

## DIRECTORS' REPORT

**To**  
**The Members,**

Your Directors are pleased to present the Seventeenth Annual Report of your Company together with the Audited Financial Statements and the Auditors' Report for the Financial Year ended 31<sup>st</sup> March 2021.

### **Background & Operations:**

NHAI was mandated to develop adequate road connectivity to all the major Ports in the Country, Cochin Port is one of them. Cochin Port Road Company Limited, an SPV of NHAI was incorporated on 19<sup>th</sup> January 2004 for implementing this project. The Company has been set up to develop, construct, establish, operate and maintain a project relating to the construction, operation and maintenance of the Cochin Port connectivity project under the "Build-Operate-Transfer" basis. The project was completed on 31<sup>st</sup> January, 2011.

Further, MoRTH vide its Office Memorandum No. H-39011/09/2020-P&P (Log) dated 24<sup>th</sup> September, 2020 had entrusted the work of implementation of Multi-Modal Logistics Park (MMLPs) at several places in the entire country and connectivity thereof by formation of this Company as the umbrella SPV and directed to make all necessary changes to the Company i.e. Cochin Port Road Company Limited in accordance with the above said Office Memorandum.

Accordingly, the name of the Company has been changed from Cochin Port Road Company Limited (CPRCL) to National Highways Logistics Management Limited (NHLML) vide its Extra Ordinary General Meeting held on 03.11.2020. Further, the objects, Authorised Share Capital and Structure of Board and KMPs has also been changed in line with the mandate of MoRTH.

As per CCEA mandate MoRT&H, through NHLML will be developing 35 MMLPs, wherever feasible, on Public Private Partnership (PPP) mode. For the same, Ministry has disbursed Rs. 100 Cr. as a grant for kick starting the project. The key activities being undertaken for development of MMLPs are presented below:

Sr No	MMLP Location	Key feature and Status
1	Nagpur	Nagpur, being centrally located in the country and almost equidistant from most of the major economic centers of India and well connected through road and rail, provides location advantages for establishing industries, warehouses and associated facilities to link to ports.

		<p>The Feasibility cum DPR study is completed. The MMLP is planned with an area of 230 acres, located in Wardha, District-Sindhi. The MMLP is accessible via NH-353I which connects NH-361 on the north &amp; also connects Maha Samruddhi Mahamarg (MSMM) Highway. The MMLP will be connected with Sindi Railway Station through rail siding.</p>
2	Chennai	<p>Chennai serves as a gateway for domestic and international trade and is nodal point for supply chain &amp; logistics in the South. It has two major ports in close proximity.</p> <p>The Feasibility cum DPR study is completed. The MMLP is planned with an area of 159 acres, located in Mappedu, District-Thiruvallur. The MMLP is accessible via SH-50B. The MMLP will be connected with Kadambattur Railway Station through rail siding.</p>
3	Bangalore	<p>Bengaluru is ideally located in south India and is well connected to other locations via rail and road networks. The presence of large e-commerce players is expected to boost demand for warehousing and logistics facilities.</p> <p>The Feasibility cum DPR study in progress. The MMLP is planned with an area of 400 acres, located in Muddalinganahalli, District-Bengaluru Rural.</p>
4	Hyderabad	<p>Hyderabad is a gateway to south central India. It scores high as a logistics destination as it provides excellent connectivity to large markets in southern and western India and has established clusters of textiles, as well as an important center for the pharmaceutical industry.</p> <p>The feasibility cum DPR study in progress.</p>
5	Indore	<p>Indore is located at the crossroads of western and central India with very good connectivity and has been the hub of trade and commerce for the western India. It has strong presence of industries such as textiles, iron and steel, chemicals, and machinery, etc.</p> <p>The feasibility cum DPR study in progress. The MMLP is planned with an area of ~300 acres, located in Machal, District-Indore.</p>
6	Mumbai	<p>Mumbai is the financial center, economic powerhouse, and industrial hub of India. It has very good connectivity through two major ports located in the city and has presence of various industries such as automotive parts, textiles, pharmaceuticals etc.</p> <p>The feasibility cum DPR study in progress.</p>

7	Coimbatore	Coimbatore, the second largest city in Tamil Nadu, is a major hub for textiles, industries, commerce, healthcare and manufacturing. The city has four SEZs and many more in pipeline. The feasibility cum DPR study in progress.
8	Pune	Pune is emerging as the industrial hub in Maharashtra. It is a strategic industrial and warehousing location with strong presence of the automobiles/auto components, aerospace, heavy engineering, retails, gems & jewelry, food processing and pharmaceuticals. The feasibility cum DPR study in progress.

Also, prefeasibility studies are in progress for 21 other locations such as Delhi NCR, North Gujarat, Jaipur, Kolkata, Ambala, Jagatsinghpur, Nashik, Kota, Bhopal, Sundargarh, Bhatinda, Rajkot, Jammu, Kandla, Raipur, Solan, Hisar, Panaji, Kochi, Vishakhapatnam & North Punjab.

#### Financial Results:

*(INR in millions)*

Particulars	F.Y. 2020-21	F.Y. 2019-20
Total Revenue	61.36	57.66
Total expenses excluding depreciation	183.48	166.91
Profit/(Loss) before Depreciation & Tax	(122.12)	(109.25)
Depreciation	103.29	103.58
Profit /(Loss) after depreciation	(225.41)	(212.83)
Prior period Expenses	-	1.98
Profit/(Loss) after prior period adjustment	(225.41)	(214.81)
Provision for Current Tax	-	-
Provision for Deferred Tax	-	-
Profit/Loss after Tax	(225.41)	(214.81)

#### Dividend:

Your Directors have not recommended any dividend on equity shares as the Company has yet not started earning profits.

#### Reserves:

A net loss of Rs. 225.41 millions have occurred during the year, which along with brought forward loss aggregating to Rs.1957.51 million is shown under the head Reserves and Surplus in the Balance Sheet.

#### Share Capital:

The Authorised Share Capital of the Company has been increased from Rs. 60 Cr. to Rs. 10,000 Cr. during the year whereas the paid up share capital of the Company remains the same on 31<sup>st</sup> March 2021 i.e. Rs. 57,90,00,000/-.

**Meeting of the Board of Directors:**

Six Meetings of the Board of Directors were held during the Financial Year.

Sl. No.	Date of the Meetings
1.	25 <sup>th</sup> June 2020
2.	16 <sup>th</sup> October 2020
3.	03 <sup>rd</sup> November 2020
4.	27 <sup>th</sup> November 2020
5.	30 <sup>th</sup> December 2020
6.	18 <sup>th</sup> February 2021

**Committees of the Board:**

**A- Audit Committee:**

The composition of Audit Committee as on 31.03.2021 is as under:

Composition

- Shri Ravinder\* –Chairman
- Shri S.Q. Ahmad – Member
- Shri A.K. Sharma – Member
- Smt. Pratima Gupta\*\* - Member

*\*Appointed w.e.f 16.10.2020*

*\*\*Ceased w.e.f 16.10.2020*

Meeting of the Audit Committee

Two meetings of the Audit Committee of the Company were held during the year.

S. No.	Date of the Meetings
1.	27 <sup>th</sup> November 2020
2.	30 <sup>th</sup> December 2020

None of the recommendation of the Audit Committee has been refused by the Board during the Financial Year.

**B- Nomination & Remuneration Committee:**

The composition of Nomination and Remuneration Committee as on 31.03.2021 is as under:

Composition

- Shri Ravinder\* –Chairman
- Shri S.Q. Ahmad – Member
- Shri A.K. Sharma – Member

- Smt. Pratima Gupta\*\* - Member

*\*Appointed w.e.f 16.10.2020*

*\*\*Ceased w.e.f 16.10.2020*

#### Meeting of the Nomination & Remuneration Committee

One meeting of the Nomination & Remuneration Committee of the Company was held during the year.

S. No.	Date of the Meetings
1.	18 <sup>th</sup> February, 2021

#### **Changes in the Board of Directors & Key Management Personnel:**

Following are the changes in the Board of Directors and Key Management Personnel during the Financial Year.

Name of Director/ KMP	Designation	Date of change	Nature of change
<b>Changes in Board of Directors</b>			
Sh. Asheesh Sharma (DIN-02329278)	Chairman	19.08.2020	Cessation
Sh. Manoj Kumar (DIN-08854382)	Chairman	16.10.2020	Appointment
Sh. Ravinder (DIN- 08920344)	Director	16.10.2020	Appointment
Sh. Ajay Mishra (DIN-08293888)	Director	16.10.2020	Cessation
Ms. Gunjan Rajpal	Company Secretary	03.11.2020	Appointment
Col. Ashish Dwivedi (DIN-08473655)	Managing Director	18.11.2019	Cessation
Sh. S.P. Singh (DIN- 08711591)	Director	18.02.2021	Appointment

Shri S.Q. Ahmad, Director retiring at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

Details of the Directors attending Board Meeting is enclosed as **Annexure-I**.

#### **Auditors' Report:**

Replies to observations of Statutory Auditors will be enclosed as **Annexure-II** to Directors' Report.

#### **C& AG comments:**

Comments of C &AG on Financial Statements for the F.Y. 2020-21 will be enclosed as per **Annexure-III**.

**Secretarial Audit Report:**

Secretarial Audit Report u/s 204 of the Companies Act, 2013 issued J.K. Gupta & Associates, Company Secretaries is enclosed as **Annexure-IV**. Directors Reply to the observations of Secretarial Auditor will be enclosed as **Annexure-V**.

**Statutory Auditors:**

M/s Shiromany Tyagi & Co., Chartered Accountants have been appointed as Statutory Auditors of the Company for the Financial Year 2020-21 by C& AG.

**Policy on Directors' Appointment & remuneration:**

Nomination and remuneration committee has been constituted for appointment of Directors, Key Managerial Personnel and Senior Management and their remuneration thereof.

**Directors' Appointment**

As per Articles of Association of the Company, National Highways Authority of India has right to appoint Directors of the Company.

**Directors' Remuneration**

The Directors of the Company (except Independent Directors appointed under the respective provisions of Companies Act, 2013) are nominated by NHAI from amongst the officers of NHAI. These officers, being employees of NHAI, salary is paid by NHAI. The Company does not pay any salary or remuneration to its Directors except sitting fee to Independent Directors for attending the Board, Committee and Shareholders' Meetings.

**Appointment & Remuneration of Key Management Personnel and other employees**

Appointment of Key Managerial personnel has been done based upon the provisions of Companies Act, 2013. The Company does not have employee cadres of its own and the work requirements are attended by employee/officers of NHAI. The Company does not pay any salary or other remuneration to employees/officers of NHAI.

**Evaluation of Board's performance**

Performance of each Board Member is evaluated based upon attendance to Board or Committee Meetings, positive contribution in the meetings and overall strategic planning.

**Particulars of Loans, Guarantees or Investment u/s 186 of the Companies Act, 2013:**

The Company has not given any loan, Guarantee or made any investment to which section 186 of the Companies Act, 2013 applies.

**Particulars of Contracts or Arrangements with Related Parties referred to in section 188(1) of the Companies Act, 2013:**

The Company has not entered into any contracts or arrangements as referred to in section 188(1) of the Companies Act, 2013.

**Material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the Financial Year of the Company to which the financial statements relate and the date of the report:**

There are no material changes and commitments occurred between the end of the financial year on 31.03.2021 and the date of the Board Report, which affect the financial position of the Company.

**Development & Implementation of Corporate Social Responsibility:**

Section 135 of the Companies Act 2013 is not applicable to the Company. Management of the Company is committed to CSR initiative and is also committed to conduct its business in socially responsible, ethical and environmental friendly manner. However, specific CSR initiatives shall undertake once the Company meets the criteria as specified in section 135 of the Companies Act 2013.

**Development & Implementation of Risk Management Policy**

The Management keeps on identifying, evaluating and managing all significant risks faced by the Company. In the opinion of the Board, there is no significant external risk to the Company except change in Government policy/regulations such as taking over the project by NHAI or GOI.

**Directors' Responsibility Statement:**

Pursuant to section 134(5) of the Companies Act, 2013 the Board of Directors of the Company confirms that-

1. In preparation of the Annual Accounts for the Financial Year ended 31<sup>st</sup> March 2021, the applicable Accounting Standards have been followed along with proper explanation to material departures;
2. The Directors have selected such Accounting Policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year and of the profit or loss of the Company for that period.
3. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. The Directors have prepared the Annual Accounts on a going concern basis.

5. The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**Information pursuant to Rule 8 of Companies (Accounts) Rules, 2014:**

**Particulars relating to conservation of energy, technology absorption and foreign exchange earnings and outgo:**

Information pursuant to Rule 8(3) of the Companies (Accounts) Rules, 2014 is as under:

<b>Particulars</b>	<b>Steps taken</b>
<b>A- Conservation of energy</b>	
i. Steps taken or impact on energy conservation	Efforts are being made to conserve energy in the operations and activities of the Company.
ii. Steps taken for utilizing alternate sources of energy	the Company is committed to use alternate sources of energy wherever possible
iii. Capital investment on energy conservation equipments	NIL
<b>B- Technology Absorption</b>	
i. Efforts made towards technology absorption	There is no scope of technology absorption in the operations of the Company
ii. The benefits derived like product improvement, cost reduction, product development and import substitution	Not applicable
iii. Details related to imported technology	Not applicable as the Company is not using imported technology
iv. Expenditure on Research & development	NIL
<b>C-Foreign Exchange earnings and outgo</b>	
i. Actual earnings	NIL
ii. Actual outgo	NIL

**Change in Nature of business:**

MoRTH vide its Office Memorandum No. H-39011/09/2020-P&P (Log) dated 24th September, 2020 had entrusted the work of implementation of Multi-Modal Logistics Park (MMLPs) at several places in the entire country and connectivity thereof by formation of this Company as the Umbrella SPV. Accordingly, the objects have been changed to take up the work as per the given mandate. This project will change the nature of the business of the Company from Development of Cochin Port Road to Development of MMLPs.



**Details of Subsidiaries, Joint Ventures or Associate Companies during the year:**

The Company is a wholly owned SPV of National Highways Authority of India. The Company is neither a holding Company nor has any subsidiary, Joint Ventures or Associate Companies during the year under review.

**Internal Financial Control & its Adequacy:**

The Company is having adequate internal financial control commensurate to its nature and size of business. Internal Audit is conducted by an independent firm of Chartered Accountants.

**Material and Significant Orders Passed By Regulators & Courts:**

No significant and material orders have been passed by any regulators or courts or tribunals against the Company impacting the going concern status and Company's operations in future.

**Deposits:**

The Company has neither accepted nor renewed any deposits during the year.

**Vigil Mechanism:**

Pursuant to section 177 of the Companies Act, 2013 read with Rule 7 of the Companies (Meeting of the Board and Its Powers) Rules, 2014, Audit Committee oversees the vigil mechanism.

**Transfer of Unclaimed Dividend to Investor Education and Protection Fund**

No amount was required to be transferred to Investor Education and Protection Fund during the year.

**Disclosure under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013**

The Company is an equal opportunity employer. The endeavor of the Management is to create and provide an environment that is free from discrimination and harassment including sexual harassment. The provisions of section 6(1) of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 regarding formation of Internal Complaint Committee are not applicable to the Company. During the period under review, no complaints were received by the Company related to sexual harassment.

**Particulars of employees pursuant to Rule 5(2) of the Companies (Appointment & Remuneration of Key Managerial Personnel) Rules, 2014.**

There was no employee of the Company who if employed throughout the Financial Year was in receipt of remuneration for that year which in aggregate was not less than One Crore Two Lacs rupees or if employed for part of the Financial Year was in receipt of remuneration for any part of that year which in aggregate was not less

than Eight Lacs and Fifty Thousand rupees per month. Further, there was no employee who if employed throughout the Financial Year or part thereof was in receipt of remuneration in that year which in the aggregate or as the case may be at a rate which in the aggregate is in excess of that drawn by the Managing Director or Director and holds by himself or along with his spouse and dependent children not less than two percent of the equity shares of the Company. Pursuant to Rule 5(2) of the Companies (Appointment & Remuneration of Key Managerial Personnel) Rules, 2014 details of Top ten employees in terms of remuneration drawn are enclosed as **Annexure VI**.

### **Acknowledgement**

The Directors wish to place on record their sincere gratitude for the co-operation extended by NHAI, Contractors, Bankers, various Government Agencies and others for development of the Company.

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

**(Ravinder)**  
Director  
DIN- 08920344

**(S.Q. Ahmad)**  
Director  
DIN- 08275536

Place: New Delhi

Date: 27.10.2021

**ANNEXURE-I****Details of Director Attending Board Meeting**

<b>Name of Directors</b>	<b>25<sup>th</sup> June, 2020</b>	<b>16<sup>th</sup> Oct, 2020</b>	<b>03<sup>rd</sup> Nov, 2020</b>	<b>27<sup>th</sup> Nov, 2020</b>	<b>30<sup>th</sup> Dec, 2020</b>	<b>18<sup>th</sup> Feb, 2021</b>
Shri Asheesh Sharma*	P	-	-	-	-	-
Sh. Manoj Kumar**	-	P	P	P	L	P
Sh. Ravinder***	-	P	P	P	P	P
Shri A.K. Sharma	P	P	P	P	L	-
Shri Ajay Mishra****	P	L	-	-	-	-
Shri S.Q. Ahmad	P	P	P	P	P	P
Smt. Pratima Gupta	P	P	L	P	P	P
Col Ashish Dwivedi*****	L	-	-	-	-	-
Sh. S.P. Singh*****	-	-	-	-	-	P

P: Present

L: Leave of absence

*\*Ceased to be Chairman w.e.f 19.08.2020*

*\*\*Appointed as Chairman w.e.f 16.10.2020*

*\*\*\* Appointed as Director w.e.f 16.10.2020*

*\*\*\*\*Ceased to be Director w.e.f 16.10.2020*

*\*\*\*\*\*Ceased to be Managing Director w.e.f 18.11.2019*

*\*\*\*\*\* Appointed as Director w.e.f 18.02.2021*

S. No.	Statutory Audit Observation	Management Reply
	<b>Emphasis of Matter</b>	
1.	<p>Attention is drawn to <b>Note no. 1.1</b> which suggests that <b>though the net worth of the company has gone into negative</b>, however, to revive the company into an active one, the Management came out with a proposal to increase the authorised share capital and add new area of operations such as Organic Growth Plan and Diversification plan.</p>	<p>The NHAi promoted wholly owned subsidiary Cochin Port Road Company Limited (CPRCL) in 19-01-2004 as a Special Purpose Vehicle (SPV) to Build, Operate &amp; Transfer (BOT) the toll road at NH-66 in Kerala.</p> <p>The Ministry of Road Transport &amp; Highways vide circular no 39011/09/2020-P&amp;P (Log), dated 24<sup>th</sup> September 2020 has directed NHAi to implement the Multi-Model Logistic Parks (MMLPs), Port Connectivity Roads and other associated projects through CPRCL. Considering the business diversification plan guided by the Ministry the company changed the name from Cochin Port Road Company Limited to National Highway Logistics Management Limited (NHLML) in November 2020. To further the business diversification NHAi infused the fund of INR 100 Crore in current financial year. Now the NHLML has two key growth drivers.</p> <p><b>a) Organic Growth Plan</b></p> <p>The NHLML agreement with NHAi is still 2029 whereas the agreement with current concessionaire M/s KATPL ends in 2024. The NHLML have span of 5 years to generate funds. There is unprecedented traffic increase on toll road with potential to generate yearly revenue of INR 50 Crore. This significant organic growth plan will be tapped.</p> <p><b>b) Diversification plan</b></p> <p>The NHLML has task to develop Multi Model Logistic Park, Port Connectivity Road and other facilities across India to make Logistics efficient and economical. Key objectives are:</p> <p>i) Reduce logistics Costs which sky rocketing in India (13 to 14% of GDP in India versus 7 to 8% in Developed Counties)</p>

		<ul style="list-style-type: none"> <li>ii) Improve average speed of freight vehicles on Indian roads</li> <li>iii) Improve logistics in India by multi model logistic parks instead of scattered small warehouse facilities</li> <li>iv) Achieve efficiency and economy through optimal utilisation of resources.</li> </ul>
2.	<p>Attention is drawn to <b>footnote in Note no. 4</b> relating to “Long Terms Borrowings” which suggests that the company has <b>classified the loan received from NHAI under the head “Unsecured Term Loans”</b>. However, it is observed that that there were no terms and conditions stipulated between NHAI and the company, with respect to the period and the rate of Interest of the loan. As per the Management, the Interest was to be charged on the basis of rates decided by NHAI on year to year basis (compounded annually).</p>	<p>National Highways Authority of India is the 100% Holding Entity of the Company having major control over its operations. NHAI charges interest on loan at the rate of cost of funds as computed at the end of every financial year. The formal loan agreement between the Company and NHAI is not yet executed.</p>

**Annexure- III**  
**CAG Comments**

**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF NATIONAL HIGHWAYS LOGISTICS MANAGEMENT LIMITED FOR THE YEAR ENDED 31 MARCH 2021**

The preparation of financial statements of National Highways Logistics Management Limited for the year ended 31 March 2021 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditors appointed by the Comptroller and Auditor General of India under section 139 (5) of the Act is responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 27 October 2021.

I, on behalf of the Comptroller and Auditor General of India, have decided not to conduct the supplementary audit of the financial statements of National Highways Logistics Management Limited for the year ended 31 March 2021 under section 143(6)(a) of the Act.

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

**Place: Chennai**  
**Dated: 29 December 2021**

**(DEVIKA NAYAR)**  
**Director General of Commercial Audit, Chennai**

**FORM NO. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH 2021**

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies  
(Appointment and Remuneration Personnel) Rules, 2014]

**To,**  
**The Members,**  
**National Highways Logistics Management Limited**  
**G-5 & 6, Sector 10, Dwarka New Delhi 110075**

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **National Highways Logistics Management Limited** (hereinafter called the Company) having its Registered Office at **G-5 & 6, Sector 10, Dwarka New Delhi 110075**. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management, we hereby report that in our opinion, the Company has, during the audit covering the financial year ended on 31<sup>st</sup> day of March, 2021, generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records made available to us and maintained by the Company for the financial year ended on 31<sup>st</sup> day of March 2021, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The other specific laws applicable to the company:
  - a) National Highways Act, 1956
  - b) National Highways Authority Act, 1988
  - c) Building and Other Construction Worker Welfare Cess Act, 1996
  - d) Contract Labour (Regulation & Prohibition) Act, 1970

we have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above **subject to the following Observations:**

- 1) The Compliance of Section 173 of the Act read with Companies (Meeting of Board and its Powers) Rules, 2013 and MCA General Circular 11/2020 with respect to the time gap between the two consecutive meetings of the Board was not complied by the Company, as the Gap between 66<sup>th</sup> and 67<sup>th</sup> Meeting of the Board exceeds 180 days.***
  
- 2) The Compliance of the Secretarial Standard on Meeting of the Board of Directors (hereinafter called “SS-I”) issued by Institute of Company Secretaries of India were not complied by the Company in the following occasion:***
  - i. As per Clause 7.5 and 7.6 of the SS-I, the Date on which the Minutes were entered in the Minutes Book and Date of which there were signed by the Appropriate Authority shall be mention, However, on few occasions the dates were not properly mentioned in the Minutes of the Company.*
  - ii. As per Clause 7.2.2.1 of the SS-I, the particulars and the locations of all such Directors who availed the facility of attending the Meeting through Electronic Mode must be mentioned in the Minutes of the Board Meeting, whereas such facts were missing from the Minutes of the Board Meetings.*
  
- 3) The Compliance of Section 203 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 with respect to the requirement of appointing Whole-Time Key Managerial Personnel was not complied by the Company as:***
  - i. There was no Managing Director or Chief Executive Officer or Manager or Whole-Time Director in the Company from 01/04/2020 to 15/03/2021.*
  - ii. There was no Company Secretary in the Company from 01/04/2020 to 02/11/2020.*
  
- 4) The Company was in the status of Active Non-Complaint during the period under review.***
  
- 5) The Compliance of Rules 9A of Companies (Prospectus and Allotment of Securities) Rules, 2014 in the matter of transferring the securities only in De-mat form is not complied by the Company as the transfer of Equity Shares held in physical form was executed by the Company in the period under review.***
  
- 6) The Compliance of the MCA General Circular issued in the matter of conducting General Meetings through Video Conferencing or other Audio-Visual means was not complied by the Company.***



**7) *The Compliances of following provisions of the Act was not complied by the Company in the financial year 2020-21 as there was no Independent Director appointed in the Board of the Company:***

- i. Non-Compliance Section 149 Sub-Section 4 of the Act read with Companies (Appointment and Qualifications of Directors) Rules, 2014 with respect to having at least two Directors as Independent Director(s) in the Board.*
- ii. Non-Compliance of Section 177 of the Act with respect to the constitution of Audit Committee.*
- iii. Non-Compliance of Section 178 of the Act with respect to the constitution of Nomination and Remuneration Committee.*
- iv. Since there were no Independent Directors in the Company hence, the Compliance with respect to Schedule IV of the Companies Act, 2013, in the matter of holding a Separate Meeting of all the Independent Directors and Performance Evaluation of the Board by the Independent Directors.*

**We further report that:**

***The Board of Directors of the Company is constituted with Executive Directors and Non-Executive Directors subject to our observations regarding Non-Appointment of Company Secretary and Independent Directors.***

Board Meetings were duly called by providing adequate Notices, agenda and details notes on agenda to participant of the Board, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting member's views are captured and recorded as part of the Minutes of the Meetings.

**We further report that:**

There are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**For J. K. Gupta & Associates**

**JITESH GUPTA**

**FCS No. 3978**

**C P No.: 2448**

**Peer Reviewed No. 902/2020**

**UDIN: F003978C001498064**

**Place: Delhi**

**Date: 22/11/2021**

This Report is to be read with our letter of even date which is annexed as "Annexure A" and forms an integral part of this report.

**To,  
The Members,  
National Highways Logistics Management Limited  
(U63000DL2004PLC124173)  
G-5 & 6, Sector 10, Dwarka, New Delhi 110075**

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
3. The Internal Auditors’ Report for the period under review has not been provided to us, hence the correctness and appropriateness of Statutory Compliances of the Company has been relied as per the Management Representation received from the Company.
4. The Statutory Auditors’ Report for the period under review has not been provided to us; hence the correctness and appropriateness of financial records and Books of Accounts of the Company has been relied as per the Management Representation received from the Company.
5. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
6. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
7. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

In view of the Covid-19 pandemic, whole audit process has been carried out online and is based upon the soft/scanned copies of the documents furnished to us by the Company.

**For J. K. Gupta & Associates**

**JITESH GUPTA**

**FCS No. 3978**

**C P No.: 2448**

**Peer Reviewed No. 902/2020**

**UDIN: F003978C001498064**

**Place: Delhi**

**Date: 22/11/2021**

## ANNEXURE-V

## Reply to observations of Secretarial Auditor

Observations of Secretarial Auditor	Management Reply
<p>The Compliance of Section 173 of the Act read with Companies (Meeting of Board and its Powers) Rules, 2013 and MCA General Circular 11/2020 with respect to the time gap between the two consecutive meetings of the Board was not complied by the Company, as the Gap between 66<sup>th</sup> and 67<sup>th</sup> Meeting of the Board exceeds 180 days.</p>	<p>Due to pandemic situation in the country, the Board Meetings could not be held within the prescribed time gap.</p>
<p>The Compliance of the Secretarial Standard on Meeting of the Board of Directors (hereinafter called "SS-I") issued by Institute of Company Secretaries of India were not complied by the Company in the following occasion:</p> <p>ii. As per Clause 7.5 and 7.6 of the SS-I, the Date on which the Minutes were entered in the Minutes Book and Date of which there were signed by the Appropriate Authority shall be mention, However, on few occasions the dates were not properly mentioned in the Minutes of the Company.</p> <p>iv. As per Clause 7.2.2.1 of the SS-I, the particulars and the locations of all such Directors who availed the facility of attending the Meeting through Electronic Mode must be mentioned in the Minutes of the Board Meeting, whereas such facts were missing from the Minutes of the Board Meetings.</p>	<p>Noted for compliance.</p>
<p>The Compliance of Section 203 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 with respect to the requirement of appointing Whole-Time Key Managerial Personnel was not complied by the Company as:</p> <p>iii. There was no Managing</p>	<p>i. The advertisement for recruitment of CEO was posted and the process was initiated. Through proper selection, the CEO was appointed by the Board.</p> <p>ii. The company was in process of appointment of Company Secretary during the given period.</p>

<p>Director or Chief Executive Officer or Manager or Whole-Time Director in the Company from 01/04/2020 to 15/03/2021.</p> <p>ii. There was no Company Secretary in the Company from 01/04/2020 to 02/11/2020.</p>	
<p>The Company was in the status of Active Non-Complaint during the period under review.</p>	<p>Due to non-appointment of KMPs, e-form 22A could not be filed which was complied with after the above appointments.</p>
<p>The Compliances of following provisions of the Act was not complied by the Company in the financial year 2020-21 as there was no Independent Director appointed in the Board of the Company:</p> <p>v. Non-Compliance Section 149 Sub-Section 4 of the Act read with Companies (Appointment and Qualifications of Directors) Rules, 2014 with respect to having at least two Directors as Independent Director(s) in the Board.</p> <p>vi. Non-Compliance of Section 177 of the Act with respect to the constitution of Audit Committee.</p> <p>vii. Non-Compliance of Section 178 of the Act with respect to the constitution of Nomination and Remuneration Committee.</p> <p>viii. Since there were no Independent Directors in the Company hence, the Compliance with respect to Schedule IV of the Companies Act, 2013, in the matter of holding a Separate Meeting of all the Independent Directors and Performance Evaluation of the Board by the Independent Directors.</p>	<p>i. The Company was in process of appointment of Second Independent Director. On selection the appointment was made by the Board and compliance u/s 149(4) was done.</p> <p>ii. Audit Committee was reconstituted in accordance with section 177 after appointment of second Independent Director.</p> <p>iii. Nomination and Remuneration Committee was reconstituted in accordance with section 178 after appointment of second Independent Director.</p> <p>iv. Noted for compliance.</p>



## **Draft Independent Auditor's Report**

**TO THE MEMBERS OF NATIONAL HIGHWAYS LOGISTICS MANAGEMENT LTD. NHLML)**

**(Formerly known as Cochin Port Road Company Limited)**

### **Opinion**

We have audited the Financial Statements of **National Highways Logistics Management Ltd. (“the Company”)**, which comprise the Balance Sheet as at 31<sup>st</sup> March 2021, the Statement of Profit & Loss and Statement of Cash Flows for the year then ended, and notes to the Financial Statements, including a summary of Significant Accounting Policies and other Explanatory Information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements, except for the possible effects of the matters described in the basis for qualified opinion, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, its Loss and its cash flows for the year ended on that date.

### **Basis for Qualified Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Financial Statements.

### **Emphasis of Matter**

- a) Attention is drawn to **Note no. -----** which suggests that **though the net worth of the company has gone into negative**, however, to revive the company into an active one, the Management came out with a proposal to increase the authorised share capital and add new area of operations such as Organic Growth Plan and Diversification plan.
- b) Attention is drawn to **footnote in Note no. 4** relating to “Long Terms Borrowings” which suggests that the company has **classified the loan received from NHAI under the head “Unsecured Term Loans”**. However, it is observed that that there were no terms and conditions stipulated between NHAI and the company, with respect to the period and the rate of Interest of the loan. As per the Management,

the Interest was to be charged on the basis of rates decided by NHAI on year to year basis (compounded annually).

However, our opinion is not modified in respect of both the above matters.

### **Information Other than the Financial Statements and Auditor Report Thereon**

The Company Board of Directors is responsible for the other information. The other information comprises the information included in the company annual report, but does not include the Financial Statements and our Auditor Report thereon. The aforesaid report is expected to be made available to us after the date of this auditor report.

Our opinion on the Financial Statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements our responsibility is to read the other information identified above when it becomes available and, in doing so consider whether the other information is materially inconsistent with the financial statement or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the other information comprising the above documents, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions as per the applicable laws and regulations.

### **Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Companies Act, 2013.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate Internal Financial Controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the Financial Results of the Company to express an opinion on the Financial Results.



Materiality is the magnitude of the misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "**Annexure I**", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. We are enclosing our report in terms of Section 143(5) of the Act, on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, in the "**Annexure-II**" on the directions issued by Comptroller and Auditor General of India.
3. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Income and Expenditure and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the board of directors as on March 31, 2021, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021, from being appointed as a director in terms of Section 164(2) of the Act.
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure III**".

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements –**Refer Note 20** to the financial statements;
- ii. The Company has long term contracts as at March 31, 2021 for which there were no material foreseeable losses. The Company did not have any long-term derivative contracts as at 31 March, 2021.
- iii. There were no amounts, required to be transferred by the Company, to the Investor Education and Protection Fund set up u/s 125 of Companies Act, 2013.

**For SHIROMANY TYAGI & CO.**  
**Chartered Accountants**  
**FRN No. 006117N**

**CA. Pradeep Tyagi**  
**Partner (Membership No. 084840)**  
**Date : -**

ANNEXURE 'I' TO AUDITOR'S REPORT

**(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

- (i) a) The company has generally maintained proper records showing full particulars including quantitative details and situation of fixed assets.
  - b) As explained to us, the fixed assets have been physically verified by the management once in a year, which in our opinion is reasonable having regard to the size of the company. We are informed that discrepancies noticed on verification were not material and have been properly dealt with in the books of account.
  - c) We are informed that company does not own any immovable property.
- (ii) We were informed that the physical verification of the inventory has been carried out by the management during the year in a phased manner such that significant parts of the inventories are verified during the year. On the basis of our examination of the records of inventory, we are of the opinion that the company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and book records were not material and have been properly dealt with in the books of account.
- (iii) According to the information and explanations given to us, the company has not granted loans, secured or unsecured, to the companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provision of Clause 3 (iii) (a), (b), and (c) of the order is not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, the company has not granted any loans, secured or unsecured, to the companies, firms or other parties covered under section 185 and 186 of the Companies Act, 2013.
- (v) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- (vi) As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013 in respect of the activities carried on by the company.
- (vii) (a) According to the information and explanations given to us, the company is generally regular in depositing, with the appropriate authorities, undisputed statutory dues including, Provident Fund, Employees' State Insurance, Income Tax, Sales tax, Wealth tax, Service Tax, Custom Duty, duty of excise Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of such statutory liabilities outstanding as at 31st March, 2020 for a period of more than six months from the date they became payable.
  - (b) According to the information and explanation given to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax outstanding on account of any dispute.

- (viii) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to any financial institution or bank.
- (ix) Based upon the audit procedures performed and the information and explanations given by the management, during the year, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term loans. Hence, Para 3(ix) of the Order is not applicable.
- (x) In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xi) According to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained.
- (xii) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- (xiv) Based upon the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.
- (xv) Based upon the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.
- (xvi) According to the information and explanations given to us, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

For SHIROMANY TYAGI & Co.  
CHARTERED ACCOUNTANTS  
FIRM R.NO.: 006117N

CA. PRADEEP TYAGI  
PARTNER  
M.No. 084840

**Place:**NewDelhi  
**Date:** -----

**ANNEXURE II TO INDEPENDENT AUDITORS' REPORT**

(Referred to in paragraph 2 under "other legal and regulatory requirement" of our report of even date)

Sr. No.	Directions / Sub-Directions	Action Taken	Impact on financial statement
<b>A. Directions</b>			
1	Whether the Company has system in place to process all the accounting transactions through IT system ? If yes, the implications of processing of accounting transaction outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	All the transactions of the Company are being maintained and processed through Tally ERP9. Based on our verification and information given to us , no transaction is being carried outside Tally ERP9.	NIL
2	Whether there are is any restructuring of an existing loan or cases of waiver/write off of debts/loans/interests etc. made by a lender to the Company's inability to repay the loan? If yes, the financial impact may be stated.	There are no cases of waiver/write off of debts/loans/interest etc. made by a lender to the Company.	NIL
3	Whether funds received/receivable for specific schemes from Central/State agencies were properly accounted for / utilized as per its term and conditions? List the cases of deviation.	There are no cases of funds received/receivable for specific schemes from Central/State agencies.	NIL

For SHIROMANY TYAGI & CO.  
Chartered Accountants  
Firm Reg. No. 006117N

(Pradeep Tyagi)  
Partner  
Membership No. 084840  
Date:

## **ANNEXURE III TO THE INDEPENDENT AUDITORS' REPORT**

**(Referred to in paragraph 3(f) under “other legal and regulatory requirement” of our report of even date)**

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over financial reporting of **National Highways Logistics Management Ltd.** of March 31, 2021 in conjunction with our Audit of the Financial Statements of the Company for the year ended on that date.

#### **Management’s Responsibility for Internal Financial Controls**

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors’ Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing as specified under Section 143 (10), of the Companies Act, 2013 to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

## **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Financial Statements.

## **Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For SHIROMANY TYAGI & CO.**

**Chartered Accountants**

**FRN No. 006117N**

**CA. Pradeep Tyagi (M. No. 084840)**

**Partner**

**Place: New Delhi**

**Date:**



# National Highways Logistics Management Limited

(Formerly known as Cochin Port Road Co. Ltd.)

NHAI HQ, Plot-G-5 & 6, SECTOR 10, DWARKA, NEW DELHI-110075

CIN: U63000DL20004PLC124173

## BALANCE SHEET AS AT 31st MARCH 2021

(INR in Millions)

Particulars	Notes	As at 31st March 2021	As at 31st March 2020
<b>I. EQUITY AND LIABILITIES</b>			
<b><u>(1) Shareholders' Funds</u></b>			
(a) Share Capital	2	579.00	579.00
(b) Reserves and Surplus	3	(1,957.51)	(1,732.10)
<b><u>(2) Non-Current Liabilities</u></b>			
(a) Long term Borrowings	4	2,577.30	2,425.13
(b) Other Long Term Liabilities	5	2.73	2.64
<b><u>(3) Current Liabilities</u></b>			
(a) Trade Payables	6	3.51	2.87
(b) Other Current Liabilities	7	7.56	22.22
<b>Total</b>		<b>1,212.59</b>	<b>1,299.76</b>
<b>II. ASSETS</b>			
<b><u>(1) Non-Current Assets</u></b>			
(a) Property, Plant and Equipment			
(i) Tangible Assets	8	0.01	0.01
(ii) Intangible Assets	8	817.90	921.19
(b) Long-Term Loans and Advances	9	1.87	1.80
(c) Other non current assets	10	227.46	227.44
<b><u>(2) Current Assets</u></b>			
(a) Trade Receivable	10	9.09	4.31
(b) Cash and Cash equivalents	11	38.05	30.04
(c) Short-Term Loans and Advances	12	-	0.01
(d) Other Current Assets	13	118.22	114.96
<b>Total</b>		<b>1,212.59</b>	<b>1,299.76</b>

The accompanying notes from 1 to 29 form an integral part of the financial statements

As per our report of even date

For Shiromany Tyagi & Co.

Chartered Accountants

FRN 006117N

For and on behalf of the Board

National Highways Logistics Management Limited

(Pradeep Tyagi)

Partner

M. No. 084840

(Prakash Gaur)

Chief Executive Officer

(S.Q. Ahmad)

Director and CFO

DIN: 08275536

Place: New Delhi

Date: 27.10.2021

(Ravinder)

Director

DIN: 08920344

(Gunjan Rajpal)

Company Secretary

M.No.: F8707

# National Highways Logistics Management Limited

(Formerly known as Cochin Port Road Co. Ltd.)

NHAI HQ, Plot-G-5 & 6, SECTOR 10, DWARKA, NEW DELHI-110075

CIN: U63000DL20004PLC124173

## STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH 2021

(INR in Millions)

Particulars	Notes	For the year ended 31st March 2021	For the year ended 31st March 2020
I. Revenue from operations	14	60.02	57.03
II. Other Income	15	1.34	0.63
<b>III. Total Revenue</b>		<b>61.36</b>	<b>57.66</b>
<b>IV. Expenses:</b>			
Employee Benefits Expense	16	0.56	-
Finance Costs	17	152.17	159.31
Depreciation and Amortisation Expenses	8	103.29	103.58
Other Expenses	18	30.75	7.59
<b>Total Expenses</b>		<b>286.77</b>	<b>270.48</b>
V. Profit/(Loss) for the year before Taxation		<b>(225.41)</b>	<b>(212.82)</b>
Prior period items		-	1.98
		<b>(225.41)</b>	<b>(214.80)</b>
Provision for taxation:			
- Current Tax		-	-
VI. Profit/(Loss) for the year after Taxation		<b>(225.41)</b>	<b>(214.80)</b>
<b>VII. Earning per equity share:</b>			
Basic and Diluted	19	(3.89)	(3.71)

The accompanying notes from 1 to 29 form an integral part of the financial statements

As per our report of even date

For Shiromany Tyagi & Co.

Chartered Accountants

FRN 006117N

For and on behalf of the Board

National Highways Logistics Management Limited

(Pradeep Tyagi)

Partner

M. No. 084840

(Prakash Gaur)

Chief Executive Officer

(S.Q. Ahmad)

Director and CFO

DIN: 08275536

Place: New Delhi

Date: 27.10.2021

(Ravinder)

Director

DIN: 08920344

(Gunjan Rajpal)

Company Secretary

M.No.: F8707

# National Highways Logistics Management Limited

## (Formerly known as Cochin Port Road Co. Ltd.)

NHAI HQ, Plot-G-5 & 6, SECTOR 10, DWARKA, NEW DELHI-110075

CIN: U63000DL20004PLC124173

### CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2021

(INR in Millions)

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
<b>A. Cash Flow from operating activities</b>		
Net Profit before Tax as per Statement of Profit & Loss	(225.41)	(214.80)
- Depreciation / Amortisation	103.29	103.58
- Interest Expense	152.17	159.31
- Interest Income	(1.34)	(0.60)
<b>Operating profit (loss) before working capital changes</b>	<b>28.71</b>	<b>47.49</b>
(Increase) / Decrease in Trade Receivables	(4.80)	(21.69)
(Increase) / Decrease in Loans and advances	(0.07)	(0.39)
(Increase) / Decrease in Current Assets	(3.10)	(114.28)
Increase / (Decrease) in Trade Payables	0.64	1.79
Increase / (Decrease) in long term and current liabilities	137.60	(4.56)
<b>Cash generated from operations</b>	<b>158.98</b>	<b>(91.64)</b>
Tax Paid	-	-
<b>Cash Flow from operating activities (A)</b>	<b>158.98</b>	<b>(91.64)</b>
<b>B. Net cash flow from investing activities</b>		
Interest Income	1.18	0.21
Investment in term deposits with banks	(1.85)	(23.44)
<b>Net Cash(used) from Investing Activities (B)</b>	<b>(0.67)</b>	<b>(23.23)</b>
<b>C. Net cash flow from Financing activities</b>		
Proceeds from long term borrowings	-	129.60
Interest Expense	(152.17)	(15.93)
<b>Net cash generated from Financing activities (C)</b>	<b>(152.17)</b>	<b>113.67</b>
Net Increase/(Decrease) in Cash and Cash equivalents (A+B+C)	<b>6.14</b>	<b>(1.20)</b>
Opening balance of cash and cash equivalents	0.41	1.61
Closing balance of cash and cash equivalents	<b>6.56</b>	<b>0.41</b>
<b>Components of cash and cash equivalents at the end of the year</b>		
Cash in hand	-	-
Balance with Scheduled banks		
- In Current Accounts	6.56	0.41
- In Deposit Accounts		
<b>Total</b>	<b>6.56</b>	<b>0.41</b>

The accompanying notes from 1 to 29 form an integral part of the financial statements

As per our report of even date

For Shiromany Tyagi & Co.

Chartered Accountants

FRN 006117N

For and on behalf of the Board

National Highways Logistics Management Limited

(Pradeep Tyagi)

Partner

M. No. 084840

Place: New Delhi

Date: 27.10.2021

(Prakash Gaur)

Chief Executive Officer

(Ravinder)

Director

DIN: 08920344

(S.Q. Ahmad)

Director and CFO

DIN: 08275536

(Gunjan Rajpal)

Company Secretary

M.No.: F8707

# National Highways Logistics Management Limited

(Formerly known as Cochin Port Road Co. Ltd.)

NHAI HQ, Plot-G-5 & 6, SECTOR 10, DWARKA, NEW DELHI-110075

CIN: U63000DL20004PLC124173

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31st MARCH 2021

### Note - 1

#### I Background of the company

The Company, a SPV of National Highways Authority of India was incorporated to develop, establish, construct, operate and maintain a project relating to the construction, operation and maintenance of the Cochin Port connectivity project under the "Build Operate Transfer" (BOT) basis. The company is wholly owned by National Highways Authority of India (NHAI). A concession Agreement was entered between the Company and NHAI to confer the right to the Company to implement the project and levy toll/user charges over the concession period. The project was completed in the financial year 2010-2011. M/s Kochi Aroor Toll Ways Pvt. Ltd. (KATPL) is engaged in operation and maintenance and toll collection of the road on behalf of the Company since year 2015-16.

Earlier entire toll collection of the Company was deposited in the Consolidated Funds of India (CFI). During the current financial year it was decided by the Board to keep the toll money with the Company itself. Accordingly with effect from 1st October, 2019, toll revenue is directly deposited in bank account of head office of the Company and it has not been deposited in CFI.

Ministry of Road Transport and Highways (MoRTH) vide Circular No. 39011/09/2020-P&P (Log), dated 24.09.2020 has directed NHAI to implement the Multi-modal Logistics Parks (MMLPs), Port Connectivity Roads and other associated projects through the Cochin Port Road Co. Ltd. (CPRCL) which is wholly owned by NHAI. Accordingly the name of the Company has been changed from Cochin Port Road Co. Ltd. to National Highways Logistics Management Limited w.e.f. 26.11.2020.

#### II Significant Accounting Policies

##### a) Basis of preparation

The Company maintains its accounts on accrual basis following the historical cost convention, in accordance with generally accepted accounting principles ["GAAP"] in compliance with the provisions of the Companies Act, 2013 ("the Act") and the applicable Accounting Standards as specified in the relevant provisions/schedules/rules of the Companies Act, 2013. Further, the guidance notes/ announcements issued by the Institute of Chartered Accountants of India ("ICAI") are also considered, wherever applicable except to the extent where compliance with other statutory promulgations override the same requiring a different treatment.

##### b) Classification of assets and liabilities as 'current' and 'non current':

- i) An asset is classified as "current" when it satisfies any of the following conditions:
- it is expected to be settled in the company's normal operating cycle;
  - it is held primarily for the purpose of being traded;
  - it is due to be realized within twelve months after the reporting date; or
  - it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

All other assets are classified as non-current.

- ii) A liability is classified as "current" when it satisfies any of the following conditions:
- it is expected to be settled in the company's normal operating cycle;
  - it is held primarily for the purpose of being traded;
  - it is due to be settled within twelve months after the reporting date; or
  - the company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current.

Note: There being no clearly identifiable normal operating cycle in case of the Company, the same is assumed as having a duration of twelve months.

##### c) Presentation of financial statements:

- i) The Balance Sheet and the Statement of Profit and Loss have been prepared and presented in the format prescribed in Schedule III to the Act. The Cash Flow Statement has been prepared and presented as per the requirements of Accounting Standard (AS) 3 "Cash Flow Statements". The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in Schedule III to the Act, are presented by way of notes forming part of accounts along with the other notes required to be disclosed, including under the applicable Accounting Standards.

- ii) Amounts in the financial statements are rounded off to the nearest Indian Rupee. Per share data is presented in Indian Rupees to two decimal places.

**d) Use of estimates:**

The preparation of financial statements in conformity with GAAP requires that the management of the Company makes estimates and assumptions that are considered to affect the reported amounts of income and expenses of the period, the reported balances of assets and liabilities and the disclosures relating to contingent liabilities as of the date of the financial statements. Examples of such estimates include the useful lives of tangible and intangible fixed assets, allowance for doubtful debts/advances, future obligations in respect of retirement benefit plans, etc.

Although these estimates are based upon the management's best knowledge of current events and actions, actual results could differ from these estimates. Difference, if any, between the actual results and estimates is accounted in the period in which the results are known.

**e) Property Plant and Equipment**

**- Tangible assets:**

Property, Plant and Equipment are stated at their original cost of acquisition (including incidental expenses relating to the acquisition and installation of the assets) net of tax/duty credits availed, if any, less accumulated depreciation and cumulative impairment.

**- Intangible assets:**

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably.

Intangible assets are stated at original cost net of tax/duty credits availed, if any, less accumulated amortisation and cumulative impairment. Administrative and other general overhead expenses that are specifically attributable to acquisition of intangible assets are allocated and capitalised as part of the cost of the intangible assets.

Intangible assets not ready for the intended use on the date of the Balance Sheet are disclosed as "Intangible assets under development"

**f) Depreciation**

- Except for the depreciation on assets costing Rs 5,000 or less acquired during the year, depreciation on the other assets carried at historical costs is provided on the straight line method basis at the rates derived, based on the useful life of the assets as specified in Schedule II to the Act. Depreciation on assets purchased / sold during the reporting period is recognised on pro-rata basis.
- Toll Road Assets are amortized on pro-rata basis over the relevant remaining concession period after the date of completion of project.

**g) Government Grant:**

- Grants received from the Government or other Authorities towards the capital expenditure are treated initially as capital reserve and subsequently adjusted in the carrying value of assets acquired/ constructed out of these grants.
- Grants received from the Government or other Authorities towards the revenue expenditure are recognised over the period in which the related costs are incurred and are deducted from the related expenses.

**h) Revenue Recognition:**

- Revenue is recognised if the consideration can be reliably measured, there exists reasonable certainty of its recovery and it is reasonable to expect ultimate collection.  
Revenue from Toll is recognised on the basis of remittance as per contract with toll collecting agency.
- **Other operational revenue:**  
Other operational revenue represents income earned from activities incidental to the business and is recognised when the right to receive the income is established as per the terms of the contract.
- **Other Income:**  
Interest income is accrued on a time proportion basis at applicable interest rate.

**i) Expenditure:**

Expenses are accounted for on an accrual basis and provisions are made for all known losses and liabilities.

**j) Prior Period and Extraordinary items:**

- i) Prior period items are material items of income or expense which arise in the current period as a result of errors and omissions in the preparation of the financial statements of one or more prior periods and are separately disclosed.
- ii) Income or expenses that arise from events or transactions that are clearly distinct from the ordinary activities of the Company and which are not expected to recur frequently or regularly, are classified and specifically disclosed in the financial statements, as extraordinary items.

- k) **Borrowing costs:**
- i) Borrowing costs represent interest on monies borrowed.
  - ii) Borrowing costs that are attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of cost of such asset till such time the asset is ready for its intended use. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use.
  - iii) All other borrowing costs are recognised as an expense in the period in which they are incurred.
- l) **Taxes on Income:**
- i) Tax on income for the current period is determined on the basis of taxable income and tax credits computed in accordance with the provisions of the Income tax Act 1961, and based on the expected outcome of assessments/appeals.
  - ii) Deferred tax is recognised on timing differences between the income accounted in financial statements and the taxable income for the year, and quantified using the tax rates and applying laws enacted or substantively enacted as on the Balance Sheet date.
  - iii) Deferred tax assets relating to unabsorbed depreciation/business losses/losses under the head “capital gains” are recognised and carried forward to the extent there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. Other deferred tax assets are recognised and carried forward to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.
  - iv) At each Balance Sheet date, the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realised.
  - v) MAT credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognised as an asset the said asset is created by way of a credit to the statement of Profit & Loss and shown as MAT Credit Entitlement. The same is reviewed at each Balance Sheet date to write down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that the company will pay normal income tax during the specified period.
- m) **Provisions and Contingent Liabilities:**
- i) Provisions are recognised for liabilities that can be measured only by using a substantial degree of estimation, if
    - the Company has a present obligation as a result of a past event (s);
    - a probable outflow of resources is expected to settle the obligation; and
    - the amount of the obligation can be reliably estimated.
  - ii) Reimbursement expected in respect of expenditure required to settle a provision is recognised only when it is virtually certain that the reimbursement will be received.
  - iii) Contingent liability is disclosed in case of
    - a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation.
    - a present obligation arising from past events, when no reliable estimate is possible.
    - a possible obligation arising from past events where the probability of outflow of resources is not remote.
  - iv) Contingent assets are neither recognised, nor disclosed.
  - v) Provisions and contingent liabilities are reviewed at each Balance Sheet date.
- n) **Commitments:**
- a) Commitments are future liabilities for contractual expenditure.
  - b) Commitments are classified and disclosed as follows:
    - i. Estimated amount of contracts remaining to be executed on capital account and not provided for;
    - ii. Other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of management.
  - c) Other commitments related to sales/procurements made in the normal course of business are not disclosed to avoid excessive details.
- o) **Earnings per share (EPS):**
- Basic EPS is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.
  - For the purpose of calculating diluted EPS, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

p) **Cash flow statement:**

Cash flow statement is prepared segregating the cash flows from operating, investing and financing activities. Cash flow from operating activities is reported using indirect method. Under the indirect method, the net profit is adjusted for the effects of:

- transactions of a non-cash nature
- any deferrals or accruals of past or future operating cash receipts or payments and
- items of income or expense associated with investing or financing cash flows. Cash and cash equivalents (including bank balances) are reflected as such in the cash flow statement. Those cash and cash equivalents which are not available for general use as on the date of Balance Sheet are also included under this category with a specific disclosure.

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CIN: U63000DL20004PLC124173

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2021

(INR in Millions)

### Note - 2 SHARE CAPITAL

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
<b>Authorized Capital</b>		
10000,000,000 (Previous year 60,000,000) Equity Shares of Rs.10/- each	100,000.00	600.00
	<b>100,000.00</b>	<b>600.00</b>
<b>Issued, Subscribed and Paid-up</b>		
57,900,000 (Previous year 57,900,000) Equity Shares of Rs.10/- each	579.00	579.00
<b>Total</b>	<b>579.00</b>	<b>579.00</b>

#### (a) Reconciliation of the shares outstanding at the beginning and the end of the reporting period

Equity Shares	31st March 2021		31st March 2020	
	No of shares. (in Millions)	Amount	No of shares. (in Millions)	Amount
At the beginning of the year	57.90	579.00	57.90	579.00
Add: Shares issued during the year	-	-	-	-
<b>Balance as at the end of the year</b>	<b>57.90</b>	<b>579.00</b>	<b>57.90</b>	<b>579.00</b>

#### (b) Rights, preferences and restrictions attached to shares

Equity Shares: The Company has only one class of equity shares having a par value of Rs.10/- per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

#### (c) Details of shares held by the shareholders holding more than 5% of the aggregate shares in the Company

Name of Shareholder	31st March 2021		31st March 2020	
	No of shares. (in Millions)	% of holding	No of shares. (in Millions)	% of holding
National Highways Authority Of India(including its Nominees)	57.90	100.00%	57.90	100.00%
<b>Total</b>	<b>57.90</b>	<b>100.00%</b>	<b>57.90</b>	<b>100.00%</b>

### Note 3: RESERVE & SURPLUS

Particulars	As At 31st March 2021	As At 31st March 2020
<b>Surplus/(Loss) as per Statement of Profit &amp; Loss</b>		
Opening Balance	(1,732.10)	(1,517.30)
Current Year Profit/(Loss)	(225.41)	(214.80)
<b>Total</b>	<b>(1,957.51)</b>	<b>(1,732.10)</b>

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CIN: U63000DL20004PLC124173

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2021

(INR in Millions)

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
<b>Note - 4 LONG TERM BORROWINGS</b>		
Loan From Related Party - NHAI*	2,577.30	2,425.13
<b>Total</b>	<b>2,577.30</b>	<b>2,425.13</b>

\*In the absence of any agreement as to terms and conditions or any explicit arrangements related to the repayment of loan received from NHAI, the same has been treated as Unsecured Term Loans (Long-term Borrowings) in respect of which interest is calculated at the rate decided by NHAI every year (compounded yearly) and considered as accrued but not due for payment, as a non-current obligation. While calculating the interest on loan, amount payable by NHAI has been given effect to. During the year interest is charged @ 6.92 % p.a. (Previous Year@ 7.77% p.a.).

### **Note - 5 OTHER LONG TERM LIABILITIES**

Payable For Capital Expenditure	2.48	2.48
Retention money	0.13	0.13
Others	0.12	0.03
<b>Total</b>	<b>2.73</b>	<b>2.64</b>

### **Note - 6 TRADE PAYABLES**

Total outstanding dues of Micro Enterprise and Small Enterprise*	-	-
Total outstanding dues to creditors other than Micro Enterprise and Small Enterprise	3.51	2.87
<b>Total</b>	<b>3.51</b>	<b>2.87</b>

\*Note: There are no outstanding dues to Micro, Medium and Small Scale Business Enterprises. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

### **Note - 7 OTHER CURRENT LIABILITIES**

Duties & Taxes	0.62	16.34
Payable to group companies	1.13	1.08
Amount payable to NHAI	4.01	4.01
Expenses Payable	1.59	0.58
Security Deposit (EMD)	0.21	0.21
<b>Total</b>	<b>7.56</b>	<b>22.22</b>



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### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2021

#### Note - 8 Property, Plant and Equipment

(INR in Millions)

Particulars	GROSS BLOCK				DEPRECIATION / AMORTISATION				NET BLOCK	
	As at 01.04.2020	Additions during the year	Deductions/ Adjustments	As at 31.03.2021	Up to 01.04.2020	During the year	Deductions/ Adjustments	Total upto 31.03.2021	As at 31.03.2021	As at 31.03.2020
<b>Tangible Assets</b>										
Furniture & Fittings	0.14	-	-	0.14	0.13	0.00	-	0.13	0.01	0.01
Office Equipment	0.01	-	-	0.01	0.00	0.00	-	0.00	0.00	0.00
<b>Total Tangible Assets</b>	<b>0.15</b>	<b>-</b>	<b>-</b>	<b>0.15</b>	<b>0.13</b>	<b>0.00</b>	<b>-</b>	<b>0.13</b>	<b>0.01</b>	<b>0.01</b>
<b>Intangible Assets</b>										
Toll Road & Bridges	1,852.24	-	-	1,852.24	931.05	103.29	-	1,034.34	817.90	921.19
<b>Total Intangible Assets</b>	<b>1,852.24</b>	<b>-</b>	<b>-</b>	<b>1,852.24</b>	<b>931.05</b>	<b>103.29</b>	<b>-</b>	<b>1,034.34</b>	<b>817.90</b>	<b>921.19</b>
<b>Total</b>	<b>1,852.39</b>	<b>-</b>	<b>-</b>	<b>1,852.39</b>	<b>931.18</b>	<b>103.29</b>	<b>-</b>	<b>1,034.47</b>	<b>817.91</b>	<b>921.20</b>
Previous Year	1,852.39	-	-	1,852.39	827.60	103.58	-	931.18	921.20	

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## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2021

(INR in Millions)

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
<b>Note - 9 LONG TERM LOANS &amp; ADVANCES</b>		
<b>Unsecured, considered good</b>		
Deposit Electricity	0.07	0.07
Security Deposit NSDL	0.15	0.15
Security Deposit RTA	0.00	0.00
Income Tax Recoverable	1.65	1.58
<b>Total</b>	<b>1.87</b>	<b>1.80</b>
<b>Note - 10 TRADE RECEIVABLES</b>		
<b>Classified under Other Non-Current Assets</b>		
Trade Receivable-Unsecured, considered good	227.46	227.44
<b>Total A</b>	<b>227.46</b>	<b>227.44</b>
<b>Classified under Current Assets</b>		
<b>Unsecured, considered good</b>		
I. Debts outstanding for a period exceeding six months from the due date	9.09	4.31
II. Other Debts	-	-
<b>Total B</b>	<b>9.09</b>	<b>4.31</b>
<b>Grand Total (A+B)</b>	<b>236.55</b>	<b>231.74</b>
<b>Note - 11 CASH &amp; CASH EQUIVALENTS</b>		
<b>Cash and Cash Equivalents</b>		
Cash in Hand	-	-
Balances with bank		
- In Current Accounts	6.56	0.41
<b>Other bank balances:</b>		
- Bank Deposits having maturity between 3 to 12 Months	31.48	29.63
<b>Total</b>	<b>38.05</b>	<b>30.04</b>
<b>Note - 12 SHORT TERM LOANS &amp; ADVANCES</b>		
Loans & Advances (Assets)	-	0.01
<b>Total</b>	<b>-</b>	<b>0.01</b>
<b>Note - 13 OTHER CURRENT ASSETS</b>		
Arbitral Award Money paid to Concessionaire	114.07	114.07
Interest accrued on Deposits with Bank	0.56	0.40
Expenses Recoverable	-	0.49
Advance payment of TDS	3.59	
<b>Total</b>	<b>118.22</b>	<b>114.96</b>

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### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2021

*(INR in Millions)*

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
<b><u>Note - 14 REVENUE FROM OPERATIONS</u></b>		
<b>- Sale of Services</b>		
Toll Revenue/Cocession Fee	60.02	57.03
<b>Total</b>	<b>60.02</b>	<b>57.03</b>
<b><u>Note - 15 OTHER INCOME</u></b>		
Interest on Deposits	1.34	0.60
Sundry Balance written back	0.00	0.03
<b>Total</b>	<b>1.34</b>	<b>0.63</b>
<b><u>Note - 16 EMPLOYEE BENEFIT EXPENSES</u></b>		
Salary & Wages	0.56	-
<b>Total</b>	<b>0.56</b>	<b>-</b>
<b><u>Note - 17 FINANCE COST</u></b>		
Interest -		
- on Loan from NHAI	152.17	159.31
<b>Total</b>	<b>152.17</b>	<b>159.31</b>
<b><u>Note - 18 OTHER EXPENSES</u></b>		
ROC Fees	20.37	-
Legal & Professional Charges	7.16	1.10
Supervision Charges	1.18	3.28
Auditor's remuneration :		
- As Auditor	0.15	0.15
- For taxation matters	0.04	0.04
-For reimbursement of expenses	-	0.02
Operation & Maintenance	1.66	2.82
Interest on Statutory dues	0.01	0.05
Miscellaneous Expenses	0.18	0.13
<b>Total</b>	<b>30.75</b>	<b>7.59</b>

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### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2021

<b>Note - 19 EARNING PER SHARE (EPS) :-</b>	<i>(INR in Millions)</i>	
<b>Particulars</b>	<b>For the year ended 31st March 2021</b>	<b>For the year ended 31st March 2020</b>
Profit (loss) for the year attributable to equity shareholders (Rs.)	(225)	(215)
Face value per equity share (Rs.)	10/-	10/-
Weighted average no. of equity shares for computing basic and diluted earning per	58	58
Basic and diluted earning per share (in Rs)	(3.89)	(3.71)

#### **Note - 20 Contingent Liabilities**

##### **i) Arbitration case with M/s Mecon Gea Energy System (India) Ltd.**

In the Case of Mecon Gea Energy System (India) Ltd. (Contractor for Toll Road construction) Vs National Highways Authority of India (NHAI) on behalf of the Company. Arbitral Tribunal on 27.12.2015 decided the matter in favour of Mecon Gea Energy System (India) Ltd. and award is as follows:-

- Amount equivalent to value of Bank Guarantee encashed by company of Rs.126,989,266/- (Rupees Twelve crore sixty nine lac eighty nine thousand two hundred and sixty six only) plus Interest @12% p.a. thereon from 28.05.2007 till the date of payment.
- Directed to pay interest @12% p.a. on Rs.1,498,035/- (Rupees Fourteen lac ninety eight thousand and thirty five only), being the amount of retention money, from 18.07.2007 till 18.07.2008 the actual date of payment of retention money to the account of claimant.

Aggrieved by the order of Arbitral Tribunal, NHAI filed an appeal on behalf of the Company vide O.M.P No.95/2016 before Hon'ble Delhi High Court against the AT award and the case is under hearing. The contingent liability of interest on award amount is circa INR 2114 Lacs calculated @ 12% per annum.

##### **ii) Arbitration case with Kochi Aroor Tollways Pvt. Ltd.(KATPL)**

Kochi Aroor Tollways Pvt. Ltd.(KATPL), the concessionaire approached Arbitral Tribunal (AT) with the following claims:

- a. Claim of discrepancy in the user fee rates-Rs. 9,34,23,525
- b. Claim of delay in COD-Rs. 2,72,54,400
- c. Claim due to issuance of free passes- Rs. 93,89,500

AT has awarded the above mentioned amount in full in favour of concessionaire and an amount of Rs.14,78,60,049/- (including interest till date of award order) needs to be paid to the concessionaire within a period of 60 days from the date of award. In case of failure KATPL will also be entitled to future interest @ 2% higher than the current rate of interest prevalent on the date of award for the period effective from 11.10.2018. This future interest is payable over and above the awarded sum of Rs.14,78,60,049/-

A sum of Rs.10,81,53,169/- (net of statutory payments) was deposited in an Escrow Account on 19.07.2019. The Company has filed an appeal with Hon'ble Delhi High Court vide No.25423/2019 and the case is yet to be decided. The contingent liability of interest on award amount is circa INR 387 Lacs calculated @ 13.5% per annum (i.e. 8.5% RBI interest + 5%).

##### **iii) Disputed Cases**

#### **Dispute related to Income Tax**

##### **a. AY 2005-06**

As per order passed u/s 154 of the Income Tax Act, in respect of AY 2005-06, a demand of Rs.8,86,680/- (after adjustment of Rs.8,320/- with refund of AY 2011-12) along with interest of Rs.2,47,242/- was raised and the same was adjusted against the refunds due for various other Assessment years amounting to Rs.10,74,290/-. A sum of Rs.1,22,361/- was deposited and Company has filed a rectification application for deletion of entire demand raised along with interest charged u/s 220(1) since the entire demand was raised due to incorrect assessment of returned income by the concerned AO. Therefore, the refund due for various assessment years have not been adjusted in books of accounts.

##### **b. AY 2007-08**

Similarly, in respect of AY 2007-08, demand amounting to Rs.3,08,910/- was raised u/s 154 of Income Tax Act, 1961 was also adjusted by the department against the refunds due for other Assessment Years. An application for rectification has also been filed Therefore, the refund due for various assessment years have not been adjusted in books of accounts.

#### **Dispute related to GST**

Directorate General of GST Intelligence, Gurugram conducted an investigation on 17.05.2019 at head office of the Company at New Delhi regarding and thereafter issued summon to the Company under section(s) 70(1) & (2) of Central Goods & Services Tax Act, 2017. The case is pending for adjudication by the department.

#### **Note - 21**

All the Directors of the company, except the independent directors, are holding office in company as nominees of National Highways Authority of India, the Parent organization, no payment has been made to them as salary/allowance or otherwise. Sitting fees is paid to Independent director/s wherever applicable.

**Note - 22 Appointment of Key Managerial Personnel**

As per the provisions of section 203 of the Companies Act, 2013 read with rule 8 of Companies (Appointment & Remuneration Management personnel) Rules 2014, The Company has appointed Key Managerial Personnel i.e Managing Director, Chief Executive Officer, Company Secretary and Chief Financial Officer.

**Note - 23**

In view of the losses, no provision for income tax is required to be made. Also, in the absence of virtual certainty of sufficient future taxable income, credit for deferred tax is not recognised as a matter of prudence in compliance with Accounting Standard - 22.

**Note - 24**

As per the information available, there are no sum payable by the company to Micro, small and medium enterprises under the Micro, small and medium Enterprises Development Act, 2006.

**Note - 25 Related Party Disclosure****(a) Entities exercising significant control :**

Name of the Related Party:	Relation
National Highways Authority of India (NHAI)	Holding entity

**(b) Companies controlled by holding company (with whom transactions were entered during the year)**

Mumbai JNPT Port Road Company Limited	Fellow subsidiary company
Paradip Port Road Company Ltd	Fellow subsidiary company
Calcutta Haldia Port Road Company Limited	Fellow subsidiary company

**(b) List of Key Managerial personnel (KMP) who were holding office during the financial year 2020-21****List of KMPs & Directors :**

Sh. Manoj Kumar	Chairman (w.e.f. 16.10.2020)
Sh. Prakash Gaur	Chief Executive Officer (w.e.f 15.03.2021)
Sh. S. P. Singh	Director (w.e.f. 09.02.2021)
Sh. Sudhir Kumar	Independent Director (w.e.f. 26.08.2021)
Sh. K. Sathianathan	Independent Director (w.e.f. 26.08.2021)
Sh. S.Q. Ahmad	Director & Chief Financial Officer (w.e.f. 16.10.2020)
Sh. Ravinder	Director (w.e.f. 16.10.2020)
Ms. Pratima Gupta	Director
Sh. A. K. Sharma	Director
Sh. D. P. Sahoo	Director (from 25.06.2020 to 16.10.2020)
Sh. Asheesh Sharma	Chairman (till 05.10.2020)
Sh. Ajay Mishra	Director (till 16.10.2020)
Sh. D. P. Sahoo	Director (till 16.10.2020)
Ms. Gunjan Rajpal	Company Secretary (w.e.f. 03.11.2020)

**(c) Transactions with related parties during the year**

Nature of transactions	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Transactions with National Highways Authority of India</b>		
<b>Unsecured Term-loan</b>		
-loan taken during the year	-	129.60
-loan repaid during the year	-	-
-Interest on Unsecured Term-loan	152.17	159.31
<b>Toll Amount</b>		
-Toll Receivable	-	22.96
<b>Transaction with Mumbai JNPT Port Road Co. Ltd.</b>		
Reimbursement of expenses (payable )	0.05	0.34

**(d) Balances outstanding as at the end of the year**

Name of the Company	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Amount Payable</b>		
NHAI (towards borrowings)	2,577.30	2,425.13
NHAI (towards- expenses Payable)	4.01	4.01
Paradip Port Road Company Limited	0.17	0.17
Mumbai JNPT Port Road Company Limited	0.88	0.88
Calcutta Haldia Port Road Company Limited	0.03	0.03
<b>Amount Receivable</b>		
NHAI (towards- Toll plough back )	226.21	226.21

**Note - 26**

There are no separate reportable segment as per accounting standard – AS-17.

**Note - 27**

As per schedule II of The Companies Act, 2013, the asset of the company viz. "Toll Road" has been classified as "Intangible Assets" created under Build Operate & Transfer, Build Own Operate and Transfer or any other form of Public Private Partnership route, resulting in change in the system of charging depreciation on Intangible assets.

As per the amended system, depreciation on Intangible Assets is to be charged in different years, based on the revenue earnings of the year in proportion to Projected Revenue from Intangible Assets.

Reference on the above are given in Para 42 & 43 of the Guidance Note of Accounting for Depreciation in Companies in the context of Schedule II to the Companies Act, 2013 issued by the Chartered Account of India which is reproduced as below:

*42. The Ministry of Corporate Affairs (MCA)m, vide its notification G.S.R. 237 (E) dated March 31, 2014, made amendments to clause (ii) of paragraph 3 of Schedule II with regard to amortization of intangible assets. Through the amendments, the MCA provides that revenue-based methodology 'may be' used for amortization of intangible assets (Toll Roads) created under 'Build, Operate and Transfer' (BOT), 'Build, Own, Operate and Transfer (BOOT)' or any other form of public private partnership (PPP) route in case of road projects.*

*43 The words 'may be' used in clause (ii) of paragraph 3 of Schedule II indicates that revenue-based amortization as provided in Schedule II is optional and not mandatory. Moreover, the option is available only for intangible assets arising from toll road projects. Therefore, a company can follow a basis other than revenue-based amortization for intangible assets arising from toll road projects. Intangible assets other than those arising from toll-roads should be amortized in accordance with Accounting Standards (AS) 26, Intangible Assets, notified under the Companies (Accounting Standards) Rules, 2006.*

Hence, in view of above, the management has decided to continue the amortization of tolling rights on the basis of remaining useful life based on the following grounds:

1. Future Revenue of the company can not be determined on year to year basis, as the toll revenue depends of the highest bid amount offered to the company by toll collecting agency from time to time.
2. The tolling rights have to be amortised within concession period.

**Note - 28**

Other information pursuant to Schedule II of the Companies Act, 2013, other than disclosed in the financial statements are either NIL or not applicable to the company.

**Note - 29**

Previous year's figures have been regrouped/rearranged wherever considered necessary.

**As per our report of even date**

**For Shiromany Tyagi & Co.**  
**Chartered Accountants**  
**FRN 006117N**

**For and on behalf of the Board**  
**National Highways Logistics Management Limited**

**(Pradeep Tyagi)**  
**Partner**  
**M. No. 084840**

**(Prakash Gaur)**  
**Chief Executive Officer**

**(S.Q. Ahmad)**  
**Chief Financial Officer**

**Place: New Delhi**  
**Date: 27.10.2021**

**(Ravinder)**  
**Director**  
**DIN: 08920344**

**(Gunjan Rajpal)**  
**Company Secretary**  
**M.No: F8707**