

7th
ANNUAL REPORT
2018-19



INDIAN HIGHWAYS MANAGEMENT COMPANY LIMITED

INDIAN HIGHWAYS MANAGEMENT COMPANY LIMITED

(An Initiative of NHAI)

CIN: U74140DL2012PLC246662

website:-www. ihmcl.com

Tel.:+91-11-28042710

Registered Office: NHAI HQ, Plot No. G-5&6, Sector-10, Dwarka, New Delhi-110075

Corporate Office: MTNL Building, 2nd Floor, Sector-19, Dwarka, New Delhi-110075

BOARD OF DIRECTORS

Sh. Asheesh Sharma, IAS	:	Chairman & Managing Director
Sh. L.K. Joshi, IAS (Retd.)	:	Independent Director
Sh. Amarendra Kumar	:	Director
Sh. Sudipta Roy	:	Director
Sh. Shiva Rajaraman	:	Director
Sh. T.S. Venkatesan	:	Director
Sh. Dinesh Chandra Agrawal	:	Director
Sh. T.R. Rao	:	Director
Sh. Amitabh Jha	:	Director

CHIEF FINANCIAL OFFICER

SHRI DINESH GUPTA

COMPANY SECRETARY

SHRI G.B. MISHRA

AUDITORS

M/s T.R. CHADHA & CO. LLP
CHARTERED ACCOUNTANTS
B-30, CONNAUGHT PLACE
NEW DELHI-110001

REGISTERED OFFICE

NHAI HQ, PLOT NO. G-5&6, SECTOR-10, DWARKA, NEW DELHI-110075



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NOTICE

NOTICE IS HEREBY GIVEN THAT THE SIXTH ANNUAL GENERAL MEETING OF THE MEMBERS OF "INDIAN HIGHWAYS MANAGEMENT COMPANY LIMITED" will be held on Monday, the 30th September 2019 at 4.00 P.M. at the Registered Office of the Company at NHAI HQ, Plot G-5 & 6, Sector-10, Dwarka, New Delhi-110075 to transact the following business.

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended 31st March 2019 together with the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Shri TS Venkatesan (DIN-01443165) who retires by rotation.
3. To appoint a Director in place of Shri Shiva Rajaraman (DIN- 07570408) who retires by rotation.
4. To appoint the Statutory Auditors of the Company and to fix their remuneration and for this purpose to pass with or without modification(s) the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made there under the consent of the members of the Company be and is hereby accorded for the appointment of M/s T.R. Chadha & Co. LLP, Chartered Accountants (Firm registration No. FRN:006711N/N500028) as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the 10th Annual General Meeting of the Company (i.e. the Annual General Meeting to be held for financial year 2021-22) at such remuneration as may be decided by the Board of Directors with the consent of the Auditors."

SPECIAL BUSINESS:

5. Regularization of Shri Asheesh Sharma (DIN:02329278) as Director.
To consider and if thought fit, to pass with or without modification(s), the following resolution as an ordinary resolution:-

"RESOLVED THAT Shri Asheesh Sharma (DIN:02329278) who was appointed as a Director of the Company w.e.f 05th June, 2018 u/s 161(3) of the Companies Act, 2013 by the Board of Directors and in respect of whom notice u/s 160 of the Companies Act, 2013 has been received from a shareholder proposing his candidature for the office of the Director, be and is hereby appointed as Director of the Company whose office will be liable to retire by rotation."

6. Regularization of Shri Sudipta Roy , (DIN: 08069653) as Director.

To consider and if thought fit, to pass with or without modification(s), the following resolution as an ordinary resolution:-

“RESOLVED THAT Shri Sudipta Roy (DIN:08069653) who was appointed as a Director of the Company w.e.f 03rd October, 2018 u/s 161(3) of the Companies Act, 2013 by the Board of Directors and in respect of whom notice u/s 160 of the Companies Act, 2013 has been received from a shareholder proposing his candidature for the office of Director, be and is hereby appointed as Director of the Company whose office will be liable to retire by rotation.”

**By the order of the Board of Directors
For Indian Highways Management Company Limited**



**(G.B. MISHRA)
Company Secretary
(ACS : 28383)**

Place: New Delhi
Date: September 06, 2019

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. THE INSTRUMENT APPOINTING A PROXY IN ORDER TO BE EFFECTIVE MUST BE DEPOSITED WITH THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING AND MUST BE IN WRITING IN THE PRESCRIBED FORM NO. MGT.11 (ATTACHED) AND IN THE MANNER AS SPECIFIED IN SECTION 105 OF THE COMPANIES ACT, 2013 AND RULE 19 OF THE COMPANIES (MANAGEMENT AND ADMINISTRATION) RULES, 2014.
3. A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A MEMBERS HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.
4. STATEMENT OF MATERIAL FACTS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 READ WITH RULE 15(3) OF THE COMPANIES (MEETING OF THE BOARD AND ITS POWERS RULES), 2014; IN RESPECT OF SPECIAL BUSINESS MENTIONED AT ITEM NO. 5 & 6 IS ANNEXED HERETO.
5. INFORMATION PURSUANT TO SECRETARIAL STANDARD II-NEAREST LAND MARK TO THE VENUE OF THE MEETING IS DWARKA SECTOR 10 METRO STATION/PINNACLE MALL. ROUTE MAP IS ENCLOSED.

STATEMENT OF MATERIAL FACTS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013, READ WITH RULE 15(3) OF THE COMPANIES (MEETING OF THE BOARD AND ITS POWERS RULES), 2014.

ITEM NO. 5

Information pursuant to Section 102(1)(b)

Information and facts to enable members to understand the meaning, scope and implications of the item

Shri Asheesh Sharma (DIN:02329278) was appointed as Director of the company u/s 161(3) of Companies Act, 2013 on 05th June, 2019. Notice has been received from a shareholder proposing his candidature for the office of Director. As per the provisions of the Companies Act, matter is being placed before the members for their approval at the forthcoming annual general meeting.

The resolution, if passed by the members at the ensuing annual general meeting will result in appointment of Shri Asheesh Sharma (DIN:02329278) was Director of the Company liable to retire by rotation.

Information pursuant to Section 102(1)(a)

Disclosure of interest or concern

None of the Directors, Key Managerial Personnel or relatives of Directors and Key Managerial Personnel except Shri Asheesh Sharma himself and his relatives are interested or concerned in the resolution.

ITEM NO. 6

Information pursuant to Section 102(1)(b)

Information and facts to enable members to understand the meaning, scope and implications of the item

Shri Sudipta Roy (DIN: 08069653) was appointed as Director of the company u/s 161(3) of Companies Act, 2013 on 03rd October, 2018. Notice has been received from a shareholder proposing his candidature for the office of Director. As per the provisions of the Companies Act, matter is being placed before the members for their approval at the forthcoming annual general meeting.

The resolution, if passed by the members at the ensuing annual general meeting will result in appointment of Shri Sudipta Roy (DIN: 08069653) as Director of the Company liable to retire by rotation.

Information pursuant to Section 102(1)(a)

Disclosure of interest or concern

None of the Directors, Key Managerial Personnel or relatives of Directors and Key Managerial Personnel except Shri Sudipta Roy (DIN: 08069653) himself and his relatives are interested or concerned in the resolution.

**By the order of the Board of Directors
For Indian Highways Management Company Limited**



**(G.B. MISHRA)
Company Secretary
(ACS : 28383)**

Place: New Delhi
Date: September 06, 2019

Form No. MGT-11

Proxy form

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s):

Registered Address:

E-mail ID:

Folio No.

I/We, being the member (s) of Equity shares of Rs. 10/- each of the above named company, hereby appoint:

1. Name: _____ E-mail Id: _____
Address: _____
Signature: _____
or failing him
2. Name: _____ E-mail Id: _____
Address: _____
Signature: _____
or failing him
3. Name: _____ E-mail Id: _____
Address: _____
Signature: _____

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Seventh Annual General Meeting of the Company, to be held on the 30th day of September 2019 at 4.00 P.M. at NHAI HQ,G-5&6, Sector-10, Dwarka, New Delhi-110075 and at any adjournment thereof in respect of such resolutions as are indicated below:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended 31st March 2019, together with the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Shri TS Venkatesan (DIN-01443165) who retires by rotation.
3. To appoint a Director in place of Shri Shiva Rajaraman (DIN- 07570408) who retires by rotation.
4. To appoint the Statutory Auditors of the Company and to fix their remuneration.

SPECIAL BUSINESS

5. Regularization of appointment of Shri Asheesh Sharma (DIN:02329278) as Director.
6. Regularization of Shri Sudipta Roy (DIN: 08069653) as Director.

Signed this _____ day of _____ 2019
Signature of Member(s): _____
Signature of Proxy holder(s): _____



Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.

DIRECTORS' REPORT

The Members,

Your Directors are pleased to present the 7th Annual Report of your Company together with the Audited Financial Statements and the Auditors' Report for the financial year ended, 31st March, 2019.

IHMCL was incorporated on 26th December, 2012 with equity participation from NHAI, Concessionaries and Financial Institutions primarily to establish organize, manage, run, conduct, contract, develop, handle, own and operate e-governance activities for Highways and Transportation sector.

National Electronic Toll Collection (NETC) Programme

National Electronic Toll Collection (NETC) programme, the flagship initiative of MoRT&H and NHAI, has been implemented on pan India basis in order to remove bottlenecks and ensure seamless movement of traffic and collection of user fee as per the notified rates, using passive Radio Frequency Identification (RFID) technology. In June 2010, a Committee headed by Sh. Nandan Nilekani recommended RFID enabled FASTag for efficient, faster and seamless road commute. Every Electronic Toll Collection (ETC) enabled toll plaza was envisaged to have dedicated lanes (at least one in either direction) for ETC-equipped vehicle. In order to maximize the throughput, and thus enhance the user experience, the proposed system allows vehicles with valid RFID tags to perform ETC transaction in the ETC lane. Subsequently, along these lines, Indian Highways Management Company Limited (IHMCL) was incorporated under the Company's Act 1956 to execute the implementation of Electronic tolling across India with the following key objectives:

- To implement Electronic Toll Collection (ETC) solution for National Highways in India based on RFID technology.
- To facilitate seamless movement by offering ETC services across all tolled roads in India.

Phase I of Nation-wide Electronic Toll Collection (NETC) Programme was launched in 2014.

During the review meeting held in Ministry of Road Transport & Highways (MoRTH) in October 2015, it was decided to revise the ETC model with new ETC model comprising single central clearing House and multiple issuers and multiple acquirer entities. Accordingly, Phase 2 of NETC was launched in Dec 2016 with National Payments Corporation of India (NPCI) functioning as the Central Clearing House (CCH) and with multiple acquirer and multiple issuer. Also, it was decided to give 4% from fee collected through FASTag to IHMCL which would comprise 1.5% for Issuer banks, 1.25% for acquirer banks, 0.25% for NPCI and 1% for IHMCL. Currently, there 23 member banks in the NETC programme.

Key Stakeholders of the NETC Programme

NHAI, IHMCL NPCI, 23 Issuer banks, 10 Acquirer banks, Toll Operators, Concessionaires, System Integrators, Tag manufacturers, etc.

Benefits of FASTag

- Transparency of toll transactions and better audit control.
- Seamless movement resulting in reduced travel time, Fuel savings and reduced emissions.
- Consolidation of Traffic Data for project planning and Sharing of Toll Data for Revenue Sharing
- Use of technology for other tax collections such as entry tax, octroi etc.
- Less operating cost for toll operators - one ETC lane equivalent to six manual lanes, in terms of output

ETC Operations

Collectively 23 Member banks have issued more than 56.59 lakhs FASTag as in August 2019. The average daily Electronic Toll Collection (ETC) transaction count has increased to 8.79 lakhs, approx. 76% increase since March 2018. Currently, the average daily toll collection through FASTag is Rs. 18.95 crores (approx.) In line with Hon'ble Prime Minister's vision of promoting cashless transaction, a promotional Cashback of 5% was offered on toll transactions during FY 2018-19; a Cash back of 2.5% is offered in order to incentive the road users for usage of FASTag. As in August 2019, over 5269.83 Lakhs cumulative number of ETC transactions have been successfully carried out amounting to more than INR 12253.79 Cr. The average ETC penetration is currently pegged at 28%. Approx. Toll value of INR 10,000 Crores have been collected through FASTag in last 2.5 years. FASTag enabled toll plazas has increased from 409 to 505 in last one year. (June 2018 – August 2019).

There are 23 issuer Member Banks live under NETC programme issuing FASTag to the customers. These banks are providing account maintenance, customer support services for all queries related to FASTag. Below is the list of live Member Banks:

ICICI Bank	Karur Vysya Bank	Punjab National Bank
State Bank of India	Punjab and Maharashtra Co-op Bank	Nagpur Nagarik Sahakari Bank Ltd
HDFC Bank	Bank of Baroda	Saraswat Co-operative Bank
Axis Bank	Kotak Mahindra Bank	Yes Bank
Paytm Payments Bank	City Union Bank	FINO Payments Bank
IDFC Bank	South Indian Bank	Union Bank of India
Equitas Small Finance Bank	IndusInd Bank	Airtel Payments Bank
Federal Bank	Syndicate Bank	

To expand the outreach of NETC programme, a scheme guideline for inclusion of State/City Toll plazas under the NETC programme was launched by Hon'ble Minister Sh. Nitin Gadkari in January 2019. Currently, 39 states toll plazas are on-boarded under the NETC programme.

FASTag is currently operational across National Highways toll plazas (480+ nos.) and selected State highways toll plaza (39 nos.). Outer Ring Road (Hyderabad), Agra- Lucknow Expressway, Mumbai-Pune Expressway and Madhya Pradesh road development Corporation (MPRDC) have already

joined NETC programme. Other States are also under process of joining the programme for the respective state toll plazas under operation. Maharashtra State Road development Corporation (MSRDC), Gujrat State Road Development Corporation (GSRDC) are under discussion.

In an attempt to bring down the acquiring fees at public funded toll plazas, IHMCL discovered reduced rate of acquiring fees. Subsequently, IHMCL engaged two acquirer banks viz. Kotak Mahindra Bank and IndusInd Bank to provide acquirer services at 0.96 % per transaction charges for identified public funded toll plazas. Along these lines, IHMCL also engaged HDFC bank to provide acquirer services at 0.86% per transactions charges for identified public funded toll plazas.

The Ministry of Road Transport & Highways has taken progressive step towards enhancing the FASTag penetration by mandating fitment of FASTag by the vehicle manufacturers on all categories M and N vehicles, manufactured or sold post 1st December 2017, vide Gazette Notification GSR 1361(E), dated 2nd November 2017. This has led to increased FASTag issuance & penetration, thereby contributing to the Government of India's mandate of promoting digital payments. Moreover, in direction to increase the penetration of FASTag vehicle at National Highways. Vide NHAI circular dated 16.02.2018, Guidelines issued to all the ROs/PIUs and it has been mandated to use FASTag for monthly pass at National Highway Toll Plazas.

Distribution of FASTag is available across the country – at all toll plaza, Selected Bank Branches, Dedicated Sales force, POS at major identified hubs.

For Increased accessibility of FASTag, IHMCL has undertaken the following measures:

- Launch of NHAI FASTag which is bank-neutral
- New Mobile App developed to issue IHMCL FASTag and allow customers to link FASTag with existing their bank accounts; IHMCL POS App and My FASTag App now available on Android Play Store
- Recharge Option via UPI in My FASTag App
- Collaboration with Oil Marketing Companies for distribution of NHAI FASTag
- MoU signed between IHMCL & Common Service Center (CSC) e-Governance Services India Limited for issuance of NHAI FASTag across the India.
- IHMCL has started issuance of NHAI FASTag from E-commerce platform Amazon. The online NHAI FASTag has been conceived in a DIY (“Do-It-Yourself”) concept wherein a customer can self-activate a bank-neutral FASTag by entering customer and vehicle details in My FASTag mobile app. As of now, the online NHAI FASTag shall be available for VC-4 i.e. Car/Jeep/Van only.
- Directions to all banks given to open FASTag POS at RTOs
- Service Providers selected for sale of NHAI FASTag at toll plazas, RTOs, transport hubs etc.

This has been notified through Gazette that all Commercial vehicle with National Permit shall be fitted with FASTag before 1st October 2019.

ETC Infrastructure

IHMCL has currently engaged 6 System Integrators viz. M/s VaaaN Infra Private Limited, M/s Path India Ltd, M/s IEA Tolling, M/s KVM Technology, M/s DP Jain & BIPL & M/s Arya Omnitalk for implementation of Hybrid ETC system at over 110 public funded toll plazas. More public funded are being allocated to IHMCL for HETC implementation within stipulated timelines.

Other salient updates

- One Nation One Tag – The GST Council has accorded "in-principle" approval for integration of EWB system and NETC System, there will be no requirement of separate RFID tag to be affixed on vehicle for the purpose of E-Way Bill tracking under GST. The development for the required integration is expected to be completed by 15 October 2019.
- FASTag 2.0 - Extension of FASTag usage beyond toll fee payment, such as purchase of fuel, payment of parking charges, etc.
- Integration with VAHAN database- Integration of NETC system and VAHAN system of NIC has been approved and is currently underway. Integration of VAHAN and IHMCL Mobile App has been completed and any NHAI FASTag being issued is validated from VAHAN database at the backend, thereby nullifying any chances of vehicle class and tag class mismatch.
- IHMCL has carried out various marketing and promotional activities to raise the awareness of the FASTag programme.

Traffic Surveys Using Portable ATCC on National Highways in India.

The National Highways Authority of India (NHAI) is responsible for the development, maintenance and management of National Highways entrusted to it and for matters connected thereto. With an objective to assess the volume of traffic and to standardize the process of data collection and creation of central data repository on different sections of the National Highway, the National Highways Authority of India (NHAI) & Ministry of Road Transport and Highways (MoRTH) mandated IHMCL for counting traffic with the help of portable Automatic Traffic Counter & Classifier (ATCC) Systems. MoRTH had approved and mandated IHMCL to adhere to following parameters for carrying out traffic survey work in above-mentioned meeting: -

- System - Portable ATCC system with videography
- Accuracy – 98% Count Accuracy, 95% Class Accuracy
- Technology Neutral – No particular technology was mentioned
- Work should be divided in different zones
- Set-up of Control Centre for receiving traffic data

Accordingly, IHMCL engaged ten agencies through competitive bidding process for conducting traffic surveys on National Highways. For this purpose, the country has been divided in sixteen zones. Contract has been signed for all sixteen zones for conducting traffic surveys biannually at around 4700 locations as per requirement of NHAI/MoRTH. Six rounds of traffic surveys have been completed in Phase-1 and Two rounds of survey has been completed in Phase-2 in all nine zones. Seventh round of survey is in progress in Phase-1 and third round of survey is in progress in Phase-2.

IHMCL has engaged third party control centre agency (M/s Trinity – Anantchitanya Consortium) for validation of data. If data is not matching with video on random sampling basis, data is automatically rejected by the system. New control centre is also operational for validation and repository of all traffic survey data.

Control Centre for Traffic Survey Project – Solution Highlights

- Central repository of all traffic survey data collected by traffic survey agencies
- Web enabled platform to upload data and retrieve reports
- Automatic data validation and rejection modules. Samples for validation are automatically generated by system

- Separate platforms for Data Upload and Report Generation
- Cloud based solution hosted on MeitY empaneled cloud service provider for easy scalability and secured environment.
- 24x7 accessibility of service and On-Demand scalability
- Automated Back-up facility
- Map Based Survey Tracking & module for Comparison of data of different rounds
- Secure and open source platform (Linux Centos7)
- Data Mining & Compression for easily availability of data and easy to restore

24x7 Helpline (Call Centre)-"1033" for Road Users on National Highways.

Realizing the requirement of single emergency contact number for across National Highway stretches Ministry of Road Transport and Highways (MoRTH) had recommended to set up the toll-free national helpline. Accordingly, National Highway Authority of India (NHAI) was entrusted with the mandate to set up the toll-free national helpline by using a single 4-digit Toll Free Universal Access Number (UAN) i.e. "1033" vide letter No. RT-25035/11/2013-RS(Pt.), Dated 05.07.2013. Further, NHAI has given a mandate to Indian Highways Management Company Limited (IHMCL) to set up the toll-free helpline for road users on national highways vide letter No. NHAI/13029/01/2013-HAM/51984, Dated 07.05.2014.

In 2015, IHMCL invited zone wise bids to set the proposed toll-free helpline for national highway users. Zone wise work was awarded to two different service providers M/s Bharat BPO Services Limited & Spice Digital Limited Consortium and M/s Apollo-Samarth-Dhruv JV but because of various operational challenges proposed toll free helpline was not functional during the contract period of both above service providers. The matter was discussed in the IHMCL Board and as approved in the 27th IHMCL board meeting held on 25.07.2017 an RFP was issued for setting up and operationalising "24x7 Helpline" (Call Centre) for Road Users on National Highways. After evaluation of bids, the LOA for setting up 1033 Helpline was awarded to M/s NSB BPO Solutions Pvt. Ltd.

1033 Helpline was formally launched by Hon'ble Minister Shri Nitin Gadkari (Union Minister for Road Transport & Highway, Shipping, and Water Resources, River Development and Ganga Rejuvenation) on 07.03.2018 and after successfully launch national highway commuters are able to call on 1033 Helpline from across India.

1033 Helpline is providing support for Emergency Calls/Accident cases, Non-Emergency (for other NH issues) and FASTag related issues. As on date, approximately 50,000 calls are being received at call center per month with a significant incremental trend. Three work shifts are running at call center to ensure 24x7 operation. All issues reported at 1033 Helpline is getting resolved with coordination with relevant stake holders like toll plaza, PIU and FASTag issuer banks with predefined Standard Operating Procedure (SOP) and issue redressal mechanism.

1033 Helpline Highlights -

- A single 4-digit Toll Free Universal Access Number (UAN) "1033"
- Location - Noida, Sector – 10, 50 Call Centre Seats (Spread across the day)
- 3 work shifts to ensure 24x7 operation
 - Supported with Level-2 executives, Team Leaders, Backend Staff, Process Manager etc.
- Toll Plaza Contact detail and escalation matrix updated with CRM Software.
- PIU/PD & RO Contact details also updated for further escalation.

Total Calls are segregated into following categories

- Emergency Cases – Real time closure by coordination with Plaza/PIU and rescue vehicle assigned by toll plaza.
- Non-Emergency Cases –
- FASTag related cases being forwarded to Issuer Banks.
- Corridor operation related cases being forwarded to Toll Plaza/PIUs

Quality assurance measures – 1033 Helpline

- Pre-defined SLAs for call center agency
- Process Manual to drive the project, Pre- defined SOP & guidelines for each category of complaints
- Full-time Call Center Expert consultant appointed to overview the operation & call center QoS, and to carry on necessary task related to helpline call center
- Call Centre Quality Assurance Executive - Dedicated IHMCL resource deployed at call centre premises to keep close watch on call centre operations and to ensure QoS
- Activity Done by Quality Assurance Executive
 - Daily Briefing of call centre executives on process updates and call centre hygiene, Do/Don'ts about process.
 - Call Audit - Call listening and feedback to agency and concern executive on floor on fatal points.
 - Floor management - listening of live calls with call centre executives and overview the operation on floor
 - Have to ensure availability & up time of necessary IT Infra and set up.
 - Monitoring of resolve & not resolved complaints

Financial Results

Particulars	Amount in Rs. 2018-19	Amount in Rs. 2017-18
Total Revenue	235,57,46,694	136,96,89,484
Total expenses excluding depreciation	176,42,90,240	102,43,38,834
Profit/(Loss) before Depreciation & Tax	59,14,56,724	34,53,50,650
Depreciation	2,88,754	1,03,153
Profit /(Loss) after depreciation	59,11,67,970	34,52,47,497
Prior period adjustment	79,685	NIL
Profit/(Loss) after prior period adjustment	59,10,88,015	34,52,47,497
Provision for Tax	17,12,11,315	10,00,97,526
Profit after tax	41,98,76,699	24,51,49,971

Your Directors are pleased to inform you that your company started earning operational income during the period under review and also earned small profit.

Dividend :

The Directors recommended no dividend for the financial year ended 31st March, 2019.

Reserves

An amount of Rs. 75,79,30,416/- has been transferred to reserves.

Share Capital

Authorized capital of the company is Rs. 40 crores consisting of 4 crores Equity Shares of Rs.10/- each.

Paid-up capital of the company as on 31st March, 2019, stands at Rs.18,12,42,560 comprising of 1,81,24,256 equity shares of Rs. 10/- each.

Extract of the Annual Return

The extract of Annual Return as per Section 92 (3) of Companies Act, 2013 is annexed under Annexure I.

Meeting of the Board of Directors

03 (Three) meetings of the Board of Directors of IHMCL were held during the financial year.

Sl. No.	Particulars of the Meeting	Date of the Meeting
1.	31 st Meeting	15 th June, 2018
2.	32 nd Meeting	28 th August, 2018
3.	33 rd Meeting	27 th December, 2018

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. Rohit Kumar Singh (DIN-06859767)	Director	21.05.2018	Resigned
Sh. Niraj Verma (DIN-00520742)	Director	03.10.2018	Resigned
Sh. Asheesh Sharma (DIN-02329278)	Director	05.06.2018	Appointed
Sh. Rajesh Sharma (DIN-02383365)	Director	03.10.2018	Appointed
Sh. Rajesh Sharma (DIN-02383365)	Director	10.05.2019	Resigned
Sh. Sudipta Roy (DIN:0008069653)	Director	03.10.2018	Appointed

Details of the Director attending Board Meeting is enclosed as Annexure-II

Statement regarding declaration given by Independent Director u/s 149(7)

Your Directors confirm that Shri L.K. Joshi, Independent Director have submitted a declaration u/s 149(7) that he/she meets the criteria of independence u/s 149(6) of Companies Act, 2013.

Auditors Report

M/s T.R. Chadha & Co. LLP Chartered Accountants, the Statutory Auditors of the Company have issued their audit report containing few qualification thereof.

Statutory Auditors

M/s T.R. Chadha, Chartered Accountants, were appointed as Statutory Auditors of the company at the 2nd Annual General Meeting held on 30th September, 2014 to hold office till conclusion of 7th Annual General Meeting of the company i.e. Annual General Meeting for financial year 2018-19. M/s T.R. Chadha, Chartered Accountant, have given their consent to continue to act as Statutory Auditors of the Company. In accordance with section 139 (1), the matter shall be placed for ratification by members at the ensuing Annual General Meeting.

Particulars of Loans, Guarantees or Investment under section 186

IHMCL has not given any loan, Guarantee or made any investment to which section 186 applies.

Particulars of Contracts or Arrangements with Related Parties referred to in Section 188(1)

IHMCL has not entered into any contracts or arrangements as referred to in Section 188(1).

IHMCL's Policy on Directors Appointment & Remuneration

Directors Appointment

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

Directors Remuneration

IHMCL at present does not have any whole time Director and therefore no remuneration is being paid to any Directors except sitting fee for attending the Board or Committee Meetings. The sitting fee is Rs.10,000/- per Meeting which is paid to all Directors except Directors who are in Government Service.

Appointment & Remuneration of Key Management Personnel and other employees

Appointment of Key Managerial personnel is done based upon the provisions of Companies Act, 2013. Other senior employees are appointed depending upon the work requirements of IHMCL, commensurate qualification and experience. Remuneration of employees and Key Management Personnel who are in employment of IHMCL is fixed based upon the present market trends, qualification and experience of employee. Employees or KMPs who are NHAI employees and have been deputed by NHAI to IHMCL, continue to be governed by NHAI terms of service and continue to draw salary and remuneration as per NHAI Rules.

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.

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, if any, which affect the financial position of IHMCL which have occurred between the end of the financial year on 31.03.2019 and the date of the Board Report.

Development & Implementation of Risk Management Policy

The IHMCL management keeps on identifying, evaluating and managing all significant risks faced by the Company. However, formation of Risk Management Policy is under process.

Development & Implementation of Corporate Social Responsibility

As per the Section 135 of the Companies Act, 2013, Every company having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during any financial year shall constitute a Corporate Social Responsibility Committee of the Board consisting of three or more directors, out of which at least one director shall be an independent director.

Since the Company has achieved the mark of Net profit of rupees five Crore, the Board has constituted the Corporate Social Responsibility Committee (CSR committee) and the Company is in process to make expenditure of an amount of Rs.32,99,307/- account of CSR.

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 2019, 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 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 IHMCL. In fact the essence of the e tolling being implemented by IHMCL is energy conservation. By providing seamless passage at all NH toll plazas across the country, IHMCL will help in saving substantial wastage of fuel consumed by vehicles waiting at Toll Plazas.
ii. Steps taken for utilizing alternate sources of energy	Operations of IHMCL are still evolving and wherever possible alternate sources

		of energy shall be used.
iii.	Capital investment on energy conservation equipments	NIL
B- Technology Absorption		
i.	Efforts made towards technology absorption	There is not much scope of technology absorption in the operations of IHMCL.
ii.	The benefits derived like product improvement, cost reduction, product development and import substitution	IHMCL is using indigenous technology and is in service sector, hence not much scope.
iii.	Details related to imported technology	Not applicable as IHMCL 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:

There is no change in nature of business of the IHMCL during the period under review.

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

IHMCL is neither a holding company nor has any subsidiary, Joint Ventures or Associate Companies.

Internal Financial Control & Its Adequacy:

IHMCL is having adequate internal financial control commensurate to its nature and size of business.

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.

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

IHMCL is an equal opportunity employer. The endeavor of the management is to create and provide an environment that is free from discrimination and harassment including sexual harassment. Formation of Internal Complaints Committee to redress complaints received regarding sexual harassment is under process.

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 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 Lakhs 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 Lakhs 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 IHMCL.

Acknowledgements:

The Directors wish to place on record their appreciation and acknowledge with gratitude the support and cooperation extended by NHAI, NHBF, Concessionaires, Financial Institutions, NPCI, Banks, Government/Semi Government Organizations, Shareholders and Employees of the Company and looks forward their continued support in future.

On behalf of the Board of Directors
Sd/-
(Asheesh Sharma, IAS
Chairman & Managing Director
DIN: 02329278

Date:-05/09/2019

Place: Delhi

ANNEXURE I

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31st March, 2019

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

- i) CIN: U74140DL2012PLC246662
- ii) Registration Date: 26th December, 2012
- iii) Name of the Company: INDIAN HIGHWAYS MANAGEMENT COMPANY LIMITED
- iv) Category/sub-category of the Company: Company Limited by shares
- v) Address of the Registered Office and Contact Details:
NHAI HQ, Plot No. G 5 & 6, Sector-10, Dwarka-110075
- vi) Whether listed company yes/no: No
- vii) Name, Address and Contact details of Registrar and Transfer Agent , if any
M/s Beetal Financial & Computer Services Pvt. Ltd., 99, Madangiri, New Delhi-110062, Tel No.-011-29961281 & E-mail id-beetalrta@gmail.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company shall be stated:-

Sl No.	Name and Description of main products/services	NIC code of the product/ service	% to total turnover of the Company
1.	E Tolling services to on National Highways	-	90%
2.	Traffic Survey	-	10%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES-
IHMCL has no Holding, Subsidiary or Associate Companies.**

Sl No.	Name and Address of the Company	CIN/GLN	HOLDING/SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1.	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
2.	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
3.	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

1) Category-Wise Shareholding

Category of Shareholders	No. of Shares Held at the Beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of Total Shares	
A. PROMOTERS									
(1) Indian									
a. Individual/HUF	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
b. Central Govt.	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
c. State Govt(s)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
d. Bodies Corp	18124256	NIL	18124256	NIL	18124256	NIL	18124256	NIL	NIL
e. Banks/FI	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
f. Any other	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Sub Total A(1)	18124256	NIL	18124256	100	NIL	18124256	18124256	100	NIL
(2) Foreign									
(3)			NIL						
a. NRIS Individuals	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
b. Other Individuals	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
c. Bodies Corp	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
d. Bank/FI			NIL						

holding nominal share capital upto Rs. 1 Lakh									
2. Individual shareholders holding nominal share capital in excess of Rs. 1 Lakh									
3. Other (Specify)									
Sub-Total B(2)									
Total Public Shareholding B=B(1)+B(2)	NIL	NIL							
C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)	18124256	NIL	18124256	100	NIL	18124256	18124256	100	NIL

2) Shareholding of Promoters

	Shareholders Name	Shareholding at the beginning of the Year*			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total shares of the Company	% of shares pledged/encumbered to total shares	No. of Shares	% of total shares of the Company	% of shares pledged/encumbered to total shares	
1	National Highway Authority of India	7500000	41.38	NIL	7500000	41.38	NIL	NIL
	Total	7500000	41.38	NIL	7500000	41.38	NIL	NIL

3) Change in Promoters' Shareholding (no change)

S. No	Name of the Promoters Shareholder	Shareholding of the beginning of the year		Increase/Decrease during the year		Cumulative Shareholding During the year	
		No. of shares	% of total Shares of The company	No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the Company
1	National Highway Authority of India	7500000	41.38	Nil	Nil	7500000	41.38
	Total	7500000	41.38	Nil	Nil	7500000	41.38

4) Shareholding pattern of **top ten shareholders** (other than Directors, Promoters and Holders of GDRs and ADRs).

S. No	Name of the Shareholder	Shareholding of the beginning of the year		Increase/Decrease during the year		Cumulative Shareholding During the year	
		No. of shares	% of total Shares of The company	No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the Company
1	ICICI Bank Limited	1500000	8.28	Nil	Nil	1500000	8.28
2	Axis Bank Limited	1500000	8.28	Nil	Nil	1500000	8.28
3	L & T Finance Limited	1500000	8.28	Nil	Nil	1500000	8.28
4	Oriental Structure Engineers Pvt. Ltd.	555370	3.06	Nil	Nil	555370	3.06
5	Shapooraji Pallonji Roads Private Limited	555556	3.06	Nil	Nil	555556	3.06
6	IRB Infrastructure Developers Ltd	555370	3.06	Nil	Nil	555370	3.06
7	Essel Infra projects Ltd	555370	3.06	Nil	Nil	555370	3.06
8	L & T Infrastructure Development Projects Ltd	555370	3.06	Nil	Nil	555370	3.06
9	Ashoka Concession Ltd	555370	3.06	Nil	Nil	555370	3.06
10	GMR Highways Ltd	555370	3.06	Nil	Nil	555370	3.06
	Total	8387776	46.27	Nil	Nil	8387776	46.27

5) Shareholding of Directors and Key Managerial personnel

SI No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	For each of the Directors and KMP	No. of shares	% of total shares of the company	No. of Shares	% of total shares of the company
	At the beginning of the year	NIL	NIL	NIL	NIL
	Date wise increase/Decrease	NIL	NIL	NIL	NIL

	in shareholding during the year specifying the reasons for increase/decrease (e.g allotment/transfer/bonus/sweat equity etc)				
	At the end of the year				

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year	NIL	NIL	NIL	NIL
1. Principal amount 2. Interest Due but not paid 3. Interest accrued but not due Total= (1+2+3)				
Change in indebtedness during the financial year • Addition • Reduction	NIL	NIL	NIL	NIL
Net Change	NIL	NIL	NIL	NIL
Indebtedness at the end of the financial year 1.Principal amount 2.Interest due but not paid 3.Interest accrued but not due Total=(1+2+3)	NIL	NIL	NIL	NIL

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole time Director and/or Manager

SI No.	Particulars of Remuneration	Name of MD/WTD/MANAGER			Total Amount
1.	Gross Salary a) Salary as per provision contained in section 17(1) of the	NIL	NIL		NIL

	Income Tax Act, 1961 b) Value of perquisites u/s 17(2) Income-Tax Act, 1961 c) Profit in lieu of Salary u/s 17(3) of the Income Tax Act, 1961					
2.	Stock Option	NIL	NIL			NIL
3.	Sweat Equity	NIL	NIL			NIL
4.	Commission - As % of profit - Others, specify	NIL	NIL			NIL
5.	Others, please specify	NIL	NIL			NIL
	Total(A)					
	Ceiling as per act					

B. Remuneration to Director's

SI No.	Particulars of Remuneration				Name of Directors (Rs.)	Total Amount (Rs.)
	1. Independent Directors - Fee for attending board committee meetings - Commission - Others, please specify				L.K. Joshi 50,000/-	50,000/-
	Total (1)	Surinder Nath Kuda	ICICI Bank	T.S. venkat esan	VC Verma	Total Amount
	2. Other Non-Executive Directors - Fee for attending Board committee meetings	40,000/-	10,000/-	20,000/-	40,000/-	1,10,000/-

	- Commission - Others, please specify					
	Total (2)					1,10,000/-
	Total B = (1)+(2)					1,60,000/-
	Total Managerial Remuneration					NIL
	Overall ceiling as per Act					

C. Remuneration to Key Managerial Personnel other than MD/WTD/Manager

SI No.	Particulars of Remuneration	Key Managerial Personnel			
		Sh. Asheesh Sharma (CMD)	Sh. Gopabandu Mishra (CS)	Sh. Rajesh Sharma(CFO)	Total
1.	Gross Salary a) Salary as per provision contained in section 17(1) of the Income Tax Act, 1961 b) Value of perquisites u/s 17(2) Income- Tax Act, 1961 c) Profit in lieu of Salary u/s 17(3) of the Income Tax Act, 1961	NIL	9,84,000/-	NIL	9,84,000/-
2.	Stock Option	NIL	NIL	NIL	NIL
3.	Sweat Equity	NIL	NIL	NIL	NIL
4.	Commission - As % of profit - Others, specify	NIL	NIL	NIL	NIL
5.	Others, please specify	NIL	NIL	NIL	NIL
	Total	NIL	9,84,000/-	NIL	9,84,000/-

VII. PENALTIES /PUNISHMENT /COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of penalty/punishment /compounding fees imposed	Authority [RD/NCLT /Court]	Appeal made, if any (give details)
A. Company					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL

B. Directors					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
C. Other officers in Default					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL

ANNEXURE-II**Details of Director Attend Board Meeting**

Date of Board Meeting	Sh. Asheesh Sharma	Sh. V.C. Verma	Sh. Surinder Nath Kuda	Sh. T.S Venkatesan	Sh. L.K. Joshi	Sh. Shiva Raja Raman	Sh. Rajesh Sharma	Sh. Dinesh Chandra Agrawal	Sh. Niraj Verma	Sh. Sudipta Roy
15.06.2018	P	P	P	P	P	L	NA.**	L	L	N.A.****
28.08.2018	P	P	P	L	P	L	N.A.**	P	L	N.A.****
27.12.2018	P	N.A*	N.A*	P	P	P	P	L	N.A.***	P

P- Present, L- Leave of absence

* Resigned on 27.09.2018

** Appointed on 03.10.2018

*** Resigned on 03.10.2018

**** Appointed on 03.10.2018



T R Chadha & Co LLP

Chartered Accountants



INDEPENDENT AUDITOR'S REPORT

To the Members of Indian Highways Management Company Limited

Report on the Audit of the Standalone Financial Statements

Qualified Opinion

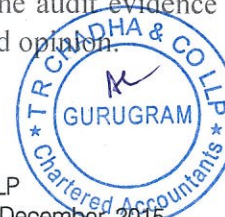
We have audited the accompanying standalone financial statements of **Indian Highways Management Company Limited** ("the Company"), which comprise the Balance Sheet as at 31st March 2019, and the Statement of Profit and Loss and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the Basis of Qualified Opinion paragraph, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and its profits and its cash flows for the year ended on that date.

Basis for Qualified Opinion

Attention is invited to note no. 24(e) to the Financial Statement regarding reconciliation of account with National Highway Authority of India (NHAI). The company reports a receivable balance of Rs.2,35,06,46,148 (under trade receivable Rs.1,34,67,78,556 and other receivable Rs.100,38,07,612) from NHAI as at 31 March 2019 but as per the confirmation received from NHAI as sum of Rs.2,43,06,13,914 (excluding amount of equity share capital included in confirmation) is outstanding as receivable from the company, resulting in a gross difference of Rs.4,78,12,60,062. The reconciliation differences are mainly stated to be due to non – passing of entries in NHAI books of account for which the company is following up with NHAI for necessary action. In the opinion of the management, the amount is recoverable from NHAI and no dispute of any nature has been filed by the NHAI to the Company. The reconciliation is an on going process and necessary entries will be passed by NHAI in forthcoming months. There are no pending entries to be passed by the company as a result of reconciliation.

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



T R Chadha & Co., a partnership firm converted into T R Chadha & Co LLP
(A limited liability partnership with LLP Identification No. AAF-3926) with effect from 28th December, 2015

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Ph. : 011-43259900 E-mail : delhi@trchadha.com

Branches at : • Mumbai • Pune • Ahmedabad • Hyderabad • Chennai • Bengaluru • Tirupati

Emphasis of Matters

Attention is invited to note 7(a) of the Notes to financial statements that the Company has been assigned the authority to receive, in terms of Ministry of Road Transport and Highway (Morth) notification no. RW-NH-35072/1/2010-S&R(B) dated 20.09.2013. User fee for movement of overweight and over dimensional (OW/OD) consignments levied by Morth which is being deposited in Company's Bank Account. The aggregate sum of Rs. 60,29,21,166 received upto March 31, 2019 has been shown under "current liabilities" as "receipt on behalf of Government of India". However, no agreement/documents has been furnished to us in respect of treatment of such funds, its repayment and income generated by the Company on such fund. However, in the absence of any clarification/agreement, interest income on such funds has been considered as by the Company as its income.

Our opinion is not qualified in respect of this 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 Director's Report and other related information ("other information"). The other information is expected to be made available to us after the date of this auditor's report.

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

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

When we read the 'Director's report and other related information', if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions, if required.

Responsibilities of Management and Those Charged with Governance for the Standalone 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 standalone 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. 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.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



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

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

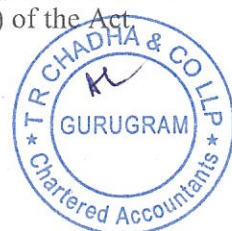
Other Matters

Due to insufficient number of independent director w.e.f. July 21, 2016, the constitution of the board, audit committee and nomination and remuneration committee were not in compliance with the requirement of the relevant provisions of the Companies Act, 2013.

Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 & 4 of the Order.
2. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid financial statements.
 - b) In our opinion, except for the effects of the matters described in the basis for qualified opinion paragraph above, proper books of account as required by law relating to preparation of the aforesaid financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
 - 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 relevant books of account maintained for the purpose of preparation of the financial statements.
 - d) In our opinion, except for the effects of the matters described in the basis for qualified opinion paragraph above, the aforesaid financial statements complies with the Accounting Standards specified under Section 133 of the Act read with the rule 7 of the Companies (Accounts) Rules, 2014.
 - e) The matters described in the Basis for Qualified Opinion and other matters of attention paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.
 - f) On the basis of the written representations received from the directors as on 31st March, 2019, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.



- g) The qualifications relating to certain matters are as stated in the Basis for Qualified Opinion paragraph above.
- h) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- i) With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to best of our information and explanation given to us, the company has not paid remuneration to any of its director during the year 2018-19, therefore compliance with provisions of section 197 is not applicable upon the company.
- j) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- 1) The Company does not have any pending litigations which would impact its financial position.
 - 2) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - 3) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

Place: Gurugram
Date: 05th September 2019

For T R Chadha & Co LLP
Chartered Accountants
FRN: 006711N/N500028



Aashish Gupta
Partner

Membership No-097343

UDIN: 19097343AAAAIQ 6789



ANNEXURE A

Indian Highways Management Company Limited
Annexure to Independent Auditors' Report for the year ended 31 March 2019
(Referred to in Paragraph 1 under the Heading of "Report on Other Legal and Regulatory Requirements" of our Report of even date)

(i) Fixed Assets

- (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The fixed assets have been physically verified by the management during the year, which in our opinion is reasonable having regard to the size & nature of the company. No material discrepancies were noted on such verification.
- (c) According to the information and explanations given to us, there are no immovable assets held by the company, hence clause C of paragraph 3 (i) of the order is not applicable to the Company.

(ii) Inventories

The company does not have inventory hence paragraph 3(ii) of the order is not applicable to the company.

(iii) Loans given

The Company has not granted any Secured or unsecured loan to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Hence reporting under clause 3 (iii) (a), (b) and (c) does not arise.

(iv) Compliance of Sec. 185 & 186

According to the information and explanations given to us and on the basis of our examination of the books of accounts, the Company has not entered into any transaction in respect of loans, investments, guarantee and security which attracts compliance to provisions of section 185 & 186 of the Companies Act, 2013, therefore, paragraph 3 (iv) of the order is not applicable to the company.

(v) Public Deposit

In our opinion, according to the information and explanations given to us and on the basis of our examination of the books of accounts, During the year, the company has not accepted any deposits from the public, therefore, paragraph 3 (v) of the order is not applicable.

(vi) Cost Records

In our opinion and according to information and explanations given to us, maintenance of cost records has not been prescribed by the Central Government under Section 148(1) of the Companies Act, for the services provided by the company.



(vii) Statutory Dues

- (a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has generally been regular in depositing its undisputed statutory dues including Provident Fund, Employee State Insurance, Income-Tax, Goods and Services Tax and cess etc. There are no undisputed dues payable, outstanding as on 31st March, 2019 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no amounts in respect of Income Tax, Goods and Services Tax etc. that have not been deposited with the appropriate authorities on account of any dispute.
- (viii)** According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has neither taken any loans or borrowings from any financial institutions & banks during the year nor has any outstanding balance at the end/beginning of the year.
- (ix)** According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not raised money by way of initial public offer or further public offer (including debt instrument) any term loans during the period under audit therefore, paragraph 3 (ix) of the order is not applicable to the company.
- (x)** Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud by the Company or any fraud on the company by its officers or employees has been noticed or reported during the year.
- (xi)** According to the information and explanation given to us and based on our examination of the records of the Company, the Company has not paid / provided for managerial remuneration during the year. Accordingly, clause 3 (xi) of the order is not applicable to the Company.
- (xii)** As explained, the company is not a Nidhi Company. Therefore paragraph 3 (xii) of the order is not applicable to the company.
- (xiii)** As per the information and explanations given by the management, all the transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the financial statements etc., as required by the applicable accounting standards.
- (xiv)** As per the information and explanations given by the management, company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Therefore paragraph 3 (xiv) of the order is not applicable to the company.
- (xv)** As per the information and explanations given by the management, the company has not entered into any non-cash transaction with directors or persons connected with him. Therefore paragraph 3 (xv) of the order is not applicable to the company.



(xvi) As per the information and explanations given by the management, company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Therefore paragraph 3 (xvi) of the order is not applicable to the company.

For T R Chadha & Co LLP
Chartered Accountants
FRN: 006711N/N500028

Place: Gurugram
Date : 05th September 2019

Aashish
Aashish Gupta
Partner
Membership No. 097343
UDIN: 19097343 AAAAIO 6789



ANNEXURE B

THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF INDIAN HIGHWAYS MANAGEMENT COMPANY LIMITED

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

We have audited the internal financial controls over financial reporting of **INDIAN HIGHWAYS MANAGEMENT COMPANY LIMITED** ("the Company") as of 31 March, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial



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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March, 2019, 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".

Place: Gurugram
Date: 05th September 2019

For T R Chadha & Co LLP
Chartered Accountants
FRN: 006711N/N500028

Aashish

Aashish Gupta
Partner
Membership No-097343
UDIN: 19097343AAAAJQ6789



INDIAN HIGHWAYS MANAGEMENT COMPANY LIMITED

CIN: U74140DL2012PLC246662

Reg Office: NHAI HQ, Plot G-5 & 6, Sector-10, Dwarka, New Delhi-10075

Balance Sheet as at 31st March, 2019

(Amount in ₹)

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
I. EQUITY & LIABILITIES			
(1) Shareholders' Fund			
(a) Share Capital	3	18,12,42,560	18,12,42,560
(b) Reserves and Surplus	4	75,79,30,416	33,80,53,717
		93,91,72,976	51,92,96,277
(2) Non Current Liabilities			
(a) Long Term Provisions	5	8,74,678	5,86,027
		8,74,678	5,86,027
(3) Current Liabilities			
(a) Trade Payables	6		
-Due to micro, small & medium Enterprises		16,37,08,696	-
-Due to others		60,87,26,832	66,88,24,090
(b) Other Current Liabilities	7	1,29,40,97,358	80,13,97,156
(c) Short Term Provisions	8	12,328	22,00,462
		2,06,65,45,214	1,47,24,21,708
TOTAL		3,00,65,92,869	1,99,23,04,012
II. ASSETS			
1. Non Current Assets			
(a) Property, Plant and Equipment	9		
Tangible Assets		9,09,102	2,99,351
Intangible Assets		18,327	48,800
(b) Deferred Tax Assets (Net)	10	56,843	86,081
(c) Long Term Loans & Advances	11	12,83,94,574	7,19,82,656
		12,93,78,846	7,24,16,888
2. Current Assets			
(a) Trade Receivables	12	1,38,47,35,025	1,48,06,50,142
(b) Cash & Cash Equivalents	13	47,06,03,100	18,33,98,892
(c) Short term loans & advances	14	-	8,139
(d) Other Current assets	15	1,02,18,75,898	25,58,29,951
		2,87,72,14,023	1,91,98,87,124
TOTAL		3,00,65,92,869	1,99,23,04,012

III. Significant accounting policies 2

Notes referred to above form an integral part of financial statements

As per our report of even date attached

For T R Chadha & Co LLP
Chartered Accountants
(Firm Registration No. 006711N/N500028)

Aashish Gupta
(Partner)
M. No. 097343



For and on behalf of the Board of Directors of
Indian Highways Management Company Limited

Asheesh Sharma
(Chairman and Managing Director)
(DIN:02329278)

Amarendra Kumar
(Director)
(DIN:08541477)

Place: Gurugram
Date: 05.09.2019

Dinesh Kumar Gupta
(Chief Financial Officer)

Gopabandhu Mishra
(Company Secretary)

AM

INDIAN HIGHWAYS MANAGEMENT COMPANY LIMITED

CIN: U74140DL2012PLC246662

Reg Office: NHAI HQ, Plot G-5 & 6, Sector-10, Dwarka, New Delhi-10075

Statement of Profit and Loss for the year ended 31st March, 2019

(Amount in ₹)

Particulars	Note No.	FY-2018-19	FY-2017-18
I.Revenue from Operations	16	2,33,21,54,493	1,35,47,61,845
II. Other Income	17	2,35,92,201	1,49,27,638
III. Total Revenue (I + II)		2,35,57,46,694	1,36,96,89,483
IV. Expenses			
Employee benefits expense	18	1,36,11,703	84,56,802
Finance Costs	19	1,68,229	3,96,925
Depreciation & Amortisation Expense	9	2,88,754	1,03,153
Other Expenses	20	1,75,05,10,308	1,01,54,85,107
Total Expenses		1,76,45,78,994	1,02,44,41,987
V. Profit before Prior Period Items and Tax (III-IV)		59,11,67,700	34,52,47,496
VI. Prior Period Items	21	79,685	-
VII. Profit before Tax (V - VI)		59,10,88,015	34,52,47,496
VIII. Tax Expense			
(1) Current Tax		17,11,82,077	10,01,02,167
(2) Deferred Tax		29,238	(4,641)
IX. Profit after tax (VII - VIII)		41,98,76,699	24,51,49,970
X. Basic and Diluted Earnings per equity share of Rs. 10 each	22	23.17	13.53
XI. Significant accounting policies	2		

Notes referred to above form an integral part of financial statements

As per our report of even date attached

For T R Chadha & Co LLP
Chartered Accountants
(Firm Registration No. 006711N/N500028)

Aashish Gupta
(Partner)
M. No. 097343



Place : Gurugram
Date: 05.09.2019

For and on behalf of the Board of Directors of
Indian Highways Management Company Limited

Asheesh Sharma
(Chairman and Managing Director)
(DIN:02329278)

Amarendra Kumar
(Director)
(DIN:08541477)

Dinesh Kumar Gupta
(Chief Financial Officer)

Gopabandhu Mishra
(Company Secretary)

ADY

INDIAN HIGHWAYS MANAGEMENT COMPANY LIMITED

CIN: U74140DL2012PLC246662

Reg Office: NHAI HQ, Plot G-5 & 6, Sector-10, Dwarka, New Delhi-10075

Cash Flow Statement for the year ending 31st March, 2019

(Amount in ₹)

Particulars	Year Ended 31st March, 2019		Year Ended 31st March, 2018	
A. Cash Flow from Operating Activities:				
Net Profit before tax		59,10,88,015		34,52,47,496
Adjustments for:				
a) Depreciation and Amortisation Expenses	2,88,754		1,03,153	
b) Interest Income	(2,35,77,204)		(1,49,27,638)	
c) Provision for Employee benefit	2,95,080		2,45,665	
d) Loss on Sale/Discard of Asset			58,091	
e) Finance costs	1,68,229	(2,28,25,141)	3,96,925	(1,41,23,804)
Operating Cash Profit before Working Capital Changes		56,82,62,874		33,11,23,692
Changes in Working Capital				
a) Increase/(Decrease) in Other current liability	49,27,00,203		4,47,54,335	
b) (Increase)/Decrease in Trade Receivable	9,59,15,117		(1,13,01,97,359)	
c) Increase/(Decrease) in Trade Payable	10,36,11,438		34,86,83,444	
d) (Increase)/Decrease in Short-Term Loans & Advances and Other Current and	(76,28,02,309)	(7,05,75,552)	57,15,47,115	(16,52,12,465)
Cash Generated/(used in) from operations		49,76,87,322		16,59,11,227
Less: Direct taxes Paid		(22,97,88,560)		(9,97,10,444)
Net Cash Flow From/(used in) Operating Activities (A)		26,78,98,762		6,62,00,783
B. Cash Flow from Investing Activities:				
a) Purchase of Property, plant and equipment		(8,68,032)		(2,25,250)
b) Interest Received		2,03,41,705		1,38,53,179
c) Movement in Fixed deposits (net)		-		40,97,405
Net Cash Flow From Investing Activities (B)		1,94,73,673		1,77,25,334
C. Cash Flow from Financing Activities:				
a) Finance cost paid		(1,68,229)		(3,96,925)
Net Cash Flow From/(used in) Financing Activities (C)		(1,68,229)		(3,96,925)
Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)		28,72,04,206		8,35,29,192
Add: Balance in the beginning of year		13,33,98,892		4,98,69,698
Balance at the end of year		42,06,03,100		13,33,98,892
Components of Cash and Cash Equivalents (Refer Note 12)				
Balances with banks				
- In Current account	1,10,401		59,150	
- In deposit accounts with maturity of less than 3 months	42,04,92,699		13,33,39,742	
Cash & Cash Equivalents as per financial statements		42,06,03,100		13,33,98,892

Significant accounting policies and notes to the financial statement forms an integral part of the financial statements

Notes:

- The above cash flow statement has been prepared under the 'Indirect method' as Setout in Accounting Standard-3 specified under Section 133 of the Act, read with Rule 7 of the Companies(Accounts) Rules, 2014.
- Figures in brackets indicate cash outgo
- Previous year figures have been regrouped/rearranged wherever necessary to conform current year's presentation.

As per our report of even date


For T R Chadha & Co LLP
(Firm Registration No. 006711N/N500028)
Chartered Accountants

Aashish Gupta
(Partner)
M. No. 097343




For and on behalf of the Board of Directors
Indian Highways Management Company Limited


Asheesh Sharma
(Chairman and Managing Director)
(DIN:02329278)


Amarendra Kumar
(Director)
(DIN:08541477)

Place : Gurugram
Date : 05.09.2019


Dinesh Kumar Gupta
(Chief Financial Officer)


Gopabandhu Mishra
(Company Secretary)



INDIAN HIGHWAYS MANAGEMENT COMPANY LIMITED

CIN: U74140DL2012PLC246662

Significant Accounting Policies and notes forming part of the Financial Statements for the year ended on March 31, 2019

1 Background

Indian Highways Management Company Limited had been incorporated in the year 2012. The object of the company is to provide services pertaining to management of toll collection of National Highways through electronic toll systems; to assess the volume of traffic and to standardize the process of data collection and creating of central data repository through Traffic Surveys using portable ATCC; to provide standardized and hygienic facilities through Ways Side Amenities project; Setting up and operationalizing 24x7 Helpline (Call Centre)-"1033" for Road Users; Implementation of Toll Management System CCTV Surveillance system along with Weigh in Motion and Static Weigh Bridge which helps in regulating the government weigh enforcement policies and prevent overloading of vehicles; Develop eco friendly National Highways with participation of the community, farmers, NGOs, private sector, institutions, government agencies and the Forest Department for economic growth and development in a sustainable manner.

2 Basis of preparation of Financial Statements

These financial statements have been prepared and presented on a going concern basis under the historical cost convention, on the accrual basis of accounting and comply with the Accounting Standards prescribed by the Section 133 of the Companies Act, 2013 ('the Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, other pronouncements of the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 2013/Companies Act, 1956, as adopted consistently by the Company.

Use of Estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively in current and future periods.

2.1 Fixed Assets and depreciation

a Tangible Assets

Tangible fixed assets are carried at cost of acquisition less amount of depreciation charged on yearly basis. The cost of an item of tangible fixed asset comprises its purchase price, including import duties and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use; any trade discounts and rebates are deducted in arriving at the purchase price.

b Intangible Assets

Intangible asset represents computer software acquired by the Company carried at cost of acquisition less amortisation. The cost of an item of intangible fixed asset comprises its purchase price, including import duties and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use; any trade discounts and rebates are deducted in arriving at the purchase price.

c Depreciation

Depreciation on fixed assets is provided pro-rata to the period of use, on the Straight Line Method rates worked out based on the useful life and in the manner prescribed in the Schedule II to the Companies Act, 2013.

Type of asset	Period
Office Equipment	5 Years
Furniture & Fixture	10 Years
Computer Equipment	3 Years
Intangible Assets	5 Years

The company follows component approach as envisaged in Schedule II to the Companies Act, 2013. The approach involves identification of components of the asset whose cost is significant to the total cost of the asset and have useful life different from the useful life of the remaining assets and in respect of such identified components, useful life is determined separately from the useful life of the main asset

Depreciation on additions is provided on a pro-rata basis from the month of acquisition/installation. Depreciation on sale/deduction from fixed assets is provided for up to the date of sale/adjustment, as the case may be.

Modification or extension to an existing asset, which is of capital nature and which becomes an integral part thereof is depreciated prospectively over the remaining useful life of that asset.

Intangible assets are amortised on straight-line method on pro-rata basis over a period of five years.

2.2 Cash and cash equivalents

Cash and cash equivalents comprise cash balances on hand, cash balance with bank and fixed deposits with an original maturity period of three months or less.

2.3 Revenue Recognition

a Revenue is recognized only when it can be reliably measured and it is reasonable to expect ultimate collection. The Revenue recognition is on the basis of specified percentage on the cost incurred by the company on the basis of utilisation of fund for various projects as per contracted terms.

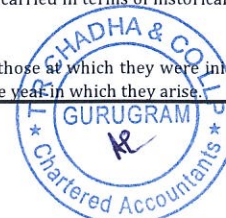
b Interest on deployment of surplus funds is recognised on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "Other Income" in the statement of Profit and Loss.

2.4 Foreign Currency Transactions

a **Initial Recognition** : Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

b **Conversion**: Foreign currency monetary items are reported using the closing rate. Non-monetary items, which are carried in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of transaction.

c **Exchange Differences**: Exchange differences arising on the settlement of monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expense in the year in which they arise.



2.4 Tax Expenses

Income tax expense comprises current tax (i.e. the amount of tax for the year determined in accordance with the Income-tax Act, 1961) and deferred tax charge or credit (reflecting the tax effects of the timing differences between the accounting income and taxable income for the year). The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantially enacted by the Balance Sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in the future. However, where there is unabsorbed depreciation or carry forward loss under taxation laws, deferred tax assets are recognised only if there is virtual certainty of realisation of such assets. Deferred tax assets are reviewed at each Balance Sheet date and written down or written up to reflect the amount that is reasonably/ virtually certain (as the case may be) to be realised.

2.5 Employee Benefits

a Short Term Benefits

Employee benefits (other than post-employment benefits) which fall due wholly within twelve months after the end of the year in which the employees render the related service are recognized at the amount expected to be paid for it.

b Post-Employment Benefits

a. Gratuity - Defined Benefit plan

The liability is determined based on actuarial valuation using the Projected Unit Credit Method as at the balance sheet date, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan, is based on market yields on Government securities as at the balance sheet date.

Actuarial gains and losses are recognised immediately in the Statement of Profit and Loss. Gains or losses on the curtailment or settlement of any defined benefit plan are recognised when the curtailment or settlement occurs.

b. Provident Fund

Eligible employees receive benefits from a provident fund, which is a defined benefit plan. Both the eligible employee and the company make monthly contributions to the provident fund plan equal to specified percentage of the covered employee's salary.

c. Compensated Absences

The employees of the company are entitled to compensated absences which are both accumulating and non- accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation using project unit credit method on the additional amount expected to be paid/availed as a result of the unused entitlement that has accumulated at the Balance Sheet date. Expense on the non-accumulating compensated absences is recognized in the period in which the absences occur.

2.6 Borrowing Costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to Statement of Profit and Loss.

2.7 Provisions, Contingent Liabilities and Contingent Assets

A provision arising from claims, litigation, assessment, fines, penalties, etc. is recognised when the Company has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. These are reviewed at each balance sheet date and adjusted to reflect current management estimates. Contingent liabilities are disclosed in respect of possible obligations that have risen from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the enterprise. When there is a possible obligation or present obligation where the likelihood of an outflow is remote, no disclosure or provision is made.

2.8 Earnings Per Share

Basic earnings per equity share is computed by dividing net profit after tax attributable to equity shareholders by the weighted average number of equity shares outstanding for the period. Diluted earning per equity share is computed using the weighted average number of equity shares and dilutive potential equity shares outstanding during period.

2.9 Impairment

The carrying amounts of assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the asset is estimated. For assets that are not yet available for use, the recoverable amount is estimated at each balance sheet date. An impairment loss is recognised whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognised in the Statement of Profit and Loss. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the carrying amount of the assets does not exceed the carrying amount that would have been determined net of depreciation or amortization, if no impairment loss had been recognised.

2.10 Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as non current investment.

Non Current investments are carried in the financial statements are valued at cost. Provision is made if there is a diminution, other than temporary, in the value of investments.

2.11 Cash Flow Statement

Cash Flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the company are segregated.



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	Amount (₹)	
3. SHARE CAPITAL	As at 31.03.2019	As at 31.03.2018
Authorized Shares		
4,00,00,000 (PY : 4,00,00,000) Equity Shares of ₹ 10/- each	40,00,00,000	40,00,00,000
	40,00,00,000	40,00,00,000
Shares Issued, Subscribed & Fully Paid up		
1,81,24,256 Equity Shares (PY - 1,81,24,256) of ₹ 10/- each	18,12,42,560	18,12,42,560
	18,12,42,560	18,12,42,560

3.1 Reconciliation of number of shares outstanding at the beginning and at the end of the reporting period:

Particulars	As at 31.03.2019	As at 31.03.2018
Number of Shares outstanding as at beginning of the year	1,81,24,256	1,81,24,256
Add: Shares issued/(redeemed) during the year	-	-
Number of Shares outstanding as at end of the year	1,81,24,256	1,81,24,256

3.2 Rights, preferences and restrictions attaching to each class of Shares including restrictions on the distribution of dividend and the repayment of capital.

The Company has only one type of equity shares having par value of ₹ 10 each per share. All shares rank pari passu with respect to dividend, voting rights and other terms. Each shareholder is entitled to one vote per share. The equity shareholders are entitled to dividend rights according to their paid up portion of the share capital. The repayment of equity share capital in the event of liquidation and buy back of shares are possible subject to prevalent regulations. In the event of liquidation, normally the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

3.3 Shares in the company held by each shareholder holding more than 5 percent shares specifying the number of shares held is as given below:

Name of Shareholder	As at 31.03.2019		As at 31.03.2018	
	No of Shares	Percentage	No of Shares	Percentage
National Highways Authority of India	75,00,000	41.38%	75,00,000	41.38%
ICICI Bank Limited	15,00,000	8.27%	15,00,000	8.27%
Axis Bank Limited	15,00,000	8.27%	15,00,000	8.27%
L & T Infrastructure Finance Company Limited	15,00,000	8.27%	15,00,000	8.27%
Total	1,20,00,000	66.19%	1,20,00,000	66.19%



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(Amount in ₹)

4. RESERVES AND SURPLUS

Surplus

	As at March 31, 2019	As at March 31, 2018
Opening Balance	33,80,53,717	9,29,03,748
Add: Profit during the year	41,98,76,699	24,51,49,969
Balance at the end of the year	75,79,30,416	33,80,53,717

5. LONG TERM PROVISIONS

	As at March 31, 2019	As at March 31, 2018
Provision for Leave Encashment*	4,72,339	2,82,449
Provision for Gratuity*	4,02,339	3,03,578
	8,74,678	5,86,027

*Refer Note 23

6. Trade Payables

	As at March 31, 2019	As at March 31, 2018
-Due to micro, small & medium enterprises	16,37,08,696	-
-Due to others	60,87,26,832	66,88,24,090
	77,24,35,528	66,88,24,090

The ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated 26 August 2008 which recommends that Micro and Small Enterprises should mention in their correspondence with their customers the Entrepreneurs Memorandum number as allocated after filing of the Memorandum. Based on information received and available with the Company, there are no amounts payable to Micro and Small Enterprises as at 31 March 2019 and 31 March 2018.

7. OTHER CURRENT LIABILITIES

	As at March 31, 2019	As at March 31, 2018
a) Receipts on account of Over Weight and Over Dimensional Vehicles**	60,29,21,166	47,18,54,166
b) Duties & Taxes Payable	3,33,81,969	4,52,07,188
c) Expenses Payable	99,62,097	27,00,626
d) Book Overdraft	-	3,60,221
e) Earnest Money Deposit	5,18,00,000	10,00,000
f) Others payables		
-Liability for cashback to customers	59,60,32,126	28,02,74,955
	1,29,40,97,358	80,13,97,156

*Amount payable to related party (National Highways Authority of India)

** In terms of MoRTH notification No. RW-NH-35072/1/2010-S&R(B) dated 20.09.2013 user fee for movement of Over Weight and Over Dimensional (OW/OD) Consignments levied by MoRTH is being deposited in IHMCL Bank A/c. The amount has been shown under current liabilities as Receipts on behalf of Government of India.

8. SHORT TERM PROVISIONS

	As at March 31, 2019	As at March 31, 2018
Provision for Leave Encashment*	9,244	5,459
Provision for Gratuity*	3,084	440
Provision for Income Tax (Net of Advance Tax Rs 97,907,604 (Previous Year 32,607,611))	-	21,94,563
	12,328	22,00,462

*Refer note 23

10. DEFERRED TAX ASSETS (NET)

Deferred Tax Liability

	As at March 31, 2019	As at March 31, 2018
Difference between depreciation as per Companies Act, 2013 and Income Tax Act, 1961	28,258	(15,231)

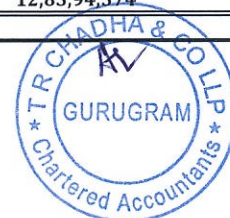
Deferred Tax Assets

	As at March 31, 2019	As at March 31, 2018
Disallowances of Gratuity expense & Leave Encashment	85,101	70,850
Deferred Tax Asset (Net)	56,843	86,081

11. LONG TERM LOANS & ADVANCES

(Unsecured, considered good)

	As at March 31, 2019	As at March 31, 2018
Security Deposit	3,000	3,000
Income Tax Advances(Net of provision for tax Rs. Previous Year Rs. 17,070,904)	12,83,91,574	7,19,79,656
	12,83,94,574	7,19,82,656



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PARTICULARS	GROSS CARRYING AMOUNT				ACCUMULATED DEPRECIATION/AMORTIZATION			NET CARRYING AMOUNT		
	As on 01.04.2018	Addition during the year	Deletion during the year	As on 31.03.2019	As on 01.04.2018	Charge for the year	Deletion during the year	As on 31.03.2019	As on 31.03.2019	As on 31.03.2018
Property, Plant and Equipments and										
Furniture & Fixtures	3,00,700	-	-	3,00,700	35,558	28,566	-	64,124	2,36,576	2,65,142
Computer	51,975	5,71,032	-	6,23,007	50,640	1,69,281	-	2,19,921	4,03,086	1,335
Office Equipments	53,620	2,97,000	-	3,50,620	20,746	60,434	-	81,180	2,69,440	32,874
Total	4,06,295	8,68,032	-	12,74,327	1,06,944	2,58,281	-	3,65,225	9,09,102	2,99,351
Previous year	2,83,055	2,25,250	1,02,010	4,06,295	78,180	72,680	43,916	1,06,944	2,99,351	2,04,875
Intangible Assets										
Website	98,366	-	-	98,366	70,338	19,673	-	90,011	8,355	28,028
Computer Software	54,000	-	-	54,000	33,228	10,800	-	44,028	9,972	20,772
Total	1,52,366	-	-	1,52,366	1,03,566	30,473	-	1,34,039	18,327	48,800
Previous year	1,52,366	-	-	1,52,366	73,093	30,473	-	1,03,566	48,800	79,273
Grand Total	5,58,661	8,68,032	-	14,26,693	2,10,510	2,88,754	-	4,99,264	9,27,429	3,48,151
Previous year	4,35,421	2,25,250	1,02,010.00	5,58,661	1,51,273	1,03,153	43,916.00	2,10,510	3,48,151	2,84,148

Note : As per internal assessment of the company there is no asset requiring provision for impairment as on 31-03-2019 as per AS 28 on "Impairment of Assets".



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	As at March 31, 2019	As at March 31, 2018
12. TRADE RECEIVABLE		
<i>(Unsecured, Considered good)</i>		
Outstanding exceeding six months from due date*	-	-
Others*	1,38,47,35,025	1,48,06,50,142
<i>(Unsecured, Considered doubtful)</i>		
Others	28,13,398	7,35,786
Provision for doubtful debts	(28,13,398)	(7,35,786)
	1,38,47,35,025	1,48,06,50,142
* Includes receivable from related party ₹ 1,34,67,78,556 (Previous Year ₹ 1,46,54,85,957).		
13. CASH AND BANK BALANCES	As at March 31, 2019	As at March 31, 2018
a) Cash & Cash Equivalents		
Cash on Hand	300	-
Balances with Banks		
- in Current Accounts	1,10,101	59,150
- in deposit account with maturity of less than 3 months	42,04,92,699	13,33,39,742
	42,06,03,100	13,33,98,892
b) Other Bank Balance (Fixed Deposits with original maturity more than 3 months but less than 12 months)	5,00,00,000	5,00,00,000
	47,06,03,100	18,33,98,892
14. SHORT TERM LOANS & ADVANCE	As at March 31, 2019	As at March 31, 2018
<i>(Unsecured, considered good)</i>		
Other Advances (Imprest)	-	8,139
	-	8,139
15. OTHER CURRENT ASSETS	As at March 31, 2019	As at March 31, 2018
Unsecured, Considered good		
Interest Receivable on Fixed Deposits	57,24,871	24,89,372
Unbilled Revenue	80,51,593	82,87,890
Prepaid Expenses	3,57,610	86,740
Input Tax Credit Carried forward	39,34,212	5,50,262
Receivable from National Highways Authority of India (NHAI)*	1,00,38,07,612	24,44,15,687
Unsecured, Considered doubtful		
Service Tax Refund Due	4,30,779	4,30,779
Provision for doubtful debts	(4,30,779)	(4,30,779)
	1,02,18,75,898	25,58,29,951



INDIAN HIGHWAYS MANAGEMENT COMPANY LIMITED

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Notes forming part of the Financial Statements for the year ended on March 31, 2019

*** Details of amount receivable from NHAI (related Party):**

i) Funds from NHAI/Government of India- Ministry of Road Transport and Highways for Projects- ETC, Traffic Survey, Way Side Amenities, Road User Helpline & Toll Management System*

Name of the project	Opening balance as on 01.04.2018	Fund received during the year	Funds utilised during the year	Closing balance as on 31.03.2019
i) Electronic Toll Collection	(34,39,88,884)	-	22,20,46,084	(56,60,34,968)
ii) Traffic Survey	(35,46,83,325)	63,81,87,495	79,24,02,837	(50,88,98,667)
iii) Way Side Amenities	(2,76,66,860)	-	8,18,255	(2,84,85,115)
iv) Road User Helpline	4,58,93,761	-	3,17,97,983	1,40,95,778
v) Toll Management System	(37,94,19,382)	91,01,72,531	45,09,98,447	7,97,54,702
vi) ETC Pool	79,94,36,914	2,00,00,00,000	2,80,95,03,133	(1,00,66,219)
vii) Citizen Centric App-You Report	(24,12,165)	-	-	(24,12,165)
viii) Time & Motion Study	(41,33,343)	-	69,515	(42,02,858)
Total	(26,69,73,284)	3,54,83,60,026	4,30,76,36,254	(1,02,62,49,512)
Previous year figures	(84,96,40,201)	4,55,82,72,736	3,97,56,05,820	(26,69,73,285)

ii) Funds from NHAI for National Green Highways Mission*

	2018-19	2017-18
Opening Balance	2,25,57,598	2,68,50,143
Add: Recovery of Management fee receivable against project funds	(1,15,698)	(36,55,053)
Add: Funds Received during the year for plantation activities	-	-
Less: Funds utilised during the year (B)	-	6,37,492
Closing Balance as on 31st March 2019 / 31st March 2018	2,24,41,900	2,25,57,598



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Notes forming part of the Financial Statements for the year ended on March 31, 2019

(Amount in ₹)

16. REVENUE FROM OPERATIONS

Sale of Services

-Management Fee from NHAI Projects*
-Management Fee from National Green Highways Mission**

	For The Year Ended March 31, 2019	For The Year Ended March 31, 2018
	2,22,66,370	2,28,54,852
	-	98,048
Other Operating Revenue		
-Revenue from ETC Operations***	2,30,98,88,123	1,33,16,96,945
-Traffic Data Sharing Fees	-	1,12,000
	2,33,21,54,493	1,35,47,61,845

*Management Fees @ 1.5% on cost incurred by IHMCL on NHAI Projects.

**Revenue from ETC Operations @ 4% on Monthly Toll Transaction.

17. OTHER INCOME

Interest Income on Deposits
Miscellaneous Income

	For The Year Ended March 31, 2019	For The Year Ended March 31, 2018
	2,35,77,204	1,49,27,638
	14,997	-
	2,35,92,201	1,49,27,638

18 EMPLOYEES BENEFIT EXPENSES

Salaries and Wages
Gratuity Expenses
Compensated absences
Contribution to provident fund
Staff welfare expenses

	For The Year Ended March 31, 2019	For The Year Ended March 31, 2018
	1,27,62,921	77,32,619
	1,01,405	1,41,631
	2,56,610	2,20,821
	4,61,229	3,00,898
	29,538	60,833
	1,36,11,703	84,56,802

19. FINANCE COST

Interest expense

	For The Year Ended March 31, 2019	For The Year Ended March 31, 2018
	1,68,229	3,96,925
	1,68,229	3,96,925

20. OTHER EXPENSES

Transaction Charges for Managing Central Clearing House-(ETC Project)- (Refer note 24 c)
Professional & Consultancy Charges
Manpower Hiring Expenses
Taxi Hire Charges
Travelling Expenses
Payment to Auditor
-As Auditor
-For reimbursement of expenses
AGM Expenses
Sitting Fee to Directors
Insurance
Advertisement Expenses
Printing and Stationery
Loss on Discard of Fixed Asset
Website Hosting & Maintenance Expenses
Provision for doubtful receivables
Arbitration Fees
FAStag Expenses
Miscellaneous Expenses
Fees & Subscription

	For The Year Ended March 31, 2019	For The Year Ended March 31, 2018
	1,72,39,03,445	99,68,38,540
	54,40,535	48,72,227
	27,17,270	59,80,577
	6,26,941	11,92,108
	15,67,889	14,56,711
	1,65,480	1,25,000
	49,050	16,520
	-	2,01,958
	2,10,000	3,83,000
	1,86,662	2,31,607
	1,01,56,509	12,88,720
	1,52,401	84,899
	-	58,094
	2,27,472	2,00,825
	20,77,612	11,66,565
	9,75,000	-
	9,60,895	-
	10,02,023	13,87,756
	91,125	-
	1,75,05,10,308	1,01,54,85,107

21. PRIOR PERIOD ITEMS

Professional & Consultancy Charges

	For The Year Ended March 31, 2019	For The Year Ended March 31, 2018
	-	-
	-	-

22. EARNING PER SHARE

Number of Equity Shares of ₹ 10 each fully paid up at the beginning of the year
Number of Equity Shares of ₹ 10 each fully paid issued during the year
Number of Equity Shares of ₹ 10 each fully paid up at the end of the year
Weighted Average number of Equity Shares of Rs10/- each outstanding during the year
Net Earning after tax for the year (₹)
Earning Per Equity Share of ₹ 10 each
- Basic
- Diluted

	Current Year	Previous Year
	1,81,24,256	1,81,24,256
	-	-
	1,81,24,256	1,81,24,256
	1,81,24,256	1,81,24,256
	41,98,76,699	24,51,49,969
	23.17	13.53
	23.17	13.53



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23. As per Accounting Standard 15 " Employee benefits", the disclosures as defined in the Accounting Standard are given below:

Defined Benefit Plans:

Valuations in respect of Gratuity have been carried out by independent actuary, as at the Balance Sheet date, based on the following assumptions:

	Gratuity (Unfunded)	
	2018-19	2017-18
(Amount in ₹)		
(i) Major Assumptions		
(a) Discount Rate (per annum)	7.87%	7.49%
(b) Future Salary Increase	8%	8%
(c) Rate of Return on Plan Assets	NA	NA
(d) Expected Average remaining working lives of employees in number of years	27.36	27.36
(ii) Changes in the Present Value of Obligation		
(a) Present Value of obligation as at beginning of the year	3,04,018	1,62,387
(b) Acquisition out: Liability transferred	-	-
(c) Interest Cost	23,774	12,780
(d) Past Service Cost	-	-
(e) Current Service Cost	1,65,947	1,62,926
(f) Benefits Paid	-	-
(g) Actuarial (Gain)/Loss	(88,316)	(34,075)
(h) Present Value of obligation as at end of the year	4,05,423	3,04,018
(iii) Changes in the Fair value of Plan Assets		
(a) Present Value of Plan Assets as at beginning of the year	-	-
(b) Expected Return on Plan Assets	-	-
(c) Employers' Contributions	-	-
(d) Last year's settlement	-	-
(e) Benefits Paid	-	-
(f) Actuarial gain/ (loss) on plan assets	-	-
(g) Fair Value of Plan Assets as at end of the year	-	-
(iv) Reconciliation of the Present Value of Defined Benefit Obligation and the Fair Value of Assets		
(a) Present Value of Funded Obligation as at end of the year	-	-
(b) Fair Value of Plan Assets as at end of the year	-	-
(c) Funded (Asset)/Liability recognised in the Balance Sheet	-	-
(d) Present Value of Unfunded Obligation as at end of the year	4,05,423	3,04,018
(e) Unrecognised Past Service Cost	-	-
(f) Unrecognised Actuarial Gains/(Losses)	-	-
(g) Unfunded Net Liability recognised in the Balance Sheet	4,05,423	3,04,018
(v) Actuarial gain / (loss) recognized		
a) Actuarial gain/(loss) for the year - obligation	88,316	(34,075)
b) Actuarial (gain)/loss for the year - plan assets	-	-
c) Total (gain)/loss for the year	(88,316)	(34,075)
d) Actuarial (gain)/loss recognized in the year	(88,316)	(34,075)
e) Unrecognized actuarial (gain)/Loss at the end of the year	-	-
(vi) Amount recognised in the Balance Sheet		
(a) Present Value of Obligation as at end of the year	4,05,423	3,04,018
Long Term Provisions	4,02,339	3,03,578
Short Term provisions	3,084	440
(b) Fair Value of Plan Assets as at end of the year	-	-
(c) (Asset)/Liability recognised in the Balance Sheet	4,05,423	3,04,018
(vii) Expenses recognised during the year		
(a) Current Service Cost	1,65,947	1,62,926
(b) Past Service Cost	-	-
(c) Interest Cost	23,774	12,780
(d) Expected Return on Plan Assets	-	-
(e) Net actuarial (Gain)/Loss	(88,316)	(34,075)
(f) Employees' Contribution	-	-
(g) Total Expenses recognised during the year	1,01,405	1,41,631
(h) Expenses recognised in the Statement of Profit and Loss	1,01,405	1,41,631
(viii) Expected Employer's Contribution for the next year	-	-

(ix) Other Disclosure

Gratuity ((Unfunded)

Particulars	2018-19	2017-18	2016-17	2015-16	2014-15
Present Value of Obligation at the end of the year	4,05,423	3,04,018	1,62,387	-	-
Fair Value of Plan Assets at the end of the year	-	-	-	-	-
Surplus/(Deficit)	(4,05,423)	(3,04,018)	(1,62,387)	-	-
Experience adjustments on plan liabilities (Gain)/Loss	-	-	-	-	-
Experience adjustments on plan assets (Gain)/Loss	-	-	-	-	-



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Defined Benefit Plans:

Valuations in respect of Leave Encashment have been carried out by independent actuary, as at the Balance Sheet date, based on the following

Particulars	(Amount in Rs.)				
	Leave Encashment				
	2018-19	2017-18			
(i) Major Assumptions					
(a) Discount Rate (per annum)	7.87%	7.49%			
(b) Future Salary Increase	8%	8%			
(c) Rate of Return on Plan Assets	NA	NA			
(d) Expected Average remaining working lives of employees in number of years	27.36	27.36			
(ii) Changes in the Present Value of Obligation					
(a) Present Value of obligation as at beginning of the year	2,87,908	1,83,874			
(b) Acquisition out: Liability transferred	-	-			
(c) Interest Cost	22,514	14,471			
(d) Past Service Cost	-	-			
(e) Current Service Cost	1,73,969	1,16,061			
(f) Benefits Paid	(62,935)	(1,16,787)			
(g) Actuarial (Gain)/Loss	60,127	90,289			
(h) Present Value of obligation as at end of the year	4,81,583	2,87,908			
(iii) Changes in the Fair value of Plan Assets					
(a) Present Value of Plan Assets as at beginning of the year	-	-			
(b) Expected Return on Plan Assets	-	-			
(c) Employers' Contributions	-	-			
(d) Last year's settlement	-	-			
(e) Benefits Paid	-	-			
(f) Actuarial gain/ (loss) on plan assets	-	-			
(g) Fair Value of Plan Assets as at end of the year	-	-			
(iv) Reconciliation of the Present Value of Defined Benefit Obligation and the Fair Value of Assets					
(a) Present Value of Funded Obligation as at end of the year	-	-			
(b) Fair Value of Plan Assets as at end of the year	-	-			
(c) Funded (Asset)/Liability recognised in the Balance Sheet	-	-			
(d) Present Value of Unfunded Obligation as at end of the year	4,81,583	1,83,874			
(e) Unrecognised Past Service Cost	-	-			
(f) Unrecognised Actuarial Gains/(Losses)	-	-			
(g) Unfunded Net Liability recognised in the Balance Sheet	4,81,583	1,83,874			
(v) Actuarial gain / (loss) recognized					
a) Actuarial gain/(loss) for the year - obligation	(60,127)	(90,289)			
b) Actuarial gain/(loss) for the year - plan assets	-	-			
c) Total (gain)/loss for the year	60,127	90,289			
d) Actuarial (gain) /loss recognized in the year	60,127	90,289			
e) Unrecognized actuarial (gain)/Loss at the end of the year	-	-			
(vi) Amount recognised in the Balance Sheet					
(a) Present Value of Obligation as at end of the year	4,81,583	1,83,874			
Long Term Provisions	4,72,339	2,82,449			
Short Term provisions	9,244	5,459			
(b) Fair Value of Plan Assets as at end of the year	-	-			
(c) (Asset)/Liability recognised in the Balance Sheet	4,81,583	1,83,874			
(vii) Expenses recognised during the year					
(a) Current Service Cost	1,73,969	1,16,061			
(b) Past Service Cost	-	-			
(c) Interest Cost	22,514	14,471			
(d) Expected Return on Plan Assets	-	-			
(e) Net actuarial (Gain)/Loss	(60,127)	(90,289)			
(f) Employees' Contribution	-	-			
(g) Total Expenses recognised during the year	2,56,610	2,20,821			
Less: Amount apportioned to a group	-	-			
(h) Expenses recognised in the Statement of Profit and Loss	2,56,610	2,20,821			
(viii) Expected Employer's Contribution for the next year	-	-			
(ix) Other Disclosure					
Gratuity ((Unfunded)					
Particulars	2018-19	2017-18	2016-17	2015-16	2014-15
Present Value of Obligation at the end of the year	4,81,583	2,87,908	-	-	-
Fair Value of Plan Assets at the end of the year	-	-	-	-	-
Surplus/(Deficit)	(4,81,583)	(2,87,908)	-	-	-
Experience adjustments on plan liabilities (Gain)/Loss	-	-	-	-	-
Experience adjustments on plan assets (Gain)/Loss	-	-	-	-	-



INDIAN HIGHWAYS MANAGEMENT COMPANY LIMITED

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Notes forming part of the Financial Statements for the year ended on March 31, 2019**24 Other Notes**

- a The company has received ₹ 9,70,67,18,281 till 31.03.2019 from NHAI and Government of India- Ministry of Road Transport and Highways (MoRTH) for execution of Nine projects namely Traffic survey, Electronic Toll Collection, Toll Management System, Time & Motion Study, Road User Helpline, Wayside Amenities, Citizen Centric – You Report, Green Highways Mission and ETC Pool (Cash Back). Against the funds received, the company had utilized sum of ₹ 10,71,06,48,522 till 31.03.2019 for implementing these projects including purchase of Electronic Toll Collection (ETC) and other project expenses through contractors on behalf of NHAI/ Government of India- Ministry of Road Transport and Highways. The invoices for ETC equipments and other project expenses are in the name of the company. However, in accordance with the understanding between NHAI and company, ETC equipments are not the assets of the company and have, therefore not been recorded in the books of company.
- b Management fee @1.5% on the cost incurred by IHMCL on ETC, Traffic Survey projects, Road User Helpline, Way Side Amenities, Toll Management System, Time & Motion Study, Citizen Centric – You Report (on behalf of NHAI), has been accounted for in the books of IHMCL on the basis of the minutes of the meeting held on 26.03.2015 in the Ministry of Road Transport & Highways (MoRTH). In respect of Green Highways Project, management fees @ 15% have been accounted for as per board meeting held on 17.12.2015 in NHAI.
- c Revenue from Electronic toll collection (ETC Operations) @ 4% of the fee collected electronically for managing the National ETC program has been accounted in the books of accounts of IHMCL on the basis of office Memorandum issued by MoRTH vide ref no. H-25011/1/2015 dated 16.02.2016. The company is paying 1.50% of the fee collected electronically to Issuer Banks, 1.25% of the fee to Acquirer Banks and 0.25% of the fee collected electronically to National Payment Corporation of India (NPCI) as a fee for their services as collectors of the fee electronically.
- d In the process of Implementation of Electronic Toll Collection, Ministry of Road Transport and Highways (MoRTH) issued an Office Memo dated 16.02.2016 indicating NHAI's proposal to give 10% discount (cash back) to toll road users on electronically paid fee for financial year 2016-17, 7.5% for 2017-18, 5% for 2018-19, 2.5% for 2019-20 and no discount from 2020-2021 onwards. During FY 2018-19, total of ₹ 2,80,95,03,133 has been adjusted from project advance received from NHAI as cash back to toll road user.
- e As per the books of account of the company, a total sum of ₹ 2,35,06,46,148 (Under Trade Receivables Rs. 1,34,67,78,556 and Other Receivables Rs. 100,38,07,612) is receivable from National Highways Authority of India (NHAI) as on 31.03.2019. But as per the confirmation received from NHAI a sum of ₹ 2,43,06,13,914 (excluding amount of equity share capital included in confirmation) is outstanding as receivable from the company, resulting in a gross difference of ₹ 4,78,12,00,082. The reconciliation differences are mainly due to non – passing of entries in NHAI books of account for which the company is following up with NHAI for necessary action. In the opinion of the management, the amount is recoverable from NHAI and no dispute of any nature has been filed by the NHAI to the Company. The reconciliation is an on going process and necessary entries will be passed by NHAI. There are no pending entries to be passed by the company as a result of reconciliation.
- f The company has accounted for revenue from ETC operations amounted to ₹ 2,30,98,88,123 (excluding Goods & Service Tax) during FY 2018-19 against which invoices for ₹ 2,24,76,65,455 (excluding Goods & Service Tax) had only been raised on NHAI and Rs 6,22,22,668 (excluding Goods & Service Tax) has been raised to MHAISKAR Infrastructure Private Limited, Madhya Pradesh Road Development Corporation and Hyderabad Growth Corridor Limited.
- g The company has availed and utilized Cenvat credit / Input Tax Credit of CGST, SGST and IGST of ₹ 31,35,39,036 and ₹ 19,66,68,634 on transaction charges paid for managing central clearing house for Electronic Toll Collection (ETC) Project during and Project expenditure incurred on behalf National Highways for the FY 2018-19 respectively, out of which an amount of Rs 1,12,509 is unutilized to be utilized while filing GSTR-9 (Annual GST return of F.Y 2018-19).
- h Balances of the certain parties are subject to confirmation/reconciliation. In the opinion of management current assets, non-current assets, loans and advances and trade receivables have an approximate realizable value equal to amount stated in the Financial Statements, unless otherwise stated. The provision for all liabilities is adequate and not in excess of the amount reasonably necessary.
- i Based on the information available with the Company, there are no dues as at March 31, 2019 payable to enterprises covered under "Micro, Small and Medium Enterprises Development Act, 2006". No interest is paid/payable by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006.
- j **Contingent Liability**
There is no contingent liability as on March 31, 2019.



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Notes forming part of the Financial Statements for the year ended on March 31, 2019

25 RELATED PARTY DISCLOSURE (As per AS-18)

A. Related parties and transactions with them as identified by the management are given below:

Parties which exercise/ can exercise significant influence over the company

National Highway Authority of India

Key Managerial Personnel (KMP)

Mr. Asheesh Sharma, IAS (Chairman and Managing Director)
Mr. Rajesh Sharma - Chief Financial Officer (ceased to be the CFO on 10.05.2019)
Mr. Dinesh Kumar Gupta - Chief Financial Officer (Appointed as CFO on 21.05.2019)
Mr. Gopabandhu Mishra - Company Secretary

Directors of the Company

Mr. Asheesh Sharma, Chairman and Managing Director
Mr. Rajesh Sharma
Mr. T.S. Venkatesan
Mr. Shiva Rajaraman
Mr. Lalit Kumar Joshi, IAS (Retd.)
Mr. Sudipta Roy
Mr. Dineshchandra Agrawal

B. Transactions and Outstanding Balances with Related Parties in the ordinary course of business.

	(Amount in ₹)	
Transaction With National Highways Authority of India	For The Year Ended March 31, 2019	For The Year Ended March 31, 2018
Management Fee	2,22,66,370	2,29,52,900
Electronic toll collection	2,30,98,88,123	1,30,21,08,295
Fund received	6,32,70,65,546	4,95,55,57,354
Balance outstanding as at year end	March 31, 2019	March 31, 2018
Trade Receivable	1,34,67,78,556	1,46,54,85,957
Other Receivable	1,00,38,07,612	24,44,15,687
Other Payable	-	-

	(Amount in ₹)	
Transactions with KMP	For The Year Ended March 31, 2019	For The Year Ended March 31, 2018
Remuneration		
Mr. Gopabandhu Mishra	9,60,000	8,21,300
Balance outstanding as at year end		
Mr. Gopabandhu Mishra	68,080	73,300

26 Segment information (AS-17)

In the opinion of the management, the company is in operation is to provide services to National Highways Authority of India in implementation of various projects and operating in India, therefore there is one reporting segment. Accordingly, no disclosure for segment reporting has been made in the financial statements as specified in Companies (Accounts) Rules, 2014.

27 In the opinion of the Board, Current Assets and Loans and advances are of the value stated if realized in ordinary course of business and provision for liabilities are adequate.



INDIAN HIGHWAYS MANAGEMENT COMPANY LIMITED

CIN: U74140DL2012PLC246662

Notes forming part of the Financial Statements for the year ended on March 31, 2019

28 As per Section 135 of the Companies Act, 2013 read with guidelines issued by DPE, the Company is required to spend, in every financial year, at least two per cent of the average net profits of the Company made during the three immediately preceding financial years in accordance with its CSR Policy. The details of CSR expense required to be made by company are as under:-

Particulars	2018-19	2017-18
Amount required to be spent during the year	32,99,307	9,89,995
Shortfall amount	32,99,307	9,89,995

The company is required to spent Rs. 42,89,302 (Rs 32,99,307 for F.Y 2018-19 & Rs 9,89,995 for F.Y 2017-18) on CSR activities during the current year out of which company did not spend any amount on CSR expenses during current financial year.

29 Disclosures as per the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006

Particulars	As at 31-Mar-19	As at 31-Mar-18
(a) (i) the principal amount remaining unpaid to any supplier (ii) interest due thereon	16,37,08,696	-
(b) interest paid in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 and the amount of payment made to the supplier beyond the appointed day.	-	-
(c) interest due and payable for the period of delay in making payment other than the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
(d) interest accrued and remaining	-	-
(e) further interest remaining due and payable even in the succeeding years for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

30 There are no foreign currency transactions undertaken by the company during current and previous financial year


31 Previous year's figures have been regrouped /reclassified wherever necessary to correspond with the current year's classification / disclosure.


For T R Chadha & Co LLP
Chartered Accountants
(Firm Registration No. 006711N/N500028)


Aashish Gupta
(Partner)
M. No. 097343




For and on behalf of the Board of Directors of
Indian Highways Management Company Limited


Asheesh Sharma
(Chairman and Managing Director)
(DIN:02329278)


Amarendra Kumar
(Director)
(DIN:08541477)


Dinesh Kumar Gupta
(Chief Financial Officer)


Gopabandhu Mishra
(Company Secretary)

Place : Gurugram
Date: 05.09.2019

