

**ANNUAL REPORT  
2023-24**

# Nation Building Through Highways



**National Highways Authority of India**  
Ministry of Road Transport & Highways  
[www.nhai.gov.in](http://www.nhai.gov.in)

**The Doddaballapur-Hoskote section of  
NH-648 in Karnataka**



ANNUAL REPORT | 2023-24



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## Gomti Ka Chauraha Udaipur, NH-8



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## Ahmedabad 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.

Structured schemes for development of national highways mainly started since 1998-99 after announcement of Golden Quadrilateral works and North-South and East-West corridor works. These two schemes were further augmented under various phases of National Highways Development Project (NHDP). Since 2017, all balance NHDP works were subsumed under one scheme and a new scheme called Bharatmala Pariyojana (BPP-I) was taken up wherein a paradigm shift to corridor approach of infrastructure development was enacted. Out of the 34,800 km national highway development envisaged under the BPP-I scheme, NHAI is responsible for managing development of 30,464. Development works with the total length of 23,282 km have been awarded under BPP-I. The balance for award projects prioritized for development are being taken up under NH(O)

along with other projects having socio-economic and strategic importance. NHAI also envisages development of new greenfield corridors to connect remote areas and opening new avenues of socio-economic development of the country. Development of 27 high-speed corridors with the length of 9,860 km at Rs. 4 Lakh Cr. 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.

### MMLP JOGIGHOPA (ASSAM) IN ADVANCED STAGE:

Execution of enabling development work including road, rail & water connectivity, area development such as site leveling, boundary work, internal road, administrative building, Sewage Treatment Plant, Waste Treatment Plant etc. is in advance stage.

The estimated cost of the Phase-I of the project is ₹ 693.97 crore. The foundation stone of the project was laid in October 2020 by Hon'ble Minister for Road Transport & Highways Shri Nitin Gadkari. This MMLP will serve as the distribution center for all North-Eastern States and facilitate cross-border trade with Bangladesh, Bhutan and Nepal.

### Status of Awarded MMLPs:

S. No.	MMLP	State	Location	Land (Area)	Investment (Rs. Cr.)	Mode
1	Jogighopa	Assam	Jogighopa	190	694	EPC
2	Chennai	Tamil Nadu	Mappedu	181	1423	PPP
3	Indore	Madhya Pradesh	Pithampur	255	1111	PPP
4	Bangalore	Karnataka	Dabbaspete	400	1770	PPP
5	Nagpur	Maharashtra	Sindi	150	673	PPP
6	Jalna	Maharashtra	Jalna	63	66	EPC

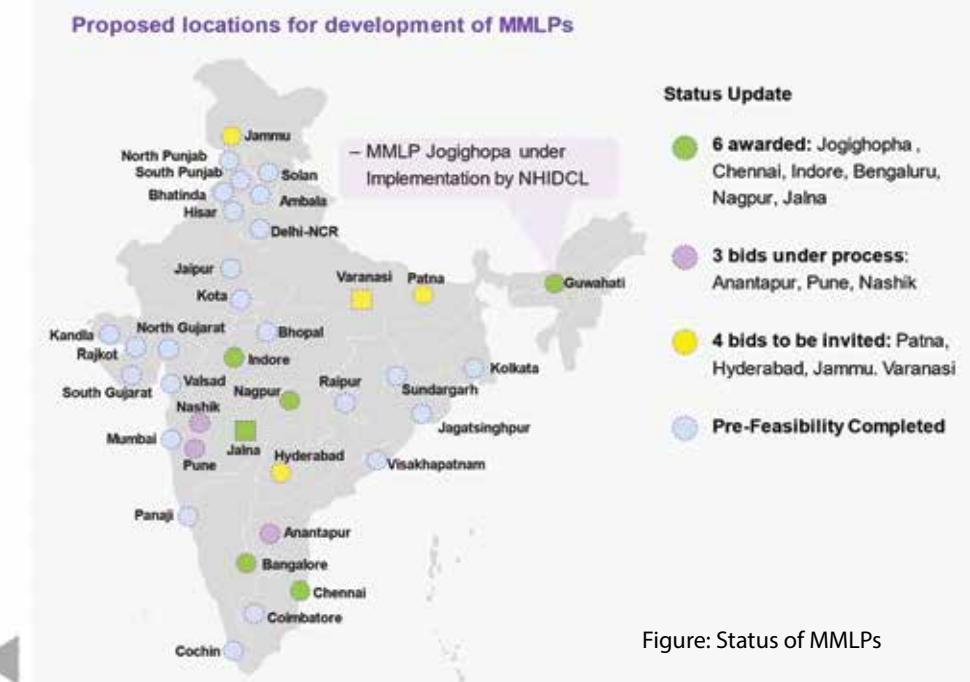


These projects, when completed, will contribute significantly to the growth of India's logistics sector with reduction in carbon emission and strengthen the country's infrastructure.

The Bids have been invited for MMLP Anantapur, Pune and Nashik and work of preparation of Feasibility Study Reports is in progress for MMLP at Patna, Jammu, Coimbatore & Hyderabad.

**35 strategic locations identified for development under Bharatmala Pariyojana**

35 CCEA Approved Locations  
2 Additional locations



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. Further, widespread adoption of technology in road maintenance by leveraging Network Survey Vehicles has set NHAI on a path to digitized maintenance which shall enhance the riding experience of road users.

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 where conventional mode of transport is saturated or not feasible. Under this program, the Ministry envisages provision of economical, convenient, efficient, self-sustainable & world class ropeway infrastructure providing first & last-mile connectivity to improve logistics efficiency in the country.

Under Parvatmala Pariyojana, ropeway projects of ~60 kms length are planned for award by FY 2023-24. Out of these, Ropeway at Varanasi (Uttar Pradesh) of 3.85 km is under construction. Additionally, 4 ropeway projects of 7.182 km length are awarded viz. Bijli Mahadev (Himachal Pradesh), Dhosi Hill (Haryana), Mahakaleshwar Temple (Madhya Pradesh) and Sangam Prayagraj (Uttar Pradesh).

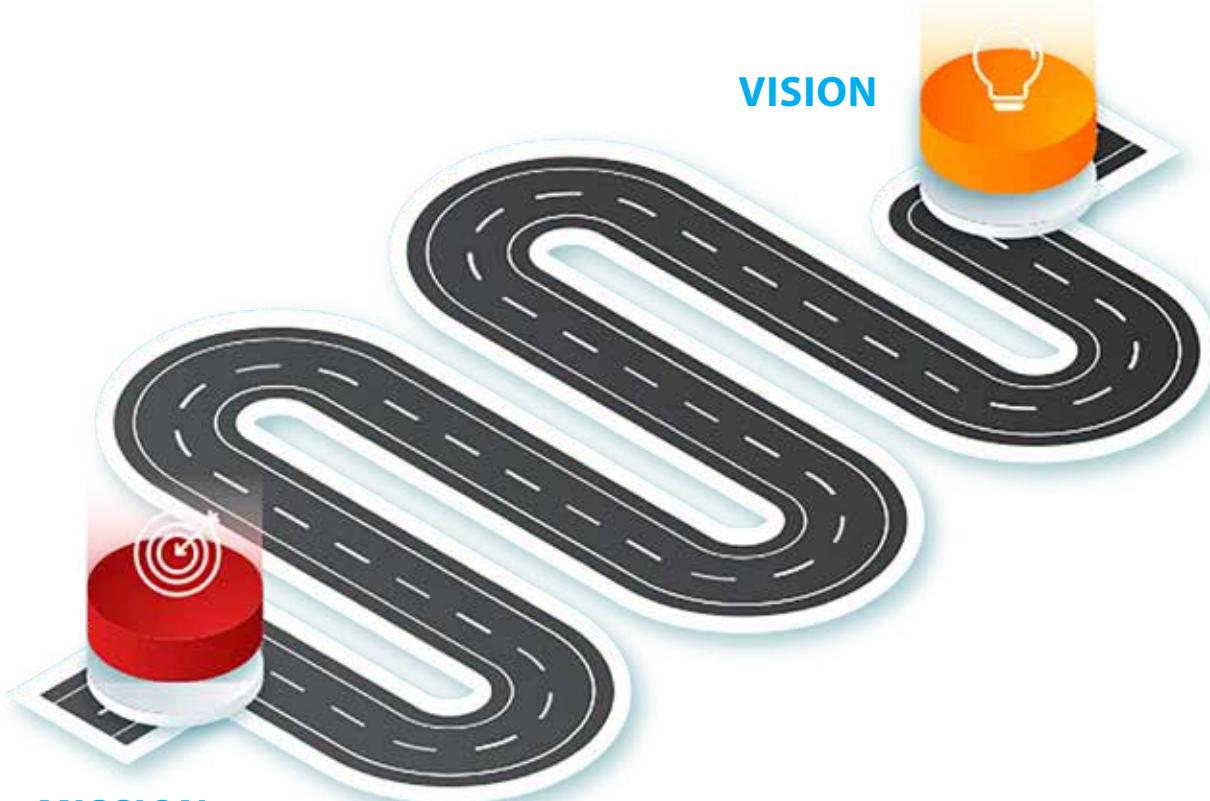
Bids for 09 projects of 54.40 km length have been invited viz. Shankaracharya Temple (Jammu and Kashmir), Sonprayag – Kedarnath (Uttarakhand), Govindghat – Hemkund Sahib (Uttarakhand), Kamakhya Temple (Assam), Tawang Monastery – P T Tso Lake (Arunachal Pradesh), Kathgodam – Hanuman Garhi Temple, Nainital (Uttarakhand), Tikitoriya Mata Temple (Madhya Pradesh), Ramtek Gad Temple (Maharashtra) and Brahmagiri to Anjaneri (Maharashtra). Detailed Feasibility Study is in progress for additional 12 projects of 52 km length for further assessment. In addition, Memorandum of Understanding (MoU) have been signed with 13 States/UTs, viz. Uttar Pradesh, Andhra Pradesh, Jammu and Kashmir, Himachal Pradesh, Uttarakhand, Assam, Tripura, Nagaland, Arunachal Pradesh, Madhya Pradesh, Haryana, Karnataka and Maharashtra for implementation of ropeway projects under Parvatmala Pariyojana in coordination with State Government / UT Administration.

## Saraighat Bridge over River Brahmaputra



**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.

**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.

## Udali-Lumding National Highway in Assam



**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. Over the last decade, NHAI has awarded over ~45,000 km and constructed over ~36,000 km. NHAI continues to play a pivotal role in the development of the nation. The true satisfaction for NHAI stems not from the construction of world-class infrastructure but from the socio-economic development attributable to this infrastructure. NHAI's impact extends beyond just what is plainly visible in its achievements. NHAI continues to leverage 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. To improve the comfort and convenience of the Highway users, it has been planned for development of state-of-the-art Wayside Amenities (WSA) at about every 40-60 kms along the National Highways/ Expressways.

These facilities are aimed to provide multiple options of rest and refreshment for the highway commuters during their journey. Some of the mandatory facilities being developed at each WSA are fuel stations, EV charging stations, food court/restaurants, dhabas, convenience stores, clean and hygienic toilet facilities, drinking water, first aid/medical room including childcare room, dedicated area for promoting local artisans, car/bus/truck parking, Trucker facilities like Dhaba's, dormitories, drone landing facilities / helipad etc.

A total of 700+ WSAs were planned to be awarded along the National Highways by FY 2025-26, of which 322 WSAs have already been awarded out of which 162 WSAs are awarded in FY 2023- 24. Out of 322 WSAs, 88 sites are operational. These WSAs will offer huge opportunities for investors, developers, operators and retailers. All upcoming Greenfield Access-controlled Highway projects are provisioned to have Wayside Amenities essentially, which will also promote local economy by generating employment opportunities and help local people to market their unique produce/handicrafts etc. at village haats developed at these places.

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 issued Policy Guidelines for implementation of latest Advanced Traffic Management Systems on national highways which includes Surveillance of the entire Highway stretch and AI based state of art Video Incident Detection and Enforcement System (VIDES) which will also facilitate generation of E-challans by Police and other Enforcement Agencies. The Policy document aims to reduce accidents, traffic violations and incident response time in order to enhance the safety of road users and provide a smooth highway driving experience. NHAI has invited bids for standalone ATMS Projects for important corridors like Dwarka Expressway and Delhi-Agra National Highway.

I am proud to share that NHAI was able to achieve its highest ever construction achievement in a fiscal year in FY2023-24 with construction of 6,644 km. Additionally, NHAI was able to award 3,339 km of new works in FY2023-24.

NHAI has been able to harness the full potential of smooth flow of traffic with implementation of FASTag across toll plazas with 98.5% 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. NHAI is also exploring various Advance Technologies to have barrier free Tolling at Toll Plazas.

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 monetized total length 1,587 km under TOT and InvIT at a total awarded cost of INR 31,592 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.



**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 2023 and 2024 by the IMF.

Global headline inflation is projected to fall from 6.8 percent in 2023 to 5.2 percent in 2024 and 4.5 percent in 2025. The global economy has been surprisingly resilient, despite significant central bank interest rate hikes to restore price stability.

India's real GDP grew by 8.2 percent in FY 23-24, exceeding 8 percent mark in three out of four quarters. India real GDP is projected to grow 6-7 per cent in FY 2024-25

The Capital Expenditure (Capex) of the central government for FY 23-24 stands at Rs 9.5 Lakh marking an increase of 28.2% on y-o-y basis, and 2.8 times the level of FY20

PLI schemes attracted over ₹1.28 Lakh Crore of investment until May 2024, which has led to production/sales of ₹10.8 Lakh Crore and employment generation (direct & indirect) of over ₹8.5 Lakh. Consequently, credit supply to MSMEs grew by 20% YoY by volumes in quarter Jul-Sep 2023 indicating improved lender confidence, supported by the extended Emergency Credit Linked Guarantee Scheme (ECLGS) of the Union government.

(Source: Economic Survey, PIB, World Economic Outlook)

### 4.2 Infrastructure Sector in India:

A robust and resilient Infrastructure is fundamental to the growth of the economy and its sectors. Investment in infrastructure sector has

a multiplier effect on overall economic growth as it catalyzes industrial growth and manufacturing.

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

The focus remains on reducing the cost of logistics, providing multimodal and efficient transport, last-mile connectivity and improved existing supply chain infrastructure in the country. With Bharatmala Pariyojana for highway development and Sagarmala for comprehensive development of India's coastline, navigable waterways and maritime sector, Indian infrastructure sector is steadily heading towards being world class.

### 4.3 Road Sector:

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

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

**4.3.3** India has the second largest road network in the world after USA. India's road network stands at over 63.45 Lakh km. This comprises National Highways, Expressways, State Highways, Major District Roads, other District Roads and Village Roads as under:

Particulars	Kms
National Highways/ Expressway	1,46,145
State Highways	1,79,535
Other Roads	60,19,723
<b>Total</b>	<b>63,45,403</b>

*Source: Ministry of Road Transport & Highways Annual Report for FY 2023-24*

**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. FASTag collection for FY23-24 was around Rs. 55,000 Cr. (Source: IHMCL)

In FY23-24, NHAI implemented 'One Vehicle, One FASTag' initiative that aims to discourage user behavior of using single FASTag for multiple vehicles or linking multiple FASTags to a particular vehicle. The initiative also aims at encouraging FASTag users to complete 'Know Your Customer' (KYC) process of their latest FASTag by updating KYC as per RBI guidelines. FASTags with valid balance but with incomplete KYC were deactivated/blacklisted by banks post 31<sup>st</sup> January 2024.

NHAI implemented the Advanced Traffic Management System (ATMS) on national highways and expressways in FY23-24. This policy includes surveillance of the entire highway stretch and AI based video incident detection and enforcement system which will also facilitate generation of E-challans by Police and other Enforcement Agencies. The aim is to reduce accidents, traffic violations and incident response time. NHAI envisages to implement the ATMS solution in Highways and Expressways in phased manner.

To enable MoRT&H's vision of "zero wait time" at toll plazas while passing through tolling, AFS (ANPR FasTag) technology has been implemented on Delhi Meerut Expressway. Barrier free tolling technologies are planned for implementation across selected corridors of National highways 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, it faces challenges as all the employees on deputation may not adjust equally to NHAI's business model. There is also the possible loss of continuity within NHAI as employees on deputation revert back to parent organizations.

NHAI 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 six part time Members and 2 non-Government part time Members. The status of the Board as on 31.03.2024 is as under:

<b>Full-time Members</b>	<b>Name</b>
<b>Chairman</b>	Shri Santosh Kumar Yadav, IAS
<b>Member (Administration)</b>	Shri Vishal Chauhan, IAS
<b>Member (Finance)</b>	Shri N.R.V.V.M.K Rajendra Kumar
<b>Member (Projects)</b>	Shri V.K. Rajawat
<b>Member (Projects)</b>	Shri Anil Kumar Chaudhary
<b>Member (Tech)</b>	Shri Alok Deepankar
<b>Member (PPP)</b>	Shri K. Venkata Ramana

<b>Part-time Members</b>	<b>Name</b>
<b>CEO NITI Aayog</b>	Shri B V R Subrahmanyam
<b>Secretary, Department of Expenditure, Ministry of Finance</b>	Dr. T.V. Somanathan
<b>Secretary (RT&amp;H)</b>	Shri Anurag Jain
<b>Director General (RD) &amp; SS, MoRT&amp;H</b>	Shri D Sarangi

<b>Non-Government Part-time Members</b>	<b>Name</b>
<b>Member</b>	Shri Rajnish Kumar
<b>Member</b>	Prof Manoj Kumar Tiwari

### 5.3 Human Resource:

NHAI is a lean organization and has a staff strength of 1189 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 2023-24, there are 25 Regional Offices, 214 PIUs/ Sites 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 31.03.2024 is as under:

Group of post	Present strength of the employees	Regular	Deputation	Contract	SC	ST	OBC	Person with Benchmark Disability
A	839	567	271	1	111	37	230	13
B	276	270	5	1	36	3	80	1
C	74	73	0	1	3	0	32	0
<b>Total</b>	<b>1189</b>	<b>910</b>	<b>276</b>	<b>3</b>	<b>150</b>	<b>40</b>	<b>342</b>	<b>14</b>

### 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
62	333	5	5

### 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 PwBD 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:

NHAI awarded new development works with the total length of 3,339 km in FY2023-24 at a total capital cost of ~ Rs. 70,000 Cr. New development works were awarded broadly under two schemes namely Phase-I of Bharatmala Pariyojana (BPP-I) and NH(O).

The Cabinet Committee on Economic Affairs had approved the implementation of Phase 1 of Bharatmala Pariyojana on 24<sup>th</sup> October 2017. BPP-I envisaged 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. The scheme has now been discontinued and no new works are being awarded under BPP-I. Prior to discontinuation of BPP-I, a total length of 26,425 km has been awarded under the scheme by MoRT&H (23,282 km by NHAI).

The balance for award prioritized works from BPP-I are being taken up under NH(O) along with other projects with socio-economic and strategic importance. DPRs of new works are being invited to ensure a steady pipeline for award of new works.

These new works will be broadly taken up under a Vision 2047 for the National Highways sector. Vision 2047 for the National Highways aims to provide equity, efficiency and strategic connectivity to meet 5 key objectives:

- (i) Access to high-speed corridor within 100 - 150 km to all citizens
- (ii) India to rank amongst top 10 countries in G20 for high-speed corridor density
- (iii) Equitable access to National Highways in under-developed regions
- (iv) Improve passenger convenience with world class Passenger Amenities
- (v) Reduction in logistics cost as a share of GDP

Vision 2047 for the National Highways sector is being developed in line with the aforementioned vision.

### Expressways and Access Controlled Corridors:

NHAI has envisaged the development of 27 high speed corridors including 5 expressways and 22 access-controlled corridors. Expressways with a total length of 2,489 km are being developed. Along with the expressways, access-controlled corridors with a total length of 7,371 km are also planned and currently under various stages of development. Until 31st March 2024, a total length of 7,214 km under high-speed corridors has been awarded i.e. 2,432 km under expressways and 4,781 km under access-controlled corridors. The list of high-speed corridors along with their status as on 31st March 2024 is as per below:

**Details of High Speed Corridor:**

Corridor	Lane Status	Total Length (Km)	Length Constructed (Km) till 31st March 2024	Total Capital Cost (Rs Cr)	Tentative Date of Completion
1. Delhi - Mumbai EXP	-	1,386	979	103,636	To be completed by FY 25-26
1.1 Delhi - Mumbai EXP (D - V Section)	8L	845	792	42,490	To be completed by FY 25-26. Currently operational sections include: <ul style="list-style-type: none"> <li>• Delhi-Dausa-Lalsot-Sawai Madhopur (293 km)</li> <li>• Indergarh - Lakhari (12 km section between Sawai-Madhopur and Kota)</li> <li>• Jhalawar-Ratlam-MP/GJ border (239 km)</li> </ul>
1.2 Delhi - Mumbai EXP (V - M Section)	8L	450	187	53,283	To be completed by FY 25-26. Currently operational sections include: Vadaodara – Bharuch (91 km)
1.3 Delhi - Faridabad - Sohna	6L	91	50	7,862	To be completed by FY 25-26
2. Ahmedabad - Dholera EXP	4L	109	72	4,372	To be completed in FY 24-25
3. Bengaluru - Chennai EXP	4L	262	166	17,356	To be completed in FY 25-26
4. Delhi - Amritsar - Katra EXP	4L	669	277	38,905	To be completed in FY 25-26
5. Kanpur - Lucknow EXP	6L	63	27	4,219	To be completed in FY 25-26
<b>Sub-Total Expressway</b>	<b>-</b>	<b>2,489</b>	<b>1,572</b>	<b>168,488</b>	
6. Ambala - Kotputli	6L	313	313	11,375	Completed in FY 22-23
7. Amritsar - Bhatinda - Jamnagar	6L	917	765	23,203	Complete corridor in Rajasthan and Gujarat from Sangaria to Santalpur (762 km) is currently operational. 155 km Punjab section to be completed in FY 26-27
8. Raipur-Vishakhapatnam	6L	465	284	17,273	To be completed in FY 25-26
9. Hyderabad - Vishakhapatnam	4L	222	151	6,104	To be completed by FY 25-26. Currently operational sections include: Suryapet – Khammam (59 km)

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<b>Corridor</b>	<b>Lane Status</b>	<b>Total Length (Km)</b>	<b>Length Constructed (Km) till 31st March 2024</b>	<b>Total Capital Cost (Rs Cr)</b>	<b>Tentative Date of Completion</b>
10. UER II	6L	75	67	7,234	To be completed by FY 24-25. Currently operational sections include: • Package III (9 km)
11. Chennai - Salem	6L	277	0	7,549	Balance for Award
12. Chittor Thatchur	6L	116	52	4,966	To be completed in FY 25-26
13. Bangalore Ring Road	6L	280	94	11,367	Partially under implementation, Partial length balance for award
14. Delhi - Saharanpur - Dehradun	6L	239	137	13,101	To be completed in FY 24-25 (except for 51 km Spur to Haridwar - to be completed in 25-26)
15. Durg Raipur Arang	4L	92	0	3,454	To be completed in FY 25-26
16. Surat - Nashik - Ahmednagar - Solapur	4L	730	120	24,812	Partially under implementation, Partial length balance for award
17. Solapur - Kurnool - Chennai	4L	329	127	11,237	To be completed in FY 25-26
18. Indore - Hyderabad	4L	525	420	14,007	To be completed in FY 25-26
19. Kharagpur - Siliguri	4L	235	0	8,950	Balance for Award
20. Kota Indore (Garoth to Ujjain)	4L	135	92	2,695	To be completed in FY 24-25
21. Sanchore - Deesa - Mehsana - Ahmedabad	6L	212	0	8,110	Balance for Award
22. Bengaluru - Kadappa - Vijayawada EXP	6L	342	0	14,195	To be completed in FY 26-27
23. Varanasi - Ranchi - Kolkata	6L	612	0	23,200	Partially under implementation, Partial length balance for award
24. Atal Progressway (Kota - Etawah)	4L	412	0	12,733	Balance for Award
25. Mohali - Sirhind - Khanna Bypass - Malerkotla - Barnala	4L	108	0	2,214	Balance for Award
26. Nagpur - Vijayawada	4L	401	95	12,745	To be completed in FY 26-27
27. Hyderabad - Raipur	4L	335	0	10,118	Balance for Award
<b>Sub-Total Access Controlled</b>		<b>7,371</b>	<b>2,716</b>	<b>250,642</b>	
<b>TOTAL</b>		<b>9,860</b>	<b>4,289</b>	<b>419,130</b>	

## Salient Features of High-Speed 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 ~ Rs. 1 Lakh Cr. 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%.

### Sections open to traffic as on 31st March 2024:



The overall Corridor is targeted to be completed in FY 2025-26.

## 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).

As of 31st March 2024, Sangaria to Jalor section (538 km) has been opened to traffic. Remaining sections in Rajasthan and Gujarat are targeted for completion in 2024. The entire corridor is targeted for completion by FY 2026-27 with completion of the Punjab section.



## 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 has been 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.

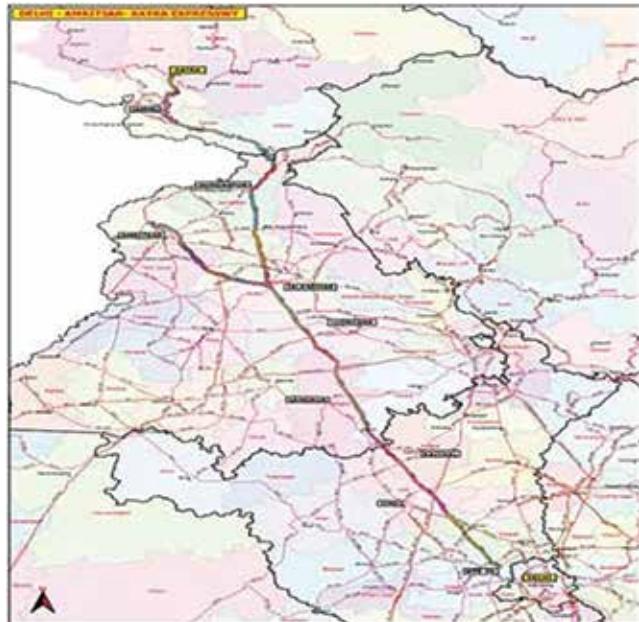


Delhi to Kaithal Section in Haryana (120 km) is targeted to be operationalized in 2024. The remaining sections (548 km) in Punjab, Haryana and Jammu & Kashmir are targeted for completion by FY 24-25 (except for a 51 km Spur to Haridwar, which is to be completed in FY 25-26).

## Salient Features of Dwarka Expressway:

Dwarka Expressway is a 29 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.

Gurgaon to Dwarka Section (19 km) has been inaugurated by Hon'ble Prime Minister in March 2024 and the remaining sections are planned for completion by March 2025.



**07****Some of the Major Projects completed by NHAI in 2023-24**

**7.1 Four Laning of NH-363 from Repallewada (Design Km.42.000/ Existing Km.288.510) to Telangana/Maharashtra Border (Design Km.94.602/ Existing Km.342.000) (design length = 52.602 km) in the state of Telangana under NH(O) on Hybrid Annuity Mode:**

The prestigious project of project Repallewada to Telangana/Maharashtra Border 4-lane section of NH 363 being developed under Bharatmala Pariyojana Phase-IV under NH(O) on Hybrid Annuity Mode connecting the three states Maharashtra, Telangana, Andhra Pradesh and part of Nagpur – Vijayawada Corridor. The above said project is also a very important link for development of Asifabad district connecting the other parts of Telangana.

The start point of the project road is at a place of Repallewada Village in Mancherial District and end point is at Geogaon Village of Asifabad District in the state of Telangana. The alignment has reduced the distance between Repallewada to Maharashtra Border by around 2Km and travel time to 0.35 Hours from the current 2 hours. The adopted design speed is 100 km/h throughout the stretch. New industrial townships and smart cities have been planned along the route. 1 Wayside Amenities have been planned on RHS at Km. 79+450 at an interval of 52 km. the highway will lead to considerable fuel savings, better ride quality and safety over the existing road.

The total length of project under HAM mode is 52.602 Km. This project has been provided (1 nos of Bypass i.e. Komuram Bheem Asifabad District 3.360 Km) and 10 Nos realignments with a length of 7.100 Km. the construction work in respect has been completed & total cost of the project is 1383.59 Cr. The entire stretch has been opened for traffic & tolling has been started w.e.f 29.03.2024.

The project is being developed as an environmental-friendly highway and more than 50 thousand nos. of plants & trees are being planted in Repallewada-TS/MH Border section.

To monitor entire highway, advanced traffic management system has 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 highway for providing quick assistance.

In order to provide relief and rescue measures in the aftermath of accidents, 2 Nos Ambulances provided for immediate response with an interval of 7 minutes and subsequent transfer of the accident victim.

We have installed more than 1000 Nos of Solar Lights in Median and as well edge of roads for saving the electricity energy. We also panned drip irrigation along the median stretch for timely watering the plant without any wastage like. Eva- transportation and any human error.

## 7.2 Dobaspet to Dodaballapur Bypass section of NH-648 (Old NH-207) in the state of Karnataka (Package - I):

The prestigious project of project 4 Laning from km 0.00 to km 42.00 of Dobaspet to Dodaballapur Bypass section of NH-648 (Old NH-207) on Hybrid Annuity Mode under Bharatmala Pariyojana, in the state of Karnataka (Package - I) on Hybrid Annuity Mode connecting the different National Highways NH 648 (NH 207), NH 48 (NH 4), NH 275, NH 948, NH 209 & NH 75 (Hassan road) and majority of State Highways SH 3, SH 85, & SH 35 pass through Bangalore city comprising heavy commercial traffic movement, majority of which not intended for Bengaluru city. Satellite Town Ring Road (STRR) has been proposed around Bangalore including Hosur in Tamil Nadu to segregate through traffic from Bangalore City traffic and this road is part of Satellite Town Ring Road (STRR) in Bengaluru.

The alignment has reduced the travel time of 0.83 Hours from the current 1.5 hours between Dobaspet to Dodaballapur by widening existing road from 2 lanes to 4 lanes. Also, this project road having 21 underpasses (10 VUP, 8 LVUP and 3 PUP) and 10.8 kms bypass section to segregate traffic from local traffic, thus providing seamless connectivity throughout project Highway. The adopted design speed is 100 km/h throughout the stretch. The highway will lead to considerable fuel savings, better ride quality and safety over the existing road.

This Project road also connects Major settlements/Industrial area of Pemmanahalli, Sompura Industrial Area, Chikkabelavangala, Dodbelvangala and KIADB Industrial Area along the alignment. Also, KWIN City Education Hub and Apple Manufacturing Plant are being developed along this highway currently. 1 Wayside Amenities have been planned on LHS at an interval of 23.570 km.

The total length of project under HAM mode is 42 Km. The construction work in respect has been completed. The entire stretch has been opened for traffic & tolling has been started w.e.f 14.06.2024.

The project is being developed as an environmental-friendly highway and more than 31 thousand nos. of plants & trees are being planted.

To monitor entire highway, advanced traffic management system has 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 highway for providing quick assistance.



In order to provide relief and rescue measures in the aftermath of accidents, 2 Nos Ambulances provided for immediate response and subsequent transfer of the accident victim. Also, 2 nos of patrolling vehicle, 2 Nos. of tower crane, Medical Post and Traffic Aid post also provided for better incident management of Highway.

Additionally 16 no's of Rain Water Harvesting have been provided for ground water recharge.

**08****Key Operational Highlights****8.1 Project Award & Completion:**

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

<b>Financial Year</b>	<b>Length Constructed (Km.)</b>	<b>Length Awarded (Km.)</b>
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
2023-24	6644	3339

**8.2 Land Acquisition:**

<b>Achievements</b>	<b>2015-16</b>	<b>16-17</b>	<b>17-18</b>	<b>18-19</b>	<b>19-20</b>	<b>20-21</b>	<b>21-22</b>	<b>22-23</b>	<b>23-24</b>
Land Notified u/s 3D (Ha.)	6432	8303	10275	25980	33430	23805	16691	25751	11527
Possession (Ha.)	9285	7491	9494	18850	12092	20038	14844	17568	12150

### 8.3 Collection of user fee:

During the year 2023-24, 4,280 Kms (Public Funded NHs: 3,335 km, State Highway Transferred from MoRTH : 953 Km of completed National Highway sections have been added for tolling. The total length under tolling is 46,884 km. [Public Funded 32,624 kms; OMT 1,175 kms , BOT (Toll) 10,845 kms and TOT 2,240 kms]. User Fee (Toll) is being collected on 46,884 km length/sections completed on Public Funded / BOT (Toll)/OMT mode involving 933 user fee plazas (273 Concessionaire and 660 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 2023-24, 31 stretches comprising of 2312 km have already been monetized through ToT mode in 10 Bundles, i.e. ToT Bundle-1, ToT Bundle-3, ToT Bundle- 5(A-1), ToT Bundle- 5(A-2), ToT Bundle-7, ToT Bundle-9, ToT Bundle-11, ToT Bundle-12, ToT Bundle-13 and ToT Bundle-14. A sum of Rs. 42,334 crore already realized and remitted to CFI.
- ◆ Bids for 2 Bundles stretches [Trichy-Tovrankurichi-Madurai (124.840 km) & Madurai-Tovarankurichi (61.115 km) under TOT Bundle-15 and Hyderabad-Nagpur (251.583 km) under TOT Bunle-16] have been invited.
- ◆ 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, 33 stretches with the length of 2,742 km have been identified for monetization during FY 2024-25 on ToT/Invit/Securitization mode. A list of these 33 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 Source of Funds:****9.1.1 NHAI receives it's funding through:**

- (i) Government support in the form of capital base, cess fund, additional budgetary support, capital grant, maintenance grant, plough back of toll revenue and asset monetization;
- (ii) Loan from multilateral agencies;
- (iii) Market borrowings, Domestic and International.

**9.1.2 The sources of Funds during the year 2023-24 are as under:**

- (i) Authority has received a sum of Rs. 1,27,727.12 Crore from Ministry of Road Transport & Highways through Union Budget as capital investment for development of National Highways. Authority has also received additional budgetary support to the tune of Rs. 40,535.87 Crore for development of National Highways (Original) work and capital grant of Rs. 625.28 Crore.
- (ii) NHAI has not raised any borrowings during FY 2023-24
- (iii)
  - (a) NHAI has deposited a total amount of Rs. 27,473.47 Crore in to Consolidated Fund of India (CFI) during the year 2023-24 towards User Fee Collection, Revenue Share, Negative Grant & FASTag Penalty (Toll Revenue Rs. 22,704.38 Crore, Shared Revenue & OMT Rs. 1907.02 Crore, Negative Grant & Premium Rs. 2,221.96 Crore and FASTag penalty Rs. 640.10 Crore). The Ministry has released Rs. 25,000 Crore towards toll Plough back of toll remittances for project development.
  - (b) NHAI has received TOT plough back of Rs. 10,000 crore against TOT remittance of Rs. 15,968 Crore into Consolidated Fund of India (CFI).
  - (c) Authority has received Rs. 15,699.88 crore as concession fee from InvIT (Round-2).
- (iv) Ministry of Road Transport and Highways has also provided Rs. 1,174.07 crore for maintenance of National Highways entrusted to NHAI.

**9.2 Fund raising and repayments:**

- i) NHAI has not made any new borrowings in FY 2023-24 as per Govt. decision
- ii) NHAI has made pre-payment of higher cost bank loan by utilizing funds mobilized through NHAI InvIT to the tune of Rs. 15,699.88 Crore.
- iii) During the year Authority has repaid Rs. 4,706.35 crore towards Capital Gain Tax Exemption Bonds and Rs. 1,228.57 crore towards Tax Free Bonds,
- iv) During the year Authority has swapped Term Loans of Rs. 11,850.00 crore with term loans of same amount at a lower interest rate and repaid Term Loans of Rs.1,693.57 crore.

### 9.3 Credit Rating:

The credit ratings for the borrowing program of NHAI assigned by Rating agencies such as CRICIL, CARE and India Ratings have been affirmed as "AAA/Stable" for FY 2023-24.

### 9.4 Following are the Highlights of Financial Performance for the financial year 2023-24:

Sources of Funds	2023-24	2022-23	Rs. in Crore
Receipts of Cess	1,27,727.42	1,10,673.92	
Plough Back of Toll Revenue	25,000.00	18,005.62	
Plough Back TOT Remittance	10,000.00	10,000.00	
Additional Budgetary Support	40,535.87	19,785.83	
Capital Grant (JICA & WB)	625.28	200.00	
Capital Gains Tax Exemption Bonds	-	797.58	
InvIT (Projects)	15,699.88	2,849.67	
Taxable Bonds	-	-	
Term Loan	-	-	
Other Sources (DME, Interest, Capital Receipts, Maintenance)	11,554.63	10,904.66	
Utilization of opening balance	-	214.22	
<b>Total</b>	<b>2,31,143.08</b>	<b>1,73,431.50</b>	

Application of Funds	2023-24	2022-23
Land Acquisition	28,175.35	39,836.17
Project Expenditure	1,18,751.80	1,00,674.96
Repayment of Loans and Interest thereon	33,812.35	32,476.92
Other Outflow	18,822.98	443.45
Increase in Cash and Bank balance	31,580.60	-
<b>Total</b>	<b>2,31,143.08</b>	<b>1,73,431.50</b>

**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 instalments 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 instalment.

Once the project is completed, the NHAI collect toll and pay annuities till the end of concession period. The toll collection activity is carried out by NHAI. The traffic risk is not associated with Concessionaires 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.

## Bridge over river Narmada on NH-8 at Bharuch Gujarat



# 11 Road Safety

The National Highways Authority of India (NHAI) has implemented various measures to improve road safety on National Highways (NHs), such as identifying and rectifying accident-prone blackspots, conducting road safety audits, and raising awareness among stakeholders. Brief summary of which is as under:-

- 1. Road Safety Initiatives:** NHAI has focused on rectifying blackspots, conducting audits, and raising awareness through National Road Safety Month and other campaigns. Capacity-building for officers and stakeholders is also a priority.
- 2. Blackspot Identification and Rectification:** MoRTH identified blackspots are being rectified with long-term and short-term measures, including signage, road geometry improvements, and grade separated structures.
- 3. Road Safety Audit Policy:** A policy issued in May 2022 defined the stages and processes of Road Safety Audits, clarifying the roles of stakeholders and guidelines for managing and monitoring audits.
- 4. Mandatory Safety Completion:** In September 2022, NHAI mandated that road safety works must be completed before issuing provisional completion certificates.
- 5. Third-Party Road Safety Audits:** In October 2022, NHAI mandated third-party road safety audits during the Detailed Project Report (DPR) stage to ensure thorough review and safety compliance from the project's outset.
- 6. Lighting at Vulnerable Intersections:** NHAI has implemented lighting and illumination at critical intersections to prevent night time accidents.
- 7. Road Safety Audits Conducted:** In FY/2023-24, safety consultants conducted audits on 42,072 km of NHs. A total of 80 teams of safety consultants are empanelled, each with a Sr. Road Safety Auditor and Traffic Planner.
- 8. Training Programs:** NHAI nominated several officers for road safety training programs, with more than hundreds participating in certification courses to become Road Safety Auditors.
- 9. Financial Powers for Mitigation:** NHAI delegated financial powers to regional officers (ROs) and project directors (PDs) for implementing both short-term and long-term measures to rectify blackspots.
- 10. Capacity Building:** NHAI has focused on capacity building by training officers, concessionaires, contractors, and consultants involved in NH projects to ensure safety measures are properly implemented.

11. **Road Safety Week/Month:** Annually, NHAI observes Road Safety Week/Month to spread awareness about safe behaviour on highways.
12. **Mobile App for Road Safety Audits:** NHAI developed a mobile app for real-time safety audits, allowing observations to be uploaded instantly on data lake portal for review and action.
13. **Web-based Application for Audit Compliance:** NHAI's Data Lake platform enables regular review and monitoring of road safety audit compliance by the Road Safety Division.
14. **Ongoing Efforts:** The initiatives taken by NHAI, including policy issuance, financial delegation, and technology integration, show a continuous effort toward improving road safety across NHs.

#### The 29 km Chettikulam-Natham section of NH-785



# 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 manage 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 a 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 a unified Web Portal. On this portal, all internal and external stakeholders such as DPR Consultants, Contractors / Concessionaires, Authority / Independent Engineers, PIUs, ROs, and NHAI HQ Officials have role-based logins.

In the previous year, Data Lake introduced the automatic generation of key documents such as Letter of Award (LoA) and also provided the feature to digitally sign all contracts through the web portal. To facilitate and empower NHAI officials, multiple Power BI dashboards were created and hosted on the platform. These dashboards provided real-time insights and aided in quick decision making.

## 12.3 NHAI One Mobile App for Internal Stakeholders:

The NHAI One app extends digital presence to every employee of contractors and authority engineers, ensuring that the actual field personnel are responsible for adding and maintaining accurate data. This initiative not only enhances data accuracy but also empowers every stakeholder by involving them directly in the process. The granular data generated through this app is instrumental in shaping more detailed and actionable reports, thereby improving organizational efficiency.

The NHAI One app focuses on digitizing five pivotal activities that are critical to the lifecycle of highway projects: (i) on-site attendance, (ii) highway maintenance, (iii) road safety audits, (iv) toilet cleanliness, and (v) daily construction audits (RFIs). Each of these processes has been meticulously designed to capture information as it happens, where it happens, and with concrete evidence of what happened.

### 12.3.1 Field Staff Attendance

The NHAI One app has re-engineered the attendance process for personnel of AEs / IEs by introducing geo-tagged biometrics with AI-based liveness checks. Now, the entire AE/IE team marks attendance on-site through this app, ensuring accurate and real-time attendance monitoring. Detailed information on attendance, including time and location of check-in and check-out, is available in real-time. This enhances accountability and transparency, ensuring that engineers and field personnel are available on-site and accountable for on-field output by construction contractors.

The impact of this new system has been profound. On-site marking of attendance through NHAI One has eliminated the need for daily visits to the project office, saving significant travel time for over 3000 field personnel. Enhanced accountability has led to better on-field outcomes by contractors, ensuring that projects progress smoothly and on schedule.

### 12.3.2 Highway Maintenance

The NHAI One app has re-engineered this process by enabling real-time monitoring of highway maintenance activities. AE/IEs now conduct daily inspections using this app, instantly alerting contractors about the identified defects with a prescribed timeline for its rectification. Contractors submit geo-tagged photos of rectification done to facilitate verification, whereas penalties against delays as applicable are auto-applied during processing of the contractors e-bill of the corresponding month. Transactional defect-level data is captured through geo-tagged photos with type, rectification, verification status, and payment validations.

The financial impact of these improvements is noteworthy. Real-time monitoring has reduced the time between defect reporting and rectification from a monthly cycle to immediate action, saving an average of 15 days per rectification for approximately 50,000 defects reported so far.

### 12.3.3 Road Safety Audits

Road safety is a critical concern for highway users and the existing system for road safety audits had significant limitations for being offline / paper based.

The NHAI One app has re-engineered road safety audits by enabling real-time submission of observations by the safety auditors. Safety auditors record geo-tagged observations highlighting its criticality and recommend measures in the app, generating instant reports ready for submission on Data Lake portal which is accessible to the PD & RO at site. These observations are automatically accessible to the corresponding AE/IEs on the data lake portal for reporting prompt remedial action through the app. Detailed information on the type of observations, location, criticality, recommendations for redressal, approval, pendency stage, and closure status is now available online.

### 12.3.4 Daily Construction Audits (RFIs)

During construction period of highway project, the daily audit of activities performed was previously conducted offline and was a document heavy process.

The NHAI One app has streamlined and optimized the daily construction audit process. Contractors now request daily inspections on Data Lake portal, which appear in AE/IE dashboards for assigning duties to relevant team members who are notified on the NHAI One app. They further conduct on-site inspections, capturing geo-tagged photos and tests results. The portal automatically updates progress charts for seamless monitoring, streamlining the daily construction audit process. Detailed audit requests, assignments, layer, chainage, test results, inspector's selfies, location during the test check,

contractor's remarks, and strip chart of project alignment showing progress are now generated in real-time. The re-engineered process eliminates the possibility of any manipulation and promotes real-time reporting, leading to optimum resource utilization and timely completion of construction activities.

### **12.3.5 Toilet Cleanliness**

Maintaining the cleanliness and hygiene of toilets along national highways is another area where the NHAI One app has made a significant impact.

The NHAI One app has introduced an app-based inventory with 1200 toilet blocks across the country. The toilet supervisors at site capture daily photos of toilets post-cleaning at prescribed base timeline, these uploaded photographs are then analysed through a customized AI/ML model that automatically flags any uncleanliness for further action. Daily functional status of toilets photos and the clean/unclean results given by the AI/ML model are now available to the supervisor providing comprehensive data that enables effective monitoring of cleanliness of toilet facilities along national highways. Daily geo-tagged toilet inspections linked with AI/ML screening have improved transparency and operational efficiency, reducing the number of unclean toilets by about 12%. This step has significantly improved the habitability of maintaining toilets and its functionality status thereby enhancing user experience and perception.

## **12.4 Citizen-Centric App for Road Users:**

NHAI 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 8+ languages, and comes with voice assistance.

## **12.5 Drone Analytics Management System (DAMS):**

NHAI empanelled ten (10) agencies for Aerial Videography of NHAI Road Sections in five (05) zones pan India basis. Agencies are conducting periodic drone video surveys as per the requirement of NHAI. The abridged version of drone videos with annotated data with before and after comparison were uploaded on NHAI's Data Lake software and also available for public view under citizen charter on NHAI's website.

Drone Analytics Monitoring System (DAMS) aims to optimally utilize the potential of high-resolution images collected through drone. Accordingly, the Standard Operating Procedure (SOP) was revised. The deliverables included image reconstruction to create 2D ortho-rectified maps to analyse and monitor the current road assets as well as change detection in NH projects which are under construction or O&M with the help of AI/ML and demonstrate the output on a user interface dashboard. Some of the salient features of DAMS inter-alia include automated analytics using AI/ML; dedicated analytical suites for Under Construction, O&M, Road Safety and Plantations; ~110 features identified through scientific and organic models; Web application for viewing/modifying/accessing reports generated via DAMS with integration of NHAI's Data Lake; provision for change detection on the area of interest by comparing data input collected over two historical dates. The project also provisions for sample field checks of drone data collected by Drone Service Providers, enabling on-field modifications during drone flights to minimize errors during data collection. Monthly drone survey under project development period and six monthly under O&M period, DAMS aims to achieve a comprehensive repository of digitized and geo-tagged information related to status of NH assets as well as defects and rectification monitoring thereof. The system is designed to expand its capabilities by incorporating more data and integrating with other NHAI applications, such as NHAI-One, to enhance field operations conducted by NHAI.

## 12.6 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 of experts from IIT Kanpur.
- b. Security Awareness Training is being done for all officers and staff at NHAI on a regular basis (monthly) 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 software to address known vulnerabilities.
- d. Continuous monitoring and threat intelligence is being achieved by analysing network traffic, logs, and security events to identify and respond to potential threats promptly.
- e. Steps taken to ensure that the Wi-Fi 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.

## 12.7 NHAI Website:

The NHAI website nhai.org has been upgraded with features such as chat-bot and other State of Art features linked with real time display of information and social media. Contemporary outlook of 24x7 website is being maintained. Additionally, all incoming drone videos of ongoing projects are hosted on the citizen charter, along with a visually appealing GIS-based dashboard highlighting project alignments and their status.

### NHAI Kanpur To Lucknow



**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 disproportionately high level of NPAs.

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

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

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

## **13.2 Regulatory Impediments:**

### **13.2.1 Acquisition of Land (LA):**

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

Income tax is exempted if the land is acquired under Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013 (RFCLARR 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 2023-24, total 52 number of GAD proposal of ROBs/RUBs of NHAI has been approved out of 188 GADs (Carry forward pending proposal before FY 2023-24 i.e. 145 no.+ Added proposal in FY 2023-24 i.e. 43 no.) uploaded on Indian Railways Civil Engineering portal – Rail Road Crossing GAD Approval System (RORACS).

#### 13.3.4 Environment, Forests and Wildlife Management:

NHAI has strengthened the Environment & Green Highways Division for ushering in sustainable development in the realm of national highways sector. While preparing the Detailed Project Report (DPR) of national highways and expressways, all applicable statutory clearances under the Environment (Protection) Act, 1986, Indian Forest Act, 1927, Forest (Conservation) Act 1980, Van (Sanrakshan Evar Samvardhan) Rules, 2023, Coastal Regulation Zone (CRZ) Notification, 2019 etc. are obtained from the competent authorities in Central and State Government with due diligence and in consultation with the concerned stakeholders during planning, designing and implementation of projects.

**Forest Clearances under Forest (Conservation) Act, 1980 and Van (Sanrakshan Evar Samvardhan) Rules, 2023:** Forest Clearances are required under section 2 of the FCA 1980 whenever forest lands are involved are required to be diverted in construction of national highway and expressways. The prior

approval of Central Government is granted by the Ministry of Environment Forest & Climate Change (MoEF&CC) in two stages (Stage-I & Stage-II).

During 2023-24, in-principle approval (Stage -I) under Forest (Conservation) Act, 1980 was obtained in 48 projects. Final approval (Stage-II) was obtained in 55 proposals.

**Environment Clearances under Environment (Protection) Act, 1986:** At times the National Environment clearance is required under the statute and the Environment Impact Assessment (EIA) Notification, 2006 and subsequent amendments issued by MoEF&CC from time to time.

During 2023-24, Environment clearances including Terms of Reference were obtained by NHAI in 42 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 fulfill the requirement of connectivity. The wildlife Protected Areas are notified as National Park, Wildlife Sanctuaries, Wildlife Corridors, Eco-Sensitive Zones, and Conservation Reserves etc. under the provision of the Wildlife (Protection) Act, 1972 and Environment (Protection) Act, 1986.

The Wildlife Institute of India under MoEF&CC has published "**Best practice guidance document Eco Friendly 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.

During 2023-2024, NHAI has obtained Wildlife Clearances from the State Board for Wildlife at State level and the National Board for Wildlife at Central level under the Wildlife (Protection) Act, 1972 and its amendment thereafter for 14 proposals. In this regard, NHAI is implementing quality site and species specific wildlife passages and infrastructure in various projects. Structural mitigation measures for safe passages of animals and its habitats for few projects is as under:

1. **Delhi – Dehradun:** 12 Km Elevated Structure for Wildlife Crossing, it is one of the longest wildlife corridor in ASIA including Tunnel of 400m, 2 under passes of 200m and 4 under passes of 20m.
2. **DELHI-VADODARA-MUMBAI EXPRESSWAY (Rajasthan):**
  - Elevated corridor of 1.7 km length near Chakan dam with noise and light barrier, Pre-cast underground box structures by "Cut & Cover Technique" for length about 3.940 km to maintain the natural ecosystem of the area.
  - Construction of 8 lane Cable stayed bridge on National Chambal WL Sanctuary of 800 m and total length of bridge of 1200 m with noise and light barrier.
  - Tunnel for about 4.87 km of length and Pre-cast underground box structures by "Cut & Cover Technique" for length about 675m in Mukundra Hills Tiger Reserve, Kota.
3. **Raipur-Visakhapatnam:** 4 Tunnels of cumulative length of 9.08 km, 41 underpasses and 3 nos. of viaduct cum underpass of length 360m, 210 m and 180 m with noise and light barrier including 34 Monkey ladders.
4. **Bangalore Chennai Expressway:** 3.4 km elevated corridor in Reserve Forest Area and cumulative 4.0 km openings (viaduct, underpass, increase in span of drainage structures etc.) for Wildlife in Non Forest area.

## Simplification of Procedures by MoEF&CC:

S. No.	Date	Subject	Tentative Date of Completion
1.	25th January, 2024	FC-11/118/2021-FC	Migration of proposals from PARIVESH 1.0 to PARIVESH 2.0 – Procedure for processing of proposals
2.	18th March, 2024	F.No.WL-/14/2023 WL	Standing Committee's decision on sequential consideration of Project Proposals involving Forest and Wildlife Clearance.
3.	13th June, 2023	FC-11/118/2021-FC	Clarification on the provisions of raising compensatory afforestation
4.	7th July, 2023	FC-11/43/2021-FC	Clarification on deposition of monies realized from the user agencies towards the cost of implementation of Wild-life Management Plan in to the account of State CAMPA in respect of proposals located in the Protected Areas
5.	13th June, 2023	FC-11/118/ 2021-FC	Clarification on the provisions of raising compensatory afforestation
6.	21st August, 2023	Circular	Provisions and guidelines on compensatory afforestation
7.	6th December, 2023	FC-11/61/ 2021-FC	Exception of the Forest (Conservation) Amendment Act, 2023, rules and guidelines issued thereunder – reg 100Km from LWE.
8.	27th December, 2023	FC-11/118/ 2021-FC	Processing of the ongoing proposals on PARIVESH 2.0 in light of the provisions of the Van (Sanrakshan Evar Samvardhan) Adhiniyam Rules, 2023
9.	30th August, 2023	MoEF&CC Notification dated 29.11.2023, S.O. 3840(E)	Ministry of Environment and Forests, under sub-section (1) and clause (v) of sub-section (2) of section (3) of the Environment (Protection) Act, 1986 issued a notification vide number S.O.1533 (E), dated the 14th September, 2006 (hereinafter referred to as the EIA Notification) for mandating prior environmental clearance for certain categories of projects, subsequently draft notification published to exempt certain activities from the requirement of prior environmental clearance in respect of Borrowing of Ordinary Earth for road projects.

S. No.	Date	Subject	Tentative Date of Completion
10.	29th November, 2023	MoEF&CC Notification dated 29.11.2023, S.O. 5074(E)	In exercise of the powers conferred by sub-section (3) of section 1A read with section 3 (C) of the Van (Sankashan Eevam Samvardhan) Adhiniyam, 1980 (69 of 1980) (hereinafter referred to as Adhiniyam), the Central Government hereby notifies the guidelines specifying the terms and conditions to be abided by the State Government or Union territory, while considering exemptions provided under sub-section (2) of section 1A of the said Adhiniyam, namely:- Exemption for strategic linear projects of national importance and concerning national security that are located within hundred kilometres of aerial distance from the international borders, Line of Control or Line of Actual Control shall be considered only for such projects which have been notified as strategic and concerning national security by the Central Government in consultation with the respective State Governments or the Union territory Administration.
11.	29th November, 2023	MoEF&CC Notification dated 29.11.2023, G.S.R. 869(E)	In exercise of the powers conferred by sub-section (1) of section 4 of the Van (Sanrakshan Eevam Samvardhan) Adhiniyam, 1980 (69 of 1980) and in supersession of the Forest (Conservation) Rules, 2022, except as respects things done or omitted to be done before such supersession, the Central Government hereby makes the following rules for Conservation of Forest.

### Special efforts:

The NHAI has implemented more than 400 'Amrit Sarovars' through deepening of existing ponds for increasing the capacity of these ponds or creation of ponds adjoining low lying area after excavation of ordinary earth for construction of embankment instead of using soil from any agricultural or productive land. These will lead to increase the Ground Water level and improvement of water stressed areas. This pro-poor and environmental friendly endeavor will go in a long way in augmenting the water regime in the country.

The NHAI prepared the Sustainability Report for the year 2022 and currently undertaking preparation of Sustainability Report for 2024 as per G.R.I. protocol.

### 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 2023-2024, 16 projects were refinanced to the extent of Rs. 10,2024 Crores as Outstanding Senior Debt & Rs. 1601 Crore as Additional Debt by the banks.

#### 13.3.5.2 Equity Divestment:

During the year 2023-2024, 18 (Eighteen) Number of cases of equity divestment were approved by NHAI. All the 18 (Eighteen) cases of equity divestment were approved by NHAI in line with the relevant clauses of Concession Agreement and the relevant Policy Circulars in this regard.

#### 13.3.5.3 Infrastructure Debt Fund:

The infrastructure Debt fund created as a step toward easing the burden for the bank. During 2023-2024, 1 (one) 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, 2024 (2023-24), 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 Rs. 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 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 2023-24, NHAI has sanction Rs. 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 2023-24, No cases of Harmonious Substitution were approved by NHAI Board.

### 13.4 Dispute Resolution:

To facilitate the prompt resolution of disputes, NHAI established Conciliation Committees of Independent Experts (CCIEs) comprising of distinguished professionals from diverse fields, including bureaucracy, judiciary and technical sectors. 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. The goal is to reach a consensus, and if the parties reach consensus/settlement, they sign a settlement agreement, which is then authenticated by the Conciliators. Thereafter, parties withdraw all pending cases before AT/Courts

within a period of 30 days, if any, and settle any outstanding payments within the next 30 days. If a consensus cannot be reached, the dispute is closed with the consent of the CCIE.

NHAI commits to honoring and implementing the CCIEs recommendations in a timely manner. The entire Conciliation & Settlement process is designed to be completed within five sittings, not exceeding 6 months from the date of referral to the CCIE.

On 2nd June, 2017, NHAI established two CCIEs to facilitate amicable dispute resolution. Due to increasing workload, a third committee was later formed. In the fiscal year 2017-18, no cases were resolved through CCIEs. However, the following years saw significant progress in dispute resolution :

<b>Year</b>	<b>Nos. of cases settled</b>	<b>Amount claimed (Rs. in Crores)</b>	<b>Amount of Settlement (Rs. in Crores)</b>
2018-19	8	3019	1245
2019-20	27	6931	2433
2020-21	60	14207	5313
2021-22	61	14590	4076
2022-23	33	9427	3456
2023-24	22	11598	1804

As of the end of FY 2023-24, out of total 326 cases, 211 have been successfully resolved, with a settlement amount of Rs. 18,327 Crores, against the claimed amount of Rs. 59,772 Crores. The remaining unresolved cases have been carried over to FY 2024-25.

## 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 31<sup>st</sup> March 2024, there are 79 Primary Members and 1 Associate Members of SAROD. Till date One Hundred Fifty Three (153) cases have been referred for adjudication under SAROD Arbitration Rules out of which awarded cases are Sixty (60), whereas Thirteen (13) cases have been withdrawn or settled mutually by the parties and Eighty (80) 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 Ninety (90) highly experienced Arbitrators on its panel.



**Chenani-Nashri Tunnel on  
Jammu-Srinagar section of NH-44**

**14****Systemic Improvements:****14.1 Improvement in Toll Collection:**

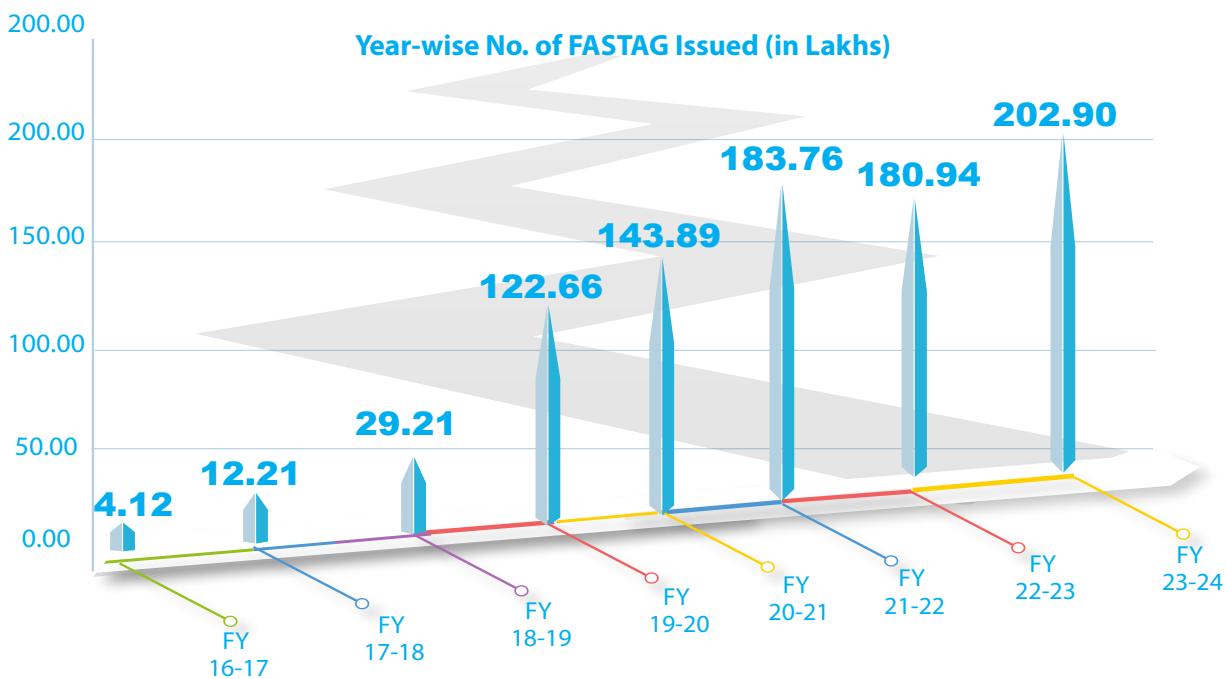
FASTag is now acceptable across all National Highways user fee plaza (945 nos), all MoRTH user fee plaza (39 nos.) and more than 381 State Fee Plazas. All NH fee plazas are operational with FASTag lanes. FASTag is a device that employs Radio Frequency Identification (RFID) technology for making toll 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 through the toll plazas without the hassles of cash transactions. The tag can be purchased from multiple tag issuer entities registered under NETC programme and can be recharged as per the user's requirement.

Currently, there are 40 member banks live under NETC programme who are selling FASTag to the customers. They are providing account maintenance and customer support services related to FASTag.

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

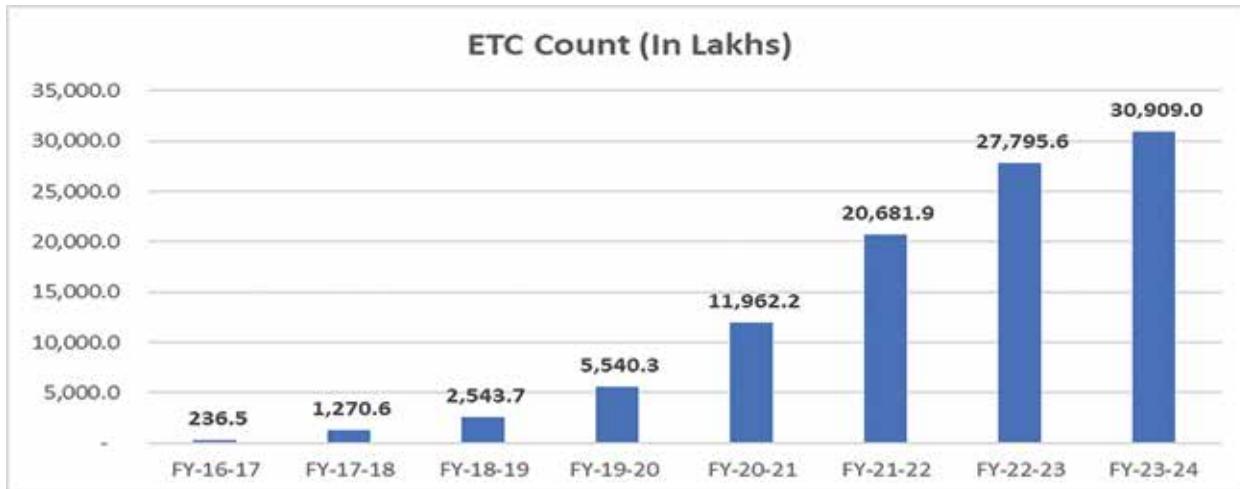
**(a) Year-wise growth in FASTag issuance (in Lakhs) (no. of tag issued in each FY):**

202.90 Lakhs of FASTag have been issued in this Financial Year with a cumulative issuance of 881.78 lakhs upto March, 2024.



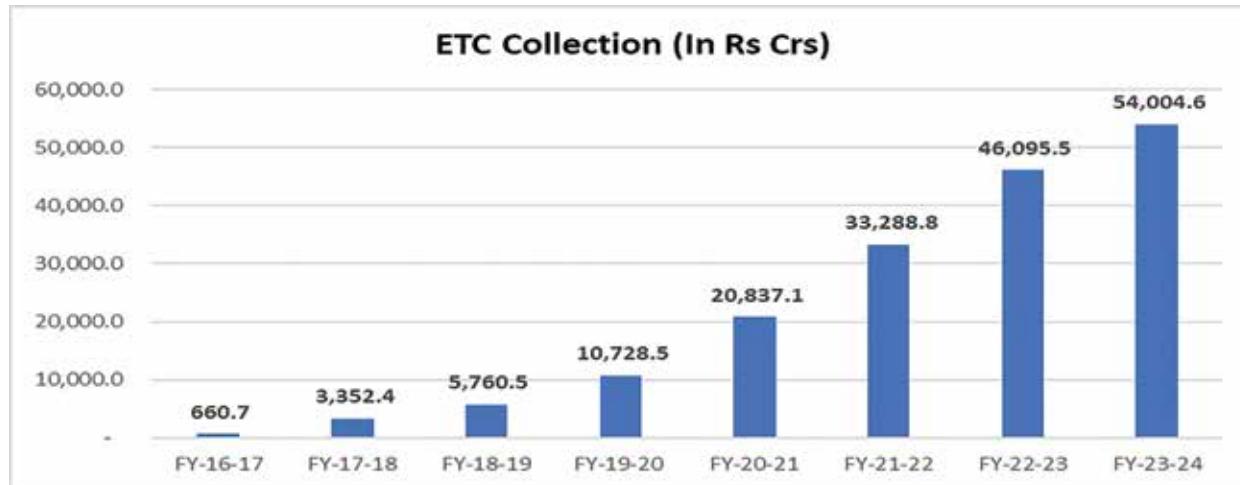
### (b) Growth in ETC Transaction Count

A total number of 309.09 Cr. Transactions took place through the NETC FASTag eco system in FY 23-24 with maximum average per day ETC transaction count of 107.45 lakhs in Dec 2023

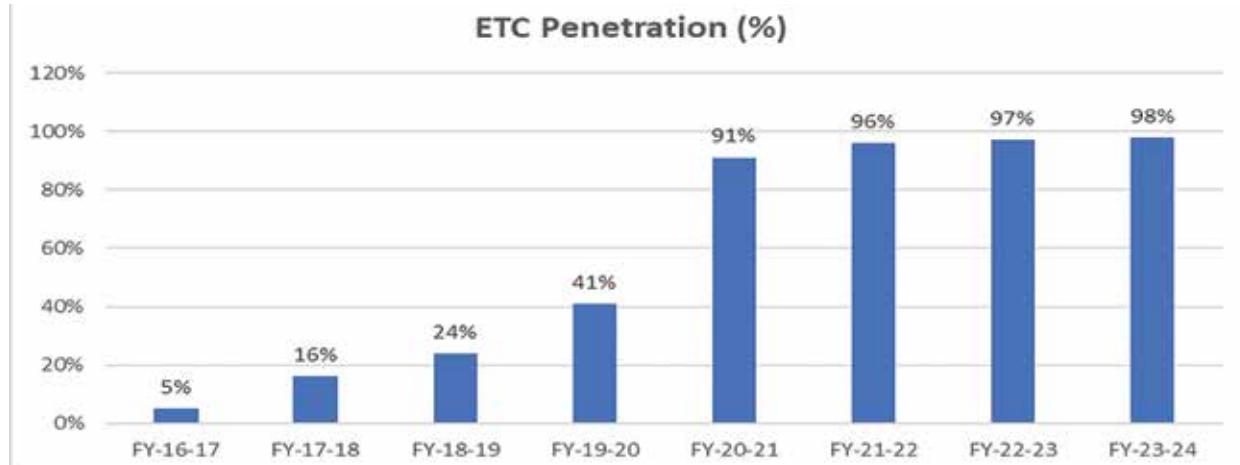


### (C) Growth in Toll Collection via FASTag (ETC)

ETC collection took place through the NETC FASTag eco system in FY 23-24 was Rs. 54004.6 Cr. With maximum per day ETC collection of 176.67 on Dec 2023.



### (d) ETC % Penetration – FY Wise



## 14.2 Toll Monitoring and Control Centre (TMCC) Project:

The Toll Monitoring and Control Centre (TMCC) project has been conceptualized to enhance the efficiency and reliability of toll operations by introducing a robust real-time monitoring system, advanced data analytics tools, and a dedicated team to oversee the seamless functioning of critical Electronic Toll Collection (ETC) infrastructure. The objective of the TMCC project is to establish an Internet of Things (IoT)-enabled real-time monitoring framework, complemented by a cloud-based Toll Data Lake. This Toll Data Lake will function as a centralized repository for all toll collection data as well as other data pertaining to projects undertaken by the National Highways Authority of India (NHAI) and Indian Highways Management Company Limited (IHMCL). Additionally, the project will leverage cloud-based data analytics solutions to enhance operational insights and decision-making capabilities.

As on 31.03.2024, 935 fee plazas are on-boarded with TMS integration for real-time transactional data and for real time equipment health monitoring.

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

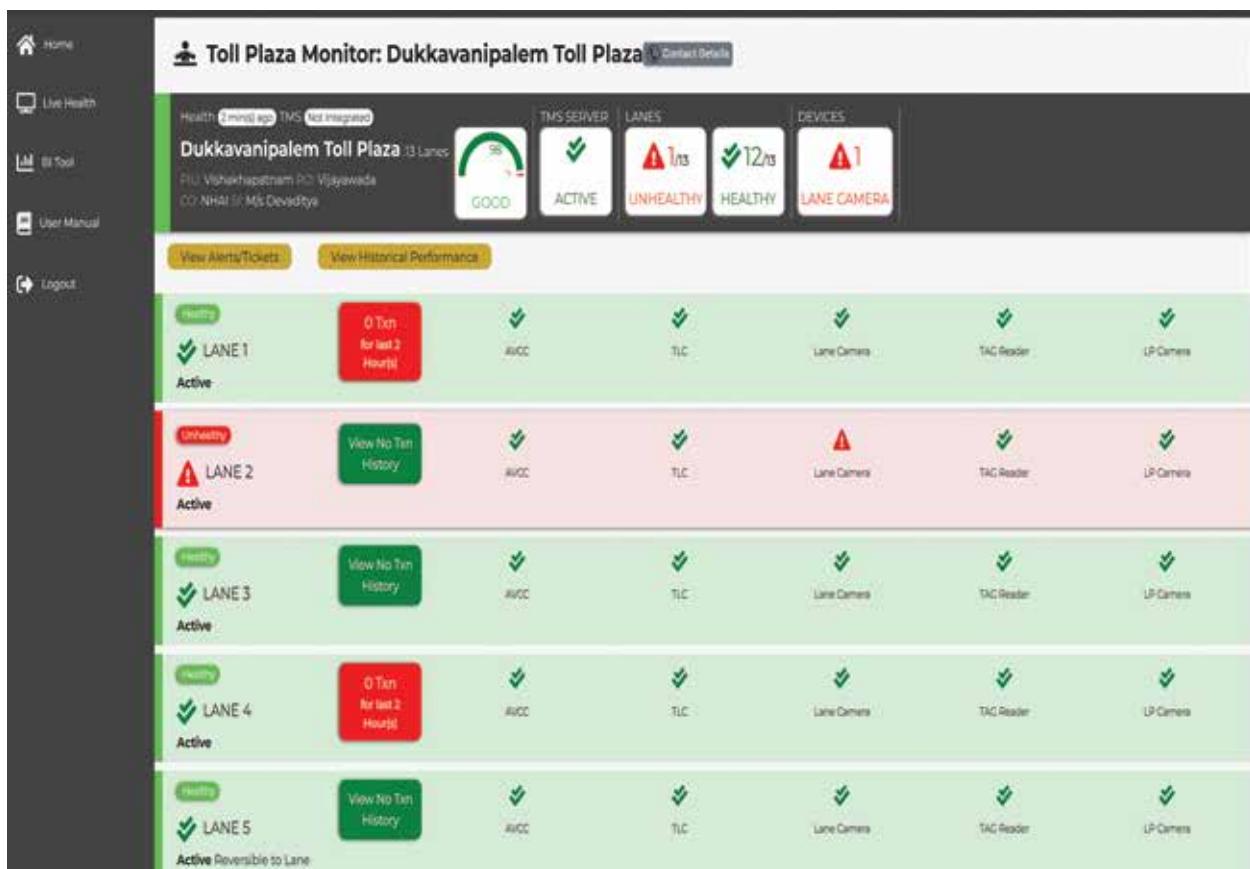


Figure 1: Dashboard for monitoring critical ETC Equipment



Figure 2: Toll plaza performance dashboard

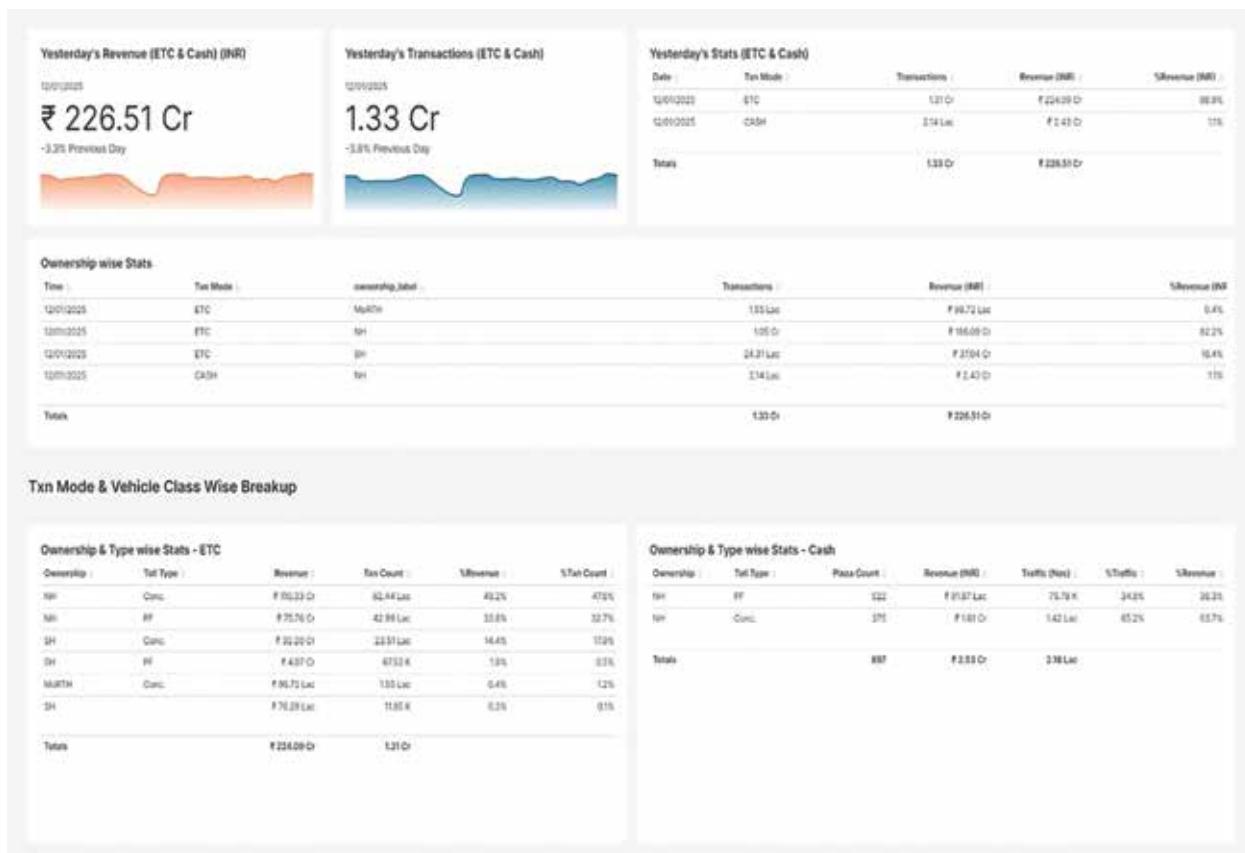


Figure 3: Country view dashboard

The TMCC project has the potential to integrate with various stakeholders, enabling comprehensive analyses of traffic patterns, vehicle speeds, and congestion on national highways. This capability will support data-driven decision-making, enhance traffic management, and improve overall highway efficiency.

## 14.3 Barrier-free tolling system in India:

Barrier-free toll collection systems aim to eliminate the need for physical toll booths, allowing vehicles to pass seamlessly without stopping. These systems are designed to leverage advanced technologies such as RFID tags (e.g., FASTag), Automatic Number Plate Recognition (ANPR), and Global Navigation Satellite Systems (GNSS) to automatically identify and charge vehicles for road usage.

Implementing barrier-free tolling necessitates a robust technological framework, secure data processing mechanisms, and effective collaboration among stakeholders to ensure accurate and efficient toll collection.

Plans are currently underway to initiate barrier-free Electronic Toll Collection (ETC) systems at selected fee plazas, using the existing FASTag and ANPR technologies. Request for Proposal (RFP) to implement barrier-free tolling system on the fee plazas of "Gharonda, Choryasi, Nemili, UER-11 and Dwarka Expressway" has been invited/floated, with the possibility of implementing it on other fee plazas in a phased manner depending upon the outcomes and efficacy of the implementation on these projects.

## 14.4 Advance Traffic Management System (ATMS):

National Highways Authority of India (NHAI) released an updated policy introducing the Advanced Traffic Management System (ATMS) Standards and Specifications 2023.

This initiative aims to enhance road safety and streamline traffic management on National Highways and Expressways by leveraging advanced technologies. Key Features of the ATMS Policy:

- ◆ **Video Incident Detection and Enforcement System (VIDES):** Replacing the previous VIDS cameras, VIDES can detect 14 distinct incidents, including traffic violations like triple riding, helmet and seatbelt non-compliance, wrong-lane driving, and the presence of animals or pedestrians on highways. Upon detection, it can alert patrol vehicles, dispatch ambulances, generate e-challans, update Variable Messaging Signs, or notify travellers via the 'RajMarg Yatra' mobile app.
- ◆ **Deployment Strategy:** VIDES cameras are planned for installation every 10 kilometers along National Highways, complemented by Command & Control Centers every 100 kilometers to integrate various camera feeds. Additionally, Traffic Monitoring Camera Systems (TMCS) will be positioned every kilometer, equipped with capabilities to detect accidents and stalled vehicles automatically.
- ◆ **Integration with Enforcement Agencies:** The policy facilitates collaboration with local traffic authorities by providing dedicated workstations in Command & Control Centers and enabling real-time sharing of camera feeds to enhance coordination and response times.
- ◆ **Infrastructure Development:** The policy includes provisions for developing integrated utility corridors along National Highways to establish Optic Fibre Cables (OFC) infrastructure, supporting current ATMS equipment and accommodating future 5G-based communication as coverage expands.

As part of the ATMS initiative, the National Highways Authority of India (NHAI) is integrating ATMS both as a component of new highway projects and as standalone projects on important corridors. Notable standalone ATMS projects include the Bangalore-Mysore corridor (117 km, Karnataka), which has been completed; Dwarka Expressway (58 km across Delhi and Haryana); Delhi-Agra corridor (180 km,

Uttar Pradesh); UER-11 (75 km, Delhi), and Lucknow Ring Road (103 km, Uttar Pradesh). Additionally, ATMS implementation aligned with the new policy has also been made an integral part of highway development projects currently being awarded by NHAI.

#### **14.5 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 38 State Entities having approx. in 593 no. of Fee Plazas.

By implementing these advanced systems, NHAI aims to create safer, more efficient, and digitally managed highways, significantly improving the travel experience across India's national road network.

#### **NH-4B New NH-348 SH-54 New NH-348A Jawaharlal Nehru Port Road Connectivity Project on Amara Marg and NH-548 in Mumbai**



**15****Other Management Initiatives****15.1 Decentralised decision making process:**

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

**15.2 Improvement in Planning and Execution Process:**

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

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

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

## 15.4 Incident Management:

- ◆ As part of incident management NHAI has deployed over 3000 on-road units (ambulances, patrol vehicles and tow-away cranes/vehicles) at/near its toll plazas through its contractors/concessionaire. Out of these over 350 Ambulances have been deployed using centralised ambulance vendors from NHAI HQ.
- ◆ 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. NHAI is also integrating its 1033 helpline number with 112/108 helpline of State Government Departments.
- ◆ NHAI has signed and MoU with HLL Lifecare Ltd. on 08.03.2024 (CPSU under MoH&FW), the scope of which includes Strengthening Incident Management System (IMS) at National Highways, Mapping of Health Facilities to strengthen emergency health services at National Highways, Capacity Building of Toll Plaza Staff, Technical Support Unit for NHAI HQ, Operationalization and Management of 300 BLS Ambulances & Operationalization and Management of 100 ALS Ambulances. The MoU shall remain in force for duration of five (05) years from the date of signing. NHAI has allocated an Amount of Rs 264 Crores for the projects to be undertaken as part of the MoU.

## 15.5 Swacch 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 and 1262 toilet blocks have been on-boarded on the app for monitoring of cleanliness of the same.

## 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.

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- ◆ Till FY 2023-24, 15 stretches comprising of 1409 km have already been monetized through InvIT mode in 3 Bundles, i.e. InvIT Bundle-1, InvIT Bundle-2 and InvIT Bundle-3 (M). A sum of Rs. 25,899.95 crore already realized. The details are as under:

S. No.	Description	InvIT Bundle-1	InvIT Bundle-2	InvIT Bundle-3
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	Kachugaon-Kaljhar, Orai-Bara, Kaljhar-Patacharkuchi, Chichra-Kharagpur, Rewa-Katni-Jabalpur-Lakhnadon, Lakhnadon-Khawasa & Hubli-Haveri-Chitradurga bypass
2	No. of Projects	5	3	7
3	No. of Plazas	8	4	14
4	Length (km)	389	246	774
5	Concession Period	30 Years	20 Years	20 Years
6	Concession fee	Rs. 7,350.40 cr.	Rs. 2,849.67 cr.	Rs. 15,699.88 cr.
7	Concession Fee Realized in	2021-22	2022-23	2023-24
8	Date of Financial Closure	09.12.2021	28.10.2022	20.03.2024
9	Appointed Date	16.12.2021	29.10.2022	01.04.2024

## 15.7 Vigilance Division:

### 1. Introduction:

- 1.1 The NHAI has a full-fledged vigilance set-up headed by the Chief Vigilance Officer (CVO). The CVO acts as advisor to the Chairman, NHAI in all matters pertaining to vigilance and acts as a link between the NHAI and the Central Vigilance Commission (CVC).

### 2. The Vigilance Division is responsible for the following major activities:

- ◆ Scrutiny of vigilance complaints and investigation/inquiry of the complaints having vigilance angle.
- ◆ Examination of the investigation reports and follow up thereon.
- ◆ Coordination with CVC and other agencies on vigilance matters.
- ◆ Extending assistance / liaison with CBI / Lokpal/ Police & other agencies in inquiry/ investigation of cases.

- ◆ Seeking advice from CVC on the cases having vigilance angle.
- ◆ Processing of prosecution sanction in corruption cases.
- ◆ Issues concerning suspension and other departmental actions against the employees involved in vigilance matters.
- ◆ Disciplinary proceedings.
- ◆ Preparation and maintenance of Agreed List, Officers of Doubtful Integrity (ODI) List and follow up action thereon.
- ◆ Conduct of periodic/surprise inspections/ reviews and scrutiny of Audit reports.
- ◆ Suggesting systemic / procedural improvements for ensuring transparency and mitigating scope for corruption and malpractices.
- ◆ Identification of sensitive/ non-sensitive posts.
- ◆ Scrutiny of 'Annual Immovable Property Returns'.
- ◆ Organizing trainings/ workshops on vigilance matters.
- ◆ Observance of 'Vigilance Awareness Week'

### 3. Complaints:

3.1 Vigilance Division of NHAI receives vigilance complaints from various sources. These complaints are scrutinized and taken up for investigation, if required. During the period (01.04.2023 to 31.03.2024), approximate 500 complaints were handled by the Vigilance Division of the NHAI.

### 4. Vigilance cases:

4.1 The summary of Vigilance Cases disposed of during April, 2023-March, 2024 and pending till 31.03.2024 is as under:

Sr. No.	Nature of case	Number of Vigilance cases	
		Disposed of during April 2023- March 2024	Pending till 31.03.2024
1	Toll Related	17	52
2	LA/Alignment related	47	40
3	Project related viz. construction, maintenance, quality procurement, contractual matter etc.	72	119
4	Administrative issues	7	28
5	Other (Utility Shifting access permission, encroachment etc.)	31	25
<b>Total Number of Cases</b>		<b>174</b>	<b>264</b>

## 5. Inspections:

### 1. Introduction:

As per CVC's instructions, 7 CTE type inspections/examinations and 3 surprise inspections were conducted by Vigilance Division of NHAI in 2023-24 whereby 9 systemic improvements were suggested to the management to standardize the work procedures and update manuals to enhance transparency in the workplace and minimize the scope for discretion.

## 6. Observance of Vigilance Awareness Week, 2023:

- 6.1 Vigilance Awareness Week (VAW), 2023 was observed from 30.10.2023 to 05.11.2023 as per the CVC guidelines. The theme for the week was "भ्रष्टाचार का विरोध करें, राष्ट्र के प्रति समर्पित रहें" "Say No to Corruption, Commit to the Nation" "Say No to Corruption, Commit to the Nation" which commenced with the Integrity Pledge taking ceremony. The pledge was administered by approximate 8100 officials and other stake holders of NHAI. Various competitions like essay, debate, Painting and Quiz were held to increase awareness amongst the employees and their family members, of the NHAI to collectively participate in the fight against corruption. During Vigilance Awareness Week, 2023, wide publicity on the instructions regarding non-disclosure of identity of the complainant under PIDPI (Public Interest Disclosure and Protection of Informer), Resolution was given as per instructions of CVC.
- 6.2 Vigilance Awareness Week, 2023 was also observed in various field units across the country and various seminars and workshops were organized. The endeavour was to undertake a large number of outreach activities through the Regional Offices so as to disseminate vigilance awareness in every nook and corner of the country.

## 7. Annual Sectoral Review Meeting, 2024:

- 7.1 In the year 2024, NHAI organized the Annual Sectoral Review Meeting of CVC with CEOs/CVOs of Road Transport & Highways Sector viz. MoRTH, NHAI, NHIDCL, BRO, and IAHE in coordination with CVC.



Integrity Pledge Ceremony at NHAI HQ



Annual Sectoral Review Meeting of Road Transport & Highways Sector at NHAI HQ

## 15.8 Implementation of the Official Language Policy of the Government:

The National Highways Authority of India (NHAI) has effectively implemented the Official Language Policy of the Government of India. This has resulted in significant progress towards the bilingualization and trilingualization of highway signages. Additionally, the use of Hindi in official work has significantly increased during 2023-24 due to continuous dedicated efforts of NHAI officials. Key Initiatives and Achievements are given in the table below:

Sr No.	Item	Particulars																						
1.	Implementation of Official Language Policy	Guidelines were issued in tune with the Government's Official Language Policy and regular monitoring is conducted to ensure their compliance.																						
2.	Translation Efforts	Translated approximately 5,400 pages, including speeches of the Prime Minister and the Minister of Road Transport and Highways (RTH), contracts, agreements, toll notifications, policies, general orders, and miscellaneous documents received from various divisions.																						
3.	Annual Programme Compliance	Targets set in the Annual Programme 2023-24 'A' Region - 100% 'B' Region - 100% 'C' Region - 65% noting on files - 75%	Targets achieved 90.3% 89.3% 86.6% 74.6%																					
4.	Hindi Pakhwada and Hindi Diwas	Hindi Pakhwada (from 1st to 15th September 2023) and Hindi Diwas (on 14 September 2023) were organized. 07 Hindi competitions were organized and there were 05 prizes in each competition.																						
5.	Hindi Workshops	Four (04) Hindi Workshops were held on 16th June 2023 (13 personnel), 22nd September 2023 (44 personnel), 22nd December 2023 (12 personnel) and 15th March, 2024 (13 personnel).																						
6.	Meetings of Official Language Implementation Committee	Four (04) meetings were held under the Chairmanship of the Chairman, NHAI on 26th June 2023, 26th September 2023, 26th December 2023 and 05th April 2024.																						
7.	Hindi Progress Report	Quarterly reports received from various divisions in NHAI (HQ) are compiled, reviewed and submitted to the Department of Official Language and the Ministry of Road Transport and Highways (MoRTH) in every quarter. The quarterly reports received from ROs and PIUs are also reviewed and deficiencies, if any, are communicated.																						
8.	Hindi incentive schemes	<ul style="list-style-type: none"> <li>Quarterly incentive for original Hindi correspondence and dictation in Hindi.</li> <li>Cash award scheme for children of employees on securing minimum 75% marks in 10th and 12th class.</li> </ul>																						
9.	Official Language Inspection by Parliamentary Committee	<table border="1"> <tr> <td>1</td><td>Regional Office, Kolkata</td><td>27.04.2023</td></tr> <tr> <td>2</td><td>Regional Office, Dehradun</td><td>09.05.2023</td></tr> <tr> <td>3</td><td>Regional Office, Vijayawada</td><td>11.07.2023</td></tr> <tr> <td>4</td><td>Regional Office, Bhopal</td><td>24.08.2023</td></tr> <tr> <td>5</td><td>Regional Office, Bengaluru</td><td>19.10.2023</td></tr> <tr> <td>6</td><td>Regional Office, Raipur</td><td>19.02.2024</td></tr> <tr> <td>7</td><td>Regional Office, Chandigarh</td><td>07.03.2024</td></tr> </table>		1	Regional Office, Kolkata	27.04.2023	2	Regional Office, Dehradun	09.05.2023	3	Regional Office, Vijayawada	11.07.2023	4	Regional Office, Bhopal	24.08.2023	5	Regional Office, Bengaluru	19.10.2023	6	Regional Office, Raipur	19.02.2024	7	Regional Office, Chandigarh	07.03.2024
1	Regional Office, Kolkata	27.04.2023																						
2	Regional Office, Dehradun	09.05.2023																						
3	Regional Office, Vijayawada	11.07.2023																						
4	Regional Office, Bhopal	24.08.2023																						
5	Regional Office, Bengaluru	19.10.2023																						
6	Regional Office, Raipur	19.02.2024																						
7	Regional Office, Chandigarh	07.03.2024																						

Sr No.	Item	Particulars
10.	Bilingualization/trilingualization of signboards, milestones, signal boards on highways	Directions are issued for compliance of Central Government directives regarding bilingualisation/trilingualisation of informations, signboards, milestones, signals at toll plazas on highways and compliance is monitored.
11.	Formulation of Civil Engineering Terminology	Under the joint aegis of the Commission for Scientific and Technical Terminology and NHAI, an Expert Advisory Committee finalized 2,340 terms of Civil Engineering Terminology. The number of such terms is still being expanded.

## 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 2024) are as under:

Year	No. of grievances	Opening Balance	Addition during the year	Closed/Disposed	Closing Balance
2021	01	01	01	02	00
2022	04	00	04	00	04
2023	03	04	03	03	04

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

## 15.10 Right to Information Act (RTI):

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

Furthermore, for the last one year all applications are processed through the online portal only, i.e. the physical receipts are scanned and uploaded to the RTI MIS Portal for speedy transfer and speedy

disposal thereby reducing the response time for each and every RTI applications made under the Act of 2005. The filing of Quarterly Returns on behalf of NHAI is also done on a regular basis in the RTI MIS Portal at [Https://rtionline.gov.in/RTIMIS/NODAL/index.php](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 31.03.2024) 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
16317	47	16244	2	0	57

Action taken by CPIO(s)					
Physical Receipt(s)	Forward by Nodal Officer	Total Receipt(s)	Disposed off	Pending	
2720	16244	18964	18667	1904	

The updated status (as on 31.03.2024) for RTI Appeal is presented below:

Action taken by Nodal officer				
Total Online Receipt(s)	Forward To FAA	Returned To Applicant	Pending	
1298	7904	0	17	

Action taken by FAA(s)				
Physical Receipt(s)	Forward by Nodal Officer	Total Receipt(s)	Disposed off	Pending
107	7904	8011	1388	130

## 15.11 VIP References/PG:

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

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

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

VIP references/PG so received in the online portal are being forwarded to the concerned divisions for speedy disposal thereby reducing the response time for each VIP reference/PG. The updated status as on 31.03.2024 is as under:-

Subject	Total received	Forwarded to Concerned Divisions
VIPs	320	320
PGs	14170	14170

## **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 from 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 5,000 photographs of NHAI projects.

## **15.13 Media Relations Division:**

The Media Relations (MR) Division is actively communicating various initiatives taken by NHAI to advance the National Highway infrastructure across the country. The MR Division successfully leveraged various communication tools such as Press Releases, Newsletter, Interactions with media and industry to have a favorable brand perception among all its stakeholders. NHAI has also been engaging audiences on social media through its handles on X (Twitter), Instagram, Facebook, LinkedIn and YouTube. In addition to disseminating information regarding various NHAI projects during FY 2023-24, NHAI Media Relations Division promoted several initiatives related to leveraging technology, road safety and environment sustainability.

During the year, the MR Division introduced policy guidelines for Media and Social Media Management for effective information dissemination to the press. In a special initiative, NHAI collaborated with Network18 to organize a 'Telethon' to create awareness among general public on road safety. The program themed 'Samvedna ka Safar' featured Shri Amitabh Bachchan in conversation with Hon'ble Minister for Road Transport & Highways Shri Nitin Gadkari and other eminent dignitaries. During the 'Telethon' a road safety anthem 'Parvaah' was also released.

Apart from this, MR division also actively engaged in the production of various short videos on different themes ranging from World Record in National Highway Construction, to promoting FASTag and environment sustainability efforts of the organization. MR Division also participated in various exhibitions during the year, which included Vibrant Gujarat Global Trade Show in Gandhinagar. These thematically designed exhibition stalls displayed NHAI's vision and efforts in Nation Building through the development of Expressways and National Highway network.

## **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. 80%) 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.

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/SRLS,) 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 402.28 lakh saplings post Green Highways Policy years from 2016-17 to 2023-24 out of which 56.08 lakhs plants were planted in FY 2023-24 on about 18,991 kms of National Highways. 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 70,000 trees have been transplanted up to 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.

### **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.

# 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. During the year, NHAI Club took various initiatives to promote camaraderie among NHAI officials. Enriching the cultural fabric of the organization, various activities were organized by the club, which included cultural and sports competitions along with annual day function to mark the 29th NHAI Day and special festivities to celebrate Holi and Diwali Festivals.

### 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 Rs.20.00 lakhs for all categories of employees. The sum payable under the Policy was received from existing Rs. 4.00/5.00 Lakhs to Rs. 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 be released to the Next of Kin of the deceased officers. There is no such cases happened in the year 2023-24."***

### 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 Rs.50/- is contributed by the employees every month. An ex-gratia amount of Rs. 1 lakh is given as relief in case of death of the employee.

## Goa-Karnataka Border to Kundapur NH-66



## 17 Audit

The Audit Report on the accounts of the Authority for the year 2023-24 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**.

## Sister Nivedita Bridge at Kolkata



# 18 ANNEXURE

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

Sl. No.	Name of Regional Office	Name of PIUs/CMUs/ Site Offices
1.	<b>Maharashtra &amp; Goa at MUMBAI (09 PIUs)</b>	1 AHMEDNAGAR 2 PANVEL 3 GOA (NHAI PROJECT) 4 KOLHAPUR 5 NASHIK 6 PANDHARPUR 7 PUNE 8 SOLAPUR 9 THANE
2.	<b>Odisha at BHUBANESWAR (09 PIUs)</b>	10 SAMBALPUR 11 ROURKELA 12 NABARANGPUR 13 KORAPUT 14 KEONJHAR 15 DHENKANAL 16 BHUBANESWAR 17 BERHAMPUR (2020) 18 CHANDIKHOL (Earlier BALASORE)
3.	<b>Karnataka at BENGALURU (13 PIUs)</b>	19 BENGALURU-EXPRESSWAY (2022) 20 BANGALORE-GQ 21 BAGALKOT 22 DHARWAD-GQ 23 CHITRADURGA-GQ 24 GULBARGA 25 HASSAN 26 HONNAVAR 27 HOSPET 28 MANGALORE 29 RAICHUR 30 TUMKUR (earlier SHIMOGA) 31 MYSURU (EARLIER RAMANAGARA)

Sl. No.	Name of Regional Office	Name of PIUs/CMUs/ Site Offices	
4.	<b>Madhya Pradesh (West) at BHOPAL (08 PIUs)</b>	32	RATLAM
		33	SHEOPUR
		34	UJJAIN
		35	VIDISHA
		36	HARDA
		37	INDORE BOT
		38	KHANDWA
		39	BHOPAL
5.	<b>Tamil Nadu at CHENNAI (10 PIUs)</b>	40	CHENGALPATTU
		41	CHENNAI-GQ
		42	CHENNAI-2
		43	COIMBATORE
		44	KANCHEEPURAM
		45	KARUR BOT
		46	KRISHNAGIRI
		47	PUDUCHERRY
		48	VILLUPURAM
		49	SALEM-NSEW
		50	SONIPAT (RO-CHANDIGARH)
6.	<b>Haryana &amp; Punjab at CHANDIGARH (11 PIUs)</b>	51	PATIALA
		52	LUDHIANA
		53	LUDHIANA(EXPRESSWAY)
		54	JALLANDHAR-NSEW
		55	HISAR
		56	CHANDIGARH BOT
		57	BATHINDA
		58	BHIWANI (RO-CHANDIGARH)
		59	AMBALA
		60	AMRITSAR
		61	BAGHPAT
7.	<b>Delhi &amp; NCR at RO DELHI (10 PIUs)</b>	62	BHIWANI (RO-DELHI)
		63	DWARKA
		64	GURUGRAM
		65	GHAZIABAD JBIC
		66	MEERUT
		67	MATHURA
		68	SONIPAT (RO-DELHI)
		69	REWARI (2018)
		70	SOHNA

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<b>Sl. No.</b>	<b>Name of Regional Office</b>	<b>Name of PIUs/CMUs/ Site Offices</b>	
8.	<b>Uttarakhand at DEHRADUN (04 PIUs)</b>	71	RUDRAPUR
		72	ROORKEE
		73	VASANT VIHAR
		74	NAJIBABAD
9.	<b>North East at GUWAHATI (05 PIUs)</b>	75	NAGAON (ASSAM)
		76	GUWAHTI-NSEW
		77	BONGAIGAON (ASSAM)
		78	SHILLONG
		79	HAFLONG(Earlier SILCHAR)
10.	<b>Gujarat at GANDHINAGAR (10 PIUs)</b>	80	SOMNATH
		81	SURAT
		82	RAJKOT
		83	BHAVNAGAR
		84	AHMEDABAD-GQ
		85	GANDHIDHAM
		86	GODHRA (NEW)
		87	BHARUCH
		88	PALANPUR-23 (Earlier PLNPR then GANDHAM)
		89	KEVADIA
11.	<b>Telangana at HYDERABAD (08 PIUs)</b>	90	MAHABUBNAGAR
		91	MANCHERIAL
		92	KAMAREDDY (EARLIER NIRMAL)
		93	HYDERABAD-NSEW
		94	KHAMMAM-I
		95	GAJWEL
		96	KHAMMAM-II (earlier SANGAREDDY)
		97	WARANGAL
12.	<b>J&amp;K at JAMMU (04 PIUs)</b>	98	UDHAMPUR (2022)
		99	SRINAGAR
		100	RAMBAN
		101	JAMMU
13.	<b>Rajasthan at JAIPUR (13 PIUs)</b>	102	JAISALMER
		103	HANUMANGARH
		104	KOTA- RJ
		105	JAIPUR-GQ
		106	AJMER (EARLIER BEAWAR)
		107	CHITTORGARH-EW
		108	DAUSA
		109	BIKANER
		110	JODHPUR

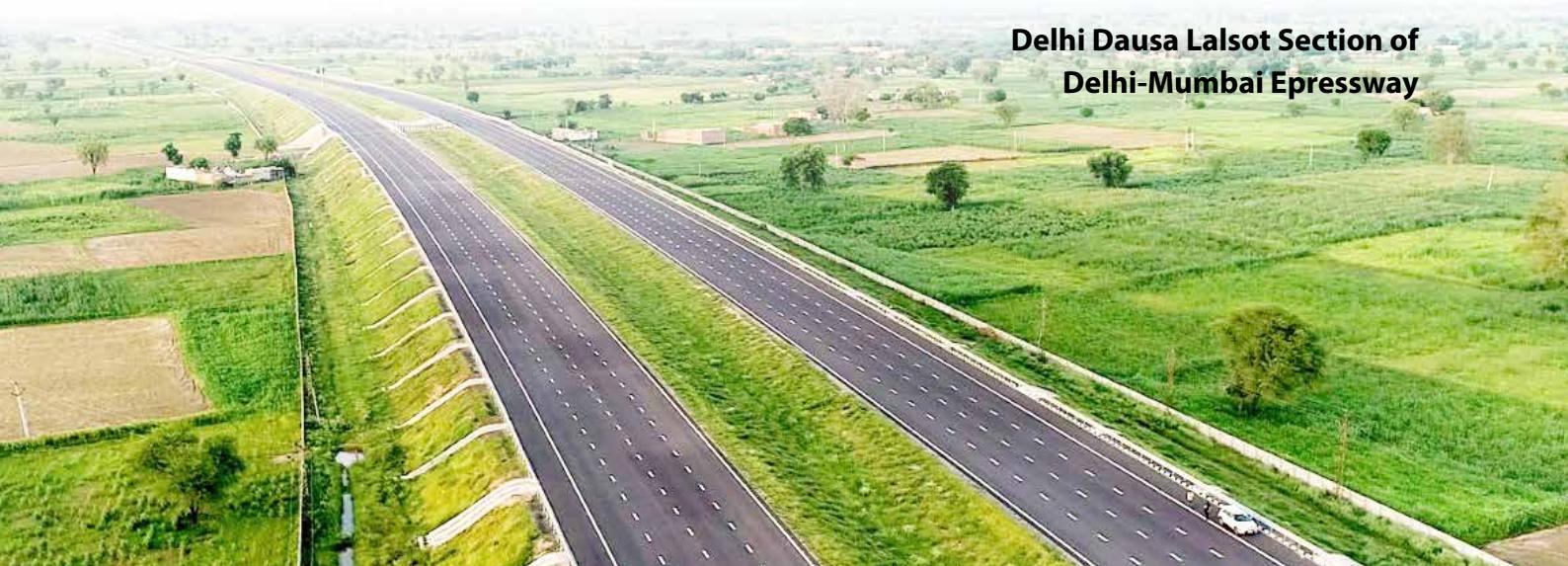
Sl. No.	Name of Regional Office	Name of PIUs/CMUs/ Site Offices
		111 BARMER 112 SIKAR(RAJ) 113 SAWAIMADHOPUR 114 UDAIPUR
14.	<b>West Bengal at KOLKATA (09 PIUs)</b>	115 JALPAIGURI (earlier PIU-SILIGURI) 116 PURULIA 117 BARDHMAN 118 ALIPURDUAR 119 DURGAPUR-ADB 120 KOLKATA 121 MALDA (W.BENGAL) 122 KHARAGPUR-GQ 123 KRISHNAGAR (W.BENGAL)
15.	<b>Kerala at THIRUVANTHAPURAM (08 PIUs)</b>	124 PALAKKAD - NSEW 125 KOLLAM 126 KANNUR 127 KOTTAYAM 128 KOZHIKODE 129 COCHIN-1 130 COCHIN-2 131 THIRUVANANTHAPURAM
16.	<b>RO East UP at VARANASI (07 PIUs)</b>	132 RAEBARELI 133 VARANASI-WB 134 GORAKHPUR 135 PRAYAGRAJ-JBIC 136 PRAYAGRAJ-WB 137 AZAMGARH 138 MIRZAPUR
17	<b>RO West UP at LUCKNOW (09 PIUs)</b>	139 LUCKNOW-WB 140 MORADABAD 141 KANPUR-WB 142 KANNAUJ 143 JHANSI-EW 144 AGRA-WB 145 BADAUN 146 ALIGARH 147 BAREILLY
18.	<b>Tamil Nadu at MADURAI (08 PIUs)</b>	148 THANJAVUR 149 TRICHY-WB 150 TUTICORIN

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<b>Sl. No.</b>	<b>Name of Regional Office</b>	<b>Name of PIUs/CMUs/ Site Offices</b>	
19.	<b>Madhya Pradesh (East) at Jabalpur (06 PIUs)</b>	151	RAMANATHAPURAM
		152	DINDIGUL
		153	NAGERCOIL (Earlier PIU-KANYAKUMARI)
		154	KARAIKUDI PIU
		155	MADURAI
20	<b>Maharashtra RO at NAGPUR (10 PIUs)</b>	156	KATNI (2017)
		157	JABALPUR
		158	GWALIOR-NS
		159	CHHATARPUR(M.P)
		160	CHHINDWARA
		161	SAGAR(MP)
		162	WASHIM
		163	YAVATMAL
		164	CHANDRAPUR
		165	DHULE
		166	AMRAVATI
21	<b>Bihar at PATNA (13 PIUs)</b>	167	AURANGABAD
		168	JALGAON
		169	NAGPUR
		170	NAGPUR-2
		171	NANDED
		172	MUNGER
		173	MUZAFFARPUR (2021)
		174	MOTIHARI
		175	CHHAPRA (Earlier HAJIPUR)
		176	PURNEA
		177	AURANGABAD-BIHAR
		178	BEGUSARAI
		179	DARBHANGA
22.	<b>Jharkhand at RANCHI (09 PIUs)</b>	180	GAYA
		181	PATNA
		182	PATNA-2
		183	SASARAM
		184	SUPAUL
		185	SAHIBGANJ
		186	RANCHI
		187	RAMGARH
		188	GUMLA

Sl. No.	Name of Regional Office	Name of PIUs/CMUs/ Site Offices
		189 DHANBAD-WB 190 DALTONGANJ 191 DEOGHAR 192 HAZARIBAGH 193 JAMSHEDPUR
23.	<b>Chhattisgarh at RAIPUR (05 PIUs)</b>	194 KORBA 195 DHAMTARI (2017) 196 BILASPUR (C.G) 197 RAIPUR-1 198 RAIPUR-2
24.	<b>Himachal Pradesh at SHIMLA (04 PIUs)</b>	199 SHIMLA 200 HAMIRPUR 201 MANDI 202 PALAMPUR
25.	<b>Andhra Pradesh at VIJAYAWADA (12 PIUs)</b>	203 KADAPA (earlier NANDYAL) 204 ONGOLE 205 NELLORE-GQ 206 KURNOOL 207 ANANTPUR 208 AMARAVATI (A.P) 209 CHITTOOR 210 RAJAHMUNDHY-GQ 211 TIRUPATI 212 VIJAYAWADA-ADB 213 VIZIANAGARAM 214 VISAKHAPATNAM-GQ

**Delhi Dausa Lalsot Section of  
Delhi-Mumbai Expressway**



No. DGA/Infra.-IV/NHAI Accounts/4-16/  
2023-24/704

कार्यालय महानिदेशक लेखापरीक्षा  
(अवसंरचना), नई दिल्ली  
तृतीय तल, ए-स्कॅम्ब, इन्द्रप्रस्थ भवन,  
इन्द्रप्रस्थ एस्टेट, नई दिल्ली-110002



गोपनीय

SUPREME AUDIT INSTITUTION OF INDIA  
संघीय सचिवालय  
Dedicated to Truth in Public Interest



सेवा में,

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

M(F)  
25/02/2025  
Chairman Secy

दिनांक / DATE 21/02/2025

✓  
25/02/2025  
Chairman Secy

Immediate  
Action:

विषय: भारतीय राष्ट्रीय राजमार्ग प्राधिकरण (NHAI) के वर्ष 2023-2024 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 2023-2024 के  
वार्षिक लेखों की प्रति तथा उन पर लेखा परीक्षा प्रतिवेदन संसद के पटल पर रखने के लिए अग्रेसित  
कर रहा हूँ कृपया यह सुनिहित किया जाए कि लेखापरीक्षा प्रतिवेदन की 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 अयोग्य पत्र की प्रति उस तिथि को दर्शति हुए, जब वे संसद को  
प्रस्तुत किए गए थे, इस कार्यालय को तथा भारत के नियंत्रक एवं महालेखापरीक्षक के कार्यालय को  
भेजी जाए।

भवदीय

झूस्ता.

(प्रमोद कुमार)

अपर नियंत्रक एवं महालेखापरीक्षक

दिनांक

संख्या:-

प्रतिलिपि

1. अध्यक्ष, राष्ट्रीय राजमार्ग प्राधिकरण (NHAI) को वर्ष 2023-2024 के लेखाओं पर लेखापरीक्षा  
प्रतिवेदन की प्रति सूचनार्थ एवं आवश्यक कार्यवाही हेतु प्रेषित है।

(प्रमोद कुमार)

अपर नियंत्रक एवं महालेखापरीक्षक

## 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 2024:

We have audited the attached Balance Sheet of the National Highways Authority of India (NHAI) as on 31 March 2024 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 241 units (215 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 not been able to obtain all the information (project wise accounts) and explanations, which to the best of our knowledge and belief were necessary for the purposes of audit;
- II The Balance Sheet and Profit & Loss Account dealt with by this report have not been drawn up in the format approved (as mentioned in Audit comment no. (III)(a)(i), (III)(a)(ii), (III)(a)(iii) and (III)(a)(iv) 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 We have following concerns regarding maintenance of proper books of accounts and other relevant records 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 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:
  - (i) Assets held on behalf of GoI (completed & ongoing) amounting to ₹10,07,532.92 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 opinion given by the Expert Advisory Committee of the Institute of Chartered Accountants of India which opined that if the NHAI was acting only as an executing agency on behalf of GoI and did not exercise any control over the roads/highways and/or future economic benefits out of such resources did not accrue to the NHAI, then, NHs were not NHAI's Assets. Accordingly, 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 GoI (completed and ongoing) amounting to ₹ 10,07,532.92 crore in NHAI's Balance Sheet is 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 GoI (completed and ongoing) under Fixed Assets.

It was further observed that the Profit and Loss Account was being prepared in contravention to Generally Accepted Accounting Principles (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 (without segregating the establishment expenditure incurred on completed projects and ongoing projects) capitalized the entire amount of ₹ 800.79 crore with respect to Net Establishment Expenses for the year. In absence of project wise details of establishment expenditure incurred, Audit is unable to quantify the impact of such incorrect booking. 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.

- (iii) Assets held on behalf of GoI (completed & ongoing) amounting to ₹10,07,532.92 crore includes ₹ 25,900.33 crore, being the borrowing cost capitalised during the year 2023-24. As per Para 19 of AS 16 relating to Borrowing Cost 'Capitalization 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 ₹ 25,900.33 crore allocated to 'Assets held on behalf of GoI (completed & ongoing)' during the year 2023-24. The total Borrowing Costs amounting to ₹ 1,44,446 crore has been allocated to completed and ongoing projects till 31 March 2024.

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

- (iv) 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 2023-24, NHAI has incurred an amount of ₹ 5,812.21 crore, being the total expenditure

on maintenance of highways (₹ 4,451.51 crore on maintenance of highways and ₹1,360.70 crore on toll collection activities). Against this, during 2023-24, MoRTH has released a grant of ₹ 1,174.07 crore for maintenance of highways. After adjusting ₹ 128.99 crore of 'Other Receipts from Operation & Maintenance of Highways', balance amount of ₹ 4,509.15 crore has been set off against the Shareholder's Fund. This has resulted in understatement of Excess of Expenditure over Income for the year and Shareholder's Fund-Capital by ₹ 4,509.15 crore.

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

#### **IV We further report that:**

##### **A Balance Sheet**

## **1 Sources of Funds:**

### **1.1 Shareholder's Fund**

#### **(a) Capital (Schedule 1): ₹ 7,08,177.58 crore**

The above does not include ₹ 67.29 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 (ETC) and Toll Management System (TMS). The expenditure incurred on creation of ETC and TMS is in capital nature therefore, it should have been capitalized in the books of account. This has resulted in understatement of 'Capital' (Schedule 1) and Assets held on behalf of Govt. of India (Schedule-5) by ₹ 67.29 crore.

Further, Significant Accounting Policy (Schedule -18) Para 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 the head plough back of toll remittances.

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

#### **(b) Reserve & Surplus (Schedule 2): ₹ Nil**

The above does not include an amount of ₹ 9,414.73 crore, being the Capital Reserve, which was 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 the Capital Reserve is created out of capital profits. This has resulted in understatement of Reserves & Surplus and Assets held on behalf of Gol by ₹ 9,414.73 crore. Also, the significant accounting policy no. 6 is deficient to that extent.

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

### **1.2 Borrowings (Schedule 4): ₹ 3,35,373.19 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 may 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 the 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 2024, an amount of ₹ 3,35,373.19 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 also 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 GoI (Schedule 5): ₹ 10,07,532.91 crore

- (i) The above includes ₹ 27,350.33 crore under the head 'Interest on unutilized capital' representing cumulative interest received on unutilized capital and loans and advances to contractors / 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 ₹ 4,152.54 crore during 2023-24. However, interest earned on Grants in aid or advances (other than reimbursement) released to NHAI, has not been remitted to Consolidated Fund of India which was in contravention of GFR 2017. This has resulted in understatement in Current Liability (Payable to GoI) and understatement of Assets held on behalf of GoI to the extent of interest earned on Grant received during the year.

Further, interest earned on Grants, received from 2017-18 to 2022-23 should also be reconciled and deposited in Consolidated Fund of India.

In this context, a reference is invited to Significant Accounting policy no. 3 on Capital Grant which stipulates that 'Interest earned on the unutilised Grant' is credited to 'Interest on unutilised capital'. Thus, the accounting policy is deficient and is in contravention of the provisions of GFR 2017.

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

- (ii) The above includes ₹ 31.17 crore being the consultancy charges paid during 2023-24 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 GoI' and understatement of Expenditure on Maintenance of Highways by ₹ 31.17 crore.

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

## 2.2 Current Assets, Loans and Advances (Schedule 7): ₹ 92,828.24 crore:

### Deposit Loans & Advances: ₹ 56,491.23 crore

The above includes ₹ 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 Excess of Expenditure over Income 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 Liabilities and Provisions:

### 2.3.1 Liabilities (Schedule 8): ₹ 49,327.31 crore

An agreement was entered (20 November 2017) into between Ministry of External Affairs, Government of India and NHAI for PMC services for construction/up-gradation of the Kalewa Yargi Road section, a trilateral Highway in Myanmar.

- As per terms of the agreement, Ministry of External Affairs, Government of India has released ₹ 673.26 crore (₹ 642.32 crore towards EPC expenditure and ₹ 30.94 crore towards PMC fee) to NHAI towards project expenditure as against the actual expenditure of ₹ 678.69 crore up to March 2024. However, NHAI has not adjusted ₹ 642.32 crore from the Advance amount received till 31 March 2024. This has resulted in overstatement of Current Liabilities and Provisions and overstatement of Current Assets, Loans and Advances by ₹ 642.32 crore. Further, the Note to accounts (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.

- Further, as per above agreement, NHAI was to receive a Project Management Consultancy (PMC) fee of 6 per cent of the cost of the project or tendered cost, whichever is lower. NHAI has incurred project expenditure of ₹ 673.26 crore (i.e., 46.58 per cent financial progress) for the period up to March 2024. Accordingly, the PMC Fees to NHAI is worked out as ₹ 45.47 crore till March 2024. Out of ₹ 45.47 crore towards PMC fees, NHAI has received ₹ 30.94 crore and balance ₹ 14.53 crore is recoverable from Ministry of External Affairs as on 31 March 2024.

This has resulted in understatement of Income by ₹ 45.47 crore, overstatement of Current Liabilities by ₹ 30.94 crore and understatement of Recoverable from Ministry of External Affairs (Current Assets, Loans and Advances) by ₹ 14.53 crore. Consequently, Excess of Expenditure over Income is overstated by ₹ 14.53 crore.

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

₹. 23.54 crore (₹ 1,177 crore \* 1 per cent \* 2) + ₹ 21.93 crore (₹ 1,177 crore) \* 4 per cent \* 46.58 per cent.

**2.3.2** The above head of accounts was understated by ₹ 854.72 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	426.28
2	Amount payable to Contractors/concessionaire in respect of Construction work done	337.62
3	Amount payable to the contractor/Concessionaire/Utility Department for utility shifting/tree cutting/fly Ash/plantation work	7.67
4	Amount payable for supervision consultancy	2.84
5	Amount payable on account of CWIP GST-Change in Law	9.16
6	Amount payable to contractor/concessionaire on account of Annuity payment	71.15
<b>Total</b>		<b>854.72</b>

This has also resulted into 'Understatement of Assets held on behalf of GoI' (Completed/Ongoing) by ₹ 853.30 crore and 'Claims Recoverable' by ₹ 1.42 crore.

## (B) Profit and Loss Account

### 1. Income:

#### Other Income (Schedule 11): ₹ 26.78 crore

The above does not include an amount of ₹ 3,570.37 crore being the agency charges for the year 2023-24 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 GoI 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 GoI by ₹ 3,570.37 crore for the current year.

Consequently, Excess of Expenditure over Income is also overstated by ₹ 3,570.37 crore. 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:

### Prior Period Items Net Expenses / (Income) (Schedule 17): ₹ (2.97 crore)

The above does not include an amount of ₹ 6,692.02 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 2023. This has resulted in understatement of Prior Period Income and understatement of Current Assets, Loans and Advances by ₹ 6,692.02 crore.

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

#### (C) General:

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 (d) of Notes to Accounts wherein it was mentioned that 'All receipts of NHAI viz. Funds received from the Ministry, Market borrowings through issue of NHAI Tax free Bonds, Taxable Bonds, NHAI Capital Gains Tax Exemption Bonds under Section 54-EC, interest on surplus funds etc. are credited in the National Highways Authority of India Funds and all expenditure is met out of this Fund as per the provisions of Article 18 of NHAI Act, 1988. As such, no separate account is maintained for utilization of NHAI Bond proceeds. This disclosure is also factually incorrect as NHAI is not maintaining any 'National Highways Authority of India Fund.

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

- V Because of significance of the matters mentioned in comment no. (III)(a)(i), (III)(a)(ii), (III) (a)(iii) and (III) (a)(iv) in this Audit Report, we are unable to express an opinion on the financial statements of National HighwayS Authority of India ;

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- (a) In so far as it relates to the Balance Sheet, of the state of affairs of the Authority as on 31 March 2024.
- (b) In so far as it relates to the Profit and Loss Account, Excess of Expenditure over Income for the year ended on 31 March 2024.

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



Pramod Kumar  
(Pramod Kumar)

Addl. Deputy Comptroller & Auditor General

Place: New Delhi

Dated: 21 February 2025

**Delhi-Mumbai Expressway:  
(Delhi-Dausa-Lalsot section in Rajasthan**



## Annexure

(To the Audit Report on the Accounts of National HighwayS Authority of India for the year 2023-24)

### 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 observation were made by Audit.

- (i) There is no Internal Audit Plan (IAP) 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 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 and response by the audited department/unit to the audit reports and audit observations.
- (vi) No follow up action has been initiated by the Internal Audit division on the Audit observations issued during 2023-24.
- (vii) Internal Audit reports which were submitted by the external audit firms has 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 Account 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 2023-24 has not been finalised as Internal Audit for the year 2023-24 is under progress.

### 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 has an accounting manual which has become obsolete, and the new accounting manual is under preparation.
- (ii) NHAI has not formulated a hedging policy to mitigate and minimize the foreign exchange losses.
- (iii) NHAI doesn't have approved fraud detection and prevention procedure and policies.
- (iv) NHAI has not conducted a risk assessment and identified sensitive posts in hierarchy of the management.
- (v) The ERP system has not been implemented completely in NHAI.
- (vi) NHAI has not formulated and implemented Whistle Blower Policy.
- (vii) NHAI has no risk analysis and assessment policy to mitigate the operational, financial and other types of risk.

- (viii) NHAI has not furnished supporting documents relating to approved internal control system/mechanism. In the absence of the same, Audit is unable to comment on the same.
- (ix) The Term of Reference (TOR) of the Audit Committee has not been reviewed periodically by the NHAI.
- (x) Annual report on the working of Audit Committee for the year 2023-24 has not been prepared.
- (xi) The Audit Committee doesn't submit regular reports to the Board of Directors.
- (xii) Audit Committee members have not been provided training on emerging changes during the year 2023-24.
- (xiii) NHAI has not formulated and prepared an Internal Audit Manual. In the absence of the same, 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.

### **Access Controlled Bengaluru Ring Road**



## 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 2024

PARTICULARS		SCHEDULE	As at 31/03/2024	As at 31/03/2023
			Unaudited Rs. In Lakhs	Audited Rs. In Lakhs
I.	SOURCES OF FUNDS			
1	<b>Shareholders' Fund</b>			
	a) Capital	1	7,08,17,757.84	4,95,32,132.03
	b) Reserves & Surplus	2	-	-
2	<b>Grants</b>			
	a) Capital	3	15,90,738.34	15,28,210.33
3	<b>Borrowings</b>			
	a) Secured Loans	4	1,98,93,104.95	2,04,97,852.12
	b) Unsecured Loans		1,36,44,214.71	1,38,13,571.43
	<b>TOTAL</b>		<b>10,59,45,815.84</b>	<b>8,53,71,765.91</b>
II.	<b>APPLICATION OF FUNDS</b>			
1	Fixed Assets	5		
	a) Gross Block		44,800.38	42,409.43
	b) Less: Assets created out of Grant		758.11	758.11
	c) Assets out of Own Fund (a-b)		44,042.27	41,651.32
	d) Less: Depreciation		20,295.99	17,862.87
	<b>Net Block (c-d)</b>		<b>23,746.28</b>	<b>23,788.45</b>
2	<b>Assets held on behalf of GoI</b>			
	a) Completed		4,47,78,244.69	3,83,41,889.16
	b) Ongoing and others		5,59,75,047.20	4,63,72,427.16
	<b>Total (a+b)</b>		<b>10,07,53,291.89</b>	<b>8,47,14,316.32</b>
	<b>Total</b>		<b>10,07,77,038.17</b>	<b>8,47,38,104.77</b>
3	<b>Investment</b>	6	<b>8,32,990.45</b>	<b>6,57,280.18</b>
4	<b>Current Assets, Loans and Advance</b>	7		
	a) Inventories		-	-
	b) Deposits, Loans & Advances		56,49,123.25	52,12,606.72
	c) Cash & Bank Balance		36,33,701.24	3,75,705.86
	<b>sub total</b>		<b>92,82,824.49</b>	<b>55,88,312.58</b>

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	<b>PARTICULARS</b>	<b>SCHEDULE</b>	<b>As at 31/03/2024</b>	<b>As at 31/03/2023</b>
			<b>Unaudited Rs. In Lakhs</b>	<b>Audited Rs. In Lakhs</b>
	<b>Less: Current Liabilities and Provisions</b>			
	a) Liabilities	8	49,32,731.12	55,99,203.63
	b) Provisions	9	14,306.15	12,727.99
	<b>sub total</b>		<b>49,47,037.27</b>	<b>56,11,931.62</b>
	<b>Net Current Assets</b>		<b>43,35,787.22</b>	<b>(23,619.04 )</b>
5	<b>Misc. Expenditure</b> (to the extent not written off)	10		
	<b>Profit &amp; Loss Account</b> (Debit balance if any)			
	<b>TOTAL</b>		<b>10,59,45,815.84</b>	<b>8,53,71,765.91</b>

**For and on behalf of the Board of the Authority**

**Place : New Delhi**  
**Date : 13.08.2024**



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, 2024

	PARTICULARS	SCHEDULE	Year ended 31/03/2024	Year ended 31/03/2023
			Rs. In Lakhs	Rs. In Lakhs
			Unaudited	Audited
	(1)	(2)	(4)	(5)
<b>I.</b>	<b>INCOME</b>			
a) Value of Work done			-	-
b) Other income	<b>11</b>		2,678.53	3,227.70
c) Interest (Gross)	<b>12</b>		2.55	6.02
d) Net Increase/Decrease in Work-in-progress (+)/(-)	<b>13</b>		-	-
<b>TOTAL INCOME</b>			<b>2,681.08</b>	<b>3,233.72</b>
<b>II.</b>	<b>EXPENDITURE</b>			
Construction Stores/Material consumed			-	-
Other stores,spares & tools etc. consumed			-	-
Work Expenses	<b>14</b>		-	-
Personnel & Administrative Expenses	<b>15</b>		80,430.25	72,362.04
Finance Charges	<b>16</b>		18.83	111.84
Depreciation			2,586.82	2,327.39
Assets of Small Value Charged Off			22.01	27.19
<u>Exceptional Items</u>				
Loss: Transfer of shares of various SPVs			29,300.07	-
Loss:Conversion of recoverable accrued interest of various SPVs into shares			1,24,068.89	-
Net loss transferred to Capital (Sch-1)			(1,53,368.96)	-
Gain: Recovery of loss from SPVs (MTRCL)			(412.50 )	-
Less: Transferred to Capital (Sch-1)			412.50	-
<b>TOTAL EXPENDITURE</b>			<b>83,057.91</b>	<b>74,828.46</b>
<b>Profit / (Loss ) for the period</b>			<b>(80,376.83 )</b>	<b>(71,594.74 )</b>
Add: Prior Period Items net Expenses / (Income) (details to be given)	<b>17</b>		(297.61)	5,367.97
<b>Net Estab. Expenses transferred to Sch-5</b>			<b>80,079.22</b>	<b>76,962.71</b>

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	PARTICULARS	SCHEDULE	Year ended 31/03/2024	Year ended 31/03/2023
			Rs. In Lakhs	Rs. In Lakhs
			Unaudited	Audited
(1)	(2)	(3)	(4)	(5)
	Less/Add: Provision for Taxation			
	<b>Net Profit</b>			
	Less: Transfer to Capital Reserve			
	Less: Transfer to other specific Reserve/Fund			
	Less/Add: Transfer to/Transfer from General Reserve (+/-)			
	Less/Add: Surplus brought forward from previous year			
	Surplus carried to Balance Sheet			

**For and on behalf of the Board of the Authority**

  
Member (Finance)

  
Chairman

Place : New Delhi  
Date : 13.08.2024

## NATIONAL HIGHWAYS AUTHORITY OF INDIA

G 5& 6, Sector 10, Dwarka, New Delhi- 110075

### CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2024

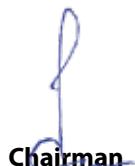
	PARTICULARS	Year ended 31/03/2024	Year ended 31/03/2023
		Unaudited	Audited
		Rs. In Lakhs	Rs. In Lakhs
<b>A.</b>	<b>Cash flow from operating activities:</b>		
	Net profit before tax	(80,376.83)	(71,594.74)
	Adjustments for:		
	Depreciation	2,586.82	2,327.39
	Profit/Loss on sale of assets	(6.25)	(5.17)
	Interest income	(2.55)	(6.02)
	<b>Operating profit before working capital changes</b>	<b>(77,798.81)</b>	<b>(69,278.54)</b>
	Adjustments for:		
	(Increase)/Decrease in Deposits, Loans & Advances	(4,77,698.02)	(4,16,954.28)
	Increase/(Decrease) in liabilities	(6,66,472.51)	3,90,599.01
	Increase/(Decrease) in Provision for Gratuity and Leave Encashment	1,578.16	2,217.68
	Cash flow before extraordinary item & prior period items	(12,20,391.18)	(93,416.13)
	Loss due to conversion of receivable accrued interest into shares	(1,24,068.89)	
	Prior period items	297.61	(5,367.97)
	<b>Net cash generated from operating activities</b>	<b>(13,44,162.46)</b>	<b>(98,784.10)</b>
<b>B.</b>	<b>Cash flow from investing activities:</b>		
	Purchase of fixed assets	(2,554.90)	(557.68)
	Realisation from sale of assets	16.48	16.61
	(Increase)/Decrease in Capital Work in progress	(1,38,03,396.49)	(1,29,40,488.59)
	(Increase)/Decrease in investment	(1,75,710.27)	(1,47,466.83)
	Interest Income	4,56,437.65	2,55,772.52
	Capital Reserve (Receipts)	19,279.80	1,55,013.14
	Net Loss from transfer of shares of various SPVs	(29,300.07)	-
	Recovery of loss-Winding up of MTRCL	412.50	
	<b>Net cash used in investing activities</b>	<b>(1,35,34,815.30)</b>	<b>(1,26,77,710.83)</b>
<b>C.</b>	<b>Cash flow from financing activities:</b>		
	Capital Base	-	-
	Cess funds received from Govt of India	1,27,72,741.78	1,10,67,392.10
	Capital additional budgetary receipts	40,53,587.00	19,78,583.48
	Proceeds from InvIT Projects	15,69,988.18	2,84,966.66
	EAP Grant Received & utilised towards Revenue Expenditure	62,528.03	20,000.00
	Adjusted Plough back of Toll Remittance,etc	30,42,265.31	25,41,602.13

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	PARTICULARS	Year ended 31/03/2024	Year ended 31/03/2023
		Unaudited	Audited
		Rs. In Lakhs	Rs. In Lakhs
	Repayment of ADB Loan (including exchange fluctuation)	(11,255.65)	(7,272.28)
	Proceeds / (Repayment ) of 54EC Capital Gains Tax-Free Bonds	(4,70,634.60)	79,757.90
	Proceeds / (Repayemnt) from issue of Taxable bonds	-	(2,37,500.00)
	Proceeds / (Repayemnt) from NSSF Loan & Term Loans	(1,69,356.72)	(1,14,285.71)
	Redemption of Tax Free Secured Redeemable Non-Convertible Bonds (10Yr & 15Yr) 13-14	(1,22,856.92)	-
	Redemption of Masala Bonds	-	(3,00,000.00)
	Interest and other expenditure on Bond	(25,90,033.28)	(25,58,170.52)
	<b>Net cash generated from financing activities</b>	<b>1,81,36,973.14</b>	<b>1,27,55,073.75</b>
	<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>32,57,995.38</b>	<b>(21,421.18)</b>
	Opening cash and cash equivalents	3,75,705.86	3,97,127.04
	<b>Closing cash and cash equivalents</b>	<b>36,33,701.24</b>	<b>3,75,705.86</b>
<b>Notes:</b>	Cash and cash equivalents include:		
	Cash and cheques in hand / in transit	0.93	2.65
	Balance with banks-Current Account	19,65,601.46	2,73,479.41
	Balance with banks-Savings Bank Account	16,14,147.40	69,508.61
	Balance with banks-Fixed Deposit Account	53,951.45	32,715.19
	<b>Balance as per books of account</b>	<b>36,33,701.24</b>	<b>3,75,705.86</b>

**For and on behalf of the Board of the Authority**

  
Member (Finance)

  
Chairman

**Place: New Delhi**  
**Date: 13.08.2024**

# NATIONAL HIGHWAYS AUTHORITY OF INDIA

G- 5&amp; 6, Sector -10, Dwarka, New Delhi - 110 075

## SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH 2024

			Quarter ended 31/03/2024	Year ended 31/03/2023
			Rs. in Lakhs	Rs. in Lakhs
	<b><u>SCHEDULE - 1</u></b>			
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	2,99,31,257.10		
	<b>Add : Received during the Year</b>	<b>1,27,72,741.78</b>	<b>4,27,03,998.88</b>	<b>2,99,31,257.10</b>
c)	Additional Budetary Support		.	
	-Additional Budetary Support (NHDPL)	94,48,058.48		
	-Additional Budetary Support (others)	3,76,584.00	98,24,642.48	57,71,055.48
d)	Proceeds from InvIT Projects	25,89,994.84	25,89,994.84	10,20,006.66
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)	1,73,06,228.00	1,73,06,228.00	1,38,06,228.00
	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)	(9,12,092.85)	(9,12,092.85)	(7,76,022.20)
	2) (Excess)/Surplus of Expenditure on Maintenance of Highways over Maintenance Grant Received (wef. 01.04.2010).	(11,86,723.11)	(11,86,723.11)	(8,65,059.08)
	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	(12,297.09)	(12,297.09)	(12,709.59)
c)	Gain: on swaping of shares with units	10,142.00	10,142.00	10,142.00
d)	Loss: on transfer of shares of SPV	(1,53,368.96)	(1,53,368.96)	-
	<b>Total (Schedule 1)</b>		<b>7,08,17,757.84</b>	<b>4,95,32,132.03</b>
	<b><u>SCHEDULE - 2</u></b>			
	(Additions and deductions since last balance sheet to be shown under each of the specified heads)			
i)	Capital Reserve			
	Opening Balance	9,22,193.64		
	Add : Additions during the Period	19,279.80		

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			<b>Quarter ended 31/03/2024</b>	<b>Year ended 31/03/2023</b>
			<b>Rs. in Lakhs</b>	<b>Rs. in Lakhs</b>
	Capital Reseve transferred to Sch-5 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	9,41,473.44	-	-
	<b>Total (Schedule 2)</b>			
<b>SCHEDULE - 3</b>				
<b>Grants</b>				
i) Capital Grant				
a) For Externally Aided Projects	15,97,810.00			
Interest earned on un-utilized Grant	1,001.00			
Less : Assets created out of Grants (Sch.-5)	(758.11)			
Less: Revenue Expenditure out of Grant	(7,314.55)	15,90,738.34	15,28,210.33	
b) Grant for Office Building at Dwarka	150.00			
Less: Transferred to Building Account (Sch.- 5)	(150.00)			
c) For servicing of 54EC Bonds issue	1,000.00			
Interest earned on un-utilized Grant	496.68			
Less : Expenditure incurred on 54EC Bonds:				
Bond Issue Expenses	(12,663.13)			
Interest on Bond	(11,78,091.10)			
Others	(3.00)			
Deficit transferred to schedule-5	11,89,260.55			
<b>Total (Schedule 3)</b>		<b>15,90,738.34</b>	<b>15,28,210.33</b>	
<b>SCHEDULE - 4</b>				
<b>Secured Loans</b>				
Capital Gains Taxfree Bonds- 54EC		13,70,415.60	18,41,050.20	
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		3,77,143.08	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		-	-	

		Quarter ended 31/03/2024	Year ended 31/03/2023
		Rs. in Lakhs	Rs. in Lakhs
Taxable Bonds (30Yr) 2016-17		8,50,000.00	8,50,000.00
Taxable Bonds (5Yr) 2017-18		-	-
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)		19,984.39	31,240.04
(Guaranteed by GoI)			
		<b>1,98,93,104.95</b>	<b>2,04,97,852.12</b>
<b>Unsecured Loans</b>			
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			
Term Loan from State Bank of India		30,14,285.71	36,28,571.43
Term Loan from Punjab National Bank		6,71,429.00	7,00,000.00
Term Loan from Axis Bank 2020-21		4,85,000.00	2,35,000.00
Term Loan HDFC		9,73,500.00	4,00,000.00
Term Loan ICICI		-	1,00,000.00
Term Loan Indusind Bank		1,50,000.00	1,50,000.00
Term Loan Canara Bank		12,00,000.00	13,50,000.00
Term Loan Bank of Baroda		13,50,000.00	14,50,000.00
Loan from National Small Savings Fund (NSF,MoF,GoI)		50,00,000.00	50,00,000.00
		<b>1,36,44,214.71</b>	<b>1,38,13,571.43</b>
<b>Total (Schedule 4)</b>		<b>3,35,37,319.66</b>	<b>3,43,11,423.55</b>

# NATIONAL HIGHWAYS AUTHORITY OF INDIA

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## SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH 2024

Rs. In Lakhs

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SCHEDULES		GROSS BLOCK				DEPRECIATION				NET BLOCK		ASSETS CREATED OUT OF GRANT		
Description of Asset	Rate of Depreciation	As at 01.04.2023	Addition	Adjusted/ Deducted(+)	Adjusted/ Deducted(-)	Total cost as at 31.03.2024	As At 01.04.2023	For the period	Adjusted/ Deducted(+)	Adjusted/ Deducted(-)	Total Depreciation upto 31.03.2024	As at 01.04.2023	As at 31.03.2024	As at 31.03.2024
LAND FREEHOLD	Nil	1,990.33	138.94	-	-	2,129.27	-	-	-	-	1,990.33	2,129.27	123	
LAND LEASEHOLD	Nil	1,297.17	-	-	-	1,297.17	-	-	-	-	1,297.17	1,297.17	32.43	
BUILDINGS	5%	22,079.03	73.22	-	-	22,152.25	4,777.68	919.93	-	-	5,697.61	17,301.35	16,454.64	307.62
STAFF QUARTERS	5%	-	-	-	-	-	-	-	-	-	-	-	-	204.65
ROADS & BRIDGES	-	-	-	-	-	-	-	-	-	-	-	-	-	-
COMPUTERS & EDP	60%	9,090.76	1,613.30	72.46	233.32	10,544.20	8,222.19	1,166.31	53.02	203.21	9,238.30	868.58	1,305.90	75.61
LABORATORY & SURVEY EQUIPMENT	25%	0.91	-	-	-	0.91	0.91	-	-	-	0.91	-	-	0.26
FURNITURE, FITTINGS & ELECTRICAL INSTALLATION	10%	3,587.58	355.15	17.78	18.58	3,941.92	2,062.83	214.93	11.36	12.15	2,276.98	1,524.75	1,664.94	69.21
MOTOR VEHICLES	20%	-	-	-	-	-	-	-	-	-	-	-	-	-
AIR CONDITIONERS / HEATERS	25%	834.71	75.55	1.64	1.64	910.27	711.76	48.16	0.40	0.40	759.92	122.96	150.35	16.63
OFFICE EQUIPMENT	25%	2,770.83	298.51	15.58	18.63	3,066.29	2,087.49	237.49	11.00	13.73	2,322.27	683.31	744.01	50.47
<b>SUBTOTAL:</b>		<b>41,651.32</b>	<b>2,554.67</b>	<b>107.46</b>	<b>271.17</b>	<b>44,042.28</b>	<b>17,862.86</b>	<b>2,536.82</b>	<b>75.79</b>	<b>229.49</b>	<b>20,295.99</b>	<b>23,788.45</b>	<b>23,746.28</b>	<b>758.11</b>

Assets held on behalf of Govt	7,56,67,392.27	1,38,03,396.49			8,94,70,788.76				7,56,67,392.27	8,94,70,788.76
Add: Int/ other expenses on 54EC Bond Issue (deficit transfer from Sch-3)	10,99,742.51	89,518.04			11,89,260.55				10,99,742.51	11,89,260.55
Add: Tax Free Bond Exps- Recuring	1,848.66	(188.74)			1,659.92				1,848.66	1,659.92
Add: Bond Issue Expenses	1,440.65	3,06,061.99			3,07,502.64				1,440.65	3,07,502.64
Add: Interest on Tax Free Bonds	22,70,541.23	2,07,149.68			24,77,690.91				22,70,541.23	24,77,690.91
Add: Interest on Taxable Bonds/ Masala Bonds & NSSF Loan	68,40,998.29	12,69,525.70			81,10,523.99				68,40,998.29	81,10,523.99
Add: Int on Govt Loan/OD	16,39,995.72	7,17,966.60			23,57,962.32				16,39,995.72	23,57,962.32
Add: Net Establishment Exps. Transferred from PSL A/c	4,34,329.87	80,079.22			5,14,409.09				4,34,329.87	5,14,409.09
Less: CAPITAL RESERVE	(9,22,193.64)	(19,279.80)			(9,41,473.44)				(9,22,193.64)	(9,41,473.44)
Less: Int. on Unutilised Capital	(23,19,779.24)	(4,15,253.61)			(27,35,032.85)				(23,19,779.24)	(27,35,032.85)
<b>SUB TOTAL: II</b>	<b>8,47,14,316.32</b>	<b>1,60,38,975.58</b>	<b>-</b>	<b>-</b>	<b>10,07,53,291.89</b>				<b>8,47,14,316.32</b>	<b>10,07,53,291.89</b>
<b>GRAND TOTAL (I) + (II)</b>	<b>8,47,55,967.64</b>	<b>1,60,41,530.25</b>	<b>107.46</b>	<b>271.17</b>	<b>10,07,97,334.17</b>	<b>1,7,862.86</b>	<b>2,556.82</b>	<b>75.79</b>	<b>229.49</b>	<b>20,295.99</b>
<b>PREVIOUS YEAR: 31.03.2023</b>	<b>6,95,68,997.21</b>	<b>1,51,87,095.04</b>	<b>37.62</b>	<b>162.24</b>	<b>8,47,55,967.63</b>	<b>14,656.16</b>	<b>2,327.39</b>	<b>1,015.47</b>	<b>136.15</b>	<b>17,862.87</b>
Direct Cost										
Proportion										
Indirect cost										
Total Cost	10,07,53,291.89	4,47,78,244.69			5,59,75,047.20					
Total	Completed	Ongoing								

**NATIONAL HIGHWAYS AUTHORITY OF INDIA**

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**SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH 2024**

	Quarter ended 31/03/2024	Year ended 31/03/2023
	Rs. in Lakhs	Rs. in Lakhs
<b>SCHEDULE - 6</b>		
<b>Investment</b>		
<b>A. Investment in Share Capital of Subsidiary Companies:</b>		
a) Calcutta-Haldia Port Road Co. Ltd 7 equity shares @ Rs 10 each (Previous period 15,66,00,007 equity shares )of Rs. 10 each and 1,60,00,000 equity shares of Rs. 10 each at a premium of Rs. 15 each)	0.00	19,660.00
b) DME Development Ltd. ( 52,34,00,000 equity shares, previous year 43,94,,00,000 equity shares of Rs. 100 each)	5,23,400.00	4,39,400.00
<b>Equity shares of Rs.10 each fully paid-up in each of the following</b>		
c) Ahmedabad-Vadodara Expressway Co. Ltd.(31,28,50,000 equity shares)	31,285.00	31,285.00
d) Visakhapatnam Port Road Co. Ltd.7 equity shares (Previous period 3,87,00,007 equity shares )	0.00	3,870.00
e) National Highways Logistic Management Limited (formerly Cochin Port Road Co. Ltd. 845095417 equity shares (Previous period 5,79,00,000 equity shares))	84,509.55	5,790.00
f) Tuticorin Port Road Co. Ltd. 7 equity shares (previous period 9,87,00,000 equity shares)	0.00	9,870.00
g) Paradeep Port Road Co. Ltd. 7 equity shares (previous period 15,00,00,000 equity shares )	0.00	15,000.00
h) Mormugao Port Road Co. Ltd. 7 equity shares (previous period 19,95,00,000 equity shares)	0.00	19,950.00
i) 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)
<b>Sub Total</b>	<b>6,02,219.55</b>	<b>5,07,850.00</b>
<b>B. Investment in Share Capital of Associate Companies</b>		
<b>Equity shares of Rs.10 each fully paid-up in each of the following</b>		
a) M/s Indian Highways Management Co. Ltd (75,00,000 equity shares)	750.00	750.00

	Quarter ended 31/03/2024	Year ended 31/03/2023
	Rs. in Lakhs	Rs. in Lakhs
b) M/s Chennai-Ennore Port Road Co. Ltd. 7 equity shares (previous period 13,98,00,007 equity shares )	0.00	13,980.00
c) M/s Mumbai-JNP Port Road Co. Ltd. 7 equity shares (previous period 6,38,43,397 equity shares )	0.00	6,384.34
<b>Sub Total</b>	<b>750.00</b>	<b>21,114.34</b>
<b>C. Investment in other entities</b>		
<b>Equity shares of Rs.10 each fully paid-up in each of the following</b>		
a) New Manglore Port Road Co. Ltd.30170007 equity shares (previous period 10,39,30,000 equity shares)	3,017.00	10,393.00
<b>M/s National Highway Infra Trust</b>		
a) 9,56,00,000 units @ Rs. 101 each	96,556.00	96,556.00
b) 1,96,02,600 units @ Rs. 109 each	21,366.83	21,366.83
c) 8,78,69,400 units @ Rs. 124.14 each	1,09,081.07	0.00
<b>Sub Total</b>	<b>2,30,020.90</b>	<b>1,28,315.83</b>
<b>Total (Schedule 6)</b>	<b>8,32,990.45</b>	<b>6,57,280.18</b>

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**SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH 2024**

		<b>Quarter ended 31/03/2024</b>	<b>Year ended 31/03/2023</b>
		<b>Rs. in Lakhs</b>	<b>Rs. in Lakhs</b>
a.	<b>SCHEDULE - 7</b>  <b>Current Assets, Loans &amp; Advances</b>  <b>Inventories (As taken, valued &amp; certified by the management)</b>  i) Tools ii) Stores & Spares (at cost including in transit) iii) Construction Stores/Materials iv) Work-in-progress (mode of valuation to be stated)		
	<b>Sub Total (a)</b>		-
b.	<b>Deposits, Loans &amp; Advances</b>  i) Deposits ii) Advances to Staff iii) Advances to Contractors / Consultants a) Mobilisation Advance b) Material Advance c) Fund Infusion iv) a) Advance against deposit works b) Advance for maintenance of highways v) Advances to Suppliers vi) Claims recoverable vii) Prepaid expenses viii) Advance Others Including Advance Income Tax (TDS) ix) Security deposits & Deposits against Court direction/Arbitration x) Advance rent xi) Loan to Subsidiary Companies xii) Recoverable on account of Expenditure on Eastern Peripheral Expressways xiii) Reimbursable from PMCARES Fund (Oxygen Plant) xiv) Recoverable from MORTH (NHDP-4A Projects) xv) Recoverable from various Govt CALA Share xvi) Recoverable for DME Projects xvii) Loan to contractor/consultant/others xviii) Application Money (Subsidiary/Associate)	196.36 6,34,887.45 3,798.66 1,17,391.40 1,69,781.68 55,199.51 (175.68) 12,31,555.27 239.95 2,17,146.85 11,68,967.62 26.16 1,24,886.12 3,74,353.34 12,872.33 11,07,681.29 - 1,34,099.95 2,85,259.11 5,034.10	- 218.64 6,80,960.38 11,096.60 1,19,625.71 1,33,604.04 52,541.81 1,653.68 12,21,164.78 190.94 1,52,165.30 8,31,954.48 41.73 2,80,448.82 3,76,016.84 12,137.79 11,07,680.63 - 1,78,390.18 5,611.10

		Quarter ended 31/03/2024	Year ended 31/03/2023
		Rs. in Lakhs	Rs. in Lakhs
	xix) Interest accrued but not due on deposits	1,335.41	42,508.90
	xx) Interest accrued and due on CALA deposits	4,586.37	4,594.37
	xxi) Inter Unit Account	0.00	-
	<b>Sub Total (b)</b>	<b>56,49,123.25</b>	<b>52,12,606.72</b>
C.	<b>Cash &amp; Bank balances</b>		
	i) Cash & Cheques in hand including stamps.	0.93	2.65
	ii) Balances with Scheduled Banks		
	- Deposits accounts (excluding interest accrued & due on Deposits with CALA)	53,951.45	32,715.19
	- Current Account	19,65,601.46	2,73,479.41
	- Savings Bank Account	16,14,147.40	69,508.61
	iii) Balances with Non scheduled banks		
	- On deposits accounts (incl. interest accrued)		
	iv) Remittance in transit	-	-
	<b>Sub Total (c)</b>	<b>36,33,701.24</b>	<b>3,75,705.86</b>
	<b>Grand Total</b>	<b>92,82,824.49</b>	<b>55,88,312.58</b>

**NATIONAL HIGHWAYS AUTHORITY OF INDIA**

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**SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH 2024**

	<b>Year ended 31/03/2024</b>	<b>Year ended 31/03/2023</b>
	<b>Rs. in Lakhs</b>	<b>Rs. in Lakhs</b>
<b>SCHEDULE - 8</b>		
Current Liabilities		
i) Liabilities for sundry creditors		
ii) Other liabilities	22,64,644.22	33,00,914.53
iii) Application money for 54EC Bonds	-	-
iv) Deposits held on account of others (if applicable)		
a) Sundry parties	5,33,510.44	3,78,172.56
b) Contractors	9,89,512.35	7,60,234.62
c) Suppliers	-	-
d) (As per Contra Schedule-7) Un-disbursed balances with: Central CALA A/c		
e) Payable to Subsidiary Companies	17,234.29	17,474.90
f) Payable on Kalewa-Yargi Project at Myanmar	67,326.68	67,334.08
g) Received from PMCARES Fund (Oxygen Plant)	12,386.54	12,386.54
h) Excess receipt of CALA Share from various Governments	31,775.04	19,725.56
v) Payable to GOI w.e.f. 01.04.2010		
a) Toll Revenue, Shared Revenue, Negative Grant, Non-FASTag Penalty etc.	10,09,722.08	9,85,398.90
b) Other Receipts	6,619.48	6,909.18
vi) Bank Overdraft	-	-
vii) Payable to DMEDL	-	50,652.78
<b>Total (Schedule 8)</b>	<b>49,32,731.12</b>	<b>55,99,203.63</b>
<b>SCHEDULE - 9</b>		
Provisions		
i) Provisions for taxes		
ii) Provisions for gratuity	6,837.94	6,062.44
iii) Provisions for Leave Salary	7,468.21	6,665.55
iv) Other provisions		
<b>Total (Schedule 9)</b>	<b>14,306.15</b>	<b>12,727.99</b>
<b>SCHEDULE - 10</b>		
Misc. Expenditure to the extent not written off.	-	-
<b>Total (Schedule 10)</b>	<b>-</b>	<b>-</b>

## NATIONAL HIGHWAYS AUTHORITY OF INDIA

G- 5& 6, Sector -10, Dwarka, New Delhi - 110 075

### SCHEDULES FORMING PART OF THE STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2024

	Year ended 31/03/2024	Year ended 31/03/2023
	Rs. in Lakhs	Rs. in Lakhs
<b>SCHEDULE - 11</b>		
Other Income	-	483.75
Sale of Tender Documents	2,082.15	2,578.02
Fee for other services	26.24	108.88
Profit/Loss on sale of assets	6.25	5.17
Misc. Receipts	563.89	51.87
<b>Total (Schedule 11)</b>	<b>2,678.53</b>	<b>3,227.70</b>
<b>SCHEDULE - 12</b>		
Interest (Gross)		
From banks on deposits	-	-
From employees on advances	-	-
From others	2.55	6.02
<b>Total (Schedule 12)</b>	<b>2.55</b>	<b>6.02</b>
<b>SCHEDULE - 13</b>		
Net Increase/Decrease in Work-in-progress		
<b>Closing Stock</b>		
Work-in-progress		
Less: Opening Stock		
Work-in-progress		
Net Increase/Decrease		
<b>Total (Schedule 13)</b>		
<b>SCHEDULE - 14 - WORKS EXPENSES</b>		
<b>a. Work Expenses etc.</b>		
Electricity Power & Fuel		
Survey Expenses		

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	Year ended 31/03/2024	Year ended 31/03/2023
	Rs. in Lakhs	Rs. in Lakhs
Consultancy Expenses		
Payment to Contractor		
Escalation claims		
<b>Sub Total (a)</b>		
<b>b. Repair &amp; Maintenance</b>		
Roads & Bridges		
Less : Transfer from Grant A/C		
Buildings		
Plant, Machinery & Equipment		
<b>Sub Total (b)</b>		
<b>c. Others</b>		
Insurance:-		
Technical studies & consultancy charges		
Research & Development expenses		
others		
<b>Sub Total (c)</b>		
<b>Total (Schedule 14)</b>		

## NATIONAL HIGHWAYS AUTHORITY OF INDIA

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### SCHEDULES FORMING PART OF THE STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2024

		Year ended 31/03/2024	Year ended 31/03/2023
		Rs. in Lakhs	Rs. in Lakhs
<b>SCHEDULE - 15</b>			
<b>Personnel and other administrative expenses</b>			
<b>Salaries wages &amp; other staff benefit:</b>			
Salaries & Allowances Chairman/Members	285.46	261.68	
Salaries Allowances other than Chairman/Members	21,776.10	20,761.17	
Salaries & Wages-Short Term Contract Employess	18,212.82	16,572.15	
Workman Staff Welfare Expenses	6,601.62	4,378.09	
Contribution to Provident Fund	1,714.60	1,610.45	
Pension & Leave Salary -Chairman & Members	27.74	2.43	
Pension & Leave Salary -others	1,814.24	1,949.27	
Gratuity	1,101.89	1,302.05	
Rent for office accommodation	1,812.98	1,708.19	
Rates and Taxes	117.80	143.60	
Repairs & maintenance	2,858.67	1,772.33	
Insurance	11.69	71.89	
Honoraria fee and other professional charges	7,632.29	6,702.00	
Travelling expenses, Conveyance	9,217.36	7,320.16	
Printing & Stationery	855.91	1,019.90	
Postage & Communication	463.23	612.94	
Advertisement & publicity	394.86	1,403.12	
Research & Development Expenses	13.03	1.13	
Remuneration to Auditors-C&AG	179.05	633.79	
Other Revenue Expenses	5,337.98	4,133.63	
Misc. Expenses	0.93	2.08	
<b>Total (Schedule 15)</b>	<b>80,430.25</b>	<b>72,362.04</b>	

		Year ended 31/03/2024	Year ended 31/03/2023
		Rs. in Lakhs	Rs. in Lakhs
i)	<b>SCHEDULE - 16</b>		
i)	Interest		
	On overdraft	-	-
	On Loans from banks	-	-
	On Tax deducted at Source	5.62	6.28
	On Others	8.60	9.64
	On Bonds/Debentures	-	-
	On Loans from Govt. of India	-	-
ii)	Discounting Charges		
iii)	Guarantee Commission/Bank charges	4.61	95.92
iv)	Bond Issue Expenses		
	<b>Total (Schedule 16)</b>	<b>18.83</b>	<b>111.84</b>
	<b>SCHEDULE - 17</b>		
	Prior Period Adjustments		
	Prior period income - Debit / (Credit)	55.09	(15.16)
	Prior period Expenses - Debit/ (Credit)	(352.70)	5,383.13
	<b>Total (Schedule 17)</b>	<b>(297.61)</b>	<b>5,367.97</b>

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## Grouping Schedule 15

	Particulars	Year ended 31/03/2024	Year ended 31/03/2023
		Rs. in Lakhs	Rs. in Lakhs
a)	<b>Personnel &amp; Other Administrative Expenses</b>		
a)	Salaries, Wages & Other Staff benefits.		
	i) Salary & Wages	20,328.15	19,924.19
	ii) Chairman & Members	285.46	261.68
	iii) Salary & Wages-Short-Term Contract Employees	18,212.82	16,572.15
	iv) Over Time Allowance	-	0.48
	v) Rent for Residence/Licence fee	644.61	151.44
	vi) Bonus	2.20	6.02
	vii) Incentives	-	14.88
	viii) Leave Encashment	261.26	192.50
	ix) Ex gratia	539.89	471.67
	<b>Sub Total (a)</b>	<b>40,274.39</b>	<b>37,595.00</b>
b)	Workman Staff Welfare Expenses		
	i) Medical reimbursement	1,383.13	1,457.51
	ii) Staff Welfare:		
	Welfare expenses	1,214.75	932.08
	Kitchen, Utencil & Appliances	11.74	9.86
	iii) Seminar/Training expenses	3,884.68	1,807.05
	iv) LTC	107.32	171.59
	v) Liveries	-	-
	<b>Sub Total (b)</b>	<b>6,601.62</b>	<b>4,378.09</b>
c)	Contribution to:		
	i) Provident Fund	1,714.60	1,610.45
	ii) Pension & Leave salary-Members & Chairman	27.74	2.43
	iii) Pension & Leave salary-Others	1,814.24	1,949.27
	iv) Others-Gratuity	1,101.89	1,302.05
	<b>Sub Total (c)</b>	<b>4,658.47</b>	<b>4,864.19</b>

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	<b>Particulars</b>	<b>Year ended 31/03/2024</b>	<b>Year ended 31/03/2023</b>
		<b>Rs. in Lakhs</b>	<b>Rs. in Lakhs</b>
d)	Repairs & Maintenance <ul style="list-style-type: none"> <li>i) R &amp; M Office Building</li> <li>ii) R &amp; M Office Equipments</li> <li>iii) R &amp; M Light vehicles</li> <li>iv) R &amp; M Others</li> <li>v) R &amp; M Computer &amp; EDP</li> </ul>	1,332.59 119.24 15.25 84.51 1,307.08	632.56 105.23 11.24 94.13 929.17
	<b>Sub Total (d)</b>	<b>2,858.67</b>	<b>1,772.33</b>
e)	Insurance <ul style="list-style-type: none"> <li>i) Light Vehicles</li> <li>ii) Others</li> </ul>	- 11.69	0.10 71.79
	<b>Sub Total (e)</b>	<b>11.69</b>	<b>71.89</b>
f)	Honoraria fee & other professional charges <ul style="list-style-type: none"> <li>i) Fee of liaison work</li> <li>ii) Consultancy fee</li> <li>iii) Honoraria fee</li> <li>iv) Legal, &amp; Statutory fee</li> <li>v) Professional charges</li> <li>vi) Internal Audit fee</li> </ul>	- 6,968.72 4.71 349.73 - 309.13	- 6,070.40 6.49 557.13 - 67.97
	<b>Sub Total (f)</b>	<b>7,632.29</b>	<b>6,702.00</b>
g)	Travelling Expenses <ul style="list-style-type: none"> <li>i) Local conveyance</li> <li>ii) Travelling Expenses (India)</li> <li>iii) Travelling Expenses (Abroad)</li> </ul>	7,086.76 2,103.62 26.98	5,613.32 1,703.34 3.51
	<b>Sub Total (g)</b>	<b>9,217.36</b>	<b>7,320.16</b>
h)	Printing & Stationery Postage & Communication <ul style="list-style-type: none"> <li>i) Printing &amp; stationery</li> <li>ii) Postage, Telegram including air freight</li> <li>iii) Telephones &amp; Telex</li> </ul>	855.91 160.87 302.36	1,019.90 145.49 467.45
	<b>Sub Total (h)</b>	<b>1,319.14</b>	<b>1,632.84</b>
i)	Remuneration to Auditors -C&AG <ul style="list-style-type: none"> <li>i) Audit fee               <ul style="list-style-type: none"> <li>a) For taxation</li> <li>b) For other services</li> </ul> </li> <li>ii) Reimbursement of Travelling &amp; out of pocket expenses</li> </ul>	113.89 - - 65.16	603.32 - - 30.47
	<b>Sub Total (i)</b>	<b>179.05</b>	<b>633.79</b>

	Particulars	Year ended 31/03/2024	Year ended 31/03/2023
		Rs. in Lakhs	Rs. in Lakhs
j)	Other Revenue Expenses		
i)	Entertainment Expenses	-	-
ii)	Tender bond expenses	-	-
iii)	Membership fee	5.26	31.80
iv)	Publications, Books & Newspaper	26.30	94.64
v)	Donation	-	-
vi)	Sundry balances written off	0.00	0.36
vii)	Staff recruitment expenses	2.13	26.71
viii)	Deficit from Seminars/Trg. organised (Net)	-	-
ix)	Security expenses/Short-Term Contract Staffs	2,415.77	2,126.79
x)	Electricity & Water charges	1,392.10	1,361.21
xi)	Gifts & Presents	4.36	4.28
xii)	Conference/Conclave Expenses	1,492.06	487.85
	<b>Sub Total (j)</b>	<b>5,337.98</b>	<b>4,133.63</b>
k)	Miscellaneous office expenses	0.93	2.08
l)	Rent	1,812.98	1,708.19
m)	Rates & Taxes	117.80	143.60
n)	Research & Development Expenses	13.03	1.13
o)	Advertisement & Publicity	394.86	1,403.12
	<b>GRAND TOTAL</b>	<b>80,430.26</b>	<b>72,362.04</b>

## SCHEDULE-18

### Significant Accounting Policies 2023-24:

#### 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:

- Capital Gains Tax Exemption Bonds under Section 54 EC of the Income Tax Act, 1961
- Public issue of Tax free, secured, redeemable, non-convertible bonds under Section 10 (15) (iv) (h) of IT Act 1961 and Private placement.
- Taxable bonds from the Market through e bidding
- Rupee-denominated offshore (Masala) Bonds
- Borrowings from LIC, NSSF, EPFO etc.
- Rupee term loans and overdraft from Scheduled Commercial banks.

- g) NHAI also goes for project specific loans from multilateral agencies guaranteed by Government of India.

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

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

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

## 7. Allocation of Cost:

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

## 8. Fixed Assets & Depreciation

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

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

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

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

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

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

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

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

## **9. Maintenance Grant**

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

## **10. Payments to Government Departments / Agencies**

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

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

## **11. Toll Revenue, Shared Revenue and Negative Grant, TOT and InvIT Proceed**

- a) The amount of toll revenue, shared revenue, negative grant, TOT and interest earned thereon, is remitted to Consolidated Fund of India (CFI) on actual receipt basis.
- b) Cabinet Committee in 2019-20 has authorized NHAI to create a reserve fund in line with the provision of Rule 9 of "The National Highways Authority of India (Budget, Accounts, Audit, Investment of Funds and Powers to Enter Premises) Rules, 1990" from the sums received from InvIT, 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 Rs. 50,000/- are charged to natural heads of accounts in current year and items exceeding Rs. 50,000/- are booked under prior period items account.
- c) The Authority is only an implementing agency of the Government of India to develop, maintain and manage the national highways and any other highways entrusted to or vested in it by the Government and there are no different segment reporting as per Accounting Standard-17 issued by the Institute of Chartered Accountants of India.
- d) The Authority is not required to consolidate its financial statements with the financial statements of its subsidiaries as per the NHAI Act, 1988 and accordingly, the Accounting Standard - 21 issued by the Institute of Chartered Accountants of India is not applicable.
- e) Long-term investments are stated at cost or book value whichever is lower.

## 17. Project Revenue

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

## SCHEDULE-19

### Notes to Accounts 2023-24:

1. Authority is a Central Nodal Agency (CNA) of Government of India under the Central Sector Scheme for "National Highways Authority of India (NHAI)" and "Road Works". Treasury Single Accounts (TSA) for both the schemes is being operated through RBI using the Government of India payment gateway portal "Public Financial Management Systems" (PFMS).
2. **Capital** - An amount of Rs 1,27,727.42 crore (previous year Rs 1,10,673.92 crore) has been received from the Government of India as Cess Fund. Apart from this additional budgetary support for NH(O) SARDP-NER Rs 25,793.49 crore (previous year Rs 16,402.87 crore), TSP Bharatmala Rs 10,444.48 crore (previous year Rs 2,582.96 crore) and TSP NH(O) Rs 4,297.90 crore (previous year Rs 800.00 crore) respectively have been received during the year.  
Government of India has provided Rs 25,000.00 crore (previous year Rs 18,005.62 crore) towards plough back of toll remittances and Rs 10,000.00 crore (previous year Rs 10,000.00 crore) towards Plough Back of Toll, Operate & Transfer (TOT). Authority has received Rs 15,699.88 crore (Previous year Rs 2,849.67 crore towards InvIT phase-II project) from National Highways Infra Projects Private Limited (NHIPPL) as concession fee for InvIT Bundle-III (Modified) project. These amounts have been credited to the Capital Account.
3. **Capital Grant**- During the year Rs 625.28 crore (previous year Rs 200.00 crore) has been received from Japan International Cooperation Agency (JICA) aided projects.
4. **Maintenance Fund** - An amount of Rs 1,174.07 crore (previous year Rs 1,825.00 crore) has been received during the year from MoRTH towards maintenance of National Highways and Rs nil (previous year Rs 10.00 crore) towards Research & Development. Amount spent on maintenance of highways during the year is Rs 4,451.51 crore (previous year Rs 3,482.83 crore).
5. **Swachhta Action Plan** – During the year an amount of Rs 73.57 crore (previous year Rs 96.77 crore) has been received from MoRTH towards grant for Swachhta Action Plan and Rs 0.64 crore (previous year Rs 0.95 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 Rs 27,350.33 crore (up to previous year Rs 23,197.79 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 Rs 199.84 crore (USD 23.76 million @ Rs 84.10/USD) as on 31.03.2024 and the same has been included under 'Borrowings'. Interest charges amounting to Rs 17.86 crore on loan (previous year Rs 10.87 crore which pertains to post construction period)

has been paid during the year. Since the interest payment on the loan was to be met out of the toll collection, up to 31.03.2010 it was shown as reduction from toll revenue payable to GOI, from 01.04.2010 this is being shown as deduction from additional budgetary support (plough-back of toll remittance). Provision for guarantee fee amounting to Rs 0.50 crore (previous year Rs 0.78 crore) in respect of Government of India guarantee has also been made in the books.

#### 9. **Toll Remittances & Plough Back –**

There are 924 toll plazas across the country. Out of which NHAI is collecting toll at 524 Public Funded Plazas, 39 BOT (Annuity) plazas, 56 HAM plazas and 30 OMT plazas. In case of remaining 275 plazas toll is being collected by BOT (Toll)/, TOT / InvIT 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 2023-24 NHAI has deposited a total of Rs 27,473.47 crore (toll revenue Rs 22,704.39 crore, shared revenue Rs 1,907.02 crore, negative grant Rs 2,221.96 crore and Non-FASTag penalty and interest Rs 640.10 crore) into Consolidated Fund of India as per the direction of Ministry. Corresponding figures for 2022-23 is Rs. 21,608.90 crore (toll revenue Rs. 16,636.27 crore, shared revenue Rs. 2,059.19 crore, negative grant Rs. 2,559.70 crore and Non-FASTag penalty and interest Rs. 353.74 crore). In some cases, where the matter is pending under arbitration/court, amount collected at toll plaza are not being deposited into CFI.

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

#### 10. **Toll Operate and Transfer (TOT) –**

During the year Authority has received concession fee of Rs.15,968.10 crore (Rs 2,156.00 crore, Rs 4428.00 crore, Rs. 1,683.00 crore and Rs 7,701.10 crore) towards bundle 11,12, 13 and 14 respectively (previous year Rs 10,662.10 crore) from Concessionaire of ToT and deposited the same into CFI.

#### 11. **Borrowings –**

Government of India has not permitted borrowings under the Internal and Extra Budgetary Resource (IEBR) for FY 2023-24.

- Capital Gains Tax Exemption Bonds** – During the year Authority has repaid Rs. 4,706.35 crore (Previous year Rs. Nil) towards Capital Gains Tax Exemption Bonds (Tranche 19, 2018 issued under Section 54-EC of the Income Tax Act, 1961).

**Cumulative expenses on issue of 54-EC Bonds** amounts to Rs 126.63 crore up to 31.03.2024 (up to previous year Rs 126.56 crore) and cumulative interest on 54 EC bond up to 31.03.2024 amounts to Rs 11,780.91 crore (up to previous year Rs 10,885.81 crore).

- Tax Free Bonds** – During the year Tax Free Bonds of Rs. 1,228.57 crore issued in 2013-14 with 10 years maturity (Previous year nil) have been repaid.
- Taxable Bonds** - During the year Authority has neither issued nor repaid any existing taxable bonds.

- d) **Term loan** - During the year Authority has swapped term loans of Rs 11,850.00 crore (SBI Rs 5,000.00 crore, Canara Bank Rs 2,500.00 crore, Axis Bank Rs 2,350.00 crore, ICICI Bank Rs 1,000.00 crore and Bank of Baroda Rs 1,000.00 crore) by taking new term loans of Rs 11,850.00 crore (Rs 6,000.00 crore from HDFC Bank, Rs 4,850.00 crore from Axis Bank and Rs 1,000.00 crore from Canara Bank) at lower interest rate. Authority has repaid Rs 1,693.57 crore (Rs 1,142.86 crore to SBI, 285.71 crore to PNB and Rs 265.00 crore to HDFC Bank towards installments of respective term loans.

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 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 Fund 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 2023-24 is as under -**

##### **M/s SBICAP Trustee Company Ltd.**

Appeje House, 6th Floor, 3rd Dinshaw Wachha Road,  
Churchgate, Mumbai-400020  
Mumbai – 400 001

**Email:** priyanka.charan@sbicaptrustee.com

As on 31.03.2024, no investor complaint was pending for redressal.

- 12. Assets held on behalf of Government of India (GoI)** – Project expenditure, as per Significant Accounting Policy-6, is shown as Assets held on behalf of GoI (Completed & Ongoing). Authority has transferred projects worth Rs 739.95 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 Rs 143.06 crore (last year Rs 127.28 crore ) as on 31.03.2024 has been made in the books. The details are as under-

(Rs. Crore)

Particulars	Opening Balance	Less Old provisions paid	Add new provisions created	Closing Balance
Gratuity	60.62	1.51	9.27	68.38
Leave Salary	66.66	2.52	10.54	74.68
<b>Total</b>	<b>127.28</b>	<b>4.03</b>	<b>19.81</b>	<b>143.06</b>

Accordingly, existing FDR of Rs 127.28 crore, representing accrual up to previous year, is to be increased to Rs 143.06 crore.

- 14. Land** – During the year 3A and 3D notifications have been issued in respect of 14,135.11 hectares and 11,527.60 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 at various stages. Out of the

1,51,820.00 hectare of land acquired by Authority, mutation of land in respect of 89,964.00 hectare have been completed. Assets held on behalf of GoI (completed and ongoing projects) collectively includes Rs 3,17,103.15 crore towards the cost of land acquisition.

During 2016-17, Authority has introduced Central CALA account system for payment of land compensation (refer Significant Accounting Policy 4). Majority of old CALA accounts under old system have been closed by transferring the balance to Central CALA account. At the end of financial year Rs 27,122.40 crore is lying undisbursed in the remaining bank accounts and Central CALA accounts. Authority is using Bhoomi Rashi Portal of GoI for payment of land acquisition compensation.

- 15. Income Tax exemption** - Authority was granted Income-tax exemption from FY 2008-09 onwards under sub clause (iv) of clause (23C) of section 10 of the Income Tax Act, 1961 vide Order No. DGIT(E)/10(23C)(iv)/2009, dated 13th February, 2009 issued by Director General of Income Tax (Exemptions). Starting from FY 2021-22, validity of this exemption has been revised, currently this exemption is valid till FY 2025-26. 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 2022-23. During FY 2023-24, Authority has received Rs 3.43 crore as part refund towards principal & interest for FY 2021-22. Apart from some previous claims, refund of Rs 59.52 crore (FY 2018-19), Rs 1.33 crore (FY 2019-20), Rs 52.25 crore (FY 2020-21), Rs 43.70 crore (FY 2021-22) and Rs. 44.28 crore (FY 2022-23) are under process / appeal / rectification with IT Authorities.

- 16. Loans and Advances to Chairman/Members** – During the year no loan/advance granted to Chairman/ Members

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

at any time during the year	-	Nil
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- 17. Investments in Subsidiaries, Associate and Other entities** –

As approved by the NHAI Board in its 156th meeting held on 27th September 2022-

- (a) Four SPVs of NHAI viz. NMPRCL, PPRCL, CHPRCL and TPRCL have issued equity shares to NHAI in lieu of the accrued interest recoverable from them as on 31.03.2022.
- (b) NHLML, a subsidiary company of NHAI, has taken over NHAI's equity shares as on 31.03.2022 in eight SPVs of NHAI viz. PPRCL, NMPRCL, TPRCL, CHPRCL, CEPRCL, MJPRCL, MPRCL and VPRCL at the rate of Re 1.00, Re 1.00, Re 0.28, Re 0.13, Rs 8.81 Rs 44.08, Rs 9.94 and Rs 16.74 per share respectively.
- (i) Against Equity Shares of Rs. 991.07 crore and accrued interest of Rs. 1,329.82 crore NHAI has got Equity Shares of Rs. 787.20 crore resulting in a loss of Rs. 1,533.69 crore to NHAI. This loss has been debited to capital.
- (ii) During the year NHAI has invested Rs 840.00 crore in the equity of DMEDL raising its total investment in DMEDL to Rs 5,234.00 crore. Further Rs 1,090.81 crore has been invested in 8,78,69,400 units of the National Highways Infra Trust (NHIT) @ Rs 124.14 per unit raising total investments in NHIT to Rs 2,270.04 crore. Rs 30.17 crore has been released to New Mangalore Port Road Company towards equity contribution.

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- (iii) As a follow up of audit observation of 2022-23, amount of Rs. 4.12 crore, due as refund from Income tax department pertaining to MTRCL (winded up in FY 2021-22) has been recognized in the books as recoverable from Income Tax Department.
- (c) 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 Rs 312.85 crore, & Rs 57.90 crore in respect of AVEXCL & CPRCL still exist in the books.

Rs in Crore

Investment	31.03.2024	31.03.2023
Subsidiary Companies	6,392.95	5,553.18
<b>Less:</b> Provision for diminution	(370.75)	(370.75)
Net	6,022.20	5,182.43
Associate Companies	7.50	211.14
Other entities	2,300.20	1,179.23
<b>Total</b>	<b>8,329.90</b>	<b>6,572.80</b>

- (d) Apart from above, Authority has paid application money to the tune of Rs. 50.34 crore to Tuticorin Port Road Company Ltd. (TPRCL), allotment of share is awaited.
- (e) The winding up application for Ahmedabad Vadodara Expressway Ltd. (AVEXL) is pending with National Company Law Tribunal (NCLT).
- (f) Following are the details of loan and advances in the nature of loan to Subsidiaries & Associates Companies as on 31.03.2024-

Loans (Rs crore)

Name of Subsidiary/Associate	Current Year	Previous year
Ahmedabad-Vadodara Ex. way Co. Ltd.	5.29	5.29
Mormugao Port Road Co. Ltd.	120.95	112.30
Visakhapatnam Port Road Co. Ltd.	(0.28)	(0.28)
Calcutta-Haldia Port Road Co. Ltd.	494.16	937.70
Chennai-Ennore Port Road Co. Ltd.	-	0.69
National Highways Logistic Management Limited (formerly Cochin Port Road Co. Ltd)	312.59	291.81
Tuticorin Port Road Co. Ltd.	104.83	267.53
Paradeep Port Road Co. Ltd.	-	688.20
New Mangalore Port Road Co. Ltd.	211.32	501.24
<b>Total</b>	<b>1,248.86</b>	<b>2,804.48</b>

### 18. Deposits, Loans & Advances -

- a) **Eastern Peripheral Expressway** - Against a deposit of Rs 2,000.25 crore received from the state of Delhi, Haryana and Utter Pradesh, Authority has spent Rs 5,743.78 crore on Eastern Peripheral Expressway thus the recoverable from the states of Delhi, Haryana and Utter Pradesh stands at Rs 3,743.53 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, 2024 is Rs 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/up gradation 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 2024, Authority has received Rs 642.32 crore towards EPC expenditure and Rs 30.94 crore towards PMC expenditure respectively and has achieved financial progress of 46.58 %.
- 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. Responsibility for land acquisition and other pre-construction activities shall continue to remain with Authority. Against equity infusion obligation of Rs. 5,385.00 crore Authority has so far released Rs. 5,234.00 crore to DMEDL. NHAI is executing this project through various EPC and HAM contracts. Up to 31.03.2024 NHAI has executed projects worth Rs 41,567.99 crore and DME Development Ltd. has paid Rs 40,227.00 crore to NHAI.
- e) **Land acquisition state support/financial participation –**
  - (i) Kerala Government has agreed to bear 25% of the cost of Land Acquisition for widening of NH-66 from Kasaragod to Thiruvananthapuram except Thalassery-Mahe bypass and Nileshwaram ROB in the state of Kerala. Against a deposit of Rs. 1,919.78 crore received from Kerala Government, NHAI has spent Rs.1,702.03 crore on Land acquisition.
  - (ii) Under the financial participation agreement with NHAI and MoRTH, Government of Telangana has agreed to provide 50% of LA cost and has deposited Rs 100.00 crore to NHAI for development of northern portion of Regional Ring Road (Greenfield) around Hyderabad city.

**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 Rs 1,15,181.63 crore are required to be paid by the Authority. Out of this, an amount of Rs 55,587.99 crore (up to previous year Rs 50,054.90 crore) have been paid till 31.03.2024.
- 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 Rs 3,04,375.66 crore are required to be paid by the Authority. Out of this, an amount of Rs 24,684.61 crore (up to previous year Rs 13,150.58 crore) have been paid till 31.03.2024. Assets held on behalf of GoI includes the amount of annuities paid as mentioned above.

## 21. Fraudulent Withdrawal –

During 2012-13 a fraudulent withdrawal of Rs 1.06 crore from one of the bank accounts of Competent Authority Land Acquisition (CALA) was detected under PIU-Chandigarh. Out of this, a sum of Rs 18.31 lakh and Rs 11.75 lakh have been recovered by police and lying with the court as 'case property'. Punjab Government has paid Rs 43.34 lakh and Rs 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 Rs 1,173.91 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.
- 1% on all capital works projects, including on the total expenditure on EPC, BOT (Toll), BOT (Annuity) and SPV 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.
- 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**

Rs in crore

Particulars	2023-24	2022-23
Agency charges - Opening balance	5,922.39	5,067.45
Add: Agency charges for the Year	3,570.02	1,624.57
<b>Total</b>	<b>9,492.41</b>	<b>6,692.02</b>
Less: Net Administrative expenses for the year	800.79	769.63
<b>Agency Charges: Closing Balance</b>	<b>8,691.62</b>	<b>5,922.39</b>

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 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.

- (e) No income/fund of NHAI for the year ended 31st March 2024 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. On the basis of proposal submitted by NHAI through MoRTH in March 2022, office of C&AG has accepted majority of the changes.
- 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. Modification in format**- As pointed out by Audit, the corresponding heading of schedule -9 on the face of balance sheet (which represents provisions under Current Liabilities) has been changed in line with the approved format of accounts from "Reserve & Provisions" to "Provisions".
- 30. Contingent Liability** - Contingent Liability not acknowledged as debt:
- a) On the close of financial year total numbers of pending Arbitration cases are 138 involving claim of Rs 1,17,463.56 crore (previous year Rs 1,16,072.00 crore) by Contractors/ Concessionaires. In addition to this there are 54 court cases involving Rs 11,864.94 crore (previous year Rs 28,863.52 crore where NHAI was petitioner/appellant) in which NHAI is respondent. Authority has also given bank guarantee to the tune of Rs 251.33 crore (previous year Rs 71.51 crore) and has deposited Rs 9,759.73 crore (previous year Rs 8,109.88 crore) in the form of FDRs as per various court orders. In respect of other claims/legal cases, the liability is not ascertainable at present.
- b) Authority has issued letters of credits against payment of annuities. At the close of financial year letter of credits to the tune of Rs 359.72 crore (previous year Rs 619.48 crore) are in force.
- 31. Capital Commitments**- The total estimated value of EPC, BOT(HAM), Consultancy and O&M contracts remaining to be executed as on 31.3.2023 are Rs 82,348.81 crore, Rs 2,61,968.73 crore, Rs 3,464.77 crore and Rs 22,521.45 crore respectively. Corresponding figures for previous year are Rs 80,240.60 crore, Rs 2,20,609.58 crore Rs 2,771.23 crore and Rs 16,369.39 crore respectively

**For and on behalf of the Board of the Authority**

Place: New Delhi

Date: 13.08.2024



Member (Finance)



Chairman

**Annexure-3**

**MANAGEMENT REPLY TO AUDIT REPORT ISSUED BY THE COMPTROLLER  
AND AUDITOR GENERAL OF INDIA ON THE ACCOUNTS OF NATIONAL  
HIGHWAYS AUTHORITY OF INDIA FOR THE YEAR ENDED 31 MARCH 2024**

S.No.	Audit Report	Management Reply
1.	<p>We have audited the attached Balance Sheet of the National Highways Authority of India (NHAI) as on 31 March 2024 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 241 units (215 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.</p> <p>We have conducted our audit in accordance with the auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements. An audit includes examining on a test check basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting 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.</p> <p>Based on our audit, we report that:</p> <p>We have not been able to obtain all the information (project wise accounts) and explanations, which to the best of our knowledge and belief were necessary for the purposes of audit;</p>	<p><i>Audit of annual financial statements 2023-24 was started on 14.08.2024 and continued till 02.09.2024, during this period, through 14 requisitions, Audit had requested for 69 different documents / records / information at NHAI HQ and the same were provided by NHAI.</i></p> <p><i>The Balance Sheet and Profit and Loss Account, have been drawn majorly in the format approved by the Government of India in June 1992 under Section 34 (2)(g) of NHAI Act, 1988 and Rule 6(1)(b) of NHAI Rules 1990 while incorporating changes agreed by C&amp;AG vide their letter dated 13.04.2023. Recently, in the meeting held between the office of C&amp;AG, MoRTH and NHAI on 15.01.2025 on unresolved issues a road map for resolution of such issues in a time bound manner has been agreed to. Copy of minutes of meeting dated 12.03.2025 is attached (<b>Annexure-A</b>). So far as maintaining the books of accounts and other relevant records are concerned, NHAI is maintaining all the records and transactions required for making true and fair accounts which are auditable from all angles as per the best accounting practices.</i></p>

S.No.	Audit Report	Management Reply
	<p>The Balance Sheet and Profit &amp; Loss Account dealt with by this report have not been drawn up in the format approved (as mentioned in Audit comment no. (III)(a)(i), (III)(a)(ii), (III)(a)(iii) and (III)(a)(iv) by the Government of India under Section 34 (2)(g) of NHAI Act, 1988 and Rule 6(1)(b) of NHAI Rules 1990, as amended from time to time;</p> <p>We have following concerns regarding maintenance of proper books of accounts and other relevant records by the Authority, in so far as it appears from our examination of such books as enumerated below:</p> <ul style="list-style-type: none"> <li>a) As per Section 23 of the NHAI Act, 1988, the format of annual statements of accounts of NHAI has been prescribed by the Government of India (GoI) in consultation with the Comptroller and Auditor General of India (C&amp;AG). However, the following deviations were noticed in the financial statements prepared when compared to the approved format of accounts:</li> </ul>	
2.	<p>(i) Assets held on behalf of GoI (completed &amp; ongoing) amounting to ₹10,07,532.92 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 &amp; maintenance purposes only. The Solicitor General of India in his opinion of January 2015 reiterated the fact that NHAI is an executing agency of the GoI and ownership of these National Highways vests with GoI. The accounting treatment and disclosure given by NHAI, in its Financial Statements, to National Highways and related projects is also in deviation to the opinion given by the Expert Advisory Committee of the Institute of Chartered Accountants of India which opined that if the NHAI was acting only as an executing agency on behalf of GoI and</p>	<p>(i) <i>It is long pending issues raised by Audit since last 12-13 years. Several attempts were made by NHAI in consultation with MoRTH and C&amp;AG to resolve these issues. However, despite concerted efforts, appropriate solution acceptable to NHAI, MoRTH and C&amp;AG could not be found. As of now, it is presented as "Assets Held on Behalf of Government of India "on the basis of minutes of meeting issued by office of C&amp;AG on 13.07.2016 (<b>Annexure-B</b>). This issue was referred to the Expert Advisory Committee (EAC) of the Institute of Chartered Accountants of India (ICAI) in 2024. EAC, vide their letter dated 28.08.2024, has opined that highways are entrusted to NHAI and NHAI appears to be exercising certain operational control over the funds/assets entrusted to it, therefore, based on the facts and circumstances</i></p>

S.No.	Audit Report	Management Reply
	<p>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 GoI (completed and ongoing) amounting to ₹ 10,07,532.92 crore in NHAI's Balance Sheet is not correct.</p> <p>This issue was raised in earlier year(s) also by Audit. However, no corrective action has been taken by the management.</p>	<p><i>National Highways may be classified as assets in NHAI books. Copy of this opinion has been submitted to the office of C&amp;AG vide NHAI letter dated 26.09.2024.</i></p> <p><i>On the basis of opinion received from EAC, and the opinion expressed by C&amp;AG vide their letter dated 12.04.2023 a road map for resolution of this issue in a time bound manner has been agreed to. It is expected that NHAI will resolve this issue by following the methodology prescribed by the Government on the advice of office of C&amp;AG.</i></p> <p><i>So far as accounting of Rs. 10,07,532.92 crore, as Assets held on behalf of GoI (completed and ongoing) is concerned, this amount represents the utilization of capital invested by the Government of India in NHAI, on these capital works.</i></p>
3.	<p>(ii) The approved format of accounts provides that the Profit / Loss in the Profit and Loss Account is to be carried to the Balance Sheet under Reserves and Surplus. As against this, NHAI instead of arriving at Profit/Loss in the prescribed manner, computed the 'Net Establishment Expenditure', which was in actual the loss for the year and transferred the same to Assets held on behalf of GoI (completed and ongoing) under Fixed Assets.</p> <p>It was further observed that the Profit and Loss Account was being prepared in contravention to Generally Accepted Accounting Principles (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 (without segregating the establishment expenditure incurred on completed projects and ongoing projects) capitalized the entire amount of ₹ 800.79 crore with respect to Net Establishment Expenses for the year. In absence of project</p>	<p>(ii) <i>Treatment of surplus/deficit in the P&amp;L Account is based on the provisions of Significant Accounting Policy No. 6 (Schedule-18) applicable since 2009-10 (when agency charges were discontinued) and consistently being followed for as many years. This policy stipulates that-</i></p> <p><i>"Assets held on behalf of GoI" include direct costs like DPR, land acquisition, utility shifting, tree cutting, civil construction, annuity, VGF etc. and indirect costs such as interest and issue expenses on market borrowings/loans availed by the Authority for highways, net establishment expenditure after setting off the income and interest earned on deposit, loans, advances and receipts from ongoing projects as shown in Schedule 5.</i></p>

S.No.	Audit Report	Management Reply
	<p>wise details of establishment expenditure incurred, Audit is unable to quantify the impact of such incorrect booking. Also, the significant accounting policy no. 6 is deficient to that extent.</p> <p>This issue was also raised in earlier year(s) by Audit. However, no corrective action has been taken by the management.</p>	
4.	<p>(iii) Assets held on behalf of Gol (completed &amp; ongoing) amounting to ₹10,07,532.92 crore includes ₹ 25,900.33 crore, being the borrowing cost capitalised during the year 2023-24. As per Para 19 of AS 16 relating to Borrowing Cost 'Capitalization 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 &amp; Loss Account. As NHAI is not maintaining project-wise details, Audit could not verify the correctness of Borrowing Costs amounting to ₹ 25,900.33 crore allocated to 'Assets held on behalf of Gol (completed &amp; ongoing)' during the year 2023-24. The total Borrowing Costs amounting to ₹ 1,44,446 crore has been allocated to completed and ongoing projects till 31 March 2024.</p> <p>This issue was also raised in earlier year(s) by Audit. However, no corrective action has been taken by the management.</p>	<p>(iii) <i>This treatment is based on the provisions of significant accounting policy (6). As stated above - NHAI is exploring the possibility of preparing its account in the approved format of accounts prescribed by Government of India in the year 1992 on the advice of office of C&amp;AG.</i></p>
5.	<p>(iv) 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 2023-24, NHAI has incurred an amount of ₹ 5,812.21 crore, being the total expenditure on maintenance of highways (₹ 4,451.51 crore on maintenance of highways and ₹1,360.70 crore on toll collection activities).</p>	<p>(iv) <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></p>

S.No.	Audit Report	Management Reply
	<p>Against this, during 2023-24, MoRTH has released a grant of ₹1,174.07 crore for maintenance of highways. After adjusting ₹128.99 crore of 'Other Receipts from Operation &amp; Maintenance of Highways', balance amount of ₹ 4,509.15 crore has been set off against the Shareholder's Fund. This has resulted in understatement of Excess of Expenditure over Income for the year and Shareholder's Fund-Capital by ₹4,509.15 crore.</p> <p>This issue was raised in earlier year(s) also by Audit.</p> <p>However, no corrective action has been taken by the Management.</p>	<p><i>As per the decision taken in the meeting held on 15.01.2025, NHAI accepted the advice of the Audit and is ready to account for grants as per the provisions of Accounting Standard (AS)-12 "Accounting for Government Grants".</i></p>
6.	<p><b>IV. We further report that:</b></p> <p><b>A Balance Sheet</b></p> <p><b>1 Sources of Funds</b></p> <p><b>1.1 Shareholder's Fund</b></p> <p><b>(a) Capital (Schedule 1): ₹ 7,08,177.58 crore</b></p> <p>The above does not include ₹ 67.29 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 (ETC) and Toll Management System (TMS). The expenditure incurred on creation of ETC and TMS is in capital nature therefore, it should have been capitalized in the books of account. This has resulted in understatement of 'Capital' (Schedule 1) and Assets held on behalf of Govt. of India (Schedule-5) by ₹ 67.29 crore. Further, Significant Accounting Policy (Schedule -18) Para 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 the head plough back of toll remittances.</p>	<p><b>IV.</b></p> <p><b>A Balance Sheet</b></p> <p><b>1 Sources of Funds</b></p> <p><b>1.1 Shareholder's Fund</b></p> <p><b>(a) Capital (Schedule 1): ₹ 7,08,177.58 crore</b></p> <p><i>Construction of toll plaza is an activity related to toll collection. Significant Accounting Policy no. 9 (a) provides as under "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". As per provisions of this policy, expenditure on construction of toll plazas is adjusted against the plough-back of toll remittances and shown as capital provided by Government of India. This policy is consistently being followed since the date plough-back of toll remittance was started by MoRTH. Based on the observations made by Audit, it has been decided that NHAI shall review this policy in next accounting year.</i></p>

S.No.	Audit Report	Management Reply
	<p>This issue was raised in earlier year(s) also by Audit.</p> <p>However, no corrective action has been taken by the Management.</p>	
7.	<p><b>(b) Reserve &amp; Surplus (Schedule 2): ₹ Nil</b></p> <p>The above does not include an amount of ₹ 9,414.73 crore, being the Capital Reserve, which was shown as deduction from Assets held on behalf of GoI (Schedule 5). As per accounting principles, the same should be shown as part of the Reserves &amp; Surplus because the Capital Reserve is created out of capital profits. This has resulted in understatement of Reserves &amp; Surplus and Assets held on behalf of GoI by ₹ 9,414.73 crore. Also, the significant accounting policy no. 6 is deficient to that extent.</p> <p>This issue was raised in earlier year(s) also by Audit. However, no corrective action has been taken by the Management.</p>	<p>(b) <b>Reserve &amp; Surplus (Schedule 2): ₹ Nil</b></p> <p><i>This is based on the significant accounting policy no. 6 - Assets held on behalf of Government of India (GoI)</i></p> <p><i>"Assets held on behalf of GoI" include direct costs like DPR, land acquisition, utility shifting, tree cutting, civil construction, annuity, VGF etc. and indirect costs such as interest and issue expenses on market borrowings / loans availed by the Authority for highways, net establishment expenditure after setting off the income and interest earned on deposit, loans, advances and receipts from ongoing projects as shown in Schedule 5".</i></p> <p><i>This policy is being followed consistently. Therefore, there is no understatement of Reserves and Surplus and Fixed Assets (assets held on behalf of GoI) as pointed out by Audit. NHAI will review and revise its significant accounting policy in the next balance sheet and adopt the treatment of capital reserve as advised by Audit.</i></p>
8.	<p><b>1.2 Borrowings (Schedule 4): ₹ 3,35,373.19 crore</b></p> <p>As per Rule 9 (Reserve Fund) of NHAI Rules, 1990 for every loan raised by NHAI not being a loan repayable before expiration of one year from the date of the loan, the Authority shall set apart a sum half yearly out of its income in the reserve fund, sufficient to liquidate the loan within a period which shall not in any case exceed thirty years. NHAI may 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.</p>	<p><b>1.2 Borrowings (Schedule 4): ₹ 3,35,373.19 crore</b></p> <p><i>As per the provisions of Rule 9, of NHAI Rules 1990, reserve is required to be created out of income of Authority. NHAI being an executing agency of Government of India, does not have any source of income except sale of tender documents and some petty administrative income.</i></p>

S.No.	Audit Report	Management Reply
	<p>Provided that the Authority paid into the fund each year and accumulated until the whole of the money borrowed was discharged, a sum equivalent to the interest which would have been produced by the reserve fund or part of the reserve funds so applied.</p> <p>As on 31 March 2024, an amount of ₹ 3,35,373.19 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.</p> <p>This issue was also raised in earlier year(s) also by Audit.</p> <p>However, no corrective action has been taken by the management.</p>	<p><i>As NHAI does not have any income/profit, therefore, Reserve fund is not created by setting apart a sum on half yearly basis, for liquidating the loans. The borrowings made by NHAI are being paid with the budgetary support from the Government of India and monetization receipts.</i></p>
9.	<p><b>2. Application of Funds</b></p> <p><b>2.1 Assets held on behalf of GoI (Schedule 5): ₹ 10,07,532.91 crore</b></p> <p>(i) The above includes ₹ 27,350.33 crore under the head 'Interest on unutilized capital' representing cumulative interest received on unutilized capital and loans and advances to contractors / consultants etc.</p> <p>As per General Financial Rules (GFR) 2017 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.</p> <p>NHAI earned interest on unutilized capital ₹ 4,152.54 crore during 2023-24. However, interest earned on Grants in aid or advances (other than reimbursement) released to NHAI, has not been remitted to Consolidated Fund of India which was in contravention of GFR 2017. This has resulted in understatement in Current Liability (Payable to GoI) and understatement of Assets held on behalf of GoI to the extent of interest earned on Grant received during the year.</p>	<p><b>2. Application of Funds</b></p> <p><b>2.1 Assets held on behalf of GoI (Schedule 5): ₹ 10,07,532.91 crore</b></p> <p>(i) <i>Interest earned on Grant is treated as per the provisions of-</i></p> <p>1. <i>Section 18 of The National Highways Authority of India Act 1988, inter alia provides as under-</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></p> <ul style="list-style-type: none"> <li>a) <i>any grant or aid received by the Authority;</i></li> <li>b) <i>any loan taken by the Authority or any borrowings made by it;</i></li> <li>c) <i>any other sums received by the Authority.</i></li> </ul> <p>(2) <i>The Fund shall be utilized for meeting –</i></p> <ul style="list-style-type: none"> <li>a) <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></li> </ul>

S.No.	Audit Report	Management Reply
	<p>Further, interest earned on Grants, received from 2017-18 to 2022-23 should also be reconciled and deposited in Consolidated Fund of India. 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'. Thus, the accounting policy is deficient and is in contravention of the provisions of GFR 2017. This issue was also raised in earlier year(s) by Audit. However, no corrective action has been taken by the management.</p>	<p>2. <i>Significant Accounting Policy no. 3. Capital Grant, inter alia provides as under-</i></p> <p><i>"Interest earned on the unutilized grant is credited to interest on unutilized capital."</i></p> <p><i>Therefore, NHAI is following the provisions of Section 18 of NHAI Act, 1988 stated above wherein all grant received by the Authority are credited to common fund along with interest earned on it which is utilized for meeting expenses of the Authority.</i></p> <p><i>Till now, NHAI has not received any Grant-in-Aid from the Government of India.</i></p>
10.	<p>(ii) The above includes ₹ 31.17 crore being the consultancy charges paid during 2023-24 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 GoI' and understatement of Expenditure on Maintenance of Highways by ₹ 31.17 crore.</p> <p>This issue was also raised in earlier year(s) by Audit. However, no corrective action has been taken by the management.</p>	<p>(ii) <i>In absence of supporting documents the facts and figures could not be verified. Since it is a repetition of previous observation, therefore based on earlier reply it is intimated that the consultancy charges paid to Independent Engineer for Operation and Maintenance projects 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 policy will be reviewed to make necessary changes, as required.</i></p>
11.	<p><b>2.2 Current Assets, Loans and Advances (Schedule 7): ₹ 92,828.24 crore</b></p> <p><b>Deposit Loans &amp; Advances: ₹ 56,491.23 crore</b></p> <p>The above includes ₹ 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.</p>	<p><b>2.2 Current Assets, Loans and Advances (Schedule 7): ₹ 92,828.24 crore</b></p> <p><b>Deposit Loans &amp; Advances: ₹ 56,491.23 crore</b></p> <p><i>Payment for development of NHDP phase-IV projects were 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 was shown as "Recoverable from MoRTH".</i></p>

S.No.	Audit Report	Management Reply
	<p>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 Excess of Expenditure over Income to the same extent.</p> <p>This issue was raised earlier also by Audit, however, no corrective action has been taken by the management.</p>	<p><i>After verification of the claim and a minor correction of Rs. 2.37 crore the final claim was reduced to Rs. 11,074.44 crore. MoRTH vide letter dated 13th March 2025 has approved entrustment of 14 projects worth Rs.4,743.56 crore plus Rs. 875.80 crore to NHAI and has also reimbursed Rs. 5,455.07 crore to NHAI.</i></p> <p><i>After making above adjustments the "Recoverable from MoRTH" in the books of NHAI at the end of FY 2024-25 has become zero.</i></p>
12.	<p><b>2.3 Current Liabilities and Provisions</b></p> <p><b>2.3.1 Liabilities (Schedule 8): ₹ 49,327.31 crore</b></p> <p>An agreement was entered (20 November 2017) into between Ministry of External Affairs, Government of India and NHAI for PMC services for construction/up-gradation of the Kalewa Yargi Road section, a trilateral Highway in Myanmar.</p> <p>a) As per terms of the agreement, Ministry of External Affairs, Government of India has released ₹ 673.26 crore (₹ 642.32 crore towards EPC expenditure and ₹ 30.94 crore towards PMC fee) to NHAI towards project expenditure as against the actual expenditure of ₹ 678.69 crore up to March 2024. However, NHAI has not adjusted ₹ 642.32 crore from the Advance amount received till 31 March 2024.</p>	<p><b>2.3 Current Liabilities and Provisions</b></p> <p><b>2.3.1 Liabilities (Schedule 8): ₹ 49,327.31 crore</b></p>

S.No.	Audit Report	Management Reply
	<p>This has resulted in overstatement of Current Liabilities and Provisions and overstatement of Current Assets, Loans and Advances by ₹ 642.32 crore. Further, the Note to accounts (18 (c) is also deficient to that extent.</p> <p>The issue was raised earlier also by Audit. However, no corrective action has been taken by the Management.</p>	<p>(a) In this regard a comprehensive Standard Operating Procedure (SOP) for accounting and adjustment of advances received and paid for "Construction/ up gradation of the Kalewa-Yargi Road Section from Milepost 40/0 to Milepost 115/5 (120.74 km) of the Trilateral Highway in Myanmar" has been issued on 12.03.2024. Copy of SOP was also provided to Audit. In the light of this SOP, DDO section and Myanmar unit have started the process for adjustment of advances and accounting of other transactions.</p>
13.	<p>b) Further, as per above agreement, NHAI was to receive a Project Management Consultancy (PMC) fee of 6 per cent of the cost of the project or tendered cost, whichever is lower. NHAI has incurred project expenditure of ₹ 673.26 crore (i.e., 46.58 per cent financial progress) for the period up to March 2024. Accordingly, the PMC Fees to NHAI is worked out as ₹ 45.47 crore till March 2024. Out of ₹ 45.47 crore towards PMC fees, NHAI has received ₹ 30.94 crore and balance ₹ 14.53 crore is recoverable from Ministry of External Affairs as on 31 March 2024. This has resulted in understatement of Income by ₹ 45.47 crore, overstatement of Current Liabilities by ₹ 30.94 crore and understatement of Recoverable from Ministry of External Affairs (Current Assets, Loans and Advances) by ₹ 14.53 crore. Consequently, Excess of Expenditure over Income is overstated by ₹ 14.53 crore.</p> <p>The issue was raised earlier also by Audit. However, no corrective action has been taken by the Management.</p>	<p>(b) It is a deposit work being carried out by NHAI on behalf of Ministry of External Affairs as per the tripartite agreement entered in between NHAI, MoRTH and MEA. This being a deposit work on behalf of other entity, accounting of receipts and payments is made on cash basis. Therefore, entry of provision for receipt of remuneration is not required.</p> <p>So far as accounting of remuneration towards PMC fee is concerned, the process for adjustment of advance has been started at NHAI, HQ. At the time of adjustment of advance, PMC fee to the extent advance is adjusted shall be transferred and accounted under regular head of account.</p>

S.No.	Audit Report		Management Reply
Sr. No.	Particulars	(₹ in Crore)	
14.	<b>2.3.2</b> The above head of accounts was understated by ₹ 854.72 crore due to non / short provision of liabilities towards:		<p>2.3.2 As per the accounting policy of NHAI and the letter of instruction issued for finalization of accounts provision for payment of LA compensation is to be made if following conditions are satisfied-</p> <ul style="list-style-type: none"> <li>a) Awards has been declared by CALA,</li> <li>b) Approved by Competent Authority, NHAI and Drawl limit is not assigned by NHAI HQ to PIU up to the 31st March of the year. Further, NHAI HQ, vide letter dated 04.10.2024 has directed the units, to note the observations made by Audit and take all necessary steps to avoid this type of mistakes in future.</li> </ul> <p>Audit is assured that this process will be reviewed and shall be further streamlined so that similar mistakes are not repeated in FY 2024- 25.</p>
	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	337.62	
	3. Amount payable to the contractor/Concessionaire/ Utility Department for utility shifting/tree cutting/fly Ash/ plantation work	7.67	
	4. Amount payable for supervision consultancy	2.84	
	5. Amount payable on account of CWIP GST-Change in Law	9.16	
	6. Amount payable to contractor/concessionaire on account of Annuity payment	71.15	
	<b>Total</b>	<b>854.72</b>	
	This has also resulted into 'Understatement of Assets held on behalf of GoI' (Completed/Ongoing) by ₹ 853.30 crore and 'Claims Recoverable' by ₹ 1.42 crore.		
15.	<b>(B) Profit and Loss Account</b> <b>1 Income</b> <b>Other Income (Schedule 11): ₹ 26.78 crore</b> The above does not include an amount of ₹ 3,570.37 crore being the agency charges for the year 2023-24 which was not accounted for in the books of accounts.		<b>(B) Profit and Loss Account</b> <b>1 Income</b> <b>Other Income (Schedule 11): ₹ 26.78 crore</b> The policy for accounting of agency charges (Schedule-18, Significant Accounting Policy no. 13) is as under –

<sup>1</sup> ₹. 23.54 crore (₹ 1,177 crore \* 1 per cent \* 2) + ₹ 21.93 crore (₹ 1,177 crore \* 4 per cent \* 46.58 per cent)

S.No.	Audit Report	Management Reply
16.	<p>Agency charges were introduced in NHAI as per the practice followed by State Public Works Department under 'Agency System' who were executing the National Highway Projects prior to coming into existence of NHAI.</p> <p>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 GoI within the overall ceiling of agency charges.</p> <p>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 GoI by ₹ 3,570.37 crore for the current year. Consequently, Excess of Expenditure over Income is also overstated by ₹ 3,570.37 crore. Further, the accounting policy is also deficient to that extent.</p> <p>This issue was raised earlier also by Audit; however, no corrective action has been taken by the management.</p>	<p><b>Agency Charges</b></p> <p><i>Agency charges on the value of various projects executed w e f 1/4/2008 is recognized notionally at the following rates-</i></p> <p><i>1% on all capital works projects, including on the total expenditure on BOT and Annuity projects;</i></p> <p><i>9% on the expenditure on maintenance of highways directly done by NHAI;</i></p> <p><i>2% on the expenditure on maintenance of highways carried out through the State Public Works Departments.</i></p> <p><i>Agency charges are accounted for through a Memorandum Account. All establishment expenditure, after setting off the income, is appropriated against the Agency Charges through a Memorandum Account and disclosed in the Notes to Accounts.</i></p> <p><i>Accordingly, as per the approved policy, since 01.04.2008 agency charges are being calculated and accounted for through a Memorandum Account on very consistent basis. Thus, there is no question of understatement of income or overstatement of loss as pointed out by Audit in this half margin.</i></p> <p><i>Based on the observations made by Audit, it has been decided that NHAI shall review this policy and take a call on its revision.</i></p>
	<p><b>2. Expenditure</b></p> <p><b>Prior Period Items Net Expenses / (Income) (Schedule 17): ₹ (2.97 crore)</b></p> <p>The above does not include an amount of ₹ 6,692.02 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 2023. This has resulted in understatement of Prior Period Income and understatement of Current Assets, Loans and Advances by ₹ 6,692.02 crore.</p>	<p><b>2. Expenditure</b></p> <p><b>Prior Period Items Net Expenses / (Income) (Schedule 17): ₹ (2.97 crore)</b></p> <p><i>In this regard please refer to the policy for accounting of agency charges (Schedule-18, Significant Accounting Policy no. 13) which provides as under–</i></p> <p><b>Agency Charges</b></p>

S.No.	Audit Report	Management Reply
	<p>This issue was also raised in earlier year(s) also by Audit. However, no corrective action has been taken by the management.</p>	<p><i>Agency charges on the value of various projects executed w e f 1/4/2008 is recognized notionally at the following rates-</i></p> <p><i>1% on all capital works projects, including on the total expenditure on BOT and Annuity projects;</i></p> <p><i>9% on the expenditure on maintenance of highways directly done by NHAI;</i></p> <p><i>2% on the expenditure on maintenance of highways carried out through the State Public Works Departments.</i></p> <p><i>Agency charges are accounted for through a Memorandum Account. All establishment expenditure, after setting off the income, is appropriated against the Agency Charges through a Memorandum Account and disclosed in the Notes to Accounts.</i></p> <p><i>According to this policy, post 01.04.2008, there is no requirement for raising invoices to MoRTH and passing accounting entry for agency charges in the books of Authority. Thus, the contention of Audit that this had resulted in understatement of agency charges and overstatement of accumulated losses by Rs 5,922.39 crore is not tenable.</i></p> <p><i>Based on the observations made by Audit, it has been decided that NHAI shall review this policy and take a call on its revision.</i></p>
17.	<p><b>(C) General:</b></p> <p>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-</p>	<p><b>(C) General:</b></p> <p>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</p>

S.No.	Audit Report	Management Reply
	<p>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:</p> <ul style="list-style-type: none"> <li>a. All monies received out of each tranche issue of the bonds to the public shall be transferred to a separate bank account.</li> <li>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.</li> <li>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.</li> </ul> <p>However, the above commitments were not adhered to and NHAI has only given a general disclosure vide Note No. 11 (d) of Notes to Accounts wherein it was mentioned that '<i>All receipts of NHAI viz. Funds received from the Ministry, Market borrowings through issue of NHAI Tax free Bonds, Taxable Bonds, NHAI Capital Gains Tax Exemption Bonds under Section 54-EC, interest on surplus funds etc. are credited in the National Highways Authority of India Funds and all expenditure is met out of this Fund as per the provisions of Article 18 of NHAI Act, 1988. As such, no separate account is maintained for utilization of NHAI Bond proceeds</i>'. This disclosure is also factually incorrect as NHAI is not maintaining any 'National Highways Authority of India Fund'. This issue was also raised in earlier year(s) also by Audit. However, no corrective action has been taken by the management.</p>	<p><i>Highways Authority of India Fund to which all receipts including borrowed funds will be credited.</i></p> <p><i>As there is a conflict between the prospectus and the provisions of NHAI Act, 1988, NHAI sticks to the provisions of the NHAI, Act 1988 and makes a disclosure to this effect in the Notes to Accounts (Schedule 19) as under -</i></p> <p><i>"All receipts of NHAI viz. Funds received from the Ministry, Market borrowings through issue of NHAI Tax free Bonds, Taxable Bonds, NHAI Capital Gain Tax Exemption Bonds under Section 54-EC, interest on surplus funds etc. are credited in the National Highways Authority of India Funds and all expenditure is met out of this Fund as per the provisions of Article 18 of NHAI Act, 1988. As such, no separate Account is maintained for utilization of NHAI Bond proceeds".</i></p> <p><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.</i></p> <p><i>This is consistently being done since the year 2011-12, the Regulatory Authorities have also accepted this. Further, NHAI is making all the repayments in timely manner and there is no complaints in this regard.</i></p>
18.	V Because of significance of the matters mentioned in comment no. (III)(a)(i), (III)(a)(ii), (III)(a)(iii) and (III)(a)(iv) in this Audit Report, we are unable to express an opinion on the financial statements of National Highways Authority of India ;	

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<b>S.No.</b>	<b>Audit Report</b>	<b>Management Reply</b>
	<ul style="list-style-type: none"> <li>(a) In so far as it relates to the Balance Sheet, of the state of affairs of the Authority as on 31 March 2024.</li> <li>(b) In so far as it relates to the Profit and Loss Account, Excess of Expenditure over Income for the year ended on 31 March 2024.</li> </ul>	<p>V <i>Comment no. (III) (a) (i), (III) (a) (ii), (III) (a) (iii) and (III) (a) (iv) in the Audit Report pertains to accounting of highway projects (complete and ongoing), allocation of establishment expenditure, allocation of borrowing cost and accounting of maintenance grant respectively. In respect of all these issues a road map for resolution has been agreed to in the meeting held between the Secretary, Road Transport and Highways, Deputy C&amp;AG and Member (F), NHAI on 15.01.2025 at Transport Bhawan, Delhi (copy of MoM dated 11.03.2025 is attached).</i></p> <p><i>The financial statements 2023-24 have been prepared on the basis of same significant accounting policies and practices which were used for preparation of financials for 2022-23. Further, all the documents, information and accounting requisitioned by Audit were provided to them. However, there is a significant shift in the opinion expressed by the Audit on the financials for 2023-24.</i></p> <p><i>In this regard the DO letter dated 22.04.2025 written by Chairman, NHAI to the Dy. C&amp;AG (<b>Annexure-C</b>) may be referred to.</i></p>

**For and on behalf of the Board of the Authority**

**Place : New Delhi**

**Date : 23.04.2025**

**Encls. Annexure-A, B and C**



**Member (Finance)**



**Chairman**

## Annexure A

### (To the Audit Report on the Accounts of National Highways Authority of India for the year 2023-24)

<p><b>1. Internal Audit System</b></p> <p>For the purpose of evaluation of Internal Audit System, a questionnaire was issued to management for their response. Based on the same, the following observation were made by Audit.</p> <ul style="list-style-type: none"> <li>(i) There is no Internal Audit Plan (IAP) based on risk analysis and assessment for the audit of PIUs, ROs and Headquarter office.</li> <li>(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.</li> <li>(iii) The head of the Internal Audit division reports directly to the Member (Finance) and not to the Chairman of NHAI or Chairman Audit Committee.</li> <li>(iv) There is no approved sanctioned strength of the Internal Audit division.</li> <li>(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 and response by the audited department/unit to the audit reports and audit observations.</li> <li>(vi) No follow up action has been initiated by the Internal Audit division on the Audit observations issued during 2023-24.</li> <li>(vii) Internal Audit reports which were submitted by the external audit firms has not commented on weak monitoring, poor implementation, failure to follow the approved procedures, violation of rules and regulations.</li> <li>(viii) The Financial Statements prepared by Finance and Account department of NHAI were not examined and reviewed by the Internal Audit division.</li> <li>(ix) The Internal Audit Report of NHAI Head Quarter for the year 2023-24 has not been finalised as Internal Audit for the year 2023-24 is under progress.</li> </ul>	<p><b>1. Internal Audit System</b></p> <p><i>The observations made by Audit is being examined by the Internal Audit Division for compliance. Preparation of Audit Manual for internal use of NHAI is under process. Internal Audit Division, NHAI HQ will ensure that majority of the issues mentioned in this observation is taken care of through the Audit Manual.</i></p>
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<p><b>2. Internal Control System</b></p> <p>Audit observed the following issues relating to Internal Control System at NHAI Head Office and PIUs selected for Audit:</p> <ul style="list-style-type: none"> <li>(i) NHAI has an accounting manual which has become obsolete, and the new accounting manual is under preparation.</li> <li>(ii) NHAI has not formulated a hedging policy to mitigate and minimize the foreign exchange losses.</li> <li>(iii) NHAI doesn't have approved fraud detection and prevention procedure and policies.</li> <li>(iv) NHAI has not conducted a risk assessment and identified sensitive posts in hierarchy of the management.</li> <li>(v) The ERP system has not been implemented completely in NHAI.</li> <li>(vi) NHAI has not formulated and implemented Whistle Blower Policy.</li> <li>(vii) NHAI has no risk analysis and assessment policy to mitigate the operational, financial and other types of risk.</li> <li>(viii) NHAI has not furnished supporting documents relating to approved internal control system/mechanism. In the absence of the same, Audit is unable to comment on the same.</li> </ul>	<p><b>2. Internal Control System</b></p> <ul style="list-style-type: none"> <li>(i) <i>The new Accounting Manual for NHAI is under preparation.</i></li> <li>(ii) <i>NHAI does not have a Hedging Policy.</i></li> <li>(iii) <i>NHAI has a full-fledged Vigilance Division headed by Chief Vigilance Officer (CVO), which takes care of detection and prevention of frauds.</i></li> <li>(iv) <i>As the provisions of Companies Act 2013 is not applicable to NHAI, implementation of Risk Management Policy does not apply to NHAI.</i></li> <li>(v) <i>The proposal for up gradation of existing AFMS software to AFMS-2.0 or implementation of ERP is under consideration of NHAI management.</i></li> <li>(vi) <i>As per the provisions of government of India, NHAI provide for adequate safeguards against victimization of employees or such whistle blower who avail of the vigil mechanism and report their genuine concerns or grievances.</i></li> <li>(vii) <i>NHAI is in the process of putting in place all the controls through its Accounts and Audit Manual to mitigate the operational, financial and other types of risks.</i></li> <li>(viii) to (xiii) <i>Observations made by Audit in respect of Audit Committee and internal control system have been forwarded to Internal Audit Division of NHAI for examination and implementation.</i></li> </ul>
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	<ul style="list-style-type: none"> <li>(ix) The Term of Reference (TOR) of the Audit Committee has not been reviewed periodically by the NHAI.</li> <li>(x) Annual report on the working of Audit Committee for the year 2023-24 has not been prepared.</li> <li>(xi) The Audit Committee doesn't submit regular reports to the Board of Directors.</li> <li>(xii) Audit Committee members has not been provided training on emerging changes during the year 2023-24.</li> <li>(xiii) NHAI has not formulated and prepared an Internal Audit Manual. In the absence of the same, structured guidance on the issues and matters relating to internal audit is lacking.</li> </ul>	
3.	<p><b>System of physical verification of fixed assets</b>        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.</p>	<i>Noted</i>
4.	<p><b>System of Physical Verification of Inventory</b>        There is no inventory in the books of accounts of NHAI.</p>	<i>No comments</i>
5.	<p><b>Regularity in payment of Statutory Dues</b>        NHAI is regular in payment of statutory dues.</p>	<i>No comments</i>

## Annexure-A

F. No. H-39011/03/2024 P&P (C No. 236164)

Government of India  
Ministry of Road Transport & Highways (P&P Section)  
Transport Bhawan, 1. Parliament Street, New Delhi-110001

Dated: 11th March, 2025

To,

The Deputy Comptroller & Auditor General (Commercial),  
9, Deen Dayal Upadhyaya Marg,  
New Delhi-110124

**Subject:** Minutes of the Meeting on 'Revised Format of Accounts for NHAI- regarding

Sir,

The minutes of the above-mentioned meeting held under the Chairmanship of Secretary (R&TH) with the Deputy Comptroller & Auditor General (Commercial) on 15.01.2025, Wednesday, at 4:30 PM in Transport Bhawan, are attached.

Encl: as above.

Yours faithfully,

Digitally signed by  
SANJAY KUMAR  
Date: 11-03-2025  
12:07:26

(Sanjay Kumar)

Under Secretary to the Government of India  
Email: sanjay.kumar13@nic.in

**Copy to:**

1. Chairman, NHAI
2. AS & FA, MoRTH
3. Member (Finance), NHAI
4. CE (Planning), MoRTH

## MINUTES OF MEETING

A meeting to discuss the pending issues related to the format of accounts of NHAI was held on 15.01.2025 in the Ministry of Road Transport and Highways (MoRTH) under the chairpersonship of Shri V Umashankar, Secretary, MoRTH, and attended by Dy C&AG (Commercial) and other senior officers from the Comptroller & Auditor General of India (C&AG), Ministry of Road Transport and Highways (MoRTH) and National Highways Authority of India (NHAI). List of participants is attached (**Annexure-I**).

1. Member (Finance), NHAI, submitted that in FY 2021-22, a detailed proposal listing 46 modifications required in the format of accounts (prescribed through Rules in 1992) along with justification was submitted by NHAI to MoRTH for acceptance in consultation with office of C&AG. Out of the 43 proposed changes (13 major changes including 3 sub points and 30 minor changes), 32 (5 major changes and 27 minor changes) were accepted by C&AG in April 2023. NHAI implemented all those changes, which were accepted by C&AG in the subsequent financial statements.
2. In case of remaining 11 issues, the office of C&AG gave reason for non-acceptance and proposed the possible solution. The matter was referred to the Expert Advisory Committee (EAC) of the Institute of Chartered Accountants of India (ICAI). Based on the suggestions made by EAC and the opinion expressed by the C&AG, NHAI submitted a fresh proposal to MoRTH in September 2024, following which 5 suggestions made by C&AG were accepted by NHAI (**Annexure-II**). These changes would be implemented on receipt of concurrence from C&AG after a reference in this respect is made by MoRTH to CAG with suitable modifications.
3. The remaining major issues which require further discussion were deliberated in the meeting are :

**A. Accounting of toll plough-back and maintenance grant received from Government of India-**

On the issue of toll accounting, NHAI explained that toll is non-tax revenue for Government and treated as payable to GoI in NHAI accounts. The toll is ploughed back through the Union Budget in form of capital as "Investment in NHAI," hence accounting of toll plough- back in the books of NHAI as capital provided by Government of India needs to continue. However, for transparency and better disclosure, it would be appropriate to include a schedule in the accounts along with memorandum in the notes to accounts showing all toll receipts, deposits to the Consolidated Fund of India (CFI), held-up toll amount (shown in the balance sheet) and the plough-back made by GoI through CFI (**Annexure-III**). Memoranda will separately show operational expenditure on toll collection. However, toll plough-back will continue to be treated as capital investment in NHAI.

**B. Accounting Of National Highways (Completed, Ongoing) Projects**

- i. With regard to asset accounting, it is undisputed that owner of road assets is GoI and NHAI is getting funds from GoI for NH development as an agency in which capital provided by Government of India is utilised for creating highways assets under the ownership of GoI, therefore, Authority has to show the funds provided by GoI as liability and corresponding capital deployed for creation of highways assets as assets. Therefore, presentation of these assets in the balance sheet as:

- a. "Capital work on Road Assets entrusted to NHAI (Completed)" and
- b. "Capital work on Road Assets entrusted to NHAI (Works in Progress)"

would reflect the correct position. As a principle of accounting, corresponding loans and borrowings done by NHAI against its Balance sheet are to be shown as liabilities of NHAI only. Depreciation on this is to be decided by Government. For better disclosure, NHAI would list all road assets entrusted to it as a separate memorandum schedule.

Dy. C&AG (Commercial) suggested that there should be an exercise to reconcile the Assets in Government books and NHAI books. Further, MoRTH should take in principle decision itself for accounting treatment of BOT projects transferred to NHAI after the end of concession period. Further, if the assets in the books of NHAI are proposed to be depicted as assets of GoI to NHAI, a view may be taken on borrowings taken up for road assets entrusted to NHAI.

#### C. Other Issues

In order to bring more clarity and transparency in accounting, NHAI accepted the implementation of NH project-wise accounting in MIS. NHAI proposed to include project-wise expenditure and related revenues as an addendum to the annual accounts in shape of a MIS report. It was also decided that after acceptance of the proposals, NHAI will redraft its Significant Accounting Policy and submit the same to MoRTH for concurrence of C&AG. All the changes in respect of which NHAI gets acceptance shall be implemented in the preparation of annual financial statements for FY 2025-26. A copy of the presentation made by NHAI in the meeting is enclosed (**Annexure- IV**).

Dy. C&AG (Commercial) suggested MoRTH to get prepared a complete set of financial statements alongwith accounting policies and schedules and to submit to the C&AG for the concurrence.

Director General (Commercial-I) suggested to devise a mechanism for mapping the expenditure (like land cost, equity support/VGF) incurred on BOT projects in the financial statements of NHAI. He also suggested that other issues which make the format more consistent with the Accounting Standard and Generally Accepted Accounting Principles mentioned in Annexure C of the C&AG office letter dated 12 April 2023 may also be considered.

Further, NHAI requested the office of C&AG to expedite the submission of Audit Report 2023-24 so that the same may be included in the Annual Report of NHAI and submitted to Parliament within the proposed extension of time, i.e., 31.03.2025 requested by NHAI.

The meeting ended with vote of thanks to the Chair.

## Annexure-I

### List of participants:-

#### **Office of the Comptroller & Auditor General (C&AG) of India**

1. Shri Anand Mohan Bajaj, Dy. C&AG (Commercial)
2. Shri Pramod Kumar, Addl. Dy. C&AG (Infrastructure)
3. Shri Deepak Kapoor, Director General (Commercial-I)
4. Shri Abhishek Jain, Dy. Director

#### **Ministry of Road Transport and Highways**

1. Shri V. Umashankar, Secretary (RTH)
2. Shri Vinay Kumar, Addl. Secretary (Highways)
3. Shri Rajesh Kumar, Chief Engineer (MoRTH)
4. Shri Mayank Tyagi, Dy. Secretary
5. Shri Ajay Yerva, Assistant Director

#### **National Highways Authority of India**

1. Shri NRVVMK Rajendra Kumar, Member (Finance)
2. Shri Ashish Kumar Singh , Chief General Manager (Finance)

## Annexure-B



संख्या / No.

भारतीय लेखा तथा लेखापरीक्षा विभाग,  
कार्यालय प्रधान निदेशक वाणिज्यिक लेखापरीक्षा  
एवं पदेन सदस्य, लेखापरीक्षा बोर्ड-1

(125)

7536/CC (16)  
1517116

दिनांक/Dated

*Vijayalakshmi (Nayak)* | *Govt Rajesh* (Signature)  
M/F) | Cm (Nayak) | Govt Rajesh (Signature)  
X

सेवा में,

सचिव, भारत सरकार,  
सड़क यातायात एवं राष्ट्रीय राजमार्ग मंत्रालय,  
परिवहन भवन,  
नई दिल्ली 110001

विषय: Minutes of the meeting held on June 09, 2016 in the Committee Room, 5<sup>th</sup> floor, MoRTH, Transport Bhawan, New Delhi to discuss KPMG's Accounting Advisory Report on the issues raised by C&AG on the accounts of NHAI for the years 2012-13 to 2014-15.

महोदय,

उपरोक्त विषय पर भारतीय राष्ट्रीय राजमार्ग प्राधिकरण द्वारा दिनांक 24.06.2016 को प्रेषित ई-मेल संख्या Nil का सन्दर्भ लें जिसके साथ सड़क यातायात एवं राष्ट्रीय राजमार्ग मंत्रालय में दिनांक 09.06.2016 को सम्पन्न हुई बैठक का कार्यवृत्त अनुमोदन के लिए इस कार्यालय को भेजा गया था। उपनियन्द्रक एवं महालेखापरीक्षक (वाणि.) द्वारा अनुमोदित कार्यवृत्त की एक प्रति इस पत्र के साथ संलग्न है।

2. इस सन्दर्भ में यह भी सूचित किया जाता है कि संशोधित नियम का प्रारूप (कृपया MOM की Query 2 का संदर्भ लें) मंत्रालय/ NHAI से प्राप्त नहीं हुआ है।

भवदीय,

संलग्न : 1. Minutes of Meeting approved by C&amp;AG Office

हस्तां

(नीलेश कुमार साह)

प्रधान निदेशक

दिनांक 13.07.2016

संख्या: RS/ 4-2/ 2014-15/NHAI/A/Ac/Vol.II/ 3/0

✓ पत्र की एक प्रति अध्यक्ष, भारतीय राष्ट्रीय राजमार्ग प्राधिकरण, नई दिल्ली को आवश्यक कार्यवाही हेतु प्रेषित है।

*नीलेश कुमार साह*

(नीलेश कुमार साह)

प्रधान निदेशक

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

3rd Floor, A-Wing, Indraprastha Bhawan, New Delhi-110002.

दूरभाष/Tele. : 011-23378473, फैक्स/Fax : 011-23378432, 011-23370871

e-mail : mabnewdelhi1@cag.gov.in

Minutes of the meeting held on June 09, 2016 in the Committee Room, 5th floor, Ministry of Road Transport & Highways, Transport Bhawan, 1, Parliament Street, New Delhi-110001 to discuss KPMG's Accounting Advisory Report on the issues raised by C&AG on the accounts of NHAI for the years 2012-13 to 2014-15.

The following officers attended the meeting:

**Office of the C&AG of India:**

1. Dr. Prasenjit Mukherjee, Deputy Comptroller & Auditor General of India (Commercial)
2. Sh. V Kurian, Director General (Comml-I)
3. Sh. Neelesh Kumar Sah, PDCA & Ex-officio MAB-I
4. Ms. Supriya Singh, Dy. Director

**Ministry of Road Transport and Highways:**

1. Sh. Sanjay Mitra, Secretary, MORTH
2. Sh. Sanjeev Ranjan, AS & FA, MORTH.
3. Sh. Rohit Kumar Singh, JS (Highways)
4. Ms. Debjani Chakrabarty, Dy Secretary

**National Highways Authority of India:**

1. Sh. Raghav Chandra, Chairman, NHAI
2. Sh. Niraj Verma, Member (F), NHAI
3. Sh. Rajesh Gupta, GM (F&A), NHAI

**M/s KPMG:**

1. Sh. Karan Marwah, CA (Partner)
2. Sh. Vedant Bhatnagar, CA
3. Ms. Purnima Anand, CA

Secretary, MORTH welcomed all the participants to the meeting. The KPMG's representative made a presentation to apprise the participants of the background of the meeting and also presented their views contained on the queries which were not resolved in the meeting held on May 04, 2016. KPMG also gave their views on the additional points raised by C&AG in the last meeting.

All the issues raised by the C&AG were discussed in detail by the participants. Majority of the issues were resolved to the satisfaction of all the parties and some peripheral issues were left on which M/s KPMG have been asked to further examine and submit their recommendations and it is hoped that the remaining issues, shall be resolved soon to the satisfaction of all the parties.

It was agreed that subject of accounting practices had been duly deliberated upon and it had been decided that NHAI would implement the new accounting methodology prospectively. Outcome of the discussion is summarized as under:

**Initial Queries:**

**Query 1: Ownership of assets entrusted to NHAI by the Central Government**

All the participants were at consensus that Government of India is the owner of the National Highways and these Highways are entrusted to NHAI for development, operation and maintenance.

**Query 2: Capitalization of assets**

KPMG suggested the nomenclature to present the expenditure on development of National Highways as 'Assets held on behalf of Gol' in books of accounts of NHAI. Chairman, NHAI asked KPMG to suggest amendment to NHAI Rules 1990 for presenting such expenditure on development of the National Highways in books of accounts of NHAI. The said rule shall then be submitted to the Ministry, who will forward the same to CAG office as per NHAI Rules, 1990.

**Query 3: Assets created out of grants**

It was agreed that grants received by NHAI from Government are in nature of proprietary grants and shall be shown under NHAI fund.

Secretary, MORTH stated that Maintenance grant shall not be given separately. It will be given in the form of proprietary grant only. However, if any Maintenance grant is given, it shall be shown under 'Income and Expenditure Account'.

**Query 4: Capitalization of borrowing costs**

It was agreed that only 'Eligible borrowing cost' shall be capitalised to the cost of NH assets shown as 'Assets held on behalf of Gol' in books of accounts of NHAI. 'Eligible borrowing cost' means borrowing cost which has been incurred during the construction period of the NH Assets.

Borrowing costs which are incurred after the completion of NH Assets shall be shown under 'Income and Expenditure account'.

Chairman, NHAI suggested that KPMG shall properly define 'Eligible Borrowing cost' for disclosure in accounting policy so as to clearly specify the treatment for the borrowing cost that can be capitalised.

**Query 5: Applicability of accounting standards**

It was agreed in the last meeting that all Accounting Standards issued by the ICAI shall be followed by NHAI for preparation of its books of accounts.

**Query 6: Apportionment of interest earned on unutilized capital**

It was agreed that Interest on unutilized capital shall be transferred to Income and Expenditure accounts.

**Query 7: Depreciation Policy**

As NH Assets are not owned by NHAI and are only held on behalf of Gol, no depreciation is required to be charged on such assets. However, as per the format of accounts approved by the Government, a rate has been prescribed for charging depreciation on all the assets of NHAI. However, the depreciation would apply to NHAI's own assets.

Therefore, Chairman, NHAI suggested that in the new format of accounts, to be suggested by KPMG, a disclaimer/ disclosure in Balance sheet shall be clearly given that depreciation by NHAI shall be charged only on the assets used by it for administration purposes.

#### **Query 8: Business principles as given in the Act**

It was agreed that NHAI has been working on Business principles, which need not necessarily mean commercial operations.

#### **Query 9: Profit and loss of authority**

It was agreed that NHAI shall prepare 'Income & Expenditure Account' and not 'Profit and Loss Account' as given under rule 6(1) (b) and rule 6(5) of NHAI Rules, 1990.

It was also agreed that KPMG shall suggest appropriate amendments to existing NHA! Rules in relation to format of accounts of authority and mention clearly that NHAI shall prepare 'Income & Expenditure Account'.

#### **Query 10: Toll receipts, remittance, plough back and accounting thereof**

After deliberations, as suggested by the Secretary, MoRTH the toll remittances collected by NHAI would be ploughed back to NHAI and NHAI Rules would be amended suitably.

#### **Query 11: Treatment of Capital and Maintenance Grant**

As already explained in query no. 3. Maintenance grant shall not be given separately and it will be given in form of proprietary grant only. However, if any Maintenance grant is given, it shall be shown under 'Income and Expenditure Account'. Suitable/detail note will be given in the notes on accounts regarding receipt and utilizations of grants upto 2014-15 in 2015-16 financial statements.

#### **Query 12: Format of accounts**

After deliberations, it was decided that the draft NHAI Rules and draft revised format of accounts, as deliberated by the Five member Committee constituted by the Deputy C&AG, will be forwarded to Ministry. Ministry after reviewing the same will forward the revised format to CAG office as per the requirement of Rule 5 of the NHAI Rules 1990.

#### **Query 13: Apportionment of Revenue expenditure**

It was agreed that revenue expenditure shall be booked in 'Income & Expenditure account'. It was also suggested that expenses which cannot be directly allocated to a particular project, shall be apportioned between various projects on the basis of some cost driver. E.g. Length of the package or any other factor which results in more appropriate allocation of the expense into various projects. The Suitable apportionment method should be suggested by KPMG by way of Accounting Policy.

#### **Query 14: Reserves and surplus**

**Resolved** This query was resolved in the last meeting itself.

#### **Query 15: Investment in SPVs**

The long term investments as per the Accounting Standard of ICAI should be shown at cost with provision created. for any permanent decline in the value of the investment. The treatment was agreed to by all the participants and the same needs to be followed by NHAI.

#### **Query 16: Treatment of assets/projects generated under BOT**

It was agreed that payments made for Viability gap funding shall be capitalised and shown under 'Assets held on behalf of GoI' as these payments are made during construction period of Highways.

KPMG shall draft the accounting policy for treatment of annuity payments made to concessionaires during concession period as they cover reimbursement of project cost with reasonable rate of interest/ return.

**Query 17: Contingent liabilities**

All the parties are at consensus that contingent liabilities shall be disclosed as per requirements of the accounting standards on case to case basis.

**Query 18 &19: CWIP Completed projects and ongoing & CWIP others its treatment**

These queries are related to query 1&2 where it has been agreed that Government of India is the owner of the assets and NHAI shall show these assets in its books of accounts as 'Assets held on behalf of GoI'.

**Query 20: Provision of the Act-common fund for all receipts**

As already explained in query no. 3. It has been agreed that in future, Maintenance grant shall not be given separately and it will be given in form of proprietary grant only. However, if any Maintenance grant is given, it shall be shown under 'Income and Expenditure Account'.

**Subsequent queries**

**Query 1: Maintenance of Project-wise accounts of expenditure instead of activity based accounting being done by NHAI**

In the discussion among all the parties, it has been agreed that Project-wise accounts shall be maintained by NHAI in future. These accounts are not required to be published but will result in better management of the projects.

**Query 2: Accounting treatment of funds released to state government on directions of MORTH**

In this regard as suggested by KPMG, it was agreed that the values relating to such projects would be reduced from the CWIP as well as from Share-holder's fund. Further consent of the Ministry in this regard would also be obtained and a disclosure in this regard would also be given in the notes to accounts.

The treatment will be clarified in the new rules that are to be suggested by KPMG.

**Query 3: Accounting treatment of expenditure incurred on transferring the roads from NHAI to state government and vice-versa**

It was agreed to the treatment suggested by KPMG for booking the transaction of transfer of projects to State Government in the books of accounts of NHAI.

But as the NHAI fund and CWIP are reduced due to such transfer, a disclosure should be given in the financial statements of NHAI in the year in which projects are transferred.

Transaction of project transfer is also required to be presented in the books of State Government; hence approval of ministry is required for the same.

The treatment to be clarified in the new rules that are to be suggested by KPMG.

**Query 4: Accounting treatment of expenditure on projects developed from public funds and later handed over to BOT concessionaire under Phase V**

KPMG suggested that no treatment in the books of accounts of NHAI is required at the time of transfer of highways for further development as assets are not entrusted to concessionaire but are transferred only for the purpose of development.

Members from office of C&AG argued that demolition of existing assets is done to some extent in the process of creating the enhanced asset. Hence, such demolition in the value of the assets should be considered.

In counter to the above, it was also stated that the value of the assets received after development of Highway is much more in comparison to the value appearing in the books of accounts of NHAI. Moreover, it is not easy to quantify the value of demolition done at the time of development of enhanced highway.

Therefore, it was agreed to formulate an accounting policy to consider the diminution in the value of assets given for development due to demolition etc. The same shall also be inserted in Format of accounts to be suggested by KPMG. The diminution in the value shall be considered if it is clearly evident that value of the Highway has been reduced when it is given to the concessionaires for development.

**Query 5: Loan/ Investment/ Toll collection in respect of subsidiary companies (Moradabad Toll Road Company and Ahmedabad-Vadodara Expressway Company Limited) which are under winding up**

It was agreed that provision for the decline in the value of investments and for doubtful loans shall be created.

**Query 6: Segregation of capital and revenue income not payable to Government of India**

Such income shall be booked under 'Income & Expenditure account'.

**Query 7: Creation of separate accounts of funds received through tax free bonds and their appropriate disclosure in the financial statements**

It was agreed that in future NHAI shall maintain a separate account for the receipts from the issues of Tax free bonds and will also monitor the utilization of the funds.

**Query 8: Disclosure of 90 percent of the debts due as contingent liability**

It was agreed by all the parties that the contingent liabilities shall be disclosed as per requirements of the Accounting Standards on case to case basis.

**Query 9: Creation of Reserve fund to liquidate the debt as per NHAI Rules**

KPMG suggested that as loan is already appearing in the books of accounts. in case of creation of fund it would be creation of double liability and there is no substantial income to the NHAI. However, it was pointed out by the DG (Comm) that in absence of any such arrangement. the confidence level of the prospective bond takers or existing bond holders would be less. Further, it is provided in the NHAI Rules. The need for a policy to create and maintain a fund to provide confidence to the subscribers of the bonds on payment of interest and principles was emphasized. Hence this may accordingly be looked into by the committee proposed to be formed.

Dy. C&AG stressed upon the need for having a time frame to resolve all the issues discussed in the meeting. The Chairman. NHAM agreed to the same and ensured that the suggested modifications will be carried out in a time bound manner in view of finalisation of accounts of NHAI for the year 2015-16 and incorporated in the Financial Statements for the year 2015-16.

The meeting ended with vote of thanks to the chair.

## Annexure-C



संतोष कुमार यादव, आईएस  
अध्यक्ष  
SANTOSH KUMAR YADAV, IAS  
CHAIRMAN



भारतीय राष्ट्रीय राजमार्ग प्राधिकरण  
सड़क परिवहन और राजमार्ग मंत्रालय  
National Highways Authority of India  
MINISTRY OF ROAD TRANSPORT & HIGHWAYS

DO No. FINDIV-13014(12)/1/2024-O/o CGM (Finance-I)/E-250037

April 22, 2025

*Dear Sir,*

Reference is invited to Audit Report on the financial statements of Authority for 2023-24 dated 21.02.2025, wherein Audit has expressed its inability to form an opinion as to whether the balance sheet and Profit & Loss accounts give a true and fair view.

2. It is a matter of concern that in spite of NHAI providing all the information and documents requisitioned, Audit office has not been able to form an opinion majorly due to four reasons on which there has been continuous engagement with Audit. Point wise response to these issues are annexed with this letter. It should be appreciated that due to the efforts of NHAI and Audit, during past few years majority of the issues related to the format of accounts were resolved and implemented by NHAI to the satisfaction of Audit (please refer to C&AG letter dated 12.04.2023 - copy enclosed).

3. Further, in order to settle the unresolved issues, several meetings were conducted. The latest meeting was held on 15.01.2025 which was attended by the senior officials of MoRTH, NHAI and O/o C&AG wherein the proposals submitted by NHAI on pending issues of C&AG April 2023 letter were discussed. After detailed deliberations, a time bound road map for resolution of all pending issues (including the four referred in Para 2) was agreed by all the participants. This indicates our commitment to resolve Audit observations and present the accounts in a true, fair and consistent manner in line with Government policies.

4. As required under various statutes/ laws, I will be placing the Audited Accounts along with Management Reply including this communication before the Parliament.

*With Regds,*

Yours sincerely,

(Santosh Kumar Yadav)

Sh. Anand Mohan Bajaj  
Dy Comptroller and Auditor General of India (Commercial)  
Pocket-9, Deen Dayal Upadhyay Marg,  
New Delhi- 110124

Copy to:

The Secretary (RTH), Transport Bhawan, 1, Parliament Street, Delhi- 110001

**Annexure**

**Point wise response of NHAI to the four major issues raised in the Audit Report 2023-24**

<b>Reference of Audit Report</b>	<b>C&amp;AG observation</b>	<b>NHAI response</b>
(III) (a) (i)	<p>Assets held on behalf of GoI (completed &amp; ongoing) amounting to ₹ 10,07,532.92 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 &amp; maintenance purposes only. The Solicitor General of India in his opinion of January 2015 reiterated the fact that NHAI is an executing agency of the GoI and ownership of these National Highways vests with GoI. The accounting treatment and disclosure given by NHAI, in its Financial Statements, to National Highways and related projects is also in deviation to the opinion given by the Expert Advisory Committee of the Institute of Chartered Accountants of India which opined that if the NHAI was acting only as an executing agency on behalf of GoI and did not exercise any control over the roads/highways and/or future economic benefits out of such resources did not accrue to the NHAI, then, NHs were not NHAI's Assets. Accordingly, 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 GoI (completed and ongoing) amounting to ₹ 10,07,532.92 crore in NHAI's Balance Sheet is not correct.</p> <p>This issue was raised in earlier year(s) also by Audit. However, no corrective action has been taken by the management.</p>	<p><i>This is an issue which is prominently finding place in almost all Audit Reports issued since 2012-13. During the period of last 12 years, several attempts were made by NHAI in consultation with MORTH and C&amp;AG to resolve this issue. However, despite concerted effort, appropriate solution acceptable to NHAI, MORTH and C&amp;AG could not be found. Further, it is being presented as "Assets Held on Behalf of Government of India "on the basis of advice of C&amp;AG and the minutes of meeting issued by office of C&amp;AG on 13.07.2016 (Annexure-A).</i></p> <p><i>This issue was once again referred to the Expert Advisory Committee (EAC) of the Institute of Chartered Accountants of India (ICAI) in 2024. EAC, vide their letter dated 28.08.2024, has opined that highways are entrusted to NHAI and NHAI appears to be exercising certain operational control over the funds/assets entrusted to it therefore, based on the facts and circumstances national highways may be classified as assets in NHAI books. Copy of this opinion has been submitted to the office of C&amp;AG vide NHAI letter dated 26.09.2024.</i></p> <p><i>On the basis of opinion received from EAC, and the opinion expressed by C&amp;AG vide their letter dated 12.04.2023 a road map for resolution of this issue in a time bound manner has been agreed to. It is expected that NHAI will resolve this issue by following the methodology prescribed by the office of C&amp;AG.</i></p>

		So far as accounting of ₹ 10,07,532.92 crore, as Assets held on behalf of Gol (completed and ongoing) is concerned, this amount represents the utilization of capital invested by Government of India in NHAI, resulting in capital works (which is Gol Assets).
(III)(a)(ii)	<p>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.</p> <p>It was further observed that the Profit and Loss Account was being prepared in contravention to Generally Accepted Accounting Principles (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 (without segregating the establishment expenditure incurred on completed projects and ongoing projects) capitalized the entire amount of ₹ 800.79 crore with respect to Net Establishment Expenses for the year. In absence of project wise details of establishment expenditure incurred, Audit is unable to quantify the impact of such incorrect booking. Also, the significant accounting policy no. 6 is deficient to that extent.</p> <p>This issue was also raised in earlier year(s) by Audit. However, no corrective action has been taken by the management.</p>	<p><i>Treatment of surplus/deficit in the P&amp;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></p> <p><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></p> <p><i>NHAI is committed to adoption of the provisions of accounting of capital and revenue grants as per the provisions of AS-12 and will implement it w f 2024-25.</i></p>
(III)(a) (iii)	Assets held on behalf of Gol (completed & ongoing) amounting to ₹ 10,07,532.92 crore includes ₹ 25,900.33 crore, being the borrowing cost capitalised during the year 2023-24. As per Para 19 of AS 16 relating to Borrowing Cost 'Capitalization of borrowing costs should cease when substantially all the activities necessary	<i>This treatment is based on the provisions of significant accounting policy (6). This policy provides as under-</i>

	<p>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 &amp; Loss Account. As NHAI is not maintaining project-wise details, Audit could not verify the correctness of Borrowing Costs amounting to ₹ 25,900.33 crore allocated to 'Assets held on behalf of Gol (completed &amp; ongoing)' during the year 2023-24. The total Borrowing Costs amounting to ₹ 1,44,446 crore has been allocated to completed and ongoing projects till 31 March 2024. This issue was also raised in earlier year(s) by Audit. However, no corrective action. has been taken by the management.</p>	<p><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. NHAI is exploring the possibility of reverting back to the old format of accounts prescribed by Government of India in the year 1992 in consultation with office of C&amp;AG.</i></p>
(III) (a)(iv)	<p>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 2023-24, NHAI has incurred an amount of ₹ 5,812.21 crore, being the total expenditure on maintenance of highways ₹ 4,451.51 crore on maintenance of highways and ₹ 1,360.70 crore on toll collection activities). Against this, during 2023-24, MoRTH has released a grant of ₹ 1,174.07 crore for maintenance of highways. After adjusting ₹ 128.99 crore of 'Other Receipts from Operation Maintenance Highways', balance amount &amp; of ₹ 4,509.15 crore has been set off against the Shareholder's Fund. This has resulted in understatement of Excess of Expenditure over Income for the year and Shareholder's Fund-Capital by ₹ 4,509.15 crore. This issue was raised in earlier year(s) also by Audit. However, no corrective action has been taken by the Management.</p>	<p><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". On the basis of opinion received from EAC, and the opinion expressed by C&amp;AG vide their letter dated 12.04.2023 a road map for resolution of this issue in a time bound manner has been agreed to. It is expected that NHAI will resolve this issue by following the methodology prescribed by the office of C&amp;AG.</i></p>

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No. CA-III/ND-I/Amend. in Format of Accounts/NHAI/4-2015 Vol.-IV/ ४५५

भारत के नियंत्रक एवं महालेखापरीक्षक का कार्यालय  
9, दीन उपाध्याय पार्क,  
नई दिल्ली-110 124



OFFICE OF THE COMPTROLLER &  
AUDITOR GENERAL OF INDIA  
9, DEENDAYAL UPADHYAYA MARG,  
NEW DELHI - 110 124

दिनांक / DATE \_\_\_\_\_

To,  
The Secretary to Government of India,  
Ministry of Road Transport & Highways (P&P Section),  
1, Parliament Street, Transport Bhawan, New Delhi.

**Subject: Revised Format of Accounts for National Highways Authority of India.**

Sir,

Kindly refer to your office letter No. H. 11011/17/2016-P&P (C. No 151078) dated 11 July 2022 addressed to the Office of Director General of Audit (Infrastructure), New Delhi, forwarding therewith proposal for revised Format of Accounts of NHAI for concurrence by C&AG of India.

2. In this connection it is intimated that the proposed revised Format of Accounts of NHAI has been examined in this Office. The remarks of this Office on the revised Format of Accounts of NHAI proposed by the Ministry are given in Annexure 'A' (containing major changes) and Annexure 'B' (containing minor changes) to this letter for necessary action at your end. In addition, certain suggestions have also been provided in the Annexure 'C' for consideration of the Ministry so as to make the format more consistent with the Accounting Standards and Generally Accepted Accounting Principles.
3. Three major issues were pending for resolution since long viz., depiction of assets held on behalf of GoI, treatment of net establishment expenditure and project wise accounting. Remarks of this Office on these issues have also been included in Annexure 'A'.
4. The Ministry may also consider that suitable disclosures as required by the Accounting Standards are considered while finalizing the Accounting Policy to be adopted by the Authority. The proposed Accounting Policy to be adopted by the Authority in this regard may also be forwarded to this Office for concurrence as per Section 23 of the NHAI Act 1988.

Yours faithfully,

-Sd/-  
(Kavita Prasad)  
Director General (Commercial -I)



Encl.: As above.

No.CA-III/ND-I/Amend. in Format of Accounts/NHAI/4-2015/Vol-IV/56 Dated 04-04-23  
✓ Copy forwarded for information to the Office of the Principal Director of Audit (Infrastructure), 'A' Wing, III Floor, I. P. Bhawan, New Delhi, with reference to their Office letter No. DGA/Infra/IHQ-IV/Format of A/c /3-12/21-22/374 dated 15 December 2022 and letter No.-DGA/Infra/IHQ-IV/Format of A/c /3-12/21-22/357 dated 02 December 2022.

(Sunil Yadav) 12/4/23

Sr. Administrative officer/CA-III

A/C/B/d-01  
10/4/23  
AS/12/23  
Dir(RTH)  
S/Officer  
Date 19/04/23  
APK 04  
Date 18/4/23  
198  
Date 18/4/23  
Mr. Rajivant, AAI  
Jogendra  
Date 18/4/23



## Annexure-A

Sl No	Name of head	Proposed major changes for which explanation has been given by NHAI /MORTH	Remarks
1.	<b>Schedule 3: Grant</b>	<p>NHAI receives Capital Grant from Govt. of India for Externally Aided Projects (EAPs), Construction of office building and for servicing of 54 EC bonds. In the format prescribed in 1992 provision for accounting of Grant has not been made, therefore, a new schedule is proposed to be introduced. Further, the Authority is not the owner of the assets and acting as an implementing agency of Govt. of India, therefore, Grant can't be part of P&amp;L Account and can't be treated as income of the Authority.</p>	<p><b>Proposed treatment in respect of Grant is not accepted.</b></p> <p>Grants can be classified into (i) Revenue Grant &amp; (ii). Capital Grant. The accounting treatment for each type of Grant is as under:</p> <p><b>(i) Revenue Grant:</b></p> <p>Accounting of revenue grant should be done as per Para 9 of AS 12 which states that "<i>Government grants related to revenue should be recognized on a systematic basis in the profit and loss statement over the periods necessary to match them with the related costs which they are intended to compensate. Such grants should either be shown separately under 'other income' or deducted in reporting the related expense.</i>"</p> <p>The proposed accounting treatment submitted by NHAI is not in conformity with AS 12 relating to Government Grant. Therefore, the revenue grant should be routed through the Profit &amp; Loss Account.</p> <p><b>NHAI's proposal that 'Grant can't be part of P&amp;L Account and can't be treated as income of the Authority' is not acceptable.</b></p> <p><b>(ii). Capital Grant:</b></p> <p>As far as accounting of Capital Grants is concerned, Para 10 of AS 12 stipulates that "<i>Government grants of the nature of promoters' contribution should be credited to capital reserve and treated as a part of Shareholders' Funds.</i>"</p> <p>The Capital Grant should be treated as per the provisions of Para 10 of AS 12 as stated above.</p> <p><b>Hence, NHAI'S proposed accounting treatment of Capital Grant is not accepted.</b></p> <p>Further, an approved accounting policy for recognizing grants and related disclosure requirements under AS 12 should also be given in the financial statements.</p>

			<b>Proposal for introduction of schedule for grant is accepted subject to above.</b>
2.	<b>Fixed Assets</b>	Gross Block includes "Assets created out of Grant" which is not subject to depreciation, therefore in order to arrive at the value of "Assets created out of own fund", value of "Assets created out of Grant" is deducted from the gross block.	<p><b>The proposed treatment of "Assets created out of own fund" along with depreciation provided by NHAI in the Balance Sheet is accepted.</b></p> <p>NHAI may choose the method of accounting for 'Assets created out of Grant' as per the provisions of Para 8 of AS 12 in the financial statements and detailed accounting policy may be formulated and approved. Disclosures requirements as per AS 12 may also be complied with in the Financial Statements.</p>
3.	<b>Assets held on behalf of GoI</b>	On the basis of advice of Solicitor General of India and the EAC of ICAI as explained in the foregoing pages and the decision taken by 5 member committee nominated by Dy. C&AG the Assets of NHAI, has been presented in the balance sheet as Assets held on behalf of Government of India (Completed & Ongoing).	<p>MoRTH agreed to propose an amendment to NHAI Act to facilitate retention of toll collection by NHAI subject to approval of Ministry of Finance. However, the legal framework in this regard has not yet been formulated.</p> <p>Hence, NHAI may choose any one option in totality for holistic presentation:</p> <p><b>Option 1:</b> When assets, revenue and borrowings are considered to be that of GoI, the same need not be reflected in the books of accounts of NHAI and a disclosure regarding details of such road projects undertaken by NHAI for development may be given.</p> <p><b>Option 2:</b> When assets, revenue and borrowings are considered to be that of NHAI, the same should be reflected in the books of accounts of NHAI.</p> <p><b>Therefore, the proposed change regarding depiction of 'Assets held on behalf of GoI' in revised format of accounts is not accepted as the same is not in line with any of the above two options.</b></p>
4.	<b>Investment</b>	"Investment (at cost)" is changed to "Investment". This is because the investment of NHAI in some of its subsidiary companies have been revalued and the diminution in the value of investment has been accounted for in the books of Authority.	<p><b>The proposal to depict "Investment" in place of "Investment (at cost)" is accepted.</b> However, a specific accounting policy in line with Accounting Standard 13 relating to Accounting of Investment, should be formulated, and disclosed in the Financial Statements.</p>

		This is done in the FY 2016-17 to comply with Audit Observation. Authority got its investments revalued by authorized valuer. Based on the valuation done, accounting entries were made after introducing a new line item.	
5.	<b>Inter Unit Account</b>	Authority has 214 units as all the payments to and receipts from units are accounted through inter unit transaction, therefore, every time a financial statement is prepared, the inter unit differences are checked to ensure that the balances are fully reconciled. New line item added to show the unreconciled balance.	<p><b>This proposal to add a new line item to show the unreconciled balances is not accepted.</b></p> <p>Inter Unit Account is a matter of reconciliation of balances between two or more units of NHAI.</p> <p>The suggestion of MoRTH on proposed treatment on depiction of unreconciled inter unit items is not based on any accounting standard/principles.</p>
6.	<b>Exceptional Items</b>	Investment of NHAI in some of its Subsidiary Companies have been revalued and the diminution in the value of investment accounted has been factored. Accordingly, a new line item has been added.	<p><b>The proposal for new line item is accepted.</b></p> <p>However, the accounting treatment of exceptional items should be done in conformity with the provisions of Accounting Standard 5 relating to Profit or Loss for the period items and change in accounting policies.</p>
7.	<b>Establishment at Expenditure</b>	As National Highways Authority of India is not the owner of the highways developed by it, therefore, the net establishment expenses for the year are transferred to Schedule-5 and added to the total project cost i.e. "Assets held on behalf of Government of India"	<p><b>The proposed change is not accepted.</b></p> <p>As NHAI is not preparing project wise accounts, the total establishment expenditure incurred are not being segregated into completed and ongoing projects. The establishment expenditure incurred on the ongoing road projects till completion of road project should be capitalised and thereafter establishment expenditure should be routed through Profit &amp; Loss A/c.</p>
8.	<b>Cash Flow Statement</b>	In the original format of accounts prescribed in the year 1992, format for preparation of cash flow statement was not prescribed.	<p><b>The proposal is accepted.</b></p> <p>However, the Cash Flow Statement (CFS) should be prepared in accordance with the provisions of Accounting Standard 3 on Cash Flow Statements.</p>

		As the cash flow statement is an integral part of financial statements and ascertains the accuracy of Balance Sheet, P&L Account and all other schedules, therefore, to cater to the accounting requirements of the Authority this format is proposed to be included.	
9.	<b>Changes in Schedule 1</b>	<p>i) In the original format i) of accounts prescribed in the year 1992 the details of capital under section 17 like Capital Base, Cess Fund Additional Budgetary Support etc. are not provided. Therefore, in order to make the presentation more descriptive and information oriented, some new line items are required.</p> <p>ii) Further, in 1992, when the format was prescribed, the concept of plough back of toll remittance was not there. It was introduced in 2010-11, therefore, to accommodate Toll accounting another line item is required.</p> <p>iii) The Grant given by Government of India for maintenance of highways is generally less than maintenance expenditure therefore another new line item is required to account for it. Authority is collecting toll on behalf of Government of India therefore expenditure on toll collection, as per the accounting policy of the Authority, is adjusted from maintenance fund provided by Government of India.</p>	<p>i) For better presentation of financial statements, <b>the proposed change in Schedule 1 is accepted.</b></p> <p><b>ii) The proposal is not accepted.</b> The plough-back of toll, initially remitted to Consolidated Fund of India by NHAI, and return in the form of grant by Government of India should be routed through Profit and Loss Account instead of treating the same as Capital. MoRTH in meeting dated (08 May 2018) also proposed an amendment to NHAI Act to facilitate retention of toll collection by NHAI subject to approval of Ministry of Finance. However, the same is yet to be done.</p> <p><b>iii) The proposal is not accepted.</b> The Maintenance Grant should be accounted for in accordance with provisions of Accounting Standard 12 on grants. Maintenance grants are of revenue nature and the same should be routed through the Profit &amp; Loss Account. Refer remarks against Schedule 3 (Sl. No. 1 above)</p>

10.	<b>Changes in Schedules 3 -(Grant)</b>	<p>NHAI receives Grant Capital from Govt. of India for Externally Aided Projects (EAPS), Construction of office building and for servicing of 54 EC bonds. In the format prescribed in 1992 provision for accounting of Grant has not been made, therefore, a new schedule is proposed to be introduced. Further, the Authority is not the owner of the assets and acting as an implementing agency of Govt. of India, therefore, Grant can't be part of P&amp;L Account and can't be treated as income of the Authority.</p>	<p><b><u>Proposed treatment in respect of Grant is not accepted.</u></b></p> <p>Grants can be classified into (i) Revenue Grant and (ii). Capital Grant. The Capital grant given by Government for creation of assets shall be credited to capital reserve and treated as a part of Shareholders' Funds. The revenue grant for maintenance of assets should be routed through the Profit &amp; Loss Account. Hence, NHAI's proposal that 'Grant can't be part of P&amp;L Account and can't be treated as income of the Authority' is not acceptable.</p>
11.	<b>Changes in Schedule 5</b>	<p>Authority is not the owner of Assets created by it. Further, it works on the principle of no profit-no loss. Therefore, net establishment expenditure is transferred to Sch-5 and added to project cost to arrive at the final project cost. As per the Significant Accounting Policy of the Authority, in the Balance Sheet, the total cost of "Assets held on behalf of Govt. of India" is arrived at after adding the Interest Expenses on borrowings, Net Establishment Expenses and deducting there from Capital Reserve and Interest on unutilized capital.</p>	<p><b><u>The proposed accounting treatment is not accepted.</u></b></p> <p>The establishment expenditure and borrowing cost incurred on the ongoing road projects till completion of road project should be capitalised and thereafter the same should be routed through Profit &amp; Loss A/c as per Accounting Standard 10.</p>

**Annexure-B**

<b>Sl. No.</b>	<b>Part of Financial Statement and Head</b>	<b>Proposed Minor Change</b>	<b>Remarks</b>
1	<b>Balance Sheet</b>  Current Assets, Loans and Advances  d) Interest accrued on Investment	d) Interest accrued but not due on deposits  e) Interest accrued and due on CALA deposits	<b>The proposal of MoRTH/NHAI is not accepted.</b>  NHAI has also proposed (at Sl No. 10 of this annexure) addition of these new line items in the Schedule 7. Hence, these items may not be included on the face of the Balance Sheet. <b>Hence, the proposal may be reconsidered.</b>
2	<b>Profit &amp; Loss Account</b>  Expenditure	Expenditure  g) Assets of small value charged off	NHAI has added new line item to account for disposal of assets. <b>Hence, the proposal is accepted.</b>
3	<b>Schedule -2</b>  Capital Reserve	Opening Balance  Add: Addition during the period  Capital Reserve transferred to Sch-5	<b>The proposal of MoRTH/NHAI is not accepted.</b>  Capital Reserve should not be set off with Assets held on behalf of Gol. <b>Hence, the proposal may be reconsidered.</b>
4	<b>Schedule 5</b> Land	a) Land Free hold  b) Land leasehold	NHAI has made presentation more descriptive; <b>hence, the proposal is accepted.</b>
5	Schedule 5 –	Staff Quarters	NHAI has added new line item based on their requirement. <b>Hence, the proposal is accepted.</b>
6	Schedule 5 –	Computers & EDP	NHAI has added new line item based on their requirement. <b>Hence, the proposal is accepted.</b>
7	Schedule 6 –  Investment (at Cost)	Investment  b) Investment in the share capital of other companies	NHAI has made presentation more descriptive. <b>Hence, the proposal is accepted.</b>
8	Schedule 7 –  Deposit, Loans & Advances	Deposit, Loans & Advances  iii) Advances to Contractors Consultant  c) Fund infusion (New item of advance added)	NHAI has added new line item based on their requirement. <b>Hence, the proposal is accepted.</b>

<b>9.</b> <b>Schedule 7</b>  Deposit, Loans & Advances	Deposits, Loans & Advances  ix) a) Advance against deposit work  b) Advance for maintenance of Highways  x) Advance Rent  xi) Recoverable / (Payable) from/ (to) subsidiary companies  xii) Loan to Subsidiary Companies  xiii) Recoverable on account of expenditure on Eastern Peripheral  xiv) (As per contra in Schedule 8) undisbursed balance with central CALA account  xv) Recoverable from MORTH (NHD-4A Projects)  xvi) Recoverable from various Govt. CALA share  xvii) Recoverable from DME projects  xviii) Loan to contract/consultant/others	NHAI has added these new line items based on their requirement. <b>Hence, the proposal is accepted.</b>
<b>10.</b> <b>Schedule 7</b>  Deposit, Loans & Advances	c. Interest accrued but not due on deposits  d. Interest due on CALA deposits	NHAI has added new line item based on their requirement. <b>Hence, the proposal is accepted.</b>
<b>11.</b> <b>Schedule 7</b>  Cash & Bank  Deposit, Loans & Advances	Balances  ii) Balance with scheduled banks - Deposits accounts (excluding interest accrued and due on deposits with CALA) - On Saving Bank Account	NHAI has proposed these items based on their requirement. <b>Hence, the proposal is accepted.</b>

12	Schedule 7 Deposit, Loans & Advances	Inter Unit Account	<p><b>The proposal of MoRTH/NHAI is not accepted.</b></p> <p>No Act/ Rules/ Accounting Standard provide for depiction of the Inter Unit Account on the face of Balance Sheet.</p> <p><b>Hence, changes proposed may be reconsidered.</b></p>
13	Schedule 8 Current Liabilities	ii) Unutilized Grant - Application money for 54EC Bonds	NHAI has proposed this item based on their requirement. <b>Hence, the proposal is accepted.</b>
14	Schedule 8 Current Liabilities	v) a) b) c) d)	<p>Other to be specified</p> <p>Received on a/c of Eastern Peripheral Expressway</p> <p>Payable on Kalewa-Yargi Project at Myanmar</p> <p>Payable to GOI w.e.f. 01.04.2010</p> <p>- Toll Revenue, Shared Revenue, Negative Grant, Non-FASTag Penalty</p> <p>Other Receipts</p> <p>NHAI has specified the other liability.</p> <b>Hence, the proposal is accepted.</b>
15	Schedule 8 Current	vi) Bank overdraft	NHAI has proposed this item based on their requirement. <b>Hence, the proposal is accepted.</b>
16	Schedule 11 Other Income	Sale of Tender documents	NHAI has proposed this item based on their requirement. <b>Hence, the proposal is accepted.</b>
17	Schedule 15 Personnel and Other Administrative Expenses	Salaries, Wages and Other staff Benefits Salaries and allowances other than Chairman/Members Salaries and wages-Short Term Contract employees	NHAI has specified the salaries & allowances of Member and Chairman. <b>Hence, the proposal is accepted.</b>

18	Schedule 15 Personnel and Other Administrative Expenses	Pension & Leave Salary Pension and Leave Salary – Chairman & Members Pension and Leave Salary – Others Gratuity	NHAI has specified the pension & leave salary of Member and Chairman. <b>Hence, the proposal is accepted.</b>
19	Schedule 15 Personnel and Other Administrative Expenses	Printing and Stationary Postage and communication	NHAI has split the heads pritingh & Stationery and Postage & Communication. <b>Hence, the proposal is accepted.</b>
20	Schedule 15 Personnel and Other Administrative Expenses	Other Revenue Expenses Research and Development Expenses	NHAI has proposed this item based on their requirement. <b>Hence, the proposal is accepted.</b>
21	Schedule 16 Finance Charges	Guarantee Commission / Bank Charges On others On TDS Bond issue expenses	NHAI has proposed these items based on their requirement. <b>Hence, the proposal is accepted.</b>
22	Grouping Schedule 15 Personnel and Other Administrative Expenses	a) Salaries, Wages & Other Staff Benefits i) Chairman & Members ii) Salaries and wages - Short Term Contract employees	NHAI has proposed this item based on their requirement. <b>Hence, the proposal is accepted.</b>
23.	Grouping Schedule 15 Personnel and Other Administrative Expenses	a) Salaries, Wages & Other Staff benefits x) Ex-gratia	NHAI has proposed this item based on their requirement. <b>Hence, the proposal is accepted.</b>
24.	Grouping Schedule 15 Personnel and Other Administrative Expenses	c) Contribution to ii) Pension and Leave Salary Members & Chairman	NHAI has proposed this item based on their requirement. <b>Hence, the proposal is accepted.</b>

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25.	Grouping Schedule 15 Personnel and Other Administrative Expenses	c) Contribution to iv) Other – Gratuity	NHAI has specified this item (Other–Gratuity).  <b>Hence, the proposal is accepted.</b>
26.	Grouping Schedule 15 Personnel and Other Administrative Expenses	d) Repairs and Maintenance i) R&M Office Building ii) R&M Office Equipment iii) R&M Light Vehicles iv) R&M Others v) R&M Computer & EDP	NHAI has proposed these items based on their requirement.  <b>Hence, the proposal is accepted.</b>
27.	Grouping Schedule 15 Personnel and Other Administrative Expenses	f) Honoraria fee and other professional charges vi) Internal Audit fee	NHAI has proposed this item based on their requirement.  <b>Hence, the proposal is accepted.</b>
28	Grouping Schedule 15 Personnel and Other Administrative Expenses	j) Other Revenue Expenses	NHAI has proposed nomenclature change i.e., Other Revenue Expenses from Misc. Expenses.  <b>Hence, the proposal is accepted.</b>
29	Grouping Schedule 15 Personnel and Other Administrative Expenses	j) Other Revenue Expenses ix) Donation x) Security Expenses/Short Term Staff xi) Electricity and water charges j) Other Revenue Expenses k) Misc. Office Expenses	NHAI has proposed this item based on their requirement.  <b>Hence, the proposal is accepted.</b>
30	Grouping Schedule 15 Personnel and Other Administrative Expenses	i) Rent ii) Rate & Taxes iii) Research and Development Expenses iv) Advertisement and Publicity	NHAI has proposed these items based on their requirement.  <b>Hence, the proposal is accepted.</b>

## Annexure-C

In addition to the comments, following suggestions have been given to make the format more consistent with the Accounting Standards and Generally Accepted Principles of Accounting.

- 1. Preparation of Financial Statements in accordance with Ind AS:** NHAI is making its financial statements in accordance with the Accounting Standard, whereas SPVs of NHAI are following Ind AS prescribed under Section 133 of Companies Act. NHAI may also consider preparing its financial statements in accordance with Ind AS for better presentation of state of affairs of NHAI, synchronized with financial accounting of its SPVs, and it may also consider preparing consolidated financial statements to bring out a holistic picture of NHAI as a whole.
- 2. Adoption of Project Wise Accounting:** NHAI does not maintain project wise accounts. In absence of the same, borrowing cost and establishment expenditure incurred on the road projects are not bifurcated between completed and ongoing road projects, and NHAI added/capitalised the entire borrowing cost and establishment expenditure in the Assets held on behalf of GoI. Further, Assets held on behalf of GoI includes expenditure incurred on development of national highways, which were later on upgraded to higher lanes under the different mode of projects and those projects where NHAI has transferred its tolling right to the concessionaire under TOT and InvIT mode of operation. However, no adjustment has been made in the books of the accounts by NHAI for such assets.
- 3. Creation of Reserve Fund for discharge of Loan Liabilities:** 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. However, NHAI does not have any resource plan to discharge its liabilities relating to Secured and Unsecured Loans mentioned in the Schedule-4 of its Balance Sheet. NHAI may consider creation of Reserve Fund as per Rule 9 stated above.
- 4. Accounting treatment relating to BOT Projects:** In case of BOT projects, a suitable mechanism of accounting and disclosure needs to be devised to reflect ownership of the projects as well as corresponding obligations of the NHAI and the concessionaire for better presentation and information to the readers of the financial statements. Furthermore, an accounting policy of charging depreciation after completion of concession period of these road projects may be formulated and approved.
- 5. Accounting of land received from State Government:** The land acquired/received from State Government by NHAI for development of NH projects, irrespective of mode of contract, may be shown as a new line item. The land received from Central Govt/State Govts/any institution, free of cost, should also be depicted at its nominal value.
- 6. Accounting relating to Toll Operate Transfer (ToT) and InvIT projects:** In case of ToT and InvIT projects, a suitable mechanism of accounting in line with the provisions of AS-19 (Leases), conveying the right to use assets in return for payment for an agreed period of time, needs to be devised for better presentation and information to the readers of the financial statements.





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