

DIRECTOR'S REPORT

To

The Members,

Your Directors are pleased to present the Eighteenth Annual Report of the Company together with the Audited Financial Statements and the Auditors' Report for the Financial Year ended 31st March 2022.

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 19th 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 31st January, 2011.

Further, 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 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 rail and air provides location advantages for establishing industries, warehouses and associated facilities to link to ports.

		<p>The Feasibility Study cum DPR for external connectivity is</p> <p>completed and bidding process is ongoing for Development of MMLP and External Road Connectivity. The estimated Total Project Cost (TPC) of the Project is Rs. 919.54 Cr.</p> <p>The MMLP is planned with an area of 230.97 acres, located at Sindhi in Wardha, district. The MMLP is accessible via NH-353I which connects NH-361 on the north & 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 & logistics in the South. It has two major ports in close proximity.</p> <p>The Feasibility cum DPR study is completed and bidding process is ongoing for Development of MMLP and External Road Connectivity. The estimated Total Project Cost (TPC) of the Project is Rs. 1423.50 Cr. The MMLP is planned with an area of 184.27 acres, located in Mappedu, District-Thiruvallur. The MMLP is accessible via SH-50B which is now notified as National Highway. 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. The Feasibility cum DPR study is completed and bidding process is on for Development of MMLP. The estimated Total Project Cost (TPC) of the Project is Rs. 1769.70 Cr. The MMLP is planned with an area of 392 acres located in Obalapura and adjoining villages in Bengaluru Rural</p>

		district.
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>Consultants are appointed for Feasibility cum DPR Study and the selection of land is in progress by State Govt.</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 preparation of feasibility cum DPR study is in progress in 263.91 Acres land finalized at Jamuri Kheda and Akoliya village neat Pithampura industrial area in Indore district.</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. Mumbai being a biggest city is a major consumption hub also and as such the MMLP is must in Mumbai.</p> <p>DPIIT has been requested to provide the land parcel in Mira Bhayandar, Thane having an area of 268.167 acres. However it is noticed that the land parcel at Mira Bhayandfar falls in CRZ 1 B zone – Inter Tidal Zone. As a part of external connectivity feasibility of Water way along with Road and Rail is also being studied.</p> <p>Other land parcels are also being identified. The feasibility cum DPR study in progress.</p>

7	Coimbatore	<p>Coimbatore, the second largest city in Tamil Nadu, is a major hub for machinery and textiles industries, commerce, healthcare and manufacturing. The city has four SEZ.</p> <p>Coimbatore also acts as a supply point/supply gateway for Kerala.</p> <p>The feasibility cum DPR study as initiated for the land parcel having an area of about 200 acres at K. Madapura village in Coimbatore district. The rail line is located just abating the proposed MMLP land parcel. The proposed ring road for Coimbatore passes at a distance of 3 Kms. more in pipeline.</p> <p>The feasibility cum DPR study in progress.</p>
8	Pune	<p>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. Pune being a IT center in Maharashtra and metro city is a also a major consumption hub also along with a major industrial town. Pune also acts as a supply point for Western and Southeast Maharashtra.</p> <p>Maharashtra Industrial Development Corporation (MIDC) has provided a land parcel of ~ 181.464 Hect. (448.41 Acre)</p> <p>The feasibility cum DPR study in progress. The rail connectivity is proposed from Kamshet/Kanhe station on Mumbai – Pune rail line which is located at a distance of about 10 Kms. The four-lane road connectivity is proposed from Kanhe junction on old Mumbai Pune National Highway – NH-4 (New No. NH 48)</p>

9	Jalna	<p>The proposed MMLP land belongs to JNPT wherein a Dry Port was proposed. The total land available is 191.60 Hect. (471.45 Acre) for which brick masonry compound wall exists. The rail siding is under progress from newly developed Daregaon station. The work of rail siding with two handling lines and one reversal lines in MMLP area including the rail level platforms is completed. The four-lane road connectivity work is also under progress and is advance stage of completion. The work of four land Rail Over Bridge (RoB) is completed including approach road and streetlights.</p> <p>The 11 KV line work for supply of electricity is completed by MSEDCL and 0.3 MLD water supply work is completed by MIDC.</p> <p>The appointment of consultants for Feasibility study and DPR for external connectivity is in progress.</p>
10	Anantapur	<p>Andhra Pradesh Industrial Infrastructure Corporation (APIIC) has identified ~ 204.92 Acre land at Gondipalli village in Anantapur district which is in proximity to Kia motors plant at Anantapur.</p> <p>The site is land acquisition is yet to be initiated by APIIC. Guntakal – Bengaluru rail line is located just on east side of proposed site. Penukonda junction located at a distance of 4 Kms is a tentative take off point for siding. Hyderabad- Bengaluru National Highway is passing at a distance of 1 Kms from site.</p> <p>The appointment of consultants for Feasibility study and DPR for external connectivity is in progress.</p>
11	Visakhapatnam	<p>Andhra Pradesh Industrial Infrastructure Corporation (APIIC) has the responsibility of providing a suitable site for development of MMLP. The site identified near Anakapalli is not suitable for development of MMLP and the same is communicated to APIIC.</p>

		<p>Now APIIC is identifying another site for development of MMLP.</p> <p>Visakhapatnam a biggest port city in Andhra Pradesh on the shore of Bay of Bengal and has major ports like</p> <p>Visakhapatnam Port & Gangavaram port. A major navel establishment, Rail terminal and major industries like Vizag Steel (RINL), HPCL, Coromandel, Essar, NTPC, Ramkey Pharma City and Brandix exists in city.</p> <p>The appointment of consultants for Feasibility study and DPR for external connectivity is in progress.</p>
12	Jammu	<p>Jammu and Kashmir SIDCO (JK SIDCO) has identified ~ 200 Acre land at Samba</p> <p>The site is land acquisition is yet to be initiated by JK SIDCO. Pathankot – Jammu rail line is located just on north side of proposed site. Samba located at about 4 Kms distance is a tentative take off point for siding. Kanyakumari – Srinagar National Highway (NH 44) a major North – South highway is passing at a distance of 2 Kms from site.</p> <p>The appointment of consultants for Feasibility study and DPR for external connectivity is in progress.</p>

Ropeways

- Union Finance Minister in the Union Budget for 2022-23, announced the National Ropeways Development Programme – “Parvatmala” – an ecologically sustainable alternative in place of conventional roads in difficult hilly areas. Total 08 ropeway projects for a length of 60 km would be awarded in 2022-23.
- MoRTH vide letter **dated 07.03.2022** has issued **SOP to Chief Secretaries** of all the States to submit projects to be taken up under Parvatmala Pariyojana wherein 02 options were proposed for consent of the State Govt. for execution of the projects under Parvatmala Pariyojana.
 - (a) **Option-1:** Partnership between State Government and NHLML through SPV Formation (at least 26% equity contribution by State Government)
 - (b) **Option-2:** Partnership between State Government and NHLML through Independent execution by NHLML (Support from State Government formalized through a State Support Agreement)

- Draft MCA for Ropeway Projects on HAM has been approved by Ministry
- 100+ project proposals received from various states.
- MoU signed with Govt. of Uttarakhand.
- Draft MoU submitted to Himachal Pradesh, Jammu & Kashmir, Andhra Pradesh, Uttar Pradesh, Madhya Pradesh, Sikkim, Manipur, Arunachal Pradesh, Maharashtra and Karnataka.
- DFR is being finalized for Kedarnath and Hemkund Sahib
- DFR is being initiated for 05 Projects in Uttarakhand.

Financial Results:

(INR in millions)

Particulars	F.Y. 2021-22	F.Y. 2020-21
Total Revenue	177.68	61.36
Total expenses excluding depreciation	275.45	183.48
Profit/(Loss) before Depreciation & Tax	(97.77)	(122.12)
Depreciation and Amortisation expenses	107.73	103.29
Profit /(Loss) after depreciation	(205.50)	(225.41)
Prior period Expenses	17.16	-
Profit/(Loss) after prior period adjustment	(188.34)	(225.41)
Provision for Current Tax	-	-
Provision for Deferred Tax	-	-
Profit/Loss after Tax	(188.34)	(225.41)

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. 188.34 millions have occurred during the year, which along with brought forward losses of Rs. 1957.51/- million aggregating to Rs. 2118.92/- million is shown under the head other equity as Surplus in the Balance Sheet.

Share Capital:

The Paid up share capital of the Company as on 31st March 2022 was Rs. 57,90,00,000/-.

Meeting of the Board of Directors:

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



Sl No	Date of the Meetings
1.	12 th May 2021
2.	26 th August 2021
3.	27 th October 2021
4.	30 th December 2021
5.	29 th March 2022

Committees of the Board:

A- Audit Committee:

The composition of Audit Committee as on 31.03.2022 is as under:

Composition

- Shri Sudhir Kumar* : Chairman
- Shri Karunakaran Sathianathan** : Member
- Shri Ravinder*** : Chairman
- Shri S.Q. Ahmad : Member
- Shri A.K. Sharma**** : Member

*Appointed w.e.f 26.08.2021

**Appointed w.e.f 26.08.2021

*** Ceased w.e.f 26.08.2021

****Ceased w.e.f 26.08.2021

Meeting of the Audit Committee

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

S. No.	Date of the Meetings
1.	05 th July 2021
2.	25 th August 2021
3.	22 nd September 2021
4.	30 th December 2021
5.	24 th February 2022

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 31.03.2022 is as under:

Composition

- Shri Sudhir Kumar* : Chairman
- Shri Karunakaran Sathianathan** : Member
- Shri Ravinder : Member
- Shri S.Q. Ahmad : Member
- Shri A.K. Sharma*** : Member

*Appointed w.e.f 26.08.2021

***Appointed w.e.f 26.08.2021*

****Ceased w.e.f 26.08.2021*

Meeting of the Nomination & Remuneration Committee

Three meetings of the Nomination & Remuneration Committee of the Company was held during the year.

S. No.	Date of the Meetings
1.	25 th August, 2021
2.	02 nd September 2021
3.	22 nd February, 2022

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
Changes in Board of Directors			
Sh. A.K. Sharma (DIN 05152255)	Director	26.08.2021	Cessation
Sh. A.K. Jain (DIN- 09221578)	Director	26.08.2021	Appointment
Sh. Sudhir Kumar (DIN- 02669103)	Independent Director	26.08.2021	Appointment
Sh. Karunakaran Sathianathan (DIN- 05289835)	Independent Director	26.08.2021	Appointment

Shri Manoj Kumar and Shri Ravinder, Directors retiring at the ensuing Annual General Meeting and being eligible offers themselves 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. 2021-22 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 2021-22 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 fees of Rs. 25,000/- per meeting 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 31.03.2022 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 31st March 2022, 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:

Particulars	Steps taken
A- Conservation of energy	
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- Technology Absorption	
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
C-Foreign Exchange earnings and outgo	
i. Actual earnings	NIL
ii. Actual outgo	NIL

Change in Nature of business:

Ministry of Road Transport and Highways 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.

Further, Ministry of Road Transport and Highways also issued mandate dated 5th August, 2021 for formation of umbrella SPV for allocation of works related to Ropeways and other initiative/ alternative mobility solutions to the Company.

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 endeavour 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

Place: New Delhi

Date:

(Ravinder)

Director

DIN- 08920344

(S.Q. Ahmad)

Director

DIN- 08275536



ANNEXURE-I

Details of Director Attending Board Meeting

Name of Directors	12 th May, 2021	26 th Aug, 2021	27 th Oct, 2021	30 th Dec, 2021	29 th Mar, 2022
Sh. Manoj Kumar	P	P	P	L	P
Sh. Ravinder	P	P	P	P	P
Shri A.K. Sharma*	P	-	-	-	-
Shri S.Q. Ahmad	P	P	P	P	P
Smt. Pratima Gupta	L	L	P	L	L
Sh. S.P. Singh	P	P	P	L	P
Sh. Sudhir Kumar**	-	P	P	P	P
Sh. Karunakaran Sathianathan***	-	P	P	P	P
Sh. A.K. Jain****	-	P	P	P	P

P: Present

L: Leave of absence

**Ceased to be Chairman w.e.f 26.08.2021*

***Appointed as Chairman w.e.f 26.08.2021*

**** Appointed as Director w.e.f 26.08.2021*

***** Appointed as Director w.e.f 26.08.2021*

ANNEXURE-II

Reply to observations of Statutory Auditors

Sr. No.	Statutory Auditor Observation	Management Reply
	Emphasis of Matter	
1	<p>Attention is drawn to Note no. 3 which suggests that though the net worth of the company is still negative, however, to revive the company a grant of Rs. 105 Crore was introduced by Ministry of Road Transport & Highways, Govt. of India and the management has started implementing the proposal to revamp the company by adding new areas of operations to improve the position of the company.</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 & Transfer (BOT) the toll road at NH-66 in Kerala.</p> <p>The Ministry of Road Transport & Highways vide circular no 39011/09/2020-P&P (Log), dated 24th 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>a) Organic Growth Plan The NHLML Concession 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) Diversification plan 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> <ol style="list-style-type: none"> i) Reduce logistics Costs which sky rocketing in India (13 to 14% of GDP in India versus 7 to 8% in Developed Counties) ii) Improve average speed of freight vehicles on Indian roads iii) Improve logistics in India by multi model logistic parks instead of scattered small warehouse facilities



		Achieve efficiency and economy through optimal utilisation of resources.
		Balances with most of the parties are based on construction / maintenance contracts. Moving Forward, confirmation will be obtained from parties. Noted for compliance. Appointment of Company Secretary is in process.
2.	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 ‘Repayment Schedule and Rate of Interest’. 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).	National Highways Authority of India is the 100% Holding Entity of the Company having major control over its operations. Time to time as per requirement, NHAI have been giving loan at the rate of interest based on the average cost of its borrowing at the end each financial year. The formal loan agreement between the Company and NHAI is not yet executed. However, this shall be done in due course of time.



भारतीय लेखापरीक्षा एवं लेखा विभाग
महानिदेशक वाणिज्यिक लेखापरीक्षा का कार्यालय, चेन्नै
Indian Audit and Accounts Department
Office of the Director General of Commercial Audit, Chennai

No. DGCA/CA-II/4-20/2022-23/ 386

Dated 21.10.2022

To

The Director-cum-Chief Financial Officer,
National Highways Logistics Management Limited,
NHAI HQRs,
G-5&6, Sector 10,
Dwaraka, New Delhi.

Sir,

Sub: 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 2022

The 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 2022 are forwarded herewith

Five copies of printed Annual Report of your company may be arranged to be forwarded to this office.

Receipt of this letter may kindly be acknowledged.

Yours faithfully,

(Devika Nayar)

Director General of Commercial Audit

Encl: As above

इंडियन ऑयल भवन, स्तर 2, 139, महात्मा गांधी मार्ग, चेन्नै - 600 034
Indian Oil Bhavan, Level - 2, 139, Mahatma Gandhi Road, Chennai - 600 034
Tel. : 044-28330147 Fax : 044-28330142/45 e-mail : pdcachennai@cag.gov.in



**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 2022**

The preparation of financial statements of National Highways Logistics Management Limited for the year ended 31 March 2022 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 auditor 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 28 June 2022.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of National Highways Logistics Management Limited for the year ended 31 March 2022 under section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

Based on my supplementary audit, I would like to highlight the following significant matters under section 143(6)(b) of the Act which have come to my attention and which in my view are necessary for enabling a better understanding of the financial statements and the related audit report.

A. Comments on Financial Position

Balance Sheet

Assets - (1) Non-Current Assets

(a) Property, Plant and Equipment and Intangibles

(ii) Intangible Assets (Note 8A) - ₹879.56 million

The above includes ₹42.07 million in the value of intangible assets which was penal interest awarded by Conciliation Settlement Committee against the Company. Company capitalized the penal interest in assets which was incorrect since it was not directly attributable towards acquisition, construction or production of qualifying assets. This resulted in over statement of

Intangible Assets by ₹42.07 million and consequent overstatement of amortization by ₹1.03 million and understatement of loss by ₹41.04million.

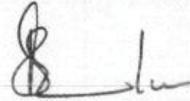
B. Comment on Profitability

Statement of Profit & Loss

Other Income – Note No.15 - ₹ 31.13 million

The above includes interest earned on grant in aid funds to an extent of ₹28.05 million. As per Rule 230(8) of General Financial Rules 2017, all interests or other earnings against Grants-in-aid or advances (other than reimbursement) released to any Grantee institution should be mandatorily remitted to the Consolidated Fund of India. Hence, treating ₹28.05 million as other income was incorrect. This resulted in overstatement of Other Income and understatement of Current Liabilities and Loss by ₹28.05 million.

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



(Devika Nayar)

Director General of Commercial Audit

Place: Chennai
Date: 21.10.2022

CAG Observations

Observations of Secretarial Auditor	Management Reply												
<p>A Comments on Financial Position Balance Sheet Assets- (1) Non- Current Assets (a) Property, Plant and Equipment and Intangibles (ii) Intangible Assets (Note 8A) - `879.56 million The above includes Rs 42.07 million in the value of intangible assets which was penal interest awarded by conciliation settlements committee against the Company. Company capitalized the penal interest in assets which was incorrect since it was not directly attributable towards acquisition, construction or production of qualifying assets. This resulted in over statement of Intangible Assets by Rs 42.07 million and consequent overstatement of amortization by Rs 1.03 million and understatement of loss by Rs 41.04 million</p>	<p>Conciliation Committee of NHAI recommended to pay 29,29,20,000 as follows:</p> <table border="1" style="width: 100%; border-collapse: collapse; margin: 10px 0;"> <tr> <td style="width: 5%; text-align: center;">A</td> <td style="width: 85%;">Principal Award Amount</td> <td style="width: 10%; text-align: right;">12,69,89,266</td> </tr> <tr> <td style="text-align: center;">B</td> <td>Interest during Construction Period (till the date of Construction of Toll Road Assets, i.e. 28.05.2007 to 31.01.2011)</td> <td style="text-align: right;">4,20,69,592</td> </tr> <tr> <td style="text-align: center;">C</td> <td>Interest during Operation Period (for the period Toll Road Assets are in use, i.e. 01.02.2011 to 30.11.2021)</td> <td style="text-align: right;">12,38,61,142</td> </tr> <tr> <td colspan="2">Total Award Amount</td> <td style="text-align: right;">29,29,20,000</td> </tr> </table> <p>NHLML capitalized the Principle Award Amount and Interest portion pertaining to the construction period as shown in above table vide ‘A’ and ‘B’ (total amount INR 16,90,58,858) and interest portion from COD treated as revenue expenditure.</p> <p>It is submitted that company is mandatorily required to follow the Accounting Standards issued by the Institute of Chartered Accountant of India as prescribed under Section 133 of the Companies Act, 2013. The accounting treatment of capitalizing the interest for the period prior to COD is in line with the prescribed Accounting Standard.</p> <p>Clause 6 of this Accounting Standard states as under:</p> <p>“Borrowing cost that are directly attributable to the acquisition, construction or production of qualifying assets should be capitalised as part of the cost of that asset. The amount of borrowing cost eligible for capitalisation</p>	A	Principal Award Amount	12,69,89,266	B	Interest during Construction Period (till the date of Construction of Toll Road Assets, i.e. 28.05.2007 to 31.01.2011)	4,20,69,592	C	Interest during Operation Period (for the period Toll Road Assets are in use, i.e. 01.02.2011 to 30.11.2021)	12,38,61,142	Total Award Amount		29,29,20,000
A	Principal Award Amount	12,69,89,266											
B	Interest during Construction Period (till the date of Construction of Toll Road Assets, i.e. 28.05.2007 to 31.01.2011)	4,20,69,592											
C	Interest during Operation Period (for the period Toll Road Assets are in use, i.e. 01.02.2011 to 30.11.2021)	12,38,61,142											
Total Award Amount		29,29,20,000											



should be determined in accordance with this Accounting Standard”.

Similarly, clause 18 of this Accounting Standard states as under:

“Cessation of Capitalisation states that the borrowing cost should cease when substantially all the activities necessary to prepare the qualifying assets for its intended use or sale are complete”.

Therefore, the issue of capitalisation of borrowing cost is dependent on the completion of qualifying assets instead of the party who is involved in the construction of assets. Since in this case the completion of the assets and capitalisation thereof got completed on 31st January 2011, the Company has capitalised the amount of Rs.4,20,69,592/- from 28.05.2007 to 31.01.2011, as borrowing cost.

The Accounting Standards are mandatory in nature and are to be followed by all the companies.

The Company carefully analysed the situation before concluding on the accounting treatment. The NHLML obtained accounting opinion from an independent firm of Chartered Accountants. Also, NHLML consulted with the Internal Auditor of the Company as well. The both of them gave the same opinion. Considering the facts and opinion, the Board of Directors discussed the matter and concluded accordingly.

In view of above, it is requested that the provisional observation may kindly be dropped.

**B./ Comment of Profitability
Statement of Profit & Loss
Other Income – ₹31.13 million**

The funds received by the Company are parked in a separate bank A/c and as a matter of practice the interest earned

The above head includes interest earned on grant in aid funds amounting to ₹28.05 Million. As per Rule 230 (8) of General Financial Rules 2018, 'All interests or other earnings against Grants in aid or advances (other than reimbursement) released to any Grantee institution should be mandatorily remitted to the Consolidated Fund of India immediately after finalisation of the accounts.' Hence, treating Rs. 28.05 million as income is incorrect. This has resulted in overstatement of Other Income, understatement of Current Liabilities and Loss for the year by ₹28.05 Million

~~thereon is booked under separate head of~~ account namely "interest on deposit-grants" and applicable Act are complied with. Further, this amount of interest is also utilized for the purpose for which the loan was taken.

In view of above, it is requested to drop the provisional observation.

FORM NO. MR-3

**SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2022**

[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 as “**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 31st day of March, 2022, 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 31st day of March 2022, according to the provisions of “**The Companies Act, 2013 (the Act) and the rules made there under**”.

Further we have also examined compliance with the applicable clauses of **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 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 7.2.2.1 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.*
 - ii. As per clause 1.3.4 of SS-I, the Notice shall inform the Directors about the option available to them to participate through Electronic Mode and provide them all the necessary information. However, no such option was mentioned in the notices of the Board Meetings.*
 - iii. As per clause 7.4 of SS-I, within fifteen days from the date of the conclusion of the Meeting of the Board or the Committee, the draft Minutes thereof shall be circulated to all the members of the Board or the Committee, as on the date of the Meeting, for their comments. Whereas, in some instances, the minutes have been circulated after the prescribed period.*
- 2) The Compliance of the MCA General Circular dated 8th April, 2020 issued in the matter of conducting General Meetings through Video Conferencing or other Audio-Visual means was not complied by the Company.**
- 3) The Compliances of following provisions of the Act was not complied by the Company during a specified period beginning from 01.04.2021 to 26.08.2021, as there was only one Independent Director 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.*
- 4) There was Non-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**

- 5) ***There was non-compliance of Clause 89 of the Articles of Association of the Company regarding Retirement of Directors. As per the Articles of the Company, at least 2 Directors shall retire from the office. However, only one director retired at the Annual General Meeting of the Company held on 30th December, 2021.***

- 6) ***The Company has not complied with the Clause 41 of its Articles of Association, related to transfer of shares from Shri HC Gandhi to Shri Asheesh Kumar Jain. As per its AOA, no transfer of shares of the Company shall be registered unless in accordance with the provisions of Section 56 of the Act and these Articles, a proper instrument of transfer, duly stamped and executed by or on behalf of the transferor and by or on behalf of the transferee, has been delivered to the Company along with the certificates relating to the shares or debentures or, if no such certificate is in existence, along with the letter of allotment of the shares.***

- 7) ***There was non-compliance of Section 89(1) of the Companies Act, 2013 which states that, where the name of a person is entered in the register of members of a company as the holder of shares in that company but who does not hold the beneficial interest in such shares, such person shall make a declaration within such time and in such form as may be prescribed to the company specifying the name and other particulars of the person who holds the beneficial interest in such shares. (In accordance with the quoted section, Shri Asheesh Kumar Jain has required to made such declaration, however, no such declaration was made)***

- 8) ***The company has defaulted in the compliance related to the disclosure of some specified information on the website of the Company.***

We further report that:

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.

Place: Delhi
Date: 21/09/2022

JITESH GUPTA
(Practicing Company Secretary)
FCS No. 3978
C P No.: 2448
Peer Reviewed No. 902/2020
UDIN: F003978D001012733

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
(Practicing Company Secretary)
FCS No. 3978
C P No.: 2448
Peer Reviewed No. 902/2020
UDIN: F003978D001012733

Place: Delhi
Date: 21/09/2022



Reply to observations of Secretarial Auditor

Observations of Secretarial Auditor	Management Reply
<p>9) 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>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>v. As per clause 1.3.4 of SS-I, the Notice shall inform the Directors about the option available to them to participate through Electronic Mode and provide them all the necessary information. However, no such option was mentioned in the notices of the Board Meetings.</p> <p>vi. As per clause 7.4 of SS-I, within fifteen days from the date of the conclusion of the Meeting of the Board or the Committee, the draft Minutes thereof shall be circulated to all the members of the Board or the Committee, as on the date of the Meeting, for their comments. Whereas, in some instances, the minutes have been circulated after the prescribed period.</p>	<p>Noted for Compliance</p> <p>All the Directors confirmed telephonically regarding attending of meeting physically.</p> <p>Due to non-availability of CS of the company, circulation of minutes dated 23.11.2021 were delayed.</p>
<p><i>The Compliance of the MCA General Circular dated 8th April, 2020 issued in the matter of conducting General Meetings through Video Conferencing or other Audio-Visual means was not complied by the Company.</i></p>	<p>Noted</p>
<p>The Compliances of following provisions of the Act was not complied by the Company during a specified period beginning from 01.04.2021 to 26.08.2021, as there was only one Independent Director in the Board of the Company:</p> <p>iv. Non-Compliance Section 149 Sub-Section 4 of the Act read with Companies (Appointment and Qualifications of Directors) Rules, 2014</p>	<p>Second Independent Director already Appointed on 26.08.2021</p>

<p>with respect to having at least two Directors as Independent Director(s) in the Board.</p> <p>v. Non-Compliance of Section 177 of the Act with respect to the constitution of Audit Committee.</p> <p>vi. Non-Compliance of Section 178 of the Act with respect to the constitution of Nomination and Remuneration Committee.</p>	
<p>There was Non-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>Noted</p>
<p>The Company has not complied with the Clause 41 of its Articles of Association, related to transfer of shares from Shri HC Gandhi to Shri Asheesh Kumar Jain. As per its AOA, no transfer of shares of the Company shall be registered unless in accordance with the provisions of Section 56 of the Act and these Articles, a proper instrument of transfer, duly stamped and executed by or on behalf of the transferor and by or on behalf of the transferee, has been delivered to the Company along with the certificates relating to the shares or debentures or, if no such certificate is in existence, along with the letter of allotment of the shares.</p>	<p>All the shares were converted into Demat form except shares of Nominee Shareholders as nominees of NHAI is changing frequently.</p>
<p>There was non-compliance of Section 89(1) of the Companies Act, 2013 which states that, where the name of a person is entered in the register of members of a company as the holder of shares in that company but who does not hold the beneficial interest in such shares, such person shall make a declaration within such time and in such form as may be prescribed to the company specifying the name and other particulars of the person who holds the beneficial interest in such shares.(In accordance with the quoted section, Shri Asheesh Kumar Jain has required to made such declaration, however, no such declaration was made)</p>	<p>Noted for Compliance</p>
<p>The company has defaulted in the compliance related to the disclosure of some specified information on the website of the Company.</p>	<p>Noted for Compliance</p>

Details of Top Ten Employees in terms of Remuneration drawn as on 31.03.2022

Sl. No	Name on the employee (S/Sh.)	Designation of the employees	Remuneration received (per month) (Rs.)	Nature of employment	Qualification and experience of the employee	Date of commencement of the employment	The age of such employee	The last employment held by the such employee before joining the company	The percentage of equity share held by the employee in the company	Whether any such employee is relative of any Director or Manager of the company and if so, name of such Director or Manager
	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

Members of NATIONAL HIGHWAYS LOGISTICS MANAGEMENT LIMITED

(Formerly known as Cochin Port Road Company Limited)

Report on the audit of the Financial Statements

Opinion

We have audited the accompanying Financial Statements of **National Highways Logistics Management Limited** (“the Company”), which comprise the Balance Sheet as at 31st March 2022, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, Notes to the Financial Statements including a summary of the Significant Accounting Policies and other explanatory information (hereinafter referred to as “the Financial Statements”).

In our opinion and to the best of our information and according to the explanations given to us, the accompanying Financial Statements 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 on 31st March 2022, the loss and its cash flows for the year ended on that date.

Basis for 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 we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI’s Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse opinion on the Financial Statements.



Emphasis of Matter

- a) Attention is drawn to **Note no. 3** which suggests that **though the net worth of the company is still negative**, however, to revive the company a grant of Rs. 105 crore was introduced by Ministry of Road Transport & Highways, Govt. of India and the Management has started implementing the proposal to revamp the company by adding new areas of operations to improve the position of the company.
- b) Attention is also drawn to footnote in Note no. 4 relating to “Long Terms Borrowings” which suggests that the company has classified the **loan received from the National Highways Authority of India (NHAI) under the head “Unsecured Term Loans”**. However, it is observed that there were no terms and conditions stipulated between National Highways Authority of India (NHAI) and the company, with respect to the ‘Repayment Schedule and the Rate of Interest’. As per the Management, the interest is charged on the basis of the rates decided by NHAI on year to year basis (compounded annually).

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

Information Other than the Financial Statements and Auditor’s Report Thereon

The Company’s Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board’s Report including annexures to Board’s Report but does not include the Financial Statements and our Auditor’s Report thereon.

Our opinion on the Financial Statements does not cover the other information and we do 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 and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance 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 Act, read with relevant rules prescribed there under. 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 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 SAs 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 ability of the Company 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 of the Company, 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.

From the matter communicated with those charged with governance, we determine those matter that were of most significance in the audit of the Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "**Annexure A**" a statement, on the matters specified in paragraphs 3 and 4 of the said Order, to the extent applicable.

2. As required by section 143(5) of Companies Act, 2013 we report that we have complied with all the directions and sub direction , issued by the Comptroller and Auditor General of India, in the attached compliance certificates as "**Annexure B**"

3. As required by Section 143 (3) of the Act, we report that, to the extent applicable:
 - 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 Profit and Loss, 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 Rules prescribed there under.
 - e. Being a Government Company and pursuant to the Notification No. GSR 463(E) dated June 5, 2015 issued by the Ministry of Corporate Affairs, Government of India, provisions of sub-section (2) of Section 164 of the Act, are not applicable to the Company.
 - f. With respect to the adequacy of the Internal Financial Controls over the financial reporting of the Company and operative effectiveness of such controls, refer to our separate report in "**Annexure C**".
 - g. As per Notification No. GSR 463(E) dated June 5, 2015 issued by the Ministry of Corporate Affairs, Government of India, Section 197 of the Act is not applicable to the Government Companies. Accordingly, reporting of Directors Remuneration in accordance with requirement of provisions of section 197(16) of the Act is not applicable on the Company.
 - h. With respect to the other matters included in the Auditor's Report in accordance with Rule 11 of the Companies Act (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 impact of pending litigation on its financial position in its financial statements.

- II. The Company has long term contracts as at March 31, 2022 for which there were no material foreseeable losses. The Company did not have any long-term derivative contracts as at 31st March, 2022.
- III. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- IV. (i) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:
- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever (“Ultimate Beneficiaries”) by or on behalf of the Company, or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (ii) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall:
- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever (“Ultimate Beneficiaries”) by or on behalf of the Funding Party or
 - provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries; and
- (iii) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under subclause IV (i) and IV (ii) contain any material mis-statement
- V. There is no dividend declared or paid during the year by the Company as required under Section 123 of the Act.

For **SHIROMANY TYAGI & CO.**
Chartered Accountants
Firm Registration Number: 006117N



CA. Pradeep Tyagi

Partner

(Membership No. 084840)

Place: New Delhi

Date: June 28, 2022

UDIN: 22084840AOYOPT1966



Annexure- A to the Independent Auditor's Report

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' Section of our Report to members of National Highways Logistics Management Limited ('the Company') on the Financial Statements for the year ended 31st March 2022)

Statement on Matters specified in paragraphs 3 & 4 of the Companies (Auditor's Report) Order, 2020:

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- (i) In respect of Property, Plant and Equipment and Intangible Assets:
 - a) the company has maintained proper records to show full particulars, including quantitative details and situation of Property, Plant and Equipment,
 - b) we have been informed that Property, Plant and Equipment were physically verified during the year by the Management in accordance with a regular program of verification which, in our opinion, provides for physical verification of all the Property, Plant and Equipment (including rights to use assets) at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
 - c) The title deeds of the immovable properties are held in the name of the Company.
 - d) the company has not revalued its Property, Plant and Equipment or intangible assets (including rights to use assets) during the year. Accordingly, reporting under clause (i)(d) of the Order is not applicable.
 - e) no proceeding have been initiated or are pending against the company for holding any benami property under the Benami Transactions (prohibition) Act, 1988 and the rules made thereunder. Accordingly, reporting under clause (i)(e) of the Order is not applicable.
- (ii) The Company does not hold any inventory, therefore the provision of clause (ii) of Companies (Auditor's Report) Order, 2020 are not applicable.
- (iii) the company has not granted any loan, secured or unsecured to companies, firm and other parties covered in the register maintained under Section 189 of

the Companies Act, 2013 Accordingly, paragraph (iii) of Order is not applicable.

- (iv) In our opinion and according to the information and explanations provided to us, the Company has not granted any loans or provided any guarantees or security to the parties covered under Section 185 and 186 of the Act. Accordingly, reporting under clause (iv) of paragraph 3 of the Order is not applicable.
- (v) the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, reporting under clause (v) of paragraph 3 of the Order is not applicable.
- (vi) According to the information and explanations given to us, the maintenance of cost records has not been specified by the Central Government under Section 148 (1) of the Companies Act, 2013 for the business activities carried out by the Company. Accordingly, reporting under clause (vi) of paragraph 3 of the Order is not applicable.
- (vii) a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees' State Insurance, Income tax, Sales tax, Service tax, Duty of Customs, Duty of Excise, Goods and Service Tax ('GST'), Value Added Tax, Cess and any other material statutory dues, to the extent applicable, have generally been regularly deposited with the appropriate authorities during the year. As explained to us, the Company did not have any dues on account of Sales tax, Service tax, Duty of excise, Value Added Tax. No undisputed amounts payable in respect of provident fund, income tax, goods and service tax, duty of customs, employee state insurance, cess and other material statutory dues in arrears as at March 31, 2022 for a period of more than six months.

b) According to the information and explanations given to us, and on the basis of the records of the Company examined by us, there are no dues of Income-tax, Sales-tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax and GST which have not been deposited with the appropriate authorities on account of any dispute.
- (viii) The company has not any unrecorded income surrendered or disclosed in the income tax assessment during the year. Accordingly, reporting under clause (viii) of paragraph 3 of the Order is not applicable.
- (ix) According to the information and explanations given to us, the company has not defaulted in repayment of dues to any financial institution or bank. Also, the

Company has neither taken any loans from financial institutions or banks nor issued any debentures during the year. Accordingly, reporting under clause (ix) of paragraph 3 of the Order is not applicable.

- (x) According to the information and explanations given to us, the Company has not raised any money by way of initial public offer or further public offer (including debt instrument) and any term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- (xi) According to the information and explanations given to us and as represented by the Management and based on our examination of the books and records of the Company and in accordance with generally accepted auditing practices in India, no case of fraud by the Company or any fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanation provided to us, the Company has complied with the provisions of Section 177 and 188 of the Act with reference to the transactions with the related parties, wherever applicable. Details of the transactions with the related parties have been disclosed in the Financial Statements as required by the applicable Accounting Standards. However, the Company has not executed any loan agreement with National Highways Authority of India (NHAI), hence we are unable to comment on loan repayment plan.
- (xiv) (a) The company has an internal audit system commensurate with the size and nature of its business;

(b) The reports of the Internal Auditors for the period under audit were considered by the Statutory Auditor and no material discrepancies were noticed in the internal audit report.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with them as covered under Section 192 of the Act.
- (xvi) According to information and explanation given to us, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

- (xvii) In our opinion and according to the information and explanations given to us, the company has incurred cash losses during the financial year and in the immediately preceding financial year.
- (xviii) In our opinion and according to the information and explanations given to us, there is no resignation of statutory auditors during the year. Accordingly, reporting under this clause (xviii) of paragraph 3 of the Order is not applicable.
- (xix) According to the information and explanations given to us and on the basis of financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting, based on the facts, up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.
- (xx) In our opinion and according to the information and explanations given to us, the Company is not liable to make provision for Corporate Social Responsibility (CSR) fund as per the provision of the Companies Act, 2013. Accordingly, reporting under clause (xx) of paragraph 3 of the Order is not applicable.
- (xxi) This clause is applicable only in case of Consolidated Financial Statements. Accordingly, reporting under clause (xxi) of paragraph 3 of the Order is not applicable.

For **SHIROMANY TYAGI & CO.**
Chartered Accountants
Firm Registration Number: 006117N

CA. Pradeep Tyagi
Partner
(Membership No. 084840)

Place: New Delhi
Date: June 28, 2022
UDIN: 22084840AOYOPT1966



Annexure C to the Independent Auditor's Report

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' Section of our Report to members of National Highways Logistics Management Limited ('the Company') on the financial statements for the year ended 31st March 2022)

Report on the Internal Financial Controls over Financial Reporting 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 Limited** ("the Company") as on 31st March 2022 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 ('ICAI'). 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 and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of Internal Financial Controls. 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 judgment, 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 authorization of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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 and to the best of our information and according to explanations given to us, 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 31 March 2022, 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
Firm Registration Number: 006117N

CA. Pradeep Tyagi
Partner
(Membership No. 084840)

Place: New Delhi
Date: June 28, 2022
UDIN: 22084840AOYOPT1966

Annexure B 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
A. Directions			
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. N.A.	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.	Nothing adverse came to our notice during the audit process.	NIL

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

(Pradeep Tyagi)
Partner
Membership No. 084840
Date: June 28, 2022
UDIN: 22084840AOYOPT1966



COMPLIANCE CERTIFICATE

We have conducted the audit of accounts of **National Highways Logistics Management Limited** for the year ended 31 March 2022 in accordance with the direction /sub-direction issued by the C&AG of India under section 143(5) of the Companies Act, 2013.

For **SHIROMANY TYAGI & CO.**
Chartered Accountants
Firm Registration Number: 006117N

CA. Pradeep Tyagi
Partner (Membership No. 084840)

Place: New Delhi

Date:

UDIN:



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 2022

(₹ in millions)

Particulars	Notes	As at 31st March 2022	As at 31st March 2021
I. EQUITY AND LIABILITIES			
<u>(1) Shareholders' Funds</u>			
(a) Share Capital	2	579.00	579.00
(b) Reserves and Surplus	3	(1,068.92)	(1,957.51)
<u>(2) Non-Current Liabilities</u>			
(a) Long Term Borrowings	4	2,723.89	2,577.30
(b) Other Long Term Liabilities	5	20.49	2.73
<u>(3) Current Liabilities</u>			
(a) Trade Payables	6	16.33	14.01
(b) Other Current Liabilities	7	57.56	7.56
Total		2,328.35	1,223.09
II. ASSETS			
<u>(1) Non-Current Assets</u>			
(a) Property, Plant and Equipment and intangibles			
(i) Tangible Assets	8A	2.36	0.01
(ii) Intangible Assets	8A	879.56	817.90
(ii) CWIP			
Intangible Assets Under Development	8B	142.45	-
(b) Long-Term Loans and Advances	9	261.50	228.10
<u>(2) Current Assets</u>			
(a) Trade Receivable	10	18.70	20.82
(b) Cash and Cash equivalents	11	883.05	38.04
(c) Short-Term Loans and Advances	12	0.01	-
(d) Other Current Assets	13	140.72	118.22
Total		2,328.35	1,223.09

The accompanying notes from 1 to 31 form an integral part of the financial statements

As per our report of even date

For Shiromany Tyagi & Co.

Chartered Accountants

Firm Registration No: 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

(Ravinder)
Director
DIN: 08920344

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

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH 2022

(₹ in millions)

Particulars	Notes	For the year ended 31st March 2022	For the year ended 31st March 2021
I. Revenue from operations	14	146.55	60.02
II. Other Income	15	31.13	1.34
III. Total Revenue		177.68	61.36
IV. Expenses:			
Employee Benefits Expense	16	1.32	0.56
Finance Costs	17	270.45	152.17
Depreciation and Amortisation Expenses	8	107.73	103.29
Other Expenses	18	3.68	30.75
Total Expenses		383.18	286.77
V. Loss for the year before Taxation & Prior period items		(205.50)	(225.41)
Prior period items			
<i>Prior period Income (net)</i>		17.16	-
Provision for taxation:			
- Current Tax / Deferred Tax		-	-
VI. Loss for the year after Taxation		(188.34)	(225.41)
VII. Earning per equity share:			
Basic and Diluted	19	(3.25)	(3.89)

The accompanying notes from 1 to 31 form an integral part of the financial statements

As per our report of even date

For Shiromany Tyagi & Co.

Chartered Accountants

Firm Registration No: 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

(Ravinder)

Director

DIN: 08920344

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

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2022

(₹ in millions)

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
A. Cash Flow from operating activities		
Net Profit before Tax as per Statement of Profit & Loss	(188.34)	(225.41)
Add : Adjustment for-		
- Depreciation / Amortisation	107.73	103.29
- Interest Expense	270.45	152.17
- Interest Income	(30.72)	(1.34)
Operating profit (loss) before working capital changes	159.12	28.71
Adjusted for:-		
(Increase) / Decrease in Trade Receivables	2.12	(4.80)
(Increase) / Decrease in Loans and advances	(33.40)	(0.07)
(Increase) / Decrease in Current Assets	(22.51)	(3.10)
Increase /(Decrease) in Trade Payables	2.31	0.64
Increase /(Decrease) in long term and current liabilities	67.75	137.60
Cash generated from operations	175.39	158.98
Tax Paid		-
Cash Flow from operating activities (A)	175.39	158.98
B. Net cash flow from investing activities		
Adjustments for:		
Interest Income	30.72	1.18
Purchase of fixed Assets/ Intangibles under development	(287.24)	-
Investment in term deposits with banks	(848.05)	(1.85)
Net Cash(used) from Investing Activities (B)	(1,104.57)	(0.67)
C. Net cash flow from Financing activities		
Proceeds from long term borrowings	146.59	-
Grant	1,050.00	-
Interest Expense	(270.45)	(152.17)
Net cash generated from Financing activities (C)	926.14	(152.17)
Net Increase/(Decrease) in Cash and Cash equivalents (A+B+C)	(3.04)	6.14
Opening balance of cash and cash equivalents	6.56	0.42
Closing balance of cash and cash equivalents	3.52	6.56
Components of cash and cash equivalents at the end of the year		
Cash in hand	-	-
Balance with Scheduled banks		
- In Current Accounts	3.52	6.56
- In Deposit Accounts	-	-
Total	3.52	6.56

The accompanying notes from 1 to 31 form an integral part of the financial statements

As per our report of even date

For Shiromany Tyagi & Co.

Chartered Accountants

Firm Registration No: 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

(Ravinder)

Director

DIN: 08920344

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

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 Aror 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':

All assets and liabilities have been classified as current or non-current, wherever applicable as per the operating cycle of the company and as per the guidance as set out in Schedule III to the Act.

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 rupee in millions.

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 & Intangible Assets

- 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 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 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. Interest earned on deposits made out of government grant is recognised as revenue of company .

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.

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 31ST MARCH 2022

Note - 2 SHARE CAPITAL

(₹ in millions)

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
Authorized Capital		
10,000,000,000 (Previous year 10,000,000,000) Equity Shares of Rs.10/- each	100,000	100,000
	100,000	100,000
Issued, Subscribed and Paid-up		
57,900,000 (Previous year 57,900,000) Equity Shares of Rs.10/- each	579.00	579.00
Total	579.00	579.00

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

(₹ in millions)

Equity Shares	31st March 2022		31st March 2021	
	No of shares	Amount	No of shares	Amount
At the beginning of the year	57.90	579.00	57.90	579.00
Add: Shares issued during the year	-	-	-	-
Balance as at the end of the year	57.90	579.00	57.90	579.00

(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

(₹ in millions)

Name of Shareholder	31st March 2022		31st March 2021	
	No of shares	% of holding	No of shares	% of holding
National Highways Authority Of India (including its Nominees)	57.90	100.00%	57.90	100.00%
Total	57.90	100.00%	57.90	100.00%

(d) Details of shares held by promoters in the Company at the end of the year:

(₹ in millions)

(₹ in millions)

Promoter Name	As at 31-Mar-22			As at 31-Mar-21		
	Number of shares	% holding in the class	% Change During The Year	Number of shares	% holding in the class	% Change During The Year
NHAI	57.90	100%	NA	57.90	100%	NA
Total	57.90			57.90		

Note 3: RESERVE & SURPLUS

Particulars	As At 31st March 2022	As At 31st March 2021
a) Capital Reserve		
Grant Received	1,050.00	-
Total	1,050.00	-
b) Surplus/(Loss) as per Statement of Profit & Loss		
Opening Balance	(1,957.51)	(1,732.10)
Current Year Profit/(Loss)	(188.34)	(225.41)
Adjustment of previous year CWIP MMLP	26.94	
Total	(2,118.92)	(1,957.51)
Total	(1,068.92)	(1,957.51)

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 31ST MARCH 2022

(₹ in millions)

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
Note - 4 LONG TERM BORROWINGS		
Loan From Related Party - NHAI*	2,723.89	2,577.30
Total	2,723.89	2,577.30

*Loan from NHAI is in nature of 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 @ 6.30 % p.a. (Previous Year@ 6.92 % p.a.).

Note - 5 OTHER LONG TERM LIABILITIES

Payable For Capital Expenditure	20.23	2.48
Retention money	0.13	0.13
Others	0.12	0.12
Total	20.49	2.73

Note - 6 TRADE PAYABLES

Micro, Small and medium Enterprise*	0.36	-
Others	15.97	14.01
Total	16.33	14.01

Trade Payables Ageing Schedule

As at 31-Mar-22	Outstanding for the following periods from due date of payments				
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
(i) MSME	0.36	-			0.36
(ii) Others	13.57	0.10		2.30	15.97
(iii) Disputed dues - MSME					
(iv) Disputed dues - Others					

As at 31-Mar-21	Outstanding for the following periods from due date of payments				
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
(i) MSME					
(ii) Others	11.42	0.29		2.30	14.01
(iii) Disputed dues - MSME					
(iv) Disputed dues - Others					

*Note: 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. As per process, the Company sought information from all vendors regarding MSME registration accordingly necessary impact (if applicable) has been taken.

Note - 7 OTHER CURRENT LIABILITIES

Statutory Dues Payable	23.86	0.62
Payable to group companies	-	1.13
Amount payable to NHAI	4.01	4.01
Expenses Payable	27.98	1.59
Security Deposit (EMD)	1.71	0.21
Total	57.56	7.56

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 31ST MARCH 2022

Note - 8A Property, Plant and Equipment

(₹ in millions)

Particulars	GROSS BLOCK			DEPRECIATION / AMORTISATION				NET BLOCK		
	As at 01.04.2021	Additions during the year	Deductions/ Adjustments	As at 31.03.2022	Up to 01.04.2021	During the year	Deductions/ Adjustments	Total upto 31.03.2022	As at 31.03.2022	As at 31.03.2021
Tangible Assets										
Computer	-	1.99	-	1.99	-	0.25	-	0.25	1.74	-
Furniture & Fittings	0.14	0.02	-	0.16	0.13	0.00	-	0.13	0.03	0.01
Office Equipment	0.01	0.65	-	0.66	0.00	0.07	-	0.07	0.59	0.00
Total Tangible Assets	0.15	2.66	-	2.81	0.13	0.32	-	0.45	2.36	0.01
Intangible Assets										
Toll Road & Bridges	1,852.24	169.06	-	2,021.30	1,034.33	107.41	-	1,141.74	879.56	817.91
Total Intangible Assets	1,852.24	169.06	-	2,021.30	1,034.33	107.41	-	1,141.74	879.56	817.91
Total	1,852.39	171.72	-	2,024.11	1,034.46	107.73	-	1,142.19	881.92	817.92
Previous Year	1,852.39	-	-	1,852.39	931.18	103.29	-	1,034.47	817.91	-

Note - 8B Capital Work in Progress

Particular	As at 31st March 2022	As at 31st March 2021
Opening Balance	-	-
Addition	142.45	-
Deletion	-	-
Closing Balance	142.45	-

Title deeds of Immovable Property not held in name of the Company

Relevant line item in the Balance sheet	Description of item of Property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the company*

Capital Work In Progress(CWIP) and Intangible Assets under development

CWIP/ Intangible Assets under development	Amount of CWIP/ Intangible under development for period of March 31st, 2022				Total
	Less than 1 years	1-2 years	2-3 years	More than 3 Years	
Projects in progress*	115.54	26.91	-	-	142.45
Projects temporarily suspended					

*Projects in progress includes INR 269.07,045/- expenses incurred in financial year 2021-22.

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 31ST MARCH 2022

(₹ in millions)

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
-------------	---------------------------------------	---------------------------------------

Note - 9 LONG TERM LOANS & ADVANCES

Unsecured, considered good

Deposit Electricity	0.07	0.07
Security Deposit NSDL	0.15	0.15
Security Deposit RTA	0.00	0.00
Income Tax Recoverable	4.64	1.65
Recoverable from NHAI (CFI)	256.64	226.23
Total	261.50	228.10

Note - 10 TRADE RECEIVABLES

Unsecured, considered good

I. Debts outstanding for a period exceeding six months from the due date	11.73	11.73
II. Other Debts	6.97	9.09
Total	18.70	20.82

Trade Receivables Ageing Schedule

As at 31-Mar-22	Outstanding for the following periods from due date of payments				
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
(i) Undisputed Trade Receivables-Considered Good	6.97	3.15	1.49	7.09	18.70
(ii) Undisputed Trade Receivables-Considered Doubtful					
(iii) Disputed Trade Receivables-Considered Good					
(iv) Disputed Trade Receivables-Considered Doubtful					

As at 31-Mar-21	Outstanding for the following periods from due date of payments				
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
(i) Undisputed Trade Receivables-Considered Good	10.69	3.03	6.59	0.50	20.82
(ii) Undisputed Trade Receivables-Considered Doubtful					
(iii) Disputed Trade Receivables-Considered Good					
(iv) Disputed Trade Receivables-Considered Doubtful					

Note - 11 CASH & CASH EQUIVALENTS

Cash and Cash Equivalents

Cash in Hand	-	-
Balances with bank		
- In Current Accounts	3.52	6.56
Other bank balances:		
- Bank Deposits having maturity from 3 to 12 Months	879.53	31.48
Total	883.05	38.04

Note - 12 SHORT TERM LOANS & ADVANCES

Advance given to employees	0.01	-
Total	0.01	-

Note - 13 OTHER CURRENT ASSETS

Arbitral Award Money paid to Concessionaire	114.07	114.07
Interest accrued on Deposits	23.06	0.56
Advance payment to Government (TDS)	3.59	3.59
Total	140.72	118.22

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 31ST MARCH 2022

(₹ in millions)

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
Note - 14 REVENUE FROM OPERATIONS		
- Sale of Services		
Toll Revenue/Concession Fee	70.46	60.02
Double Charges (Non-fastage)	76.09	-
Total	146.55	60.02
Note - 15 OTHER INCOME		
Interest on Deposits	30.72	1.34
Tender fee collection	0.41	-
Sundry Balance written back	-	0.00
Total	31.13	1.34
Note - 16 EMPLOYEE BENEFIT EXPENSES		
Salary & Wages	0.72	0.56
Staff Welfare	0.60	-
Total	1.32	0.56
Note - 17 FINANCE COST		
- Interest on loan from NHAI	146.59	152.17
- Interest to others	123.86	-
Total	270.45	152.17
Note - 18 OTHER EXPENSES		
Legal & Professional Charges	1.24	7.19
Supervision Charges	1.37	1.18
Operation & Maintenance	0.52	1.66
ROC Fees	0.00	20.37
Rent	0.21	-
Travelling Expense	0.05	0.03
Directors Sitting Fee	0.04	-
Auditor's remuneration :		
- As Auditor	0.01	0.15
- For taxation matters	0.00	0.04
-For reimbursement of expenses	0.02	-
Interest on Statutory dues	0.02	0.01
Miscellaneous Expenses	0.20	0.13
Total	3.68	30.76

Note: a) Employee Benefit Expenses (Note 16) and Other expenses (Note 18) represents the amount net of expenses transferred to CWIP: incurred for ongoing projects of MMLP, Ropeway and other logistics projects.

National Highways Logistics Management Limited

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

CIN: U63000DL20004PLC124173

Note 19: Disclosure of Ratios

Particulars	As at 31.03.2022	As at 31.03.2021	Deviation	Remarks
(a) Current Ratio (times) = Current Assets/Current Liabilities	14.11	8.21	71.87%	-
(b) Debt-Equity Ratio (times) = Total Debt/Shareholders' Equity	(5.56)	(1.87)	197.38%	Majorly due to increase in shareholder fund.
(c) Debt Service Coverage Ratio (times) = Earnings available for debt service / Debt Service	(0.28)	(0.48)	40.84%	Majorly Due to decrease in interest rate from 6.92 % to 6.3%
(d) Return on Equity Ratio (ROE) (%)= Net Profit/(loss)/Average shareholders equity	0.38	0.16	135.10%	Majorly due to decrease in net loss.
(e) Trade Receivables turnover ratio (times) = Total Sales / Closing Trade Receivable	7.84	2.88	171.89%	Due to increase in revenue from toll collection by double charges
(f) Trade payables turnover ratio (times) = Total Purchase / Closing Trade Payable	16.87	13.09	28.85%	Due to increase in interest cost paid to contractor.
(g) Net capital turnover ratio (times) = Total Sales/Working Capital	0.15	0.39	-60.80%	Due to increase in revenue from toll collection by double charges
(h) Inventory turnover ratio (times) = Total Sales/Average inventory	NA	NA	NA	-
(i) Net profit ratio (%) = Net Profit after tax /Total Sales	(1.29)	(3.76)	65.78%	Due to increase in revenue from toll collection by double charges
(j) Return on Capital employed (%) = EBIT / Capital employed	0.04	(0.03)	212.11%	Due to increase in interest cost paid to contractor .
(k) Return on investment (%) = EBIT/Closing Total Assets	0.04	(0.06)	158.89%	Due to increase in interest cost paid to contractor and Due to increase in revenue from toll collection by double charges

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 31ST MARCH 2022

Note - 20 EARNING PER SHARE (EPS)

(₹ in millions)

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
Profit (loss) for the year attributable to equity shareholders (Rs.)	(188)	(225)
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)	(3.25)	(3.89)

Note - 21 Contingent Liabilities

i) Arbitration case with Kochi Aroor Tollways Pvt. Ltd.(KATPL)

Case 1

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 around INR 69.3 Million calculated @ 13.5% per annum (i.e. 8.5% RBI interest + 5%).

Case 2

An OMT contract of 9 years was given to Kochi Aroor Tollways Pvt. Ltd. (KATPL) for "Operation and Maintenance of Edapally— Vytilla — Aroor Section of NH - 66 from km. 342.000 to km. 358.750 on OMT in the State of Kerala" (Package No. OMT-23) is valid till 05.09.2024. The obligations of KATPL were pending for which Cure period notice of 60 days was given. Also, KATPL was collecting considerably high toll. However, KATPL went to the court citing that NHAI through NHLML wants to take extreme coercive and/or precipitative action against KATPL with an ulterior motive that whatever toll collection being collected by the KATPL can be realized by NHLML itself.

KATPL has sought following relief against the company :

- 1) Restrain the Respondent Authority from acting upon its communication dated 01.07.2021 by taking any coercive / precipitative action against the Petitioner under the same;
- 2) grant Ad-interim ex-parte relief in terms of the above prayer(s) till the final disposal of the arbitration proceedings to be initiated between the Petitioner and the Respondent Authority;
- 3) grant any other or further relief that this Hon'ble Court deems fit and proper in the facts and circumstances of the case in favour of the Petitioner and against the Respondent

ii) Taxation

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.

c. AY 2013-14

CIT (A) against 143(3) filed as TDS Credit of Rs. 1,94,523/- not given though reflected in 26AS. No communication from 01.04.2016 till date from CIT (A) Office.

d. AY 2020-21

U/s 143(3), Department has make addition of contingent liabilities amount of Rs. 27,63,47,350/- as shown in the tax audit report. On the aforesaid addition , department has calculated the demand of Rs 29,522,510/-. Response submitted stating that addition is on account of contingent liabilities not debited in P & L a/c.

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 - 22

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 by NHLML. Sitting fees is paid to Independent director/s wherever applicable.

Note - 23 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 Chief Executive Officer, Company Secretary and Chief Financial Officer.

Note - 24

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 - 25

As per the information available, INR 358,540 is payable by the company to Micro, small and medium enterprises under the Micro, small and medium Enterprises Development Act, 2006.

Note - 26 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 2021-22**List of KMPs & Directors :**

Sh. Manoj Kumar	Chairman
Sh. Sudhir Kumar	Independent Director (w.e.f. 26.08.2021)
Sh. K. Sathianathan	Independent Director (w.e.f. 26.08.2021)
Sh. S. P. Singh	Director
Sh. S.Q. Ahmad	Director & Chief Financial Officer
Sh. Ravinder	Director
Ms. Pratima Gupta	Director
Shri A.K. Jain	Director (w.e.f. 26.08.2021)
Sh. A. K. Sharma	Director (till 26.08.2021)
Sh. Prakash Gaur	Chief Executive Officer (KMP)
Ms. Gunjan Rajpal	Company Secretary (w.e.f. 03.11.2020_)

(c) Transactions with related parties during the year*(₹ in millions)*

Nature of transactions	For the year ended March 31, 2022	For the year ended March 31, 2021
Transactions with National Highways Authority of India		
Unsecured Term-loan		
-Interest on Unsecured Term-loan	146.59	152.17
Toll Amount		
-Toll Receivable from NHAI (CFI)	30.42	-
Transaction with Mumbai JNPT Port Road Co. Ltd.		
Reimbursement of rent expenses (payable) to NHAI	2.30	0.05

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

Name of the Company	For the year ended March 31, 2022	For the year ended March 31, 2021
Amount Payable		
NHAI (towards borrowings)	2,723.89	2,577.30
NHAI (towards- expenses Payable)	4.01	4.01
Paradip Port Road Company Limited	-	0.17
Mumbai JNPT Port Road Company Limited	-	0.88
Calcutta Haldia Port Road Company Limited	-	0.03
Amount Receivable		
NHAI (Recoverable Toll plough back from CFI)	256.64	226.23

Note - 27

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

Note - 28

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) 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 - 29 - Impact of Covid 19

The impact of COVID-19 has been an evolving situation since late 2019. Given the information available at 31 March 2022, COVID-19 would be unlikely to have a material effect on the measurement of assets and liabilities at that date

Note - 30

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

Note - 31

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

As per our report of even date

For Shiromany Tyagi & Co.
Chartered Accountants
Firm Registration No: 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

(Ravinder)
Director
DIN: 08920344

Place: New Delhi

Date: