pedestrians. The action plan for implementation of their recommendations are under progress with the respective Regional Offices. NHAI signed a Memorandum of Understanding (MoU) with the Institute for Road Traffic Education (IRTE) and Institute for Development and Communication, Chandigarh (IDC) to promote road safety and collaborate in the areas of traffic management through a programme titled "Capacity building of Road Safety Management through the Safe Systems Approach Programme". The study is being implemented, examined & monitored under Regional Office-Chandigarh.

4. **During the year, NHAI officers were nominated for various training programs in India.**
 - Twenty nine (29) officers were nominated for "Road Safety Engineering and Auditing" conducted by IAHE.
 - Sixty three (63) officers were nominated for "Road Safety: Challengers & Emerging Paradigms in Loss prevention" conducted by IISSM.



- Ten (10) officers were nominated for “15 Days Certification Course on Road Safety Auditors” conducted by IAHE & IIT Guwahati.
- Five (05) officers were nominated for “Road Safety Engineering Workshop for Asia” conducted by World Bank.
- Six (06) officers were nominated for “Road Safety Capacity Building Program-Module 3: Safer Roads and Mobility” conducted by Department of Economic Affairs, Fund Bank & ADB Division. General Road safety awareness messages on social media, such as twitter, Instagram and Facebook are being spread on regular basis.

Wildlife conservation corridor on Seoni-Nagpur section





IT 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. 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 manages its systems. Therefore, a comprehensive strengthening of the IT system is being carried out. NHAI created an AI based Data Lake to monitor its project on real time basis.

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 Attendance Management System (AMS) for NHAI's AEs/ IEs/ Consultant.

NHAI has implemented an advanced face recognition location based Mobile Application System (e-Attendance System) to track and monitor attendance of key personnel developed by AEs/ IEs & consultants for the projects. This system is integrated with Data Lake/ PMS Portal. The application user's facial recognition, GPS based location identification enabling a user to mark their daily attendance. The system will automatically capture date & time of login and log out. User will mark their attendance daily by signing-in, in the morning and sign-out, at the end of the day.



12.4 Maintenance Management System

NHAI Launched the Maintenance Module in the existing AMS App. In order to have transparency and tracking schedule-E, the App allows recording of monthly and daily inspections part of O&M activities. The AE/IE, PD, RO can submit geo-tagged information of defect with additional details which is instantly sent to Contractor who then submits rectified photo from same location which AE/IE can verify. The maintenance module of 337 projects of Item Rate & EPC Mode are currently operational. The mobile app contains Contractor management, Master data management, Defect Management, Timeline breach management, EOT, Escalation notifications and Dashboard and reports.

12.5 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.

12.6 Empanelment of Agencies/Service Providers to capture high resolution aerial videos of National Highways.

NHAI empaneled ten (10) agencies for Aerial Videography of NHAI Road Sections in five (05) zones pan India basis. Agencies are conducting periodic drone video surveys as per the requirement of NHAI. The drone video captured from the projects will be fed into Data Lake/ PMS software for monitoring of the projects. Further, NHAI conducted a paid 'Proof of Concept (POC)' around Image Analytics on Drone Videos through M/s KPMG. The POC deliverable includes heavily detailed 3D and 2D map for the entire area of interest, generate elevation profiles as cross sections at 30m interval for the entire area, extract utility features such as Road Network, Water Body Building Footprints, Footpaths, Electric poles and Change detection on the area of interest after creating two versions of the orthomosaic for geo spatial analysis of the progress and blackspot identification.

12.7 Organised Drone Light show at the Expo- "MANTHAN"

During Celebrating 'Azadi ka Amrit Mahotsav', a drone show was also organized". Through a remarkable display, the drone show highlighted growth of the National Highway network in India and showcased various Government of India initiatives like the 'Bharatmala Pariyojna' and 'PM Gati Shakti', that will transform infrastructure and logistics space in coming year.

12.8 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 and migrated on NIC's Central Public Procurement Portal (CPPP) w.e.f 01.04.2017 for all tendering processes of NHAI. To streamline the process of e-Tendering facility/ services at NHAI-HQ through CPPP.

- I. Vide circular no. NHAI/IT/e-Procurement/2021 dated 03.09.2021. Shift-wise E-Tendering helpdesk timing were extended from 9.00 AM to 8.00 PM (Monday to Friday) and 10.00 AM to 6.00 PM (Saturday)





- II. Vide circular no. NHAI/IT/e-Procurement/2021-22 dated 21.09.2021. It was intimated that all NHAI officials (Technical Divisions, ROs, PDs & officers at NHAI-HQ) must complete the tender cycle and upload the Financial Evaluation & LoA after opening the financial bids.

12.9 Central Command & Control Centre (CCC)

A state of the art Central Command Control Centres is functional at NHAI HQs which provides various 24X7 basic infra facilities to control & implement various time bound NHAI initiates/ drives such as implementation of FASTag, etc. The support team at CCC continuously monitor live view of toll plazas and intimate concerned authorities (ROs/ PIUs, Concessionaires, System Integrator) in case of lane closure or traffic. Further, the live view of toll plazas were made available under citizen charter on NHAI's website so that any citizen or officers of NHAI HQs/ field offices can see live view of toll plaza.

12.10 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.

12.11 Exempted FASTag Portal

Ministry of Road Transport & Highways has introduced RFID-based FASTag to implement Electronic Toll Collection (ETC) programme so as to remove delays and congestion at user fee plaza and also to smoothen the user fee collection operation. As per Ministry's direction, it has been decided that all categories of vehicles included under the category of "exempted from paying user fees" as per Rule 11 of National Highways Fees (Determination of Rates and Collection) Rules, 2008 and subsequent amendments, shall be issued exempted category FASTag, based on application made by self or an authorized representative.

To facilitate the process of Application online, a web-portal has been developed by National Highways Authority of India to facilitate all matters relating to issuance of all exempted FASTag. The exempted FASTag is issued free of cost to the exempted categories of mechanical vehicles as per NH fee Rule 2008 and subsequent amendments.

12.12 Video Conferencing, New Network and Data Centre

Entire NHAI field offices & HQ connected with 100 Mbps MPLS cloud. Modernization of IT infra, Wi-Fi office and 1Gbps connectivity are new addition. All RO and around 90 PIU's are Connected with Video Conferencing facility as well as IP Telephony for direct communication between NHAI HQs and field offices.

12.13 Alignment approval for new Projects through portal:

The approval for alignment and land acquisition plan for all new Highway Development Projects are done through a web portal, developed in-house.



12.14 Processing of land acquisition notification through Bhoomirashi portal:

Land acquisition system has been automated through Bhoomi Rashi portal. Now all the proposals for publication of notifications for land acquisition viz 3a, 3A and 3D have to be processed through Bhoomi Rashi Portal <https://bhoomirashi.gov.in>.

81 Krishnagiri - Vaniyambadi Section of NH-4





Challenges and Remedial Measures

13.1 Project Financing / 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):

No timeline is fixed for the declaration of award by the Competent Authority for Land Acquisition (CALAs) which causes delays in acquisition of land for the development of National Highways.

Income tax is exempted if the land is acquired under Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013 (RFCTLARR Act). However, income tax is leviable on compensation determined under NH Act, 1956 as per extent provisions of Income Tax Act.



13.3 Removal of Impediments and Measures for Operational Efficiency:

13.3.1 Approval of optimal alignment:

In order to ensure selection of optimal alignment for the new Highway Development Projects, the alignment and land acquisition plan is approved by a Land Acquisition Committee (LAC) headed by Chairman, NHAI, Member (A) (who is dealing with land acquisition) and the concerned Member. LAC examines all new proposals as per viability of the project taking into consideration the various factors such as the cost of the land, the time period for acquisition etc. A web-utility has been developed in-house in NHAI for processing of LAC Proposals. Now GIS based Land Acquisition Plan is being prepared to minimize the errors in land acquisition.

Payment of compensation for the acquired land through Public Finance Management System (PFMS): The payment of compensation for the acquired land is being paid through PFMS to ensure transparency and expediting the payment process.

13.3.2 Initiatives/Measures to reduce land acquisition cost and expedite land acquisition

Various measures have been taken to expedite land acquisition and reduce its cost. These measures include, Fixation of Multiplication Factor (MF), Rationalization of Circle Rate / Market value of the land, fixing timelines for land acquisition, fixing of maximum administrative charges @ 2.5% of the total land acquisition cost, monitoring of progress of land acquisition through monthly review meetings, right from the start when the land acquisition plan is approved by Land Acquisition Committee to ensure availability/handing over of encumbrances free land on the appointed date, expeditious disposal of arbitration cases etc.

13.3.3 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 2021-22 total 90 number of GAD proposal of ROBs/RUBs of NHAI has been approved out 112 GAD uploaded on RORACS.

13.3.4 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) Decentralization 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 of 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 project located in ESZ but outside Protected Areas (MoEF&CC) Communication F.No. 6-60/2020WL Part(1) dated 26th July, 2020):

No wildlife clearance is required for developmental projects outside protected areas except in the following conditions :

- a) Located within the notified EZS and listed in the Schedule of the EIA Notification 2006;
 - b) Located within 10 km of National Park/Wildlife Sanctuary wherein ESZ has not been finally notified and
 - c) Outside the protected area-linking one protected area or tiger reserve with another protected area or tiger reserve.
- vii) NHAI succeeded in getting clarification/circular regarding non requirement of physical copy (Hard copy) for processing proposal under Forest (Conservation) Act, 1980.

MoEF&CC issued circular that the processing of the proposals under Forests (Conservation) Act, 1980 should be done on the basis of legible documents, as required uploaded on PARIVESH Web Portal. Physical copies (hard copies) of the documents of proposal or related document thereof, will not be insisted for processing the proposals, henceforth.

13.3.5 Measures Facilitating Investment:

13.3.5.1 Refinancing/restructuring loan:

NHAI is actively supporting refinancing/restructuring of loan, 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 2021-22, 13 projects were refinanced to the extent of ₹ 6068 Crore as Outstanding senior debt & ₹ 1564 Crore as additional debt by the banks.

13.3.5.2 Equity Divestment:

During the year 2021-22, nine number of cases of equity divestment were approved by NHAI. Out of which two cases of 100% equity divestment have been approved by NHAI under the scheme approved by CCEA, four cases of 100% equity divestment were approved by NHAI in line with the relevant clauses of Concession Agreement and three cases of partial equity divestment were approved by NHAI in line with the concession agreement.

13.3.5.3 Infrastructure Debt Fund:

The infrastructure Debt fund created as a step towards easing the burden for the bank. During 2021-22, no IDF Funding Case was received and approved by NHAI.

13.3.5.4 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, 2022 (2021-22), 26 project were considered and approved by the Board of NHAI for grant of deferment of premium. In all, these 26 proposals involves deferment of premium for a total value of ₹ 12012 Cr. The period during which such deferment has been considered spans from FY 2015 to FY 2031.

13.3.5.5 One time fund infusion (OTFI)

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 2021-22, NHAI has sanction ₹ 2413 Cr. of loan under this scheme.

13.3.5.6 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 concessionaire or the selected bidder/consortium Members of such projects 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 NHAI circular no. 8.4.19/2020 dated 24.02.2020. During 2021-22, No cases of Harmonious Substitution were approved by NHAI Board.

13.4 Dispute Resolution:

In view of speedy resolution of disputes between the parties, NHAI constituted Conciliation Committees of Independent Experts (CCIEs) comprising of Independent Eminent Personalities from various relevant fields such as Bureaucracy, Judiciary, Technical and others. CCIE is a settlement forum, where mutual give and take constitutes the essence, rather than strict legal position of the parties on adjudication of the matter if the parties reach consensus/settlement, then parties to the dispute would append their signatures on the settlement agreement as concluded and the same shall be authenticated by the Conciliators and thereafter parties withdraw all pending cases before AT/Courts within a period of 30 days, if any, and release the payment due from either side within next thirty days. If the parties fail to arrive at some consensus/settlement, then the case would be closed in that meeting itself with the consent of the CCIE NHAI would honour and implement the recommendations/decision of CCIE in a time bound manner. It is envisaged that the Conciliation-Cum-Settlement proceedings shall be completed in each case through five sittings within a period of not more than six months from the day the reference is made to CCIE.

Accordingly, NHAI on 02.06.2017 established two Conciliation Committees of Independent Experts (CCIEs) for amicable settlement of disputes. Further keeping in view the workload, one more committee was constituted. During the year 2017-18 none cases were settled by CCIEs. In the year 2018-19, 8 cases were settled successfully for ₹ 1244.87 Crores against the claim amount of ₹ 3018.67 Crores by CCIEs. In the year 2019-20, 27 cases were settled successfully for ₹ 2433.50 Crores against the claim amount of 6931.39 Crores by CCIEs. In the year 2020-21, 60 cases were settled successfully for ₹ 5312.541 Crores against the claim amount of ₹ 14206.60 Crores by CCIEs. Balance unsettled are spilled over to year 2021-22". At the end of FY 2020 21, out of total 154 cases, 95 Cases resolved with settlement amount ₹ 8990.911 Cr. Against claim of ₹ 24156.66 Cr. In the year 2021-22, 61 cases were settled successfully for ₹ 4075.758 Crores against the claim amount of ₹ 14596.062 Crores by CCIEs. Balance unsettled are spilled over to year 2022-23. At the end of FY 2021-22, out of total 251 cases, 155 Cases resolved with settlement amount ₹ 13066.669 Cr. Against claim of ₹ 38746.522 Cr.



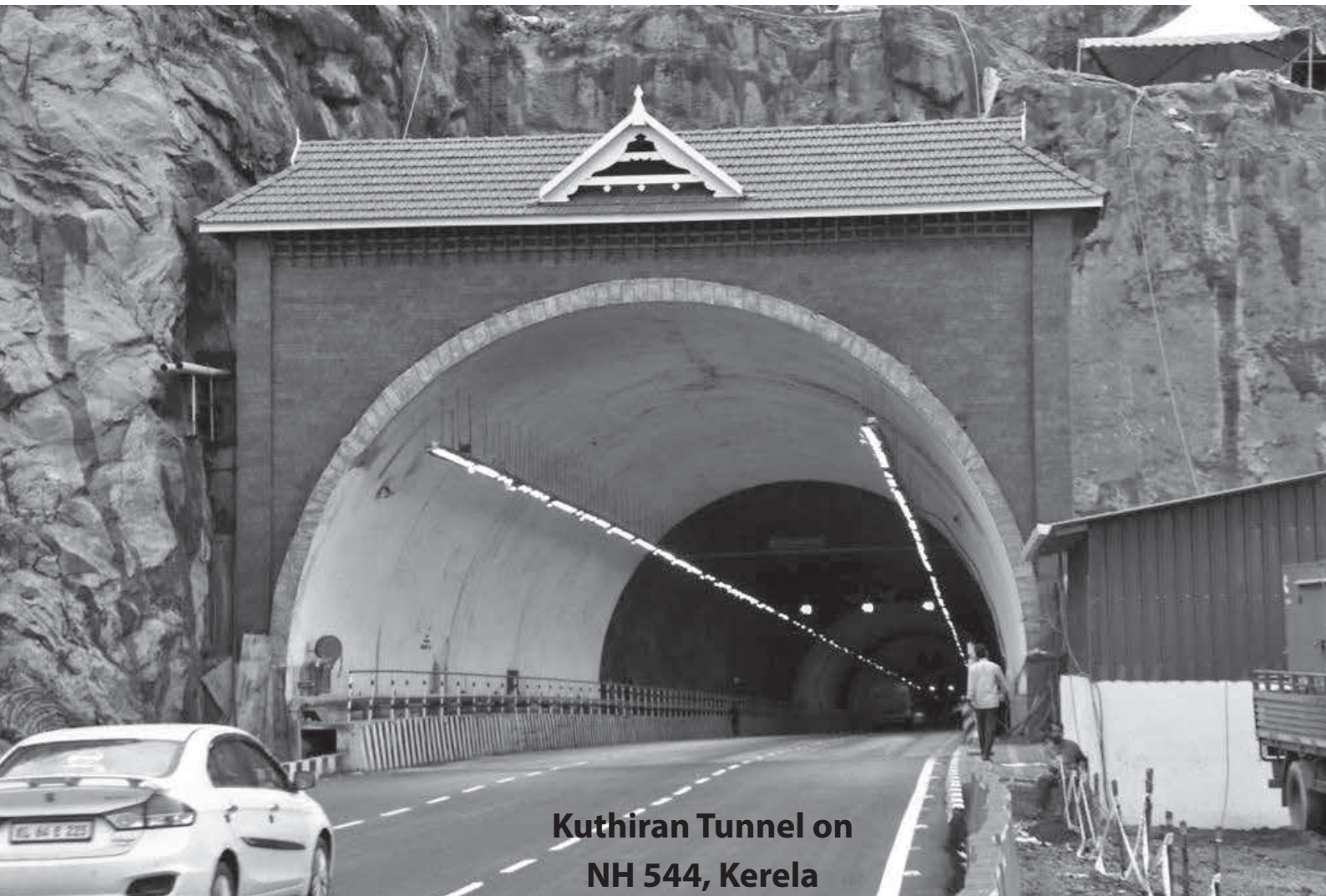


13.5 Society for Affordable Redressal of Disputes (SAROD):

13.5.1 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 Model Concession Agreement (MCA). 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.

13.5.2 As on 31st March 2022, there are 59 Primary Members and 5 Associate Members of SAROD. Till date Eighty four (84) cases have been referred for adjudication under SAROD Arbitration Rules out of which awarded cases are Forty (40), whereas Ten (10) cases have been withdrawn or settled mutually by the parties and Twenty four (24) cases are at various stages of adjudication.

13.5.3 For the sake of transparency and to obviate the conflict of interests, SAROD has revised its eligibility criteria for empanelment and the process of empanelment is in line with the amendments in the Arbitration and Conciliation Act with emphasis on subject competencies, integrity and relevant experience. As on date, SAROD has 106 highly experienced Arbitrators on its panel.



**Kuthiran Tunnel on
NH 544, Kerela**



4-Laning of Barhi-Koderma section of NH-31 Jharkhand





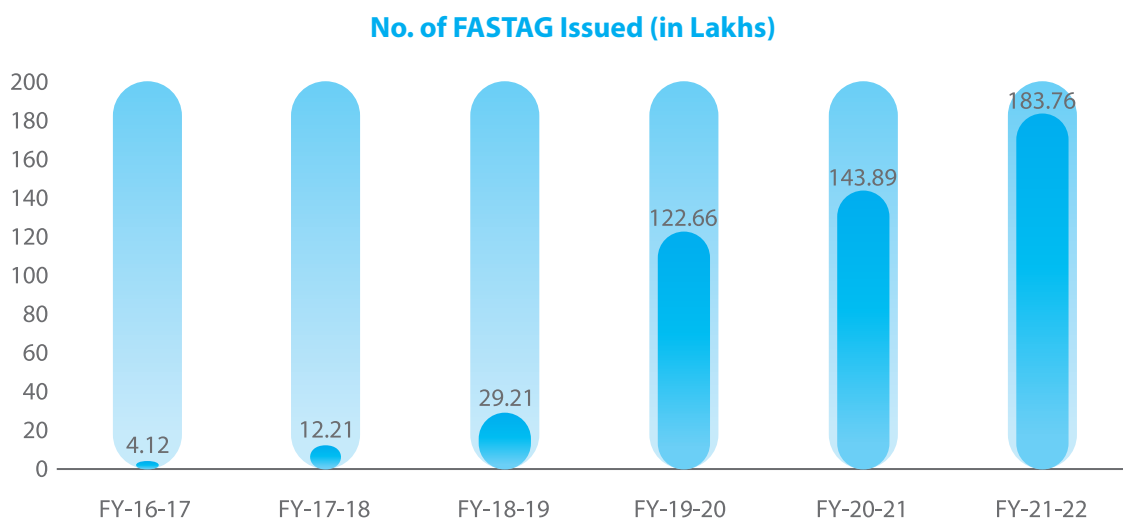
Systemic Improvements

FASTag is now acceptable across all National Highways user fee plaza (733 nos. of NH Fee Plaza as on 31.03.2022) and selected State highways toll plazas (more than 200 in nos.). All NH fee plazas are operational with FASTag lanes. FASTag is a device that employs Radio Frequency Identification (RFID) technology for making toll payments directly from the prepaid or savings account linked to it. It is affixed on the windscreen of a vehicle and enables one to drive non-stop through the toll plazas without any hassle of cash transactions. The tag can be purchased from tag issuers and can be recharged as per the user's requirement.

Currently, there are 38 member banks live under NETC programme who are selling FASTag to the customers. They are providing account maintenance, customer support services for all queries related to FASTag.

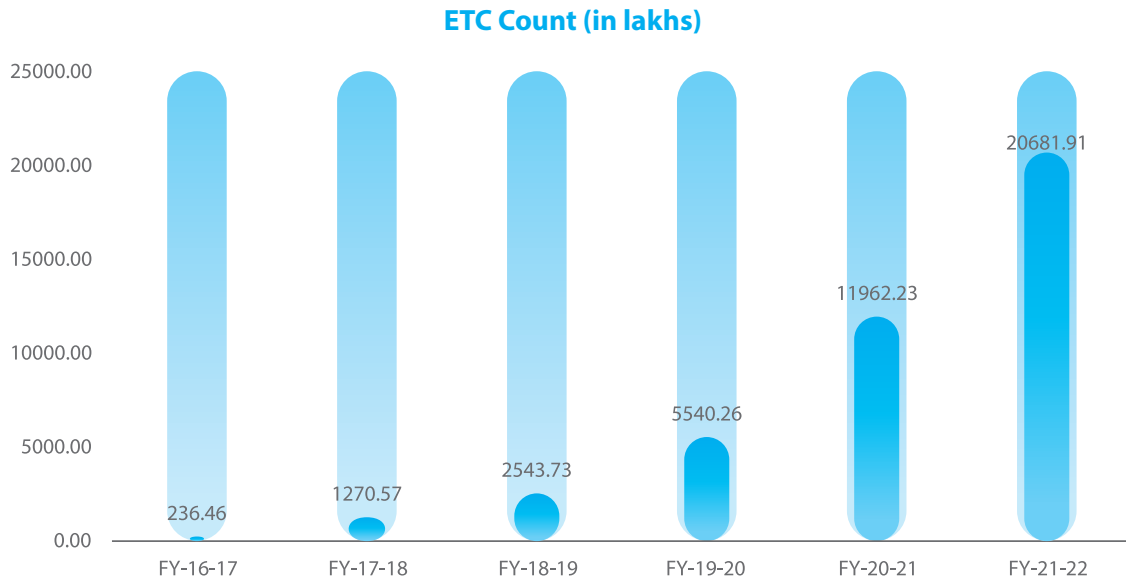
Growth in FASTag: The current year witnessed a significant growth in FASTag issuance and transactions as under:

- (a) **Year-wise growth in FASTag issuance (in Lakhs) (no. of tag issued in each FY):** 183.76 taken of FASTag have been issued in this Financial Year with a cumulative issuance of 495.40 lakhs till March, 22.

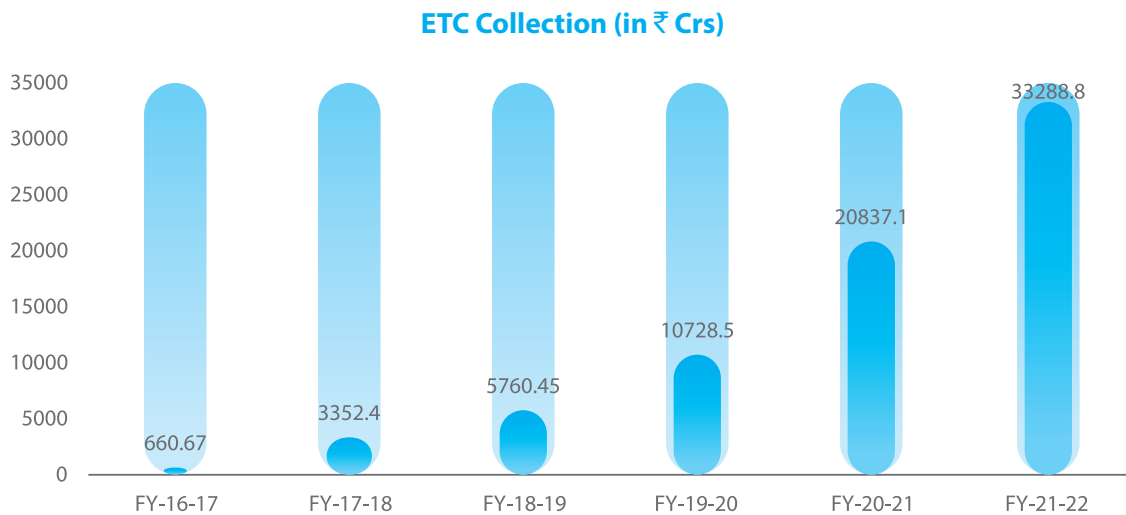




(b) Growth in ETC Transaction Count: A total number of 206.81 Cr. transactions took place at NH Fee Plazas in FY 21-22 with maximum average daily ETC count of 72.73 lakhs / day transactions in March 2022.

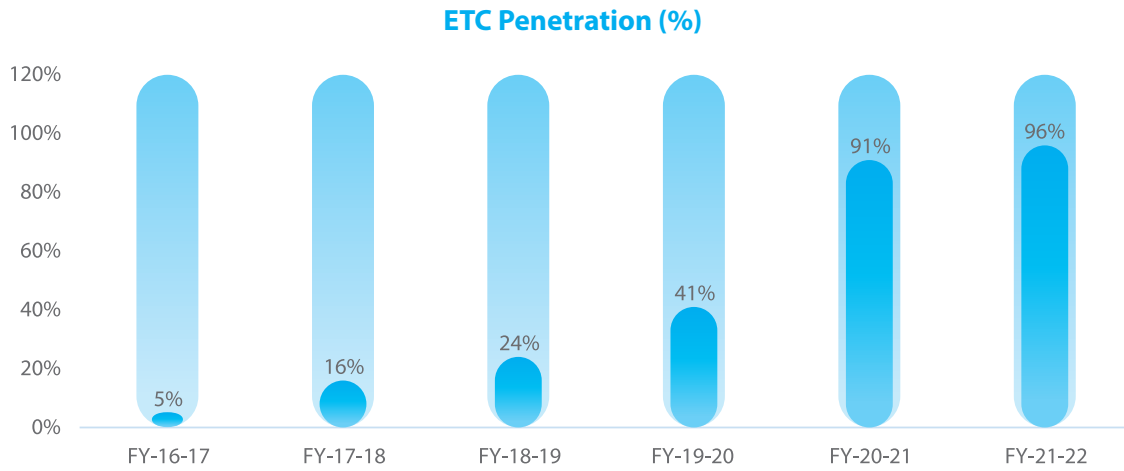


(c) Growth in Toll Collection via FASTag (ETC): ETC collection from NH Fee Plazas in FY 21-22 was ₹ 33,288.8 Cr. with maximum average daily ETC collection of 113.96 Cr. / day in March 2022.





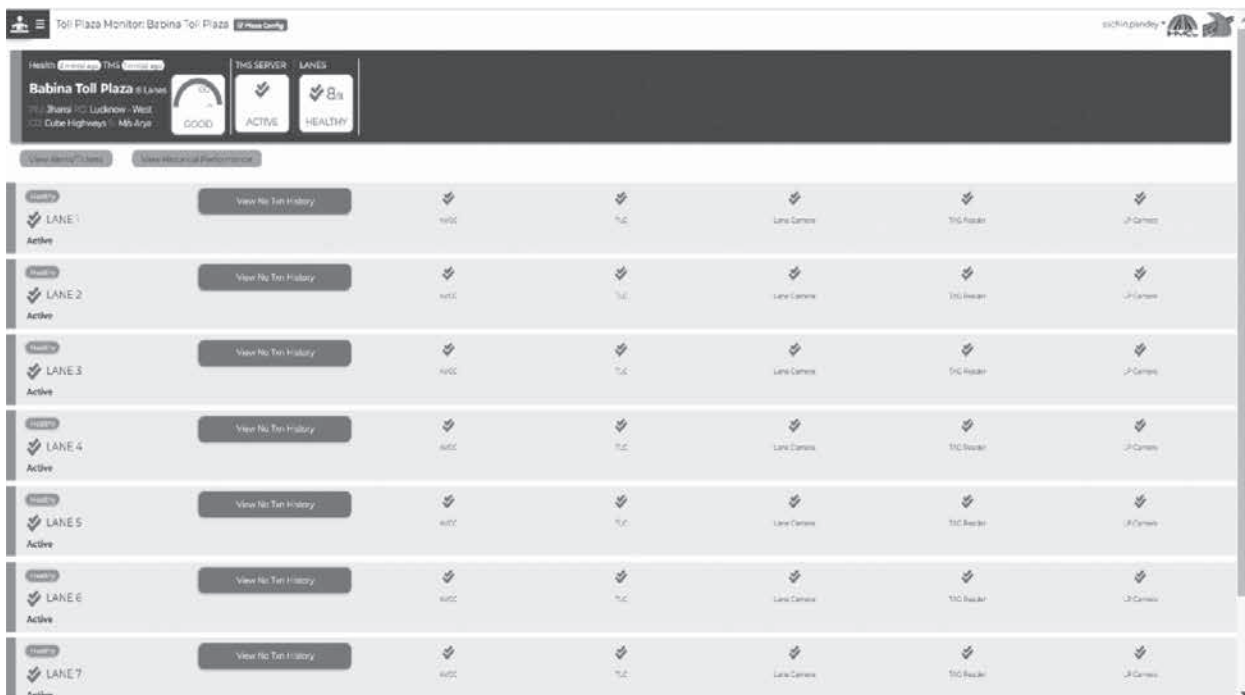
(d) **Growth in ETC % Penetration – FY-wise:** ETC penetration at NH fee plazas has reached an approximate value of 96% in FY 21-22.



14.2 Toll Monitoring and Control Centre (TMCC)

To overcome the issues related with lack of Real-Time Monitoring System, non-availability of data analytical tools and dedicated manpower to monitor functioning of critical ETC equipment's, the Toll Monitoring & Control Centre (TMCC) project was envisaged. The project aims at establishing a IoT based real-time monitoring system and cloud -based Toll data lake which shall serve as the repository for all data related to toll collection, and other projects of NHAI/IHMCL along with use of cloud-based data analytics. The scope of work involves integration of TMCC solution with the existing ETC System deployed at fee plaza by various System Integrators.

Fig 1: Dashboard for monitoring critical ETC Equipment





As on 31.03.2022, 638 fee plazas are on-boarded with TMS integration for real-time transactional data and 688 fee plazas are on-boarded for real time equipment health monitoring.

TMCC dashboard access has been provided to all NHAI ROs/PIUs, officials in NHAI HQ, Concessionaires and System Integrators for monitoring of their respective fee plazas. TMCC Operations & Maintenance team has been deployed at Command-and-Control Centre, NHAI HQ who are attending the alerts/tickets generated by system for equipment downtime/transactional issues on 24*7 basis at NHAI HQ. The process for integration with NPCI has been completed and currently mechanism for migration of historical data is in process. Screenshots of TMCC BI dashboard are as follows:

Fig 2: Dashboard for monitoring transactional data

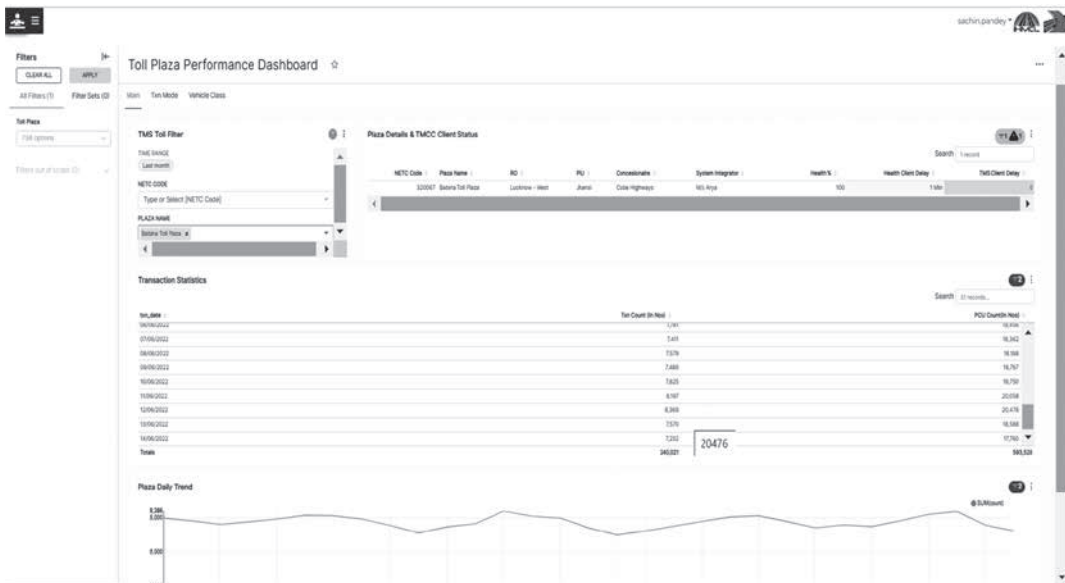
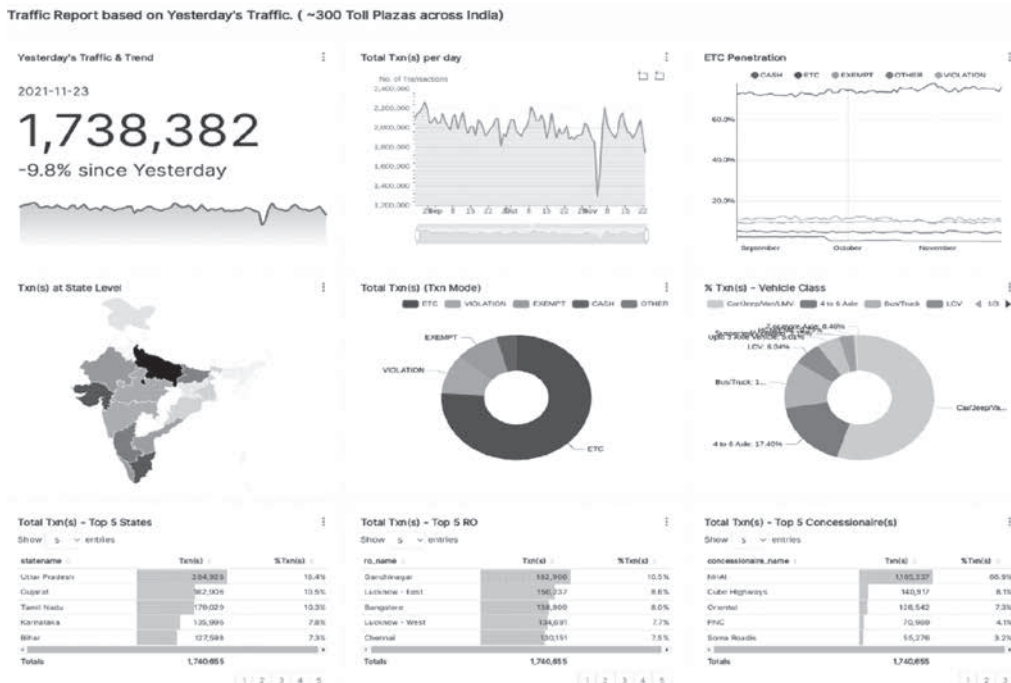


Fig 3: Country view dashboard





14.3 Global Navigation Satellite System (GNSS) based tolling in India-

Currently, electronic tolling on NHs in India is based on Radio Frequency Identification (RFID) technology. The RFID Tag (FASTag) is affixed on the windscreen of the vehicle and enables to drive through toll plazas making toll payments directly from the prepaid or savings account linked to it. FASTag system has been implemented based on the recommendation of an Apex Committee constituted by Ministry of Road Transport & Highways under the chairmanship of Sh. Nandan Nilekani in 2010. Currently, FASTag is operational at 1011 number of toll plazas, including 227 state toll plazas, and has touched more than 98 lakhs of transaction in a single day, amounting to daily collection up to ₹ 150 crores.

Realizing the need to upgrade to barrier-less free flow tolling system, a pilot on Global Navigation Satellite System (GNSS) based tolling was carried out by NHAI in 2019-2020 along Delhi-Mumbai Expressway. The findings of the Pilot study were presented to the Hon'ble Minister in December 2020.

Subsequently, the Hon'ble Minister MoRTH announced in the Parliament, the intent of the Government to move towards GNSS based tolling technology to ensure seamless movement of vehicles across the country, within the ambitious timeframe of the "next two years".

Consultant M/s Egis India & Seven Pro (Consortium) comprising international subject matter experts have been selected through tendering process to provide advisory services on GNSS Based tolling in India. The deliverables to be prepared and submitted by the Consultant includes the following-

- (i) Current Assessment - Study of Global good practices and Current readiness assessment.
- (ii) System Specifications - Preparation of standards & specification for GNSS System
- (iii) Regulatory changes - Report on changes to existing laws, rules & regulations
- (iv) RFP & Bid Process Management - Vendor consultations, Prepare RFP, assist bid evaluation committee, & Contract Signing
- (v) PMU Support - Providing PMU support during Implementation period ~ 1 year

The Consultant has started working on preparation of various deliverables. Various rounds of meeting with concerned stakeholders such as SIAM, ISRO have been undertaken during preparation of the draft reports.

14.4 On-boarding of State Fee Plazas

In order to extend the benefits of FASTag on State Highways Toll Plazas, MOUs have been signed between various state authorities and IHMCL as a part of Scheme Guidelines for Inclusion of State Toll Plazas. MOUs have been signed with 24 State Entities having approx. in 557 no. of Fee Plazas. 228 nos of State fee plazas have gone live on FASTag with an average daily collection of ₹ 15 Crore (approx.) as in March 22.

14.5 Other Salient Initiatives/ Achievements:

(a) Pilot Study for Improvement of Throughput by Installation of Additional FASTag Readers

NHAI/IHMCL was assigned the task for carrying out a pilot study for improvement of throughput by installation of additional sensors at Rajiv Gandhi Sea Link fee plaza. Based on study it was found that previously 8 to 10 vehicles were passing through the lane per minute. But after the



implementation of TL Booster in the toll lanes the count raised to 17 to 19 and sometimes even more vehicles passing per minute.

MSRDC has also appreciated the initiative of IHMCL and recommended the same for high volume fee plazas. Based on recommendation and outcome of the project, NHAI/IHMCL is in process of implementing the same at high volume NH fee plazas such as Kherki Daula, and other high traffic NH fee plazas on pilot basis.

(b) Study Report on Impact Assessment for National Electronic Toll Collection Programme:

Study report was carried out on Study Report on Impact Assessment for National Electronic Toll Collection Programme for determining the tangible and intangible impact of ETC system such as time savings, fuel savings, emissions reduction, improved user experience and others, as well as stakeholder perception of benefits and key improvement areas.

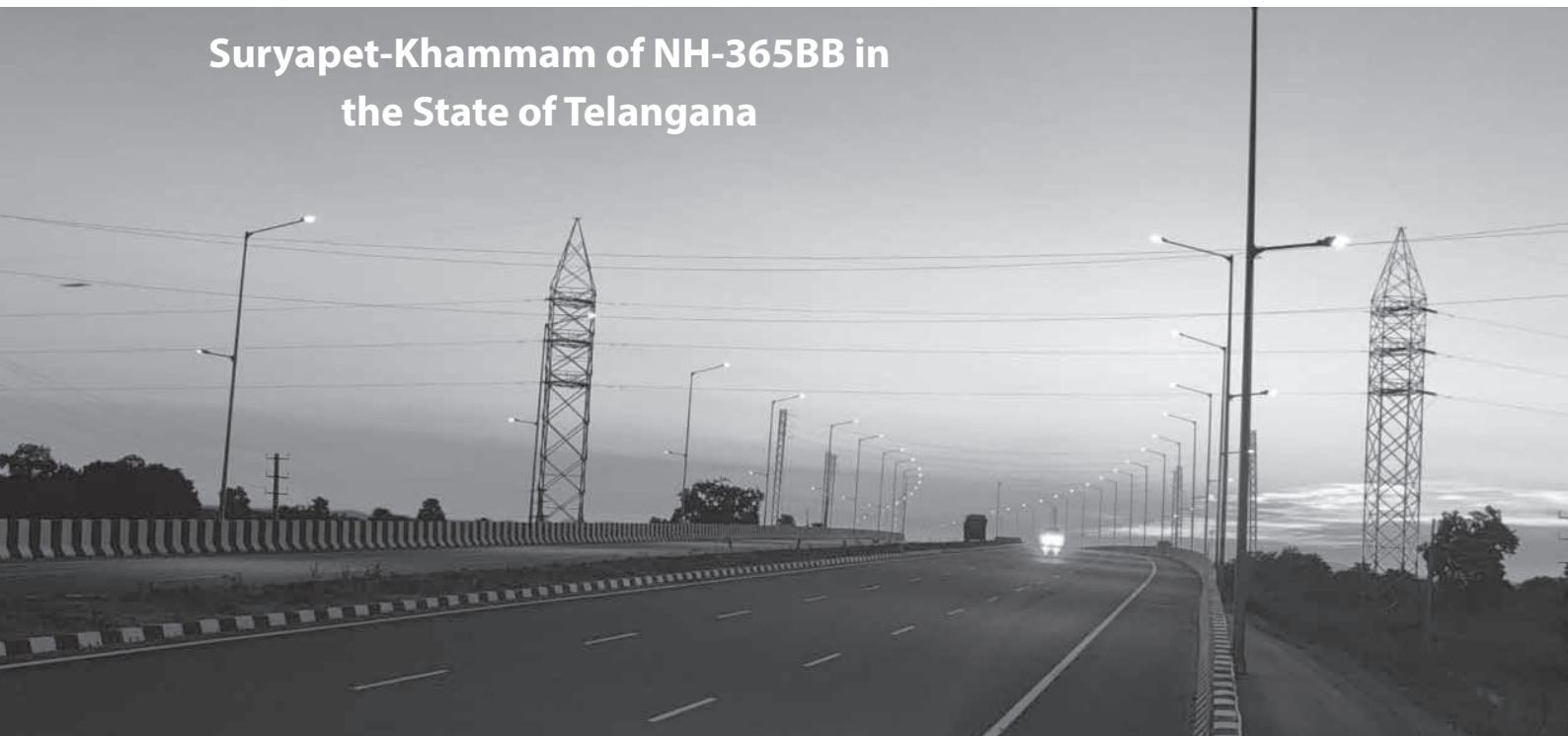
The Report covers the overall annual economic impact of ETC on account of various benefits such as travel time savings toll revenue increase, fuel savings, toll plaza cost savings and greenhouse gas emissions reductions. The Final Report is being formally submitted to NHAI/MoRTH.

(c) Implementation of ICD 2.5

FASTag Transaction processing protocol have been upgraded to near real-time transaction processing at more than 620 NH fee plazas by transaction to real time transaction with process protocol (ICD 2.5) to enhance user experience. Salient benefits of this upgradation are as under:-

- (i) Near real-time transaction processing (upgrade from batch-wise SFTP file processing)
- (ii) Enhanced security in transaction processing
- (iii) Instant SMS to customers on toll deduction compared to 15-30 minutes delay previously.

Suryapet-Khammam of NH-365BB in the State of Telangana





Other Management Initiative

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 pre-construction 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 NHA which includes asset management, revenue management, road safety, security management, traffic management etc.

15.4 Incident Management

As part of incident management NHA has deployed over 2559 ambulances, patrol vehicles and tow-away cranes/vehicles at/near its toll plazas.

NHA has also developed its Computer Aided Dispatch System by the name of ERS NHA to improve the response time and ensure better monitoring of the on-road units during incidents.

15.5 Swachh Bharat Mission

- NHA has created the facility to lodge a complaint regarding cleanliness of toilets through WhatsApp and hoarding regarding the same are being installed near the toilets.
- Display of Swachhata message and discouraging littering through hoardings at 1540 places.
- Installation of dustbins at 2621 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 837 no. of ladies toilets and 833 nos. of gents toilets have been constructed on upside and downside of the toll plazas along National Highways upto 31.03.2022.
- NHA is developing application for monitoring the cleanliness of the toilets as well.

15.6 Infrastructure Investment Trust (InvIT):

- Govt. of India has launched National Monetisation Pipeline (NMP) in 2021 wherein a detailed pipeline/plan of monetization of infrastructure assets has been unveiled. The aggregate value of assets under NMP is estimated at ₹ 6,09,000 crore with top 5 sectors being Roads (26%), Railways (25%), Power (16%), Gas and product pipelines (10%), and Telecom (7%).
- NHA, in line with its monetization plans and to unlock value of its assets and attract private players to invest in National Highways, initiated the process of setting up its Infrastructure Investment Trust in FY2020-21. National Highways Infra Trust (NHIT) has been set up with NHA acting as its Sponsor. Further, separate Special Purpose Vehicles (SPVs) to manage NHIT and to domicile the road projects were incorporated during the year and management team put in place.
- The process of monetizing the assets by raising funds from domestic and international institutional investors was initiated during the year with draft offer document filed with SEBI on March 31, 2021.
- A portfolio of 5 road projects with aggregate length of 390 km was identified and concession agreement have been executed between the project SPV and NHA. Further, NHA has also incorporated dedicated SPV for technical O&M of the projects.





- Subsequently, in Nov 2021, NHIT successfully raised funds from domestic and international investors through institutional placement of its units at an enterprise value of ₹ 8011.52 crore. The units were subscribed by set of investors comprising pension funds, insurance companies, mutual funds, banks and financial institutions.
- NHIT is expected to be an additional alternative source of raising funds and help in unlocking capital in completed and operational national highway projects.
- Document for Financial Close as per concession agreement had been submitted by the concessionaire and accordingly, the date of financial close declared on 09.12.2021. Further, Concession Fee of ₹ 7350.40 Crore (including debt of ₹ 2000 Crore availed by Concessionaire) was received by NHAI and Appointed Date has been declared as 16.12.2021.

15.7 Vigilance Division

Vigilance Division has disposed of 238 vigilance cases which were pertaining to toll/fastag, LA/ Alignment, construction/ quality, contractual matter and other like utility shifting, corruption, accord permission, median openings, inspections etc. during the year 2021-22(up to 31.03.2022). The details of which are as under:

Sr. No.	Nature of case	Number of Vigilance cases	
		Disposed of during (in number) April 2021-March 2022	Pending till 31.03.2022 (in number)
1	Toll related	39	47
2	LA/ Alignment related	44	68
3	Project related viz. construction, maintenance, quality, procurement, contractual matter etc.	110	179
4	Administrative issues	12	27
5	Other (Utility shifting, access permission, encroachment etc.	33	37
	Total number of cases	238	358

15.8 Implementation of the Official Language Policy of the Government

Progressive use of Hindi in official work has increased in National Highways Authority of India (NHAI) during the year 2021-22, while complying with the constitutional obligations towards Official Language of the Union with firmness and promptness. During the period under report, the following significant activities related to Official Language have been done in the Authority:-

- **Implementation of Official Language Policy and Translation:-** The basic function of the Hindi Division is to execute translation and implementation of the Official Language Policy of the Union. During the period under report, translation of documents of diverse nature has been made available to the various divisions of the Authority.



- **Annual Programme:-** The Annual Programme 2021-22 issued by the Department of Official Language was circulated in the office with focus to get all the officers/employees acquainted with the Official Language Rules and the targets set by the government so as to enable them to discharge their responsibilities more effectively.
- **Organization of Hindi Pakhwada on the occasion of Hindi Diwas:-** Official language policy is based on the strategy and framework of inspiration, incentive and goodwill. Keeping it in view, Hindi Pakhwada was organized in National Highways Authority of India from September 01 to September 15, 2021. During its celebration, a total of 09 Hindi competitions were organized in which large number of officers/employees participated. The winners of the competitions were felicitated with cash prizes and certificates during the fortnight.
- **Organization of Hindi Workshops:-** During the year under report, Five Quarterly Hindi workshops in 02 sessions were organized to promote original work in Hindi like noting, drafting and correspondence, etc. pertaining to Administration, Finance and Technical matters of National Highways Authority of India. Apart from the above, technical training has also been imparted in these workshops to promote smooth and hassle-free working in Hindi on computers.
- **Training of 'Parangat Course':-** During the year 2021-22, from January-May, 2022 in NHA HQ, 'Parangat' training was imparted to the officials having working knowledge of Hindi.
- **Organization of Official Language Implementation Committee Meetings:-** Meetings of the Official Language Implementation Committee of the Authority have been held regularly in every quarter. In the above meetings, necessary decisions have been taken after reviewing the progressive use of Hindi in the National Highways Authority of India. As a result, during the period under report, Hindi correspondence in regions A, B and C has been fairly increased. The percentage of Region A, B, C is 89.59%, 84.53%, 88.50% respectively and overall percentage of Notings written on the files is 86.54%. The quarterly Progress Report of all the four quarters and the Annual Assessment Report for the year 2021-22 have been sent to the Department of Official Language through online system in time.
- **Quarterly Progress Report on Hindi:-** After compiling the quarterly reports received from various divisions of the Authority in Headquarter, the Consolidated Quarterly Report has been sent to the Department of Official Language and Ministry of Road Transport and Highways. Apart from the above, quarterly reports received from Regional Offices and PIUs have also been reviewed.
- **Hindi Incentive Schemes:-** Following Hindi incentive schemes have been implemented in National Highways Authority of India for propagation and progressive use of Official Language. Under the Schemes, incentives are given to all the concerned from time to time:-
 - Quarterly Incentive for doing original Hindi correspondence.
 - Quarterly incentive for giving dictation in Hindi.
 - Quarterly incentive for making entries in Hindi in registers/service books etc.
 - Annual Award for doing original Hindi correspondence round the year.
 - Incentives payable on passing of Hindi examinations after joining National Highways Authority of India.





- Incentive payable on passing Hindi Typing/Hindi Shorthand examinations after joining National Highways Authority of India.
- Hindi Protsahan Puraskar Scheme for wards of Officers and staff.
- Incentive amount payable for writing original technical / non-technical articles / technical books/non-technical books published related to the works of the Authority.
- **Inspection by Parliamentary Committee on Hindi Language:-** On March 07, 2022 Inspection of NHAI, HQ was conducted by the Parliamentary Official Language Committee. The performance of NHAI HQ was appreciated by the Committee. In addition NHAI was also given the responsibility to conduct the inspection of the 08 other departments located in Delhi NCR.

15.9 Reservation Cell for scheduled castes/schedules Tribes/Other Backward Castes

National Highways Authority of India in its continued endeavor to protect the interest of persons belonging to SC/ST/OBC and redressal of their grievances, vis-a-vis the provisions made in the Constitution of India and various orders issued by the Government of India from time to time, has constituted a Reservation Cell comprising of Chief General Manager level as Chairman of the Cell and Liaison Officer for SC/ST and other members of DGM level officers of each community of ST/SC & OBC.

The Reservation Cell is promptly looking after/ examining the cases/grievances made by the employees belonging to SC, ST and OBC community. The details of cases received and resolved during the last three years (upto 31st March 2022) are as under:

Year	No. of grievances	Opening Balance	Addition during the year	Closed/ Disposed	Closing Balance
2019	01	0	01	01	0
2020	01	0	01	01	0
2021	01	01	01	02	0

An Internal Grievance Redressal Committee for redressal of grievances of SCs employees has also been constituted vide NHAI Office Order dated 19.11.2020 as per the directions of the National Commission for Scheduled Caste vide letter dated 29.07.2020. The Reservation Cell is also assigned the IGRC work. As per directions, the quarterly report in respect of the grievances received from the SC employees is being forwarded to the Ministry for onward submission to NCSC.

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 31.03.2022) 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 off	Pending
12541	66	12488	9	0	28

Action taken by CPIO(s)				
Physical Receipt(s)	Forward by Nodal Officer	Total Receipt(s)	Disposed off	Pending
2442	12488	14930	17568	2140

Action taken by Nodal officer			
Total Online Receipt(s)	Forward To FAA	Returned To Applicant	Pending
1316	5386	0	17

Action taken by CPIO(s)				
Physical Receipt(s)	Forward by Nodal Officer	Total Receipt(s)	Disposed off	Pending
175	5386	5561	1529	274

15.11 VIP References/PG:

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

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

PG - <https://pgportal.gov.in/cpgoffice/>

VIP references/PG 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/PG. The updated status as on 31.03.2022 is as under:-

Subject	Total received	Forwarded to Concerned Divisions
VIPs	718	718
PGs	913	913



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 about 4700 photographs of NHAI projects.

15.13 Media

The Media Relations (MR) Division is actively working towards communicating various measures taken by NHAI to advance the National Highway infrastructure of the country. The MR Division successfully leveraged various communication tools such as Press Releases, Social Media, Newsletter, Interactions with media and industry to have a favorable brand perception among all its stakeholders. It also created awareness around topics that are relevant for Highway commuters such as Road Safety, FASTag and Covid appropriate behavior.

15.14 Green Highway initiatives

NHAI has a mandate to fulfil the objectives of Green Highways Policy-2015 by way of Plantation, Transplantation, Beautification and Maintenance activities so as to develop green aesthetic corridor along the National Highways by planting ornamental and flowering trees and shrubs on median and roadside available land in ROW. The plantation and landscape development activities are being implemented through Annual Plantation Action Plans. NHAI has planted more than 202 lakh saplings on National Highways post Green Highways Policy years from 2016-17 to 2020-21 and 72.04 lakh plants were planted in FY 2021-22 on about 30,000 kms of National Highways. NHAI is also taking up the transplantation of trees wherever it is feasible based on the technical parameters. Bamboo plantations in the extreme row of avenue plantations are also being taken up.

The monitoring and evaluation of plantation works is carried out with the help of IT based applications such as data analytics platform- Data Lake and Drone videography along with inspections by field functionaries. Mobile app 'Harit Path' has been developed and made operational in August, 2020 through which 184.93 lakhs plants were geo-tagged till March, 2022.

In addition, NHAI has notified IRC guidelines for all types of plantation landscaping activities on the highways. Standard Operating Procedure (SOPs) for plantation and transplantation, Expression of Interest (EOI) and Request for Proposal (RFP) for empanelment of qualified agencies and project implementation process have been designed to involve plantation agencies, NGOs and Self Help Groups (SHGs). Majority of the plantations (approx. 80%) are being carried out by the road concessionaires. The balance plantations are being entrusted to private plantation agencies, NGOs, Self-Help Groups (SHGs) and State Government Agencies.

Memorandum of Understanding (MoUs) arrangement is there in place to involve State Government Agencies- State Forest Department, State Forest Development Corporations, State Sericulture and Horticulture Departments, Central Silk Board (CSB) and National/State Rural livelihood Missions (NRLM/SRLM). A standard MoU has been made for Public Sector Enterprises and Corporate Houses to involve them for selected section of National Highways under the Corporate Social Responsibility (CSR) funding.



Avenue along Bijapur-Hungund Section of NH-50 from Km. 225.800 to Km.



323.012, RO-Bengaluru

Avenue along Vijayawada: Siddhantham-Gundugolanu from km 950.5 to km 1022.4 NH-216A



Median along Four laning of Jetpur - Somnath section of km 0.000 to km 123.454 of NH-8D in the State of Gujarat



Median along Nagpur-Betul Sec of NH-47



15.15 Value Capture Finance (VCF):

The highway development Projects have huge potential to generate revenue due to enhanced value of land in the Project Impact Area. Till now, NHAI was not able to get any benefits out of this. In order to tap the revenue generation potential, Value Capture Finance (VCF) policy guidelines have been issued in March, 2021. For this, NHAI will partner with State/UT Govt/District Authorities/Urban Local Bodies for new highway development projects as per which NHAI will develop the highway and other partner will capture enhanced value through development of real estate projects. Both will share the revenue so generated based on mutual agreed terms and conditions. The revenue can be shared through various VCF Techniques i.e. sharing stamp duty (upto 20%), sharing (minimum 10%) Change in land Use (CLU) fee, development fee, premium on additional FSI/FAR, charges on building rights/land use re-adjustment.

State/UT Govt. can also facilitate highway development projects by various methods like expediting land acquisition, preferential mining rights for NHAI projects, Royalty waiver on sand, earth, aggregates/stones, GST refund on construction material like cement, steel, bitumen etc.

This will be a win-win situation for both NHAI and the State/UT. On one hand, this will help NHAI to make the unviable projects viable and also to fund the other non-viable Highway Development Projects, while on the other hand, States/UT Govts can develop under-developed areas without spending much and also generate revenue e.g. Urban Extension Road (UER) Project in State of Delhi.

States like Kerala Delhi, Bihar, Tamil Nadu, Karnataka, Telangana, Odisha, Punjab, Madhya Pradesh, Himachal Pradesh, Uttar Pradesh have already come on board on this new initiative. Efforts are being made to encourage other States/UTs to partner in this new initiative.

15.16 Surplus land Monetisation:

NHAI is having some surplus land parcels which were earlier acquired but later on not used for highway development. NHAI has spent money to acquire these land parcels but these are not utilized to generate any revenue. Efforts are being made to monetize these surplus land parcels in consultation with Real Estate Companies, Oil Companies for Petrol Pumps and other Hospitality Companies for development of Way-Side Amenities.





Welfare Activities Undertaken by the Authority

16.1 NHAI Club:

NHAI club was constituted in November 2001 for looking after various social, cultural and other related activities for the employees of the NHAI. All the officers and staff of NHAI posted at the Headquarters are members of the club. NHAI Club also contributes a sum of ₹ 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 NHAI policy, in case of death of any NHAI employee due to illness, accident or natural causes, the nominee of the deceased employee is entitled to receive a sum of ₹ 20.00 lakhs for all categories of employees. The sum payable under the Policy was received from existing ₹ 4.00/5.00 Lakhs to ₹ 20.00 Lakhs applicable w.e.f. 20.04.2020. 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 NHAI from 2013 onwards.

“Payment of coverage amount (sum assured) admissible under NHAI Group Insurance Scheme to 09 officers (06 Regular, 01-MoRTH, 02-Deputation) expired during 2021-22 were released to the Next of Kin of the deceased officers.”

16.3 Death Benevolent Scheme:

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



Agra – Etawah Bypass section of NH-2 1





CHAPTER

17

Audit

The Audit Report on the accounts of the Authority for the year 2021-22 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**.



Saoner_Dhapewada





ANNEXURE 1-List of Project Implementation Units and Regional Offices

Sl. No.	Name of Regional Office	Name of PIUs/CMUs	
1.	Andhra Pradesh at VIJAYAWADA	1	Visakhapatnam
		2	Rajamahendravaram
		3	Vijayawada
		4	Amaravathi (AP)
		5	Nellore
		6	Tirupati
		7	Kadapa
		8	Ananthapur
		9	Chittoor (New) 27.07.2021
		10	Vizianagaram (New) 10.11.2021
2.	Telangana at HYDERABAD	11	Hyderabad
		12	Nirmal
		13	Khammam
		14	Warangal
		15	Sangareddy
		16	Mancherial
		17	Gajwel (New) 14.01.2022
		18	Mahbubnagar (New) 14.01.2022
3.	Bihar at PATNA	19	Muzaffarpur
		20	Motihari
		21	Chhapara
		22	Patna
		23	Patna-II
		24	Gaya
		25	Sasaram
		26	Munger



Sl. No.	Name of Regional Office	Name of PIUs/CMUs	
		27	Darbhanga
		28	Begusarai
		29	Supaul
		30	Purnea
4.	Madhya Pradesh (West) at BHOPAL	31	Bhopal
		32	Harda
		33	Indore
		34	Ratlam
		35	Ujjain
		36	Khandwa (New) 10.04.2021
5.	Madhya Pradesh (East) at Jabalpur	37	Jabalpur
		38	Gwalior
		39	Chhatarpur
		40	Chhindwara
		41	Sagar
		42	Sheopur (New) 28.01.2022
6.	Karnataka at BENGALURU	43	Dharwad
		44	Hassan
		45	Chitradurga
		46	Hospet
		47	Ramanagara
		48	Gulbarga
		49	Mangalore
		50	Bangalore
		51	Tumkur
		52	Bangalore (Expressway) (New) 13.12.2021
7.	Gujarat at GANDHINAGAR	53	Ahmedabad
		54	Bharuch
		55	Bhavnagar
		56	Godhra
		57	Rajkot
		58	Somnath
		59	Surat (Expressway)
		60	Palampur





Sl. No.	Name of Regional Office	Name of PIUs/CMUs	
8.	Haryana & Punjab at CHANDIGARH	61	Ambala
		62	Chandigarh
		63	Hisar
		64	Sonepat
		65	Amritsar
		66	Bathinda
		67	Jalandhar
		68	Ludhiana
		69	Ludhiana (Exp.)
		70	Patiala (New) 06.07.2021
9.	Himachal Pradesh at SHIMLA	71	Shimla
		72	Mandi
		73	Palampur
		74	Hamirpur
10.	J&K at JAMMU	75	Jammu
		76	Ramban
		77	Srinagar
		78	Udhampur (New) 04.02.2022
11.	Jharkhand at RANCHI	79	Ranchi
		80	Dhanbad
		81	Hazaribagh
		82	Sahibaganj
		83	Daltonjanj
		84	Jamshedpur
		85	Deoghar
		86	Gumla
12.	Kerala at THIRUVANTHAPURAM	87	Thiruvananthapuram
		88	Cochin
		89	Palakkad
		90	Kozhikode
		91	Kannur (New) 18.11.2021
13.	Maharashtra & Goa at MUMBAI	92	Pune
		93	Solapur
		94	Nashik



Sl. No.	Name of Regional Office	Name of PIUs/CMUs	
		95	Kolhapur
		96	Thane
		97	Ahmednagar
		98	Panvel
		99	Pandharpur
14.	N.E. at GUWAHATI	100	Bongaigaon
		101	Guwahati
		102	Halflong
		103	Myanmar
15.	Odisha at BHUBANESWAR	104	Balasore
		105	Berhampur
		106	Bhubaneswar
		107	Dhenkanal
		108	Keonjhar
		109	Rourkela
		110	Sambalpur
		111	Koraput (New) 07.05.2021
16.	Rajasthan at JAIPUR	112	Navrangpur (New) 07.05.2021
		113	Ajmer
		114	Barmer
		115	Bikaner
		116	Chittorgarh
		117	Dausa
		118	Hanumangarh
		119	Jaipur
		120	Jaisalmer
		121	Jodhpur
		122	Kota
		123	Sawai Madhopur
17.	Tamil Nadu at CHENNAI	124	Udaipur
		125	Sikar
		126	Chennai
		127	Kancheepuram
		128	Coimbatore



Sl. No.	Name of Regional Office	Name of PIUs/CMUs	
		129	Krishnagiri
		130	Salem
		131	Viluppuram
		132	Puducherry
		133	Chengalpattu (New) 18.01.2022
18.	Tamil Nadu at MADURAI	134	Madurai
		135	Trichy
		136	Dindigul
		137	Karaikudi
		138	Thanjavur
		139	Nagarcoil
		140	Tuticorin
19.	RO West UP at LUCKNOW	141	Agra
		142	Aligarh
		143	Bareilly
		144	Baghpat
		145	Kanpur
		146	Kannauj
		147	Meerut
		148	Moradabad
20.	RO East UP at VARANASI	149	Varanasi
		150	Prayagraj
		151	Raebareilly
		152	Lucknow
		153	Gorakhpur
		154	Azamgarh
21.	Uttarakhand at DEHRADUN	155	Dehradun
		156	Nazibabad
		157	Roorkee
		158	Vasant Vihar
22.	West Bengal at KOLKATA	159	Kharagpur
		160	Durgapur
		161	Kolkata
		162	Malda



Sl. No.	Name of Regional Office	Name of PIUs/CMUs	
		163	Krishnagar
		164	Jalpaiguri
		165	Alipurduar (New) 12.11.2021
23.	Maharashtra RO at NAGPUR	166	Amravati
		167	Aurangabad
		168	Chandrapur
		169	Dhule
		170	Jalgaon
		171	Nagpur 1
		172	Nagpur 2
		173	Nanded
		174	Washim
		175	Yavatmal
24.	Chhattisgarh at RAIPUR	176	Raipur
		177	Bilaspur
		178	Korba
		179	Dhamtari
25.	Delhi & NCR at RO DELHI	180	Ghaziabad
		181	Dwarka
		182	Rewari
		183	Sohna
		184	Bhiwani
		185	Mathura /Faridabad

Site Office	Gandhidham	Jhansi	Goa	Ayodhya under PIU-Varanasi	Shillong	Chaibasa (28.01.2022) under PIU-Jamsheddpur
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गोपनीय



लोकहितार्थं सत्यनिष्ठा

Dedicated to Truth in Public Interest

Atoorva Sinha, IA&AS
Principal Director

सत्यमेव जयते

संख्या / No. PJA/116624232/AA/c/NHAI/421/2022-23/755

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

दिनांक / Dated 16/07/2023

सेवा में,

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

विषय- भारतीय राष्ट्रीय राजमार्ग प्राधिकरण (NHAI) के वर्ष 2021-22 के वार्षिक लेखाओं पर भारत के नियंत्रक एवं महालेखापरीक्षक की लेखा परीक्षा प्रतिवेदन

महोदय,

मैं इस पत्र के साथ भारतीय राष्ट्रीय राजमार्ग प्राधिकरण (NHAI) के वर्ष 2021-22 के प्रमाणित वार्षिक लेखों की प्रति तथा उन पर लेखा परीक्षा प्रतिवेदन संसद के पटल पर रखने के लिए अग्रोधित कर रही हूँ। कृपया यह सुनिश्चित किया जाए कि लेखा परीक्षा प्रतिवेदन को संसद के दोनों सदनों के समक्ष प्रस्तुत करने से पहले शासी निकाय (Governing body) को नियमानुसार अवश्य प्रस्तुत किया जाए।

संसद को प्रस्तुत कर दस्तावेजों की दो प्रतियाँ उस तिथि 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।

भवदीया,

— अतूर्वा —

(अतूर्वा सिन्हा)
प्रधान निदेशक

संख्या:-

दिनांक:- 02.2023

प्रतिलिपि:-

1. अध्यक्ष, भारतीय राष्ट्रीय राजमार्ग प्राधिकरण को वर्ष 2021-22 के लेखाओं पर लेखा परीक्षा प्रतिवेदन की प्रति सूचनार्थ एवं आवश्यक कार्यवाही हेतु प्रेषित है।

(अतूर्वा सिन्हा)
प्रधान निदेशक

तृतीय तल, ए-स्कन्ध, इन्द्रप्रस्थ भवन, इन्द्रप्रस्थ एस्टेट, नई दिल्ली-110002

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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 2022

We have audited the attached Balance Sheet of the National Highways Authority of India (NHAI) as at 31 March 2022 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 212 units (187 Project Implementation Units, 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 check basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting policies used and significant estimates made by the management, as well as evaluating the overall presentation of the 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 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 (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) Assets held on behalf of GoI (completed & ongoing) amounting to ₹ 6,95,287.71 crore are being shown as Fixed assets of NHAI, is not in consonance with the approved format of accounts and Generally Accepted Accounting Principles (GAAP) although 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 executing agency of the GoI and ownership of these 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 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, recognizing these as its assets and recognizing them as Assets held on behalf of Gol (completed and ongoing) in NHAI's Balance Sheet was not correct.

Audit also noticed that another Central Public Sector Enterprise, 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 31 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 ₹ 6,95,287.71 crore recognized as NHAI's Fixed Assets.

This issue was raised in earlier year(s) also by Audit. However, no corrective action has been taken by the management.

- (ii) The approved format of accounts provides that the Profit/Loss 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 Profit/Loss in the prescribed manner, computed the 'Net Establishment Expenditure' which was in actual the loss for the year 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 capitalized the entire amount of ₹ 625.65 crore with respect to Net Establishment Expenses for the year.

This issue was also raised in earlier year(s) by Audit. However, no corrective action has been taken by the management.

- (b) The borrowing costs on completed projects, in contravention to GAAP is not being routed through Profit & Loss Account. Borrowing Costs amounting to ₹ 24,015.33 crore have been adjusted, during 2021-22, 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 ₹ 24,015.33 crore allocated to Assets held on behalf of Gol (completed & ongoing) and the total Borrowing Costs amounting to ₹ 92,963.96 crore allocated to completed and ongoing projects till date.

This issue was raised in earlier year(s) also by Audit. However, no corrective action has been taken by the management.



IV We further report that:

A Balance Sheet

1 Sources of Funds

1.1 Shareholder's Fund

Capital (Schedule 1) – ₹ 3,36,595.88 crore

- (i) 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 operation & maintenance of highways against Capital Account (Plough back of Toll Remittance, etc.). During the year, NHAI incurred ₹ 3633.25 crore being the total expenditure on maintenance of highways (₹ 2111.48 crore on maintenance of highways and ₹ 1521.77 crore on toll collection activities). Against this, during 2021-22, MoRTH released a grant of ₹ 1872.76 crore for maintenance of highways. After adjusting ₹ 62.04 crore of 'Other Receipts from Operation & Maintenance of Highways', balance amount of ₹ 1698.45 crore, has been set off against the Shareholder's Fund. This has resulted in understatement of Loss for the year and Shareholder's Fund-Capital by ₹ 1698.45 crore.

This issue was also raised in earlier year(s) by Audit. However, no corrective action has been taken by the management.

- (ii) The above includes ₹ 7350.40 crore being proceeds from InVIT projects received by NHAI from National Highways Infra Projects (P) Limited (NHIPPL) during 2021-22. As per the Accounting policy no. 11 of NHAI, 'the amount of toll revenue, shared revenue, negative grant, Toll Opearte and Transfer (TOT) / InvIT proceeds and interest earned thereon, is remitted to Consolidated Fund of India (CFI) on actual basis'. However, in contravention to its accounting policy, NHAI has added the proceeds from InVIT in Capital (under section 17 of NHAI Act) without remitting the same to CFI. This has resulted in overstatement of Capital u/s 17 by ₹ 7350.40 crore and understatement of Current Liabilities-Payable to Gol by ₹ 7350.40 crore.
- (iii) The above includes ₹ 127.10 crore being the loss suffered by NHAI on winding up of Moradabad Toll Road Company Limited (a subsidiary of NHAI) which resulted in reduction of capital u/s 17 of the NHAI Act. As per Para 34 of Accounting Standard (AS) 13 on Accounting for Investments, 'On disposal of an investment, the difference between the carrying amount and net disposal proceeds should be charged or credited to the profit and loss statement'. However, NHAI while routing the loss on disposal of investment through Profit and Loss account, has directly transferred the amount of loss to capital u/s 17, without any impact on Profit and Loss Account which is in contravention to the provisions of AS 13. This has resulted in understatement of capital and understatement of loss for the period by ₹ 127.10 crore.
- (iv) The above does not include ₹ 55.05 crore being the amount deducted by NHAI from Plough back of Toll Revenue received from Gol, on account of cost of creation of capital infrastructure for toll collection electronically under Electronic Toll Collection and Toll Management System. Since this expenditure is of capital nature, it should have been capitalized in the books of account. This has resulted in understatement of Capital and understatement of Assets held on behalf of Gol by ₹ 55.05 crore.

Further, Significant Accounting Policy No. 8 stipulates that '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 subject to depreciation'. This accounting policy is deficient because the assets purchased or constructed is a capital expenditure and accordingly should have been capitalised instead of setting off from plough back of toll remittances.

1.2 Borrowings (Schedule 4): ₹ 3,48,907.24 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 fund so applied.

As on 31 March 2022, an amount of ₹ 3,48,907.24 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 other unsecured loans. However, in compliance 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.

This issue was raised in earlier year(s) also by Audit. However, no corrective action has been taken by the management.

2 Application of Funds:

2.1 Fixed Assets

Assets held on the behalf of Gol (Schedule 5): ₹ 6,95,543.41 crore

- (i) Capital reserve are created out of capital profits and are a part of the Reserve & Surplus. However, an amount of ₹ 7671.80 crore being the Capital Reserve was transferred and adjusted/subtracted in the Schedule 5 'Assets held on behalf of Gol'. This has resulted in understatement of Reserves & Surplus and understatement of Assets held on behalf of Gol by ₹ 7671.80 crore.

This issue was raised in earlier year(s) also by Audit. However, no corrective action has been taken by the management.

- (ii) As per Rule 230(8) of General Financial Rules (GFR) 2017, "All interests or other earnings against Grants in aid or advances (other than reimbursement) released to any Grantee institution should be mandatorily remitted to the Consolidated Fund of India (CFI) immediately after finalisation of the accounts. Such advances should not be allowed to be adjusted against future releases".

NHAI earned interest on unutilized capital of ₹ 2109.25 crore during the financial year 2021-22. However, interest earned on Grants in aid or advances (other than reimbursement) released to NHAI, has not been remitted to CFI which was in contravention of GFR 2017. This has resulted understatement in Current Liability (Payable to Gol) and understatement of Assets held on behalf of Gol to the extent of interest earned on grant received during the year. Further, interest earned of Grant received from 2017-18 to 2020-21 has not been reconciled and deposited in CFI.



In this context, a reference is also invited to NHAI accounting policy no. 3 which stipulates that "Interest earned on the unutilized grant is credited to interest on unutilized capital." The accounting policy is deficient and is in contravention of provisions of GFR.

This issue was raised in earlier year(s) also by Audit. However, no corrective action has been taken by the management.

- (iii) Assets held on behalf of Gol are shown after deduction of ₹ 137.62 crore of interest for the year 2021-22 on the loan amount disbursed to seven Special Purpose Vehicle (SPV) companies and one Associate. This interest is in the nature of income and should have been shown as income of the Authority in Profit and Loss Account. This has resulted in understatement of Assets held on behalf of Gol and income for the year by ₹ 137.62 crore.
- (iv) The above includes ₹ 30.04 crore being the consultancy charges paid during the year 2021-22 to Independent Engineer for Operation & Maintenance projects. This expenditure being revenue in nature, should have been accounted under Expenditure on Maintenance of Highways – Supervision. This has resulted in overstatement of Assets held on behalf of Gol and understatement of Expenditure on Maintenance of Highways by ₹ 30.4 crore.

2.2 Investment (Schedule 6): ₹ 5,098.13 crore

The above head includes investment made by NHAI in various companies / SPVs by way of equity contribution and the same is being carried at cost. As per Para 17 of Accounting Standard 13 on 'Accounting for Investments', 'Long-term investments are usually carried at cost. However, when there is a decline, other than temporary, in the value of a long term investment, the carrying amount is reduced to recognise the decline. Where there is a decline, other than temporary, in the carrying amounts of long term investments, the resultant reduction in the carrying amount is charged to the profit and loss statement'.

As per note no 15, NHAI got the valuation of its Investments in three loss-making subsidiaries done by professional valuer in 2016-17 and a provision for diminution in the value of investment in was made. However, no subsequent valuation of the remaining SPVs has been done by NHAI to ascertain any diminution in the value of investment as required under AS-13 and the investments are being shown in the accounts at cost. In the absence of the same, audit could not vouch safe the amount of investment of NHAI in its subsidiaries as shown in the financial statements.

2.3 Current Assets, Loans and Advances (Schedule 7) : ₹ 52,134.82 crore

Deposit, Loans & Advances: ₹ 47,485.49 crore

- (i) The above includes ₹ 11,176.68 crore being the amount recoverable from MoRTH on account of payment made by NHAI to various State Governments Agencies, as per directions of MoRTH, for development of various National Highways Projects, under NHDP-III, NHDP-IV and NH (O) (VGF) Schemes of MoRTH. 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. Still these recoverable are appearing in books of NHAI in spite of no assurances received from MoRTH. This has resulted in overstatement of Current Assets, Loans and Advance by ₹ 11,176.68 crore and understatement of accumulated loss by the same amount.

This issue was also raised in earlier year(s) by Audit. However, no corrective action has been taken by the management.





- (ii) The above includes an amount of ₹ 277.83 crore disbursed as loan by NHAI to two of its subsidiaries viz. Ahmedabad-Vadodara Expressway Company Limited and Cochin Port Road Company Limited renamed as National Highways Logistic Management Limited. 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 in these two subsidiaries by NHAI, the loan of ₹ 277.83 crore should have been provided for in the books of NHAI. This has resulted in overstatement of Current Assets, Loans and Advance and understatement of Loss by ₹ 277.83 crore.

This issue was also raised in earlier year(s) by Audit. However, no corrective action has been taken by the management

- (iii) The above includes ₹ 1786.20 crore being advance amount received from DME Development Limited towards execution of Delhi Mumbai Expressway projects. Since, this amount is received in advance and the work against the same is yet to be executed, therefore, the same should have been shown as Current Liability instead of Recoverable from DME under Current Asset, Loans and Advance. Thus, Current Liabilities is understated by ₹ 1786.20 crore and Current Assets, Loans and Advance, is overstated by the same amount.
- (iv) The above does not include interest amount of ₹ 2.67 crore on the revenue shortfall loan of ₹ 125 crore released by NHAI to M/s Ghaziabad Aligarh Expressway Private Limited recoverable as per the Clause 28.2 of Concessionaire Agreement. This has resulted in understatement of Current Assets and understatement of Interest on Unutilized Capital by ₹ 2.67 crore.
- (v) The above does not include ₹ 4.12 crore being the amount deposited by Moradabad Toll Road Company Limited (MTRCL) with Income Tax Department (ITD). The same was recoverable from ITD as per the order of Income Tax Appellate Tribunal (02 June 2015) passed in favor of MTRCL and thereafter, the Appeal of ITD was rejected by the Hon'ble High Court on 13 January 2016. Thus, the same should have been shown under the claim recoverable from the ITD. This has resulted in understatement of Claims Recoverable and understatement of Capital Reserve by ₹ 4.12 crore.

(vi) **Current Assets, Loans and Advances (Schedule 7): ₹ 52,134.82 crore**

The above does not include an amount of ₹ 501.83 crore which was recoverable as on 31 March 2022 from various concessionaires/ contractors as detailed below:

Sr. No.	Particulars	Amount (₹ in Crore)
1.	Consultancy fee of Independent Engineer recoverable from Concessionaires	22.6
2.	Recoverable from M/s Ludhiana Talwandi Toll Road Pvt. Ltd on account of premium payment.	2.14
3.	Short remittance of toll by M/s Saharkar Global Ltd, Datar Security Service Group and Ranchor Infra Developers Pvt Ltd.	14.59
4.	Damages recoverable from the concessionaire recoverable from the M/s HCC on account of various contractual obligations.	423.8
5.	Non booking of Interest on account of Mobilization Advances/ One Time Fund Infusion Scheme, facility provided to the contractors.	36.09



Sr. No.	Particulars	Amount (₹ in Crore)
6.	Non deposition of Double Penalty on Fastag, collected by Contractors/Concessionaires.	2.01
	Total	501.83

Thus, non-inclusion of the amount of ₹ 501.83 crore in the 'Claims Recoverable' has resulted in understatement of 'Claims Recoverable' as well as Assets held on the behalf of Gol by ₹ 22.6 crore & Current Liabilities (Payable to Gol) by ₹ 479.23 crore.

2.4 Current Liabilities and Provisions

Liabilities (Schedule 8): ₹ 52,086.04 crore

- (i) The above does not include Rs. 2 crore due to non-creation of liabilities on account of various services viz. Wayside Amenities, Road User Helpline, Citizen Centric App-You Report, Time and Motion Study provided by M/s Indian Highways Management Company Limited (IHMCL) to NHAI up to 31 March 2022 and payable to IHMCL. This has resulted in understatement of Current Liabilities and Provisions and Expenditure of Toll Collection Activities by ₹ 2 crore.
- (ii) An agreement was entered (20 November 2017) into between Ministry of External Affairs, Government of India and NHAI for Project Management and Consultancy services for construction/upgradation of the Kalewa-Yargi Road section, a trilateral Highway in Myanmar. As per the terms of the agreement, Ministry of External Affairs, Government of India has released Rs. 528.95 crore up to March 2022 to NHAI towards project expenditure. However, NHAI has not adjusted ₹ 437.87 crore being the amount spent for the project till 31 March 2022.

This has resulted in overstatement of Current Liabilities and Provisions and overstatement of Current Assets, Loans and Advance by ₹ 437.87 crore. Further, the note on accounts no. 16 (c) is also deficient to that extent.

This issue was also raised during previous year. However, no action has been taken by management.

- (iii) Further, as per the terms of the above agreement, NHAI was to receive a remuneration of 6 per cent of the estimated cost or tendered cost, whichever is lower. NHAI has incurred project expenditure of ₹ 437.87 crore (37.20 per cent financial progress) for the project up to March 2022. Thus, the total remuneration due to NHAI towards PMC fees is ₹ 41.05 crore till March 2022. Against this, Ministry of External Affairs, Government of India has released ₹ 22.25 crore up to March 2022 to NHAI towards Project Management Consultancy (PMC) fees and ₹ 18.80 crore is recoverable from Ministry of External Affairs, Government of India.

This has resulted in understatement of Income by ₹ 41.05 crore, overstatement Current Liabilities by ₹ 22.25 crore and understatement of Current Assets, Loans and Advances by ₹ 18.80 crore.

This issue was also raised during previous year. However, no action has been taken by management.

- (iv) The above does not include ₹ 336.06 crore being non-creation of liability on account of 4 per cent of fee collected electronically which was payable to M/s Indian Highways Management Company Limited for the month of January-March 2022. This has resulted in understatement of Current Liabilities and Provisions as well as Expenditure on Toll Collection Activities by ₹ 336.06 crore.





- (v) Following head of accounts understated by ₹ 4,982.25 crore due to non/short provision of liabilities towards:

Sr. No.	Particulars	₹ (in Crore)
1	Compensation payable for acquisition of land despite issue of 3D Notification/Award by CALA/Compensation payable to land losers as per Arbitration award/	3,455.64
2.	Amount payable to Contractors/concessionaire in respect of Construction work done	313.47
3.	Amounts payable to the contractor/Concessionaire/Utility Department for utility shifting/tree cutting	34.27
4.	Amounts payable to consultants in respect DPR preparations	0.58
5	Amounts payable for supervision / other consultancy	45.4
6	Amounts payable to Gol in respect of short remittance of Toll/Interest on delayed payment by concessionaire/contractors	44.35
7	Amounts payable to Gol in respect of penalty payable to GOI	31.99
8	Amount payable to contractors for maintenance work done	61.55
9	Amount for capital reserve	70.03
10	Amount payable on account of CWIP GST-Change in Law	6.92
11	Expenditure on toll collection activities	6.33
12	Expenditure on Highways Nest Mini	1.79
13	Amount payable to Gol for interest on mobilisation advance & other deposits	33.04
14	Amount payable to contractor/concessionaire on account of Bonus/ Annuity payment	866.86
15	CWIP Building	0.81
16	Understatement of Expenditure on Green Belt Highways Development	2.1
17	Non provisioning of 1% Administrative charges payable to CALA	0.18
18	Non provisioning of expenditure for road safety	7.12
	Total	4,982.25

This has also resulted in understatement of 'Assets held on behalf of Gol' by ₹ 4756.99 crore, Claims Recoverable by ₹ 146.37 crore, Expenditure of Toll collection Activities by ₹ 78.89 crore.

- (vi) Following head of accounts overstated by ₹ 47.78 crore due to excess provision of liabilities towards.

Sr. No.	Particulars	₹ (in Crore)
1	Civil works	41.13
2	Semi-annuity	6.65
	Total	47.78

This has also resulted into overstatement of Assets held on behalf of Gol (completed/ongoing) of ₹ 47.78 crore.



2.5 Current Liabilities and Provisions

Reserves & Provisions (Schedule 9): ₹ 105.10 crore

The above head does not include provision for diminution in the value of investment for ₹ 370.75 crore in respect of Ahmedabad Vadodara Expressway Company Limited, National Highways Logistic Management Limited (formerly Cochin Port Road Company Limited). As against the approved format of accounts, instead of showing the provision separately under the head 'Current Liabilities and Provision', the same was adjusted against the investment during 2016-17. Further, in contravention to Generally Accepted Accounting Principles, instead of creating the provision from P&L Account, the same was created from Capital Account in that year.

This has resulted into understatement of Investment, understatement of Current Liabilities and Provision, understatement of Loss and understatement of Capital Account by ₹ 370.75 crore.

This issue was also raised during previous year. However, no action has been taken by management.

B Profit and Loss Account

1 Income

Other Income (Schedule 11): ₹ 34.13 crore

The above head does not include an amount of ₹ 1,313.37 crore being the agency charges for the current year which was not accounted for in the books of accounts. Agency charges were introduced in NHAI as per the practice followed by State Public Works Department under 'Agency System' who were executing the National Highway Projects prior to coming into existence of NHAI.

Non accounting of agency charges in the books of account has resulted in understatement of Income, overstatement of loss and understatement of Current Assets, Loans and Advances by Rs 1,313.37 crore for the current year.

Audit also noticed that NHIDCL, incorporated by MoRTH for development and maintenance of national highways on behalf of Gol as executing agency, recognises agency charges as its income as per the defined rate on the expenditure incurred.

This issue was also raised during previous year. However, no action has been taken by management.

2 Expenditure

2.1 Personnel and Administrative Expenses (Schedule 15)

Printing and Stationery: ₹ 15.63 crore

The above includes an amount of ₹ 9.9 crore incurred towards the publication of notifications related to land acquisition on behalf of MoRTH. Thus, the same should have been booked as recoverable from MoRTH. This has resulted in overstatement of Printing and Stationery Expenditure and understatement of Assets held on behalf of Gol (ongoing projects) CWIP by ₹ 9.9 crore.

3 Prior Period Items (net) (Schedule 17): ₹ 37.77 crore

3.1 The above head does not include an amount of ₹ 4,379.73 crore being the agency charges for which invoices are not raised by NHAI on MoRTH and not accounted for in the books of accounts for the period upto 31 March 2021. This has resulted in understatement of Prior Period Income, overstatement of accumulated losses and understatement of Current Assets, Loans and Advances by ₹ 4,379.73 crore.





Audit also noticed that NHIDCL, incorporated by MoRTH for development and maintenance of national highways on behalf of Gol as executing agency, recognises agency charges as its income as per the defined rate on the expenditure incurred.

This issue was also raised during previous year. However, no action has been taken by management.

- 3.2 The above includes an amount of ₹ 6.57 crore being amount paid by NHAI towards the professional fee in respect of consulting services for programme management of Bharatmala Pariyojana for the month November & December 2021. As this expenditure relates to current financial year i.e. 2021-22, therefore, the same should have been booked in current year. This has resulted in understatement of Current Year Expenditure and overstatement of Prior Period Items by ₹ 6.57 crore.

C Cash Flow Statement

1 Cash Flow from Investing Activities

(Increase)/Decrease in Investment: ₹ (3,052.16 crore)

The above represents an increase in investment amounting to ₹ 965.56 crore (9,56,00,000 units at ₹ 101 per unit) in National Highway Infra Trust (NHIT). This included swapping of shares of National Highway Infra Projects (Pvt) Limited with units of NHIT for ₹ 101.52 crore and cash/bank payment of ₹ 864.04 crore. As per AS 3 on 'Cash Flow Statements', cash flows are inflows and outflows of cash and cash equivalents. Therefore, swapping of shares amounting to ₹ 101.52 crore without any cash inflow/outflow should not have been included in Cash Flow Statement. Thus, the Cash Flow Statement is deficient to that extent.

2 Cash Flow from Financing Activities

During the year, the following cash flows were received from the MoRTH:

(₹ in crore)

S No	Head of Receipts	Amount
1	Maintenance of Highways	1,872.76
2	Plough back of toll-remittances	12,670.00
3	Plough back of TOT	5,000.00
	Total	19,542.76

The expenditure on Maintenance of Highways (₹ 2,111.48 crore) and expenditure on toll collection activities (₹ 1,521.76 crore) were adjusted against the above cash inflows of ₹ 19,542.76 crore, which should have been shown separately under cash flow from financing activities in Cash Flow Statement.

D Notes on Accounts (Schedule 19)

- Contingent Liability is understated by ₹ 12,912 crore on account of claims raised by the contractors/concessionaires relating to various projects. Thus, note no 27 pertaining to disclosure of contingent liability is deficient to that extent.
- As per para 66 of the AS 29, for each class of provision, an enterprise should disclose:
 - The carrying amount at the beginning and end of the period;



- (b) Additional provisions made in the period, including increases to existing provisions;
- (c) Amounts used (i.e. incurred and charged against the provision) during the period; and
- (d) Unused amounts reversed during the period.

As per Schedule-9, NHAI has made provision for taxes, gratuity, leave salary and other provisions aggregating ₹ 105.10 crore, however no such disclosure in line with the requirement of AS-29 has been made in the Notes forming part of the Financial Statements.

This issue was also raised during previous year. However, no action has been taken by management.

- 3 Note 9. (f) relating to Borrowings-Term Loan states that the Authority, during the year has taken term loans of ₹ 54,000 crore from various banks (as given in table below) and during the year term loans to the tune of ₹ 18,571.43 crore (as given in table below) have been repaid. However, as per the ledger, the total term loans raised by the Authority during the year was ₹ 59,000 crore and total amount of term loan repaid during the year amounts to ₹ 23,571.43 crore. Therefore, the above note is deficient to that extent.

Sr No	Name of Bank	Term Loan Taken (as per Note 9. (f))	Term Loan taken as per Ledger	Loan Repaid as per Note 9. (f)	Loan Repaid as per ledger
1	State Bank of India	20,000	20,000	17,571.43	17,571.43
2	Bank of Baroda	9,500	10,000	NIL	500
3	Canara Bank	9,500	10,000	NIL	500
4	HDFC Bank	6,000	6,500	NIL	500
5	ICICI Bank	3,500	6,500	NIL	3,000
6	Axis Bank	3,000	3,000	500	500
7	IndusInd Bank	2,500	3,000	NIL	500
8	PNB	NIL	NIL	500	500
		54,000	59,000	18,571.43	23,571.43

- 4 According to GAAP, all significant event which has a bearing on the financial statements should be disclosed in the notes forming part of the accounts. During the financial year 2021-22, NHAI suffered an estimated loss of ₹ 232.36 crore due to force majeure claims (**due to Covid**). However, this disclosure has not been given in the notes to accounts.

(E) General

- 1 Commitments made by NHAI in the prospectus issued for Tax Free Secured Redeemable Non-Convertible Bonds of ₹ 10,000 crore (2011-12), Tax Free Secured Redeemable Non-Convertible Bonds of ₹ 5,000 crore (2013-14), Tax Free Secured Redeemable Non-Convertible Bonds of ₹ 19,000 crore (2015-16), Taxable Bonds (2018-19), Taxable Bonds (2019-20), Taxable Bonds (2020-21) and Taxable Bonds (2021-22) 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 utilized;
- 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 unutilized 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 NHAI Act, 1988. As such, no separate Account is maintained for utilization of NHAI Bond proceeds.' This disclosure is also factually incorrect as NHAI is not maintaining any National Highways Authority of India Fund.

This issue was raised in earlier year(s) also by Audit. However, no corrective action has been taken by the management.

- 2 Note no. 9(f) forming part of the financial statement states that borrowings shown under secured category are inter-alia secured through a mortgage over fixed assets of NHAI, being highway project comprising of all superstructures including highway lightings, road barriers and dividers, bridges, culverts and all other super structures constructed on national highways. However, these are not the fixed assets of NHAI, the ownership of these structures is vested with the Government of India. Thus, the note is deficient to that extent.
- 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 to Accounts and subject to the significant matters stated above and other matter mentioned in Annexure 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 31 March 2022.
 - (b) In so far as it relates to the Profit and Loss Account, the Net Establishment Expenses (the loss for the period) for the year ended on 31 March 2022.

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

(Atoorva Sinha)

Principal Director of Audit (Infrastructure)
New Delhi

Place: New Delhi

Dated: 16 February 2023



Annexure

(To the Audit Report on the Accounts of National Highways Authority of India for the year 2021-22)

1 Internal Audit System

For the purpose of evaluation of internal audit system, a questionnaire was issued to management for their response. Based on the same, the following observations were noticed in audit:

- (i) The internal audit for the first half of the financial year 2021-22 has been conducted. However, report on the same was not provided to audit. Internal audit for the second half of the financial year 2021-22 was yet to be completed.
- (ii) There is no Internal Audit Plan based on risk analysis and assessment for the audit of PIUs, ROs and Headquarter office.
- (iii) Internal audit division is part of the Finance and accounts department and not a separate one. So, there is lack of independence of internal audit division.
- (iv) The head of the Internal Audit Department reports directly to the Member (Finance) and not to the Chairman of NHAI or Chairman Audit Committee.
- (v) There is no sanctioned strength of the Internal Audit division.
- (vi) The Term of Reference/scope of audit for internal audit does not include the audit of technical aspects of road construction.
- (vii) There is no time limit fixed to issue the observations/ para's/ report to the concerned division by the internal audit department/external audit firms.
- (viii) No follow up action has been initiated by the concerned divisions on the audit observations issued during 2021-22.
- (ix) Internal Audit reports submitted by external audit firms has not been commented on weak monitoring, poor implementation, failure to follow the approved procedures, violation of rules and regulations.
- (x) The financial statements prepared by Finance and Accounts department of NHAI were not examined by the internal audit department.
- (xi) No IT audit or system audit of Application software AFMS has been conducted by NHAI.

2 Internal Control System

- (i) NHAI does not have an accounting manual for preparation and presentation of financial statements.
- (ii) NHAI has not formulated and implemented a Risk Management Policy.
- (iii) NHAI has not formulated a hedging policy to mitigate and minimize the foreign exchange losses.
- (iv) NHAI does not have a code of conduct for all Board Members and senior management
- (v) NHAI does not have an approved fraud detection and prevention procedures and policies





- (vi) The ERP system has not been implemented completely in NHAI. As apprised by management, ERP is partly implemented in respect of some administration and HR related modules only and rest of the modules are yet to be utilized and implemented
- (vii) In the books of accounts of NHAI Headquarters, various balances out of the following are lying un-reconciled for long period and the same needs to be reconciled:

S. No.	Details/Heads of account	Amount (₹ in crore)	Period
(i)	Advance given against deposit work	18.94	2003 to 2022
(ii)	Advances given for maintenance of highways	110.97	2003 to 2022
(iii)	Claims Recoverable	8977.66	2003 to 2022

- (viii) NHAI vide its Office Memorandum dated 25 April 2012 circulated that Toll Revenue, shared revenue, negative grants, premium etc. should be deposited by NHAI in Consolidated Fund of India (CFI) within three days of its collection /receipts. Further, NHAI vide its OM dated 17 December 2018 stipulated that 'the collected amount i.e. user fee received either on daily basis from departmental collection or on weekly basis from auctioned plazas/Shared Revenue/Negative Grant/ Premium should be remitted by PIU on the same day, through RTGS/NEFT, in the dedicated central user fee account of NHAI with Canara Bank, which is maintained by Head office'. However, the following amount was shown as credit balance as on 31 March, 2022

S. No.	Name of Account	Amount (₹ in crore)
1)	Toll Revenue (Dept), payable to Gol (w.e.f. 01.04.10)	209.80
2)	Shared Revenue (BOT) payable to Gol (w.e.f. 01.04.10)	1,433.03
3)	Negative Grant on BOT (Toll), payable to Gol (w.e.f. 01.04.10)	894.67
4)	Interest (Toll Receipt) payable to Gol (w.e.f. 01.04.10)	1,088.13
5)	Other (Receipts) payable to Gol (w.e.f. 01.04.10)	80.18
6)	Toll Revenue (Auctioned Plaza) payable to Gol (w.e.f. 01.04.10)	851.27
7)	Shared Revenue (OMT), payable to Gol (w.e.f. 01.04.10)	634.76
8)	Premium on BOT (Toll) projects, payable to Gol	3,900.81
9)	Penalty (Non-FASTag w.e.f 16.02.2021), payable to Gol	108.99
	Total	9,201.64

- (ix) Cash and Bank Balances includes an amount of ₹ 259.46 crore received by NHAI from October 2016 to 31 March, 2022 through RTGS/NEFT in one of its Bank Account which as per NHAI was not reconciled.
- (x) 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.

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

- (xi) Transfer entries pertaining to projects were made in AFMS from one PIU to another without supporting records / documents / information.
- (xii) Withdrawal of ₹ 47.40 crore (25 March 2022) from bank account of PIU Raebareilly by the bank without any authorization from NHAI. The bank reversed the amount of ₹ 47.40 crore on 30 March 2022 after NHAI's intervention without crediting the interest loss from 25 March 2022 to 30 March 2022.
- (xiii) Details of legal and arbitration cases alongwith effect of claim/counterclaims were not available in PIU-Chandigarh.
- (xiv) Non confirmation of bank balances as on 31-03-2022 at PIU-Ghaziabad & Sonipat.
- (xv) Non verification of payments made to Contractor by Audit officer in violation of SoP on functioning of F&A unit at RO at PIU-Bathinda.
- (xvi) Non reconciliation of amount deposited with CALA at PIU-Malda.

3 System of Physical Verification of Fixed Assets

System of physical verification of fixed assets in NHAI needs to be strengthened further so as to commensurate with the size of the organization. Only Physical verification report (PVR) of IT Assets available at NHAI/Hqrs was provided to audit whereas PVR of other tangible assets has not been furnished. Further, discrepancies in physical verification reports of assets were also observed in PIU Patiala, Bhatinda, Bhiwani & Gwalior.

4 System of Physical Verification of Inventory

There is no inventory in the books of accounts of NHAI.

5 Regularity in payment of Statutory Dues

During the period ending 31 March 2022, there were delays in deposition and non-provisioning of TDS in PIU Ramban, Srinagar, Malda & Ghaziabad.



NATIONAL HIGHWAYS AUTHORITY OF INDIA

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

BALANCE SHEET AS AT 31st MARCH 2022

S. No.	PARTICULARS	SCHEDULE	CURRENT YEAR	PREVIOUS YEAR
			₹ In Lakhs	₹ In Lakhs
	(1)	(2)	(3)	(4)
I.	SOURCES OF FUNDS			
1	Shareholders' Fund			
	a) Capital	1	3,36,59,587.67	2,61,11,353.19
	b) Reserves & Surplus	2	-	-
2	Grants			
	a) Capital	3	15,08,210.33	14,08,210.33
3	Borrowings			
	a) Secured Loans	4	2,06,62,866.49	2,00,31,261.17
	b) Unsecured Loans		1,42,27,857.14	1,06,85,000.00
	TOTAL		7,00,58,521.64	5,82,35,824.69
II.	APPLICATION OF FUNDS			
1	Fixed Assets	5		
	a) Gross Block		40,983.90	24,706.29
	b) Less: Assets created out of Grant		758.11	758.11
	c) Assets out of Own Fund		40,225.79	23,948.18
	d) Less: Depreciation		14,656.16	12,772.42
	Net Block		25,569.62	11,175.76
2	Assets held on behalf of Govt			
	a) Completed		3,00,51,557.50	2,55,32,301.73
	b) Ongoing		3,94,77,213.91	3,15,38,628.77
	Total (a+b)		6,95,28,771.42	5,70,70,930.50
	Total		6,95,54,341.04	5,70,82,106.26
3	Investment	6	5,09,813.34	2,04,597.34
4	Current Assets, Loans and Advance	7		
	a) Inventories		-	-
	b) Deposits, Loans & Advances		47,48,549.17	46,53,984.84
	c) Interest accrued but not due on deposits		63,273.22	2,845.16
	d) Interest accrued and due on CALA deposits		4,532.75	6,039.20
	e) Cash & Bank Balance		3,97,127.04	5,23,473.33
	f) Inter Unit Account		-	-
	Sub total		52,13,482.19	51,86,342.53
	Less: Current Liabilities and Provisions			
	a) Liabilities	8	52,08,604.62	42,28,508.19
	b) Reserves & Provisions	9	10,510.31	8,713.26
	Sub total		52,19,114.93	42,37,221.44
	Net Current Assets		(5,632.75)	9,49,121.09
5	Misc. Expenditure (to the extent not written off)	10		
	Profit & Loss Account (Debit balance if any)			
	TOTAL		7,00,58,521.64	5,82,35,824.69

Place : New Delhi.
Date : 28.07.2022

For and on behalf of the Board of the Authority

Member (Finance)

Chairperson



NATIONAL HIGHWAYS AUTHORITY OF INDIA

G-5 & 6, Sector-10, Dwarka

NEW DELHI - 110 075

STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2022

S. No.	PARTICULARS (1)	SCHEDULE (2)	CURRENT YEAR	PREVIOUS YEAR
			₹ In Lakhs (3)	₹ In Lakhs (4)
I.	INCOME			
	a) Value of Work done		-	-
	b) Other income	11	3,413.10	2,781.30
	c) Interest (Gross)	12	0.15	0.03
	d) Net Increase/Decrease in Work-in-progress (+)/(-)	13	-	-
	TOTAL INCOME		3,413.25	2,781.33
	EXPENDITURE			
	a) Construction Stores/Material consumed		-	-
	Other stores,spares & tools etc. consumed		-	-
	Work Expenses	14	-	-
	Personnel & Administrative Expenses	15	60,102.96	48,022.67
	Finance Charges	16	44.25	5.10
	Depreciation		2,026.19	1,453.44
	Assets of Small Value Charged Off		27.70	26.44
	Exceptional Items			
	Loss: On winding up of MTRCL		12,709.59	-
	Less: Transferred to Capital (Sch-1)		(12,709.59)	-
	Gain: On swapping of shares with units		(10,142.00)	-
	Less: Transferred to Capital (Sch-1)		10,142.00	-
	TOTAL EXPENDITURE		62,201.10	49,507.65
	Profit / (Loss) for the period		(58,787.86)	(46,726.31)
	Add: Prior Period Items net(+/-) (details to be given)	17	3,777.50	3,063.89
	Net Estab. Expenses transferred to Sch-5		62,565.36	49,790.21
	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			

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

Place : New Delhi.
Date : 28.07.2022

For and on behalf of the Board of the Authority



Member (Finance)



Chairperson



NATIONAL HIGHWAYS AUTHORITY OF INDIA

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

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2022

S. No.	PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
		₹ In Lakhs	₹ In Lakhs
A.	Cash flow from operating activities:		
	Net profit before tax	(58,787.86)	(46,726.31)
	Adjustments for:		
	Depreciation	2,026.19	1,453.44
	Profit/Loss on sale of assets	(4.34)	(4.89)
	Interest income	(0.15)	(0.03)
	Operating profit before working capital changes	(56,766.15)	(45,277.79)
	Adjustments for:		
	(Increase)/Decrease in Deposits, Loans & Advances	(94,564.33)	(72,349.99)
	Increase/(Decrease) in liabilities	9,80,096.44	8,00,106.87
	(Increase)/Decrease in Provision for Gratuity and Leave Encashment	1,797.05	722.42
	Cash flow before extraordinary item & prior period items	8,30,563.01	6,83,201.50
	Prior period items	(3,777.50)	(3,063.89)
	Net cash generated from operating activities	8,26,785.51	6,80,137.61
B.	Cash flow from investing activities:		
	Purchase of fixed assets	(16,423.12)	(1,914.00)
	Realisation from sale of assets	7.40	8.88
	(Increase)/Decrease in Capital Work in progress	(1,06,24,858.32)	(90,84,224.57)
	(Increase)/Decrease in investment	(3,05,216.00)	(1,09,420.00)
	Interest Income	1,52,003.34	1,97,477.83
	Capital Reserve (Receipts)	4,20,191.37	1,57,630.52
	Loss from investing activities	(2,567.59)	0.00
	Net cash used in investing activities	(1,03,76,862.92)	(88,40,441.34)
C.	Cash flow from financing activities:		
	Capital Base	0.00	3,260.00
	Cess funds received from Govt of India	36,21,000.00	23,85,000.00
	Capital additional budgetary receipts	16,14,218.00	2,80,000.00
	Proceeds from InvIT Projects	7,35,040.00	-
	EAP Grant Received & utilised towards Revenue Expenditure	1,00,000.00	10,000.00
	Adjusted Plough back of Toll Remittance, etc	15,80,544.07	15,40,424.08
	Net decrease in loan from ADB due to Exchange Loss after Adjustment of Repayments	(7,402.36)	(9,154.20)
	Proceeds from issue of 54EC Capital Gains Tax-Free Bonds	5,02,845.80	3,42,730.60
	Proceeds from issue of Taxable bonds	8,07,570.00	45,80,260.00
	Proceeds from NSSF Loan & Term Loans	35,42,857.14	15,85,000.00
	Redemption of 54EC Capital Gains Tax- Free Bonds	0.00	(6,65,741.30)
	Redemption of Tax Free Secured Non-Convertible Bonds (10Yr) 11-12	(6,71,408.12)	-
	Interest and other expenditure on Bond	(24,01,533.41)	(20,02,529.70)
	Net cash generated from financing activities	94,23,731.12	80,49,249.47
	Net increase/(decrease) in cash and cash equivalents (A+B+C)	(1,26,346.29)	(1,11,054.26)
	Opening cash and cash equivalents	5,23,473.33	6,34,527.58
	Closing cash and cash equivalents	3,97,127.04	5,23,473.32
	Notes:		
	Cash and cash equivalents include:		
	Cash and cheques in hand / in transit	2.32	1.30
	Balance with banks-Current Account	2,46,288.69	1,41,972.38
	Balance with banks-Savings Bank Account	1,15,740.43	3,45,754.56
	Balance with banks-Fixed Deposit Account	35,095.61	35,745.09
	Balance as per books of account	3,97,127.04	5,23,473.33

Place : New Delhi.
Date : 28.07.2022

For and on behalf of the Board of the Authority

Member (Finance)

Chairperson



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 2022

S. No.	PARTICULARS		CURRENT YEAR	PREVIOUS YEAR
			₹ In Lakhs	₹ In Lakhs
	SCHEDULE - 1			
i)	Capital U/S 12(i)(b) - Commencing Capital		-	-
ii)	Capital U/S 17			
a)	Capital Base		83,360.00	83,360.00
b)	Cess Fund	1,52,42,865.00		1,28,57,865.00
	Add : Received during the Year	36,21,000.00	1,88,63,865.00	23,85,000.00
c)	Additional Budgetary Support			
	- Additional Budgetary Support (NHDP)	34,15,888.00		18,01,670.00
	- Additional Budgetary Support (others)	3,76,584.00	37,92,472.00	3,76,584.00
d)	Proceeds from InvIT Projects	7,35,040.00	7,35,040.00	-
e)	Capital -Net off Toll Collection, Negative Grant etc. upto 31.03.10	6,18,355.88	6,18,355.88	6,18,355.88
f)	Plough back of Toll Remittance, etc. w.e.f. 01.04.10 (Gross)	1,10,05,666.00	1,10,05,666.00	92,38,666.00
	Less: Plough back transferred to SPVs	(17,407.23)	(17,407.23)	(17,407.23)
	Less:1) Expenditure on Toll Collection Activities (wef. 01.04.2010)	(6,59,221.29)	(6,59,221.29)	(5,07,044.45)
	2) (Excess)/Surplus of Expenditure on Maintenance of Highways over Maintenance Grant Received (wef. 01.04.2010).	(7,22,900.11)	(7,22,900.11)	(6,85,385.13)
	3) Transfer of Exceptional item from P & L A/c			
	a) provision for diminution in the value of investment	(37,075.00)	(37,075.00)	(40,310.88)
	b) Loss: on winding up of MTRCL	(12,709.59)	(12,709.59)	
	c) Gain: on swaping of shares with units	10,142.00	10,142.00	
	Total (Schedule 1)		3,36,59,587.67	2,61,11,353.19



S. No.	PARTICULARS	CURRENT YEAR		PREVIOUS YEAR
		₹ In Lakhs		₹ In Lakhs
	SCHEDULE - 2			
	(Additions and deductions since last balance sheet to be shown under each of the specified heads)			
	i) Capital Reserve			
	Opening Balance	3,46,989.13		1,89,358.61
	Add : Additions during the Period	4,20,191.37		1,57,630.52
	Capital Reserve transferred to Sch-5	7,67,180.49	-	3,46,989.13
	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			
	Grants			
	i) Capital Grant			
	a) For Externally Aided Projects	15,15,282.00		
	Interest earned on un-utilized Grant	1,001.00		
	Less : Assets created out of Grants (Sch:-5)	(758.11)		
	Less : Revenue Expenditure out of Grant	(7,314.55)	15,08,210.33	14,08,210.33
	b) Grant for Office Building at Dwarka	150.00		
	Less: Transferred to Building Account (Sch:- 5)	(150.00)		-
	c) For servicing of 54EC Bonds issue	1,000.00		
	Interest earned on un-utilized Grant	496.68		
	Less : Expenditure incurred on 54EC Bonds:			
	Bond Issue Expenses	(11,896.25)		
	Interest on Bond	(9,90,467.78)		
	Others	(3.00)		
	Deficit transferred to schedule-5	10,00,870.36		
	Total (Schedule 3)		15,08,210.33	14,08,210.33



S. No.	PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
		₹ In Lakhs	₹ In Lakhs
	SCHEDULE - 4		
	Secured Loans		
	Capital Gains Taxfree Bonds- 54EC	17,61,292.30	12,58,446.50
	Tax Free Secured Redeemable Non-Convertible Bonds (10Yr & 15Yr) 11-12	3,28,591.88	10,00,000.00
	Tax Free Secured Redeemable Non-Convertible Bonds (10Yr & 15Yr) 13-14	5,00,000.00	5,00,000.00
	Tax Free Secured Redeemable Non-Convertible Bonds (10Yr & 15Yr) 15-16	19,00,000.00	19,00,000.00
	Taxable Bonds (25Yrs) 2016-17	10,00,000.00	10,00,000.00
	Taxable Bonds (5Yr) 2016-17	0.00	9,04,500.00
	Taxable Bonds (30Yr) 2016-17	8,50,000.00	8,50,000.00
	Taxable Bonds (5Yr) 2017-18	2,37,500.00	2,37,500.00
	Taxable Bonds (30Yr) 2017-18	8,50,000.00	8,50,000.00
	Taxable Bonds (15Yr) 2017-18	5,00,000.00	5,00,000.00
	Taxable Bonds 2018-19	17,51,040.00	17,51,040.00
	Taxable Bonds 2019-20	49,53,600.00	49,53,600.00
	Taxable Bonds 2020-21	42,80,260.00	42,80,260.00
	Taxable Bonds 2021-22	17,12,070.00	0.00
	(Secured against a Flat in Ahmedabad and Fixed Assets of NHAI)		
	Loan from ADB- (Surat Manor Project) (Guaranteed by GoI)	38,512.31	45,914.67
		2,06,62,866.49	2,00,31,261.17
	Unsecured Loans		
	Taxable Bonds (15Yr) 2017-18 (from EPFO)	5,00,000.00	5,00,000.00
	Taxable Bonds 2020-21	3,00,000.00	3,00,000.00
	Rupee Denominated Offshore (Masala) Bonds 2017-18	3,00,000.00	3,00,000.00
	Term Loan from State Bank of India	37,42,857.14	35,00,000.00
	Term Loan from Punjab National Bank	9,50,000.00	10,00,000.00
	Term Loan from Axis Bank 2020-21	3,35,000.00	85,000.00
	Term Loan HDFC	6,00,000.00	0.00
	Term Loan ICICI	3,50,000.00	0.00
	Term Loan Indusind Bank	2,50,000.00	0.00
	Term Loan Canara Bank	9,50,000.00	0.00
	Term Loan Bank of Baroda	9,50,000.00	0.00
	Loan from National Small Savings Fund (NSSF, MoF, GOI)	50,00,000.00	50,00,000.00
		1,42,27,857.14	1,06,85,000.00
	Total (Schedule 4)	3,48,90,723.64	3,07,16,261.17



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 2022

SCHEDULE 5 Description of Asset	Rate of Depreciation	GROSS BLOCK					Depreciation				NET BLOCK		ASSETS CREATED OUT OF GRANT As at 31.03.2022	
		As at 1.04.2021	Addition	Adjusted/ Deducted (+)	Adjusted/ Deducted (-)	Total cost as at 31.03.2022	As At 1.04.2021	For the period	Adjusted/ Deducted (+)	Adjusted/ Deducted (-)	Total Depreciation upto 31.03.2022	As at 01.04.2021		As at 31.03.2022
LAND FREEHOLD	NIL	1,949.64	40.69	-	0.00	1,990.33	-	-	-	-	-	1,949.64	1,990.33	1.23
LAND LEASEHOLD	NIL	1,297.17	0.00	-	0.00	1,297.17	-	-	-	-	-	1,297.17	1,297.17	32.43
BUILDINGS	5%	7,128.45	14,950.59	-	0.00	22,079.03	2,168.56	654.22	-	2,822.78	-	4,959.88	19,256.25	307.62
STAFF QUARTERS	5%	-	0.00	-	0.00	-	-	-	-	-	-	-	-	204.65
ROADS & BRIDGES	-	-	0.00	-	0.00	-	-	-	-	-	-	-	-	-
COMPUTERS & EDP	60%	7,659.68	696.75	59.45	196.13	8,219.74	6,590.57	941.02	43.69	172.74	7,402.55	1,069.11	817.19	75.61
LABORATORY & SURVEY EQUIPMENT	25%	0.91	0.00	-	0.00	0.91	0.91	-	-	0.91	-	-	-	0.26
FURNITURE, FITTINGS & ELECTRICAL INSTALLATION	10%	3,029.39	260.36	9.50	12.99	3,286.26	1,709.63	171.34	5.76	1,877.53	9.19	1,319.77	1,408.73	69.21
MOTOR VEHICLES	20%	-	0.00	-	0.00	-	(0.00)	-	-	-	-	0.00	-	-
AIR CONDITIONERS / HEATERS	25%	756.58	26.95	1.70	2.34	782.89	637.39	36.40	1.26	673.15	1.90	119.18	109.73	16.63
OFFICE EQUIPMENT	25%	2,126.35	452.86	4.42	14.20	2,569.44	1,665.35	223.22	3.59	1,879.24	12.93	461.00	690.21	50.47
SUB TOTAL: I		23,948.18	16,428.19	75.08	225.67	40,225.79	12,772.42	2,026.19	54.30	196.75	14,656.16	11,175.76	25,569.62	758.11
Assets held on behalf of Govt		5,21,02,045.36	1,06,24,858.32	-	-	6,27,26,903.68	-	-	-	-	-	5,21,02,045.36	6,27,26,903.68	-
Add: Int/ other expenses on S4EC Bond issue (deficit transfer from Sch-3)		9,18,47,572	82,394.64	-	-	10,00,870.36	-	-	-	-	-	9,18,47,572	10,00,870.36	-
Add: Tax Free Bond Exps-Recurring		1,947.82	(53.63)	-	-	1,894.19	-	-	-	-	-	1,947.82	1,894.19	-
Add: Bond Issue Expenses		1,099.33	272.16	-	-	1,371.49	-	-	-	-	-	1,099.33	1,371.49	-
Add: Interest on Tax Free Bonds		18,06,163.71	2,54,382.38	-	-	20,60,546.09	-	-	-	-	-	18,06,163.71	20,60,546.09	-
Add: Interest on Taxable Bonds/ Masala Bonds & MSSF Loan		35,21,463.69	16,78,782.00	-	-	52,00,245.70	-	-	-	-	-	35,21,463.69	52,00,245.70	-
Add: Int on Govt Loan/OD		6,45,712.85	3,85,755.85	-	-	10,31,468.70	-	-	-	-	-	6,45,712.85	10,31,468.70	-
Add: Net Establishment Exps. Transferred from P&L A/c		2,94,801.80	62,565.36	-	-	3,57,367.16	-	-	-	-	-	2,94,801.80	3,57,367.16	-
Less: CAPITAL RESERVE		(3,46,989.13)	(4,20,191.37)	-	-	(7,67,180.49)	-	-	-	-	-	(3,46,989.13)	(7,67,180.49)	-
Less: Intt. on Unutilised Capital		(18,73,790.64)	(2,10,924.81)	-	-	(20,84,715.45)	-	-	-	-	-	(18,73,790.64)	(20,84,715.45)	-
SUB TOTAL: II		5,70,70,930.50	1,24,57,840.92	-	-	6,95,28,771.42	12,772.42	2,026.19	54.30	196.75	14,656.16	5,70,70,930.50	6,95,28,771.42	758.11
GRAND TOTAL (I) + (II)		5,70,94,878.68	1,24,74,269.11	75.08	225.67	6,95,68,997.21	12,772.42	2,026.19	54.30	196.75	14,656.16	5,70,82,106.26	6,95,54,341.04	758.11
PREVIOUS YEAR: 31.03.2021		4,63,11,823.24	1,07,83,196.09	53.96	194.62	5,70,94,878.68	11,449.98	1,453.44	32.81	163.81	12,772.42	4,63,00,373.26	5,70,82,106.26	758.11



S. No.	PARTICULARS	Total	Completed	Ongoing
	Direct Cost	6,27,26,903.68	2,71,11,670.67	3,56,15,233.01
	Percentage	100.00	43.22	56.78
	Indirect cost	68,01,867.74	29,39,886.83	38,61,980.91
	Total Cost	6,95,28,771.42	3,00,51,557.50	3,94,77,213.91

Nellore-Chikaluripet Section of NH-5





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, 2022

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
	₹ In Lakhs	₹ In Lakhs
SCHEDULE - 6		
Investment		
A. Investment in Share Capital of Subsidiary Companies:		
a) 25500000 Equity Shares of ₹10 each fully paid-up in M/s Moradabad Toll Road Co. Ltd. In addition, 4500000 Equity Shares of ₹ 10 each in M/s Moradabad Toll Road Co. Ltd. acquired from M/s UPSBCL in 2009-10 at a cost of ₹ 6,85,88,305/-	-	3,235.88
b) Calcutta-Haldia Port Road Co. Ltd (15,66,00,007 equity shares) of ₹ 10 each and 1,60,00,000 equity shares of ₹ 10 each at a premium of ₹ 15 each	19,660.00	19,660.00
c) DME Development Ltd. (31,33,00,000 equity shares of ₹ 100 each)	3,13,300.00	1,08,200.00
Equity shares of ₹ 10 each fully paid-up in each of the following		
d) Ahmedabad-Vadodara Expressway Co. Ltd. (31,28,50,000 equity shares)	31,285.00	31,285.00
e) Visakhapatnam Port Road Co. Ltd. (3,87,00,007 equity shares)	3,870.00	3,870.00
f) National Highways Logistic Management Limited (formerly Cochin Port Road Co. Ltd. (5,79,00,000 equity shares))	5,790.00	5,790.00
g) Tuticorin Port Road Co. Ltd. (9,87,00,000 equity shares)	9,870.00	9,870.00
h) Paradeep Port Road Co. Ltd. (15,00,00,000 equity shares)	15,000.00	15,000.00
i) New Manglore Port Road Co. Ltd. (10,39,30,000 equity shares)	10,393.00	10,393.00
j) Mormugao Port Road Co. Ltd. (19,95,00,000 equity shares, previous year 15,27,00,000 equity shares)	19,950.00	15,270.00
k) National Highways Infra Investment Managers Pvt Ltd. (1,10,00,000 equity shares)	-	1,100.00
l) National Highways InvIT Project Managers Pvt Ltd. (10,00,000 equity shares)	100.00	100.00
m) National Highways Infra Projects Pvt Ltd (1,00,000 equity shares)	-	10.00



PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
	₹ In Lakhs	₹ In Lakhs
n) Application Money (National Highways Infra Investment Managers Pvt. Ltd)	-	10.00
Less: Provision for Diminution in the value of investment in AVEXCL, CPRCL & MTRCL		(40,310.88)
Less: Provision for Diminution in the value of investment in AVEXCL & CPRCL	(37,075.00)	
Sub Total	3,92,143.00	1,83,483.00
B. Investment in Share Capital of Associates Companies		
Equity shares of ₹ 10 each fully paid-up in each of the following		
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) M/s Mumbai-JNP Port Road Co. Ltd. (6,38,43,397 equity shares)	6,384.34	6,384.34
Sub Total	21,114.34	21,114.34
C. Investment in other entities		
Units of ₹ 101 each		
a) M/s National Highway Infra Trust (9,56,00,000 units)	96,556.00	0.00
Sub Total	96,556.00	0.00
Total (Schedule 6)	5,09,813.34	2,04,597.34





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 2022

S. No.	PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
		₹ In Lakhs	₹ In Lakhs
	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	179.81	172.23
	iii) Advances to Contractors / Consultants		
	a) Mobilisation Advance	7,39,006.99	6,66,610.38
	b) Material Advance	7,212.77	5,298.45
	c) Fund Infusion	1,45,198.98	1,96,643.45
	iv) a) Advance against deposit works	1,22,140.11	1,07,092.51
	b) Advance for maintenance of highways	45,313.79	38,240.35
	v) Advances to Suppliers	(2,929.15)	(9,343.03)
	vi) Claims recoverable	10,70,425.82	8,65,678.87
	vii) Prepaid expenses	223.94	55.27
	viii) Advance Others Including Advance Income Tax (TDS)	96,779.55	79,695.42
	ix) Security deposits & Deposits against Court direction/ Arbitration	7,57,401.93	6,49,438.67
	x) Advance rent	37.90	39.79
	xi) Loan to Subsidiary Companies	2,53,612.82	2,91,573.18
	xii) Recoverable on account of Expenditure on Eastern Peripheral Expressways	3,75,464.89	3,74,706.68
	xiii) Reimbursable from PMCARES Fund (Oxygen Plant)	9,255.48	-
	xiv) Recoverable from MORTH (NHDP-4A Projects)	11,17,668.84	11,20,785.64



S. No.	PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
		₹ In Lakhs	₹ In Lakhs
	xv) Recoverable from various Govt CALA Share	428.06	63,517.89
	xvi) Recoverable for DME Projects	(1,78,620.14)	13,768.13
	xvii) Loan to contractor/consultant/others	1,89,746.78	2,01,792.09
	Sub Total (b)	47,48,549.17	46,53,984.84
c.	Interest accrued but not due on deposits	63,273.22	2,845.16
d.	Interest accrued and due on CALA deposits	4,532.75	6,039.20
e.	Cash & Bank balances		
	i) Cash & Cheques in hand including stamps.	2.32	1.20
	ii) Balances with Scheduled Banks		
	- Deposits accounts (excluding interest accrued & due on Deposits with CALA)	35,095.61	35,745.09
	- Current Account	2,46,288.69	1,41,972.38
	- Savings Bank Account	1,15,740.43	3,45,754.56
	iii) Balances with Non scheduled banks		
	- On deposits accounts (incl. interest accrued)		
	iv) Remittance in transit	-	0.10
	Sub Total (e)	3,97,127.04	5,23,473.33
f.	Inter Unit Account	0.00	0.00
	Grand Total	52,13,482.19	51,86,342.53





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, 2022

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
	₹ In Lakhs	₹ In Lakhs
SCHEDULE - 8		
Current Liabilities		
i) Liabilities for sundry creditors		
ii) Other liabilities	34,49,425.09	28,00,239.80
iii) Application money for 54EC Bonds	-	-
iv) Deposits held on account of others (if applicable)		
a) Sundry parties	2,72,614.68	1,34,484.98
b) Contractors	4,80,896.95	4,72,696.92
c) Suppliers	-	-
d) (As per Contra Schedule-7) Un-disbursed balances with: Central CALA A/c		
e) Payable to Subsidiary Companies	17,992.79	11,781.14
f) Payable on Kalewa-Yargi Project at Myanmar	55,120.73	40,125.70
g) Received from PMCARES Fund (Oxygen Plant)	12,386.54	
v) Payable to GOI w.e.f. 01.04.2010		
a) Toll Revenue, Shared Revenue, Negative Grant, Non-FASTag Penalty etc.	9,12,149.42	7,74,994.23
b) Other Receipts	8,018.42	5,966.55
vi) Bank Overdraft	-	-
Total (Schedule 8)	52,08,604.62	42,28,508.19
SCHEDULE - 9		
Provisions		
i) Provisions for taxes	-	-
ii) Provisions for gratuity	4,953.00	4,093.41
iii) Provisions for Leave Salary	5,557.31	4,617.61
iv) Other provisions	-	2.25
Total (Schedule 9)	10,510.31	8,713.26



PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
	₹ In Lakhs	₹ In Lakhs
SCHEDULE - 10		
Misc. Expenditure to the extent not written off.		
Total (Schedule 10)		
SCHEDULE - 11		
Other Income		
Sale of Tender Documents	3,347.91	2,595.86
Fee for other services	-	97.16
Profit/Loss on sale of assets	4.34	4.89
Misc. Receipts	60.85	83.40
Total (Schedule 11)	3,413.10	2,781.30
SCHEDULE - 12		
Interest (Gross)		
From banks on deposits	-	-
From employees on advances	0.00	0.03
From others	0.15	-
Total (Schedule 12)	0.15	0.03





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 2022

S. No.	PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
		₹ In Lakhs	₹ In Lakhs
SCHEDULE - 13			
	Net Increase/Decrease in Work-in-progress		
	Closing Stock		
	Work-in-progress		
	Less: Opening Stock		
	Work-in-progress		
	e) 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

G-5 & 6, Sector-10, Dwarka

NEW DELHI - 110 075

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31st MARCH 2022

S. No.	PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
		₹ In Lakhs	₹ In Lakhs
	SCHEDULE - 15		
	Personnel and other administrative expenses		
	Salaries wages & other staff benefit:		
	Salaries & Allowances Chairman/Members	204.48	204.05
	Salaries Allowances other than Chairman/Members	18,696.81	17,197.70
	Salaries & Wages-Short Term Contract Employeess	13,467.31	8,765.62
	Workman Staff Welfare Expenses	3,345.97	2,311.90
	Contribution to Provident Fund	1,430.69	1,402.82
	Pension & Leave Salary -Chairman & Members	22.11	7.48
	Pension & Leave Salary -others	1,703.75	842.01
	Gratuity	1,086.79	520.83
	Rent for office accommodation	1,592.43	1,814.21
	Rates and Taxes	94.44	33.45
	Repairs & maintenance	1,570.65	1,308.95
	Insurance	156.71	23.37
	Honoraria fee and other professional charges	5,264.64	4,780.20
	Travelling expenses, Conveyance	5,084.41	3,816.98
	Printing & Stationery	1,563.43	795.31
	Postage & Communication	642.56	615.46
	Advertisement & publicity	116.87	99.60
	Research & Development Expenses	-	9.80
	Remuneration to Auditors-C&AG	563.60	513.66
	Other Revenue Expenses	3,490.97	2,957.89
	Misc. Expenses	4.32	1.37
	Total (Schedule 15)	60,102.96	48,022.67





S. No.	PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
		₹ In Lakhs	₹ In Lakhs
SCHEDULE - 16 FINANCE CHARGES			
i)	Interest		
	On over draft	-	-
	On Loans from banks	-	-
	On Tax deducted at Source	-	0.46
	On Others	-	-
	On Bonds/Debentures	-	-
	On Loans from Govt. of India	-	-
ii)	Discounting Charges		
iii)	Guarantee Commission/Bank charges	44.25	4.64
iv)	Bond Issue Expenses		
	Total (Schedule 16)	44.25	5.10
SCHEDULE - 17			
	Prior Period Adjustments		
	Prior period income (Credit)	(16.90)	47.03
	Prior period Expenses (Debit)	3,794.40	3,016.87
	Total (Schedule 17)	3,777.50	3,063.89



NATIONAL HIGHWAYS AUTHORITY OF INDIA

G-5 & 6, Sector-10, Dwarka

NEW DELHI - 110 075

S. No.	PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
		₹ In Lakhs	₹ In Lakhs
	Grouping Schedule 15		
	Personnel & Other Administrative Expenses		
a)	Salaries, Wages & Other Staff benefits.		
	i) Salary & Wages	17,808.25	16,368.84
	ii) Chairman & Members	204.48	204.05
	iii) Salary & Wages-Short-Term Contract Employees	13,467.31	8,765.62
	iv) Over Time Allowance	-	-
	v) Rent for Residence/License fee	266.64	349.71
	vi) Bonus	9.69	9.01
	vii) Incentives	22.34	33.47
	viii) Leave Encashment	138.21	83.08
	ix) Ex gratia	451.68	353.58
	Sub Total (a)	32,368.61	26,167.37
b)	Workman Staff Welfare Expenses		
	i) Medical reimbursement	1,421.73	1,223.14
	ii) Staff Welfare:		
	Welfare expenses	826.63	662.53
	Kitchen,Utencil & Appliances	6.62	6.44
	iii) Seminar/Training expenses	1,025.27	213.40
	iv) LTC	65.72	206.39
	v) Liveries	-	-
	Sub Total (b)	3,345.97	2,311.90
c)	Contribution to:		
	i) Provident Fund	1,430.69	1,402.82
	ii) Pension & Leave salary Members & Chairman	22.11	7.48
	iii) Pension & Leave salary Others	1,703.75	842.01
	iv) Others-Gratuity	1,086.79	520.83
	Sub Total (c)	4,243.34	2,773.14
d)	Repairs & Maintenance		
	i) R & M Office Building	586.69	426.27



S. No.	PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
		₹ In Lakhs	₹ In Lakhs
ii)	R & M Office Equipments	108.85	97.14
iii)	R & M Light vehicles	5.33	6.99
iv)	R & M Others	115.70	189.64
v)	R & M Computer & EDP	754.09	588.91
	Sub Total (d)	1,570.65	1,308.95
e)	Insurance		
i)	Light Vehicles	-	-
ii)	Others	156.71	23.37
	Sub Total (e)	156.71	23.37



Kaashi Toll Plaza



NATIONAL HIGHWAYS AUTHORITY OF INDIA

G-5 & 6, Sector-10, Dwarka

NEW DELHI - 110 075

S. No.	PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
		₹ In Lakhs	₹ In Lakhs
	Grouping Schedule 15		
f)	Honoraria fee & other professional charges		
	i) Fee of liasion work		
	ii) Consultancy fee	4,681.64	4,183.45
	iii) Honoraria fee	11.48	5.67
	iv) Legal, & Statutory fee	467.12	380.44
	v) Professional charges	-	-
	vi) Internal Audit fee	104.40	210.63
	Sub Total (f)	5,264.64	4,780.20
g)	Travelling Expenses		
	i) Local conveyance	3,984.53	3,049.88
	ii) Travelling Expenses (India)	1,099.89	767.10
	iii) Travelling Expenses (Abroad)	-	-
	Sub Total (g)	5,084.41	3,816.98
h)	Printing & Stationery Postage & Communication		
	i) Printing & stationery	1,563.43	795.31
	ii) Postage, Telegram including air freight	132.91	115.08
	iii) Telephones & Telex	509.65	500.38
	Sub Total (h)	2,205.99	1,410.77
i)	Remuneration to Auditors -C&AG		
	i) Audit fee	548.47	498.61
	a) For taxation	-	-
	b) For other services	-	0.21
	ii) Reimbursement of Travelling & out of pocket expenses	15.13	14.84
	Sub Total (i)	563.60	513.66
j)	Other Revenue Expenses		
	i) Entertainment Expenses	-	-
	ii) Tender bond expenses	-	-
	iii) Membership fee	5.30	5.47
	iv) Publications, Books & Newspaper	23.81	15.54



S. No.	PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
		₹ In Lakhs	₹ In Lakhs
	v) Donation	-	-
	vi) Sundry balances written off	0.00	0.00
	vii) Staff recruitment expenses	2.69	44.25
	viii) Deficit from Seminars/Trg. organised (Net)	-	-
	ix) Security expenses/Short-Term Contract Staffs	2,223.99	1,900.87
	x) Electricity & Water charges	1,235.18	991.74
	xi) Gifts & Presents	-	0.03
	Sub Total (j)	3,490.97	2,957.89
	k) Miscellaneous office expenses	4.32	1.37
	l) Rent	1,592.43	1,814.21
	m) Rates & Taxes	94.44	33.45
	n) Research & Development Expenses	-	9.80
	o) Advertisement & Publicity	116.87	99.60
	GRAND TOTAL	60,102.96	48,022.67



SCHEDULE-18

Significant Accounting Policies 2021-22

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 Assets Monetization proceeds collected and deposited by the Authority to the Consolidated Fund of India (CFI). Government of India also provides Additional Budgetary Support, Bharat Mala and other specific projects.

3. Capital Grant

Apart from above, Government of India 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 54 EC 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) Rupee 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 ₹ 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 ₹ 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 acknowledgment 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 / InvIT Proceed

The amount of toll revenue, shared revenue, negative grant, TOT / InvIT 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 previous years up to value of ₹ 50,000/- are charged to natural heads of accounts in current year and items exceeding ₹ 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 with 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 2021-22

1. **Capital** - During the year, an amount of ₹ 36,210.00 crore (previous year ₹ 23,850.00 crore) has been received from the Government of India as Cess Fund and additional budgetary support of ₹ 16142.18 crore towards development of National Highways (O) and Other Works (previous year ₹ 2800.00 crore). In addition to this seed money of Rs. nil (previous year 32.60 crore) have also been received towards Bharat Mala Project. Government of India has provided ₹ 12,670.00 crore (previous year ₹ 11,500.00 crore) towards plough back of toll remittances and ₹ 5,000.00 crore (previous year ₹ 7,262.00 crore) towards Plough Back of Toll, Operate & Transfer (TOT). Authority has received ₹ 7,350.40 crore as concession fee from InvIT phase-I. These amounts have been credited to the Capital Account.
2. **Capital Grant**- During the year ₹ 1, 000.00 crore (previous year ₹ 100.00 crore) has been received from Japan International Cooperation Agency (JICA) aided projects.
3. **Maintenance Fund** - An amount of ₹ 1,872.76 crore (previous year ₹ 400.00 crore) has been received during the year from MoRTH towards maintenance of National Highways. Amount spent on maintenance of highways during the year is ₹ 2,111.48 crore (previous year ₹ 1,716.01 crore).
4. **Swachhta Action Plan** – During the year an amount of ₹ 48.95 crore (previous year ₹ Nil) has been received from MoRTH towards grant for Swachhta Action Plan and ₹ 1.50 crore (previous year ₹ 4.18 crore) have been spent on it.
5. **Interest on unutilized capital, loans & advances** - Cumulative interest received on unutilized capital and loans & advances to contractors/consultants etc. till the end of financial year amounts to ₹ 20,847.15 crore (up to previous year ₹ 18,737.91 crore).
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 180.00 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 ₹ 385.12 crores (USD 50.50 million @ ₹ 76.2550/USD) as on 31.03.2022 and the same has been included under 'Borrowings'. Interest charges amounting to ₹ 7.14 crore on loan (previous year ₹ 14.64 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 ₹ 0.96 crore (previous year ₹ 1.15 crore) in respect of Government of India guarantee has also been made in the books.



- 8. Toll Remittances & Plough Back** – As per the direction of Ministry of Finance from 01.04.2010 onwards, the toll revenue, shared revenue and negative grant collected by NHAI is deposited into the Consolidated Fund of India and additional budgetary provisions is provided for expenditure from the Consolidated Fund of India (CFI) in line with the amount deposited by NHAI in CFI. During 2021-22 NHAI has deposited a total amount of ₹ 13,962.83 crore (toll revenue ₹ 10,743.06 crore, shared revenue Rs. 1,989.94 crore, negative grant ₹ 1,153.25 crore and Non-FASTag penalty and interest ₹ 76.58 crore) in Consolidated Fund of India as per the direction of Ministry. Authority has received concession fee of ₹ 1,011.00 crore (previous year ₹ 5,011.00 crore) from Concessionaire towards third bundle of ToT and deposited the same into CFI.

Approval with respect to the accounting entries made for transfer of Rs. 6,183.56 crore, accumulated balance up to 31.03.2010, from 'Payable to Gol' to 'Capital provided by Gol' is still under consideration of Ministry of Finance.

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 ₹ 5,028.45 crore (previous year ₹ 3,427.31 crore).

Cumulative expenses on issue of 54-EC Bonds amounts to ₹ 118.96 crores up to 31.03.2022 (up to previous year ₹ 100.48 crores) and cumulative interest on 54 EC bond up to 31.03.2022 amounts to ₹ 9,904.67 crore (up to previous year ₹ 9,099.21 crore).

- b) Tax Free Bonds** – Authority has so far raised ₹ 34,000.00 crores (current year ₹ Nil) through tax free secured, redeemable, non-convertible bonds (2011-12 ₹ 10,000 crore, 2013-14 ₹ 5,000.00 crores 2015-16 ₹ 19,000.00 crore), out of which ₹ 6714.08 crore pertaining to FY 2011-12 series with 10 year maturity has been repaid during the year.

- c) Taxable Bonds** - During F.Y. 2021-22, Authority has raised ₹ 17,120.70 crore (previous year ₹ 45,802.60 crore) through taxable bonds and repaid ₹ 9,045.00 crore during the year (previous year nil) pertaining to 2016-17 series on maturity.

- d) Rupee Denominated Offshore (Masala) Bonds** – Authority during 2017-18 had, as one time measure, raised an amount of ₹ 3,000.00 crore through Offshore Masala Bonds.

- e) Loan from National Small Saving Fund (NSSF, MoF, GOI)** – Authority, during 2021-22 has not raised new loans from National Small Saving Fund.

- f) Term loan** - Apart from above, Authority, during the year has also taken term loans of ₹ 54,000.00 crore [₹ 20,000.00 crore (previous year ₹ 10,000.00 crore) from State Bank of India, ₹ 9,500.00 crore from Bank of Baroda (previous year Nil), ₹ 9,500.00 crore from Canara Bank (previous year Nil), ₹ 6,000.00 crore from HDFC (previous year Nil), ₹ 3,500 crore from ICICI Bank (previous year Nil), ₹ 3,000.00 crore from Axis Bank (previous year ₹ 850.00 crore), ₹ 2,500.00 crore from IndusInd Bank (previous year Nil) & ₹ Nil from Punjab National Bank (previous year ₹ 5,000.00 crore)].

During the year term loans to the tune of ₹ 18,571.43 crore (SBI ₹ 17,571.43 crore, Axis Bank ₹ 500.00 crore and PNB ₹ 500.00 crore) have been repaid. InvIT proceeds of ₹ 7,350.40 crore has been utilized towards repayment of term loans.





Borrowing shown under 'Secured' category 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 2021-22 is as under -

M/s IDBI Trusteeship Services Ltd,
Asian Building, Ground Floor
17 R. Kamani Marg, Ballard Estate,
Mumbai – 400 001
Email: itsl@idbitrustee.com

As on 31.03.2022, no investor complaint was pending for redressal.

- 10. Assets held on behalf of Government of India (Gol)** – Project expenditure, as per Significant Accounting Policy-6, is shown as Assets held on behalf of Gol (Completed & Ongoing). Authority has transferred projects worth ₹ 695.58 crore, which were in various stages of construction, to other entities. Pending direction from MoRTH such transfers have not been accounted for.
- 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 ₹105.10 crore (last year ₹ 87.11 crore) as on 31.03.2022 has been made in the books. Accordingly, existing FDR of ₹ 87.114crore, representing accrual up to previous year, is increased to ₹ 105.10 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 stage. Out of the 1,34,044 hectare of land acquired by Authority, mutation of land in respect of 72,634 hectare have been completed. Cost of land acquired by Authority is reflected under Assets held on behalf of Gol (completed and in ongoing projects).

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 ₹ 24,104.60 crore is lying undisbursed in the remaining bank accounts and Central CALA accounts. During FY 2021-22 Authority has started using Bhoomi Rashi Portal of Gol for payment of land acquisition compensation.
- 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, as in the previous years, provision for Income- tax has not been made.



Income tax deducted at source by various parties is claimed as refund through Annual Income Tax Returns (ITRs). NHAI has filed ITRs up to FY 2020-21. During FY 2021-22, Authority has received ₹ 149.96 crore and ₹ 1.00 crore (part refund) towards principal & interest for FY 2012-13 & 2018-19. Apart from some previous claims, refund of ₹ 59.52 crore (FY 2018-19) and ₹ 70.96 crore (FY 2019-20) and ₹ 52.27 crore (FY 2020-21) is under process / appeal / rectification with IT Authorities.

14. Loans and Advances to Chairman/Members - During the year no loan/advance was 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 (₹ in Crore)
Subsidiary Companies	4,292.18
Associate Companies	2,11.14
Total	4,503.32

- On winding up of Moradabad Toll Road Co. Ltd. (MTRCL), Authority has suffered a loss of ₹ 127.10 crore in 2021-22 which has been shown in P&L account under exceptional items and transferred to Capital (Schedule-1).
- On formation of National Highways Infra Trust (NHIT) and swapping up of shares of National Highways Infra Projects Pvt. Ltd. with the units of NHIT, Authority has gained ₹ 101.42 crore which has been shown in P&L Account and transferred to Capital (Schedule-1).
- Government of India decided to form an Umbrella SPV, National Highways Logistic Management Ltd. (NHLML) for implementation of Multi-Modal Logistics Parks (MMLPs) and connectivity thereof, Highway Connectivity to Ports and other associated miscellaneous work. All projects pertaining to MMLPs, Connectivity to Ports and MMLPs are to be entrusted to NHLML which is a 100% subsidiary of NHAI. All other port companies of NHAI are to be made subsidiaries of this company (NHLML) by transferring the equity of NHAI in the said port projects to this company. The process is underway.
- During the year, 1,10,00,000 equity shares of National Highways Infra Investment Managers Pvt. Ltd. (NHIIMPL) amounting to ₹ 11.00 crore has been transferred to Government of India.
- The winding up application for Ahmedabad Vadodara Expressway Ltd. (AVEXL) is pending with National Company Law Tribunal (NCLT).

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 ₹ 312.85 crore, & ₹ 57.90 crore in respect of AVEXCL & CPRCL still exist in the books.

Following are the details of loan and advances in the nature of loan to Subsidiaries & Associates Companies as on 31.03.2022-



Name of Subsidiary/Associate	Loans (₹) crore
Ahmedabad-Vadodara Ex. way Co. Ltd.	5.29
Mormugao Port Road Co. Ltd.	104.33
Visakhapatnam Port Road Co. Ltd.	0.70
Calcutta-Haldia Port Road Co. Ltd.	692.78
Chennai-Ennore Port Road Co. Ltd.	18.32
National Highways Logistic Management Limited (formerly Cochin Port Road Co. Ltd)	272.54
Tuticorin Port Road Co. Ltd.	268.46
Paradeep Port Road Co. Ltd.	680.57
New Mangalore Port Road Co. Ltd.	493.13
Total	2,536.12

16. Deposits, Loans & Advances -

- a) **Eastern Peripheral Expressway** - Against a deposit of ₹ 2,000.25 crore, Authority has spent ₹ 5,754.89 crore on Eastern Peripheral Expressway thus the recoverable stands at ₹ 3,754.64 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, 2022 is ₹ 11,176.68 crore.
- c) **Kalewa-Yargi Project, Myanmar** - Authority 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 Kms.) of the Trilateral Highway in Myanmar. Besides the cost of construction (as per milestones achieved), a remuneration (as per prescribed schedule) of 6% is payable to Authority. Up to 31st March 2022, Authority has received Rs. 528.95 crore towards EPC expenditure and ₹ 22.25 crore towards PMC expenditure respectively and has achieved financial progress of 37.20%.
- d) **Delhi- Mumbai Expressway**- DME Development Ltd. is a fully owned subsidiary of NHAI. NHAI and DME Development Ltd. have entered into a concession agreement and an implementation agreement for development of Delhi Mumbai Expressway project. NHAI has decided to submit Letter of Comfort (LoC) to express its commitment to make the Project successful and support DME SPV as the Borrower, for raising funding for the project and servicing thereof. NHAI is executing this project through various EPC and HAM contracts. Up to 31.03.2022 NHAI has executed projects worth ₹ 21,950.79 crore and DME Development Ltd. has paid ₹ 23,737.00 crore to NHAI.
- e) **Land Acquisition in Kerala**- Kerala Government has agreed to bear 25% of the cost of Land Acquisition for widening of NH-66 from Kasaragod to Thiruvananthapuram except Thalassery-Mahe bypass and Nileshwaram ROB in the state of Kerala. Net recoverable from Kerala Government as on 31.03.2022 stands at ₹ 4.29 crore.



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. Annuity Projects

- a) 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 ₹ 1,61,678.94 crores are required to be paid by the Authority. Out of this, an amount of ₹ 44,554.76 crores (up to previous year ₹ 38,351.23 crore) have been paid till 31.03.2022.
- b) HAM Annuity Projects -** Under the HAM (Annuity) contracts, fixed half-yearly annuities over a period of 15 years from the dates of completion of the projects amounting to ₹ 3,04,375.66 crores are required to be paid by the Authority. Out of this, an amount of ₹ 5,971.64 crores (up to previous year ₹ 1,996.65 crore) have been paid till 31.03.2022.

Assets held on behalf of Gol includes the amount of annuities paid as mentioned above.

19. Fraudulent Withdrawal –

During 2012-13 a fraudulent withdrawal of ₹ 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 ₹ 18.31 lakh and ₹ 11.75 lakh have been recovered by police and lying with the court as 'case property'. Punjab Government has paid ₹ 43.34 lakh and ₹ 27.00 lacs towards compensation to the land holders. If any financial consequences arise in future Punjab Government is liable to pay.

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

21. Goods and Service Tax – Implementation of Goods and Service 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. One Time Fund Infusion - The Cabinet Committee on Economic Affairs had approved one time fund infusion to revive and physically complete the languishing BOT (Toll) and BOT (Annuity) projects which had achieved at least 50% physical completion and infusion of moderate funding could quickly bring the project to completion. The fund infusion made on such projects stands at ₹ 1,451.99 crore.

23. 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 Gol within the overall ceiling of Agency Charges.





Memorandum Account of Agency Charges

₹ in crore

Particulars	2021-22	2020-21
Agency charges - Opening balance	4,379.73	3741.57
Add: Agency charges for the Year	1,313.37	1136.06
Total	5,693.10	4877.63
Less: Net Administrative expenses for the year	625.65	497.90
Agency Charges: Closing Balance	5,067.45	4379.73

24. Members' Responsibility - With respect to the Members' Responsibility Statement, it is hereby confirmed that:

- Authority is not a Company registered under the Companies Act, 2013. 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).
- 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.
- 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.
- The Members' have prepared the annual accounts of the Authority on a "going concern" basis.
- No income/fund of NHAI for the year ended 31st March 2022 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.

25. Finalization of Accounts in Current Format – The format of accounts has been approved by C&AG vide letter dated 22-06-1992. Authority, since inception, is using this format. In the subsequent years some requirement based changes have been made in the format of accounts, mainly to satisfy audit observations / to accommodate changes in accounting policies / to introduce new line items as per accounting requirements. Proposal for approval of revised format of accounts in consultation with the office of C&AG has been submitted to MoRTH on 3rd March, 2022 and is under consideration.

26. 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 0.01 lakh in the financial statements. However, for ease of understanding and explanation, figures in Schedule-19 have been presented in crore.

27. Contingent Liability - Contingent Liability not acknowledged as debt:

- On the close of financial year total numbers of pending Arbitration cases are 141 involving claim of ₹ 1, 04,076.84 crore & USD 71,205 (previous year ₹ 92,143.79 crore & USD 71,205) by Contractors/ Concessionaires. In addition to this there are 190 court cases involving



₹ 16,753.58 crore (previous year ₹ 14,491.83 crore) in which NHAI is a petitioner / appellant. Authority has also given bank guarantee to the tune of ₹ 71.51 crore (previous year ₹ 71.51 crore) and has deposited ₹ 7,294.95 crore (previous year ₹ 6,398.00 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 ₹ 619.48 crore (previous year ₹ 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 31.3.2022 are ₹ 76,911.36, ₹ 2,701.04 and ₹ 14,642.44 crore respectively. Corresponding figures for previous year are ₹ 86,092.43, ₹ 2,118.82 and ₹ 5,114.64 crore respectively.

Place : New Delhi.
Date : 28.07.2022

For and on behalf of the Board of the Authority



Member (Finance)



Chairperson





Annexure-3

**MANAGEMENT REPLY TO AUDIT REPORT ISSUED BY THE COMPTROLLER
AND AUDITOR GENERAL OF INDIA ON THE ACCOUNTS OF NATIONAL
HIGHWAYS AUTHORITY OF INDIA FOR THE YEAR ENDED 31 MARCH 2022**

S.No.	Audit Report	Management Reply
1.	<p>We have audited the attached Balance Sheet of the National Highways Authority of India (NHAI) as at 31 March 2022 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 212 units (187 Project Implementation Units, 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 check basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting policies used and significant estimates made by the management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.</p> <p>Based on our audit, we report that:</p> <p>We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of audit;</p> <p>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.</p>	<p><i>A meeting between the Director General (Commercial-II) and Member (F), NHAI was held on 01.06.2021 wherein it was decided that NHAI shall initiate action for revision of existing format of accounts prescribed in the year 1992. Accordingly, a revised format of accounts was prepared and submitted to MoRT&H in March 2022 for approval in consultation with the office of C&AG. MoRT&H has submitted the format to C&AG for approval on 11 July 2022.</i></p>



S.No.	Audit Report	Management Reply
	<p>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> <p>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:</p>	<p><i>The format is presently under consideration of office of C&AG for approval. Proper Books of accounts and other relevant records, as required under the law, have been maintained by Authority.</i></p> <p><i>(a) The deviations noticed by Audit are due to following reasons-</i></p>
2.	<p>(i) Assets held on behalf of GoI (completed & ongoing) amounting to ₹ 6,95,287.71 crore are being shown as Fixed assets of NHAI, is not in consonance with the approved format of accounts and Generally Accepted Accounting Principles (GAAP) although 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 executing agency of the GoI and ownership of these 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 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, recognizing these as its assets and recognizing them as Assets held on behalf of GoI (completed and ongoing) in NHAI's Balance Sheet was not correct.</p>	<p><i>(i) The format was approved by Government of India in consultation with C&AG in June 1992. In the approved format there is a provision for presenting highway assets under Fixed Assets and Capital Work in Progress as is evident from Schedule-5 communicated vide Director (Commercial) letter dated 22.06.1992.</i></p> <p><i>If the approved format was strictly followed, the road assets would have been presented under Fixed Assets in the Balance Sheet and Fixed Assets (Roads and Bridges) and capital Work in Progress in Schedule-5, as given in the format of accounts and depreciation on road assets was also required to be charged. This presentation would have been grossly incorrect in view of the opinions expressed by Solicitor General of India and Expert Advisory Committee (EAC) of the Institute of Chartered Accountants of India, both of them have opined that NHAI is not the owner of highways and the road projects developed by NHAI are not NHAI's assets.</i></p>





S.No.	Audit Report	Management Reply
	<p>Audit also noticed that another Central Public Sector Enterprise, 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 31 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 NHAI are overstated to the extent of Assets held on behalf of Gol (completed & ongoing) amounting to ₹ 6,95,287.71 crore recognized as NHAI's Fixed Assets.</p> <p>This issue was raised in earlier year(s) also by Audit. However, no corrective action has been taken by the management.</p>	<p><i>This vis a vis provision for presentation of fixed assets as given in the format of accounts was deliberated in detail in the 5-Member Committee meeting held on 9th June 2016 wherein Deputy C&AG (Commercial), Director General (Commercial-I), PDCA & Ex-officio MAB-I were also present. In the meeting it was agreed that Government of India is the owner of assets and NHAI shall show these assets in its books of accounts as 'Assets held on behalf of Gol'. Minutes of this meeting was circulated by the office of PDCA & Ex-officio MAB-I vide letter no. RS/4-2/2014-15/NHAI/A/Ac/Vol. II/310 dated 13.07.2016.</i></p> <p><i>Audit would appreciate that the real issue is not that the approved format is not followed. The real issue is revision of approved format which is no longer relevant and needs to be revised.</i></p> <p><i>So far as comparison of NHAI with NHIDCL is concerned, it is submitted that NHAI is governed by NHAI Act, 1988 whereas NHIDCL is governed by The Companies Act, 2013.</i></p> <p><i>In view of above, the fixed assets of NHAI are not overstated so long as it is presented as "Assets held on behalf of Gol (completed & ongoing)" in the Balance sheet supported by a suitable policy disclosure at serial 6 of Schedule-18 to the effect that-</i></p> <p><i>"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 Gol".</i></p>



S.No.	Audit Report	Management Reply
3	<p>(ii) The approved format of accounts provides that the Profit/Loss 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 Profit/Loss in the prescribed manner, computed the 'Net Establishment Expenditure' which was in actual the loss for the year 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 capitalized the entire amount of ₹ 625.65 crore with respect to Net Establishment Expenses for the year.</p> <p>This issue was also raised in earlier year(s) by Audit. However, no corrective action has been taken by the management.</p>	<p>(ii) Authority is not the owner of Highways developed by it. Therefore, treatment of surplus/deficit in the P&L Account is based on the provisions of Significant Accounting Policy No. 6 (Schedule-18) and consistently being followed for last many years. This policy stipulates that- "Assets held on behalf of Gol" 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.</p>
4	<p>(b) The borrowing costs on completed projects, in contravention to GAAP is not being routed through Profit & Loss Account. Borrowing Costs amounting to ₹ 24,015.33 crore have been adjusted, during 2021-22, 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 ₹ 24,015.33 crore allocated to Assets held on behalf of Gol (completed & ongoing) and the total Borrowing Costs amounting to ₹ 92,963.96 crore allocated to completed and ongoing projects till date.</p> <p>This issue was raised in earlier year(s) also by Audit. However, no corrective action has been taken by the management.</p>	<p>(b) As per the views expressed by C&AG of India vide letter dated 19 June 2018, the Annual Financial Statements 2019-20 were prepared after incorporating major policy changes and allocating indirect (establishment and finance) costs to projects, taking unallocated costs (completed projects share) to P&L account, capitalizing completed projects and charging depreciation on the completed projects and submitted to Audit in Oct 2020 for issue of Audit Report. After eight months of audit, in a meeting held in June 2021 between Member (F), NHAI and DG (Commercial-II), office of C&AG, it was decided that allocation of costs and depreciation charged on completed projects shall be reversed. Accordingly, after reversal of more than 16,000 entries, which inter alia included reversal of completed projects share of borrowing cost which was debited to P&L Account, Annual Financial Statements 2019-20 (Revised) was prepared and submitted to Audit. Though there is no project wise funding and borrowing, yet project wise allocation of borrowing cost is still available on NHAI portal with detail calculation.</p>





S.No.	Audit Report	Management Reply
5	<p>IV We further report that:</p> <p>A Balance Sheet</p> <p>1 Sources of Funds</p> <p>1.1 Shareholder's Fund</p> <p>Capital (Schedule 1) ₹ 3,36,595.88 crore</p> <p>(i) 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 operation & maintenance of highways against Capital Account (Plough back of Toll Remittance, etc.). During the year, NHAI incurred ₹ 3633.25 crore being the total expenditure on maintenance of highways (₹ 2111.48 crore on maintenance of highways and ₹ 1521.77 crore on toll collection activities). Against this, during 2021-22, MoRTH released a grant of ₹ 1872.76 crore for maintenance of highways. After adjusting ₹ 62.04 crore of 'Other Receipts from Operation & Maintenance of Highways', balance amount of ₹ 1698.45 crore, has been set off against the Shareholder's Fund. This has resulted in understatement of Loss for the year and Shareholder's Fund-Capital by ₹ 1698.45 crore. This issue was also raised in earlier year(s) by Audit. However, no corrective action has been taken by the management.</p>	<p>IV We further report that:</p> <p>(A) Balance Sheet</p> <p>(1) Source of Funds</p> <p>(1.1) Shareholder's Fund</p> <p>Capital (Schedule 1) ₹ 336595.87 crore</p> <p>(i) Authority is not the owner of Highways developed by it. Therefore, on the same premises on the basis of which highway assets cannot be shown as assets of Authority, the grants received for maintenance of Highways is not creditable to P&L account as income of the Authority.</p> <p>Treatment of Grant is based on the provisions of Significant Accounting Policy No. 9 (Schedule-18) and consistently being followed for last many years. This policy stipulates that- "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".</p>
6	<p>(ii) The above includes ₹ 7350.40 crore being proceeds from InvIT projects received by NHAI from National Highways Infra Projects (P) Limited (NHIPPL) during 2021-22. As per the Accounting policy no. 11 of NHAI, 'the amount of toll revenue, shared revenue, negative grant, Toll Operate and Transfer (TOT) / InvIT proceeds and interest earned thereon, is remitted to Consolidated Fund of India (CFI) on actual basis'. However, in contravention to its accounting policy, NHAI has added the proceeds from InvIT in Capital (under section 17 of NHAI Act) without remitting the same to CFI. This has resulted in overstatement of Capital u/s 17 by ₹ 7350.40 crore and understatement of Current Liabilities-Payable to Gol by ₹ 7350.40 crore.</p>	<p>(ii) Earlier as per provisions of Significant Accounting Policy - 11, the InvIT proceeds was to be deposited to Consolidated Fund of India (CFI). Subsequently, Cabinet Committee in 2019-20 has authorized NHAI to set up Infrastructure Investment Trust and monetize completed and operational National Highway Projects. The decision inter alia included - "NHAI is authorized to create a reserve fund in line with the provision of Rule 9 of "The National Highways Authority of India (Budget, Accounts, Audit, Investment of Funds and Powers to Enter Premises) Rules, 1990" from the sums received from InvIT, which shall be kept in a separate account for repayment of debt."</p>



S.No.	Audit Report	Management Reply
		<p>Based on the decision taken by Cabinet Committee, the amount received from monetization of completed and operational National Highway Projects in the FY 2021-22 has been utilized towards reserve fund/repayment of debts. However, due to same typographical error the changes required in Significant Accounting Policy could not be reflected correctly in the Significant Accounting Policy – 11.</p> <p>Authority has rectified this error through a corrigendum (Corrigendum-I) to the Annual Financial Statements 2021-22.</p>
7	<p>(iii) The above includes ₹ 127.10 crore being the loss suffered by NHA on winding up of Moradabad Toll Road Company Limited (a subsidiary of NHA) which resulted in reduction of capital u/s 17 of the NHA Act. As per Para 34 of Accounting Standard (AS) 13 on Accounting for Investments, 'On disposal of an investment, the difference between the carrying amount and net disposal proceeds should be charged or credited to the profit and loss statement'.</p> <p>However, NHA while routing the loss on disposal of investment through Profit and Loss account, has directly transferred the amount of loss to capital u/s 17, without any impact on Profit and Loss Account which is in contravention to the provisions of AS 13. This has resulted in understatement of capital and understatement of loss for the period by ₹ 127.10 crore.</p>	<p>(iii) NHA has been mandated to develop, maintain and manage national highways as an executing agency of Govt. of India and is therefore not the owner of the highway projects. As per Significant Accounting Policy, excess of expenditure over income is transferred from P&L account and added to project cost.</p> <p>In line with the provisions of Significant Accounting Policy no. 6 the loss suffered by NHA in winding up of MTRCL has been debited to P&L account and thereafter transferred from P&L account to schedule 1 and debited to the capital provided by Government of India, the owner. On the similar line the provision for diminution in the value of investment of subsidiary company was debited to capital in the year 2016-17 and was accepted by Audit. Thus there is no understatement of capital or loss as mentioned by Audit.</p>
8	<p>(iv) The above does not include ₹ 55.05 crore being the amount deducted by NHA from Plough back of Toll Revenue received from GoI, on account of cost of creation of capital infrastructure for toll collection electronically under Electronic Toll Collection and Toll Management System. Since this expenditure is of capital nature, it should have been capitalized in the books of account. This has resulted in understatement of Capital and understatement of Assets held on behalf of GoI by ₹ 55.05 crore.</p>	<p>(iv) Construction of toll plaza is an activity related to toll collection. Significant Accounting Policy no. 8 inter alia provides as under-</p> <p>"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".</p> <p>As per provisions of this policy, expenditure on construction of toll plazas is adjusted against the plough-back of toll remittances and shown as</p>





S.No.	Audit Report	Management Reply
	<p>Further, Significant Accounting Policy No. 8 stipulates that '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 subject to depreciation'. This accounting policy is deficient because the assets purchased or constructed is a capital expenditure and accordingly should have been capitalised instead of setting off from plough back of toll remittances.</p>	<p><i>capital provided by Government of India. This is consistently being followed since the date plough-back of toll remittance was introduced by MoRTH.</i></p>
9	<p>1.2 Borrowings (Schedule 4): ₹ 3,48,907.24 crore</p> <p>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 fund so applied.</p> <p>As on 31 March 2022, an amount of ₹ 3,48,907.24 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 other unsecured loans. However, in compliance 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.</p> <p>This issue was raised in earlier year(s) also by Audit. However, no corrective action has been taken by the management.</p>	<p>(1.2) Borrowings (Schedule 4): ₹ 3,48,907.24</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 substantial source of income. In absence of ownership and income, it is not possible to create Reserve fund by setting apart a sum on half yearly basis, for liquidating the loans.</i></p> <p><i>Based on the provision of Act and the observations made by C&AG, Management after the approval of Cabinet Committee in 2019-20 is utilizing the InvIT proceeds generated from monetization of NHAI projects towards creation of Reserve Fund / debt servicing.</i></p>



S.No.	Audit Report	Management Reply
10	<p>2 Application of Funds: 2.1 Fixed Assets Assets held on the behalf of Gol (Schedule 5): ₹ 6,95,543.41 crore</p> <p>(i) Capital reserve are created out of capital profits and are a part of the Reserve & Surplus. However, an amount of ₹ 7671.80 crore being the Capital Reserve was transferred and adjusted/subtracted in the Schedule 5 'Assets held on behalf of Gol'. This has resulted in understatement of Reserves & Surplus and understatement of Assets held on behalf of Gol by ₹ 7671.80 crore.</p> <p>This issue was raised in earlier year(s) 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 the behalf of Gol (Schedule 5) ₹ 6,95,543.41 crore</p> <p>Attention is invited to the provisions of accounting policy no. 6 which provides as under -</p> <p>Assets held on behalf of Government of India (GOI)</p> <p>(i) 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 Gol".</p> <p>"Assets held on behalf of Gol" 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.</p> <p>Thus the treatment is in line with the provisions of Significant Accounting Policy and there is no understatement of Reserves and Surplus and fixed assets (assets held on behalf of Gol) as pointed out by Audit.</p>
11	<p>(ii) As per Rule 230(8) of General Financial Rules (GFR) 2017, "All interests or other earnings against Grants in aid or advances (other than reimbursement) released to any Grantee institution should be mandatorily remitted to the Consolidated Fund of India (CFI) immediately after finalization of the accounts. Such advances should not be allowed to be adjusted against future releases".</p>	<p>(ii) Interest earned on Grant is treated as per the provisions of-</p> <ol style="list-style-type: none"> Section 18 of The National Highways Authority of India Act 1988 which inter alia provides as under- "Fund of the Authority- <p>(1) There shall be constituted a Fund to be called the National Highways Authority of India Fund and there shall be credited thereto-</p>





S.No.	Audit Report	Management Reply
	<p>NHAI earned interest on unutilized capital of ₹ 2109.25 crore during the financial year 2021-22. However, interest earned on Grants in aid or advances (other than reimbursement) released to NHAI, has not been remitted to CFI which was in contravention of GFR 2017. This has resulted understatement in Current Liability (Payable to GoI) and understatement of Assets held on behalf of GoI to the extent of interest earned on grant received during the year. Further, interest earned of Grant received from 2017-18 to 2020-21 has not been reconciled and deposited in CFI.</p> <p>In this context, a reference is also invited to NHAI accounting policy no. 3 which stipulates that "Interest earned on the unutilized grant is credited to interest on unutilized capital." The accounting policy is deficient and is in contravention of provisions of GFR.</p> <p>This issue was raised in earlier year(s) also by Audit. However, no corrective action has been taken by the management.</p>	<p>a) any grant or aid received by the Authority;</p> <p>b) any loan taken by the Authority or any borrowings made by it;</p> <p>c) any other sums received by the Authority.</p> <p>(2) The Fund shall be utilized for meeting –</p> <p>a) expenses of the Authority in the discharge of its functions having regard to the purposes for which such grants, loans or borrowings are received and for matters connected therewith or incidental thereto;" and</p> <p>2. Significant Accounting Policy no. 3. Capital Grant, which is based on Section 18 of the NHAI Act, 1988 inter alia provides as under- <i>"Interest earned on the unutilized grant is credited to interest on unutilized capital."</i> As the provisions of Rule 230 (8) of GFR is in contrast to the provisions of NHAI Act 1988, by which the Authority was constituted, therefore, changing the Accounting policy in line with the provisions of Rule 230 (8) of GFR appears to be uncalled for.</p>
12	(iii) Assets held on behalf of GoI are shown after deduction of ₹ 137.62 crore of interest for the year 2021-22 on the loan amount disbursed to seven Special Purpose Vehicle (SPV) companies and one Associate. This interest is in the nature of income and should have been shown as income of the Authority in Profit and Loss Account. This has resulted in understatement of Assets held on behalf of GoI and income for the year by ₹ 137.62 crore.	(iii) NHAI is an implementing agency of Government of India. Significant Accounting Policy of Authority clearly depicts that interest on unutilized capital is not part of income of Authority. Interest income, as per the Significant Accounting Policy no. 6, Schedule-18, is consistently being presented in the balance sheet as reduction in the project cost for past many years. Thus there is no understatement of 'Assets held on behalf of GoI' and income for the year by ₹ 137.61 crore as pointed out by Audit.



S.No.	Audit Report	Management Reply
13	<p>(iv) The above includes ₹ 30.04 crore being the consultancy charges paid during the year 2021-22 to Independent Engineer for Operation & Maintenance projects. This expenditure being revenue in nature, should have been accounted under Expenditure on Maintenance of Highways – Supervision. This has resulted in overstatement of Assets held on behalf of Gol and understatement of Expenditure on Maintenance of Highways by ₹ 30.4 crore.</p>	<p>(iv) Sanctions for these expenditure have been issued by HQ under the expenditure head “3306 CWIP Supervision consultancy” except in case of PIU Salem, accordingly the expenditure has been accounted for by units under head “3306 CWIP Supervision consultancy”. PIU Salem on the basis of observation made by Audit has rectified the entry.</p>
14	<p>2.2 Investment (Schedule 6): ₹ 5,098.13 crore</p> <p>The above head includes investment made by NHAI in various companies / SPVs by way of equity contribution and the same is being carried at cost. As per Para 17 of Accounting Standard 13 on ‘Accounting for Investments’, ‘Long-term investments are usually carried at cost. However, when there is a decline, other than temporary, in the value of a long term investment, the carrying amount is reduced to recognize the decline. Where there is a decline, other than temporary, in the carrying amounts of long term investments, the resultant reduction in the carrying amount is charged to the profit and loss statement’.</p> <p>As per note no 15, NHAI got the valuation of its Investments in three loss-making subsidiaries done by professional valuer in 2016-17 and a provision for diminution in the value of investment in was made. However, no subsequent valuation of the remaining SPVs has been done by NHAI to ascertain any diminution in the value of investment as required under AS-13 and the investments are being shown in the accounts at cost. In the absence of the same, audit could not vouch safe the amount of investment of NHAI in its subsidiaries as shown in the financial statements.</p>	<p>(2.2) Investment (Schedule 6) : ₹ 5098.13 crore</p> <p>(i) The contention of Audit that in absence of the valuers report, Audit could not vouch safe the amount of investment of NHAI in its subsidiaries as shown in accounts is not tenable. During the accounts audit 2014-15 & 2015-16, Audit had raised the issue of diminution in the value of investment and observed that there is a continuous fall in the value of investment of NHAI in SPVs. Therefore, NHAI should make necessary provision for diminution in the value of its investments in various SPVs.</p> <p>Accordingly, based on the observations, Authority decided to go for valuation of investment in its subsidiaries in the year 2016-17 and made entries for provision for diminution in the value of investment. Presentation of investment in balance sheet in schedule 6 is as per the provisions of para 17 of AS 13.</p> <p>So far as subsequent valuation of SPVs are concerned, at the time of next balance sheet a proposal shall be placed before the management for decision on the matter.</p>





S.No.	Audit Report	Management Reply
15	<p>2.3 Current Assets, Loans and Advances (Schedule 7) : ₹ 52,134.82 crore Deposit, Loans & Advances: ₹ 47,485.49 crore</p> <p>(i) The above includes ₹ 11,176.68 crore being the amount recoverable from MoRTH on account of payment made by NHAI to various State Governments Agencies, as per directions of MoRTH, for development of various National Highways Projects, under NHDP-III, NHDP-IV and NH (O) (VGF) Schemes of MoRTH. 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. Still these recoverable are appearing in books of NHAI in spite of no assurances received from MoRTH. This has resulted in overstatement of Current Assets, Loans and Advance by ₹ 11,176.68 crore and understatement of accumulated loss by the same amount.</p> <p>This issue was also raised in earlier year(s) by Audit. However, no corrective action has been taken by the management.</p>	<p>(2.3) Current Assets, Loans and Advances (Schedule 7) : ₹ 52,134.82 crore Deposit Loans & Advances ₹ 47,485.49 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. In absence of any specific accounting guidelines from MoRTH it has been shown as "Recoverable from MoRTH". MoRTH vide letter dated 10th September 2018 has stopped this arrangement and decided that NHAI should not release any payment to contractors if projects were not being executed by NHAI directly. Thus the present treatment of expenditure as "Recoverable from MoRTH" is correct. NHAI intends to take appropriate decision on accounting of above expenditure in consultation with MoRTH. Accordingly, letter dated 03.02.2020, 20.11.2021 and 09.01.2023 have been written to MoRTH to reimburse ₹ 11,078.58 crore or issue necessary direction for accounting treatment of the outstanding amount in the books of Authority. Till the time a decision is taken, it is appropriate to show this amount in the books of Authority as recoverable from MoRTH.</i></p>
16	<p>(ii) The above includes an amount of ₹ 277.83 crore disbursed as loan by NHAI to two of its subsidiaries viz. Ahmedabad-Vadodara Expressway Company Limited and Cochin Port Road Company Limited renamed as National Highways Logistic Management Limited. 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 in these two subsidiaries by NHAI, the loan of ₹ 277.83 crore should have been provided for in the books of NHAI. This has resulted in overstatement of Current Assets, Loans and Advance and understatement of Loss by ₹ 277.83 crore.</p>	<p>(ii) <i>It is pertinent to state that matter related to making provision for the loan outstanding with MTRCL (another SPV in respect of which Authority had created provision for diminution in the value of investment) was being raised by Audit while the matter was under consideration of NCLT. After the decision of NCLT, MTRCL was wound up and necessary accounting entries including writing off loan was made in the books of Authority in 2021-22. Similarly, as the matter related to winding up of AVEXCL is presently under the consideration of NCLT, Authority has not made provision for loans given to the company. However, based on the decision of NCLT necessary accounting entries shall be made in the books of Authority.</i></p>



S.No.	Audit Report	Management Reply
	<p>This issue was also raised in earlier year(s) by Audit. However, no corrective action has been taken by the management</p>	<p><i>As regards CPRCL, it has been renamed as National Highways Logistic Management Ltd (NHLML). The scope of activity and the area of work of the company has now completely changed. Therefore on the basis of its future performance, decision in respect of writing off investment and loan or otherwise shall be taken and accounted for. Thus there is no overstatement of current assets and loans and understatement of losses.</i></p>
17	<p>(iii) The above includes ₹ 1786.20 crore being advance amount received from DME Development Limited towards execution of Delhi Mumbai Expressway projects. Since, this amount is received in advance and the work against the same is yet to be executed, therefore, the same should have been shown as Current Liability instead of Recoverable from DME under Current Asset, Loans and Advance. Thus, Current Liabilities is understated by ₹ 1786.20 crore and Current Assets, Loans and Advance, is overstated by the same amount.</p>	<p>(iii) <i>Up to 31.03.2022 Authority has spent ₹ 21,950.80 crore on DMEDL Projects and against this an amount of ₹ 23,737.00 crore has been received from DMEDL.</i></p> <p><i>Under the implementation agreement entered between NHAI and DMEDL, NHAI executes the projects from its own fund and against the execution made by NHAI, DMEDL periodically pays/ reimburses to NHAI. Therefore, the difference between expenditure and receipts under normal circumstances is a debit balance in NHAI books and has accordingly been linked to the Current Assets Schedule i.e. Schedule-7.</i></p> <p><i>However, in the current case since the payment received from DMEDL is more than expenditure made by Authority, therefore the difference is a liability for NHAI and should have gone to Current Liability Schedule i.e. Schedule-8 as advance received. The observation made by Audit has been noted for future compliance.</i></p>
18	<p>(iv) The above does not include interest amount of ₹ 2.67 crore on the revenue shortfall loan of ₹ 125 crore released by NHAI to M/s Ghaziabad Aligarh Expressway Private Limited recoverable as per the Clause 28.2 of Concessionaire Agreement. This has resulted in understatement of Current Assets and understatement of Interest on Unutilized Capital by ₹ 2.67 crore.</p>	<p>(iv) <i>A settlement agreement between National Highways Authority of India and M/s Ghaziabad Aligarh Expressway Pvt. Ltd. (Concessionaire) was signed on 08.04.2022. As per the provision of this agreement, after considering the revenue shortfall loan of ₹ 125.00 crore and interest of ₹ 2.67 crore, an amount of ₹ 33.36 crore was to be paid by the concessionaire to NHAI in full and final settlement of the concession agreement.</i></p>





S.No.	Audit Report	Management Reply												
		<p>Accordingly, the concessionaire deposited the amount and the concession agreement was closed.</p> <p>As regards provision for recovery of interest amounting to ₹ 2.67 crore on the revenue shortfall loan in FY 2021-22, the PIU has informed that in view of the signing of settlement agreement in first week of April 2022 creation of provision for recovery of ₹ 2.67 crore at the time of preparation of annual financial statement of 2021-22 was not considered.</p>												
19	<p>(v) The above does not include ₹ 4.12 crore being the amount deposited by Moradabad Toll Road Company Limited (MTRCL) with Income Tax Department (ITD). The same was recoverable from ITD as per the order of Income Tax Appellate Tribunal (02 June 2015) passed in favor of MTRCL and thereafter, the Appeal of ITD was rejected by the Hon'ble High Court on 13 January 2016. Thus, the same should have been shown under the claim recoverable from the ITD. This has resulted in understatement of Claims Recoverable and understatement of Capital Reserve by ₹ 4.12 crore.</p>	<p>(v) So far as accounting of ₹ 4.12 crore as claim recoverable from the Income Tax Department in the books of Authority on behalf of MTRCL (taken over by NHAI on merger) is concerned necessary input from Tax Consultant of the company is awaited. Based on the input received from Tax Consultant accounting entries, if required, shall be made in the books of Authority.</p>												
20	<p>(vi) Current Assets, Loans and Advances (Schedule 7): ₹ 52,134.82 crore</p> <p>The above does not include an amount of ₹ 501.83 crore which was recoverable as on 31 March 2022 from various concessionaires/contractors as detailed below:</p> <table border="1"> <thead> <tr> <th>Sr. No.</th> <th>Particulars</th> <th>Amount (₹ in Crore)</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td>Consultancy fee of Independent Engineer recoverable from Concessionaires</td> <td>22.6</td> </tr> <tr> <td>2.</td> <td>Recoverable from M/s Ludhiana Talwandi Toll Road Pvt. Ltd on account of premium payment.</td> <td>2.14</td> </tr> <tr> <td>3.</td> <td>Short remittance of toll by M/s Saharkar Global Ltd, Datar Security Service Group and Ranchor Infra Developers Pvt Ltd.</td> <td>14.59</td> </tr> </tbody> </table>	Sr. No.	Particulars	Amount (₹ in Crore)	1.	Consultancy fee of Independent Engineer recoverable from Concessionaires	22.6	2.	Recoverable from M/s Ludhiana Talwandi Toll Road Pvt. Ltd on account of premium payment.	2.14	3.	Short remittance of toll by M/s Saharkar Global Ltd, Datar Security Service Group and Ranchor Infra Developers Pvt Ltd.	14.59	<p>Audit has not mentioned the name of units to whom these amounts relate. These observations were not included in the half margins issued during the accounts audit of NHAI HQ neither these were part of Draft Audit Report. Audit was requested through e-mail dated 20.02.2023 and 21.02.2023 to provide the details so that reply may be submitted. However we could not get the details.</p> <p>In spite of above, it is assured that at the time of issue of instruction for the preparation of next financials, units will be directed to be particular about the provisions for claim and expenses recoverable so that this type of mistakes may be avoided in future.</p>
Sr. No.	Particulars	Amount (₹ in Crore)												
1.	Consultancy fee of Independent Engineer recoverable from Concessionaires	22.6												
2.	Recoverable from M/s Ludhiana Talwandi Toll Road Pvt. Ltd on account of premium payment.	2.14												
3.	Short remittance of toll by M/s Saharkar Global Ltd, Datar Security Service Group and Ranchor Infra Developers Pvt Ltd.	14.59												



S.No.	Audit Report		Management Reply
	S r. No.	Particulars	Amount (₹ in Crore)
	4.	Damages recoverable from the concessionaire recoverable from the M/s HCC on account of various contractual obligations.	423.8
	5.	Non booking of Interest on account of Mobilization Advances/ One Time Fund Infusion Scheme, facility provided to the contractors.	36.09
	6.	Non deposition of Double Penalty on Fastag, collected by Contractors/Concessionaires.	2.01
		Total	501.83
	<p>Thus, non-inclusion of the amount of ₹ 501.83 crore in the 'Claims Recoverable' has resulted in understatement of 'Claims Recoverable' as well as Assets held on the behalf of Gol by ₹ 22.6 crore & Current Liabilities (Payable to Gol) by ₹ 479.23 crore.</p>		
21	<p>2.4 Current Liabilities and Provisions</p> <p>Liabilities (Schedule 8): ₹ 52,086.04 crore</p> <p>(i) The above does not include ₹ 2 crore due to non-creation of liabilities on account of various services viz. Wayside Amenities, Road User Helpline, Citizen Centric App-You Report, Time and Motion Study provided by M/s Indian Highways Management Company Limited (IHMCL) to NHAI up to 31 March 2022 and payable to IHMCL. This has resulted in understatement of Current Liabilities and Provisions and Expenditure of Toll Collection Activities by ₹ 2 crore.</p>		<p>(2.4) Current Liabilities and Provisions</p> <p>Liabilities (Schedule 8): ₹ 52,086.04 crore</p> <p>(i) <i>So far as non-provisioning for liabilities on account 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 up to 31 March 2022 and payable to IHMCL are concerned, it is intimated that these expenditure are met by IHMCL out of the monthly advances paid to them by NHAI, therefore, provision for payment is not required to be made.</i></p> <p><i>Thus there is no case of understatement of Current Liabilities and Provisions and Expenditure of Toll Collection Activities.</i></p>





S.No.	Audit Report	Management Reply
22	<p>(ii) An agreement was entered (20 November 2017) into between Ministry of External Affairs, Government of India and NHAI for Project Management and Consultancy services for construction/upgradation of the Kalewa-Yargi Road section, a trilateral Highway in Myanmar. As per the terms of the agreement, Ministry of External Affairs, Government of India has released ₹ 528.95 crore up to March 2022 to NHAI towards project expenditure. However, NHAI has not adjusted ₹ 437.87 crore being the amount spent for the project till 31 March 2022.</p> <p>This has resulted in overstatement of Current Liabilities and Provisions and overstatement of Current Assets, Loans and Advance by ₹ 437.87 crore. Further, the note on accounts no. 16 (c) is also deficient to that extent.</p> <p>This issue was also raised during previous year. However, no action has been taken by management.</p>	<p>(ii) Amount received from Ministry of External Affairs, Government of India for construction/upgradation of the Kalewa Yargi Road section is credited to GLC 2508 Advance for Deposit Work for Myanmar Project (EPC Expenditure) and GLC2509 Advance for Deposit Work for Myanmar Project (PMC Expenditure) respectively. On the basis of requisition/ recommendation of Myanmar Unit amount paid to them is booked under GLC 4503 as Other Advances. Adjustment of advances booked under GLC 4503 is yet to be carried out in the books of NHAI HQ. Observation made by audit is noted for compliance in current financial year.</p>
23	<p>(iii) Further, as per the terms of the above agreement, NHAI was to receive a remuneration of 6 per cent of the estimated cost or tendered cost, whichever is lower. NHAI has incurred project expenditure of ₹ 437.87 crore (37.20 per cent financial progress) for the project up to March 2022. Thus, the total remuneration due to NHAI towards PMC fees is ₹ 41.05 crore till March 2022. Against this, Ministry of External Affairs, Government of India has released Rs. 22.25 crore up to March 2022 to NHAI towards Project Management Consultancy (PMC) fees and ₹ 18.80 crore is recoverable from Ministry of External Affairs, Government of India.</p> <p>This has resulted in understatement of Income by ₹ 41.05 crore, overstatement Current Liabilities by ₹ 22.25 crore and understatement of Current Assets, Loans and Advances by ₹ 18.80 crore.</p> <p>This issue was also raised during previous year. However, no action has been taken by management.</p>	<p>(iii) It is a deposit work being carried out by NHAI on behalf of Ministry of External Affairs as per the tripartite agreement entered in between NHAI, MoRTH and MEA. This being a deposit work on behalf of other entity, accounting of receipts and payments is made on cash basis. Therefore, entry of provision for receipt of remuneration is not required.</p>



S.No.	Audit Report	Management Reply																											
24	(iv) The above does not include ₹ 336.06 crore being non-creation of liability on account of 4 per cent of fee collected electronically which was payable to M/s Indian Highways Management Company Limited for the month of January-March 2022. This has resulted in understatement of Current Liabilities and Provisions as well as Expenditure on Toll Collection Activities by ₹ 336.06 crore.	(iv) So far as non-provisioning for the amount payable to IHMCL against capital infrastructure created by NHAI up to 31 st March 2022 through IHMCL under scheme of Electronic Toll Collection and Toll Management System for collection of user fees are concerned, it is intimated that these expenditure are met by IHMCL out of the monthly advances paid to them by NHAI for providing these services. Therefore, provision for payment is not required to be made. Thus there is no case of under or over statement.																											
25	(v) Following head of accounts understated by ₹ 4,982.25 crore due to non/short provision of liabilities towards: <table border="1" data-bbox="279 929 909 2027"> <thead> <tr> <th>Sr. No.</th> <th>Particulars</th> <th>Amount (₹ in Crore)</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td>Compensation payable for acquisition of land despite issue of 3D Notification/Award by CALA/ Compensation payable to land losers as per Arbitration award/</td> <td>3,455.64</td> </tr> <tr> <td>2.</td> <td>Amount payable to Contractors/ concessionaire in respect of Construction work done</td> <td>313.47</td> </tr> <tr> <td>3.</td> <td>Amounts payable to the contractor/Concessionaire/Utility Department for utility shifting/ tree cutting</td> <td>34.27</td> </tr> <tr> <td>4.</td> <td>Amounts payable to consultants in respect DPR preparations</td> <td>0.58</td> </tr> <tr> <td>5.</td> <td>Amounts payable for supervision / other consultancy</td> <td>45.4</td> </tr> <tr> <td>6.</td> <td>Amounts payable to Gol in respect of short remittance of Toll/Interest on delayed payment by concessionaire/ contractors</td> <td>44.35</td> </tr> <tr> <td>7.</td> <td>Amounts payable to Gol in respect of penalty payable to GOI</td> <td>31.99</td> </tr> <tr> <td>8.</td> <td>Amount payable to contractors for maintenance work done</td> <td>61.55</td> </tr> </tbody> </table>	Sr. No.	Particulars	Amount (₹ in Crore)	1.	Compensation payable for acquisition of land despite issue of 3D Notification/Award by CALA/ Compensation payable to land losers as per Arbitration award/	3,455.64	2.	Amount payable to Contractors/ concessionaire in respect of Construction work done	313.47	3.	Amounts payable to the contractor/Concessionaire/Utility Department for utility shifting/ tree cutting	34.27	4.	Amounts payable to consultants in respect DPR preparations	0.58	5.	Amounts payable for supervision / other consultancy	45.4	6.	Amounts payable to Gol in respect of short remittance of Toll/Interest on delayed payment by concessionaire/ contractors	44.35	7.	Amounts payable to Gol in respect of penalty payable to GOI	31.99	8.	Amount payable to contractors for maintenance work done	61.55	(v) Audit has not provided unit wise details of the observation in respect of sl. 1 to 18. In absence of such details, the issue could not be examined and verified. However, it is assured that a general instruction shall be issued at the time of next balance sheet to units to be more particular and realistic in respect of accounting entries for accruals.
Sr. No.	Particulars	Amount (₹ in Crore)																											
1.	Compensation payable for acquisition of land despite issue of 3D Notification/Award by CALA/ Compensation payable to land losers as per Arbitration award/	3,455.64																											
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S.No.	Audit Report		Management Reply
	Sr. No.	Particulars	Amount (₹ in Crore)
	9	Amount for capital reserve	70.03
	10	Amount payable on account of CWIP GST-Change in Law	6.92
	11	Expenditure on toll collection activities	6.33
	12	Expenditure on Highways Nest Mini	1.79
	13	Amount payable to Gol for interest on mobilization advance & other deposits	33.04
	14	Amount payable to contractor/ concessionaire on account of Bonus/Annuity payment	866.86
	15	CWIP Building	0.81
	16	Understatement of Expenditure on Green Belt Highways Development	2.1
	17	Non provisioning of 1% Administrative charges payable to CALA	0.18
	18	Non provisioning of expenditure for road safety	7.12
		Total	4,982.25
	This has also resulted in understatement of 'Assets held on behalf of Gol' by ₹ 4756.99 crore, Claims Recoverable by ₹ 146.37 crore, Expenditure of Toll collection Activities by ₹ 78.89 crore.		
26	(vi) Following head of accounts overstated by ₹ 47.78 crore due to excess provision of liabilities towards.		(vi) <i>Audit has not provided unit wise details of the observation in respect of sl. 1 to 2. In absence of such details, the issue could not be examined and verified. However, it is assured that a general instruction shall be issued at the time of finalization of next balance sheet to units to be more cautious in future in respect of provisioning.</i>
	Sr. No.	Particulars	Amount (₹ in Crore)
	1	Civil works	41.13
	2	Semi-annuity	6.65
		Total	47.78
	This has also resulted into overstatement of Assets held on behalf of Gol (completed/ongoing) of ₹ 47.78 crore.		



S.No.	Audit Report	Management Reply
	<p>2.5 Current Liabilities and Provisions Reserves & Provisions (Schedule 9): ₹ 105.10 crore</p> <p>The above head does not include provision for diminution in the value of investment for ₹ 370.75 crore in respect of Ahmedabad Vadodara Expressway Company Limited, National Highways Logistic Management Limited (formerly Cochin Port Road Company Limited). As against the approved format of accounts, instead of showing the provision separately under the head 'Current Liabilities and Provision', the same was adjusted against the investment during 2016-17. Further, in contravention to Generally Accepted Accounting Principles, instead of creating the provision from P& L Account, the same was created from Capital Account in that year.</p> <p>This has resulted into understatement of Investment, understatement of Current Liabilities and Provision, understatement of Loss and understatement of Capital Account by ₹ 370.75 crore.</p> <p>This issue was also raised during previous year. However, no action has been taken by management.</p>	<p>(2.5) Reserves & Provision (Schedule 9): ₹ 105.10 crore</p> <p><i>Provision for diminution in the value of investment in two subsidiaries of NHAI viz. Ahmedabad-Vadodra Expressway Co.Ltd., and National Highways Logistic Management Limited (formerly Cochin Port Road Co. Ltd.) was created in the financial year 2016-17 by debiting P&L Account.</i></p> <p><i>In this regard attention is invited to Accounting Standard 13 which inter alia provides that Long-term investments must always be carried in financial statements at their cost. But, when there's a decline, apart from temporary, in value the long-term investment, carrying amount is reduced for recognizing such decline.</i></p> <p><i>In line with Accounting Standard 13, provision of Rs. 370.75 crore for diminution in the value of Investments is set off against Investments in Schedule-6. Thus, Investment, Provisions and losses are not understated.</i></p> <p><i>So far as understatement of Capital is concerned, it is submitted that as NHAI is an executing agency of Government of India therefore diminution in the value of Investment is erosion of capital provided by Government of India and has rightly been shown as reduction from capital. Thus, there is no understatement of Capital as well.</i></p>





S.No.	Audit Report	Management Reply
27	<p>B Profit and Loss Account</p> <p>1 Income</p> <p>Other Income (Schedule 11): ₹ 34.13 crore</p> <p>The above head does not include an amount of ₹ 1,313.37 crore being the agency charges for the current year which was not accounted for in the books of accounts. Agency charges were introduced in NHAI as per the practice followed by State Public Works Department under 'Agency System' who were executing the National Highway Projects prior to coming into existence of NHAI.</p> <p>Non accounting of agency charges in the books of account has resulted in understatement of Income, overstatement of loss and understatement of Current Assets, Loans and Advances by ₹ 1,313.37 crore for the current year.</p> <p>Audit also noticed that NHIDCL, incorporated by MoRTH for development and maintenance of national highways on behalf of Gol as executing agency, recognizes agency charges as its income as per the defined rate on the expenditure incurred.</p> <p>This issue was also raised during previous year. However, no action has been taken by management.</p>	<p>(B) Profit and Loss Account:</p> <p>1. Income</p> <p>Other Income (Schedule 11) ₹ 34.13 crore</p> <p>(i) <i>The policy for accounting of agency charges (Schedule-18, Significant Accounting Policy no. 13) is as under –</i></p> <p>Agency Charges</p> <p><i>Agency charges on the value of various projects executed w.e.f. 1/4/2008 is recognized notionally at the following rates-</i></p> <p>a) <i>1% on all capital works projects, including on the total expenditure on BOT and Annuity projects;</i></p> <p>b) <i>9% on the expenditure on maintenance of highways directly done by NHAI;</i></p> <p>c) <i>2% on the expenditure on maintenance of highways carried out through the State Public Works Departments.</i></p> <p><i>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".</i></p> <p><i>Accordingly, since 01.04.2008 agency charges are consistently being calculated and accounted for through a Memorandum Account. Thus there is no question of understatement of income by ₹ 1313.37 crore and overstatement of loss by the same amount as pointed out by Audit.</i></p>



S.No.	Audit Report	Management Reply
28	<p>2 Expenditure</p> <p>2.1 Personnel and Administrative Expenses (Schedule 15)</p> <p>Printing and Stationery: ₹ 15.63 crore</p> <p>The above includes an amount of ₹ 9.9 crore incurred towards the publication of notifications related to land acquisition on behalf of MoRTH. Thus, the same should have been booked as recoverable from MoRTH. This has resulted in overstatement of Printing and Stationery Expenditure and understatement of Assets held on behalf of Gol (ongoing projects) CWIP by ₹ 9.9 crore.</p>	<p>(2) Expenditure</p> <p>(2.1) Personnel and Other Administrative Expenses (Schedule 15)</p> <p>(i) Printing and Stationery: ₹ 15.63 crore</p> <p><i>Scrutiny of related vouchers revealed that the payment to Government Press Mayapuri has been made for publication of LA notification by MoRTH for NHAI as per the provision of NH Act, 1956 (48 of 1956) in Gazette of India Extraordinary part-II section -3 sub section (ii) after the approval of Competent Authority and has correctly been booked under Printing and Stationery GL 7801. Thus there is no case of over/under statement.</i></p>
29	<p>3 Prior Period Items (net) (Schedule 17): ₹ 37.77 crore</p> <p>3.1 The above head does not include an amount of ₹ 4,379.73 crore being the agency charges for which invoices are not raised by NHAI on MoRTH and not accounted for in the books of accounts for the period upto 31 March 2021. This has resulted in understatement of Prior Period Income, overstatement of accumulated losses and understatement of Current Assets, Loans and Advances by ₹ 4,379.73 crore.</p> <p>Audit also noticed that NHIDCL, incorporated by MoRTH for development and maintenance of national highways on behalf of Gol as executing agency, recognizes agency charges as its income as per the defined rate on the expenditure incurred.</p> <p>This issue was also raised during previous year. However, no action has been taken by management.</p>	<p>(3) Prior Period Items (net) (Schedule 17): ₹ 37.77 crore</p> <p>3.1 <i>Attention is invited to the Significant Accounting Policy no. 13 (Schedule-18), which provide as under-</i></p> <p><i>“Agency charges on the value of various projects executed w e f 1/4/2008 is recognized notionally at the following rates-</i></p> <ul style="list-style-type: none"> a) <i>1% on all capital works projects, including on the total expenditure on BOT and Annuity projects;</i> b) <i>9% on the expenditure on maintenance of highways directly done by NHAI;</i> c) <i>2% on the expenditure on maintenance of highways carried out through the State Public Works Departments.</i> <p><i>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.”</i></p>





S.No.	Audit Report	Management Reply
		<p>Based on above policy agency charges are recognised notionally through a memorandum account and disclosed in the Schedule-19 of financial Statements. Neither any accounting entry is passed in the books of accounts nor invoices raised on MoRTH for payment.</p> <p>NHAI is doing this for last 12 year and Audit has accepting it for such a long period of time.</p>
30	<p>3.2 The above includes an amount of ₹ 6.57 crore being amount paid by NHAI towards the professional fee in respect of consulting services for programme management of Bharatmala Pariyojana for the month November & December 2021. As this expenditure relates to current financial year i.e. 2021-22, therefore, the same should have been booked in current year. This has resulted in understatement of Current Year Expenditure and overstatement of Prior Period Items by ₹ 6.57 crore.</p>	<p>3.2 Expenditure related to consulting services for programme management are booked under GL code 8204 Consultancy Fee and not under CWIP Other Consulting Service (GL 3309) as pointed out by Audit.</p> <p>As the payment pertains to FY 2021-22 and has been paid in 2022-23 therefore, at the time of payment, the intent was to pay it through provision by debiting GL Code "8204 Consultancy Fee" on 31.03.2022. However, due to some inadvertent mistake, this could not be done. The observation has been noted for avoiding similar mistakes in future.</p>
31	<p>C Cash Flow Statement</p> <p>1 Cash Flow from Investing Activities (Increase)/Decrease in Investment: ₹ (3,052.16) crore</p> <p>The above represents an increase in investment amounting to ₹ 965.56 crore (9,56,00,000 units at Rs. 101 per unit) in National Highway Infra Trust (NHIT). This included swapping of shares of National Highway Infra Projects (Pvt) Limited with units of NHIT for ₹ 101.52 crore and cash/bank payment of ₹ 864.04 crore. As per AS 3 on 'Cash Flow Statements', cash flows are inflows and outflows of cash and cash equivalents. Therefore, swapping of shares amounting to ₹ 101.52 crore without any cash inflow/outflow should not have been included in Cash Flow Statement. Thus, the Cash Flow Statement is deficient to that extent.</p>	<p>(C) Cash Flow Statement</p> <p>1 Cash flow from investing activities (Increase)/Decrease in investment: ₹ (3,052.16) crore</p> <p>A non-cash item refers to an item listed in the income statement but does not involve a cash payment or receipt. Item of ₹ 101.52 crore also does not involve any cash receipt. However, technically it is not a non-cash item because it has been simultaneously transferred from P&L account and credited to capital. On transfer to capital it loses its identity as non-cash item, therefore it has been considered in the cash flow statement. Without this inclusion cash flow statement would not have tallied.</p>



S.No.	Audit Report	Management Reply															
32	<p>2 Cash Flow from Financing Activities</p> <p>During the year, the following cash flows were received from the MoRTH:</p> <table border="1"> <thead> <tr> <th>Sr. No.</th> <th>Head of Receipts</th> <th>Amount</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Maintenance of Highways</td> <td>1,872.76</td> </tr> <tr> <td>2</td> <td>Plough back of toll-remittances</td> <td>12,670.00</td> </tr> <tr> <td>3</td> <td>Plough back of TOT</td> <td>5,000.00</td> </tr> <tr> <td></td> <td>Total</td> <td>19,542.76</td> </tr> </tbody> </table> <p>The expenditure on Maintenance of Highways (₹ 2,111.48 crore) and expenditure on toll collection activities (₹1,521.76 crore) were adjusted against the above cash inflows of ₹ 19,542.76 crore, which should have been shown separately under cash flow from financing activities in Cash Flow Statement.</p>	Sr. No.	Head of Receipts	Amount	1	Maintenance of Highways	1,872.76	2	Plough back of toll-remittances	12,670.00	3	Plough back of TOT	5,000.00		Total	19,542.76	<p>2. Cash Flow from Financing Activities</p> <p>Attention is invited to the provisions of Significant Accounting Policy no. 9 Maintenance Grant, which states that— “Expenditure on maintenance of highways and toll collection activities after setting of maintenance grant received from Government of India for maintenance of highways is reduced from plough back of toll remittances and shown as capital (Schedule-I) under additional budgetary support.”</p> <p>Accordingly, the presentation in the cash flow statement under item no. C. Cash Flow from financing activities, sub item Adjusted Plough back of Toll Remittance, etc. has been made in compliance with this policy. However, in view of audit observation, this issue shall be reviewed at the time of next balance sheet.</p>
Sr. No.	Head of Receipts	Amount															
1	Maintenance of Highways	1,872.76															
2	Plough back of toll-remittances	12,670.00															
3	Plough back of TOT	5,000.00															
	Total	19,542.76															
33	<p>D Notes on Accounts (Schedule 19)</p> <p>1 Contingent Liability is understated by ₹ 12,912 crore on account of claims raised by the contractors/concessionaires relating to various projects. Thus, note no 27 pertaining to disclosure of contingent liability is deficient to that extent.</p> <p>2 As per para 66 of the AS 29, for each class of provision, an enterprise should disclose:</p> <ol style="list-style-type: none"> The carrying amount at the beginning and end of the period; Additional provisions made in the period, including increases to existing provisions; Amounts used (i.e. incurred and charged against the provision) during the period; and Unused amounts reversed during the period. <p>As per Schedule-9, NHAI has made provision for taxes, gratuity, leave salary and other provisions aggregating ₹ 105.10 crore, however no such disclosure in line with the requirement of AS-29 has been made in the Notes forming part of the Financial Statements.</p>	<p>(D) Notes on Accounts (Schedule 19)</p> <p>1 This issue was also raised in the Draft Audit Report (DAR). In reply to this query it was pointed out that details of ₹ 15269.25 crore (Annexure III Contingent Liability) not found attached with the Draft Audit Report. In final report also the required details have not been provided therefore, no comments.</p> <p>2 This half margin pertains to provision for taxes, gratuity, leave salary and other provisions aggregating ₹ 87.13 crore, as shown in Schedule-9. Audit has pointed out that disclosure in respect of these provisions have not been made as stipulated in para 66 of Accounting Standard 29.</p> <p>In this regard attention is invited to para 4.3 of preface to the Statements of Accounting Standards which provides that-</p>															



S.No.	Audit Report	Management Reply																																																												
	This issue was also raised during previous year. However, no action has been taken by management	<i>"Accounting Standards are intended to apply only to items which are material". As the value of these provisions (₹105.10 crore) is not material in comparison to the total project expenditure (₹ 1,24,578.41 crore) of NHA for Financial year 2021-22, therefore, disclosure on the lines stated in this half margin has not been considered.</i>																																																												
34	<p>3 Note 9. (f) relating to Borrowings-Term Loan states that the Authority, during the year has taken term loans of ₹ 54,000 crore from various banks (as given in table below) and during the year term loans to the tune of ₹ 18,571.43 crore (as given in table below) have been repaid. However, as per the ledger, the total term loans raised by the Authority during the year was ₹ 59,000 crore and total amount of term loan repaid during the year amounts to ₹ 23,571.43 crore. Therefore, the above note is deficient to that extent.</p> <table border="1"> <thead> <tr> <th>Sr No</th> <th>Name of Bank</th> <th>Term Loan Taken {as per Note 9. (f) }</th> <th>Term Loan taken as per Ledger</th> <th>Loan Repaid as per Note 9. (f)</th> <th>Loan Repaid as per ledger</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>State Bank of India</td> <td>20,000</td> <td>20,000</td> <td>17,571.43</td> <td>17,571.43</td> </tr> <tr> <td>2</td> <td>Bank of Baroda</td> <td>9,500</td> <td>10,000</td> <td>NIL</td> <td>500</td> </tr> <tr> <td>3</td> <td>Canara Bank</td> <td>9,500</td> <td>10,000</td> <td>NIL</td> <td>500</td> </tr> <tr> <td>4</td> <td>HDFC Bank</td> <td>6,000</td> <td>6,500</td> <td>NIL</td> <td>500</td> </tr> <tr> <td>5</td> <td>ICICI Bank</td> <td>3,500</td> <td>6,500</td> <td>NIL</td> <td>3,000</td> </tr> <tr> <td>6</td> <td>Axis Bank</td> <td>3,000</td> <td>3,000</td> <td>500</td> <td>500</td> </tr> <tr> <td>7</td> <td>IndusInd Bank</td> <td>2,500</td> <td>3,000</td> <td>NIL</td> <td>500</td> </tr> <tr> <td>8</td> <td>PNB</td> <td>NIL</td> <td>NIL</td> <td>500</td> <td>500</td> </tr> <tr> <td></td> <td></td> <td>54,000</td> <td>59,000</td> <td>18,571.43</td> <td>23,571.43</td> </tr> </tbody> </table>	Sr No	Name of Bank	Term Loan Taken {as per Note 9. (f) }	Term Loan taken as per Ledger	Loan Repaid as per Note 9. (f)	Loan Repaid as per ledger	1	State Bank of India	20,000	20,000	17,571.43	17,571.43	2	Bank of Baroda	9,500	10,000	NIL	500	3	Canara Bank	9,500	10,000	NIL	500	4	HDFC Bank	6,000	6,500	NIL	500	5	ICICI Bank	3,500	6,500	NIL	3,000	6	Axis Bank	3,000	3,000	500	500	7	IndusInd Bank	2,500	3,000	NIL	500	8	PNB	NIL	NIL	500	500			54,000	59,000	18,571.43	23,571.43	<p>3 In view of Audit observation, Note no. 9 (f) of "Notes to Accounts" (Schedule-19) of Annual Financial Statements 2021-22 was re-examined and it was found that during the year 2021-22 Authority has taken Term Loan to the tune of ₹ 59,000.00 crore and pre-paid /swapped outstanding loans to the tune of ₹ 23,000.00 crore at lower interest rates and repaid Term Loans to the tune of ₹ 571.43 crore. These transactions have correctly been reflected in the books. However, due to some inadvertent typographical error the quantum of prepayment/swapping and repayment could not be reflected correctly in the Notes to Accounts. Therefore, the existing disclosure i.e. Notes to Accounts (Schedule-19) note no. 9 (f) contains same error. Authority has rectified this error through a Corrigendum (Corrigendum-II) to the Annual Financial Statement 2021-22.</p>
Sr No	Name of Bank	Term Loan Taken {as per Note 9. (f) }	Term Loan taken as per Ledger	Loan Repaid as per Note 9. (f)	Loan Repaid as per ledger																																																									
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6	Axis Bank	3,000	3,000	500	500																																																									
7	IndusInd Bank	2,500	3,000	NIL	500																																																									
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S.No.	Audit Report	Management Reply
35	<p>4 According to GAAP, all significant event which has a bearing on the financial statements should be disclosed in the notes forming part of the accounts. During the financial year 2021-22, NHA suffered an estimated loss of ₹ 232.36 crore due to force majeure claims (due to Covid) . However, this disclosure has not been given in the notes to accounts.</p>	<p>4 <i>Attempt to ascertain the loss due to force majeure on account of COVID-19 during 2021-22 was made by Authority. However, due to non-availability of authentic data by the time of finalization of accounts 2021-22, this information could not be included in the financial statements. The amount of ₹ 232.36, as pointed out by Audit, could not be verified from the available records, therefore seems incorrect.</i></p>
36	<p>(E) General</p> <p>1 Commitments made by NHA in the prospectus issued for Tax Free Secured Redeemable Non-Convertible Bonds of ₹ 10,000 crore (2011-12), Tax Free Secured Redeemable Non-Convertible Bonds of ₹ 5,000 crore (2013-14), Tax Free Secured Redeemable Non-Convertible Bonds of ₹ 19,000 crore (2015-16), Taxable Bonds (2018-19), Taxable Bonds (2019-20), Taxable Bonds (2020-21) and Taxable Bonds (2021-22) were as follows:</p> <ol style="list-style-type: none"> All monies received out of each tranche issue of the bonds to the public shall be transferred to a separate bank account; 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 utilized; 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 unutilized monies have been invested. <p>However, the above commitments were not adhered to and NHA has only given a general disclosure vide Note No. 9 (f) of Notes to Accounts wherein it was mentioned that 'All receipts of NHA viz. Funds received from the Ministry, Market borrowings through issue of NHA Tax free Bonds, Taxable Bonds, NHA Capital Gains Tax Exemption Bonds under Section 54-EC, interest on surplus funds etc. are credited in the National Highways Authority of</p>	<p>(E) General</p> <p>(i) <i>As regards maintenance of separate bank accounts for receipt and utilization of NHA Bond proceeds, Section 18 of the NHA 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 NHA Act 1988, NHA sticks to the provisions of the NHA, 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 NHA viz. Funds received from the Ministry, Market borrowings through issue of NHA Tax free Bonds, Taxable Bonds, NHA 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 NHA Act, 1988. As such, no separate Account is maintained for utilization of NHA Bond proceeds".</i></p> <p><i>In addition, the bonds being issued by NHA are in compliance with all applicable laws related to such issue</i></p>





S.No.	Audit Report	Management Reply
	<p>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'. This disclosure is also factually incorrect as NHAI is not maintaining any National Highways Authority of India Fund.</p> <p>This issue was raised in earlier year(s) also by Audit. However, no corrective action has been taken by the management.</p>	<p><i>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 issue.</i></p>
37	<p>2 Note no. 9(f) forming part of the financial statement states that borrowings shown under secured category are inter-alia secured through a mortgage over fixed assets of NHAI, being highway project comprising of all superstructures including highway lightings, road barriers and dividers, bridges, culverts and all other super structures constructed on national highways. However, these are not the fixed assets of NHAI, the ownership of these structures is vested with the Government of India. Thus, the note is deficient to that extent.</p>	<p>2 <i>This will be reviewed at the time of next balance sheet for taking appropriate decision on the matter.</i></p>
38	<p>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 to Accounts and subject to the significant matters stated above and other matter mentioned in Annexure 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 31 March 2022.</p> <p>(b) In so far as it relates to the Profit and Loss Account, the Net Establishment Expenses (the loss for the period) for the year ended on 31 March 2022.</p>	<p>VI <i>No Comments</i></p>

For and on behalf of the Board of the Authority

Place : New Delhi.
Date : 03.03.2023

Member (Finance)

Chairperson



Annexure I

(To the Audit Report on the Accounts of National Highways Authority of India for the year 2021-22)

1	<p>1 Internal Audit System</p> <p>For the purpose of evaluation of internal audit system, a questionnaire was issued to management for their response. Based on the same, the following observation were noticed in audit:</p> <p>(i) The internal audit for the first half of the financial year 2021-22 has been conducted. However, report on the same was not provided to audit. Internal audit for the second half of the financial year 2021-22 was yet to be completed.</p> <p>(ii) There is no Internal Audit Plan based on risk analysis and assessment for the audit of PIUs, ROs and Headquarter office.</p> <p>(iii) Internal audit division is part of the Finance and accounts department and not a separate one. So, there is lack of independence of internal audit division.</p> <p>(iv) The head of the Internal Audit Department reports directly to the Member (Finance) and not to the Chairman of NHAI or Chairman Audit Committee.</p> <p>(v) There is no sanctioned strength of the Internal Audit division.</p> <p>(vi) The Term of Reference/scope of audit for internal audit does not include the audit of technical aspects of road construction.</p> <p>(vii) There is no time limit fixed to issue the observations/ para's/ report to the concerned division by the internal audit department/ external audit firms.</p> <p>(viii) No follow up action has been initiated by the concerned divisions on the audit observations issued during 2021-22.</p> <p>(ix) Internal Audit reports submitted by external audit firms has not been commented on weak monitoring, poor implementation, failure to follow the approved procedures, violation of rules and regulations.</p> <p>(x) The financial statements prepared by Finance and Accounts department of NHAI were not examined by the internal audit department.</p> <p>(xi) No IT audit or system audit of Application software AFMS has been conducted by NHAI.</p>	<p>1 Internal Audit System</p> <p><i>On the Internal Audit System Audit has made 11 observations. Observations made from sl. No. (i) to (ix) are being referred to Internal Audit Division for examination and compliance wherever required. Reply in respect of observation at sl. no. (x) and (xi) are submitted as under-</i></p> <p>Reply to Observation no. (x)- Preparation and submission of annual financials is governed by the provisions of Section 33 of NHA Act, 1988 and sub rule 4 to 7 of Rule 6 of NHA Rules, 19990. The NHA Act 1988 and the NHA Rules, 1990 do not stipulate that the financial statements prepared by Finance and Accounts Department shall be examined by the internal Auditor of Authority.</p> <p>Reply to Observation no. (xi) - Authority is presently using two versions of the online accounting software AFMS, viz. Web Application and Desktop Application. Both these application use the common data base. The Web Application is mostly used for reporting part and the Desktop version of the application is used for all the data inputs. Security Audit of Web Application was conducted in November 2021 whereas Security Audit of Desktop Application was conducted in the year 2015-16 and again in 2021-22. On the basis of the report issued by IT Auditor, required patches/ updates in both the software have been issued by AFMS team and the same have been accepted by the IT Auditors.</p>
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2	<p>2 Internal Control System</p> <p>(i) NHAI does not have an accounting manual for preparation and presentation of financial statements.</p> <p>(ii) NHAI has not formulated and implemented a Risk Management Policy.</p> <p>(iii) NHAI has not formulated a hedging policy to mitigate and minimize the foreign exchange losses.</p> <p>(iv) NHAI does not have a code of conduct for all Board Members and senior management</p> <p>(v) NHAI does not have an approved fraud detection and prevention procedures and policies</p> <p>(vi) The ERP system has not been implemented completely in NHAI. As apprised by management, ERP is partly implemented in respect of some administration and HR related modules only and rest of the modules are yet to be utilized and implemented</p> <p>(vii) In the books of accounts of NHAI Headquarters, various balances out of the following are lying un-reconciled for long period and the same needs to be reconciled:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">S. No.</th> <th style="text-align: center;">Details/Heads of account</th> <th style="text-align: center;">Amount (₹ in crore)</th> <th style="text-align: center;">Period</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">(i)</td> <td>Advance given against deposit work</td> <td style="text-align: center;">18.94</td> <td style="text-align: center;">2003 to 2022</td> </tr> <tr> <td style="text-align: center;">(ii)</td> <td>Advances given for maintenance of highways</td> <td style="text-align: center;">110.97</td> <td style="text-align: center;">2003 to 2022</td> </tr> <tr> <td style="text-align: center;">(iii)</td> <td>Claims Recoverable</td> <td style="text-align: center;">8977.66</td> <td style="text-align: center;">2003 to 2022</td> </tr> </tbody> </table> <p>(viii) NHAI vide its Office Memorandum dated 25 April 2012 circulated that Toll Revenue, shared revenue, negative grants, premium etc. should be deposited by NHAI in Consolidated Fund of India (CFI) within three days of its collection / receipts. Further, NHAI vide its OM dated 17 December 2018 stipulated that 'the collected amount i.e. user fee received either on daily basis from departmental collection or on weekly basis from auctioned plazas/Shared Revenue/ Negative Grant/ Premium should be</p>	S. No.	Details/Heads of account	Amount (₹ in crore)	Period	(i)	Advance given against deposit work	18.94	2003 to 2022	(ii)	Advances given for maintenance of highways	110.97	2003 to 2022	(iii)	Claims Recoverable	8977.66	2003 to 2022	<p>2. Internal Control System</p> <p>(i) <i>NHAI Works Manual was released in the year 2006. Since the release of this manual lot of changes have taken place in the accounting requirements of Authority. The work of preparation of accounts and audit manual is soon to be taken up by Authority.</i></p> <p>(ii) <i>This has been referred to Admin Division for examination and further necessary action, if any.</i></p> <p>(iii) <i>This issue shall be examined by Finance Division and action as deemed appropriate shall be taken.</i></p> <p>(iv) <i>Board Members are appointed by the Government of India therefore NHAI does not have any role in this matter.</i></p> <p>(v) <i>This issue shall be examined and action as deemed appropriate shall be taken.</i></p> <p>(vi) <i>Implementation of ERP is on hold. Instead of ERP NHAI is using other software like AFMS, Data Lake e-disha and e-office.</i></p> <p>(vii) <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 being carried out at NHAI HQ as well as field unit level.</i></p> <p><i>Efforts are on to further reduce the outstanding balances.</i></p> <p>(viii) <i>The issue related to outstanding balance under toll payable is being examined at NHAI HQ. So far, the reasons attributable for these balances are as under-</i></p> <p style="margin-left: 20px;">a) <i>Year-end provisions created for receipt of toll not written off on actual receipt.</i></p> <p style="margin-left: 20px;">b) <i>There is a gap between the policy being followed by bank and NHAI circular.</i></p>
S. No.	Details/Heads of account	Amount (₹ in crore)	Period															
(i)	Advance given against deposit work	18.94	2003 to 2022															
(ii)	Advances given for maintenance of highways	110.97	2003 to 2022															
(iii)	Claims Recoverable	8977.66	2003 to 2022															



remitted by PIU on the same day, through RTGS/NEFT, in the dedicated central user fee account of NHA with Canara Bank, which is maintained by Head office. However, the following amount was shown as credit balance as on 31 March, 2022

Sr. No.	Particulars	Amount (₹ in Crore)
1)	Toll Revenue (Dept), payable to Gol (w.e.f. 01.04.10)	209.80
2)	Shared Revenue (BOT) payable to Gol (w.e.f. 01.04.10)	1,433.03
3)	Negative Grant on BOT (Toll), payable to Gol (w.e.f. 01.04.10)	894.67
4)	Interest (Toll Receipt) payable to Gol (w.e.f. 01.04.10)	1,088.13
5)	Other (Receipts) payable to Gol (w.e.f. 01.04.10)	80.18
6)	Toll Revenue (Auctioned Plaza) payable to Gol (w.e.f. 01.04.10)	851.27
7)	Shared Revenue (OMT), payable to Gol (w.e.f. 01.04.10)	634.76
8)	Premium on BOT (Toll) projects, payable to Gol	3,900.81
9)	Penalty (Non-FASTag w.e.f 16.02.2021), payable to Gol	108.99
	Total	9,201.64

c) *Inadvertent accounting of some of the receipts under toll payable.*

Authority intends to review and streamline the process of toll receipts and remittance into CFI in the current financial year

(ix) Cash and Bank Balances includes an amount of ₹ 259.46 crore received by NHA from October 2016 to 31 March, 2022 through RTGS/NEFT in one of its Bank Account which as per NHA was not reconciled.

(ix) *NHA and all its units regularly prepare bank reconciliation and inter unit reconciliation statements. These statements are prepared on monthly basis. Any difference appearing between the books appearing in one period is reconciled in the next period.*

(x) 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, NHA was required to prepare project-wise Balance Sheet and Cash Flow Statement from April 2013 onwards. However, NHA 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.

(x) *As explained earlier, neither Ministry has issued any direction to NHA for preparation of project wise balance sheet & cash flow statement nor the Significant Accounting Policy of NHA provide for preparation of project wise balance sheet.*

Another basic requirement for project wise balance sheet is the system of project wise funding. As the funds are not allocated on project wise basis and the borrowings are also not project specific, therefore preparation of project wise balance sheet and cash flow statement from April 2013 onward might not be presently feasible.



	<p>This issue was also raised in earlier years by Audit, however, no corrective action has been taken by the management.</p> <p>(xi) Transfer entries pertaining to projects were made in AFMS from one PIU to another without supporting records / documents / information.</p> <p>(xii) Withdrawal of ₹ 47.40 crore (25 March 2022) from bank account of PIU Raebareilly by the bank without any authorization from NHAI. The bank reversed the amount of ₹ 47.40 crore on 30 March 2022 after NHAI's intervention without crediting the interest loss from 25 March 2022 to 30 March 2022.</p> <p>(xiii) Details of legal and arbitration cases alongwith effect of claim/counterclaims were not available in PIU-Chandigarh.</p> <p>(xiv) Non confirmation of bank balances as on 31-03-2022 at PIU-Ghaziabad & Sonipat.</p> <p>(xv) Non verification of payments made to Contractor by Audit officer in violation of SoP on functioning of F&A unit at RO at PIU-Bathinda.</p> <p>(xvi) Non reconciliation of amount deposited with CALA at PIU-Malda.</p>	<p>(x) to (xvi) -All these issues are related to PIUs and shall be dealt separately at the time of issue of instruction for the preparation of next balance sheet.</p>
3	<p>3 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. Only Physical verification report (PVR) of IT Assets available at NHAI/Hqrs was provided to audit whereas PVR of other tangible assets has not been furnished. Further, discrepancies in physical verification reports of assets were also observed in PIU Patiala, Bhatinda, Bhiwani & Gwalior.</p>	<p>3 System of physical verification of fixed assets</p> <p><i>Physical verification report 2021-22 in respect of assets under the control of IT Division and Estate Division of Authority were submitted to Audit. This being the first year of verification of assets under the control of Estate Division, the Division has submitted Physical Verification Report of Assets from 01.04.2018 to 31.03.2021 (as on 31.03.2022) to Audit. Estate Division has been informed about the discrepancies and the need for improvement. The process shall be further streamlined in the next year and a duly updated physical verification report as per the provisions of circular no. NHAI / Policy Guideline / Administration /Finance /2019/ 3.4.3 dated 24.12.2019 would be submitted by them to Audit.</i></p> <p><i>PIS are also being informed about the deficiencies noticed in their report and the need to further streamline the same. Taken Report (ATR) after compliance of observation.</i></p>



4	<p>4 System of Physical Verification of Inventory</p> <p>There is no inventory in the books of accounts of NHAI.</p>	<p><i>No comments.</i></p>
5	<p>Regularity in payment of Statutory Dues</p> <p>During the period ending 31 March 2022, there were delays in deposition and non-provisioning of TDS in PIU Ramban, Srinagar, Malda & Ghaziabad.</p>	<p><i>Regularity in payment of Statutory Dues</i></p> <p><i>Adequate care is taken by units as well as HQ to deposit the taxes in time. However, sometimes due to circumstances beyond control incidence of minor delay occurs. Periodic training and workshops are conducted by Authority to further streamline the process.</i></p>





NATIONAL HIGHWAYS AUTHORITY OF INDIA

CORRIGENDUM TO THE ANNUAL ACCOUNTS 2021-2022

Corrigendum-I

(Issued in response to C&AG audit Half Margin no. 1 on Accounts Audit 2021-22)

Name of Document	Schedule No.	H No.	Policy No.	In place of	Read
Significant Accounting Policy 2021-22	Schedule - 18	1	11	Toll Revenue, Shared Revenue and Negative Grant and TOT / InvIT Proceed- The amount of toll revenue, shared revenue, negative grant, TOT / InvIT Proceeds and interest earned thereon, is remitted to Consolidated Fund of India (CFI) on actual receipt basis.	Toll Revenue, Shared Revenue and Negative Grant and TOT / InvIT Proceed- a) The amount of toll revenue, shared revenue, negative grant, TOT and interest earned thereon, is remitted to Consolidated Fund of India (CFI) on actual receipt basis. b) Cabinet Committee in 2019-20 has authorized NHAI to create a reserve fund in line with the provision of Rule 9 of "The National Highways Authority of India (Budget, Accounts, Audit, Investment of Funds and Powers to Enter Premises) Rules, 1990" from the sums received from InvIT, which shall be kept in a separate account for repayment of debt."



Corrigendum- II

(Issued in response to C&AG audit Half Margin no. 2 on Accounts Audit 2021-22)

Name of Document	Schedule No.	H No.	Policy No.	In place of	Read
Notes to Account	Schedule-19	2	9 (f)	<p>Term loan - Apart from above, Authority, during the year has also taken term loans of ₹ 54,000.00 crore [₹ 20,000.00 crore (previous year ₹ 10,000.00 crore) from State Bank of India, ₹ 9,500.00 crore from Bank of Baroda (previous year Nil), ₹ 9,500.00 crore from Canara Bank (previous year Nil), ₹ 6,000.00 crore from HDFC (previous year Nil), ₹ 3,500 crore from ICICI Bank (previous year Nil), ₹ 3,000.00 crore from Axis Bank (previous year ₹ 850.00), ₹ 2,500.00 from IndusInd Bank (previous year Nil) & ₹ Nil from Punjab National Bank (previous year Rs. 5,000.00 crore)].</p> <p>During the year term loans to the tune of ₹ 18,571.43 crore (SBI ₹ 17,571.43 crore, Axis Bank ₹ 500.00 crore and PNB ₹ 500.00 crore) have been repaid. InvIT proceeds of ₹ 7,350.40 crore has been utilized towards repayment of term loans.</p>	<p>Term loan - Apart from above, Authority, during the year has also taken term loans of ₹ 59,000.00 crore [₹ 20,000.00 crore (previous year ₹ 10,000.00 crore) from State Bank of India, ₹ 10,000.00 crore from Bank of Baroda (previous year Nil), ₹ 10,000.00 crore from Canara Bank (previous year Nil), ₹ 6,500.00 crore from HDFC (previous year Nil), ₹ 6,500 crore from ICICI Bank (previous year Nil), ₹ 3,000.00 crore from Axis Bank (previous year ₹ 850.00), ₹ 3,000.00 from IndusInd Bank (previous year Nil) & ₹ Nil from Punjab National Bank (previous year ₹ 5,000.00 crore)].</p> <p>During the year term loans to the tune of ₹ 23,000.00 crore (SBI ₹ 17,000.00 crore, Axis Bank ₹ 500.00 crore and PNB ₹ 500.00 crore, HDFC ₹ 500.00 crore, ICICI bank ₹ 3,000.00 crore, IndusInd Bank ₹ 500.00 crore, Canara Bank ₹ 500.00 crore and Bank of Baroda ₹ 500.00 crore) have been swapped at lower interest rates and SBI term loan to the extent of ₹ 571.43 crore has been repaid. InvIT proceeds of ₹ 7,350.40 crore has been utilized towards repayment of term loans.</p>

Corrigendum I & II have been approved by Member (F) as per the powers delegated by the Board of Authority while approving the annual accounts of FY 2021-22.





Takoli Kullu



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Atal Tunnel 94

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Sangareddy – Nanded – Akola





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