

National Highways Logistics Management Limited

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

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

CIN: U63000DL20004PLC124173

BALANCE SHEET AS AT 31ST MARCH 2021

(Amount in million)

Particulars	Notes	As at 31st March 2021	As at 31st March 2020
I. EQUITY AND LIABILITIES			
<u>(1) Shareholders' Funds</u>			
(a) Share Capital	2	579.00	579.00
(b) Reserves and Surplus	3	(1,962.05)	(1,732.10)
<u>(2) Non-Current Liabilities</u>			
(a) Long term Borrowings	4	2,577.30	2,425.13
(b) Other Long Term Liabilities	5	0.16	0.16
<u>(3) Current Liabilities</u>			
(a) Trade Payables	6	3.51	2.87
(b) Other Current Liabilities	7	10.32	24.70
Total		1,208.24	1,299.76
II. ASSETS			
<u>(1) Non-Current Assets</u>			
(a) Property, Plant and Equipment			
(i) Tangible Assets	8	0.01	0.01
(ii) Intangible Assets	8	817.91	921.19
(b) Long-Term Loans and Advances	9	1.88	1.80
(c) Other non current assets	10	232.19	231.36
<u>(2) Current Assets</u>			
(a) Trade Receivable	10	0.00	0.39
(b) Cash and Cash equivalents	11	38.05	30.05
(c) Short-Term Loans and Advances	12	-	0.01
(d) Other Current Assets	13	118.21	114.95
Total		1,208.24	1,299.76

The accompanying notes from 1 to 30 form an integral part of the financial statements

As per terms of our report of even date attached

For K M G S & Associates
Chartered Accountants
FRN 004730N

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

(Ashoo Mittal)
Partner
M. No. 090640

(Manoj Kum (S.Q. Ahmad)
Chairman Chief Financial Officer
DIN - 08854382

(Gunjan Rajpal
Company Secretary
M.No: F8707

Place: New Delhi

Date:

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

(Amount in million)

Particulars	Notes	For the year ended 31st March 2021	For the year ended 31st March 2020
I. Revenue from operations	14	56.57	57.03
II. Other Income	15	1.34	0.63
III. Total Revenue		57.91	57.66
IV. Expenses:			
Employee Benefits Expense	16	0.56	-
Finance Costs	17	152.17	159.31
Depreciation and Amortisation Exp	8	103.29	103.58
Other Expenses	18	31.85	7.60
Total Expenses		287.86	270.49
V. Profit/(Loss) for the year before Taxation		(229.95)	(212.83)
Prior period items		-	1.98
		(229.95)	(214.81)
Provision for taxation:			
- Current Tax		-	-
VI. Profit/(Loss) for the year after Taxation		(229.95)	(214.81)
VII. Earning per equity share:			
Basic and Diluted	19	(3.97)	(3.71)

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FRN 004730N

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(Ashoo Mittal)
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CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2021

(Amount in million)

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
A. Cash Flow from operating activities		
Net Profit before Tax as per Statement of Profit & Loss	(229.95)	(214.81)
Add : Adjustment for-		
- Depreciation / Amortisation	103.29	103.58
- Interest Expense	152.17	159.31
- Interest Income	(1.34)	(0.60)
Operating profit (loss) before working capital changes	24.17	47.49
Adjusted for:-		
(Increase) / Decrease in Trade Receivables	(0.45)	(21.69)
(Increase) / Decrease in Loans and advances	(0.07)	(0.39)
(Increase) / Decrease in Current Assets	(3.10)	(114.28)
Increase /(Decrease) in Trade Payables	0.64	1.79
Increase /(Decrease) in long term and current liabilities	137.79	(4.56)
Cash generated from operations	158.98	(91.65)
Tax Paid	-	-
Cash Flow from operating activities (A)	158.98	(91.65)
B. Net cash flow from investing activities		
Adjustments for:		
Purchase of fixed Assets/ Intangibles under development	-	-
Interest Income	1.18	0.21
Investment in term deposits with banks	(1.85)	(23.44)
Net Cash(used) from Investing Activities (B)	(0.67)	(23.23)
C. Net cash flow from Financing activities		
Proceeds from long term borrowings	-	129.60
Interest Expense	(152.17)	(15.93)
Net cash generated from Financing activities (C)	(152.17)	113.67
Net Increase/(Decrease) in Cash and Cash equivalents (A+B+C)	6.15	(1.21)
Opening balance of cash and cash equivalents	0.41	1.62
Closing balance of cash and cash equivalents	6.56	0.41
Components of cash and cash equivalents at the end of the year		
Cash in hand	-	-
Balance with Scheduled banks		
- In Current Accounts	6.56	0.41
- In Deposit Accounts		
Total	6.56	0.41

The accompanying notes from 1 to 30 form an integral part of the financial statements

As per terms of our report of even date attached

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FRN 004730N

For and on behalf of the Board of Directors of

National Highways Logistics Management Limited

(Ashoo Mittal)

Partner

M. No. 090640

(Manoj Kumar)

Chairman

DIN - 08854382

(S.Q. Ahmad)

Chief Financial Officer

(Gunjan Rajpal)

Company Secretary

M.No: F8707

Place: New Delhi

Date:

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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021

(Amount in million)

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Note - 2 SHARE CAPITAL		
Authorized Capital		
10000,000,000 (Previous year 60,000,000) Equity Shares of Rs.10/- each	1,00,000.00	600.00
	1,00,000.00	600.00
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

Equity Shares	31st March 2021		31st March 2020	
	No of shares.	Amount	No of shares.	Amount
At the beginning of the year	5,79,00,000.00	579.00	5,79,00,000.00	579.00
Add: Shares issued during the year	-	-	-	-
Balance as at the end of the year	5,79,00,000.00	579.00	5,79,00,000.00	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

Name of Shareholder	31st March 2021		31st March 2020	
	No of shares.	% of holding	No of shares.	% of holding
National Highways Authority Of India(including its Nominees)	5,79,00,000.00	100.00%	5,79,00,000.00	100.00%
Total	5,79,00,000.00	100.00%	5,79,00,000.00	100.00%

Note 3: RESERVE & SURPLUS

Particulars	As At 31st March 2021	As At 31st March 2020
Surplus/(Loss) as per Statement of Profit & Loss		
Opening Balance	(1,732.10)	(1,517.30)
Current Year Profit/(Loss)	(229.95)	(214.81)
Total	(1,962.05)	(1,732.10)

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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021

(Amount in million)

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

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

Note - 5 OTHER LONG TERM LIABILITIES

Retention money	0.13	0.13
Others	0.02	0.02
Total	0.16	0.16

Note - 6 TRADE PAYABLES

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

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

Note - 7 OTHER CURRENT LIABILITIES

Duties & Taxes	0.61	16.34
Payable For Capital Expenditure	1.67	2.48
Payable to group companies	1.13	1.08
Amount payable to NHAI	4.01	4.01
Expenses Payable	2.69	0.58
Security Deposit (EMD)	0.21	0.21
Total	10.32	24.70

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Notes forming part of the financial statements for the year ended 31st March, 2020

Note - 8 Property, Plant and Equipment

(Amount in million)

Particulars	GROSS BLOCK				DEPRECIATION / AMORTISATION				NET BLOCK	
	As at 01.04.2020	Additions during the year	Deductions/ Adjustments	As at 31.03.2021	Up to 01.04.2020	During the year	Deductions/ Adjustments	Total upto 31.03.2021	As at 31.03.2021	As at 31.03.2020
Tangible Assets										
Furniture & Fittings	0.14	-	-	0.14	0.13	0.01	-	0.13	0.01	0.01
Office Equipment	0.01	-	-	0.01	0.00	-	-	0.00	0.00	0.00
	0.14	-	-	0.14	0.13	0.01	-	0.14	0.01	0.01
Intangible Assets										
Toll Road & Bridges	1,852.24	-	-	1,852.24	931.05	103.29	-	1,034.33	817.91	921.19
	1,852.24	-	-	1,852.24	931.05	103.29	-	1,034.33	817.91	921.19
Total	1,852.38	-	-	1,852.38	931.18	103.29	-	1,034.47	817.91	921.21
Previous Year	1,849.20	12.59	9.40	0.00	725.06	102.54	-	0.00	0.00	1,124.14

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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021

(Amount in million)

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
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	1.65	1.58
Total	1.88	1.80
Note - 10 TRADE RECEIVABLES		
Classified under Other Non-Current Assets		
Trade Receivable-Unsecured, considered good	232.19	231.36
Total A	232.19	231.36
Classified under Current Assets		
Unsecured, considered good		
I. Debts outstanding for a period exceeding six months from the due date	(0.00)	0.39
II. Other Debts	-	-
Total B	(0.00)	0.39
Grand Total (A+B)	232.19	231.74
Note - 11 CASH & CASH EQUIVALENTS		
Cash and Cash Equivalents		
Cash in Hand	-	-
Balances with bank		
- In Current Accounts	6.56	0.41
Other bank balances:		
- Bank Deposits having maturity between 3 to 12 Months	31.48	29.63
Total	38.05	30.05
Note - 12 SHORT TERM LOANS & ADVANCES		
Loans & Advances (Assets)	-	0.01
Total	-	0.01
Note - 13 OTHER CURRENT ASSETS		
Arbitral Award Money paid to Concessionaire	114.07	114.07
Interest accrued on Deposits with Bank	0.55	0.40
Expenses Recoverable	-	0.48
Advance payment of TDS	3.59	
Total	118.21	114.95

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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021

(Amount in million)

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Note - 14 REVENUE FROM OPERATIONS		
- Sale of Services		
Toll Revenue/Cocession Fee	56.57	57.03
Total	56.57	57.03
Note - 15 OTHER INCOME		
Other Income	-	0.00
Interest on Deposits	1.34	0.60
Sundry Balance written back	0.00	0.04
Total	1.34	0.63
Note - 16 EMPLOYEE BENEFIT EXPENSES		
Salary & Wages	0.56	-
Total	0.56	-
Note - 17 FINANCE COST		
Interest -		
- on Loan from NHAI	152.17	159.31
Total	152.17	159.31
Note - 18 OTHER EXPENSES		
Supervision Charges	2.36	3.28
Auditor's remuneration :		
- As Auditor	0.15	0.15
- For taxation matters	0.04	0.04
-For reimbursement of expenses	-	0.02
Advertising	0.12	-
Repairs & Maintenance	-	0.01
Operation & Maintenance	1.56	2.82
Legal & Professional Charges	27.54	1.10
Printing and Stationery	-	0.01
Travelling Expenses	0.03	0.06
Telephone expenses	0.01	-
Bank Charges	0.00	0.00
Filing Fee	0.03	0.05
Interest on TDS	0.01	0.00
Interest on GST	0.01	0.05
Total	31.85	7.60

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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021

Note - 19 EARNING PER SHARE (EPS) :-

(Amount in million)

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Profit (loss) for the year attributable to equity shareholders (Rs.)	(230)	(215)
Face value per equity share (Rs.)	10/-	10/-
Weighted average no. of equity shares for computing basic and diluted earning per	58	58
Basic and diluted earning per share (in Rs)	(3.97)	(3.71)

Note - 20 Contingent Liabilities

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

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

- Amount equivalent to value of Bank Guarantee encashed by company of Rs.126,989,266/- (Rupees Twelve crore sixty nine lac eighty nine thousand two hundred and sixty six only) plus Interest @12% p.a. thereon from 28.05.2007 till the date of payment.

- Directed to pay interest @12% p.a. on Rs.1,498,035/- (Rupees Fourteen lac ninety eight thousand and thirty five only), being the amount of retention money, from 18.07.2007 till 18.07.2008 the actual date of payment of retention money to the account of claimant.

Aggrieved by the order of Arbitral Tribunal, NHAI filed an appeal on behalf of the Company vide O.M.P No.95/2016 before Hon'ble Delhi High Court against the AT award and the case is posted for hearing on 22.06.2020.

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

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

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

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

A sum of Rs.10,81,53,169/- (net of statutory payments) was deposited in an Escrow Account on 19.07.2019. The Company has filed an appeal with Hon'ble Delhi High Court vide No.25423/2019 and the case is yet to be decided.

iii) Disputed Cases

Dispute related to Income Tax

a. AY 2005-06

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

b. AY 2007-08

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

Dispute related to GST

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

Note - 21

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

Note- 22 on Impairment of Assets

Accounting standard (AS) 28 regarding Impairment of Assets required that every enterprise should assess at each balance sheet date, whether there exists an indication that asset(s) may be impaired. If any such indication exists, the enterprise should estimate the recoverable amount of the asset based on the present value of future net cash flows using discounted cash flow method vis-a-vis the carrying value of the asset.

At present the Company does not have the policy of providing for impairment in the value of asset.

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 Managing Director, 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, there are no sum payable by the company to Micro, small and medium enterprises under the Micro, small and medium Enterprises Development Act, 2006.

Note - 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 2020-21**List of KMPs & Directors :**

Manoj Kumar	Chairman (w.e.f. 16.10.2020)
Asheesh Sharma	Chairman (till 05.10.2020)
A. K. Sharma	Director
S.Q. Ahmad	Director
Ajay Mishra	Director (till 16.10.2020)
Pratima Gupta	Director
Col. Ashish Dwivedi	Director (till 18.11.2019)
Prakash Gaur	Chief Executive Officer (w.e.f 15.03.2021)
S.Q. Ahmad	Chief Financial Officer (w.e.f. 16.10.2020)
D. P. Sahoo	Chief Financial Officer (till 16.10.2020)
D. P. Sahoo	Chief Financial Officer (w.e.f. 25.06.2020)
S. P. Singh	Chief Financial Officer (till 25.06.2020)
Gunjan Rajpal	Company Secretary (w.e.f. 03.11.2020)

(c) Transactions with related parties during the year

Nature of transactions	For the year ended March 31, 2021	For the year ended March 31, 2020
Transactions with National Highways Authority of India		
<u>Unsecured Term-loan</u>		
-loan taken during the year	-	129.60
-loan repaid during the year	-	-
-Interest on Unsecured Term-loan	152.17	159.31
<u>Toll Amount</u>		
-Toll Receivable	-	22.96
-Toll Penalty	-	0.00
<u>Expenses Payable/Recoverable</u>		
-Reimbursement of expenses (recoverable)	-	-
-Amount recoverable (capital nature)	-	-
-Reimbursement of expenses (payable)	-	-
Transaction with Mumbai JNPT Port Road Co. Ltd.		
Reimbursement of expenses (payable)	0.05	0.34

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

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

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

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

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

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

Note - 29

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

Note - 30

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

As per our report of even date attached

For K M G S & Associates.
Chartered Accountants
FRN 004730N

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

(Ashoo Mittal)
Partner
M. No. 090640

(Manoj Kumar)
Chairman
DIN - 08854382

(S.Q. Ahmad)
Chief Financial Officer

(Gunjan Rajpal)
Company Secretary
M.No: F8707

Place: New Delhi

Date: