

ANNUAL REPORT 2022-23

Nation Building Through Highways





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



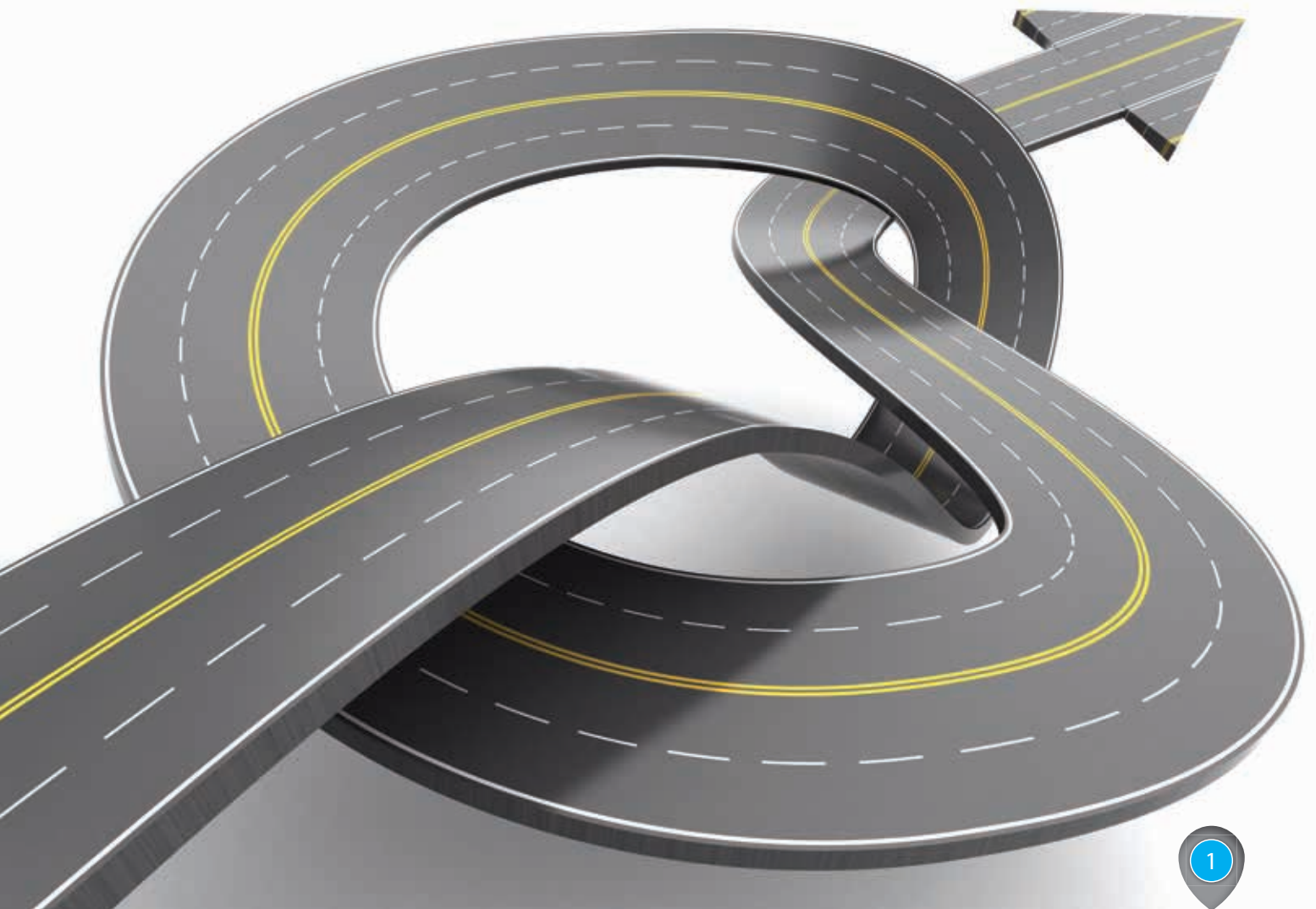


NATIONAL HIGHWAYS AUTHORITY OF INDIA

MINISTRY OF ROAD TRANSPORT & HIGHWAYS

www.nhai.gov.in

ANNUAL REPORT 2022-23



Dwarka-Khambhaliya-Devariya- NH 151A-Gujarat-2023(1)



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Delhi Vadodara Expressway



01 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 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. NHAI 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 NHAI 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.

NHAI 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, NHAI 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.

Akkulam Bridge, Kerala



02 Vision and Mission

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.

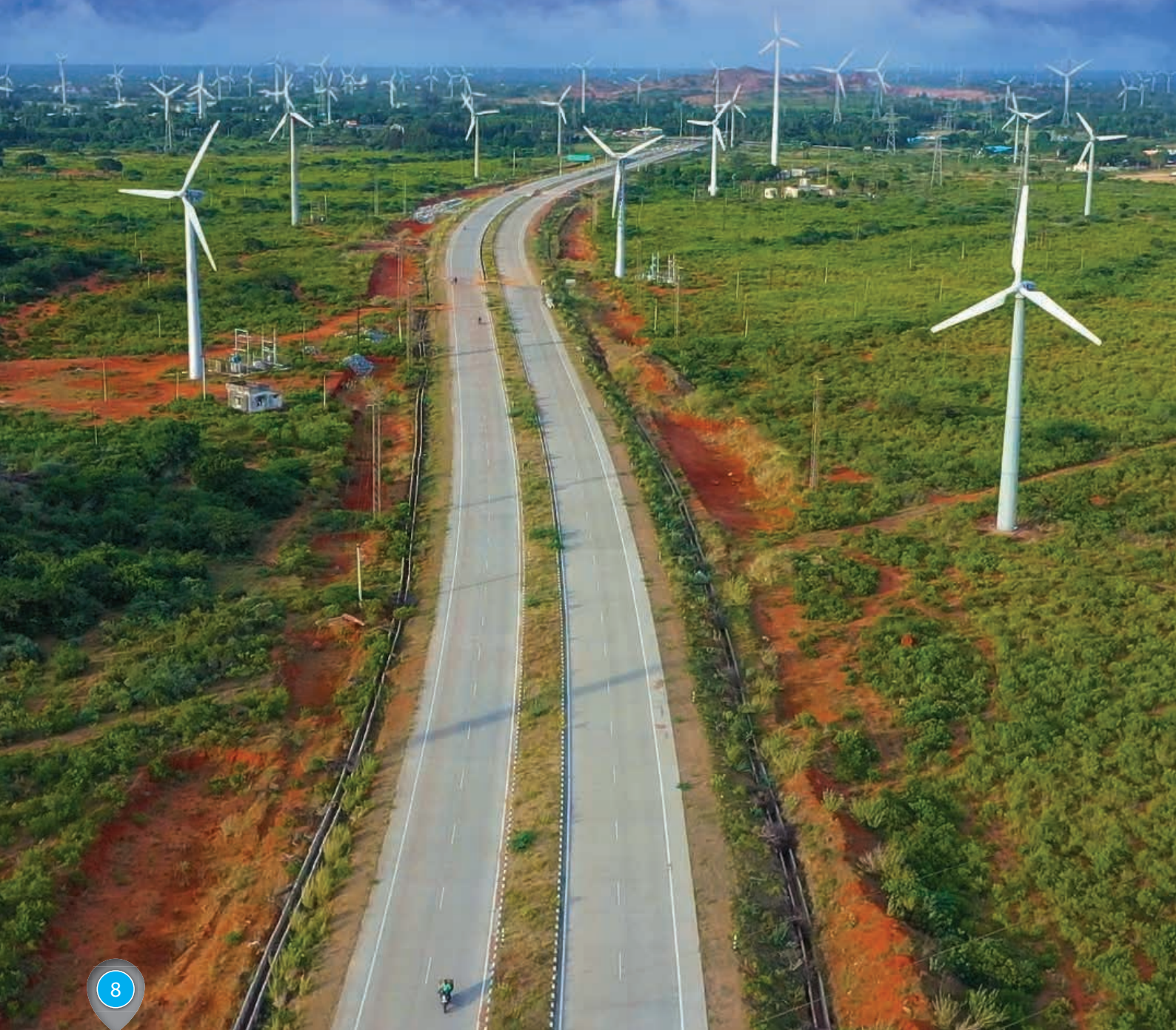
VISION



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 (Old NH-47B)



03

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. 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.

I am proud to share that NHAI was able to award 6,003 km in FY2022-23 and construction 4,326 km (vs. 4,331 km in FY 2021-22) length of projects. Further, NHAI awarded 3,535 km length of projects 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 73 km under TOT Bundle-9 at bid price of INR 3,144 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.

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.

Quazigund to Banihal NH-44



04

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 2022-23 ahead of many nations and positioning itself to ascend to the pre-pandemic growth path in FY 2023-24. There has been a real GDP growth in FY 2022-23 of 7 per cent, this follows an 8.7% growth in previous year. Agencies worldwide continue to project India as the fastest-growing major economy at 6.0-6.8 per cent in FY 2023-24.

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.

The UNDP Report of July 2022 stated that the recent inflationary episode in India would have a low poverty impact due to well-targeted support. In addition, the National Family Health Survey (NFHS) in India shows improved rural welfare indicators from FY16 to FY20, covering aspects like gender, fertility rate, household amenities, and women empowerment.

(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, lastmile 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 63,31,791 km. This comprises National Highways, Expressways, State Highways, Major

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

Particulars	Kms
National Highways/ Expressway	1,44,955
State Highways	1,67,079
Other Roads	60,19,757
Total	63,31,791

Source: Ministry of Road Transport & Highways Annual Report for FY 2022-23

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 NHAI 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 3rd 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 while 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.

05

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. NHAI benefits from the rich experience of the professionals from various departments.

NHAI also inducts Dy. Manager (Technical) on direct recruitment basis every year on the basis of Engineering Service Examination conducted by UPSC. These officers 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 6 part time Members, including 2 non-Government part time Members. The status of the Board as on 31.03.2023 is as under:

Full-time Members	Name
Chairman	Shri Santosh Kumar Yadav
Member (Administration)	Vacant
Member (Finance)	Shri N.R.V.V.M.K Rajendra Kumar
Member (Tech)	Shri Mahabir Singh
Member (Projects)	Shri Manoj Kumar
Member (Projects)	Vacant
Member (PPP)	Shri K. Venkata Ramana

Part-time Members	Name
Secretary (RT&H)	Smt. Alka Upadhyaya
Secretary, Department of Expenditure, Ministry of Finance	Dr. T.V. Somanathan
CEO NITI Aayog	Shri B V R Subrahmanyam
Director General (RD) & SS, MoRT&H	Shri PVSS Ravi Prasad

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 1191 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 2022-23, there are 25 Regional Offices, 190 PIUs and 07 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 31.03.2023 is as under:

Group of post	Present strength of the employees	Regular	Deputation	Contract	SC	ST	OBC	Person with Disability
A	833	566	266	1	110	41	221	8
B	245	236	8	1	34	1	70	1
C	113	112	0	1	7	2	44	0
Total	1191	914	274	3	151	44	335	9

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
113	873	NIL	NIL

5.5 Implementation of reservation policy:

“In order to ensure the compliance of reservation orders issued by Government of India from time to time for SC/ST/OBC/PwD/EWS/Ex-Serviceman, a Reservation Cell comprising Liaison Officers for different categories has been constituted in NHAI. A Policy Circular has also been issued to prescribe the duties/ responsibilities of the Liaison Officers for compliance. Reservation Rosters are maintained for different categories as per the instructions of DoP&T. Quarterly Report is also submitted to National Commission for Scheduled Castes’ (NCSC) through MoRT&H. The Posts, which can be held by respective category of PwD in respect of the vacancies reserved in accordance with the provision of Section 34 of the RPwD Act, 2016 have also been identified. The grievances received from the officers and employees belonging to reserved categories are given utmost importance and are examined by the Reservation Cell. The suggestion provided by the Cell are implemented in letter and spirit.”

06

Project Portfolio

6.1 Bharatmala Pariyojana:

Overview:

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

The Cabinet Committee on Economic Affairs had approved the implementation of Phase 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, 665 projects, having a length of 23,268 km and total capital cost of ₹ 7,89,196 crore have been awarded under the

Bharatmala Pariyojana projects till 31.03.2023 under NHAI. As for the current year, 106 projects of 3,478 km length and capital cost of ₹ 1,30,148 crores were awarded in FY 2022-23 by NHAI.

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).

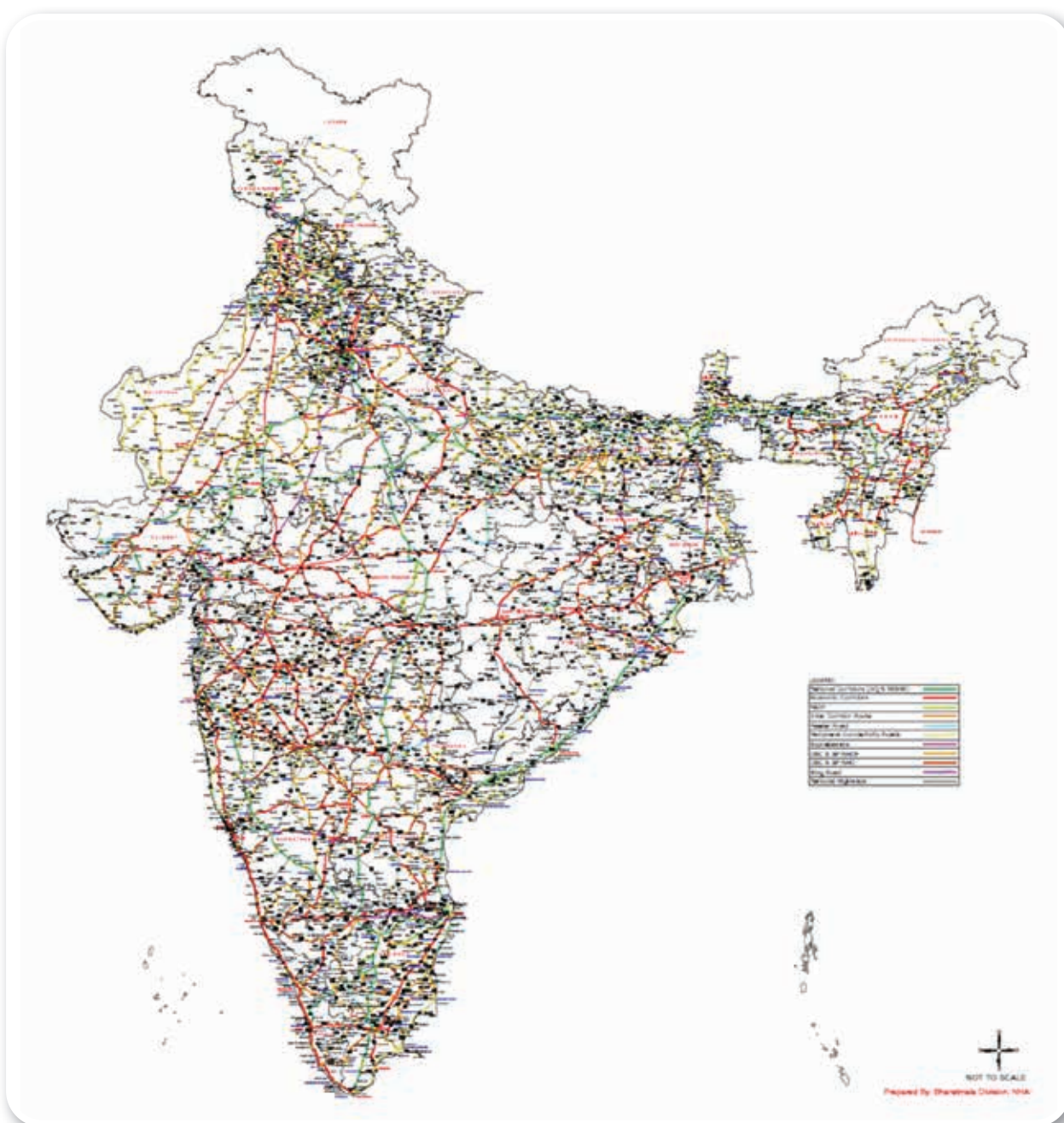
During the optimization exercise which involved detailed deliberations with States, Industry and other stakeholders, the need for development of additional length of expressways and economic corridors in Phase I of Bharatmala Pariyojana to enhance the arterial National Highway network was identified. 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

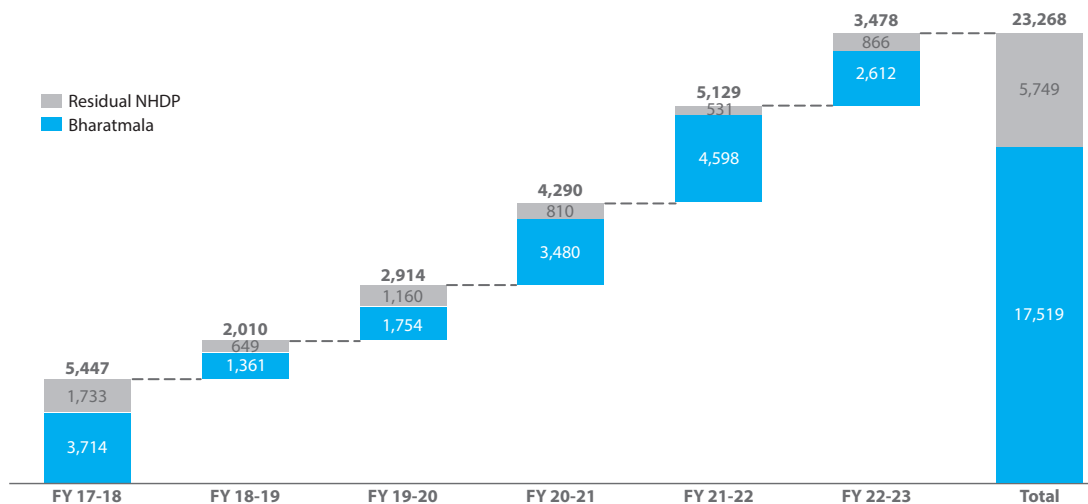
Bharatmala Pariyojana Map



Award Status of Bharatmala Pariyojana:

A total of length of 5,447 km was awarded by NHAI in FY 2017 – 18, comprising of 3,714 km of projects of Bharatmala Pariyojana and 1,733 km of residual NHDP projects subsumed under Bharatmala Pariyojana Phase-1. In addition, projects with length 1,361 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 649 km have been awarded by NHAI under Bharatmala Pariyojana in FY 2018 - 19. In total, 2,010 km has been awarded by NHAI under Bharatmala Pariyojana including residual NHDP in FY 2018 – 19. NHAI further has awarded a length of 2,914 km i.e. 1,754 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 financial year FY 2021-22, NHAI had awarded a length of 5,129 km i.e. 4,598 km under Bharatmala Pariyojana and 531 km under residual NHDP. In the current financial year FY 2022-23, NHAI has awarded a length of 3,478 km i.e. 2,612 km under Bharatmala Pariyojana and 866 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 the target for award of the remaining length is FY24-25.

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	212	7,379
Inter Corridor Routes	55	2,340
Feeder Routes	27	994
National Corridors	62	1,752
National Corridor Efficiency Improvement	31	824
Expressways	84	2,422
Border Roads	13	1,392
Coastal Roads	2	77
Port Connectivity	15	339
Total	501	17,519
Residual NHDP	164	5,749
Grand Total	665	23,268

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 17,519 km have been awarded till FY 2022-23 with a total expected financial outlay of ₹ 6,29,831 Cr. Similarly, against the approved outlay of ₹ 1,50,000 Crore for residual NHDP projects, projects with length 5,749 km have been awarded till FY 2022-23 post the approval of Bharatmala Pariyojana with an expected financial outlay of ₹ 1,59,365 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	212	7,379	2,61,537
Inter Corridor Routes	55	2,340	60,248
Feeder Routes	27	994	26,865
National Corridors	62	1,752	60,642
National Corridor Efficiency Improvement	31	824	43,462
Expressways	84	2,422	1,58,103
Border Roads	13	1,392	10,841
Coastal Roads	2	77	1,176
Port Connectivity	15	338	6,402
Total	501	17,518	6,29,275
Residual NHDP	164	5,749	1,59,365
Grand Total	665	23,267	7,88,640

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 2,432 km have already awarded. The table below provides the list of these corridors along with the status as on 31st March 2023:

S. No.	Corridor	Awarded		Approved- Yet to be Awarded		Yet to be Approved		Completed Length (km)	Total Length (km)	Total Capital Cost (₹ Cr.)
		Length (km)	Total Capital Cost (₹ Cr.)	Length (km)	Total Capital Cost (₹ Cr.)	Length (km)	Total Capital Cost (₹ Cr.)			
1	Delhi - Mumbai EXP	1,368	98,819	0	0	18	4,817	830	1,386	103,636
1.A	Delhi – Vadodara	845	42,490	0	0	0	0	692	845	42,490
1.B	Vadodara – Mumbai	432	48,466	0	0	18	4,817	105	450	53,283
1.C	Delhi-Faridabad–Sohna	91	7,862	0	0	0	0	32	91	7,862
2	Ahmedabad – Dholera	109	4,372	0	0	0	0	14	109	4,372
3	Bengaluru – Chennai	262	17,356	0	0	0	0	51	262	17,356
4	Delhi - Amritsar - Katra	630	37,990	0	0	39	915	93	669	38,905
5	Kanpur - Lucknow EXP	63	4,219	0	0	0	0	0	63	4,219
	SubTotal -Expressway	2,432	162,756	0	0	57	5,732	988	2,489	168,488

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 2023 is shared in the table below:

S. No.	Corridor	Awarded		Approved- Yet to be Awarded		Yet to be Approved		Completed Length (km)	Total Length (km)	Total Capital Cost (₹ Cr.)
		Length (km)	Total Capital Cost (₹ Cr.)	Length (km)	Total Capital Cost (₹ Cr.)	Length (km)	Total Capital Cost (₹ Cr.)			
6	Ambala - Kotputli	313	11,375	0	0	0	0	313	313	11,375
7	Amritsar - Bhatinda - Jamnagar	917	23,203	0	0	0	0	698	917	23,203
8	Raipur - Vishakhapatnam	465	17,273	0	0	0	0	93	465	17,273
9	Hyderabad - Vishakhapatnam	222	6,104	0	0	0	0	75	222	6,104
10	UER II	75	7,234	0	0	0	0	44	75	7,234
11	Chennai - Salem	0	0	0	0	277	7,549	0	277	7,549
12	Chittor Thatchur	116	4,966	0	0	0	0	4	116	4,966
13	Bangalore Ring Road	136	5,892	0	0	144	5,475	69	280	11,367
14	Delhi - Saharanpur - Dehradun	239	13,101	0	0	0	0	16	239	13,101
15	Durg Raipur Arang	92	3,454	0	0	0	0	0	92	3,454
16	Surat - Nashik - Ahmednagar - Solapur	121	3,184	0	0	609	21,628	80	730	24,812
17	Solapur - Kurnool - Chennai	329	11,237	0	0	0	0	44	329	11,237
18	Indore - Hyderabad	518	13,909	0	0	7	98	355	525	14,007

S. No.	Corridor	Awarded		Approved- Yet to be Awarded		Yet to be Approved		Completed Length (km)	Total Length (km)	Total Capital Cost (₹ Cr.)
		Length (km)	Total Capital Cost (₹ Cr.)	Length (km)	Total Capital Cost (₹ Cr.)	Length (km)	Total Capital Cost (₹ Cr.)			
19	Kharagpur - Siliguri	0	0	0	0	235	8,950	0	235	8,950
20	Kota Indore (Garoth to Ujjain)	135	2,695	0	0	0	0	9	135	2,695
21	Sanchore - Deesa - Mehsana - Ahmedabad	0	0	0	0	212	8,110	0	212	8,110
22	Bengaluru - Kadappa - Vijayawada	342	14,195	0	0	0	0	0	342	14,195
23	Varanasi - Ranchi - Kolkata	361	13,312	0	0	251	9,888	0	612	23,200
24	Kota - Etawah Expressway	0	0	217	6,764	195	5,970	0	412	12,733
25	Mohali - Sirhind - Khanna Bypass - Malerkotla - Barnala	0	0	0	0	108	2,214	0	108	2,214
	Sub Total - Access Controlled	4,381	151,134	217	6,764	2,037	69,881	1,798	6,635	227,779
	Sub Total - Expressway	2,432	162,756	0	0	57	5,732	988	2,489	168,488
	Grand Total	6,813	313,890	217	6,764	2,094	75,613	2,786	9,124	396,267

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%.

Delhi – Jaipur – Lalsot (246 km) has been inaugurated by Hon'ble Prime Minister in February 2023 and opened to traffic. Jhalawar - Ratlam - MP/GJ Border (245 km) section to be opened by Sep-23. Lalsot – Jhalawar (205 km), Vadodara – Ankleshwar –Surat (124 km) will be made operational by March-2024. The overall Corridor is targeted to be completed in 2024.

Salient Features of Amritsar - Bhatinda - Jamnagar Corridor:

1,224 km long Amritsar – Bhatinda – Jamnagar provides improved connectivity from Amritsar in Punjab to Jamnagar in Gujarat passing through the state of Rajasthan. The corridor connects the Northern Indian city of Amritsar with port city of Jamnagar and acts as an integral artery to connect land locked regions (Haryana, Punjab, J&K and Himachal Pradesh) to key maritime ports in Gujarat. It also connects the upcoming petroleum refinery at Pachpadra. Greenfield alignment will reduce travel time to 12-13 hours from 23 hours along with 16% travel distance reduction (1,456 km to 1,224 km). First phase in Rajasthan will be opened for traffic by July-2023. Remaining section in Rajasthan and Gujarat to be made operational by January-2024. The overall Corridor is targeted to be completed by 25-26.



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

The 6-Lane access-controlled corridor acts as an alternate route to the congested section of NH-44 from Ambala to Delhi and will provide an efficient connectivity for traffic from Himachal Pradesh, Chandigarh and Ambala bound for Rajasthan, Gujarat and Maharashtra. In line with the PM GatiShakti National Master Plan for Multimodal logistics, the corridor will connect proposed Multimodal Logistics Parks (MMLPs) at **Nangal Chaudhary and Ambala**. The corridor is opened to traffic in August'22.



Salient Features of Delhi- Amritsar- Katra Expressway:

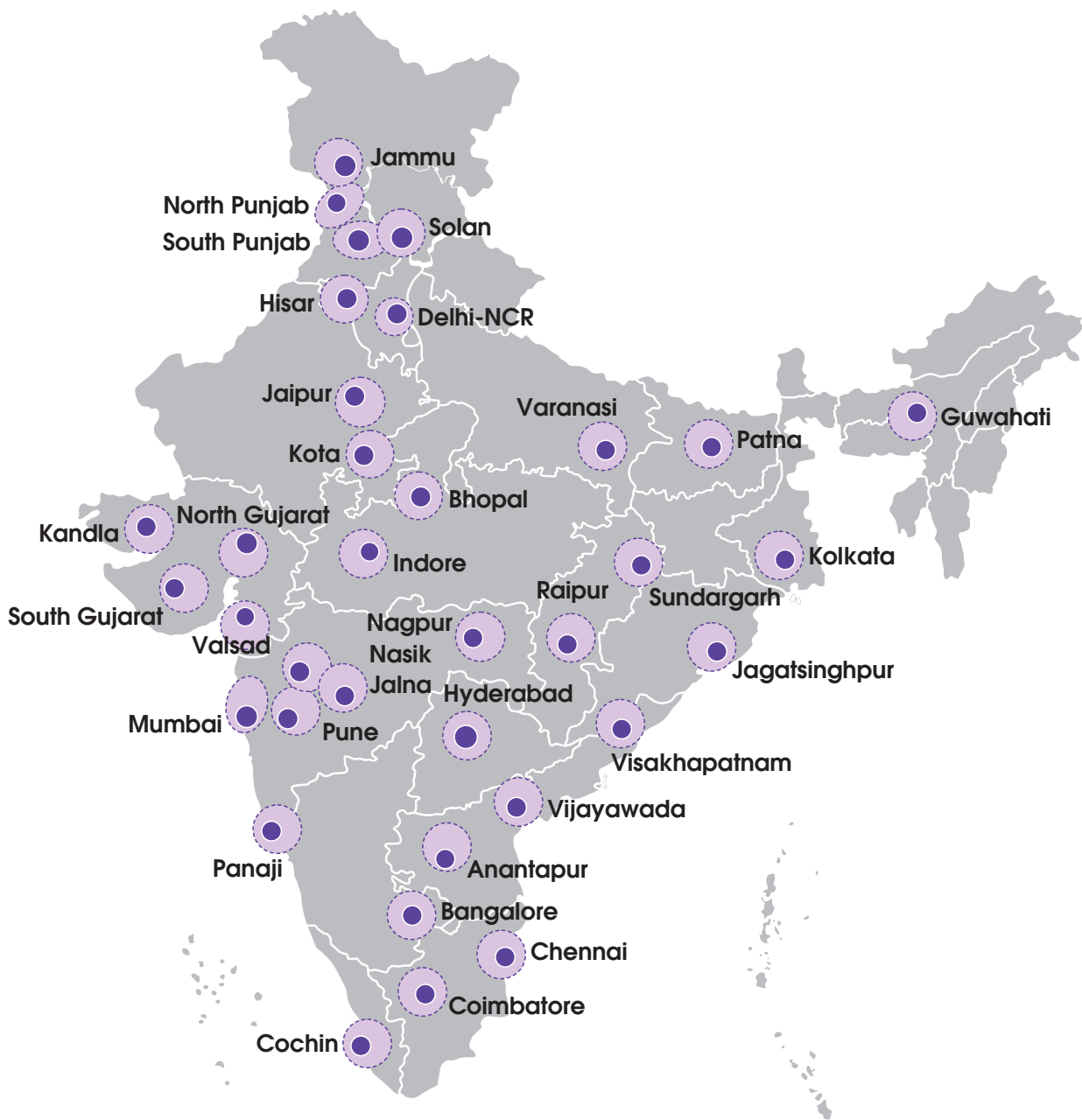
The 670 km long Delhi-Amritsar-Katra is one of the Expressways proposed for development under Bharatmala Pariyojna and connects National Capital Delhi with the religious cities of Amritsar (in Punjab) and Katra (in J&K). The proposed Expressway not only provides shortest connectivity to religious cities of Amritsar & Katra but also provides shortest connectivity to industrial commercial and agricultural hubs of UT of Chandigarh, Mohali, Sangrur, Patiala, Ludhiana, Jalandhar, Kapurthala, in Punjab. Western Peripheral EXP – Kaithal Section in Haryana (120 km) is expected to be operationalized by March-24. The overall Corridor is targeted to be completed by 24-25.



Salient Features of Dwarka Expressway

Dwarka Expressway is a 79 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, 4 MMLPs at Jogighopha, Chennai, Indore and Bengaluru are awarded. Bids are live for MMLPs at Nagpur and Anantapur.

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 62 congestion points. Interventions are under construction in 86 congestion points. In addition, detailed project reports are being prepared for 43 congestion points.

The summary of status of the intervention of the 191 congestion points as on 31st March 2023 is provided in the table below:

Status of Intervention Planned	# of Congestion Points
Interventions Planned	191
<i>Completed</i>	62
<i>Under Progress</i>	86
<i>Detailed Project Report Being Prepared</i>	43
Grand Total	191

Ropeways

The Government has planned the development of a Ropeways under the National Ropeway Development Programme “Parvatmala Pariyojana” to provide a sustainable and an alternate mode of transport to decongest the dense urban areas and to improve connectivity in hilly regions.

Ropeway from Varanasi Cantt. Railway Station to Godowlia Chowk, 1st urban ropeway project in India of length 3.85 km, was awarded in Dec 2022 and is planned for development with a total investment of ₹ 807 cr. In addition, bids have been received for ropeway project at Kedarnath, Hemkund Sahib Ji and Bijli Mahadev (Kullu) and 5 additional projects are currently under bidding viz. Brahmagiri to Anjaneri (Nashik), Tikitoriya Mata Temple (Sagar), Sangam (Prayagraj), Mahakal Temple (Ujjain) and Dhosi Hill.

Also, the feasibility studies have been initiated on ~110+ additional projects till date which are planned for implementation based on outcomes of the study.

07**Some of the Major Projects completed by NHAI in 2022-23****7.1 Delhi-Mumbai Expressway (NE-4) -**

The prestigious project of Delhi-Vadodara-Mumbai Expressway is an 8-lane access controlled greenfield expressway being developed under Bharatmala Pariyojana and is passing through five states namely Haryana, Rajasthan, Madhya Pradesh, Gujarat & Maharashtra in a total length of 1350 Km.

The start point of the project road is at a place near Alipur Village in Gurugram district in the state of Haryana and end point is at JNPT in Mumbai in the State of Maharashtra. The alignment has reduced the distance between Delhi and Mumbai by around 150 km and travel time to 13 hours from the current 24 hours. The adopted design speed is 120 Km/h throughout the stretch. New industrial townships and Smart Cities have been planned along the route. 92 Wayside Amenities have been planned on either side at an interval of roughly 50 km. The expressway will lead to considerable fuel savings, better ride quality and safety over the existing NH-48 (old NH-8) highway.

The project is majorly divided in two sections, i.e. Delhi-Vadodara & Vadodara-Mumbai. The Delhi-Vadodara section is further divided into 31 nos. packages & Vadodara-Mumbai section is divided into 18 nos. packages. The Delhi-Vadodara section is being constructed under EPC mode & Vadodara-Mumbai section is being constructed under HAM.

The project is being developed as an environment-friendly expressway and more than 8 lakh nos. of plants & trees are being planted in Delhi-Alwar section only.

To monitor entire expressway, advanced traffic management system have been installed throughout the stretch as per international standards. Video surveillance systems, variable message signs, video incident detection system etc. are being provided to monitor the expressway for providing quick assistance.

In order to provide relief and rescue measures in the aftermath of accidents, Trauma Centers have been built in various WSA units for immediate response and subsequent transfer of the accident victim. Helipads have also been built to ensure speedier evacuation of accident victims.

Further, interchanges have been provide at various locations to facilitate entry & exit in the expressway.

7.2 Trans Haryana Greenfield project of NH-152D between Ismailabad (Gangheri) & Narnaul from Km 0+000 to Km 227+020 under Bharatmala Pariyojana in the State of Haryana on EPC Mode-

The project NH-152D provides direct access controlled 6-lane connectivity between Ambala and Panchkula to a major logistics hub being developed at Nangal Choudhary and a dedicated freight corridor.

Ambala and Panchkula are potentially developed as major economic centers in the state of Haryana, being the major junctions of existing NH connectivity with the northern states of Punjab, Himachal Pradesh and Jammu & Kashmir. Connectivity between economic centers like Ambala/Panchkula, the hinterland districts of Hisar/Sirsa and the agricultural belt of Jind/Bhiwani/Mahendergarh has been significantly improved by the Ambala-Kotputli Corridor. The highway also opens hinterland regions to industrial development and economic growth.

The total length of project under EPC mode is 227.02 Km. This Greenfield project has been divided into 8-nos. of Packages & the construction work in all the packages has been completed & total cost of the project is 9692 Cr. The entire stretch has been opened for traffic & tolling has been started w.e.f. 01.08.2022.

There are 6-nos. of World-Class Way Side Amenities have been developed in which facilities like Restaurants & Dhabas, Trauma Centres, Children Parks, Toilet Blocks, Fuel Station, Truck & Trailer Parking etc. has been provided. The entire corridor is equipped with an advanced traffic management system and on closed tolling system in which toll charges for the section used by the vehicle.



08

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
2022-23	5544	6003

8.2 Land Acquisition :

Achievements	2015-16	16-17	17-18	18-19	19-20	20-21	21-22	22-23
Land Notified u/s 3D (Ha.)	6432	8303	10275	25980	33430	23805	16691	25751
Possession (Ha.)	9285	7491	9494	18850	12092	20038	14844	17568

8.3 Collection of user fee:

During the year 2022-23, 4,280 Kms (Public Funded NHs: 3,141 km, State Highway Transferred from MoRTH : 980 Km, BOT (Toll) NHs: 159 Km) of completed National Highway sections have been added for tolling. The total length under tolling is 42,595 km. [Public Funded 27,820 kms; OMT 1,260 kms , BOT (Toll) 11,348 kms and TOT 2,167 kms]. User Fee (Toll) is being collected on 42,595 km length/sections completed on Public Funded / BOT (Toll)/OMT mode involving 839 user fee plazas (287 Concessionaire and 552 Public Funded).

8.4 Toll-Operate-Transfer (ToT) Contacts

- In 2016, CCEA had authorized NHAI for Monetization of Public Funded NH Projects. NHAI had launched an Asset recycling initiative through Toll Operate Transfer (TOT) model. NHAI 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 2022-23, 22 stretches comprising of 1614 km have already been monetized through ToT mode in 6 Bundles, i.e. ToT Bundle-1, ToT Bundle-3, ToT Bundle- 5(A-1), ToT Bundle- 5(A-2), ToT Bundle-7 and ToT Bundle-9. A sum of ₹ 26,365 crore already realized and remitted to CFI.
- Bids for 2 Bundles stretches [Allahabad Bypass (85 km) under TOT Bundle-11 and Lalitpur-Lakhandon (316 km) under TOT Bundle-12] has been invited with bid due date 10.05.2023.
- ToT Bundles 2, 6, 8 & 10 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, 46 stretches with the length of 2,612 km have been identified for monetization during FY24 on ToT/Invit/Securitization mode. A list of these 46 stretches has been published on NHAI website as to enable the investors to carry out their due diligence. The priority and mode of monetization shall be decided on the basis of project viability and market appetite.

09

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, ploughback of toll revenue and asset monetisation;
- (ii) Loan from multilateral agencies;
- (iii) Market borrowings, Domestic and International.

9.1.2 The sources of Funds during the year 2022-23 are as under:

- (i) Authority has received a sum of ₹ 1,10,673.92 Crore in the form of Cess Fund for capital investment in National Highways from Central Road and Infrastructure Fund from Ministry of Road Transport & Highways through Union Budget. NHAI has also received additional budgetary support to the tune of ₹ 19,785.83 Crore for development of National Highways (Original) work and capital grant of ₹ 200.00 Crore.
- (ii) NHAI has raised ₹ 797.58 Crore by way of Capital Gains Tax Exemption Bonds under section 54EC of Income Tax Act, 1961.
- (iii) (a) NHAI has deposited a total amount of ₹ 21,608.90 Crore (Toll Revenue ₹ 16,636.27 Crore Shared Revenue ₹ 2,059.19 Crore, Negative Grant ₹ 2,559.70 Crore and FASTag penalty ₹ 353.74 Crore) in Consolidated Fund of India (CFI) during the year 2022-23 towards User Fee Collection, Revenue Share, Negative Grant & FASTag Penalty. The Ministry has released ₹ 18,005.62 Crore towards toll Ploughback of toll remittances.
- (b) NHAI has received ploughback of ₹ 10,000 crore against TOT remittance of ₹ 10,662.10 Crore through Permanent Bridge Fee Fund (PBFF).
- (c) Authority has also received ₹ 2,849.67 Crore as concession fee from InviT (Phase-II)
- (iv) Ministry of Road Transport and Highways has also provided ₹ 1,825.00 Crore for maintenance of national highways.

9.2 Fund raising:

- i) Funds to the tune of ₹ 797.58 Crore were raised through 54EC Bonds during the period reported upon.
- ii) NHAI has swapped higher cost bank loans to the tune of ₹ 9,000 Crore with lower cost of bank loans which is expected to result in substantial saving in payment of interest.
- iii) The Govt. has not mandated NHAI for new borrowings in FY 2022-23.

9.3 Credit Rating

The credit rating agencies such as CRICIL, CARE and India Ratings have assigned highest credit rating i.e. “AAA/Stable” for NHAI 54 EC bonds for FY 2022-23.

9.4 Following are the Highlights of Financial Performance for the year 2022-23

(₹ in Crore)

Sources of Funds	2022-23	2021-22
Receipts of Cess	1,10,673.92	36,210.00
Plough Back of Toll Revenue	18,005.62	12,670.00
Plough Back TOT Remittance	10,000.00	5,000.00
Additional Budgetary Support	19,785.83	16,142.18
Capital Grant (JICA & WB)	200.00	1,000.00
Capital Gains Tax Exemption Bonds	797.58	5,028.45
InvIT (Projects)	2,849.67	7,350.40
Taxable Bonds	-	17,120.70
Term Loan	-	35,428.57
Other Sources (DME, Interest, Capital Receipts, Maintenance)	10,904.66	35,088.04
Utilization of opening balance	214.22	1,237.68
Total	1,73,431.50	1,72,276.02

Application of Funds	2022-23	2021-22
Land Acquisition	39,836.17	35,885.14
Project Expenditure	1,00,674.96	81,875.86
Repayment of Loans and Interest thereon	32,476.92	47,271.38
Other Outflow	443.45	7,243.64
Total	1,73,431.50	1,72,276.02

10

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.

Ambala-Kotputli Access Controlled Corridor



11

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 2023, 2780 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.
3. In order to enhance the awareness of road safety engineering principles by all involved in the process of planning, designing, constructing, operating, managing and maintaining roads and highways. NHAI has issued Policy Circular dated 27.05.2022 on NHAI Road Safety Audit Policy defining the Stages of Road Safety Audit; Road Safety Audit process; Roles of Key Stake Holders; Guidelines for Management of Road Safety Audit; Administration of Road Safety Audit Program and Monitoring and Evaluation of Road Safety Audit Program.

Further to ensure that road safety works on the project highway are completed in all respects prior to issuing a Provision Completion Certificate. NHAI has issued Policy Circular dated 22.09.2022 regarding Mandatory completion of Safety works for issuance of Provisional Completion Certificate & Designation of Road Safety Officer.

In addition to above, NHAI has issued a Policy circular dated 31.10.2022 regarding mandatory Third-Party Road Safety Audit at Detailed Project Report (DPR) stage- Draft RFP for appointment of Empanelled Road Safety Consultants at DPR Stage.

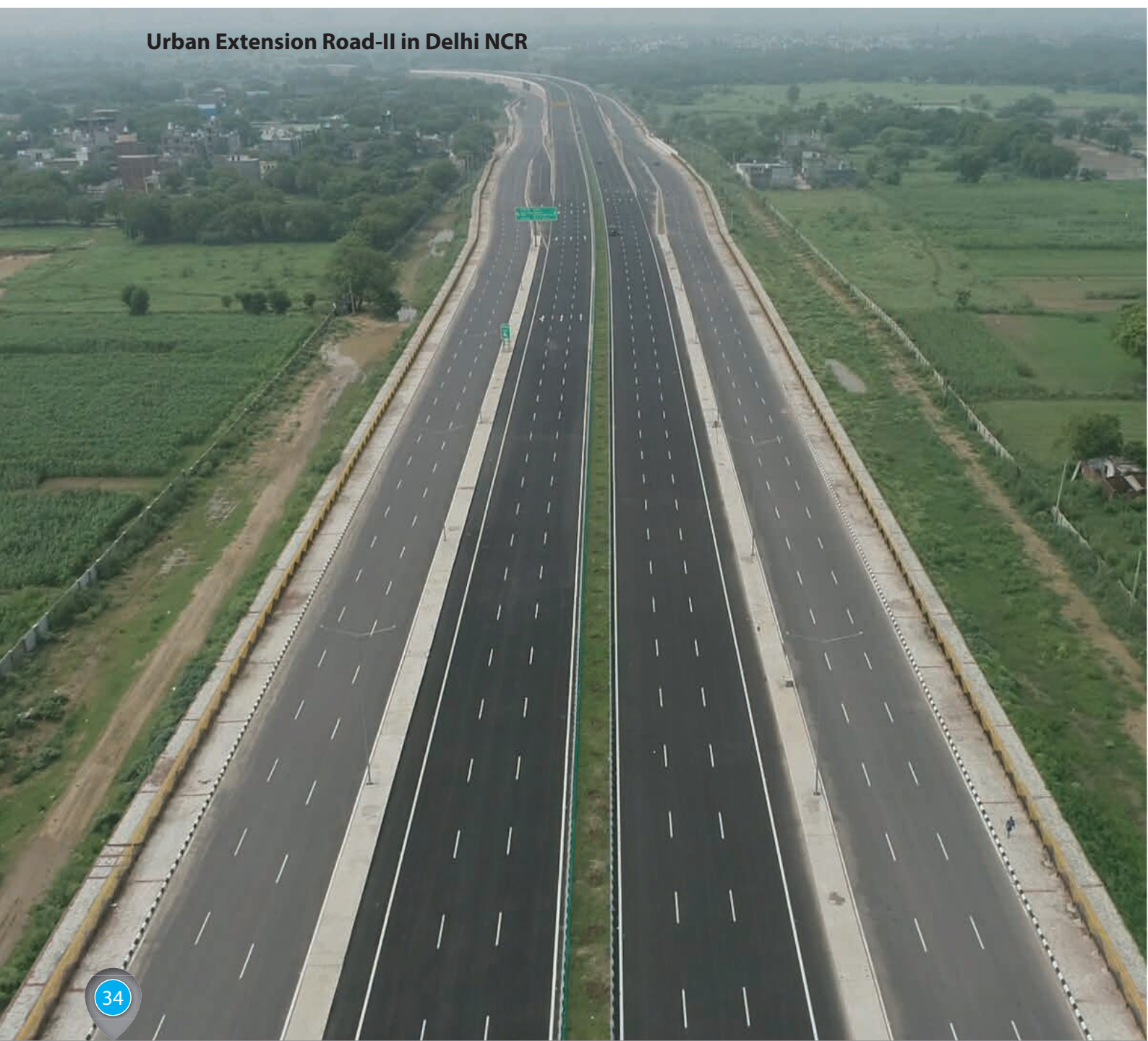
Lighting/illumination provisions have been made at vulnerable locations/intersections of NH with SH/MDR/ODR/Village roads for improving road safety and avoiding accidents during night in addition to locations mentioned in 4/6 laning IRC Manual.

4. Road Safety Audit (RSA) is being conducted at all projects of NHAI at all stages (development, construction and operation) through Safety Consultants appointed for the projects. During 2022-23, independent safety consultants carried road safety audit of 29062 km of NHs. NHAI has empanelled a total of 94 teams of Road Safety Consultants, each consisting of one Road Safety Auditor- cum- Team Leader and one Traffic Planner.
5. Annual Road Safety action plan is being made in the Financial Year 2022-23 specifically to undertake remedial measures in advance to curb accident prone locations becoming Blackspot. An accident spots has to be visited by RO/PD and corrective measures for rectification of accidents spots has to be carried out. Further in order to expedite the rectification of accidents spots, power has already been delegated to RO and PD for taking short term measures for other vulnerable/accident spots.

6. During the year, NHAI officers were nominated for various training programs in India.

- One Hundred Twelve (112) officers were nominated for “15 Days Certification Course on Road Safety Auditors” conducted by IAHE.
- One Hundred Forty (140) officers were nominated for “15 Days Certification Course on Road Safety Auditors” conducted by IIT.
- Forty-Three (43) officers were nominated for “15 Days Certification Course on Road Safety Auditors” conducted by VNIT.
- Forty-One (41) officers were nominated for “15 Days Certification Course on Road Safety Auditors” conducted by CRRI.
- Thirty-One (31) officers were nominated for “15 Days Certification Course on Road Safety Auditors” conducted by HATPAC, Kerala.

Urban Extension Road-II in Delhi NCR



12 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 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, Road Safety Audit, Digitization of Toll Notification, Documentation including Test reports, Project Photos, and Videos, Works Diary and payments. A new avatar of the Data Lake software enabling function of the authority to a transaction based system.

This involves huge amount of data coming from various Drones, Network Service Vehicle (NSV), FWD, Satellite Imagery, Design software, Monitoring Software tools along with 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 NHAI One App for Internal Stakeholders

NHAI launched the TATPAR Maintenance Module in the existing AMS (Attendance Management System) app. The app allows reporting of daily and monthly defects as part of O&M activities.

Engineers and PDs can submit geo-tagged information of defects with additional details which is instantly sent to the contractor who then submits a rectified photo from the same location which the AE/ IE can verify. The maintenance module of more than 400 projects of EPC, item-rate and HAM mode are currently operational. The mobile app, now NHAI One, contains contractor management, master data management, defect management, timeline breach management, time extension request, escalation notifications and a monitoring dashboard.

A new module for conducting road safety audits was introduced in NHA One in March. This module, designed in accordance with the road safety manual IRC:SP:88-2019, covers all audit stages from design to O&M. Auditors can take a picture and record their comments as and when they come across safety issues during their site visit all through the convenience of their smartphones. These submissions are monitored at the HQ with a dashboard to track end-to-end completion of the audit procedure.

The paper-heavy RFI process has been digitized and the app is also being used to submit RFIs raised by the concessionaires on the field. A pilot to monitor the cleanliness of toilets near toll plazas through the app was also successfully completed in Delhi and Gujarat.

12.4 Citizen-Centric App for Road Users

NHA launched Rajmarg Yatra, a mobile app designed to help road users across the country with key highway information and various services related to their journey. With this app, road users can get details of the nearest toll plaza, search for the destination and know the toll fees upfront and locate nearby services such as ATMs and hospitals. An important feature of the app allows users to conveniently buy and recharge FASTag directly within the app.

Road users can also submit complaints with a photo or a video that is forwarded to the competent authority of the nearest toll plaza for necessary action to be taken. The app is available in two languages, English and Hindi, and comes with voice assistance.

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

NHA empaneled ten (10) agencies for Aerial Videography of NHA Road Sections in five (05) zones pan India basis. Agencies are conducting periodic drone video surveys as per the requirement of NHA. The abridged version of drone videos with annotated data with before and after comparison were uploaded on NHA's Data Lake software and also available for public view under citizen charter on NHA's website. Present inspection through Drone Videography is challenging to visualize an analysis workflow that would allow the inspector to quantitatively document clearly geo-referenced observations about the highway stretch.

Further, NHA conducted a paid 'Proof of Concept (POC)' around Image Analytics on Drone Videos. In order to optimally utilize the potential of data collected from drone, the process of recording of Standard Operating Procedure (SOP) was revised. The POC deliverable included reconstruction to create 2D maps to analyse and monitor the current road assets and its progress for under construction and O&M projects with the help of AI/ML and demonstrate the output on a dashboard. Also, to identify change detection on the area of interest by comparing data input collected over two historical dates data.

12.6 E-Procurement System:

In order to improve transparency, accountability and speeding up the bidding process, NHA 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 NHA.

A total of 3348 tender were published through the system in the FY 2022-23 and out of which 2052 were successfully completed.

12.7 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 initiatives/ 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.

12.8 NHAI Website:

The NHAI website nhai.org has been upgraded with features such as Chatboat and other State of Art features linked with real time display of information and social media. Contemporary outlook of 24x7 website is being maintained.

12.9 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.

12.10 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 PIU's are connected with Video Conferencing facility as well as IP Telephony for direct communication between NHAI HQs and field offices.

12.11 Cyber Security Initiatives

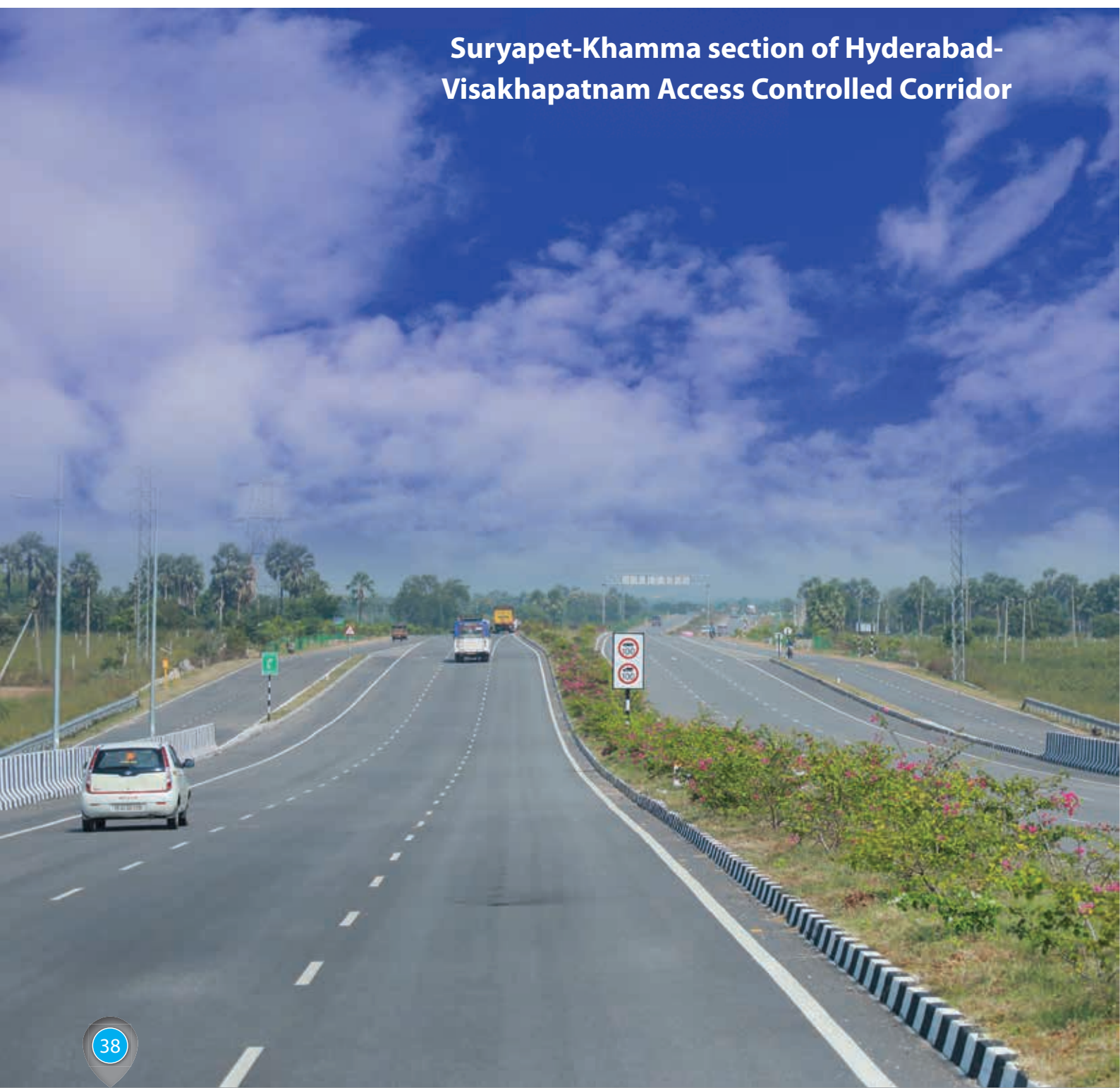
Cyber security is crucial for organizations as it safeguards sensitive data, protects reputation, mitigates financial losses, ensures operational continuity, facilitates regulatory compliance, guards against intellectual property theft, preserves customer trust, and addresses the ever-changing threat landscape.

Several Cyber Security Initiatives have been taken to ensure the safety of our networks and information. Some of these are enumerated as below:-

- a. Regular Risk Assessment and its Management is done by the Cyber Security section in coordination with the team Ex IIT Kanpur.
- b. Security Awareness Training is being done for all at NHAI on a regular basis (one per month) covering important topics of Information Security such as Phishing, Desktop Security, Mobile Security etc. to promote a culture of security awareness and accountability throughout the organization.

- c. Secure Network Infrastructure is being ensured by regularly updating and patching network devices and softwares to address known vulnerabilities.
- d. Continuous Monitoring and Threat Intelligence is being achieved by continuously monitoring and analyzing network traffic, logs, and security events to identify and respond to potential threats promptly.
- e. Important actions have been taken to ensure that the wifi access within the HQ is secure and without vulnerabilities.
- f. Users are being made to understand the pitfalls of using USB based memory devices and their usage is being minimised.

Suryapet-Khamma section of Hyderabad-Visakhapatnam Access Controlled Corridor



13

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 dis-proportionally 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 includes, 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 2022-23 total 110 number of GAD proposal of ROBs/RUBs of NHAI has been approved out 165 GAD uploaded on RORACS.

13.3.4 Environment, Forests and Wildlife Management:

NHAI has dovetailed environment, forests and wildlife aspects in the construction of National Highways across the country. While preparing the Detailed Project Report of National Highway and Expressways, all statutory clearances under Environment (Protection) Act, 1986, Indian Forest Act, 1927, Forest (Conservation) Act 1980, Coastal Regulation Zone (CZR) Notification, 2019 are obtained from competent authorities in Central and State Government.

Forest Clearances under Forest (Conservation) Act, 1980: Forest Clearances are required under section 2 of the FCA 1980 whenever forest lands are involved in construction of National Highway and Expressways. The prior approval of Central Government is granted by Ministry of Environment Forest and Climate Change (MoEF&CC) in two stages (Stage-I & Stage-II).

During 2022-23, in-principle approval (Stage-I) under Forest (Conservation) Act, 1980 were obtained in 72 cases. Final approval (Stage-II) were obtained in 99 case.

Environment Clearances under Environment (Protection) Act, 1986: Environment clearances is required under the Environment Impact assessment (EIA) Notification, 2006 and subsequent amendments issued by MoEF&CC.

During 2022-23, Environment clearances were obtained by NHAI in 15 cases. In such cases the approved Environment Management Plans are being implemented by NHAI.

Wildlife Conservation and Mitigation measures for Protection of Wildlife: At times the National Highways and Expressways passes through the Protected Areas to fulfil the requirement of connectivity. The wildlife protection areas are notified as National Park, Wildlife Sanctuaries, Wildlife Corridors, Eco-Sensitive Zones, and Conservation Reserves etc. under various statutes such as Wildlife (Protection) Act, 1972 and Environment (Protection Act), 1986.

The Wildlife Institute of India under MoEF&CC has published **“Best Practice Guidance Document “EcoFriendly Measures to Mitigate Impacts of Linear Infrastructure on Wildlife”** for construction of underpass, small vehicular/ animal underpass, monkey ladders, land bridge and animal overpass, dedicated animal corridors etc. for safe passage of wild animals to avoid road traffic. These guiding principles are followed in the Wildlife Conservation and Mitigation Plan prepared by NHAI and are being implemented by NHAI for conservation and protection of wildlife.

So far NHAI has built following road structures for safe passage of wild animals:

Underpass: 202; Small vehicular/Animal underpass: 83; Monkey ladder: 37; Land bridge/ animal overpass: 04; Dedicated animal crossing: 91.

Special Efforts:

Preparation of Sustainability Report of NHAI: NHAI's first 'Sustainability Report for FY 2021-22' was prepared by Environment Division of NHAI. The Sustainability Report covers NHAI's governance structure, stakeholders, environment and social responsibility initiatives. The Sustainability Report underlines the effectiveness of various efforts made by NHAI for environment and energy conservation. The Sustainability Report was released by Hon'ble Shri Nitin Gadkari, Union Minister for Road Transport and Highways.

Simplification of Procedures by MoEF&CC:

While processing the applications under Forest (Conservation) Act, 1980, Environment (Protection) Act, 1986, EIA Notification, 2006 and subsequent amendments, CZR notifications, difficulties were experienced. Environment Division of NHAI has taken up the issues with the MoEF&CC and required guidelines were got issued by MoEF&CC.

Following important issues have been addressed and MOEF&CC has issued Circulars and Guidelines from time to time for streamlining of statutory clearances applicable to NHAI projects:

- MoEF&CC is convening EAC Infra-I meeting twice a month.
- Fortnightly meeting mechanism has been taken by the Integrated Regional Offices (IRO) of MoEF&CC to strengthen and resolve the project specific problems and other coordination issues to accelerate the necessary clearances for the project.
- MoEF&CC has formed Inter Ministerial Coordination and Monitoring Committee for resolving policy and long pending issues under the Chairmanship of DG&SS MoEF&CC and the meetings are held bi-monthly.

- MoEF&CC has issued clarification dated vide FC-11/43/2021-FC dated 16th January, 2023 that in respect of linear projects, the stipulated norms of 2% and 05% towards the cost of Wildlife Management Plan and Soil and Moisture Conservation Plan, as provided in the Ministry's guidelines dated 08.06.2022 will be proportionate to the extent of forest land involved instead of total project cost or actual cost of implementation of such Plans, whichever is more should be charged from the user agency.
- MoEF&CC issued OM dated 17.05.2022 regarding applicability of various Environment and Forest Clearances for Project/ Activities in Eco-Sensitive Zone and other such areas outside the Protected area.
- MoEF&CC has issued the clarification dated 31st January 2023, regarding applicability of Compensatory Afforestation in respect of forest land used for construction of tunnels in road/ railways projects. It has been clarified that construction of tunnels is environment friendly as it does not interface with above ground flora and fauna, ecology, etc. Ministry, in case of underground mining project, has exempted raising of Compensatory Afforestation as there is no impact on the above ground flora and fauna. Therefore, considering the road/railways tunnels at par with the underground mining project, it has been clarified that construction of road/railways tunnels in the forest area may be treated at par with the underground mining project, for the purpose of applicability of Compensatory Afforestation to MOEF&CC in reference to letter No. F.No. 11-438/15-FC(Pt) dated 17th April 2018.

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 2022-2023, 20 projects were refinanced to the extent of ₹ 15,555 Crores as Outstanding Senior Debt & ₹ 1588 Crore as Additional Debt by the banks.

13.3.5.2 Equity Divestment:

During the year 2022-2023, Twenty six Number of cases of equity divestment were approved by NHAI. Out of which 13 (Thirteen) cases of equity divestment have been approved by NHAI under the scheme approved by CCEA, 13 (Thirteen) cases of equity divestment were approved by NHAI in line with the relevant clauses of concession Agreement.

13.3.5.3 Infrastructure Debt Fund:

The infrastructure Debt fund created as a step toward easing the burden for the bank. During 2022-2023, 3 (three) 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 re-scheduling of premium was approved by CCEA, which is applicable to Concessionaire which have revenue shortfall. Till 31st March, 2023 (2022-23), 26 projects 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 ₹ 12,012 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 2022-23, NHAI has sanctioned ₹ 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 Member of such projects SPV, in a harmonious manner, in accordance with the provisions of clause 40.3 of the Model Concession Agreement read with Substitution Agreement. The scheme of Harmonious Substitution was circulated vide NHAI circular no. 8.4.19/2020 dated 24.02.2020. During 2022-23, 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 1245 Crores against the claim amount of 3019 Crores by CCIEs. In the year 2019-20, 27 cases were settled successfully for 2433 Crores against the claim amount of 6931 Crores by CCIEs. In the year 2020-21, 60 cases were settled successfully for 5313 Crores against the claim amount of 14207 Crores by CCIEs. In the year 2021-22, 61 cases were settled successfully for 4076 Crores against the claim amount of 14596 Crores by CCIEs. Balance unsettled are spilled over to year 2022-23. At the end of FY 2021-22, out of total 251 cases, 156 Cases resolved with settlement amount ₹ 13067 Crores against claim of ₹ 38753 Cr. Balance unsettled are spilled over to year 2022-23. In the year 2022-23, 33 cases were settled successfully for 3456 Crores against the claim amount of 9427 Crores by CCIEs. Balance unsettled are spilled over to year 2023-24. At the end of FY 2022-23, out of total 297 cases, 189 Cases resolved with settlement amount ₹ 16522 Crores against claim of ₹ 48,179 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 2023, there are 77 Primary Members and 1 Associate Members of SAROD. Till date One Hundred Six (106) cases have been referred for adjudication under SAROD Arbitration Rules out of which awarded cases are Forty Seven (47), whereas Eleven (11) cases have been withdrawn or settled mutually by the parties and Forty (40) 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 111 highly experienced Arbitrators on its panel.

Solapur - Vijayapur Economic Corridor in the State of Maharashtra and Karnataka



14 Systemic Improvements

14.1 Improvement in Toll Collection:

FASTag is now acceptable across all National Highways user fee plaza (840 nos. of NH Fee Plaza as on 31.03.2023) and selected State highways toll plazas (more than 336 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.

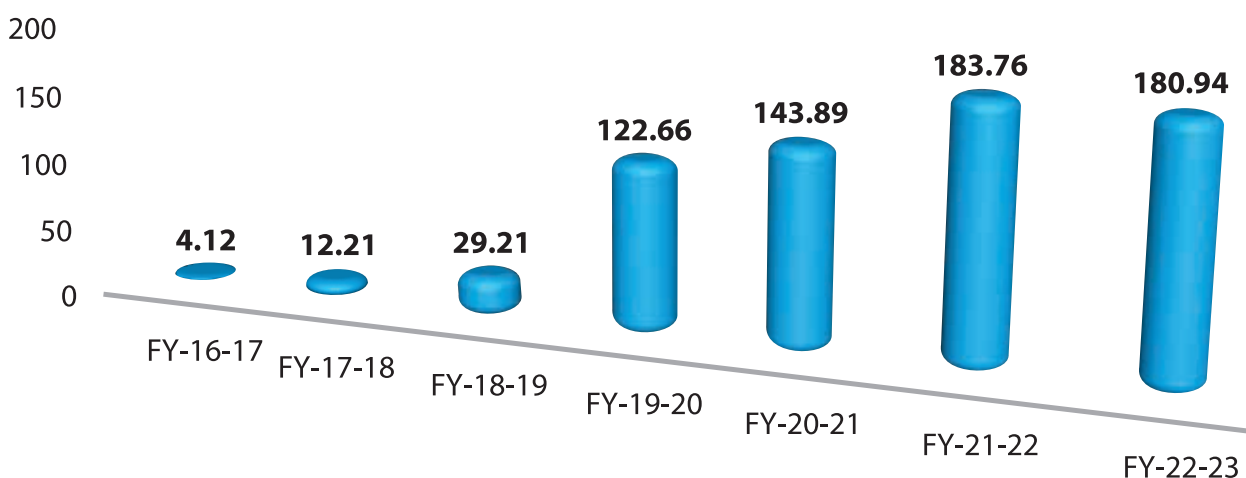
Currently, there are 38 member banks live under NETC programme who are selling FASTag to the customers. They are providing account maintenance, customer support services for all queries related to FASTag.

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):

180.94 Lakhs of FASTag have been issued in this Financial Year with a cumulative issuance of 676.79 lakhs to March, 23.

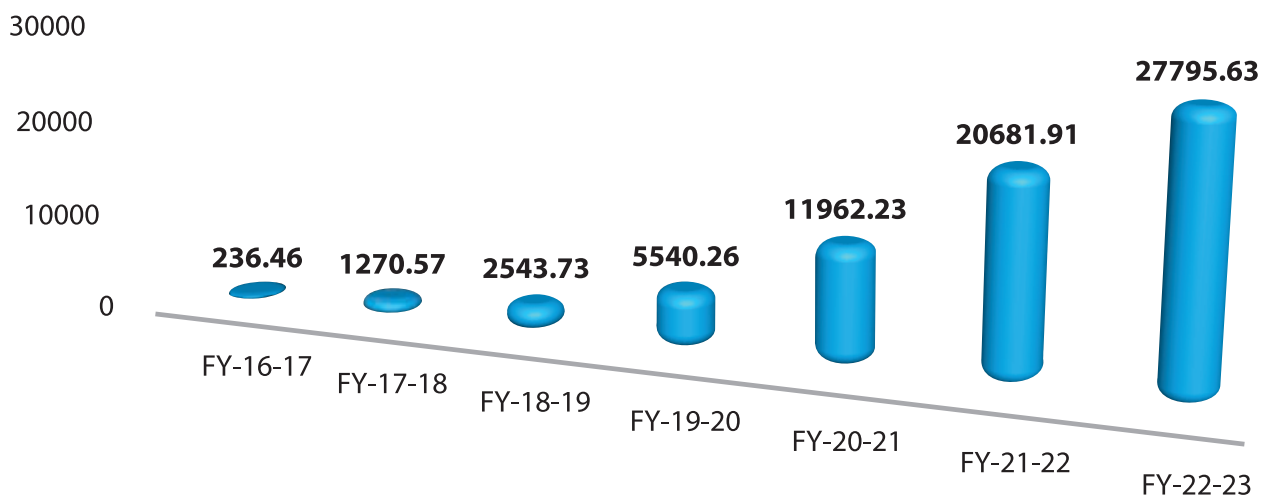
No. of FASTAG Issued (in Lakhs)



(b) Growth in ETC Transaction Count:

A total number of 277.96 Cr. transactions took place at NH Fee Plazas in FY 22-23 with maximum per day ETC transaction count of 95.38 lakhs on 16th Feb 2023.

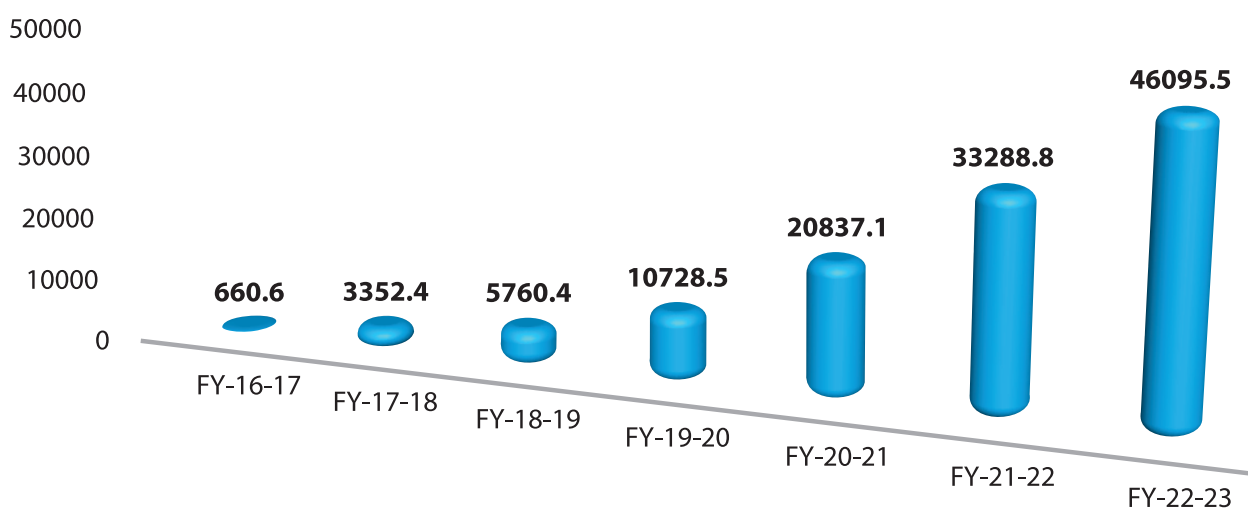
ETC Count (in lakhs)



(c) Growth in Toll Collection via FASTag (ETC):

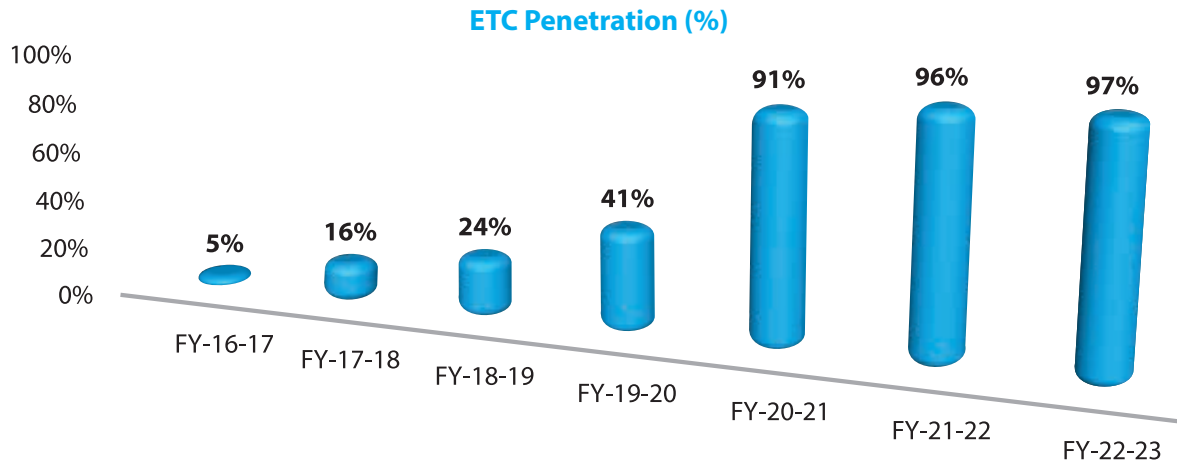
ETC collection from NH Fee Plazas in FY 22-23 was ₹ 46,095.5 Cr. with maximum per day ETC collection of 158.66 Cr. on 16th Feb 2023.

ETC Collection (in ₹ Crs)



(d) Growth in ETC % Penetration – FY-wise:

ETC penetration at NH fee plazas has reached an approximate value of 97% in FY 22-23.



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 equipments, 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.

As on 31.03.2023, 825 fee plazas are on-boarded with TMS integration for real-time transactional data and 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 1: Dashboard for monitoring critical ETC Equipment

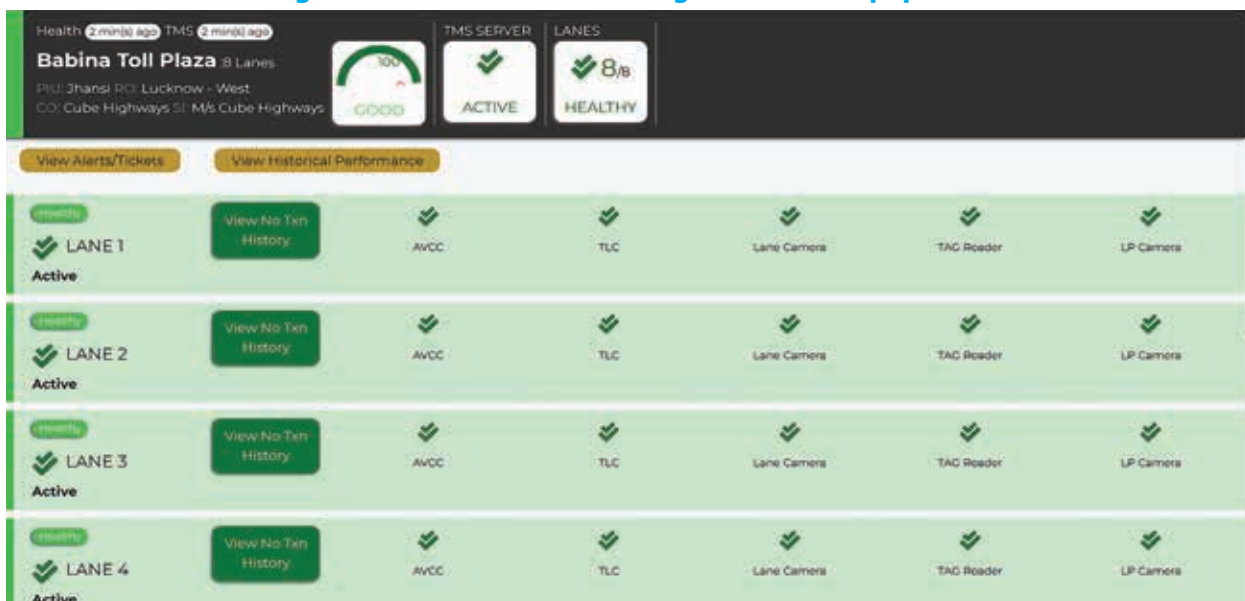


Fig 2: Dashboard for monitoring transactional data

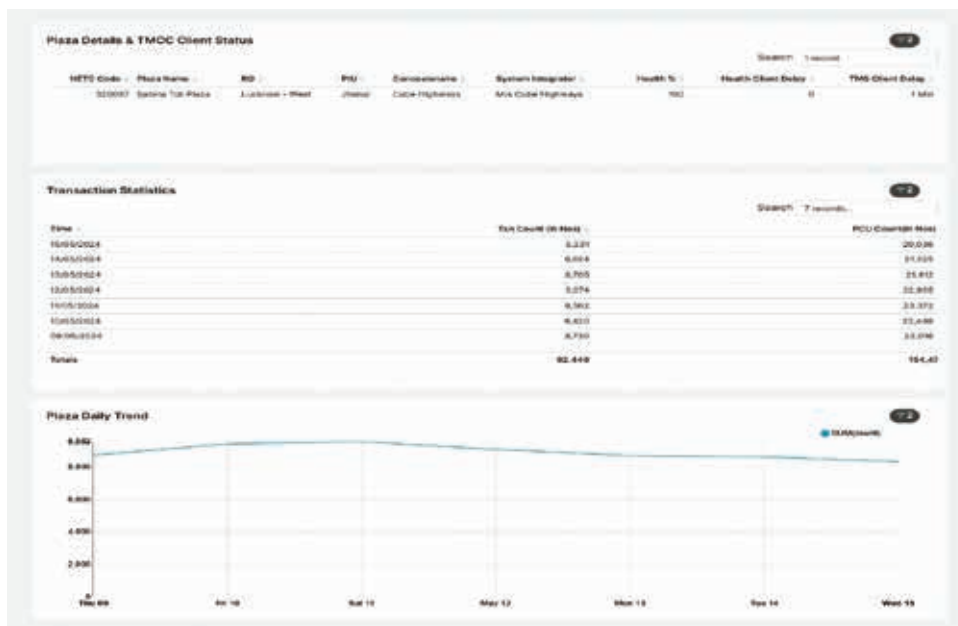
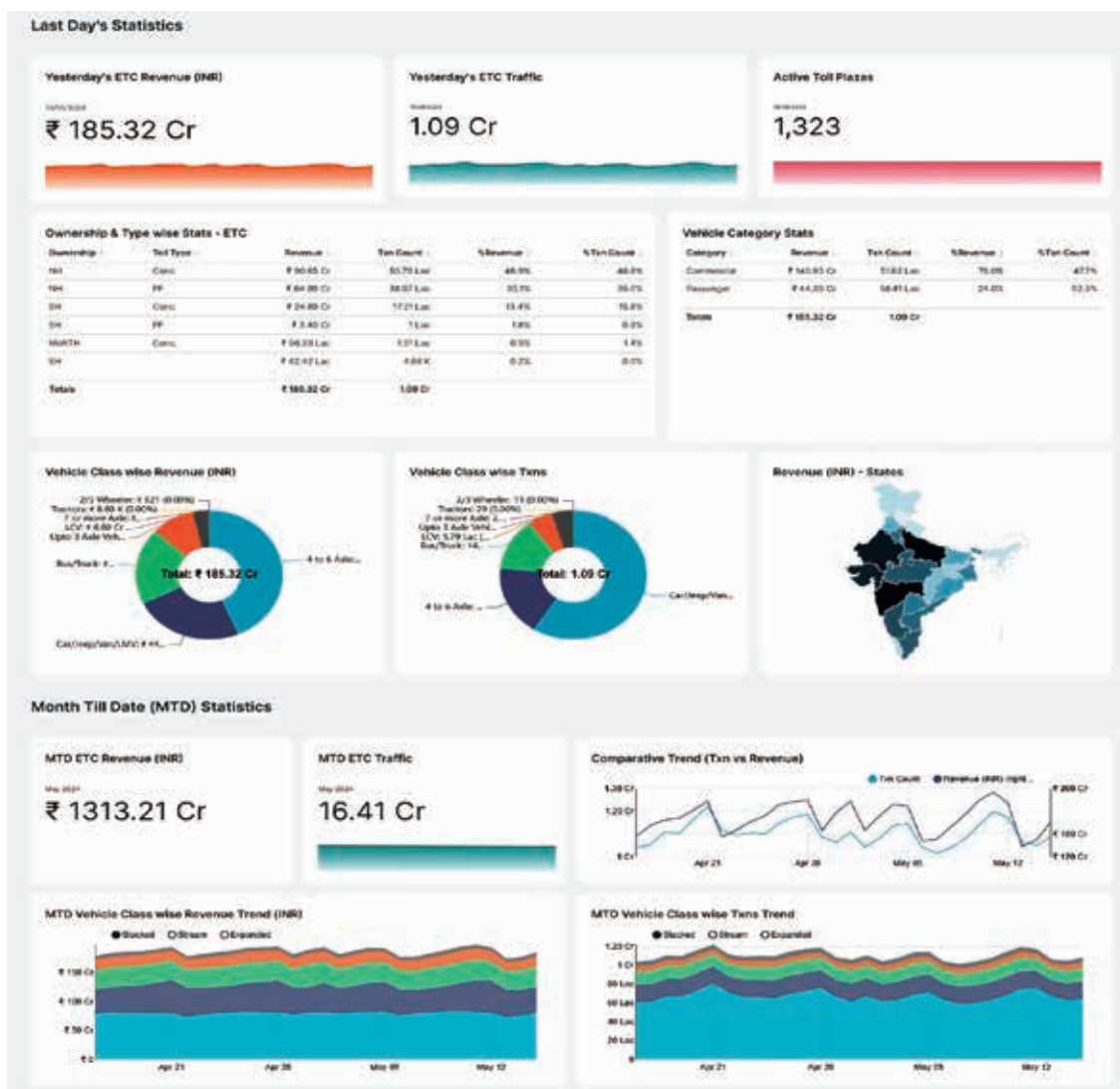


Fig 3: Country view dashboard



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".

1. Consultant onboarded through tendering process to provide advisory services on implementation of GNSS-based tolling in India.
2. An Apex Committee comprising senior government officials, eminent professors from IITs, industry expert constituted for review of standards & specifications of GNSS system.
3. Consultation meetings/Workshop held with various stakeholders such as OBU manufacturers, vehicle Manufacturers, SIAM, concessionaires, Technology Service providers, Banks/Payment Aggregators, Government agencies - ISRO, NIC, VAHAN etc.
4. Requisite legal/regulatory changes in Rules drafted; discussions & review underway.
5. Technical standards & specifications of GNSS system prepared; data privacy aspects of OBU is also being deliberated for finalization.

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.

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.

Dwarka Expressway in Delhi NCR



15

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 NHAI which includes asset management, revenue management, road safety, security management, traffic management etc.

15.4 Incident Management

As part of incident management NHAI has deployed over 2995 ambulances, patrol vehicles and tow-away cranes/vehicles at/near its toll plazas.

NHAI has also developed its Computer Aided Dispatch System by the name of ERS NHAI to improve the response time and ensure better monitoring of the on-road units during incidents. Dispatch of the centralised ambulances through the same has also been initiated.

15.5 Swachh Bharat Mission

- Constructions of toilets: to achieve the objective of providing the road users with hygienic toilets facility under Swachh Bharat Abhiyan and otherwise, over 900 nos. of ladies toilets and 900 nos. of gents toilets have been constructed on upside and downside of the toll plazas along National Highways till date.
- NHAI has developed toilet maintenance module in NHAI One app for better monitoring and management of toilets.

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%).
- NHAI, 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 NHAI 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.
- Till FY 2022-23, 8 stretches comprising of 635 km have already been monetized through InvIT mode in 2 Bundles, i.e. InvIT Bundle-1 and InvIT Bundle-2. A sum of ₹ 10,200 crore already realized. The details are as under:

S.No.	Description	InvIT Bundle-1	InvIT Bundle-2
1	Name of Projects	- Maharashtra/Karnataka border (Kagal)- Belgaum - Abu Road to Swaroopganj - Chittorgarh to Kota & Chittorgarh Bypass - Palanpur/Khemana to Abu road - Kothakota Bypass – Kurnool	- Shivpuri-Jhansi - Agra Bypass - Borkhedi-Wadber-Deodhari-Kelapur-Maharashtra/Telangana Border
2	No. of Projects	5	3
3	No. of Plazas	8	4
4	Length (km)	389	246
5	Concession Period	30 Years	20 Years
6	Concession fee	₹ 7,350.40 cr.	₹ 2,849.67 cr.
7	Concession Fee Realized in	2021-22	2022-23
8	Date of Financial Closure	09.12.2021	28.10.2022
9	Appointed Date	16.12.2021	29.10.2022

- Five sections i.e. (i) Gwalior-Shivpuri (length 125.000 km), (ii) Chichira-Kharagpur (length 54.400 km), (iii) Orai-Bara (length 61.100 km), (iv) Rewa-Katni-Jabalpur-Lakhnadon (length 280.000 km) and (v) Kachugaon-Rakhaldubi Bus Junction and Rakhaldubi Bus Junction-Kaljhar (length 113.886 km) (TOTAL LENGTH 634 KM) have been offered to place under InvIT Bundle-3 to NHIMPL Company vide letter dated 14.02.2023.
- Due diligence of all 5 NH sections at an advance stage under InvIT Bundle-3 and the concession fee is likely to be realised in FY24.

15.7 Vigilance Division

Vigilance Division has disposed of 176 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 2022-23 (up to 31.03.2023). The details of which are as under:

Sr. No.	Nature of case	Number of Vigilance cases	
		Disposed of during (in number) April 2022-March 2023	Pending till 31.03.2023 (in number)
1	Toll related	25	44
2	LA/ Alignment related	49	73
3	Project related viz. construction, maintenance, quality, procurement, contractual matter etc.	64	179
4	Administrative issues	26	21
5	Other (Utility shifting, access permission, encroachment etc.	12	29
	Total number of cases	176	346

15.8 Implementation of the Official Language Policy of the Government

Official work in Hindi has expressively increased during the year 2022-23 in National Highways Authority of India (NHAI) in accordance with the constitutional obligations towards Official Language of the Union with determination and timeliness. 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 2022-23 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.
- **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, 2022 and Hindi Diwas was observed on 14 September 2022. During its celebration, a total of 07 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.
- **Hindi Workshops** – Four Quarterly Hindi workshops in 02 sessions for Officers were organized on 10-11 May 2022, 21 September 2022, 07 December 2022 and 21 March 2023 to encourage smooth and hassle-free working in Hindi on computers.
- **Training of 'Parangat Course'** – 'Parangat' training was imparted from July-November, 2022 to the officials in NHAI headquarter having working knowledge of Hindi.
- **Meeting of Official Language Implementation Committee** - Meetings of the Official Language Implementation Committee of the Authority were held on 23 June 2022, 28 September 2022, 27 December 2022 and 22 March 2023 under the Chairmanship of the Chairman to review the progress made by the Divisions in the Headquarter.
- **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. 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:-
 - i. Quarterly Incentive for doing original Hindi correspondence.
 - ii. Quarterly incentive for giving dictation in Hindi.
 - iii. Quarterly incentive for making entries in Hindi in registers/service books etc.

- iv. Annual Award for doing original Hindi correspondence round the year.
- v. Incentives payable on passing of Hindi examinations after joining National Highways Authority of India.
- vi. Incentive payable on passing Hindi Typing/Hindi Shorthand examinations after joining National Highways Authority of India.
- vii. Hindi Protsahan Puraskar Scheme for wards of Officers and staff.
- viii. 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 Committee of Parliamentary on Official Language** – Inspections by the Committee of Parliament on Official Language at the following Regional Offices of NHAI during the year 2022- 2023 were without adverse remarks:
 - i. Regional Office, Chennai on 20th May 2022
 - ii. Regional Office, Jammu on 27th June 2022
 - iii. Regional Office, Nagpur on 13th July 2022
 - iv. Regional Office, Mumbai on 13th July 2022
 - v. Regional Office, Gandhinagar on 18th August 2022
 - vi. Regional Office, Hyderabad on 11th November 2022
 - vii. Regional Office, Varanasi on 04th January 2023
 - viii. Regional Office, Ranchi on 01st March 2023
 - ix. Regional Office, Lucknow on 03rd March 2023

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 2023) 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
2022	04	0	04	0	04

An Internal Grievance Redressal Committee for redressal of grievances of SCs employees has also been constituted vide NHA 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)

NHA 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 NHA 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 31.03.2023) 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
11934	41	11846	0	0	8

Action taken by CPIO(s)				
Physical Receipt(s)	Forward by Nodal Officer	Total Receipt(s)	Disposed off	Pending
1755	11846	13601	13528	1442

The updated status (as on 31.03.2023) for RTI Appeal is presented below:

Action taken by Nodal officer			
Total Online Receipt(s)	Forward To FAA	Returned To Applicant	Pending
2218	2218	0	0

Action taken by FAA(s)				
Physical Receipt(s)	Forward by Nodal Officer	Total Receipt(s)	Disposed off	Pending
168	2218	2386	2270	116

15.11 VIP References/PG:

NHA 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 31.03.2023 is as under:-

Subject	Total received	Forwarded to Concerned Divisions
VIPs	314	314
PGs	14910	14910

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. During FY 2022-23, NHAI initiated various initiatives to commemorate 'Azadi Ka Amrit Mahotsav', which included organizing regional conferences with stakeholders, publish an e-coffee table book showcasing 75 landmark NHAI projects and organized NHAI Digital Photo Contest on the theme of 'National Highways through the Eyes of the Camera'.

During the financial year, NHAI collaborated with Network18 to organize a 'Telethon' to create awareness on road safety. The program featured Shri Amitabh Bachchan in conversation with Shri Nitin Gadkari, Hon'ble Minister for Road Transport & Highways and eminent dignitaries Sadhguru 'Jaggi' Vasudev and Shri Prasoon Joshi, as they deliberated on the importance of road safety and road user behavioral change. The four-hour program was aired on Network 18 Channels. NHAI also organised "MANTHAN" – a three-day National Conference cum public EXPO in Bengaluru from 07-09 Sep 2022. The event initiated discussions around multiple opportunities and challenges in the road, transport, and logistics sectors. Centre and State ministers, Senior Officials from MoRTH, NHAI, NHIDCL, NHLML, policy planners, technocrats and industry experts joined for the deliberations at the event."

15.14 Green Highway initiatives

Ministry of Road, Transport and Highways (MoRTH) has promulgated Green Highways (Plantation, Transplantation, and Beautification and Maintenance) Policy-2015 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.

NHAI has notified IRC guidelines for all types of plantation landscaping activities, Standard Operating Procedure (SOPs) for plantation and transplantation, Expression of Interest (EOI) for empanelment of qualified agencies and Request for Proposal (RFP) for project implementation process. Majority of the plantations (approx. 75%) are carried out by the road concessionaires. The balance plantations are entrusted to private plantation agencies, NGOs, Self-Help Groups (SHGs) and State Government Agencies. NHAI has issued Policy Circular No. 7.4.9 dated 15th March, 2023 to delink the Avenue plantation from the future projects of road development and the plantation works may also be taken away from the defaulter concessionaires of ongoing projects with appropriate penalty impositions and implemented through either Government or Private agencies.

Memorandum of Understanding (MoUs) arrangement is there in place to involve State Government Agencies like State Forest Departments, Local Urban Bodies, National/State Rural livelihood Missions (NRLMs/SRLMs) etc. and Public Sector Enterprises/Corporate Houses under Corporate Social Responsibility (CSR) funding for plantations on National Highways.

The plantation and landscape development activities are implemented through Annual Plantation Action Plans. NHAI has planted 346.16 lakh saplings post Green Highways Policy years from 2016-17 to 2022-23 out of which 71.51 lakhs plants were planted in FY 2022-23 on about 20,700 kms of National Highways. As part of Azadi Ka Amrit Mahotsav to commemorate 75 years of India's Independence, Hon'ble Minister, MoRTH launched a country wide single day Plantation Drive organized on 17th July, 2022 in which 3.95 lakh saplings at 369 locations were planted. MoUs have been done with SRLMs in several Regions to involve local SHGs women for plantation activities. The plantation models like Miyawaki and Oxygen Parks are being implemented on land parcels and Bamboo planting in the extreme row of avenue plantations. NHAI is taking up the transplantation of trees wherever feasible on the technical parameters and 64,000 trees have been transplanted upto 2023.

The monitoring and evaluation of plantation works are being carried out with the help of IT based tools such as data analytics platform-Data Lake and Drone videography along with inspections by field functionaries. Mobile App 'Harit Path' has been made operational in August, 2020 through which 238 lakhs plants were geo-tagged upto March, 2023.

The photographs of Avenue and Median Plantation on National Highways



Figure 1- NE-01, Gandhinagar



Figure 2- Krishnagiri - Thumbipadi Section of NH-44, PIU-Salem, RO-Chennai



Figure 3- 4 Laning of Tada-Nellore Section of NH-16 in the State of Andhra Pradesh



Figure 4- NH-16, RO-Vijayawada

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.

Under Construction Bengaluru - Chennai Expressway



16

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 02 officers (01 Regular, 0-MoRTH, 01-Deputation) expired during 2022-23 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.

Delhi-Mumbai Expressway, Madhya Pradesh Section



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Audit

The Audit Report on the accounts of the Authority for the year 2022-23 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**.

Bengaluru - Mysuru Access Controlled Corridor



18

ANNEXURE

ANNEXURE-I: List of Regional office and project implementation units

Sl. No.	Name of Regional Office	Name of PIUs/CMUs	
1.	Andhra Pradesh at VIJAYAWADA (10 PIUs)	1	Visakhapatnam
		2	Rajahmendravaram
		3	Vijayawada
		4	Amaravathi (AP)
		5	Nellore
		6	Tirupati
		7	Kadapa
		8	Ananthapur
		9	Chittoor (New)
		10	Vizianagaram (New)
2.	Telangana at HYDERABAD (08 PIUs)	11	Hyderabad
		12	Nirmal (Kamareddy)
		13	Khammam
		14	Warangal
		15	Sangareddy
		16	Mancherial
		17	Gajwel (New)
		18	Mahbubnagar (New)
3.	Bihar at PATNA (12 PIUs)	19	Muzaffarpur
		20	Motihari
		21	Chhapara
		22	Patna
		23	Patna-II
		24	Gaya
		25	Sasaram
		26	Munger
		27	Darbhanga

Sl. No.	Name of Regional Office	Name of PIUs/CMUs	
		28	Begusarai
		29	Supaul
		30	Purnea
4.	Madhya Pradesh (West) at BHOPAL (07 PIUs)	31	Bhopal
		32	Harda
		33	Indore
		34	Ratlam
		35	Ujjain
		36	Khandwa (New)
		37	Sheopur (New)
5.	Madhya Pradesh (East) at Jabalpur (05 PIUs)	38	Jabalpur
		39	Gwalior
		40	Chhatarpur
		41	Chhindwara
		42	Sagar
6.	Karnataka at BENGALURU (10 PIUs)	43	Dharwad
		44	Hassan
		45	Chitradurga
		46	Hospet
		47	Ramanagara
		48	Kalaburagi (Eariler Gulbarga)
		49	Mangalore
		50	Bangalore
		51	Tumkur
		52	Bangalore (Expressway) (New)
7.	Gujarat at GANDHINAGAR (09 PIUs)	53	Ahmedabad
		54	Surat
		55	Bhavnagar
		56	Godhra
		57	Rajkot
		58	Somnath
		59	Surat (Expressway)
		60	Palanpur
		61	Gandhidham (New)

Sl. No.	Name of Regional Office	Name of PIUs/CMUs	
8.	Haryana & Punjab at CHANDIGARH (10 PIUs)	62	Ambala
		63	Chandigarh
		64	Hisar
		65	Sonepat
		66	Amritsar
		67	Bathinda
		68	Jalandhar
		69	Ludhiana
		70	Ludhiana (Exp.)
		71	Patiala (New)
9.	Himachal Pradesh at SHIMLA (04 PIUs)	72	Shimla
		73	Mandi
		74	Palampur
		75	Hamirpur
10.	J&K at JAMMU (04 PIUs)	76	Jammu
		77	Ramban
		78	Srinagar
		79	Udhampur (New)
11.	Jharkhand at RANCHI (09 PIUs)	80	Ranchi
		81	Dhanbad
		82	Hazaribagh
		83	Sahibganj
		84	Daltonganj
		85	Jamshedpur
		86	Deoghar
		87	Gumla (New)
		88	Ramgarh (New)
12.	Kerala at THIRUVANTHAPURAM (05 PIUs)	89	Thiruvananthapuram
		90	Cochin-I
		91	Palakkad
		92	Kozhikode
		93	Kannur (New)
13.	Maharashtra & Goa at MUMBAI (08 PIUs)	94	Pune
		95	Solapur

Sl. No.	Name of Regional Office	Name of PIUs/CMUs	
		96	Nashik
		97	Kolhapur
		98	Thane
		99	Ahmednagar
		100	Panvel
		101	Pandharpur
14.	North East at GUWAHATI (05 PIUs)	102	Bongaigaon
		103	Guwahati
		104	Halflong
		105	Myanmar (Aboard)
		106	Shillong
15.	Odisha at BHUBANESWAR (09 PIUs)	107	Balasore
		108	Berhampur
		109	Bhubaneswar
		110	Dhenkanal
		111	Keonjhar
		112	Rourkela
		113	Sambalpur
		114	Koraput (New)
		115	Navrangpur (New)
16.	Rajasthan at JAIPUR (13 PIUs)	116	Ajmer
		117	Barmer
		118	Bikaner
		119	Chittorgarh
		120	Dausa
		121	Hanumangarh
		122	Jaipur
		123	Jaisalmer
		124	Jodhpur
		125	Kota
		126	Sawai Madhopur
		127	Udaipur
		128	Sikar

Sl. No.	Name of Regional Office	Name of PIUs/CMUs	
17.	Tamil Nadu at CHENNNAI (08 PIUs)	129	Chennai
		130	Kancheepuram
		131	Coimbatore
		132	Krishnagiri
		133	Salem
		134	Viluppuram
		135	Puducherry
		136	Chengalpattu (New)
18.	Tamil Nadu at MADURAI (07 PIUs)	137	Madurai
		138	Trichy
		139	Dindigul
		140	Karaikudi
		141	Thanjavur
		142	Nagarcoil
		143	Tuticorin
19.	RO West UP at LUCKNOW (11 PIUs)	144	Agra
		145	Aligarh
		146	Bareilly
		147	Baghpat
		148	Kanpur
		149	Kannauj
		150	Meerut
		151	Moradabad
		152	Lucknow
		153	Badaun (New)
		154	Jhansi (Upgraded)
20.	RO East UP at VARANASI (05 PIUs)	155	Varanasi
		156	Prayagraj
		157	Raebareilly
		158	Gorakhpur
		159	Azamgarh
21.	Uttarakhand at DEHRADUN (04 PIUs)	160	Rudrapur
		161	Nazibabad
		162	Roorkee
		163	Vasant Vihar (Dehradun)

Sl. No.	Name of Regional Office	Name of PIUs/CMUs	
22.	West Bengal at KOLKATA (07 PIUs)	164	Kharagpur
		165	Durgapur
		166	Kolkata
		167	Malda
		168	Krishnagar
		169	Jalpaiguri
		170	Alipurduar (New)
23.	Maharashtra RO at NAGPUR (10 PIUs)	171	Amravati
		172	Aurangabad
		173	Chandrapur
		174	Dhule
		175	Jalgaon
		176	Nagpur 1
		177	Nagpur 2
		178	Nanded
		179	Washim
		180	Yavatmal
24.	Chhattisgarh at RAIPUR (04 PIUs)	181	Raipur-I
		182	Bilaspur
		183	Korba
		184	Dhamtari
25.	Delhi & NCR at RO DELHI (06 PIUs)	185	Ghaziabad
		186	Dwarka
		187	Rewari
		188	Sohna
		189	Bhiwani
		190	Mathura /Faridabad

Site Office	Goa	Ayodha under PIU Varanasi	Baxur under PIU Patna	Chaibasa (28.01.2022) under PIU Jamshedpur	Varanasi under PIU Sasaram	Mirzapur under PIU Varanasi	Ghodbunder under PIU Thane
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SUPREME AUDIT INSTITUTION OF INDIA
लोकहितार्थं सत्यनिष्ठा
Dedicated to Truth in Public Interest

जायन्ती



सत्यमेव जयते

संख्या / No. PDA/Infra-IV/Account of NHAI/
4-50/2022-23/

भारतीय लेखापरीक्षा और लेखा विभाग, 456

कार्यालय प्रधान निदेशक लेखापरीक्षा (इन्फ्रास्ट्रक्चर), दिल्ली

INDIAN AUDIT & ACCOUNTS DEPARTMENT,
OFFICE OF THE PRINCIPAL DIRECTOR OF AUDIT
(INFRASTRUCTURE), DELHI

दिनांक / Dated 28.03.2024

गोपनीय

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 2022-23 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 2022-23 के वार्षिक लेखों की प्रति तथा उन पर लेखा परीक्षा प्रतिवेदन संसद के पटल पर रखने के लिए अद्योषित कर रहा हूँ। कृपया यह सुनिश्चित किया जाए कि लेखा परीक्षा प्रतिवेदन को संसद के दोनों सदनों के समक्ष प्रस्तुत करने से पहले भारतीय राष्ट्रीय राजमार्ग प्राधिकरण की शासी निकाय/ सदस्यों के बोर्ड को नियमानुसार अवश्य प्रस्तुत किया जाए।

संसद को प्रस्तुत कर अद्योषण पत्र की प्रति उस तिथि को दर्शाते हुए, जब वे संसद में प्रस्तुत किए गए थे, इस कार्यालय को तथा भारत के नियंत्रक एवं महालेखापरीक्षक के कार्यालय को भेजी जाए।

भवदीय,

(राजीव कुमार पाण्डेय)

महानिदेशक

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 2023

We have audited the attached Balance Sheet of the National Highways Authority of India (NHAI) as at 31 March 2023 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 226 units (200 Project Implementation Units,

25 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 principles 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 (Gol) in consultation with the Comptroller and Auditor General of India (C&AG). However, the following deviations were noticed in the financial statements prepared when compared to the approved format of accounts:
 - (i) Assets held on behalf of Gol (completed & ongoing) amounting to ₹8,47,143.16 crore are being shown as a separate head in the Balance Sheet of NHAI. However, the same 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 Gol and not with the NHAI and the same were entrusted to NHAI by Gol, for development & maintenance purposes only. The Solicitor General of India in his opinion of January 2015 reiterated the fact that NHAI is an executing agency of the Gol and ownership of these National Highways vests with Gol. The accounting treatment and disclosure given by NHAI, in its Financial Statements, to National Highways and related projects is also in deviation to the opinion given by the Expert Advisory Committee 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, depicting these as its assets without corresponding change in the NHAI Act and change in approved format of accounts, 1992, recognizing them as Assets held on behalf of Gol (completed and ongoing) amounting to ₹ 8,47,143.16 crore in NHAI's Balance Sheet was not correct.

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 ₹769.63 crore with respect to Net Establishment Expenses for the year. Also, the significant accounting policy no. 6 is deficient to that extent.

This issue was also raised in earlier year(s) 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

(a) Capital (Schedule 1): ₹ 4,95,321.32 crore

- (i). As per the approved Format of Accounts, the Grant-in-aid received for maintenance of highways and expenditure incurred thereon should be accounted for in Profit and Loss Account. However, NHAI in contravention to this, has adjusted the Maintenance Grant and Expenditure incurred on operation and maintenance of highways against Capital Account (Plough back of Toll Remittance, etc.). During the year 2022-23, NHAI has incurred an amount of ₹4,650.84 crore being the total expenditure on maintenance of highways (₹3,482.83 crore on maintenance of highways and ₹1,168.01 crore on toll collection activities). Against this, during 2022-23, MoRTH has released a grant of ₹1,825 crore for maintenance of highways. After adjusting ₹136.46 crore of 'Other Receipts from Operation & Maintenance of Highways', balance amount of ₹ 2,689.38 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 ₹2,689.38 crore.

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

- (iii) The above does not include ₹ 62.50 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 ₹62.50 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. The Significant Accounting Policy is deficient because the assets purchased or constructed is a capital expenditure and accordingly should have been capitalised instead of adjusting from plough back of toll remittances.

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

(b) Reserves & Surplus (Schedule 2): ₹ Nil

The above does not include an amount of ₹ 9,221.93 crore being the Capital Reserve which was transferred and shown as deduction from Assets held on behalf of Gol (Schedule 5). As per accounting principles, the same should be shown as part of the Reserves & Surplus because Capital Reserve is created out of capital profits. This has resulted in understatement of Reserves & Surplus and Assets held on behalf of Gol by ₹9,221.93 crore.

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

1.2 Borrowings (Schedule 4): ₹ 3,43,114.24 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 funds so applied.

As on 31 March 2023, an amount of ₹ 3,43,114.24 crore was payable by NHAI, towards bond holders of Capital Gain Tax Free Bonds-54EC, Tax free Secured Redeemable Non-Convertible Bonds, Taxable Bonds, Loan from Asian Development Bank and other unsecured loans from various Banks. 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 Assets held on behalf of Gol (Schedule 5): ₹ 8,47,143.16 crore

- (i) The above includes ₹25,581.70 crore being the borrowing cost capitalised to Assets held on behalf of Gol (completed and ongoing projects). As per Para 19 of AS 16 relating to Borrowing Cost "*Capitalisation of borrowing costs should cease when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete*". The borrowing costs on completed projects, in contravention to GAAP is not being routed through Profit & Loss Account. As NHAI is not maintaining project-wise details, Audit could not verify the correctness of Borrowing Costs amounting to ₹ 25,581.70 crore allocated to Assets held on behalf of Gol (completed & ongoing) during the year 2022-23. Total Borrowing Costs amounting to ₹1,18,545.67 crore has been allocated to completed and ongoing projects till 31 March 2023.

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

- (ii) The above includes ₹ 23,197.79 crore under the head 'Interest on unutilised capital', representing cumulative interest received on unutilised capital and loans and advances to contractor/consultants, etc.

As per General Financial Rules (GFR) 2017 Rule 230 (8), 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 ₹2,350.64 crore during the financial year 2022-23. 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 in understatement of Current Liability (Payable to Gol) and understatement of Assets held on behalf of Gol to the extent of interest earned on Grants received during the year. Further, interest earned on Grants received from 2017-18 to 2021-22 has not been reconciled and deposited in CFI.

In this context, a reference is invited to significant accounting policy no. 3 on 'Capital Grant' which stipulates that 'Interest earned on the unutilized Grant is credited to interest on unutilized capital'. Also, the Accounting Policy is deficient and is in contravention of provisions of GFR.

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

- (iii) The above includes ₹ 23.72 crore being the consultancy charges paid during the year 2022-23 to Independent Engineer for Operation and Maintenance projects. This expenditure being revenue in nature, should have been accounted for 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 ₹ 23.72 crore.

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

- (iv) The above does not include an amount ₹ 6.24 crore incurred on expenditure on green belt development and expenditure incurred on development of toilet facility. This has resulted in overstatement of Expenditure on maintenance of Highways and understatement of Assets held on behalf of Gol by ₹ 6.24 crore.
- (v) The above includes an amount ₹ 3.82 crore incurred on expenditure on maintenance of highways. This has resulted in understatement of Expenditure on maintenance of Highways and overstatement of Assets held on behalf of Gol by ₹ 3.82 crore.

2.2 Investment (Schedule 6): ₹ 6,572.80 crore

The above 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 17, NHAI got the valuation of its investments in loss-making subsidiaries done by professional valuer in 2016-17 and a provision for diminution in the value of investment 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. 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.

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

2.3 Current Assets, Loans and Advances (Schedule 7): ₹ 55,883.12 crore

Deposits, Loans & Advances: ₹ 51,655.03 crore

- (i) The above includes an amount of ₹11,076.81 crore being the amount recoverable from MoRTH on account of payment made by NHAI to various State Government Agencies on the instruction issued by MoRTH in June 2016 for development of various National Highways Projects. In this regard, no MoU has been signed between MoRTH and NHAI. Further, in September 2018, MoRTH issued an office memorandum stating that fund allocation for projects being implemented through State PWDs for which payments are being made by NHAI shall henceforth be made by Ministry for such States out of overall NH release of cess under NHAI (Investment) and the allocation of cess for NHAI shall be reduced to that extent. This amount is appearing in the books of NHAI in spite of no assurances received from MoRTH. Hence, the recognition of amount recoverable from MoRTH by NHAI in its books of account amounting to ₹11,076.81 crore is not correct. This has resulted in overstatement in Current Assets, Loans and Advances by ₹11,076.81 crore and understatement of loss to the same extent.

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

- (ii) The above includes an amount of ₹5.29 crore disbursed as loan by NHAI to its subsidiary viz. Ahmedabad-Vadodara Expressway Company Limited (AVEXCL). In view of NHAI Board's in-principle approval during 2018-19 to wind up the subsidiary and provision being already made for diminution in value of entire investment in the subsidiary by NHAI, the provision on the loan of ₹5.29 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 ₹5.29 crore.

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

(iii) Current Assets, Loans and Advances (Schedule 7): ₹ 55,883.12 crore

The above does not include an amount of ₹85.60 crore which was recoverable as on 31 March 2023 from various concessionaires/ contractors and Government agencies as detailed below:

Sr. No.	Particulars	(₹ in Crore)
1.	Understatement of reimbursement from PMCARES fund (oxygen plant)	0.73
2.	Toll amount Recoverable from concessionaire	14.71
3.	Receivable from JDA & M/s Rama civil India Construction Pvt. Ltd	0.21
4.	Claims recoverable from contractor/concessionaire.	69.95
	Total	85.60

This has resulted in understatement of 'Claims recoverable and understatement of 'Liability payable to Gol' by ₹85.60 crore.

2.4 Current Liabilities and Provisions

Liabilities (Schedule 8): ₹ 55,992.03 crore

- (i) The above does not include ₹78.44 crore being the liability in respect of invoice raised by M/s Indian Highways Management Company Limited (IHMCL) on NHAI for the month of March 2023 on account of fee collected electronically. This has resulted in understatement of Current Liabilities and Provision and understatement of Expenditure on Toll Collection Activities by ₹78.44 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.
 - a) As per the terms of the agreement, Ministry of External Affairs, Government of India has released ₹642.38 crore up to March 2023 to NHAI towards project expenditure. However, NHAI has not adjusted ₹557.87 crore being the amount spent for the project till 31 March 2023. This has resulted in overstatement of Current Liabilities and Provisions and overstatement of Current Assets, Loans and Advances by ₹557.87 crore. Further, note on accounts no. 18 (c) is also deficient to that extent.

The issue was raised earlier also by Audit. However, no corrective action has been taken by the Management.

- b) Further, as per the above agreement, NHAI was to receive a Project Management Consultancy (PMC) fees of 6 per cent of the estimated cost or tendered cost, whichever is lower. NHAI has incurred project expenditure of ₹557.87 crore (42.75 per cent financial progress) for the project up to March 2023. Accordingly, the PMC Fees to NHAI is ₹ 43.67 crore till March 2023. NHAI has only received ₹30.96 crore out of ₹43.67¹ crore towards PMC fees and ₹12.71 crore is recoverable from Ministry of External Affairs, Government of India. This has resulted in understatement of income by ₹43.67 crore, overstatement of Current Liabilities and Provisions by ₹30.96 crore and understatement of Current Assets, Loans and Advances by ₹ 12.71 crore.

The issue was raised earlier also by Audit. However, no corrective action has been taken by the Management.

- (iii) Following head of accounts was understated by ₹ 792.68 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	462.65
2.	Amount payable to Contractors/concessionaire in respect of Construction work done	217.74
3.	Amounts payable to the contractor/Concessionaire/Utility Department for utility shifting/tree cutting/fly Ash/plantation work	27.05
4.	Amounts payable to consultants in respect of DPR preparations	0.81
5.	Amounts payable for supervision consultancy	3.04
6.	Amount payable to contractors for maintenance work done	3.83

1 Rs. 23.54 crore (Rs. 1177 crore * 1 per cent * 2) + Rs. 20.13 crore (Rs. 1177 crore * 4 per cent * 42.75 per cent)

Sr. No.	Particulars	₹ (in Crore)
7.	Amount payable on account of CWIP GST-Change in Law	31.11
8.	Amount payable to contractor/concessionaire on account of Bonus/Annuity payment	41.28
9.	Amount payable to concessionaire on account of inauguration	5.17
	Total	792.68

This has also resulted into understatement of 'Assets held on behalf of Gol (Completed / Ongoing)' by ₹788.85 crore and 'Expenditure on maintenance of highways' by ₹ 3.83 crore.

- (iv) Following head of accounts was overstated by ₹ 12.93 crore due to excess provision of liabilities towards the following:

Sr. No.	Particulars	₹ (in Crore)
1.	Provision for Civil works (Road and bridges)	1.43
2.	Advance against deposit work	11.50
	Total	12.93

This has also resulted into overstatement of maintenance expenditure by ₹1.43 crore, and overstatement of Bank by ₹ 11.50 crore.

(B) Profit and Loss Account

1. Income

1.1 Other Income (Schedule 11): ₹ 32.27 crore

- (i) The above does not include ₹1,624.57 crore being the agency charges for the year 2022-23 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.

Accounting Policy 13 of NHAI relating to agency charges inter-alia stipulates that Agency charges are being accounted through a Memorandum Account and 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. Further, it is also disclosed in the notes to accounts no. 25 that *all administrative expenditure, after setting off the receipts is charged to Assets held on behalf of Gol within the overall ceiling of agency charges.*

Thus, non-accounting of agency charges in the books of account has resulted in understatement of Income and understatement of Assets held on behalf of Gol by ₹ 1,624.57 crore for the current year. Further, the accounting policy is also deficient to that extent.

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

2. Expenditure

2.1 Personnel and Administrative Expenses (Schedule 15): ₹723.62 crore

Printing and Stationery: ₹ 10.20 crore

The above includes an amount of ₹4.13 crore being the revenue expenditure incurred towards the publication of notifications related to land acquisition on behalf of MoRTH. As the amount has been incurred on behalf of the MoRTH, 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) by ₹4.13 crore.

2.2 Prior Period Items Net Expenses / (Income) (Schedule 17): ₹ 53.68 crore

The above does not include an amount of ₹5,067.45 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 prior to 31 March 2022. This has resulted in understatement of Prior Period Income and understatement of Assets held on behalf of Gol by ₹5,067.45 crore.

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

(C) Significant Accounting Policies 2022-23 (Schedule-18)

Significant Accounting Policy No. 11 for the year 2021-22 states that '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'. However, the above Accounting Policy was changed in the year 2022-23 by removing the word InvIT proceeds from the Policy.

As per Para 22 of Accounting Standard -1 on Disclosure of Accounting Policies, any change in an accounting policy which has a material effect should be disclosed. However, NHAI has not disclosed the impact of change in Accounting Policy on the financial statements in non-compliance of the requirement of Accounting Standard -1.

(D) Notes to Accounts (Schedule 19)

- (i) Contingent Liability (Note 29)
 - (a) Contingent Liability is understated by ₹1,022.82 crore on account of claims relating to various projects. Thus, note no 29 pertaining to disclosure of Contingent Liabilities is deficient to that extent.
- (ii) As per Para 66 of the Accounting Standard-29 on Provisions, Contingent Liabilities and Contingent Assets, for each class of provision, an enterprise should disclose:
 - (a) 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 to ₹127.28 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 raised earlier also by Audit, however, no corrective action has been taken by the management.

(E) General

- (i) Commitments made by NHAI in 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) and Taxable Bonds (2020-21) were as follows:
 - a. All monies received out of each tranche issue of the bonds to the public shall be transferred to a separate bank account.

- b. Details of all monies utilized out of each tranche issue shall be disclosed under an appropriate separate head in the Balance Sheet indicating the purpose for which such monies were utilised.
- c. Details of all unutilized monies out of each tranche issue shall be disclosed under an appropriate separate head in the Balance Sheet indicating the form in which such unutilised monies have been invested.

However, the above commitments were not adhered to and NHAI has only given a general disclosure vide note no. 11 (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 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 Section 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.

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

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

- V 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 Annexures 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 2023.
- (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 2023.

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



(Rajiv Kumar Pandey)

Principal Director of Audit (Infrastructure)
New Delhi

Place: New Delhi

Dated: March 2023

Annexure

**(To the Audit Report on the Accounts of National Highways Authority of India
for the year 2022-23)**

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 by Audit.

- (i) There is no Internal Audit Plan based on risk analysis and assessment for the audit of PIUs, ROs and Headquarter office.
- (ii) 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.
- (iii) The head of the Internal Audit division reports directly to the Member (Finance) and not to the Chairman of NHAI or Chairman of Audit Committee.
- (iv) There is no approved sanctioned strength of the Internal Audit division.
- (v) There is no time limit fixed to issue the observations/ paras / report to the concerned division by the Internal Audit division / external Audit firms. Also, there is no time limit fixed for submission of replies / response to the Audit reports / observations by the audited department/unit.
- (vi) No follow up action has been initiated by the Internal Audit division on the Audit observations issued during 2022-23.
- (vii) Internal Audit reports which were submitted by the external audit firms have not commented on weak monitoring, poor implementation, failure to follow the approved procedures, violation of rules and regulations.
- (viii) The Financial Statements prepared by Finance and Accounts department of NHAI were not examined and reviewed by the Internal Audit division.
- (ix) The Internal Audit Report of NHAI Head Quarter for the year 2022-23 was not furnished to Audit.

2. Internal Control System

Audit observed the following issues relating to Internal Control System at NHAI Head Office and PIUs selected for Audit:

- 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 (RMP).
- 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 approved fraud detection and prevention procedure and policies.
- vi. The ERP system has not been implemented completely in NHAI.
- vii. NHAI has not formulated and implemented Whistle Blower Policy.

- viii. NHAI has not formulated and prepared an Information Technology (IT) Manual. In the absence of an IT manual, the roles and responsibilities of IT personnel are not properly defined. In case of IT related issues and matters, structured guidance is lacking in the organization.
- ix. NHAI has not formulated and prepared an Internal Audit Manual. In the absence of the same, a structured guidance on the issues and matters relating to internal audit is lacking.

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 and to safeguard the assets of the Authority.

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:

NHAI is regular in payment of statutory dues.

NATIONAL HIGHWAYS AUTHORITY OF INDIA

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

BALANCE SHEET AS AT 31st MARCH 2023

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	4,95,32,132.03	3,36,59,587.67
	b) Reserves & Surplus	2	-	-
2	Grants			
	a) Capital	3	15,28,210.33	15,08,210.33
3	Borrowings			
	a) Secured Loans	4	2,04,97,852.12	2,06,62,866.49
	b) Unsecured Loans		1,38,13,571.43	1,42,27,857.14
	TOTAL		8,53,71,765.91	7,00,58,521.64
II.	APPLICATION OF FUNDS			
1	Fixed Assets	5		
	a) Gross Block		42,409.43	40,983.90
	b) Less: Assets created out of Grant		758.11	758.11
	c) Assets out of Own Fund (a-b)		41,651.32	40,225.79
	d) Less: Depreciation		17,862.87	14,656.16
	Net Block (c-d)		23,788.45	25,569.62
2	Assets held on behalf of Govt			
	a) Completed		3,83,41,889.16	3,00,51,557.50
	b) Ongoing and others		4,63,72,427.16	3,94,77,213.91
	Total (a+b)		8,47,14,316.32	6,95,28,771.42
	Total		8,47,38,104.77	6,95,54,341.04
3	Investment	6	6,57,280.18	5,09,813.34
4	Current Assets, Loans and Advance	7		
	a) Inventories			
	b) Deposits, Loans & Advances		51,65,503.45	47,48,549.17
	c) Interest accrued but not due on deposits		42,508.90	63,273.22
	d) Interest accrued and due on CALA deposits		4,594.37	4,532.75
	e) Cash & Bank Balance		3,75,705.86	3,97,127.04
	f) Inter Unit Account		0.00	0.00
	Sub total		55,88,312.58	52,13,482.19
	Less: Current Liabilities and Provisions			
	a) Liabilities	8	55,99,203.63	52,08,604.62
	b) Reserves & Provisions	9	12,727.99	10,510.31
	Sub total		56,11,931.62	52,19,114.93
	Net Current Assets		(23,619.04)	(5,632.75)
5	Misc. Expenditure (to the extent not written off)	10		
	Profit & Loss Account (Debit balance if any)			
	TOTAL		8,53,71,765.91	7,00,58,521.64

For and on behalf of the Board of the Authority

Place : New Delhi.
Date : 28.07.2023


Member (Finance)


Chairman

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, 2023

S. No.	PARTICULARS	SCHEDULE	CURRENT YEAR	PREVIOUS YEAR
			₹ In Lakhs	₹ In Lakhs
	(1)	(2)	(3)	(4)
I.	INCOME			
a)	Value of Work done		-	-
b)	Other income	11	3,227.70	3,413.10
c)	Interest (Gross)	12	6.02	0.15
d)	Net Increase/Decrease in Work-in-progress (+)/(-)	13	-	-
	TOTAL INCOME		3,233.72	3,413.25
II.	EXPENDITURE			
	Construction Stores/Material consumed		-	-
	Other stores, spares & tools etc. consumed			
	Work Expenses	14	-	-
	Personnel & Administrative Expenses	15	72,362.04	60,102.96
	Finance Charges	16	111.84	44.25
	Depreciation		2,327.39	2,026.19
	Assets of Small Value Charged Off		27.19	27.70
	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		74,828.46	62,201.10
	Profit / (Loss) for the period		(71,594.74)	(58,787.86)
	Add: Prior Period Items net Expenses / (Income) (details to be given)	17	5,367.97	3,777.50
	Net Estab. Expenses transferred to Sch-5		76,962.71	62,565.36
	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			

Place : New Delhi.
Date : 28.07.2023

For and on behalf of the Board of the Authority



Member (Finance)



Chairman

NATIONAL HIGHWAYS AUTHORITY OF INDIA

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

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2023

S. No.	PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
		₹ In Lakhs	₹ In Lakhs
A.	Cash flow from operating activities:		
	Net profit before tax	(71,594.74)	(58,787.86)
	Adjustments for:		
	Depreciation	2,327.39	2,026.19
	Profit/Loss on sale of assets	(5.17)	(4.34)
	Interest income	(6.02)	(0.15)
	Operating profit before working capital changes	(69,278.54)	(56,766.15)
	Adjustments for:		
	(Increase)/Decrease in Deposits, Loans & Advances	(4,16,954.28)	(94,564.33)
	Increase/(Decrease) in liabilities	3,90,599.01	9,80,096.44
	Increase/(Decrease) in Provision for Gratuity and Leave Encashment	2,217.68	1,797.05
	Cash flow before extraordinary item & prior period items	(93,416.13)	8,30,563.01
	Prior period items	(5,367.97)	(3,777.50)
	Net cash generated from operating activities	(98,784.10)	8,26,785.51
B.	Cash flow from investing activities:		
	Purchase of fixed assets	(557.68)	(16,423.12)
	Realisation from sale of assets	16.61	7.40
	(Increase)/Decrease in Capital Work in progress	(1,29,40,488.59)	(1,06,24,858.32)
	(Increase)/Decrease in investment	(1,47,466.83)	(3,05,216.00)
	Interest Income	2,55,772.52	1,52,003.34
	Capital Reserve (Receipts)	1,55,013.14	4,20,191.37
	Loss from investing activities	-	(2,567.59)
	Net cash used in investing activities	(1,26,77,710.83)	(1,03,76,862.92)
C.	Cash flow from financing activities:		
	Capital Base	-	-
	Cess funds received from Govt of India	1,10,67,392.10	36,21,000.00
	Capital additional budgetary receipts	19,78,583.48	16,14,218.00
	Proceeds from InvIT Projects	2,84,966.66	7,35,040.00
	EAP Grant Received & utilised towards Revenue Expenditure	20,000.00	1,00,000.00
	Adjusted Plough back of Toll Remittance, etc.	25,41,602.13	15,80,544.07
	Net decrease in loan from ADB due to Exchange Loss after Adjustment of Repayments	(7,272.28)	(7,402.36)
	Proceeds from issue of 54EC Capital Gains Tax-Free Bonds	79,757.90	5,02,845.80
	Proceeds / (Repayemnt) from issue of Taxable bonds	(2,37,500.00)	8,07,570.00
	Proceeds / (Repayemnt) from NSSF Loan & Term Loans	(1,14,285.71)	35,42,857.14
	Redemption of 54EC Capital Gains Tax- Free Bonds	-	-
	Redemption of Tax Free Secured Non-Convertible Bonds (10Yr) 11-12	-	(6,71,408.12)
	Redemption of Masala Bonds	(3,00,000.00)	
	Interest and other expenditure on Bond	(25,58,170.52)	(24,01,533.41)
	Net cash generated from financing activities	1,27,55,073.75	94,23,731.12
	Net increase/(decrease) in cash and cash equivalents (A+B+C)	(21,421.18)	(1,26,346.29)
	Opening cash and cash equivalents	3,97,127.04	5,23,473.33
	Closing cash and cash equivalents	3,75,705.86	3,97,127.04
Notes:			
	Cash and cash equivalents include:		
	Cash and cheques in hand / in transit	2.65	2.32
	Balance with banks-Current Account	2,73,479.41	2,46,288.69
	Balance with banks-Savings Bank Account	69,508.61	1,15,740.43
	Balance with banks-Fixed Deposit Account	32,715.19	35,095.61
	Balance as per books of account	3,75,705.86	3,97,127.04

For and on behalf of the Board of the Authority

Place : New Delhi.
Date : 28.07.2023


Member (Finance)


Chairman

NATIONAL HIGHWAYS AUTHORITY OF INDIA

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

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31st MARCH 2023

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	1,88,63,865.00		
	Add : Received during the Year	1,10,67,392.10	2,99,31,257.10	1,88,63,865.00
c)	Additional Budgetary Support			
	- Additional Budgetary Support (NHDP)	53,94,471.48	-	-
	- Additional Budgetary Support (others)	3,76,584.00	57,71,055.48	37,92,472.00
d)	Proceeds from InvIT Projects	10,20,006.66	10,20,006.66	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)	1,38,06,228.00	1,38,06,228.00	1,10,05,666.00
	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)	(7,76,022.20)	(7,76,022.20)	(6,59,221.29)
	2) (Excess)/Surplus of Expenditure on Maintenance of Highways over Maintenance Grant Received (wef. 01.04.2010).	(8,65,059.08)	(8,65,059.08)	(7,22,900.11)
	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)	(37,075.00)
	b) Loss: on winding up of MTRCL	(12,709.59)	(12,709.59)	(12,709.59)
	c) Gain: on swapping of shares with units	10,142.00	10,142.00	10,142.00
	Total (Schedule 1)		4,95,32,132.03	3,36,59,587.67

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	7,67,180.49		3,46,989.13
	Add : Additions during the Period	1,55,013.14		4,20,191.37
	Capital Reserve transferred to Sch-5	9,22,193.64	-	7,67,180.49
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	15,35,282.00		15,15,282.00
	Interest earned on un-utilized Grant	1,001.00		1,001.00
	Less : Assets created out of Grants (Sch:-5)	(758.11)		(758.11)
	Less : Revenue Expenditure out of Grant	(7,314.55)	15,28,210.33	(7,314.55)
b)	Grant for Office Building at Dwarka	150.00		150.00
	Less: Transferred to Building Account (Sch:- 5)	(150.00)		(150.00)
c)	For servicing of 54EC Bonds issue	1,000.00		1,000.00
	Interest earned on un-utilized Grant	496.68		496.68
	Less : Expenditure incurred on 54EC Bonds:			
	Bond Issue Expenses	(12,655.63)		(11,896.25)
	Interest on Bond	(10,88,580.56)		(9,90,467.78)
	Others	(3.00)		(3.00)
	Deficit transferred to schedule-5	10,99,742.51		10,00,870.36
	Total (Schedule 3)		15,28,210.33	15,08,210.33

S. No.	PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
		₹ In Lakhs	₹ In Lakhs
	SCHEDULE - 4		
	Secured Loans		
	Capital Gains Tax-free Bonds- 54EC	18,41,050.20	17,61,292.30
	Tax Free Secured Redeemable Non-Convertible Bonds (10Yr & 15Yr) 11-12	3,28,591.88	3,28,591.88
	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	0.00
	Taxable Bonds (30Yr) 2016-17	8,50,000.00	8,50,000.00
	Taxable Bonds (5Yr) 2017-18	-	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	17,12,070.00
	(Secured against a Flat in Ahmedabad and Fixed Assets of NHAI)		
	Loan from ADB- (Surat Manor Project) (Guaranteed by Gol)	31,240.04	38,512.31
		2,04,97,852.12	2,06,62,866.49
	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
	Term Loan from State Bank of India	36,28,571.43	37,42,857.14
	Term Loan from Punjab National Bank	7,00,000.00	9,50,000.00
	Term Loan from Axis Bank 2020-21	2,35,000.00	3,35,000.00
	Term Loan HDFC	4,00,000.00	6,00,000.00
	Term Loan ICICI	1,00,000.00	3,50,000.00
	Term Loan Indusind Bank	1,50,000.00	2,50,000.00
	Term Loan Canara Bank	13,50,000.00	9,50,000.00
	Term Loan Bank of Baroda	14,50,000.00	9,50,000.00
	Loan from National Small Savings Fund (NSSF, MoF, GOI)	50,00,000.00	50,00,000.00
		1,38,13,571.43	1,42,27,857.14
	Total (Schedule 4)	3,43,11,423.55	3,48,90,723.64

NATIONAL HIGHWAYS AUTHORITY OF INDIA

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

ANNUAL REPORT | 2022-23

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH 2023 (₹ In Lakhs)

SCHEDULE 5	Description of Asset	Rate of Depreciation	GROSS BLOCK						Depreciation				NET BLOCK		ASSETS CREATED OUT OF GRANT
			As at 1.04.2022	Addition	Adjusted/ Deducted (+)	Adjusted/ Deducted (-)	Total costs at 31.03.2023	As At 1.04.2022	For the period	Adjusted/ Deducted (+)	Adjusted/ Deducted (-)	Total Depreciation upto 31.03.2023	As at 01.04.2022	As at 31.03.2023	As at 31.03.2023
	LAND FREEHOLD	NIL	1,990.33	-	-	-	1,990.33	-	-	-	-	-	1,990.33	1,990.33	1.23
	LAND LEASEHOLD	NIL	1,297.17	-	-	-	1,297.17	-	-	-	-	-	1,297.17	1,297.17	32.43
	BUILDINGS	5%	22,079.03	-	-	-	22,079.03	2,822.78	964.49	990.41	-	4,777.68	19,256.25	17,301.35	307.62
	STAFF QUARTERS	5%	-	-	-	-	-	-	-	-	-	-	-	-	204.65
	ROADS & BRIDGES	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	COMPUTERS & EDP	60%	8,219.74	988.53	36.94	154.45	9,090.76	7,402.55	925.87	24.05	130.28	8,222.19	817.19	868.58	75.61
	LABORATORY & SURVEY EQUIPMENT	25%	0.91	-	-	-	0.91	0.91	-	-	-	0.91	-	-	0.26
	FURNITURE, FITTINGS & ELECTRICAL INSTALLATION	10%	3,286.26	301.45	0.34	0.47	3,587.58	1,877.53	185.40	0.24	0.34	2,062.83	1,408.73	1,524.75	69.21
	MOTOR VEHICLES	20%	-	-	-	-	-	-	-	-	-	-	-	-	-
	AIR CONDITIONERS / HEATERS	25%	782.89	52.59	-	0.76	834.71	673.15	38.60	0.64	0.64	711.76	109.73	122.96	16.63
	OFFICE EQUIPMENT	25%	2,569.44	207.58	0.34	6.56	2,770.81	1,879.24	213.02	0.13	4.89	2,087.50	690.21	683.31	50.47
	SUB TOTAL: I		40,225.79	1,550.15	37.62	162.24	41,651.32	14,656.16	2,327.39	1,015.47	136.15	17,862.87	25,569.62	23,788.45	758.11
	Assets held on behalf of Govt		6,27,26,903.68	1,29,40,488.59			7,56,67,392.27						6,27,26,903.68	7,56,67,392.27	
	Add: Int/ other expenses on 54EC Bond Issue (deficit transfer from Sch-3)		10,00,870.36	98,872.15			10,99,742.51						10,00,870.36	10,99,742.51	
	Add: Tax Free Bond Exps-Recurring		1,894.19	(45.53)			1,848.66						1,894.19	1,848.66	
	Add: Bond Issue Expenses		1,371.49	69.16			1,440.65						1,371.49	1,440.65	
	Add: Interest on Tax Free Bonds		20,60,546.09	2,09,995.14			22,70,541.23						20,60,546.09	22,70,541.23	
	Add: Interest on Taxable Bonds/ Masala Bonds & MSSF Loan		52,00,245.70	16,40,752.59			68,40,998.29						52,00,245.70	68,40,998.29	
	Add: Int on Govt Loan/OD		10,31,468.70	6,08,527.02			16,39,995.72						10,31,468.70	16,39,995.72	
	Add: Net Establishment Exps. Transferred from P&L A/c		3,57,367.16	76,962.71			4,34,329.87						3,57,367.16	4,34,329.87	
	Less: CAPITAL RESERVE		(7,67,180.49)	(1,55,013.14)			(9,22,193.64)						(7,67,180.49)	(9,22,193.64)	
	Less: Intt. on Un-utilised Capital		(20,84,715.45)	(2,35,063.79)			(23,19,779.24)						(20,84,715.45)	(23,19,779.24)	
	SUB TOTAL: II		6,95,28,771.42	1,51,85,544.90	-	-	8,47,14,316.32						6,95,28,771.42	8,47,14,316.32	
	GRAND TOTAL (I) + (II)		6,95,68,997.21	1,51,87,095.04	37.62	162.24	8,47,55,967.63	14,656.16	2,327.39	1,015.47	136.15	17,862.87	6,95,54,341.04	8,47,38,104.77	758.11
	PREVIOUS YEAR: 31.03.2022		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

(₹ In Lakhs)

S. No.	PARTICULARS	Total	Completed	Ongoing
	Direct Cost	7,56,67,392.27	3,42,47,231.09	4,14,20,161.18
	Proportion		45.26	54.74
	Indirect cost	90,46,924.05	40,94,658.07	49,52,265.98
	Total Cost	8,47,14,316.32	3,83,41,889.16	4,63,72,427.16

Amritsar - Jamnagar Access Controlled Corridor



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, 2023

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
	₹ In Lakhs	₹ In Lakhs
SCHEDULE - 6		
Investment		
A. Investment in Share Capital of Subsidiary Companies:		
a) 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
b) DME Development Ltd. (43,94,00,000 equity shares, previous year 31,33,00,000 equity shares of ₹ 100 each)	4,39,400.00	3,13,300.00
Equity shares of ₹ 10 each fully paid-up in each of the following		
c) Ahmedabad-Vadodara Expressway Co. Ltd. (31,28,50,000 equity shares)	31,285.00	31,285.00
d) Visakhapatnam Port Road Co. Ltd. (3,87,00,007 equity shares)	3,870.00	3,870.00
e) National Highways Logistic Management Limited (formerly Cochin Port Road Co. Ltd. (5,79,00,000 equity shares))	5,790.00	5,790.00
f) Tuticorin Port Road Co. Ltd. (9,87,00,000 equity shares)	9,870.00	9,870.00
g) Paradeep Port Road Co. Ltd. (15,00,00,000 equity shares)	15,000.00	15,000.00
h) New Mangalore Port Road Co. Ltd. (10,39,30,000 equity shares)	10,393.00	10,393.00
i) Mormugao Port Road Co. Ltd. (19,95,00,000 equity shares)	19,950.00	19,950.00
j) National Highways InvIT Project Managers Pvt Ltd. (10,00,000 equity shares)	100.00	100.00
Less: Provision for Diminution in the value of investment in AVEXCL & CPRCL	(37,075.00)	(37,075.00)
Sub Total	5,18,243.00	3,92,143.00

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
	₹ In Lakhs	₹ In Lakhs
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	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		
M/s National Highway Infra Trust		
a) 9,56,00,000 units @ ₹ 101 each	96,556.00	96,556.00
b) 1,96,02,600 units @ ₹ 109 each	21,366.83	-
Sub Total	1,17,922.83	96,556.00
Total (Schedule 6)	6,57,280.18	5,09,813.34

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 2023

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	218.64	179.81
	iii) Advances to Contractors / Consultants		
	a) Mobilisation Advance	6,80,960.38	7,39,006.99
	b) Material Advance	11,096.60	7,212.77
	c) Fund Infusion	1,19,625.71	1,45,198.98
	iv) a) Advance against deposit works	1,33,604.04	1,22,140.11
	b) Advance for maintenance of highways	52,541.81	45,313.79
	v) Advances to Suppliers	1,653.68	(2,929.15)
	vi) Claims recoverable	12,21,164.78	10,70,425.82
	vii) Prepaid expenses	190.94	223.94
	viii) Advance Others Including Advance Income Tax (TDS)	1,52,165.30	96,779.55
	ix) Security deposits & Deposits against Court direction/ Arbitration	8,31,954.48	7,57,401.93
	x) Advance rent	41.73	37.90
	xi) Loan to Subsidiary Companies	2,80,448.82	2,53,612.82
	xii) Recoverable on account of Expenditure on Eastern Peripheral Expressways	3,76,016.84	3,75,464.89
	xiii) Reimburseble from PMCARES Fund (Oxygen Plant)	12,137.79	9,255.48
	xiv) Recoverable from MORTH (NHDP-4A Projects)	11,07,680.63	11,17,668.84
	xv) Recoverable from various Govt CALA Share	-	428.06

S. No.	PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
		₹ In Lakhs	₹ In Lakhs
	xvi) Recoverable for DME Projects		(1,78,620.14)
	xvii) Loan to contractor/consultant/others	1,78,390.18	1,89,746.78
	xviii) Application Money (Subsidiary/Associate)	5,611.10	-
	Sub Total (b)	51,65,503.45	47,48,549.17
c.	Interest accrued but not due on deposits	42,508.90	63,273.22
d.	Interest accrued and due on CALA deposits	4,594.37	4,532.75
e.	Cash & Bank balances		
	i) Cash & Cheques in hand including stamps.	2.65	2.32
	ii) Balances with Scheduled Banks		
	- Deposits accounts (excluding interest accrued & due on Deposits with CALA)	32,715.19	35,095.61
	- Current Account	2,73,479.41	2,46,288.69
	- Savings Bank Account	69,508.61	1,15,740.43
	iii) Balances with Non scheduled banks		
	- On deposits accounts (incl. interest accrued)		
	iv) Remittance in transit	-	-
	Sub Total (e)	3,75,705.86	3,97,127.04
f.	Inter Unit Account	0.00	0.00
	Grand Total	55,88,312.58	52,13,482.19

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, 2023

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
	₹ In Lakhs	₹ In Lakhs
SCHEDULE - 8		
Current Liabilities		
i) Liabilities for sundry creditors		
ii) Other liabilities	33,00,914.53	34,49,425.09
iii) Application money for 54EC Bonds	-	-
iv) Deposits held on account of others (if applicable)		
a) Sundry parties	3,78,172.56	2,72,614.68
b) Contractors	7,60,234.62	4,80,896.95
c) Suppliers	-	-
d) (As per Contra Schedule-7) Un-disbursed balances with: Central CALA A/c		
e) Payable to Subsidiary Companies	17,474.90	17,992.79
f) Payable on Kalewa-Yargi Project at Myanmar	67,334.08	55,120.73
g) Received from PMCARES Fund (Oxygen Plant)	12,386.54	12,386.54
h) Excess receipt of CALA Share from various Governments	19,725.56	
v) Payable to GOI w.e.f. 01.04.2010		
a) Toll Revenue, Shared Revenue, Negative Grant, Non-FASTag Penalty etc.	9,85,398.90	9,12,149.42
b) Other Receipts	6,909.18	8,018.42
vi) Bank Overdraft	-	-
vii) Payable to DMEDL	50,652.78	-
Total (Schedule 8)	55,99,203.63	52,08,604.62
SCHEDULE - 9		
Provisions		
i) Provisions for taxes	-	-
ii) Provisions for gratuity	6,062.44	4,953.00
iii) Provisions for Leave Salary	6,665.55	5,557.31
iv) Other provisions	-	-
Total (Schedule 9)	12,727.99	10,510.31

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	483.75	
Sale of Tender Documents	2,578.02	3,347.91
Fee for other services	108.88	-
Profit/Loss on sale of assets	5.17	4.34
Misc. Receipts	51.87	60.85
Total (Schedule 11)	3,227.70	3,413.10
SCHEDULE - 12		
Interest (Gross)		
From banks on deposits	-	0.00
From employees on advances	-	0.00
From others	6.02	0.15
Total (Schedule 12)	6.02	0.15

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 2023

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		
	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 2023

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	261.68	204.48
	Salaries Allowances other than Chairman/Members	20,761.17	18,696.81
	Salaries & Wages-Short Term Contract Employees	16,572.15	13,467.31
	Workman Staff Welfare Expenses	4,378.09	3,345.97
	Contribution to Provident Fund	1,610.45	1,430.69
	Pension & Leave Salary -Chairman & Members	2.43	22.11
	Pension & Leave Salary -others	1,949.27	1,703.75
	Gratuity	1,302.05	1,086.79
	Rent for office accommodation	1,708.19	1,592.43
	Rates and Taxes	143.60	94.44
	Repairs & maintenance	1,772.33	1,570.65
	Insurance	71.89	156.71
	Honoraria fee and other professional charges	6,702.00	5,264.64
	Travelling expenses, Conveyance	7,320.16	5,084.41
	Printing & Stationery	1,019.90	1,563.43
	Postage & Communication	612.94	642.56
	Advertisement & publicity	1,403.12	116.87
	Research & Development Expenses	1.13	-
	Remuneration to Auditors-C&AG	633.79	563.60
	Other Revenue Expenses	4,133.63	3,490.97
	Misc. Expenses	2.08	4.32
	Total (Schedule 15)	72,362.04	60,102.96

S. No.	PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
		₹ In Lakhs	₹ In Lakhs
SCHEDULE - 16 FINANCE CHARGES			
i)	Interest		
	On overdraft	-	-
	On Loans from banks	-	-
	On Tax deducted at Source	6.28	-
	On Others	9.64	-
	On Bonds/Debentures	-	-
	On Loans from Govt. of India	-	-
ii)	Discounting Charges		
iii)	Guarantee Commission/Bank charges	95.92	44.25
iv)	Bond Issue Expenses		
	Total (Schedule 16)	111.84	44.25
SCHEDULE - 17			
	Prior Period Adjustments		
	Prior period income - (Credit)	(15.16)	(16.90)
	Prior period Expenses - Debit	5,383.13	3,794.40
	Total (Schedule 17)	5,367.97	3,777.50

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	19,924.19	17,808.25
	ii) Chairman & Members	261.68	204.48
	iii) Salary & Wages-Short-Term Contract Employees	16,572.15	13,467.31
	iv) Over Time Allowance	0.48	-
	v) Rent for Residence/License fee	151.44	266.64
	vi) Bonus	6.02	9.69
	vii) Incentives	14.88	22.34
	viii) Leave Encashment	192.50	138.21
	ix) Ex-gratia	471.67	451.68
	Sub Total (a)	37,595.00	32,368.61
b)	Workman Staff Welfare Expenses		
	i) Medical reimbursement	1,457.51	1,421.73
	ii) Staff Welfare:		
	Welfare expenses	932.08	826.63
	Kitchen, Utencil & Appliances	9.86	6.62
	iii) Seminar/Training expenses	1,807.05	1,025.27
	iv) LTC	171.59	65.72
	v) Liveries	-	-
	Sub Total (b)	4,378.09	3,345.97
c)	Contribution to:		
	i) Provident Fund	1,610.45	1,430.69
	ii) Pension & Leave salary Members & Chairman	2.43	22.11
	iii) Pension & Leave salary Others	1,949.27	1,703.75
	iv) Others-Gratuity	1,302.05	1,086.79
	Sub Total (c)	4,864.19	4,243.34
d)	Repairs & Maintenance		
	i) R & M Office Building	632.56	586.69

S. No.	PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
		₹ In Lakhs	₹ In Lakhs
	ii) R & M Office Equipments	105.23	108.85
	iii) R & M Light vehicles	11.24	5.33
	iv) R & M Others	94.13	115.70
	v) R & M Computer & EDP	929.17	754.09
	Sub Total (d)	1,772.33	1,570.65
e)	Insurance		
	i) Light Vehicles	0.10	-
	ii) Others	71.79	156.71
	Sub Total (e)	71.89	156.71

Access Controlled Bengaluru Ring Road



NATIONAL HIGHWAYS AUTHORITY OF INDIA

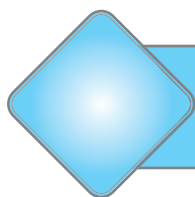
G-5 & 6, Sector-10, Dwarka
NEW DELHI - 110 075

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	6,070.40	4,681.64
	iii) Honoraria fee	6.49	11.48
	iv) Legal, & Statutory fee	557.13	467.12
	v) Professional charges	-	-
	vi) Internal Audit fee	67.97	104.40
	Sub Total (f)	6,702.00	5,264.64
g)	Travelling Expenses		
	i) Local conveyance	5,613.32	3,984.53
	ii) Travelling Expenses (India)	1,703.34	1,099.89
	iii) Travelling Expenses (Abroad)	3.51	-
	Sub Total (g)	7,320.16	5,084.41
h)	Printing & Stationery Postage & Communication		
	i) Printing & stationery	1,019.90	1,563.43
	ii) Postage, Telegram including air freight	145.49	132.91
	iii) Telephones & Telex	467.45	509.65
	Sub Total (h)	1,632.84	2,205.99
i)	Remuneration to Auditors - C&AG		
	i) Audit fee	603.32	548.47
	a) For taxation	-	-
	b) For other services	-	-
	ii) Reimbursement of Travelling & out of pocket expenses	30.47	15.13
	Sub Total (i)	633.79	563.60
j)	Other Revenue Expenses		
	i) Entertainment Expenses	-	-
	ii) Tender bond expenses	-	-
	iii) Membership fee	31.80	5.30
	iv) Publications, Books & Newspaper	94.64	23.81

S. No.	PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
		₹ In Lakhs	₹ In Lakhs
	v) Donation	-	-
	vi) Sundry balances written off	0.36	0.00
	vii) Staff recruitment expenses	26.71	2.69
	viii) Deficit from Seminars/Trg. organised (Net)	-	-
	ix) Security expenses/Short-Term Contract Staffs	2,126.79	2,223.99
	x) Electricity & Water charges	1,361.21	1,235.18
	xi) Gifts & Presents	4.28	-
	xii) Conference/Conclave Expenses	487.85	-
	Sub Total (j)	4,133.63	3,490.97
k)	Miscellaneous office expenses	2.08	4.32
l)	Rent	1,708.19	1,592.43
m)	Rates & Taxes	143.60	94.44
n)	Research & Development Expenses	1.13	-
o)	Advertisement & Publicity	1,403.12	116.87
	GRAND TOTAL	72,362.04	60,102.96

Delhi Vadodara Expressway





SCHEDULE-18

Significant Accounting Policies 2022-23

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 for 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 (Gol)

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".

"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.

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 (Gol) have not been accounted for / capitalized in absence of information on transfer price. Authority being an executing agency of Gol, holds the highways projects developed by it on behalf of Gol, 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

Item of Fixed Asset	Rate of Depreciation (%) per annum
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-

- 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.
- 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.
- 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, TOT and InvIT Proceed

- 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, to be kept in a separate account for repayment of debt."

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.

Delhi Vadodara Expressway



SCHEDULE-19

Notes to Accounts 2022-23

1. During the year Authority has been designated as Central Nodal Agency (CNA) under the Central Sector Scheme for "National Highways Authority of India (NHAI)" and Sub Nodal Agency (SNA) for "Road Works" by Government of India. Treasury Single Accounts (TSA) have been implemented for both the schemes and is being operated through RBI using the Government of India payment gateway portal "Public Financial Management Systems" (PFMS).
2. **Capital** - An amount of ₹ 1,10,673.92 crore (previous year ₹ 36,210.00 crore) has been received from the Government of India as Cess Fund and additional budgetary support of ₹ 19,785.83 crore towards development of National Highways (O) and Other Works (previous year ₹ 16,142.18 crore). Government of India has provided ₹ 18,005.62 crore (previous year ₹ 12,670.00 crore) towards plough back of toll remittances and ₹ 10,000.00 crore (previous year ₹ 5,000.00 crore) towards Plough Back of Toll, Operate & Transfer (TOT). Authority has received ₹ 2,849.67 crore (Previous year ₹ 7,350.40 crore towards InvIT phase-I project) from National Highways Infra Projects Private Limited (NHIPPL) as concession fee for InvIT phase – II project. These amounts have been credited to the Capital Account.
3. **Capital Grant**- During the year ₹ 200.00 crore (previous year ₹ 1,000.00 crore) has been received from Japan International Cooperation Agency (JICA) aided projects.
4. **Maintenance Fund** - An amount of ₹ 1,825.00 crore (previous year ₹ 1,872.76 crore) has been received during the year from MoRTH towards maintenance of National Highways and ₹ 10.00 crore (previous year ₹ nil) towards Research & Development. Amount spent on maintenance of highways during the year is ₹ 3,482.83 crore (previous year ₹ 2,111.48 crore).
5. **Swachhta Action Plan** – During the year an amount of ₹ 96.77 crore (previous year ₹ 48.95 crore) has been received from MoRTH towards grant for Swachhta Action Plan and ₹ 0.95 crore (previous year ₹ 1.50 crore) have been spent on it.
6. **Interest on unutilized capital, loans & advances** - Cumulative interest received on unutilized capital and loans & advances to contractors/consultants etc. till date amounts to ₹ 23,197.79 crore (up to previous year ₹ 20,847.15 crore).
7. **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.

8. 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 ₹ 312.40 crores (USD 37.79 million @ ₹ 82.6675/USD) as on 31.03.2023 and the same has been included under 'Borrowings'. Interest charges amounting to ₹ 10.87 crore on loan (previous year ₹ 7.14 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 ₹ 0.78 crore (previous year ₹ 0.96 crore) in respect of Government of India guarantee has also been made in the books.

9. Toll Remittances & Plough Back –

There are 829 toll plazas across the country. Out of which NHAI is collecting toll at 438 Public Funded Plazas, 36 BOT (Annuity) plazas, 43 HAM plazas and 30 OMT plazas. In case of 250 BOT (Toll) plazas, 20 TOT plazas and 12 InvIT plazas toll is being collected by the concessionaire.

As per the direction of Ministry of Finance from 01.04.2010 onwards, the toll revenue, shared revenue and negative grant collected by NHAI, except for matters under arbitration or court cases, are deposited into the Consolidated Fund of India (CFI). Government of India provides fund from Permanent Bridge Fee Fund (PBFF) as investment in NHAI in line with the amount deposited into CFI.

During 2022-23 NHAI has deposited a total amount of ₹ 21,608.90 crore (toll revenue ₹ 16,636.27 crore, shared revenue ₹ 2,059.19 crore, negative grant ₹ 2,559.70 crore and Non-FASTag penalty and interest ₹ 353.74 crore) in Consolidated Fund of India as per the direction of Ministry. Corresponding figures for 2021-22 is ₹ 13,962.83 crore (toll revenue ₹ 10,743.06 crore, shared revenue ₹ 1,989.94 crore, negative grant ₹ 1,153.25 crore and Non-FASTag penalty and interest ₹ 76.58 crore). In some cases where the matter is pending under arbitration/court cases amount collected at toll plaza are not being deposited in CFI.

Approval with respect to the accounting entries made for transfer of ₹ 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.

10. Toll Operate and Transfer (TOT) –

During the year Authority has received concession fee of ₹ 10,662.10 crore (₹ 1,251.00 crore, ₹ 6,267.10 crore and ₹ 3,144.00 crore) towards bundle V A (ii), VII and IX respectively (previous year ₹ 1,011.00 crore) from Concessionaire of ToT and deposited the same into CFI.

11. 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 ₹ 797.58 crore (previous year ₹ 5,028.45 crore).

Cumulative expenses on issue of 54-EC Bonds amounts to ₹ 126.56 crores up to 31.03.2023 (up to previous year ₹ 118.96 crores) and cumulative interest on 54 EC bond up to 31.03.2023 amounts to ₹ 10,885.81 crore (up to previous year ₹ 9,904.67 crore).

b) Tax Free Bonds – During the year neither fresh tax free bonds have been issued nor any repayment of existing bonds have been made.

- c) **Taxable Bonds** - During F.Y. 2022-23, Authority has raised Rs Nil (previous year ₹ 17,120.70 crore) through taxable bonds and repaid ₹ 2,375.00 crore during the year (previous year ₹ 9,045.00 crore) pertaining to 2017-18 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. This has been repaid on maturity in 2022-23.
- e) **Loan from National Small Saving Fund (NSSF, MoF, GOI)** – Authority, during 2022-23 has not raised new loans from National Small Saving Fund.
- f) **Term loan** - During the year Authority has swapped term loans of ₹ 9,000.00 crore (ICICI Bank ₹ 2,500.00 crore, PNB ₹ 2,500.00 crore, HDFC Bank ₹ 2,000.00 crore, Axis Bank ₹ 1,000.00 crore and IndusInd Bank ₹ 1,000.00 crore) by taking new term loan of ₹ 9,000 crore (₹ 5,000 crore from Bank of Baroda and ₹ 4,000 crore from Canara Bank) at lower interest rate. Authority has repaid ₹ 1,142.86 crore to SBI towards installments of term loan.

Borrowing shown under 'Secured' category are secured through a mortgage over the property of NHAI situated at Ahmedabad and the 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 Section 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 2022-23 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 31.03.2023, no investor complaint was pending for redressal.

- 12. **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 ₹ 738.68 crore, which were in various stages of construction, to other entities. Pending direction from MoRTH such transfers have not been accounted for.
- 13. **Provision for Gratuity and Leave Salary** - Provision for accrued liability for Gratuity and Leave encashment as per Payments of Gratuity Act, 1972 and NHAI Rules to the tune of ₹ 127.28 crore (last year ₹ 105.10 crore) as on 31.03.2023 has been made in the books. Accordingly, existing FDR of ₹ 105.10 crore, representing accrual up to previous year, is increased to ₹ 127.28 crore.
- 14. **Land** – During the year 3A and 3D notifications have been issued in respect of 46,544.60 hectares and 25,751.40 hectares of land. Land acquired by NHAI for construction of highways are mutated in the name of Government of India. The process of mutation is in various stages. Out of the 1,40,293.00 hectare of land acquired by Authority, mutation of land in respect of 81,851.00 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 ₹ 24,635.27 crore is lying undisbursed in the remaining bank accounts and Central CALA accounts. Authority is using Bhoomi Rashi Portal of Gol for payment of land acquisition compensation.

- 15. 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 2021-22. During FY 2022-23, Authority has received ₹ 71.31 crore and ₹ 0.02 crore (as part refunds) towards principal & interest for FY 2019-20 & 2020-21. Apart from some previous claims, refund of ₹ 59.52 crore (FY 2018-19), ₹ 1.33 crore (FY 2019-20), ₹ 52.25 crore (FY 2020-21) and ₹ 46.90 crore (FY 2021-22) is under process / appeal / rectification with IT Authorities.

- 16. 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

- 17. Investments in Subsidiaries, Associate and other entities –**

During the year NHAI has invested ₹ 1,261.00 crore towards equity of DMEDL raising its total investment in DMEDL to ₹ 4,394.00 crore. Further ₹ 213.67 crore has been invested in 1,96,02,600 units of the National Highways Infra Trust (NHIT) @ ₹ 109 per unit raising its total investments in NHIT to ₹ 1,179.23 crore.

- a) Investments of NHAI in the loss-making subsidiaries were valued by professional valuers in 2016-17. On the basis of valuers 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. Bids for fresh valuation of investment, as observed by Audit, were invited but could not materialize.

Investment	(₹ in Crore)	
	31.03.2023	31.03.2022
Subsidiary Companies	5,553.18	4,292.18
Less: Provision for diminution	(370.75)	(370.75)
Net	5,182.43	3,921.43
Associate Companies	211.14	211.14
Other entities	1,179.23	965.56
Total	6,572.80	5,098.13

- b) During the year Visakhapatnam Port Road Co. Ltd. has paid a dividend of ₹ 4.84 crore to NHAI @ 12.5% on its investment.

- c) The winding up application for Ahmedabad Vadodara Expressway Ltd. (AVEXL) is pending with National Company Law Tribunal (NCLT).
- d) Following are the details of loan and advances in the nature of loan to Subsidiaries & Associates Companies as on 31.03.2023-

Loans (₹ crore)

Name of Subsidiary/Associate	Current year	Previous year
Ahmedabad-Vadodara Ex. way Co. Ltd.	5.29	5.29
Mormugao Port Road Co. Ltd.	112.30	104.33
Visakhapatnam Port Road Co. Ltd.	(0.28)	0.70
Calcutta-Haldia Port Road Co. Ltd.	937.70	692.78
Chennai-Ennore Port Road Co. Ltd.	0.69	18.32
National Highways Logistic Management Limited (formerly Cochin Port Road Co. Ltd)	291.81	272.54
Tuticorin Port Road Co. Ltd.	267.53	268.46
Paradeep Port Road Co. Ltd.	688.20	680.57
New Mangalore Port Road Co. Ltd.	501.24	493.13
Total	2,804.48	2,536.12

18. Deposits, Loans & Advances -

- a) **Eastern Peripheral Expressway** - Against a deposit of ₹ 2,000.25 crore received from the state of Delhi, Haryana and Uttar Pradesh, Authority has spent ₹ 5,760.42 crore on Eastern Peripheral Expressway thus the recoverable from the states of Delhi, Haryana and Uttar Pradesh stands at ₹ 3,760.17 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, 2023 is ₹ 11,076.81 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 Km) 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 2023, Authority has received ₹ 642.38 crore towards EPC expenditure and ₹ 30.96 crore towards PMC expenditure respectively and has achieved financial progress of 42.75%.
- d) **Delhi- Mumbai Expressway** - DME Development Ltd (DMEDL) is a fully owned subsidiary of NHAI. NHAI and DMEDL have entered into a concession agreement and an implementation agreement for development of Delhi Mumbai Expressway project. NHAI has issued Letter of Comfort (LoC) to the effect that it will maintain the debt equity ratio of DMEDL by infusing further equity and support the repayment by making periodic equity payments. NHAI is

executing this project through various EPC and HAM contracts. Up to 31.03.2023 NHAI has executed projects worth ₹ 33,054.47 crore and DME Development Ltd. has paid ₹ 33,561.00 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 Nileschwaram ROB in the state of Kerala. Against a deposit of ₹ 1,278.05 crore received from Kerala Government, NHAI has spent Rs.1,080.80 crore on Land acquisition.

19. 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.

20. 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 ₹ 2,41,151.22 crores are required to be paid by the Authority. Out of this, an amount of ₹ 50,054.90 crores (up to previous year ₹ 44,554.76 crore) have been paid till 31.03.2023.
- 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 ₹ 13,150.58 crores (up to previous year ₹ 5,971.64 crore) have been paid till 31.03.2023.

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

21. 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 lakh towards compensation to the land holders. If any financial consequences arise in future Punjab Government is liable to pay.

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

23. 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.

24. 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 ₹ 1,196.25 crore.

25. 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	2022-23	2021-22
Agency charges - Opening balance	5,067.45	4,379.73
Add: Agency charges for the Year	1,624.57	1,313.37
Total	6,692.02	5,693.10
Less: Net Administrative expenses for the year	769.63	625.65
Agency Charges: Closing Balance	5,922.39	5,067.45

26. 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 2023 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.

27. 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 was submitted to MoRTH in March, 2022. Office of C&AG has accepted majority of the changes (31 out of 43) proposed by NHAI/MoRTH. However, in absence of formal communication, the format used for previous year has been continued.

28. Regrouping and rounding – Previous year's figures, wherever necessary, have been regrouped and rearranged to make them comparable with current year figures. Except schedule-19, all figures are in lakh rupees and there might be rounding off difference up to 0.01 lakh in the financial statements. In the Notes to Accounts (Schedule 19), for ease of understanding and explanation, figures have been presented in crore.

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

- On the close of financial year total numbers of pending Arbitration cases are 140 involving claim of ₹ 1,16,072.00 crore & USD Nil (previous year ₹ 1,04,076.84 crore & USD 71,205) by Contractors/ Concessionaires. In addition to this there are 219 court cases involving ₹ 28,863.52 crore (previous year ₹ 16,753.58 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 ₹ 8,109.88 crore (previous year ₹ 7,294.95 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.
- Authority has so far issued Letters of Credits to the tune of ₹ 619.48 crore (previous year ₹ 619.48 crore) for payment of annuities.
- The total estimated value of EPC, BOT(HAM), Consultancy and O&M contracts remaining to be executed as on 31.3.2023 are ₹ 80,240.60 crore, ₹ 2,20,609.58 crore, ₹ 2,771.23 crore and ₹ 16,369.39 crore respectively. Corresponding figures for previous year are ₹ 76,911.36 crore, ₹ 2,51,305.64 crore, ₹ 2,701.04 crore and ₹ 14,642.44 crore respectively.

Place : New Delhi.
Date : 28.07.2023

For and on behalf of the Board of the Authority



Member (Finance)



Chairman

Telangana Ramsanpalle village to Mangloor



**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 2023**

S.No.	Audit Report	Management Reply
1.	We have audited the attached Balance Sheet of the National Highways Authority of India (NHAI) as at 31 March 2023 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 226 units (200 Project Implementation Units, 25 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 principles 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;	I No comments.

S.No.	Audit Report	Management Reply
	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;	II The format of accounts was prescribed by Government of India in consultation with the office of C&AG in the year 1992. During past 32 years the accounting requirements of NHAI has changed. Accordingly, NHAI had suggested 46 changes in the format of accounts. Office of C&AG, vide letter dated 12.04.2023, has accepted 39 changes in the format of accounts. NHAI has incorporated all the 39 changes that have been accepted other issues are under deliberation.
	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 financial statements prepared when compared to the approved format of accounts:	III Books of accounts and other relevant records, as required under the Rules, have been properly maintained using computerized accounting system. a) Remaining seven changes related to the format of accounts, which have not been accepted by the office of C&AG, have been referred to the Expert Advisory Committee of ICAI for expert opinion on the matter. Presently it is under the consideration of EAC of ICAI.
2.	(i) Assets held on behalf of GoI (completed & ongoing) amounting to ₹8,47,143.16 crore are being shown as a separate head in the Balance Sheet of NHAI. However, the same 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	(i) This is one of the unresolved issues related to format of accounts and presently under consideration of EAC of ICAI. If the old 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. Further, as per the format 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 in the

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	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, depicting these as its assets without corresponding change in the NHAI Act and change in approved format of accounts, 1992, recognizing them as Assets held on behalf of Gol (completed and ongoing) amounting to ₹8,47,143.16 crore in NHAI's Balance Sheet was not correct. This issue was raised in earlier year(s) also by Audit. However, no corrective action has been taken by the management.	<i>past, both have opined that NHAI is not the owner of highways and the road projects developed by NHAI are not NHAI's assets.</i> <i>This issue 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>
3.	(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 ₹769.63 crore with respect to Net Establishment Expenses for the year. Also, the significant accounting policy no. 6 is deficient to that extent. This issue was also raised in earlier year(s) by Audit. However, no corrective action has been taken by the management.	(ii) <i>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-</i> <i>"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.</i>

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4.	IV We further report that: A Balance Sheet 1 Sources of Funds 1.1 Shareholder's Fund (a) Capital (Schedule 1): ₹ 4,95,321.32 crore (i). As per the approved Format of Accounts, the Grant-in-aid received for maintenance of highways and expenditure incurred thereon should be accounted for in Profit and Loss Account. However, NHAI in contravention to this, has adjusted the Maintenance Grant and Expenditure incurred on operation and maintenance of highways against Capital Account (Plough back of Toll Remittance, etc.). During the year 2022-23, NHAI has incurred an amount of ₹4,650.84 crore being the total expenditure on maintenance of highways (₹3,482.83 crore on maintenance of highways and ₹1,168.01 crore on toll collection activities). Against this, during 2022-23, MoRTH has released a grant of ₹1,825 crore for maintenance of highways. After adjusting ₹136.46 crore of 'Other Receipts from Operation & Maintenance of Highways', balance amount of ₹ 2,689.38 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 ₹2,689.38 crore. This issue was raised earlier 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 (a) Capital (Schedule 1): ₹ 4,95,321.32 crore (i) <i>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".</i> <i>Thus, there is no understatement of Loss for the year and Shareholder's Fund-Capital by Rs. 2689.38 crore as stated by Audit.</i> <i>This issue has been referred to the Expert Advisory Committee (EAC) of ICAI for expert opinion on the matter and is presently under their consideration.</i>
5.	(iii) The above does not include ₹ 62.50 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 ₹62.50 crore.	(iii) <i>Treatment of assets purchased or constructed for toll collection activities is regulated by the provisions of Significant Accounting Policy (Schedule-19) sl. no. 8 (last para), which provide as under-</i> <i>"Assets purchased or constructed for toll collection activities are classified under expenditure on Toll collection activities and are set off against plough back of toll remittance therefore are not subjected to depreciation".</i>

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	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'. The Significant Accounting Policy is deficient because the assets purchased or constructed is a capital expenditure and accordingly should have been capitalized instead of adjusting from plough back of toll remittances. This issue was also raised in earlier year by Audit. However, no corrective action has been taken by the management.	
6.	(b) Reserves & Surplus (Schedule 2): ₹ Nil The above does not include an amount of ₹ 9,221.93 crore being the Capital Reserve which was transferred and shown as deduction from Assets held on behalf of Gol (Schedule 5). As per accounting principles, the same should be shown as part of the Reserves & Surplus because Capital Reserve is created out of capital profits. This has resulted in understatement of Reserves & Surplus and Assets held on behalf of Gol by ₹9,221.93 crore. This issue was also raised in earlier year(s) by Audit. However, no corrective action has been taken by the management.	(b) Reserve & Surplus (Schedule 2): Rs Nil (i) <i>The treatment of Capital Reserve is based on the Significant Accounting Policy No. 6 (Schedule-19) of the Authority and is consistently being followed. This policy provides -</i> <i>"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".</i> <i>Thus, there is no understatement of Reserve & Surplus' and 'Assets held on behalf of Gol' by Rs 9221.93 crore.</i>
7.	1.2 Borrowings (Schedule 4): ₹ 3,43,114.24 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	1.2 Borrowings (Schedule 4): ₹ 3,43,114.23 crore (i) <i>As per the provisions of Rule 9, of NHAI Rules 1990, reserve is required to be created out of income of Authority. NHAI being an executing agency of Government of India, does not have any source of income except sale of tender</i>

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	exceed thirty years. NHAI might apply the whole or any part of the sums accumulated in the reserve fund in or towards the discharge of the loan liabilities for repayment of which the fund was established. Provided that Authority paid into the fund each year and accumulated until the whole of the money borrowed was discharged, a sum equivalent to the interest which would have been produced by the reserve fund or part of the reserve funds so applied. As on 31 March 2023, an amount of ₹ 3,43,114.24 crore was payable by NHAI, towards bond holders of Capital Gain Tax Free Bonds-54EC, Tax free Secured Redeemable Non-Convertible Bonds, Taxable Bonds, Loan from Asian Development Bank and other unsecured loans from various Banks. 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.	documents and some petty administrative income. Annually the salary and other administrative expenses are more than the income of the Authority. This excess, as per policy of NHAI, is added to project costs to find out the total cost of project development. In absence of any income/profit, it is not possible to create Reserve fund out of profit. However, the Cabinet Committee in the year 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, to be kept in a separate account for repayment of debt." (Significant Accounting Policy no. 11 (b), Schedule-18).
8.	2 Application of Funds: 2.1 Assets held on behalf of Gol (Schedule 5): ₹ 8,47,143.16 crore (i) The above includes ₹25,581.70 crore being the borrowing cost capitalised to Assets held on behalf of Gol (completed and ongoing projects). As per Para 19 of AS 16 relating to Borrowing Cost "Capitalisation of borrowing costs should cease when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete". The borrowing costs on completed projects, in contravention to GAAP is not being routed through Profit & Loss Account. As NHAI is not maintaining project-wise details, Audit could not verify the correctness of Borrowing Costs amounting to ₹ 25,581.70 crore allocated to Assets held on behalf of Gol (completed	2 Application of Funds: 2.1 Assets held on behalf of Gol (Schedule 5): Rs 847381.04 crore (i) Treatment of borrowing cost is based on the Significant Accounting Policy no.6 which inter alia provides as under- "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.

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	& ongoing) during the year 2022-23. Total Borrowing Costs amounting to ₹1,18,545.67 crore has been allocated to completed and ongoing projects till 31 March 2023. This issue was raised in earlier year(s) also by Audit however, no corrective action has been taken by the management.	<i>Further, on the basis of request made by office of C&AG, Expert Advisory Committee (EAC) of the Institute of Chartered Accountants of India (ICAI) has opined in the past that in case of NHAI the question of capitalization of borrowing costs to the projects do not arise.</i>
9.	(ii) The above includes ₹ 23,197.79 crore under the head 'Interest on unutilized capital', representing cumulative interest received on unutilized capital and loans and advances to contractor/consultants, etc. As per General Financial Rules (GFR) 2017 Rule 230 (8), 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. NHAI earned interest on unutilized capital ₹2,350.64 crore during the financial year 2022-23. 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 in understatement of Current Liability (Payable to GoI) and understatement of Assets held on behalf of GoI to the extent of interest earned on Grants received during the year. Further, interest earned on Grants received from 2017-18 to 2021-22 has not been reconciled and deposited in CFI. In this context, a reference is invited to significant accounting policy no. 3 on 'Capital Grant' which stipulates that 'Interest earned on the unutilized Grant is credited to interest on unutilized capital'. Also, the Accounting Policy is deficient and is in contravention of provisions of GFR. This issue was raised earlier also by Audit, however, no corrective action has been taken by the management.	(ii) <i>The provisions of Rule 230 (8) of GFR are applicable in case of Grant-in-aid. Whereas the interest under question is mainly earned on unutilized fund (capital) provided by the Government of India as investment in NHAI under the Capital head 5054 – "Capital Outlay on Road and Bridges (Major Head)".</i> <i>Treatment of interest on unutilized funds is based on following two provisions-</i> <i>Section 18 of The National Highways Authority of India Act 1988 -</i> <i>"Fund of the Authority-</i> <i>There shall be constituted a Fund to be called the National Highways Authority of India Fund and there shall be credited thereto -</i> <i>any grant or aid received by the Authority;</i> <i>any loan taken by the Authority or any borrowings made by it;</i> <i>any other sums received by the Authority.</i> <i>The Fund shall be utilized for meeting –</i> <i>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</i> <i>Significant Accounting Policy no. 6. Capital Grant-</i>

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		<i>"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.</i> <i>Policy at sl. 2 above is based on the provisions of Section 18 of NHAI Act, 1988 and consistently being followed for past many years.</i>
10.	(iii) The above includes ₹ 23.72 crore being the consultancy charges paid during the year 2022-23 to Independent Engineer for Operation and Maintenance projects. This expenditure being revenue in nature, should have been accounted for 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 ₹ 23.72 crore. This issue was raised earlier also by Audit, however, no corrective action has been taken by the management.	(iii) Details of Rs. 23.72 crore, as provided by Audit, is spread across various units of Authority. The individual payment details given in the list were reviewed to find out the factual position. On scrutiny of data, it has been found that the items of expenditure shown in the list pertain to payment of consultancy fee (NHAI share) to various consultants under the concession agreements for BOT (Toll), BOT (Annuity) and HAM projects for construction of projects which have entered the operation and maintenance phase. Since these payments are flowing from the concession agreements which have originally been executed for construction of a particular project, therefore, regardless of the phase of project (i. e. construction/ maintenance) payment of consultancy fee has been booked under GLC code 3306-CWIP Supervision Consultancy. This is consistently being done since beginning, therefore, there is no overstatement of Assets held on behalf of Gol and understatement of Expenditure on Maintenance of Highways by ₹ 23.72 crore.

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11.	(iv) The above does not include an amount ₹ 6.24 crore incurred on expenditure on green belt development and expenditure incurred on development of toilet facility. This has resulted in overstatement of Expenditure on maintenance of Highways and understatement of Assets held on behalf of Gol by ₹ 6.24 crore.	(iv) Expenditure of ₹ 6.24 crore has been booked under expenditure on maintenance of highways. This will be examined and, if required, corrected in the current financial year.
12.	(v) The above includes an amount ₹ 3.82 crore incurred on expenditure on maintenance of highways. This has resulted in understatement of Expenditure on maintenance of Highways and overstatement of Assets held on behalf of Gol by ₹ 3.82 crore.	(v) Expenditure of ₹ 3.82 crore has been booked under Assets held on behalf of Gol. This will be examined and, if required, corrected in the current financial year.
13.	2.2 Investment (Schedule 6): ₹ 6,572.80 crore The above 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 17, NHAI got the valuation of its investments in loss-making subsidiaries done by professional valuer in 2016-17 and a provision for diminution in the value of investment 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. 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. This issue was also raised in earlier year(s) by Audit. However, no corrective action has been taken by the management.	2.2 Investment (Schedule 6): Rs 6,572.80 crore 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. 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 investments. Another exercise for valuation of NHAI's investments in its subsidiary companies was taken up in 2022-23. However, the bid for appointment of valuer could not materialize within the time available for finalization of accounts for FY 2022-23. On the request of Audit, the bid documents for appointment of valuer for FY 2023 were made available to Audit for inspection.

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14.	2.3 Current Assets, Loans and Advances (Schedule 7): ₹ 55,883.12 crore Deposits, Loans & Advances: ₹ 51,655.03 crore (i) The above includes an amount of ₹11,076.81 crore being the amount recoverable from MoRTH on account of payment made by NHAI to various State Government Agencies on the instruction issued by MoRTH in June 2016 for development of various National Highways Projects. In this regard, no MoU has been signed between MoRTH and NHAI. Further, in September 2018, MoRTH issued an office memorandum stating that fund allocation for projects being implemented through State PWDs for which payments are being made by NHAI shall henceforth be made by Ministry for such States out of overall NH release of cess under NHAI (Investment) and the allocation of cess for NHAI shall be reduced to that extent. This amount is appearing in the books of NHAI in spite of no assurances received from MoRTH. Hence, the recognition of amount recoverable from MoRTH by NHAI in its books of account amounting to ₹11,076.81 crore is not correct. This has resulted in overstatement in Current Assets, Loans and Advances by ₹11,076.81 crore and understatement of loss to the same extent. This issue was raised earlier also by Audit, however, no corrective action has been taken by the management.	2.3 Current Assets, Loans and Advances (Schedule 7): ₹ 55,883.12 crore Deposit Loans & Advances: ₹ 51,655.03 crore (i) <i>Payment for development of NHDP phase-IV projects have been made on the basis of direction of Government of India out of the funds provided by it. In absence of any specific accounting guidelines from MoRTH it has been shown as "Recoverable from MoRTH".</i> <i>MoRTH vide letter dated 10th September 2018 has stopped the earlier arrangement and decided that NHAI shall not release any payment to contractors if projects are not being executed by NHAI directly.</i> <i>Thus, the present treatment of expenditure as "Recoverable from MoRTH" is correct. NHAI intends to take appropriate decision on accounting of this expenditure in consultation with MoRTH. Accordingly, letter dated 03.02.2020, followed by subsequent reminder, was written to MoRTH to reimburse ₹ 10,227.21 crore or issue necessary accounting guidelines for adjustment of the same. On request, copy of these letters were given to Audit.</i> <i>Till the time a decision on the matter is taken by MoRTH, the most appropriate presentation in the books of Authority is to show this amount as recoverable from MoRTH.</i>

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15.	(ii) The above includes an amount of ₹5.29 crore disbursed as loan by NHAI to its subsidiary viz. Ahmedabad-Vadodara Expressway Company Limited (AVEXCL). In view of NHAI Board's in-principle approval during 2018-19 to wind up the subsidiary and provision being already made for diminution in value of entire investment in the subsidiary by NHAI, the provision on the loan of ₹5.29 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 ₹5.29 crore. This issue was also raised in earlier year(s) by Audit. However, no corrective action has been taken by the Management.	(ii) In a similar case in-principle decision for winding up of another subsidiary of NHAI (MTRCL) was taken by the Board, however, the accounting entries including writing off loan was made in the books of Authority in 2021-22 only after the decision of National Company Law Tribunal (NCLT). The matter related to winding up of AVEXCL is presently under the consideration of NCLT. Based on the decision of NCLT necessary accounting entries shall be made in the books of Authority.																		
16.	(iii) Current Assets, Loans and Advances (Schedule 7): ₹ 55,883.12 crore The above does not include an amount of ₹85.60 crore which was recoverable as on 31 March 2023 from various concessionaires/contractors and Government agencies as detailed below: <table border="1"> <thead> <tr> <th>S r. No.</th><th>Particulars</th><th>Amount (₹ in Crore)</th></tr> </thead> <tbody> <tr> <td>1.</td><td>Understatement of reimbursement from PMCARES fund (oxygen plant)</td><td>0.73</td></tr> <tr> <td>2.</td><td>Toll amount Recoverable from concessionaire</td><td>14.71</td></tr> <tr> <td>3.</td><td>Receivable from JDA & M/s Rama civil India Construction Pvt. Ltd</td><td>0.21</td></tr> <tr> <td>4.</td><td>Claims recoverable from contractor/concessionaire.</td><td>69.95</td></tr> <tr> <td></td><td>Total</td><td>85.60</td></tr> </tbody> </table> This has resulted in understatement of 'Claims recoverable and understatement of 'Liability payable to Gol' by ₹85.60 crore.	S r. No.	Particulars	Amount (₹ in Crore)	1.	Understatement of reimbursement from PMCARES fund (oxygen plant)	0.73	2.	Toll amount Recoverable from concessionaire	14.71	3.	Receivable from JDA & M/s Rama civil India Construction Pvt. Ltd	0.21	4.	Claims recoverable from contractor/concessionaire.	69.95		Total	85.60	(iii) Current Assets, Loans and Advances (Schedule 7): Rs 55883.12 crore Audit is assured that at the time of finalization of next annual accounts existing system will be reviewed and streamlined to avoid such mistakes in future.
S r. No.	Particulars	Amount (₹ in Crore)																		
1.	Understatement of reimbursement from PMCARES fund (oxygen plant)	0.73																		
2.	Toll amount Recoverable from concessionaire	14.71																		
3.	Receivable from JDA & M/s Rama civil India Construction Pvt. Ltd	0.21																		
4.	Claims recoverable from contractor/concessionaire.	69.95																		
	Total	85.60																		

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17.	2.4 Current Liabilities and Provisions Liabilities (Schedule 8): ₹ 55,992.03 crore (i) The above does not include ₹78.44 crore being the liability in respect of invoice raised by M/s Indian Highways Management Company Limited (IHMCL) on NHAI for the month of March 2023 on account of fee collected electronically. This has resulted in understatement of Current Liabilities and Provision and understatement of Expenditure on Toll Collection Activities by ₹78.44 crore.	2.4 Current Liabilities and Provisions Liabilities (Schedule 8): Rs 55,992.03 crore (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 2021 and payable to IHMCL are concerned, it is intimated that those expenditure are met by IHMCL out of the monthly advances paid to them by NHAI for providing these services. Therefore, making provision for liability was not considered.
18.	(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. (a) As per the terms of the agreement, Ministry of External Affairs, Government of India has released ₹642.38 crore up to March 2023 to NHAI towards project expenditure. However, NHAI has not adjusted ₹557.87 crore being the amount spent for the project till 31 March 2023. This has resulted in overstatement of Current Liabilities and Provisions and overstatement of Current Assets, Loans and Advances by ₹557.87 crore. Further, note on accounts no. 18 (c) is also deficient to that extent. The issue was raised earlier also by Audit. However, no corrective action has been taken by the Management.	(ii) A comprehensive standard operating procedure on accounting of transactions related to Myanmar Project has been prepared and circulated vide OM no. NHAI / F&A / C&AG / 2020-21 / issue no.13 / 124502 dated 12.03.2024. With the implementation of this circular the overstatement of current Liabilities and provision as well as the overstatement of Assets, Loan and advances shall be addressed in the current financial year.

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19.	b) Further, as per the above agreement, NHAI was to receive a Project Management Consultancy (PMC) fees of 6 per cent of the estimated cost or tendered cost, whichever is lower. NHAI has incurred project expenditure of ₹557.87 crore (42.75 per cent financial progress) for the project up to March 2023. Accordingly, the PMC Fees to NHAI is ₹ 43.67¹ crore till March 2023. NHAI has only received ₹30.96 crore out of ₹43.67 crore towards PMC fees and ₹12.71 crore is recoverable from Ministry of External Affairs, Government of India. This has resulted in understatement of income by ₹43.67 crore, overstatement of Current Liabilities and Provisions by ₹30.96 crore and understatement of Current Assets, Loans and Advances by ₹ 12.71 crore. The issue was raised earlier also by Audit. However, no corrective action has been taken by the Management.	b) The PMC fee of 6 percent is released by Ministry of External Affairs towards reimbursement of establishment, administrative and other related cost and is not an income for NHAI. Since this is not NHAI's own project therefore this is governed by cash basis of accounting and entries for accrual of expenditure and receipt are not acknowledged. This is consistently being done by NHAI.															
20.	(iii) Following head of accounts was understated by ₹ 792.68 crore due to non/short provision of liabilities towards: <table border="1"> <thead> <tr> <th>Sr. No.</th><th>Particulars</th><th>(₹ in Crore)</th></tr> </thead> <tbody> <tr> <td>1.</td><td>Compensation payable for acquisition of land despite issue of 3D Notification/Award by CA-LA/Compensation payable to land losers as per Arbitration award</td><td>462.65</td></tr> <tr> <td>2.</td><td>Amount payable to Contractors/concessionaire in respect of Construction work done</td><td>217.74</td></tr> <tr> <td>3.</td><td>Amounts payable to the contractor/Concessionaire/Utility Department for utility shifting/tree cutting/fly Ash/plantation work</td><td>27.05</td></tr> <tr> <td>4.</td><td>Amounts payable to consultants in respect of DPR preparations</td><td>0.81</td></tr> </tbody> </table>	Sr. No.	Particulars	(₹ in Crore)	1.	Compensation payable for acquisition of land despite issue of 3D Notification/Award by CA-LA/Compensation payable to land losers as per Arbitration award	462.65	2.	Amount payable to Contractors/concessionaire in respect of Construction work done	217.74	3.	Amounts payable to the contractor/Concessionaire/Utility Department for utility shifting/tree cutting/fly Ash/plantation work	27.05	4.	Amounts payable to consultants in respect of DPR preparations	0.81	(iii) Instruction for creation of year end provisions is issued every year at the time of finalization of annual accounts. Audit is assured that this process will be reviewed and shall be further streamlined so that similar mistakes are not repeated in FY 2023- 24.
Sr. No.	Particulars	(₹ in Crore)															
1.	Compensation payable for acquisition of land despite issue of 3D Notification/Award by CA-LA/Compensation payable to land losers as per Arbitration award	462.65															
2.	Amount payable to Contractors/concessionaire in respect of Construction work done	217.74															
3.	Amounts payable to the contractor/Concessionaire/Utility Department for utility shifting/tree cutting/fly Ash/plantation work	27.05															
4.	Amounts payable to consultants in respect of DPR preparations	0.81															

1. Rs. 23.54 crore (Rs. 1177 crore * 1 per cent * 2) + Rs. 20.13 crore (Rs. 1177 crore * 4 per cent * 42.75 per cent)

S.No.	Audit Report			Management Reply
	Sr. No.	Particulars	(₹ in Crore)	
	5.	Amounts payable for supervision consultancy	3.04	
	6.	Amount payable to contractors for maintenance work done	3.83	
	7.	Amount payable on account of CWIP GST-Change in Law	31.11	
	8.	Amount payable to contractor/ concessionaire on account of Bonus/Annuity payment	41.28	
	9.	Amount payable to concessionaire on account of inauguration	5.17	
		Total	792.68	
	This has also resulted into understatement of 'Assets held on behalf of Gol (Completed / Ongoing)' by ₹788.85 crore and 'Expenditure on maintenance of highways' by ₹ 3.83 crore.			
21.	(iv) Following head of accounts was overstated by ₹ 12.93 crore due to excess provision of liabilities towards the following:			(iv) <i>Following principles is adopted for making provision for liabilities-</i>
	Sr. No.	Particulars	(₹ in Crore)	(a) <i>there is a present obligation as a result of a past event;</i>
	1.	Provision for Civil works (Road and bridges)	1.43	(b) <i>it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and</i>
	2.	Advance against deposit work	11.50	(c) <i>a reliable estimate can be made of the amount of the obligation.</i>
		Total	12.93	<i>If these conditions are met, provision is recognized in the books. (Accounting Standard 29)</i>
	This has also resulted into overstatement of maintenance expenditure by ₹1.43 crore, and overstatement of Bank by ₹ 11.50 crore.			<i>Audit has been requested to provide item wise detail like name of PIU, reference of HM no. etc. so that the matter may be examined and necessary correction, if any required, may be carried out in the FY 2023-24. Audit is further assured that the process for creation of year end provision shall be further streamlined to ensure that similar mistakes are not repeated.</i>

S.No.	Audit Report	Management Reply
22.	(B) Profit and Loss Account 1. Income 1.1 Other Income (Schedule 11): ₹ 32.27 crore (i) The above does not include ₹1,624.57 crore being the agency charges for the year 2022-23 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. Accounting Policy 13 of NHAI relating to agency charges inter-alia stipulates that Agency charges are being accounted through a Memorandum Account and 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. Further, it is also disclosed in the notes to accounts no. 25 that all administrative expenditure, after setting off the receipts is charged to Assets held on behalf of Gol within the overall ceiling of agency charges. Thus, non-accounting of agency charges in the books of account has resulted in understatement of Income and understatement of Assets held on behalf of Gol by ₹ 1,624.57 crore for the current year. Further, the accounting policy is also deficient to that extent. This issue was raised earlier also by Audit; however, no corrective action has been taken by the management.	(B) Profit and Loss Account 1. Income 1.1 Other Income (Schedule 11): ₹ 32.27 crore (i) Agency charges is governed by Significant Accounting Policy no. 13 (Schedule – 18) which inter alia provides that – "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". Accordingly, since 01.04.2008 agency charges are being calculated and accounted for through a Memorandum Account on a consistent basis. Thus, there is no question of understatement of income and understatement of Assets held on behalf of Gol by ₹ 1,624.57 crore for the current year. This policy is consistently being followed for last 16 years.
23.	2. Expenditure 2.1 Personnel and Administrative Expenses (Schedule 15): ₹723.62 crore Printing and Stationery: ₹ 10.20 crore The above includes an amount of ₹ 4.13 crore being the revenue expenditure incurred towards the publication of notifications related to land acquisition on behalf of MoRTH. As the amount has been incurred on behalf of the MoRTH, the same should have been booked	2. Expenditure 2.1 Personnel and Administrative Expenses (Schedule 15): ₹723.62 crore Printing and Stationery (Schedule 15): ₹ 10.20 crore This issue was raised during the accounts audit 2021-22 also. It was informed to Audit that scrutiny of related vouchers revealed that the payment to Government Press, Mayapuri has

S.No.	Audit Report	Management Reply
	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) by ₹ 4.13 crore.	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. In view of above, the expenditure has correctly been booked during 2021-22 under the head Printing and Stationary GL 7801 and there is no case of over/under statement.
24.	2.2 Prior Period Items Net Expenses / (Income) (Schedule 17): ₹ 53.68 crore The above does not include an amount of ₹5,067.45 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 prior to 31 March 2022. This has resulted in understatement of Prior Period Income and understatement of Assets held on behalf of Gol by ₹5,067.45 crore. This issue was raised in earlier year(s) also by Audit; however, no corrective action has been taken by the management.	2.2 Prior Period Items Net Expenses/ (Income) (Schedule 17): ₹ 53.68 crore The suggestion made by Audit is against the Significant Accounting Policy of the Authority. The Significant Accounting Policy on Agency Charges is as under- Agency charges on the value of various projects executed w.e.f. 1/4/2008 is recognized notionally at the following rates- 1% on all capital works projects, including on the total expenditure on BOT and Annuity projects; 9% on the expenditure on maintenance of highways directly done by NHAI; 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. As per the provisions of this policy, Agency charges are consistently being accounted through a memorandum account and presented in the Notes to Accounts. The policy does not envisage raising of bills and accounting it through prior period items.

S.No.	Audit Report	Management Reply
25.	(C) Significant Accounting Policies 2022-23 (Schedule-18) Significant Accounting Policy No. 11 for the year 2021-22 states that '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'. However, the above Accounting Policy was changed in the year 2022-23 by removing the word InvIT proceeds from the Policy. As per Para 22 of Accounting Standard -1 on Disclosure of Accounting Policies, any change in an accounting policy which has a material effect should be disclosed. However, NHAI has not disclosed the impact of change in Accounting Policy on the financial statements in non-compliance of the requirement of Accounting Standard -1.	(D) Significant Accounting Policies 2022-23 (Schedule-18) <i>Accounting Standard -1 provides that any change in the accounting policies which has a material effect in the current period or which is reasonably expected to have a material effect in later periods should be disclosed.</i> <i>The change in the accounting policy under question does not have any material impact on present or future, therefore disclosure under AS-1 was not considered. However, the observation made by Audit has been noted and shall be implemented in future in cases which have material effect in subsequent periods.</i>
26.	(D) Notes to Accounts (Schedule 19) (i) Contingent Liability (Note 29) (a) Contingent Liability is understated by ₹1,022.82 crore on account of claims relating to various projects. Thus, note no 29 pertaining to disclosure of Contingent Liabilities is deficient to that extent.	(D) General (i) Contingent Liabilities (a) <i>As per the provisions of para 10.4 of AS 29, following principle is adopted for reporting contingent liabilities-</i> (a) <i>a possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the enterprise; or</i> (b) <i>a present obligation that arises from past events but is not recognised because: (i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or (ii) a reliable estimate of the amount of the obligation cannot be made.</i> <i>Further, in absence of any supporting details, either at Draft Audit Report (DAR) stage or at this stage by audit, this observation could not be verified.</i>

S.No.	Audit Report	Management Reply
27.	(ii) As per Para 66 of the Accounting Standard-29 on Provisions, Contingent Liabilities and Contingent Assets, for each class of provision, an enterprise should disclose: (a) 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 to ₹127.28 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 raised earlier also by Audit, however, no corrective action has been taken by the management.	(ii) <i>The observations made by Audit has been noted for compliance in the annual financial statements 2023-24 of the Authority.</i>
28.	(E) General (i) Commitments made by NHAI in 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) and Taxable Bonds (2020-21) were as follows: a. All monies received out of each tranche issue of the bonds to the public shall be transferred to a separate bank account. b. Details of all monies utilized out of each tranche issue shall be disclosed under an appropriate separate head in the Balance Sheet indicating the purpose for which such monies were utilised. c. Details of all unutilized monies out of each tranche issue shall be disclosed under an appropriate separate head in the Balance Sheet indicating the form in which such unutilised monies have been invested.	(E) General (i) <i>As regards maintenance of separate bank accounts for receipt and utilization of NHAI Bond proceeds it is submitted that Section 18 of the NHAI Act, 1988 provides that Authority will have a common fund called National Highways Authority of India Fund to which all receipts including borrowed funds will be credited.</i> <i>As the provisions of the prospectus and the provisions of NHAI Act, 1988, are not aligned, NHAI sticks to the provisions of the NHAI, Act 1988 and makes a disclosure to this effect in the Notes to Accounts (Schedule 19) as under -</i> <i>"All receipts of NHAI viz. Funds received from the Ministry, Market borrowings through issue of NHAI Tax free Bonds, Taxable Bonds, NHAI Capital Gain Tax Exemption Bonds under Section 54-EC, interest on surplus funds etc. are</i>

S.No.	Audit Report	Management Reply
	However, the above commitments were not adhered to and NHAI has only given a general disclosure vide note no. 11 (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 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 Section 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.	<i>credited in the National Highways Authority of India Funds and all expenditure is met out of this Fund as per the provisions of Article 18 of NHAI Act, 1988. As such, no separate Account is maintained for utilization of NHAI Bond proceeds".</i> <i>In addition, the bonds being issued by NHAI comply with all applicable laws related to such issue including the Securities Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 as amended from time to time. Further, certificate for compliance of applicable laws by NHAI in relation to each tranche has also been issued by the Registrar and Transfer Agents of the respective issues. NHAI is doing this since the year 2011-12 and the Regulatory Authorities have also accepted this treatment.</i>
29.	(ii) National Highways Fee (Determination of Rates and Collection) Rules 2008, as amended in January 2011 stipulated that after recovery of the capital cost of the public funded projects through user fee, the fee leviable would be reduced to 40 per cent of the user fee. MoRTH issued (24 January 2013) guidelines on the method of working out of capital cost. As per guidelines, NHAI was required to prepare project-wise Balance Sheet and Cash Flow Statement from April 2013 onwards. However, NHAI in non-compliance to MoRTH guidelines failed to prepare project-wise Balance Sheet and Cash Flow Statement, making computation of capital cost and resultant reduction of user fee to 40 per cent not possible. This issue was raised in earlier year(s) also by Audit, however, no corrective action has been taken by the management.	(ii) <i>The funding and borrowing pattern of NHAI is not project specific, still NHAI management took initiatives for project wise accounting and the process of project coding, project wise allocation of establishment and finance costs, capitalization of completed projects and charging depreciation thereon starting from its inception were done in the FY 2019-20. However, as per the decision taken in the meeting with the office of C&AG on 01.06.2021 the entries were reversed and financial statements 2019-20 were revised.</i> 1. <i>Neither Ministry has issued any specific guidelines to NHAI for preparation of project wise balance sheet & cash flow statement nor the Significant Accounting Policy of NHAI provides for preparation of project wise balance sheet.</i>

S.No.	Audit Report	Management Reply
		2. <i>The Expert Advisory Committee (EAC) of Institute of Chartered Accountants of India (ICAI), on the basis of request made by the office of C&AG, has opined in the past that as an executing agency Authority cannot capitalize the borrowing cost. Without capitalization of borrowing cost project wise Balance Sheet and Cash Flow Statement are not possible.</i> <i>Further, the provision of fee Rule, for reduction of toll fee to 40% on recovery of cost, has also been withdrawn vide Gazette Notification no. CG-DL-E-07102023-249238 dated 6th October 2023.</i>
31.	V 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 Annexures 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 2023. (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 2023.	V No Comments (a) No Comments (b) No Comments

Place : New Delhi.
Date : 24.04.2024

For and on behalf of the Board of the Authority


Member (Finance)


Chairman

Annexure I

(To the Audit Report on the Accounts of National Highways Authority of India for the year 2022-23)

1.	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 by Audit. (i) There is no Internal Audit Plan based on risk analysis and assessment for the audit of PIUs, ROs and Headquarter office. (ii) 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. (iii) The head of the Internal Audit division reports directly to the Member (Finance) and not to the Chairman of NHAI or Chairman of Audit Committee. (iv) There is no approved sanctioned strength of the Internal Audit division. (v) There is no time limit fixed to issue the observations/ paras / report to the concerned division by the Internal Audit division / external Audit firms. Also, there is no time limit fixed for submission of replies / response to the Audit reports / observations by the audited department/unit. (vi) No follow up action has been initiated by the Internal Audit division on the Audit observations issued during 2022-23. (vii) Internal Audit reports which were submitted by the external audit firms have not commented on weak monitoring, poor implementation, failure to follow the approved procedures, violation of rules and regulations. (viii) The Financial Statements prepared by Finance and Accounts department of NHAI were not examined and reviewed by the Internal Audit division. (ix) The Internal Audit Report of NHAI Head Quarter for the year 2022-23 was not furnished to Audit.	1. Internal Audit System <i>A financial consultant has been appointed by NHAI for preparation of Accounts and Audit manual. The firm has started the work for preparation of the said manual. Majority of the issues mentioned here shall be addressed once the Audit manual is prepared.</i>
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2.	2 Internal Control System Audit observed the following issues relating to Internal Control System at NHAI Head Office and PIUs selected for Audit: - NHAI does not have an accounting manual for preparation and presentation of financial statements. - NHAI has not formulated and implemented a Risk Management Policy (RMP). - NHAI has not formulated a hedging policy to mitigate and minimize the foreign exchange losses. - NHAI does not have a code of conduct for all Board Members and senior management. - NHAI does not have approved fraud detection and prevention procedure and policies. - The ERP system has not been implemented completely in NHAI. - NHAI has not formulated and implemented Whistle Blower Policy. - NHAI has not formulated and prepared an Information Technology (IT) Manual. In the absence of an IT manual, the roles and responsibilities of IT personnel are not properly defined. In case of IT related issues and matters, structured guidance is lacking in the organization. - NHAI has not formulated and prepared an Internal Audit Manual. In the absence of the same, a structured guidance on the issues and matters relating to internal audit is lacking.	2. Internal Control System <i>A financial consultant has been appointed by NHAI for preparation of Accounts manual and Audit manual. The firm has started the work for preparation of the said manuals. Majority of the issues mentioned here shall be addressed once the Audit manual is prepared.</i>
3.	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 and to safeguard the assets of the Authority.	3 System of Physical Verification of Fixed Assets <i>A comprehensive circular on Physical verification of Assets have been issued by NHAI vide Circular No. 3.4.3/2019 dated 24.10.2019. All concerned are being directed to follow the circular in letter and spirit so that the process of physical verification may be further streamlined.</i>
4.	4 System of Physical Verification of Inventory There is no inventory in the books of accounts of NHAI.	<i>No comments</i>
5.	5 Regularity in payment of Statutory Dues NHAI is regular in payment of statutory dues.	<i>No comments</i>

Delhi-Saharanpur-Dehradun Access Controlled Highway





www.nhai.org

National Highways Authority of India

Ministry of Road Transport & Highways

www.nhai.gov.in