भारतीय राजमार्ग प्रबंधन कंपनी लिमिटेड़
(एनएचएआई की एक पहल)
Indian Highways Management Company Limited
(An Initiative of NHAI)
जी–5 एवं 6, सेक्टर–10, द्वारका, नई दिल्ली–110075
G-5 & 6, Sector-10, Dwarka, New Delhi-110075

सीन / CIN U74140DL2012PLC246662
दूरभाष / Phone : 91-11-25074100/200
वेबसाईट / Website : www.ihmcl.co.in

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the **Eleventh (11th) Annual General Meeting** of the members of **Indian Highways Management Company Limited (IHMCL)** will be held on **Wednesday, the 27th September 2023 at 4.30 P.M.** at NHAI HQ, Plot No. G 5 & 6, Sector-10, Dwarka, New Delhi-110075 also through Video Conferencing **(VC)** / other audio visual means (OAVM) to transact the following business.

ORDINARY BUSINESS:

Item no. 1:

To consider, approve and adopt the Audited Financial Statements of the Company for the financial year ended on 31st March, 2023 together with the Reports of the Board of Directors and the Auditors thereon.

Item No.2:

To appoint Sh. Bijith Bhaskar (DIN 08401402), nominee from ICICI bank Ltd as nominee director in place of Sh. Hardik Dinesh Chandra Agrawal (DIN 07412813) who retires by rotation.

Item No.3:

To re-appoint Sh. Raju Francis Dodti (DIN 06550896) who retires by rotation being eligible offer himself for re-appointment.

SPECIAL BUSINESS:

Item No.4:

Regularization of Shri Talluri Raghupati Rao (DIN: 01207205) 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 Talluri Raghupati Rao (DIN: 01207205) who was appointed as a Nominee Director of the Company w.e.f 28th March, 2023 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."

Item No.5:

Regularization of Dr. Esther Malini, (DIN: 07124748) as Director.

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

"**RESOLVED THAT** Dr. Esther Malini, (DIN: 07124748) who was appointed as a Nominee Director of the Company w.e.f. 28th March, 2023 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."

Item No.6:

Regularization of Mrs. Surabhi Sinha (DIN: 10011356) as Independent Woman Director.

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

"**RESOLVED THAT** pursuant to the provisions of Section 149, 150, 152 read with schedule IV and Section 161(1) read with Companies (Appointment and Qualification of Directors) Rules, 2014, and other applicable provisions, sections, rules of the Companies Act, 2013 (including any statutory modifications or re-enactment thereof for the time being in force), to appoint Mrs. Surabhi Sinha, DIN 10011356 as an Additional Director (Non-Executive & Independent) on the Board of the Company w.e.f. 28.03.2023 to hold office till the conclusion of the next Annual General Meeting and subject to the approval of the members in the ensuing General Meeting, for appointment as an Independent Woman Director to hold office for a term up to 5 consecutive years from the date of ensuing general meeting."

Item No.7:

Regularization of Sh. NRVVMK Rajendra Kumar, (DIN: 09494456) as Director.

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

"**RESOLVED THAT** Sh. NRVVMK Rajendra Kumar, (DIN: 09494456) who was appointed as a Nominee Director of the Company w.e.f. 19th May, 2023 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 not 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: 20th September, 2023

IMPORNANT NOTES:

1. An explanatory statement pursuant to Section 102 of the Companies Act, 2013, relating to the Special Business to be transacted at the meeting is annexed hereto.
2. General instructions for accessing and participating in the 11th AGM through VC/OAVM Facility:
   a) In view of the outbreak of the COVID-19 pandemic and pursuant to General Circular Nos.14/2020, 17/2020 and 20/2020 dated 8th April 2020, 13th April 2020 and 5th May 2020, respectively, read with General Circular No.02/2021 dated January 13, 2021, (collectively referred to as "MCA Circulars") issued by the Ministry of Corporate Affairs, the 11th AGM of the Company is being conducted through VC/OAVM Facility, which does not require physical presence of members at a common venue. The deemed venue for the 11th AGM shall be the Registered Office of the Company situated at G 5 & 6, NHAI HQ (New Building), Sector 10, Dwarka, New Delhi-110075.
   b) In compliance with the aforesaid requirements of the MCA Circulars, electronic copy of the Notice along with the Annual Report for the financial year ended 31st March, 2023 consisting of financial statements including Board's Report, Auditors' Report and other documents required to be attached therewith (Collectively referred to as Notice) have been sent only by email to the members at their e- mail ids registered with the Company.
   c) Attendance of the Members participating in the 11th AGM through VC/OAVM Facility shall be counted for the purpose of ascertaining the quorum under Section 103 of the Act.

   d) Members may join the 11th AGM through VC/OAVM Facility by following the procedure as mentioned below:
      i) The members may participate in the Meeting through VC/OAVM Facility.
      ii) The said Facility shall be kept open for the Members from 0345 Hours, i.e., 15 minutes before the time scheduled to start the AGM and the Company shall close the window for joining the VC/OAVM Facility 15 minutes after the scheduled time to start the AGM.
      iii) Members needing assistance with the use of technology before or during the AGM may contact the Helpline details given hereunder: -
      Mr. GB Mishra, Contact number: 8826827897, E-mail ID: cs@ihmcl.com
   e) Members, when a poll is required to be taken during the meeting on any resolution, may convey their votes at the email address cs@ihmcl.com.

f) Members can vote during the AGM by show of hand and through Chat option also.

g) In terms of the MCA Circulars, since the physical attendance of Members has been dispensed with, there is no requirement of appointment of proxies. Accordingly, the facility of appointment of proxies by Members under Section 105 of the Act will not be available for the 11th AGM. Hence, the Proxy Form and Attendance Slip are not annexed to this Notice. However, in pursuance of Section 112 and Section 113 of the Act, representatives of the Members may be appointed for participation in the AGM through VC/OAVM Facility. Corporate Members intending to appoint their authorized representatives pursuant to Section 113 of the Act, to participate and vote at the AGM through VC or OAVM, are requested to send a certified copy of the Board Resolution at e-mail address cs@ihmcl.com , latest by 26th September, 2023.

h) In line with the MCA Circulars, the Notice of the 11th AGM will be available on the website of the Company at www.ihmcl.co.in.

i) Members are encouraged to submit their questions in advance with regard to the financial statements or any other matter to be placed at the AGM, from their registered email address, mentioning their name, folio number and mobile number, at the email address cs@ihmcl.com before 5.00 p.m. (IST) on 26th September, 2023 Queries that remain unanswered at the AGM will be appropriately responded by the Company at the earliest post the conclusion of the AGM.

j) Pursuant to the requirement of SS-2 notified by Ministry of Corporate Affairs and the circulars issued by MCA, the copy of the Memorandum of Association (MOA) & Articles of Association (AOA) of the Company & other documents referred to in this notice and explanatory statement shall be made available for inspection in electronic mode to all the members of the Company.

k) M/s Beetal Financial & Computer Services Pvt Ltd, Beetal House, 99, Madangiri, New Delhi-110062, are the Registrar and Share Transfer Agent of the Company to deal with the physical as well as electronic share registry.

l) Members are requested to notify immediately any change in their email address to the Company or Registrar and Share Transfer Agents in the case of physical holdings and to their respective Depository Participant in case of DEMAT shares.

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. 4

Information pursuant to Section 102(1)(b)
Information and facts to enable members to understand the meaning, scope and implications of the item

"Shri Talluri Raghupati Rao (DIN: 01207205) was appointed as a Nominee Director of the Company w.e.f 28th March, 2023 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."

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 Talluri Raghupati Rao himself and his relatives are interested or concerned in the resolution.

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

Dr. Esther Malini, (DIN: 07124748) was appointed as Nominee Director of the company u/s 161(3) of Companies Act, 2013 on 28th March, 2023. 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 Dr. Esther Malini, (DIN: 07124748) 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 Dr. Esther Malini, (DIN: 07124748) 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

The Board of Directors of the Company had appointed Mrs. Surabhi Sinha, IRS (Retd.) (DIN 10011356) as an Independent Woman Director of the Company for a period of five years with effect from 28th March, 2023. Section 149 read with Schedule IV of Companies Act, 2013 provides that appointment of Independent Director is to be approved by the Shareholders in General Meeting.
Mrs. Surabhi Sinha had submitted the prescribed declaration regarding meeting the criteria of independence as provided in subsection (6) of section 149 of the Companies Act, 2013. Mrs. Surabhi Sinha fulfills the conditions specified in the Act and the rule made thereunder for appointment as Independent Director of the company and is not disqualified from being appointed as Director u/s 164 of the Companies Act, 2013.

The proposed Resolution seeks to approve the appointment of Mrs. Surabhi Sinha (DIN10011356) as the Independent Woman Director of the Company for a period of five years.

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 Mrs. Surabhi Sinha (DIN: 10011356) himself and his relatives are interested or concerned in the resolution.

Item no.7

Information pursuant to Section 102(1) (b)
Information and facts to enable members to understand the meaning, scope and implications of the item

Shri N.R.V.V.M.K Rajendra Kumar was appointed as Nominee Director of the company u/s 161(3) of Companies Act, 2013 on 19th May, 2023. 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 N.R.V.V.M.K Rajendra Kumar (DIN: 09494456) was Director of the Company not be 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 N.R.V.V.M.K Rajendra Kumar (DIN: 09494456) 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: 20th September, 2023

ANNUAL REPORT 2022-23

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

BOARD OF DIRECTORS

Sh. N.R.V.V.M.K Rajendra Kumar	:	Chairman & Managing Director
Sh. Kushal Veer Singh	:	Director
Sh. Ramsekhar Manchikalepati, IAS (Retd.)	:	Independent Director
Ms. Surabhi Sinha, IRS (Retd.)	:	Independent Director
Sh. Hardik Agrawal	:	Director
Sh. Bangaru Raju Obbillisetty	:	Director
Dr. Esther Malini	:	Director
Sh. TR Rao	:	Director
Sh. Raju Fransic Dodti	:	Director

CHIEF OPERATING OFFICER

Sh. Vivek Jaiswal

CHIEF FINANCIAL OFFICER

Sh. Subhash Khurana

COMPANY SECRETARY

Sh. Gopabandhu Mishra

AUDITORS

M/s AMAA & Associates
Chartered Accountants
UG-2, 17-A/56, Triveni Plaza, WEA
Karol Bagh, New Delhi-110075

REGISTERED OFFICE ADDRESS

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

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DIRECTOR'S REPORT:

Background:

The **National Electronic Toll Collection (NETC) programme** widely known as '**FASTag',** a flagship initiative of Ministry of Road Transport and Highways (MoRTH) and National Highway Authority of India (NHAI), has been implemented on a nationwide basis to enable toll payments directly from the customers FASTag affixed on the windscreen of the vehicle thus eliminating the need to stop for toll payments. This has removed bottleneck in traffic flow at toll plazas ensuring seamless movement of traffic. The toll is collected using FASTag which used passive Radio Frequency Identification (RFID) technology. The FASTag is linked to prepaid or saving/current account for direct debit from user account.

The FASTag program was initiated in June 2010 by a Committee headed by Sh. Nandan Nilekani. 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.

In 2016, *"multi-issuer multi-acquirer"* model was adopted to bring in inter-operability and scaling up the adoption of FASTag as a digital means of toll payments.

In 2017, one FASTag lane was provisioned at NH fee plazas for dedicated for seamless movement of vehicles fitted with FASTag. Further, in 2018 all the lanes at the NH Fee plazas marked as FASTag lane, enhancing this convenience and ease of commuters.

Key policies & guidelines of MoRTH:

To promote adoption of digital payments of toll through FASTag, MoRTH has undertaken various policy decisions from time to time. Some of the salient policies are as below -

- In November 2017, the MoRTH mandated FASTags for all new passenger and goods carrying vehicles sold on or after December 1, 2017.
- In 2018, FASTag was mandated for issuance of National Permit to goods carrying vehicles.
- In 2019, a comprehensive scheme guideline was introduced for inclusion of state toll plazas under the ambit of FASTag Programme thereby providing a uniform and inter-operable electronic tolling across NH and SH toll plazas. The Scheme provisions for financial assistance to state authorities in terms of Capex cost and recurring transaction processing fees.
- To broad-based the utility of FASTag for other related services with the spirit of "One Nation One FASTag" a pilot project for using FASTag for parking launched at Hyderabad International Airport.
- In 2020 - FASTag mandated for all old vehicles (Class M & N) sold prior to December 2017. Also, FASTag ID was mandated for renewal of Motor Vehicle Insurance w.e.f April 2021

- In 2021, all Lanes at NH fee plazas declared as “FASTag lanes of NH fee plazas” w.e.f. midnight of 15/16 Feb 2021.
- In 2021, under the new initiative IHMCL signed an MoU with Goods and Services Tax Network (GSTN), ULIP and NATGRID for the integration of their system with FASTag. This integration will help the respective authorities for track and trace of the FASTag vehicles.
- As a biggest achievement under FASag Programme, Hon’ble PM in “Maan Ki Baat” appreciated on the benefits of the FASTag in 2021.
- In 2022-23, Hackathon had been organized in collaboration with MeiTY Start-up Hub to explore the option of barrier-less tolling solution and Intelligent Traffic Management System in presence of dignitaries from NHAI, MeiTY, IHMCL, MSH, IIT Madras and industry experts.
- MoU have been signed with Nagarjuna Sagar Tiger Reserve to enable payments through FASTag.
- IHMCL Data Monetization policy is being designed to share data with other government departments such as CBI, enforcement agencies, Police department, Income Tax Department, CAG,etc. seeking data.

Current Status

FASTag is now acceptable across all National Highways toll plaza (853) and selected State highways toll plaza (339). All NH fee plazas are operational with FASTag lanes.

MoUs have been signed with various State Authorities and the process of boarding additional toll State plazas is underway.

Currently, there are 40 member banks live under NETC programme who are part of the FASTag ecosystem. Below is the list of live Member Banks.

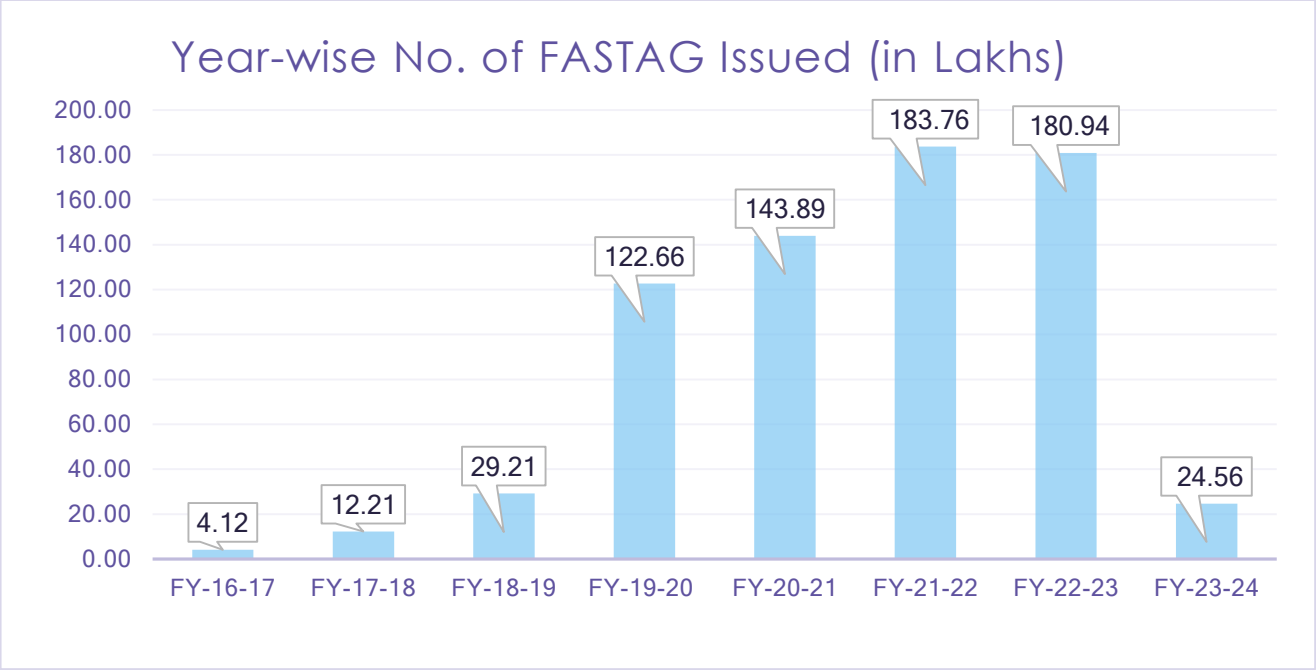
Sr. No.	Member Banks	Issuer	Acquirer
1	Airtel Payments Bank	Yes	Yes
2	Allahabad	Yes	-
3	AU Small Finance Bank	Yes	-
4	Axis Bank Ltd	Yes	Yes
5	Bank Of Baroda	Yes	-
6	Bank of Maharashtra	Yes	-
7	Canara Bank	Yes	-
8	Central Bank of India	Yes	-
9	City Union Bank Ltd	Yes	-
10	Cosmos Bank	Yes	-

Sr. No.	Member Banks	Issuer	Acquirer
11	Dombivli Nagari Sahakari Bank	Yes	-
12	Equitas Small Finance Bank	Yes	Yes
13	Federal Bank	Yes	-
14	Fino Payment Bank	Yes	-
15	HDFC Bank	Yes	Yes
16	ICICI Bank	Yes	Yes
17	IDBI Bank	Yes	Yes
18	IDFC FIRST Bank	Yes	Yes
19	Indian Overseas Bank	Yes	-
20	Indian Bank	Yes	-
21	IndusInd Bank	Yes	Yes
22	J&K Bank	Yes	-
23	Karnataka Bank	Yes	-
24	Karur Vysya Bank	Yes	Yes
25	Kotak Mahindra Bank	Yes	Yes
26	Nagpur Nagarik Sahakari Bank Ltd	Yes	-
27	PAYTM Payments Bank	Yes	Yes
28	Punjab Maharashtra Bank	Yes	-
29	Punjab National Bank	Yes	Yes
30	Saraswat Bank	Yes	-
31	South Indian Bank	Yes	-
32	State Bank of India	Yes	Yes
33	Syndicate Bank	Yes	-
34	Thrissur District Cooperative Bank	Yes	-
35	UCO Bank	Yes	-
36	Union Bank of India	Yes	-
37	Yes Bank	Yes	Yes
38	The Jalgaon Peoples Co-op. bank	Yes	-
39	Livquik Technology Pvt Ltd	Yes	-
40	Bandhan Bank	Yes	-

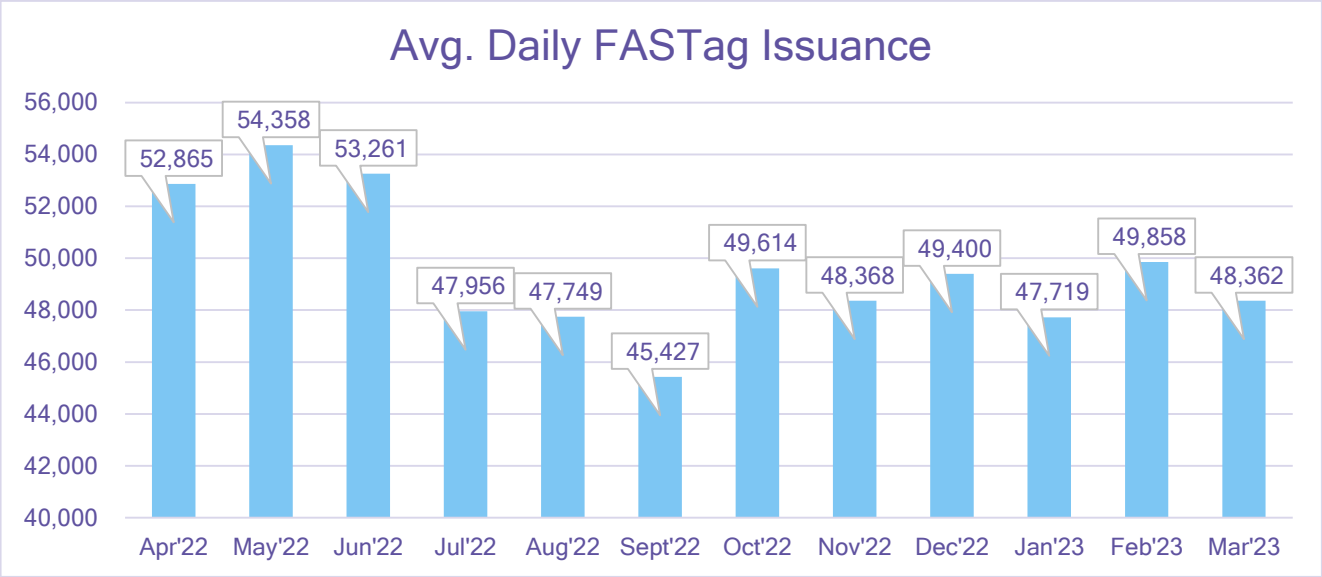
Growth in FASTag

The current year witnessed a significant growth in FASTag issuance and transactions.

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

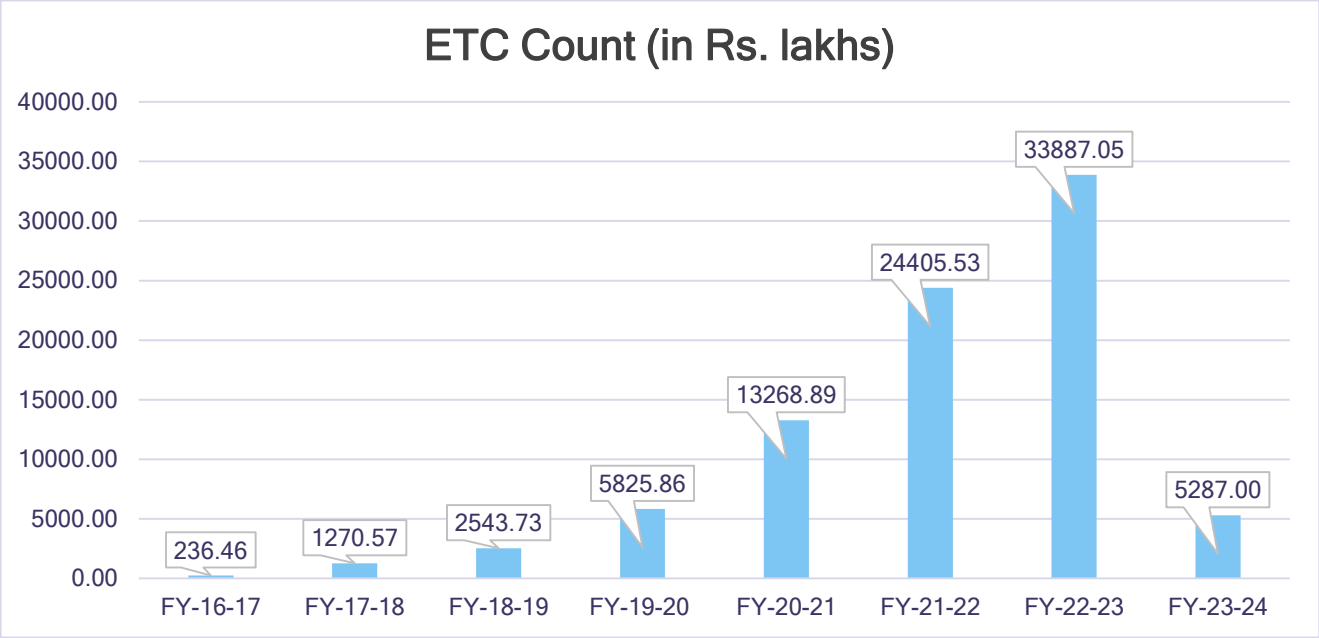


b) Average daily Tag Issuance (no. of tags issued in a day) in FY 2022-23

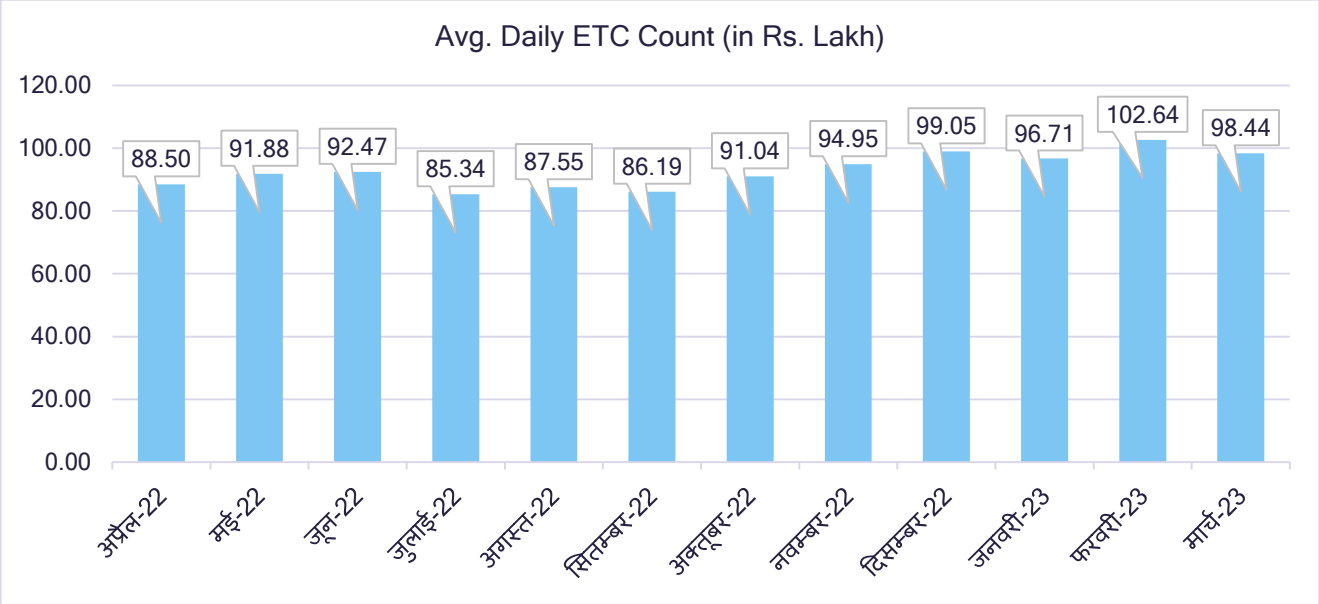


c) Growth in ETC Transaction Count

Year-wise ETC Transaction count (in Lakhs) (no. of transactions in each FY)



d) Avg. Daily ETC Count (in lakhs.) (No. of transactions in a day) in FY 2022-23

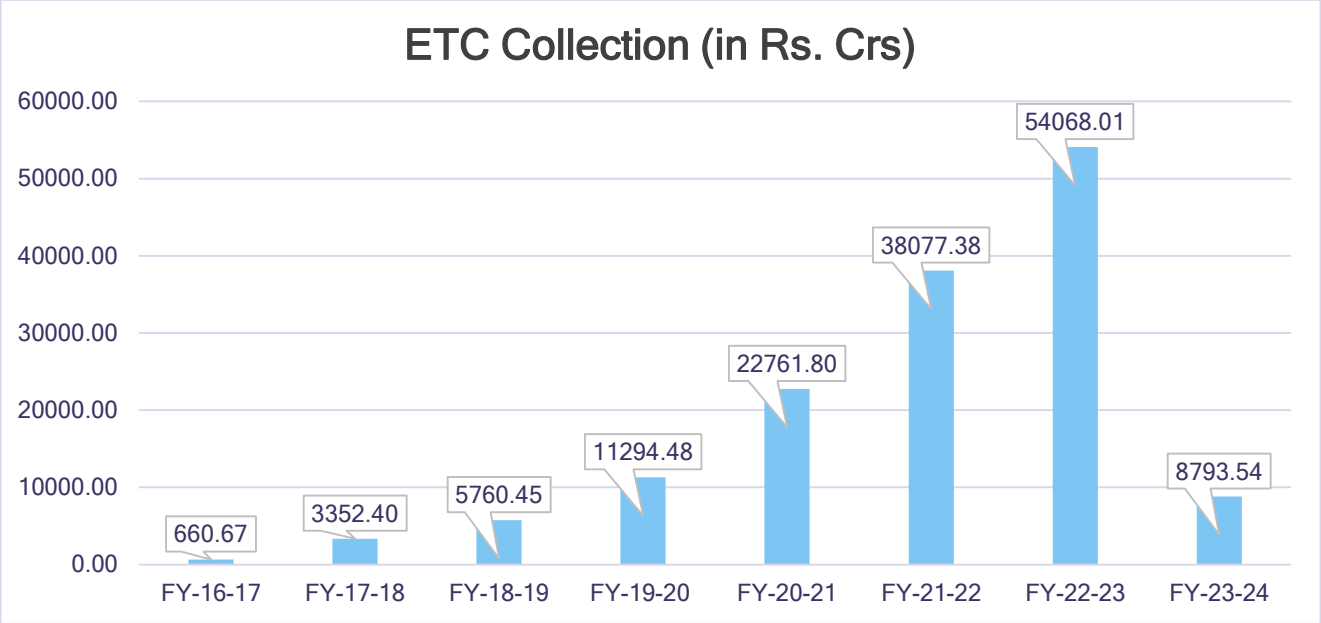


Important point -

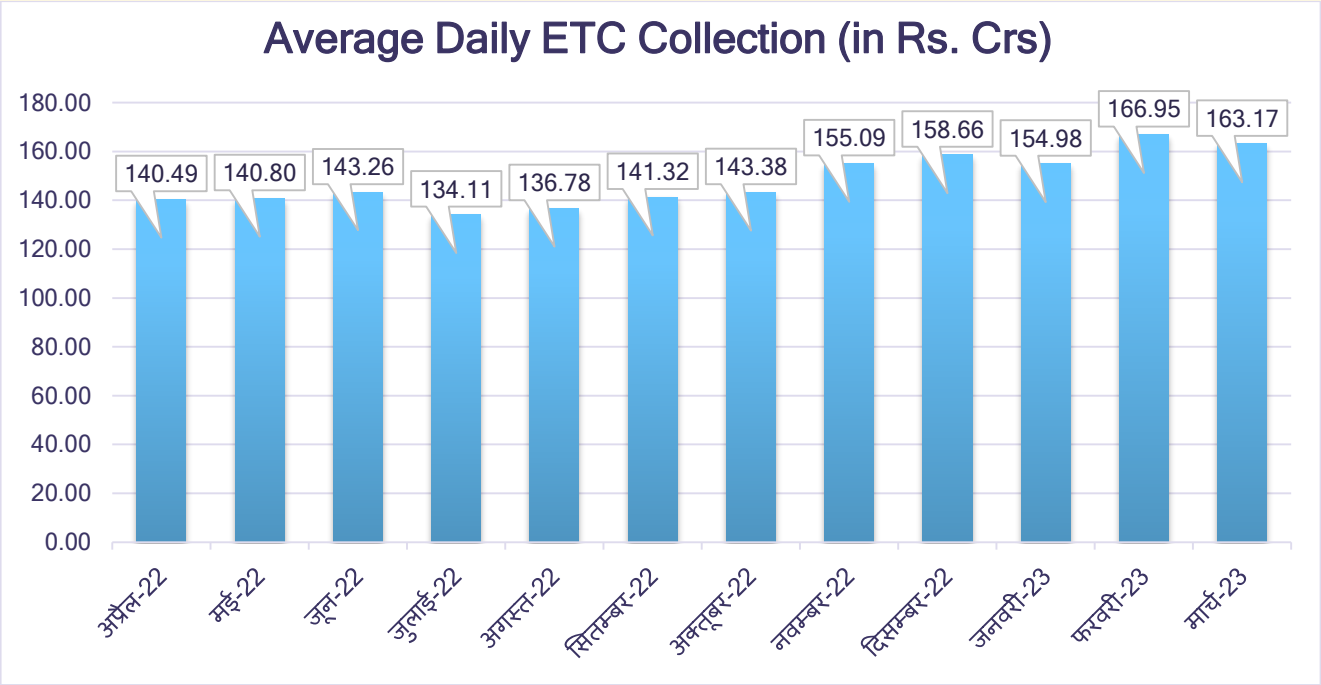
- Daily ETC transaction count touched over 1 Crore per day in Feb 2023.

e) Growth in Toll Collection via FASTag (ETC)

Year-wise ETC Collection (in Rs. Crores)



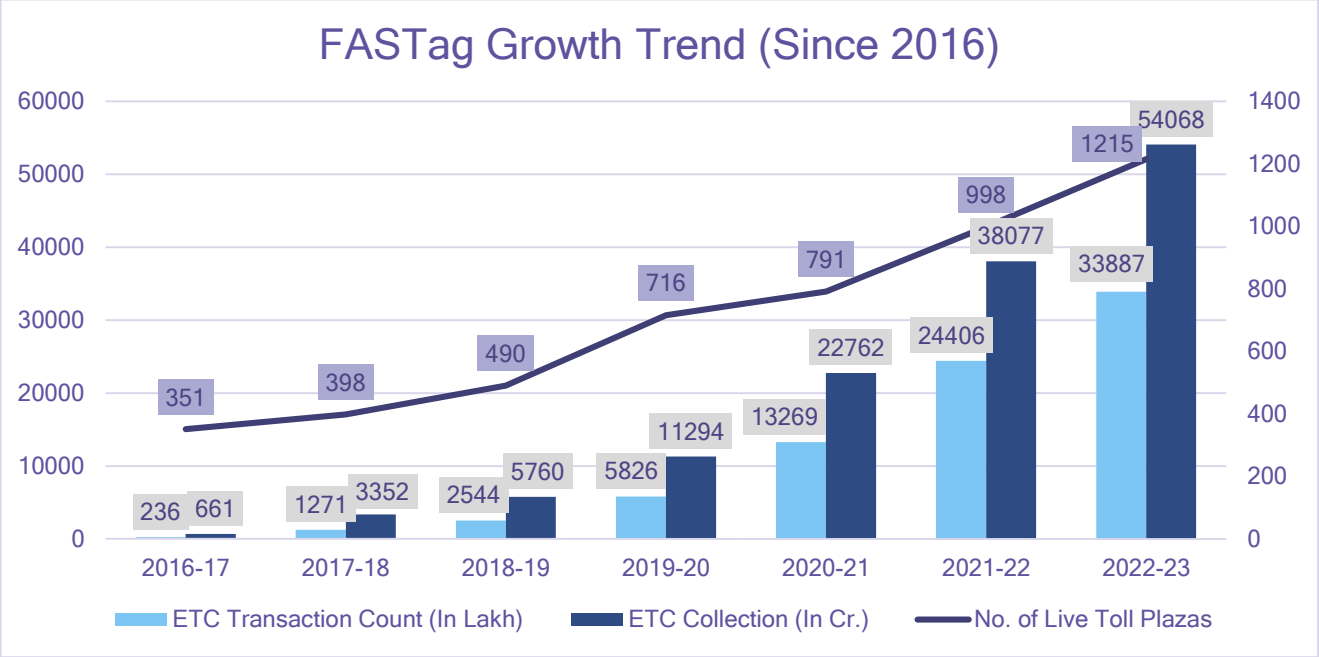
f) Avg. Daily ETC Collection (in Rs. Crores) in FY 2022-23



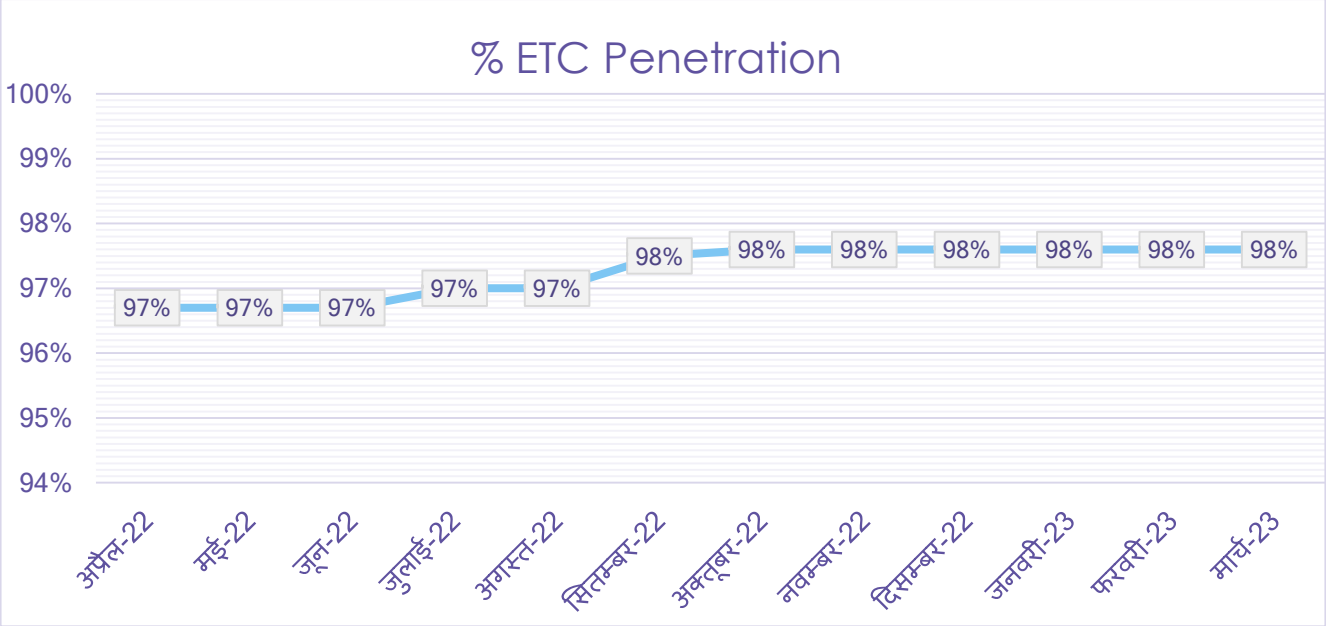
Important points –

Daily ETC collection touched over Rs. 186 crore per day in February 2023.

g) Comparison of ETC Parameter (Financial Year Wise)



h) ETC % Penetration – Month-wise in FY 2022-23



Important points -

- % ETC penetration = (total ETC collection / total cash collection) * 100
- ETC data as per NPCI system and Total cash collection data as per NHAI CO Division

ETC INFRASTRUCTURE IMPLEMENTATION

a) As on date, total 281 fee plazas are allocated to IHMCL by NHAI for the implementation and O&M services of ETC system. Out of 281 Fee plazas, the work for ETC system implementation/O&M services has been completed at 261 fee plazas and at the remaining fee plazas, the process of SI engagement/work completion is under progress.

b) From Apr-22 to Mar-23, total 72 fee plazas have been allocated to IHMCL by NHAI CO Division for services of ETC system (Implementation & O&M/ Only for O&M) and out of which, the ETC system services have been started at 66 fee plazas by engaging System Integrators through tendering process among empaneled SIs.

c) From Apr-22 to Mar-23, total 03 limited tenders have been invited by IHMCL for Implementation & O&M services of ETC system at 14 fee plazas and 07 limited tender have been invited for providing O&M services of existing ETC system at 105 fee plazas.

d) NHAI CO Division has assigned the responsibility of implementing closed tolling via FASTag on the Delhi Mumbai Expressways to IHMCL. In line with this, IHMCL has engaged M/s Metro Infrasys through a tendering process to act as the Master System Integrator for the Delhi Mumbai Expressway project. The primary role of the Master System Integrator is to manage transaction processing across multiple local System Integrators operating at various toll plaza locations. Under this arrangement, the Master System Integrator will consolidate the entry and exit transactions obtained from different toll plaza locations along the Delhi Mumbai Expressways.

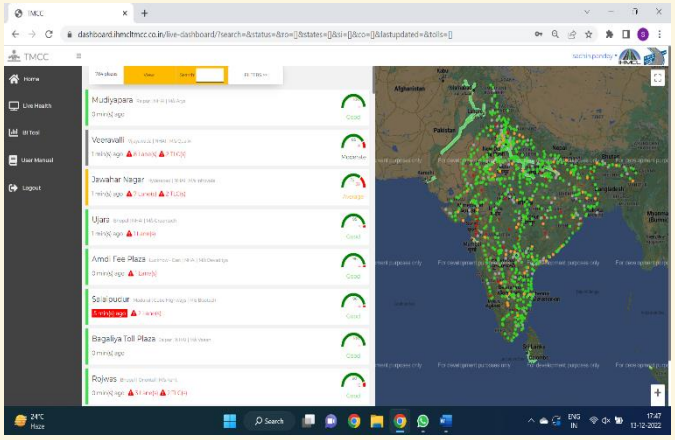
PARKING THROUGH FASTAG

In line with overarching mission of “One Nation One FASTag” and to diversify the use of FASTag to other vehicular payments such as payment of parking charges, IHMCL has issued Parking Policy in December 2021.This step shall provide participating entities shorter turnaround time by allowing them to work within the robust FASTag solution architecture.

As on date, **153 parking entities are live**, details may be fetched at NPCI Parking Report.

1. TOLL MONITORING AND CONTROL CENTRE (TMCC)

2. For effective monitoring and creation of repository of all data related with user fee plazas, the Toll Monitoring & Control Centre (TMCC) project was envisaged. The project aims at establishing a IoT based real-time monitoring system and cloud -based Toll data lake which will store all data related with toll collection, and other projects of NHAI/IHMCL along with use of cloud-based data analytics.
3. TMCC solution involves integration with the existing ETC System deployed at fee plaza by various System Integrators for plaza related data also involves integration with different stakeholders such as NPCI, Mobile App developers etc. for creation of Toll Data Lake with usage of Business Intelligence (BI) tool for deriving key insights from the available data. The key features of the TMCC are as below –
    - **Central Real-time monitoring system**
    - **Toll Data Lake**
    - **AI based Video Analytic Solution**
    - **Cloud-based data analytics tool**
    - **Management Dashboard**
    - **24X7 Operations team**
4. TMCC dashboard is live since, April 2021, total 828 fee plazas are onboarded on TMCC and access for the same has been shared with concerned stakeholders. Screenshots of plaza real-time equipment health status and transaction status is as mentioned below:



3. GLOBAL NAVIGATION SATELLITE SYSTEM BASED TOLL COLLECTION SYSTEM IN INDIA

1. In 2019-2020, a Pilot on GPS-based tolling was carried out by NHAI along Delhi-Mumbai Corridor on 500 commercial vehicles using NavIC enabled OBU devices.
2. Subsequently, Hon'ble Minister announced in the Parliament the intent of the Government to move towards GNSS based tolling technology to ensure free-flow movement of vehicles based on Pay-as-you-use concept along highways in India.
3. Consultant M/s Egis India Pvt. Ltd – Seven Pro LLC (Consortium) including international subject matter experts onboarded through tendering process to provide advisory services on implementation of GNSS-based tolling in India. Key deliverables of consultant are –
    i. Readiness assessment & option analysis for GNSS based tolling
    ii. Changes on legal & regulatory matters
    iii. Prepare technical standards& specifications
    iv. Prepare RFP for selection of GNSS service provider and bid process management
    v. Programme Management Support
4. An Apex Committee comprising senior government officials, eminent professors from IITs, industry expert constituted for review of standards & specifications of GNSS system.
5. Consultation meetings/Workshop held with various stakeholders such as OBU manufacturers, vehicle Manufacturers, SIAM, concessionaires, Technology Service providers, Banks/Payment Aggregators, Government agencies - ISRO, NIC, VAHAN etc. Also, a National Level Workshop was held in Aug 2022 with stakeholder where the overall architecture and other key aspects were presented and discussed.
6. Requisite legal/regulatory changes in Rules drafted; Discussions & review underway for approval by Government.
7. Technical standards & specifications of GNSS system reviewed by the Apex Committee; data privacy aspects of OBU being reviewed by the Apex Committee. Being deliberated with consultant & committee for finalization and submission to Govt.

Glimpse of National-level workshop held on 25th Aug 2023

4. TRAFFIC SURVEY USING PORTABLE ATCC SYSTEM ALONG WITH VIDEOGRAPHY

1. For identification of next set of National Highway and specific corridors to be developed to enable integrated economic and infrastructure development vision of PM Gati Shakti National Master Plan and in order to scientifically planned the next wave, NHAI has directed IHMCL to re-initiate the traffic survey project to capture actual traffic data for planning further capacity augmentation/new stretches is required on immediate basis. New set of 5104 identified locations were provided to IHMCL for carrying out traffic survey on bi-annual basis for a period of 2 years. The estimated budget of Rs. 123.10 crore including IHMCL management fee @1.5% has been approved by NHAI.

2. Accordingly, IHMCL has divided the 5104 locations based on geography in to 10 zones and invited the RFP. As per outcome of the bidding process Contract Agreement has been signed with following Successful bidders:

Zone	State	Name of Survey Agency	Contract Signing Date	Total Locations for 1 round of survey
1	Punjab, Delhi, Himachal Pradesh, Jammu & Kashmir, Ladakh & Uttarakhand	Samarth Softech Solutions Pvt Ltd	05.12.2022	490
2	Uttar Pradesh	Samarth Softech Solutions Pvt Ltd	05.12.2022	492
3	Rajasthan & Haryana	Dhruv Consultancy Services Ltd – Infovibe Ventures Pvt Ltd Consortium	05.12.2022	502
4	Maharashtra	Dhruv Consultancy Services Ltd – Infovibe Ventures Pvt Ltd Consortium	05.12.2022	572
5	Madhya Pradesh & Chhattisgarh	TTL Engineering Pvt. Ltd. – Sterling Indo Tech Consultants Pvt Ltd. Consortium	01.12.2022	420
6	Gujarat & DNH and Daman and Diu	Shelke Constructions Pvt Ltd – Vikata Multicons Pvt Ltd. Consortium	08.12.2022	426
7	Bihar, Jharkhand & Orissa	Metro Infrasys – Estex Telecom Consortium	02.12.2022	546
8	West Bengal & North Eastern States	Shelke Constructions Pvt Ltd – Vikata Multicons Pvt Ltd. Consortium	08.12.2022	466

9	Andhra Pradesh, Telangana, Karnataka, Kerala & Goa	Satra Services and Solutions Pvt Ltd – SOWiL Ltd Consortium	02.12.2022	730
10	Tamil Nadu & Puducherry	Satra Services and Solutions Pvt Ltd – SOWiL Ltd Consortium	02.12.2022	460
Total				5104

3. M/s Disan Infra Pvt. Ltd. – Anantchaitaya Consultancy Services JV is engaged for Validation and Hosting of traffic survey data. The Contract Agreement was signed on 02.11.2022.

4. To date traffic surveys have been completed at 2378 locations and 160 surveys are in progress.

5. HACKATHON:

A Hackathon was conducted in collaboration with MeiTY Start-up Hub to explore the option of barrier-less free flow system and Intelligent Traffic Management System in India. The objective of barrier-less free flow tolling system is to enable vehicles to cruise through highways without the need to slow down/stop at any tolling points based on “Pay-as-you-use” concept. It is also envisaged to make National Highways smarter with implementation of world-class Intelligent Traffic Management System/solutions to improve the flow of vehicle traffic along with safety of road users.

After several rounds of presentations, Jury consisting of top level officials from NHAI, MeiTY, IIT Madaras and industry expert shortlisted Top-5 applicants in each solution . All the shortlisted applicants were felicitated with prize money of Rs 10 Lacs each during Manathan event of NHAI organized at Bengaluru. Applicants had performed PoC of their respective solution in the month of Feb 2023. To further understand the results of PoC, a presentation round was organized on 23rd March 2023 at Vivanta Taj, Dwarka in presence of Chairman, NHAI and other dignitaries from NHAI, IHMCL, NPCI and MeiTY. Results have been announced by Meity Start-up Hub and winners havebeen felicitated with prize money.

The Hackathon provided an opportunity to bring tech experts and startups on the same platform and will help to find innovate solutions that will provide seamless commuting experience on National Highways.

Glimplse of Hackathon event held on 23rd March 2023 at Taj Vivanta, Dwarka

6. NH HELPLINE 1033

Project Background

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 and new RFP was issued for setting up and operationalizing “24x7 Helpline” (Call Centre) for Road Users on National Highways. After evaluation of bids, the LOA for setting up 1033 Helpline was awarded to successful bidder 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) on 07.03.2018 and after successfully launch national highway commuters are able to call on 1033 Helpline from across India.

1033 Helpline Highlights –

- A single 4-digit Toll Free Universal Access Number (UAN) “1033”.
- Work shifts to ensure 24x7 operation.
- Nodal point of contact for FASTag related grievances.
- 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.

FASTag Complaint/Queries Received on 1033 FY (2022-23)

Type of Complaints/Queries	Total Received	Total Resolved
Not Able to Pass Toll Plaza – Emergency	1,68,069	1,68,069
FASTag Deduction Without Consent/Travel	1,55,657	1,55,657
Bank FASTag Status/Balance Enquiry	1,53,819	1,53,819
Overcharging - FASTag Transaction	1,26,850	1,26,850
Enquiry About KYC Process - NHAI Prepaid Wallet	78,896	78,896
Bank FASTag Activation/Deactivation Enquiry	64,496	64,496
Bank FASTag Portal Login/Statement/Account Related Enquiry	37,749	37,749
Amount in Bank FASTag but Showing Low Balance/Blacklisted/Hotlist	35,580	35,580
NHAI FASTag Status/Balance Enquiry	24,782	24,782
Bank FASTag Recharge Process	21,073	21,073

Introduction of WhatsApp Chatbot Facility:

A dedicated WhatsApp Chatbot 88 1033 1033 has been designed to cater the needs of NH Road Users through WhatsAppE*nable NH Road Users to share their feedback/queries, register complaints etc. via* ***interactive WhatsApp chatbot facility*** *with provision to share location, images, etc.*

7. FINANCIAL PERFORMANCE

Particulars	**Amount in Rs. (lacs.) 2022-23**	**Amount in Rs. (lacs) 2021-22**
Total Revenue	72,280.10	1,03,063.59
Total expenses excluding depreciation	70,976.59	83,937.80
Profit/(Loss) before Depreciation & Tax	1,303.51	19,125.78
Depreciation	94.71	40.36
Profit /(Loss) after depreciation	1,208.80	19,085.47
Profit/(Loss) after prior period adjustment	1,208.80	19,085.42
Provision for Tax	396.13	4,847.39
Profit after tax	812.68	14,238.03

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

DIVIDEND

The Board, considering the company's performance and financial positions for the year under review, has not recommended any dividend on equity shares of the company for the year ended 31st March 2023.

RESERVES

The Board, after considering the company's performance and financial positions for the year under review, has recommended and transferred an amount of Rs.453 Cr. to reserves, as appearing in the Balance Sheet of the company as on 31st March, 2023.

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,2023, stands at Rs.18,12,42,560/- comprising of 1,81,24,256 equity shares of Rs. 10/- each.

During the year under review, there is no change in share capital structure of the Company.

EXTRACT OF THE ANNUAL RETURN

As provided under Section 92 (3) of the Act read with Rule 12(1) of the Companies (Management and Administration Rules), 2014, the extract of annual return is given in "Annexure-I" in the prescribed Form MGT-9, which forms part of this report. The same id available on https://ihmcl.co.in/

MEETING OF THE BOARD OF DIRECTORS

The Board Meetings were held 04 (Four) times held during the period under review as detailed below:

Sr. No.	**Particulars of the Meeting**	**Date of the Meeting**
1.	43rd Meeting	09.06.2022
2.	44th Meeting	15.09.2022
3.	45th Meeting	23.12.2022
4.	46th Meeting	28.03.2023

CHANGES IN THE BOARD OF DIRECTORS & KEY MANAGEMENT PERSONNEL

During the year under review, following changes have occurred in the constitution of the board and its KMP:

Name of Director/KMP	Designation	Date of change	Nature of change
Changes in Board of Directors			
Dr. Amita Prasad (DIN 03644516)	Independent Woman Director	09.06.2022	Appointment
Dr. Amita Prasad (DIN 03644516)	Independent Woman Director	17.11.2022	Cessation
Sh. Sudipta Roy (DIN08069653)	Director	30.09.2022	Appointment
Sh. Ajmer Singh (DIN 10094010)	Director	06.03.2023	Appointment
Sh. Mahabir Singh (DIN 08967354)	Director	06.03.2023	Cessation
Sh. Talluri Raghupati Rao (DIN 01207205)	Director	28.03.2023	Appointment
Dr. Esther Malini (DIN 07124748)	Director	28.03.2023	Appointment
Sh. Amitabh Jha (DIN 07130355)	Director	20.01.2023	Cessation
Mrs. Surabhi Sinha (DIN10011356)	Independent Woman Director	28.03.2023	Appointment

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

STATEMENT REGARDING DECLARATION GIVEN BY INDEPENDENT DIRECTOR U/S 149(7)

Pursuant to the provisions of Section 149 of the Act, Sh. Ramsekhar Manchikalapati and Mrs. Surabhi Sinha continued as Independent Directors during the period under review and have submitted a declaration that he meets the criteria of independence as provided in Section 149(6) of the Act.

AUDITORS REPORT

There were few qualifications, made by the Statutory Auditors in their report.

STATUTORY AUDITORS

Pursuant to the provisions of Section 139 and all other applicable provisions of the Companies Act, 2013 read with Rule 3(7) of the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the Board had approved appointment of M/s AMAA & Associates, Chartered Accountants, as the Statutory Auditors of the Company to hold office till the conclusion of Fifteenth Annual General Meeting of the Company.

M/s AMAA & Associates, Chartered Accountants, have given their consent to continue to act as Statutory Auditors of the Company In accordance with section 139 (1).

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENT UNDER SECTION 186

There were no loans, guarantees or investments made by the Company under Section 186 of the Companies Act, 2013 during the year under review and hence the said provision is not applicable.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES REFERRED TO IN SECTION 188(1)

During the Financial year 2022-2023, Company has not entered into any contracts or arrangements as referred to in Section 188(1).

The Company has disclosed the Related Party Transactions during the year 2022-23 in Note No. 39.2 forming part of the Financial Statement and which are also self-explanatory to the Stakeholders.

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.

DISCLOSURE OF COMPOSITION OF AUDIT COMMITTEE AND PROVIDING VIGIL MECHANISM

The provisions of Section 177 of the Companies Act, 2013 read with Rule 6 and 7 of the Companies (Meetings of the Board and its Powers) Rules, 2013 are applicable to the Company.

The Board has reconstituted the Audit Committee vide their meeting held on 9th June, 2022 consisting of following directors to review the financial results, internal financial controls and risk management system, to monitor vigil mechanism, auditor's independence and performance etc.

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 have been no material changes and commitments affecting financial position between end of the financial year and the date of the 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 the process.

DETAILS OF POLICY DEVELOPED AND IMPLEMENTED BY THE COMPANY ON ITS 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 has make an expenditure of an amount of Rs.5.76 Cr. on account of CSR for the FY 2022-23..

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 2023, 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 has been no change in the nature of business of the Company during the financial year 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:

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control. 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.

IHMCL is having adequate internal financial control commensurate to its nature and size of business. These are routinely tested and certified by Statutory as well as Internal Auditors and cover all key business areas.

MATERIAL AND SIGNIFICANT ORDERS PASSED BY REGULATORS & COURTS:

There are no significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operations in future.

DEPOSITS:

The Company has not sought or accepted any deposits from public, and no allotment is pending for the shares issued in the previous year, hence the Company is not required to furnish information in respect of outstanding deposits under the Companies (Acceptance of Deposits) Rules, 2014.

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.

Company has a zero tolerance for sexual harassment at workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules thereunder for prevention and redressal of complaints of sexual harassment at workplace. Formation and constitution of Internal Complaints Committee to redress complaints received regarding sexual harassment is under process.

During the period under review, no complaint has been received by the Company related to any 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.

SECRETARIAL STANDARDS:

The Company complies with all applicable mandatory secretarial standards issued by the Institute of Company Secretaries of India.

SECRETARIAL AUDIT:

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, M/s S. Behera & Co., Company Secretaries (CP: 5980), has conducted Secretarial Audit of the Company for the year ended 31st March, 2023. The Secretarial Auditors' Report is enclosed to the Board's report in this Annual Report.

TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

The provisions of Section 125(2) of the Companies Act, 2013 do not apply to this company as the company was not required to and hence not transferred any money to unpaid dividend account in pursuance to sub-section (5) of section 124 of the Companies Act, 2013 and as there is no money which remains unpaid or unclaimed for a period of seven years from the date of such transfer.

DISCLOSURE ABOUT MAINTENANCE OF COST RECORDS AS PER SUB-SEC(1) OF SECTION 148 OF THE COMPANIES ACT, 2013

The provisions of maintenance of cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 is not applicable to the Company during the year under review.

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/-

N.R.V.V. M.K. Rajendra Kumar
Chairman & Managing Director
DIN: 09494456

Date: 20/09/2023
Place: Delhi

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8. EXTRACT OF ANNUAL REPORT

ANNEXURE I

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31st March, 2023

[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.	Other Projects	-	10%

III. PARTCULARS 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

2) Shareholding of Promoters

SL No.	Shareholders Name	Shareholding at the beginning of the Year*			Shareholding at the end of 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	% change in shareholding during the year
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		Shareholding of the beginning of the year		Increase/Decrease during the year		Cumulative Shareholding During the year	
	Name of the Promoters Shareholder	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

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 Indian Individual/HUF	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Central Govt.	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
State Govt(s)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Bodies Corp	18124256	NIL	18124256	NIL	18124256	NIL	18124256	NIL	NIL
Banks/FI	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Any other	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Sub Total A(1)	18124256	NIL	18124256	100	NIL	18124256	18124256	100	NIL
Foreign									
NNRIS Individuals	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Other Individuals	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Bodies Corp	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Bank/FI	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Any other			NIL						

	NIL	NIL		NIL	NIL	NIL	NIL	NIL	NIL
Sub Total A(2)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Total Shareholding of Promoter A=A(1) +A(2)	18124 256	NIL	1812425 6	100	NIL	1812 4256	1812425 6	100	NIL
B. Public Shareholding 1. Institution a. Mutual Funds b. Bank/FI c. Central Govt. d. State Govt(s) e. Venture Capital Funds f. Insurance Companies g. FIIS h. Foreign Venture Capital Fund i. Others (specify) Sub Total B(1) 2. Non Institutions Bodies Corp i Indian ii Overseas Individuals Individual shareholders holding	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL

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

GDRs & ADRs									
Grand Total (A+B+C)	18124256	NIL	18124256	100	NIL	18124256	18124256	100	NIL

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

S. No		**Shareholding of the beginning of the year**		**Increase/Decrease during the year**		Cumulative Shareholding During the year	
	Name of the Shareholder	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 Ifrastructure 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

Sl No.		**Shareholding at the beginning of the year**		**Cumulative Shareholding during the year**	
1.	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
2.	At the beginning of the year	NIL	NIL	NIL	NIL
3.	Date wise increase/Decrease in shareholding during the year specifying the reasons for increase/decrease (e.g allotment/transfer/bonus/sweat equity etc)	NIL	NIL	NIL	NIL
4.	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 Principal amount	NIL	NIL	NIL	NIL

Interest Due but not paid 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 Principal amount Interest due but not paid 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

Sl No.	**Particulars of Remuneration**	**Name of MD/WTD/MANAGER**		**Total Amount**
1.	Gross Salary Salary as per provision contained in section 17(1) of the Income Tax Act, 1961 Value of perquisites u/s 17(2) Income-Tax Act, 1961	NIL	NIL	NIL

	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

Sl No.	**Particulars of Remuneration**	**Name of Directors (Rs.)**					**Total Amount (Rs.)**
1.	Independent Directors Fee for attending board committee meetings Commission Others, please specify			Sh. Ramsekhar Manchikalapati	Mrs. Surbhi Sinha	Dr. Amita Prasad	
2.	Total (1)			30,000/-	10,000/-	20,000/-	60,000/-
3.		Dr. Malini Ester	ICICI Bank	LT Finance Ltd	Amitabh Jha	Bangaru Raju Obbillisetty	Total Amount
4.	Other Non-Executive Directors Fee for attending Board committee meetings Commission	10,000/-	10,000/-	30,000/-	20,000/-	40,000/-	1,10,000/-

	Others, please specify						
5.	Total (2)	10,000/-	10,000/-	30,000/-	20,000/-	40,000/-	1,10,000/-
6.	Total B = (1)+(2)						1,70,000/-
7.	Total Managerial Remuneration						NIL
8.	Overall ceiling as per Act						

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

Sl No.	**Particulars of Remuneration**	**Key Managerial Personnel**			
		Sh. Mahabir Singh (CMD)	Sh. Gopabandhu Mishra (CS)	Sh. Subhash Khurana (CFO)	Total
1.	Gross Salary Salary as per provision contained in section 17(1) of the Income Tax Act, 1961 Value of perquisites u/s 17(2) Income-Tax Act, 1961 Profit in lieu of Salary u/s 17(3) of the Income Tax Act, 1961	NIL	13,33,517/-	NIL	13,33,517/-
2.	Stock Option	NIL	NIL	NIL	NIL
3.	Sweat Equity	NIL	NIL	NIL	NIL
4.	Commission As % of profit	NIL	NIL	NIL	NIL

	Others, specify				
5.	Others, please specify	NIL	NIL	NIL	NIL
	Total	NIL	13,33,517/-	NIL	13,33,517/-

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)**
Company					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
Directors					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
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. Mahabir Singh**	**Sh. Ramsekhar Manchikalapati**	**Sh. Vivek Gupta**	**Sh. Sudipta Roy**	**Sh. Amitabh Jha**	**Sh. Hardik Agrawal**	**Dr. Amita Prasad**	**Sh. Ajmer Singh**	**Sh. Kushal Veer Singh**	**Sh. Bangaru Raju Obbillisetty**	**Sh. Raju Francis Dodti**	**Mrs. Surabhi Sinha**	**Sh. Talluri Raghupati Rao**	**Dr. Esther Malini**

09.06.2022	P	P	L	NA***	P	P	P	NA*****	P	P	P	NA******	NA********	NA**********
15.09.2022	P	L	L	NA***	L	P	P	NA*****	L	P	P	NA******	NA********	NA**********
23.12.2022	P	P	NA**	P	P	L	NA*****	NA*****	P	P	L	NA******	NA********	NA**********
28.03.2023	NA*	P	NA **	L	NA*****	P	NA*****	P	L	P	P	P	L	P

P- Present, L- Leave of absence

* Resigned on 06.03.2022

** Resigned on 30.09.2022

*** Appointed on 30.09.2022

****Resigned on 20.01.2023

*****Resigned on 17.11.2022

******Appointed on 06.03.2023

******* Appointed on 28.03.2023

********** Appointed on 28.03.2023

********* Appointed on 28.03.2023

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, 2023

1 CORPORATE INFORMATION:

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; Setting up and operationalizing 24x7 Helpline (Call Centre)- "1033" for Road Users; Toll Monitoring & Control Centre for real time montioring of system; Global Navigation Satellite System (GNSS) based tolling.

2 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

2.1 Statement of Compliance

The financial statements have been prepared complying in all material respects with the Indian Accounting Standards notified under Section 133 of the Companies Act 2013 i.e. as notified under the companies (Accounting Standards) Rules, 2021 and the relevant provisions of the Companies Act 2013 ("The 2013 Act"). The financial statements comply with IND AS notified by Ministry of Corporate Affairs ("MCA"). The Company has consistently applied the accounting policies used in the preparation for all periods presented.
The significant accounting policies used in preparing the financial statements are set out in Note No. 3 of the Notes to Financial Statements.

2.2 Basis of preparation and presentation

The financial statements of the Company have been prepared to comply with the Indian Accounting standards ('Ind AS'), including the rules notified under the relevant provisions of the Companies Act, 2013.

Upto the year ended March 31, 2021, the Company has prepared its financial statements in accordance with the requirement of Indian Generally Accepted Accounting Principles (GAAP), which includes Standards notified under the Companies (Accounting Standards) Rules, 2006 and considered as "Previous GAAP".

These financial statements are prepared in accordance with Ind AS financial statements.

These financial statements have been prepared on the accrual basis under the historical cost convention, except for certain financial instruments which are measured at fair value at the end of each reporting period. Historical cost is generally based in the fair value of the consideration given in exchange of goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The Balance Sheet corresponds to the classification provisions contained in Ind AS 1 Presentation of Financial Statements. For clarity, various items are aggregated in the Statement of Profit and Loss and Balance Sheet. These items are disaggregated separately in the Notes, where applicable.

The financial statements are presented in Indian Rupees (₹) which is also the Company's functional currency and all values are rounded to the nearest lakh with two decimals places, except otherwise stated. Wherever the amount represented ₹ '0' (zero) construes value less than rupees one thousand.

2.3 Basis of measurement

The financial statements have been prepared on an accrual basis as a going concern and under the historical cost convention, except for certain financial assets and financial liabilities that are measured at fair value at the end of each reporting date as required under relevant Ind AS.

2.4 Use of estimates

The preparation of the financial statements requires the management of the Company to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures relating to the contingent liabilities as at the date of financial statements and reported amounts of income and expenses during the year. Examples of such estimates include provisions for doubtful trade receivables and advances, employee benefits, provision for income taxes, impairment of assets and useful lives of fixed assets. The application of accounting policies that require critical accounting estimates involving complex and subjective judgement and the use of assumptions in these financial statements have been disclosed in Note No.4

The management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to changes in these estimates and the differences between the actual results and the estimates are recognized in the periods in which the results are known/materialize.

3 SIGNIFICANT ACCOUNTING POLICIES

3.1 Property, Plant and Equipment

Property, Plant and Equipment are stated at original cost net of tax/ duty credit availed, less accumulated depreciation and accumulated impairment losses, if any.

Property, Plant and Equipment are eliminated from financial statement either on disposal or when retired from active use. Losses arising in the case of retirement of property, plant and equipment and gains or losses arising from disposal of property, plant and equipment are recognized in the statement of profit and loss in the year of occurrence.

The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively if appropriate.

Depreciation on the property, plant and equipment is provided on straight line method over the useful life of assets as specified in Schedule-II to the Companies Act, 2013. For property, plant and equipment which are added/ disposed off during the year, depreciation is provided on pro-rata basis.

The Company has used the following useful lives to provide depreciation on its Property, Plant and Equipment:

Type of asset	Period
Office Equipment	5 Years

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Furniture & Fixture	10 Years
Computer Equipment	3 Years

3.2 Intangible Assets

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

Intangible assets acquired separately are measured initially at cost. Subsequent to initial recognition, intangible assets are stated at cost less accumulated amortization and accumulated impairment loss, if any.

The useful lives of intangible assets are assessed as either finite or indefinite. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates.

Intangible assets with the finite useful life are amortized over the useful economic life on straight line basis and assessed for impairment whenever there is an indication that the intangible asset may be impaired.
Intangible assets are amortized as follows:
- Computer Software 3 to 5 years

Intangible assets with indefinite useful lives, if any, are not amortized but tested for impairment annually.

3.3 Impairment of non-financial assets:

As at each balance sheet date, the Company assesses whether there is an indication that an asset may be impaired and also whether there is an indication of reversal of impairment loss recognized in the previous periods. If any indication exists, or when annual impairment testing for an asset is required, the Company determines the recoverable amount and impairment loss is recognized when the carrying amount of an asset exceeds its recoverable amount.
Recoverable amount is determined:-
- In the case of an individual asset, at the higher of the fair value less cost to sell and the value in use ; and
- In the case of cash generating unit (a group of asset that generates identified, independent cash flow), at the higher of the cash generating unit's fair value less cost to sell and the value in use.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discounting rate that reflect the current market assessment of the time value of the money and the risk specific to the asset. In determining fair value less cost of disposal, recent market transaction is taken into account. If no such transaction can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations. These budgets and forecast calculation generally cover a period of five years.

3.4 Cash and Cash Equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.
For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts, if any, as they are considered an integral part of the cash management.

3.5 Foreign Currency Transactions

The Company's financial statements are presented in Indian Rupees (Rs.) which is also Company's functional and presentation currency.

Foreign currency transactions are recorded on initial recognition in the functional currency, using the exchange rates prevailing on the date of transaction. At each balance sheet date, foreign currency monetary items are reported using the closing exchange rate. Exchange differences that arise on settlement of monetary items or on reporting at each balance sheet date of the Company's monetary items at the closing rate are recognized as income or expense in the period in which they arise.

Non-monetary items which are carried at historical cost denominated in a foreign currency are reported using the exchange rates prevailing at the date of the transaction. Non-monetary items measured at fair value in a foreign currency are reported using the exchange rates prevailing at the date when fair value is determined.

The gain or loss arising translation of non-monetary items is recognized in line with the gain or loss of the item that gave rise to the translation difference (i.e. translation differences on items whose gain or loss is recognized in other comprehensive income or the statement of profit or loss is also recognized in other comprehensive income or the statement of profit or loss respectively).

3.6 Revenue recognition

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Company expects to receive in exchange for those products or services. To recognize revenues, we apply the following five step approach:

(1) identify the contract with a customer,
(2) identify the performance obligations in the contract,
(3) determine the transaction price,
(4) allocate the transaction price to the performance obligations in the contract, and
(5) recognize revenues when a performance obligation is satisfied.

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The specific recognition criteria described below are met before revenue is recognized:

Rendering of Services:

The Company earns Programme Management Fees on Toll Collected electronically for managing the central clearing house and Fees for supervising, managing & implementation of Projects mandated by NHAI.

Interest Income

Interest income is recognized using the effective interest rate, which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset.

Other Income

Revenue is recognized on accrual basis when right to receive the payment is established by the reporting date.

3.7 Employee benefits

Short-term employee benefits:

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Post employment benefits:

I) Defined contribution plans:

Retirement benefits in the form of contribution to Provident Fund is a defined contribution plan. The contributions are charged to the statement of profit and loss for the year when the contributions are due. The company has no obligation, other than the contribution payable to the fund.

II) Defined benefit plans:

The Company operates two defined benefit plans viz., gratuity and compensation for accumulated absences. The costs of providing benefits under these plans are determined on the basis of actuarial valuation at each year-end. Separate actuarial valuation is carried out for each plan using the projected unit credit method.

Other long-term employee benefits:

The Company's net obligation in respect of other long - term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. The costs of providing benefits are determined on the basis of actuarial valuation at each year-end. Separate actuarial valuation is carried out using the projected unit credit method.

3.8 Leases

The policy for Leases as presented in the Company's is as under:

The Company as a lessee

The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

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3.9 Earnings per share

Basic earnings per share is calculated by dividing the profit from continuing operations and total profits, both attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period.

3.10 Income Taxes

Income tax expense represents the sum of the tax currently payable and deferred tax. It is recognized in statement of profit and loss except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income.

Current Tax

Current income tax represents the tax currently payable on the taxable income for the year and any adjustment to the tax in respect of the previous years. It is measured using tax rates enacted or substantively enacted at the reporting date.

Deferred Tax

Deferred tax is provided using the balance sheet approach on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside profit or loss is recognized outside the statement of profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and liabilities are offset only if:
(i) entity has a legally enforceable right to set off current tax assets against current tax liabilities; and
(ii) deferred tax assets and the deferred tax liabilities relate to the income taxes levied by the same taxation authority.

3.11 Provisions, Contingent Liabilities and Contingent Assets

General:

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, 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. When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Contingent Liabilities and Assets

Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are not recognized but disclosed in the Financial Statements when economic inflow is probable.

3.12 Fair value measurement

The Company measures financial instruments, such as, non-current & current investments, derivatives etc. at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:
(a) In the principal market for the asset or liability, or
(b) In the absence of a principal market, in the most advantageous market for the asset or liability
The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

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Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

3.13 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

A) Financial Assets

Initial recognition and measurement:

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Financial assets are classified, at initial recognition, in the same manner as described in subsequent measurement.

Subsequent measurement:

For purposes of subsequent measurement, financial assets are classified in four categories:

(a) Financial assets at amortized cost
(b) Financial assets at fair value through other comprehensive income (FVTOCI)
(c) Financial assets at fair value through profit or loss (FVTPL)
(d) Equity instruments measured at fair value through other comprehensive income (FVTOCI)

(a) Financial assets at amortized cost

A financial asset that meets the following two conditions is measured at amortized cost (net of any write down for impairment) unless the asset is designated at fair value through profit or loss under the fair value option.

i) Business model test : The objective of the Company's business model is to hold the financial asset to collect the contractual cash flows (rather than to sell the instrument prior to its contractual maturity to realize its fair value changes).

ii) Cash flow characteristics test : The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the profit or loss. The losses arising from impairment are recognized in the profit or loss.

(b) Financial assets at fair value through other comprehensive income (FVTOCI)

A financial asset that meets the following two conditions is measured at fair value through other comprehensive income unless the asset is designated at fair value through profit or loss under the fair value option.

i) Business model test : The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

ii) Cash flow characteristics test : The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(c) Financial assets at fair value through profit or loss (FVTPL)

FVTPL is a residual category for financial assets. Any financial asset, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a financial asset, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch') that would otherwise arise from measuring financial assets and financial liabilities or recognizing the gains or losses on them on different bases.

Financial assets included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

(d) Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable.

If an equity investment is not held for trading, an irrevocable election is made at initial recognition to measure it at fair value through other comprehensive income with only dividend income recognized in the statement of profit or loss.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit or loss

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e. removed from the Company's financial statement) when:

a) The rights to receive cash flows from the asset have expired, or

b) The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:

(i) the Company has transferred substantially all the risks and rewards of the asset, or

(ii) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

A.A.A.A. & ASSOCIATES NEW DELHI FRN 013066C CHARTERED ACCOUNTANTS

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

The Company applies expected credit losses (ECL) model for measurement and recognition of impairment loss on the following financial assets:
(a) Financial assets measured at amortized cost
(b) Financial assets measured at fair value through other comprehensive income (FVTOCI)

Expected Credit Losses (ECL) are measured through either 12 month ECL or lifetime ECL and it is assessed as following:

(i) For recognition of impairment loss on financial assets, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12-month ECL.

(ii) Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

(B) Financial liabilities

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include loans and borrowings, trade and other payables and derivative financial instruments.
Subsequent measurement
The measurement of financial liabilities depends on their classification, as described below:
(a) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.
Gains or losses on liabilities held for trading are recognized in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

3.14 Distribution of dividend to equity shareholders

The Company recognizes a liability to make distributions to equity shareholders when the distribution is authorized and the distribution is no longer at the discretion of the Company. The distribution is authorized when it is approved by the shareholders. A corresponding amount is recognized directly in equity.

The dividends declared to holders of equity instruments after the reporting period are not recognized as a liability at the end of the reporting period.

3.15 Segment Reporting

The Chief Operational Decision Maker monitors the operating results of its business Segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements.

3.16 Current and Non-current Classification

The Company presents assets and liabilities in the balance sheet based on current/ non current classification.
An asset is current when:
- It is expected to be realized or intended to sold or consumed in normal operating cycle,
- It is held primarily for the purpose of trading,
- It is expected to be realized within twelve months after the reporting period,
Or
- It is cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

A.M.A.A. & ASSOCIATES NEW DELHI 013066C CHARTERED ACCOUNTANTS

All other assets are classified as non-current.

A liability is current when:
- It is expected to be settled in normal operating cycle,
- It is held primarily for the purpose of trading,
- It is due to be settled within twelve months after the reporting period,
Or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.
All other liabilities are classified as non-current.

4 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amount reported in the financial statements and notes thereto. Differences between the actual results and estimates are recognized in the period in which the results are known / materialized and, if material, their effects are disclosed in the notes to the Financial Statements.

4.1 Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

4.2 Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

4.3 Defined benefit plans

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using the actuarial valuations. An actuarial valuation involves making various assumptions that may differ from the actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and attrition rate. Due to the complexities involved in the valuation and its long- term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

4.4 Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where there is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimated at the end of each reporting period.

4.5 STANDARDS ISSUED/AMENDED BUT NOT YET EFFECTIVE

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022 and there is no recenet pronouncement effecting the company which has been issued but not yet effective.

4.6

With effect from 1 April 2023, the Ministry of Corporate Affairs (MCA) vide notification G.S.R. 235(e) dated 31.03.2022 has made it mandatory for companies to maintain an audit trail throughout the year for transactions impacting books of accounts. While the circular dated 24 March 2021 laid out the requirement for management to enable the "audit trail feature", this was deferred twice, with the requirement now finally being applicable with effect from 1 April 2023.

A.M.A.S. & ASSOCIATES NEW DELHI FRN 013066C CHARTERED ACCOUNTANTS

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, 2023

(All amounts in ₹ lacs, unless otherwise stated)

	Particulars	Note No.	As at 31st March 2023	As at 31st March 2022
I.	**ASSETS**			
1	**Non-current assets**			
(a)	Property, Plant and equipment	5	107.68	141.61
(b)	Intangible Assets	5.1	206.35	132.23
(c)	Financial Assets	6		
	(i) Others		642.67	621.80
(d)	Non-Current Tax Asset (Net)	7	13,382.56	8,195.27
	Total non-current assets (A)		**14,339.27**	**9,090.91**
2	**Current assets**			
(a)	Financial Assets	8		
	(i) Trade Receivables	8.1	22,490.90	35,495.93
	(ii) Cash and Bank balances	8.2	8,257.01	1,288.70
	(iii) Others	8.3	7,039.31	5,744.43
(b)	Other current Assets	9	1,311.32	569.32
(c)	Defered Tax Asset	14	33.05	-
	Total Current Assets (B)		**39,131.59**	**43,098.38**
	Total Assets (A+B)		**53,470.85**	**52,189.29**
II.	**EQUITY AND LIABILITIES**			
1	**Equity**			
(a)	Equity Share Capital	10	1,812.43	1,812.43
(b)	Other Equity	11	45,260.43	44,240.66
			47,072.86	**46,053.08**
2	**Liabilities**			
	Non-current liabilities			
(a)	Financial Liabilities	12		
	(i) Other Financial Liabilities		85.21	68.16
(b)	Provisions	13	40.74	30.50
(c)	Defered Tax Liabilities	14	-	12.96
			125.95	**111.62**
	Current liabilities			
(a)	Financial Liabilities			
	(i) Trade payables	15		
	Total outstanding dues of micro enterprises and small enterprises		830.59	292.81
	Total outstanding dues of creditors other than micro enterprises and small enterprises		964.18	3,710.83
	(ii) Other financial liabilities	16	1,014.36	888.56
(b)	Other current liabilities	17	2,128.55	1,131.86
(c)	Provisions	18	1,334.36	0.52
			6,272.04	**6,024.59**
	Total Equity and Liabilities		**53,470.85**	**52,189.29**

The accompanying notes 1 to 47 form an integral part of these financial statements

As per our report of even date attached

For AMAA & Associates
Chartered Accountants
(Firm Registration No. 013066C)

Mukesh Sharma
(Partner)
M. No. 505453

A.M.A.A. & ASSOCIATES NEW DELHI FRN 013066C CHARTERED ACCOUNTANTS

Place : Delhi
Date: 13/9/2023

UDIN: 23505453BGUNYG9568

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

N.R.V.V.M.K Rajendra Kumar
(Chairman and Managing Director
(DIN:09494456)

Kushal Veer Singh
(Director)
(DIN:09483690)

Subhash Khurana
(Chief Financial Officer)

Gopabandhu Mishra
(Company Secretary)

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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, 2023

(All amounts in ₹ lacs, unless otherwise stated)

	Particulars	Note No.	FY-2022-23	FY-2021-22
	Revenue :			
I.	Revenue from operations	19	71,639.47	1,02,834.16
II.	Other income	20	640.63	229.43
III.	**Total Income (I + II)**		**72,280.10**	**1,03,063.59**
IV.	**Expenses:**			
	Expenses on Operations	21	67,266.82	81,949.33
	Employee benefits expenses	22	203.13	204.27
	Finance Costs	23	-	-
	Depreciation, amortization and impairment	24	94.71	40.36
	Other Expenses	25	2,173.13	1,784.17
	Provision for Doubtful Debts	25 (e&f)	1,333.51	-
	Total Expenses (IV)		**71,071.30**	**83,978.12**
V.	**Profit/(Loss) before tax (III-IV)**		1,208.80	19,085.47
VI.	Tax expense:	26		
	(1) Current tax		442.32	4,850.33
	(2) Deferred tax (net)		(46.19)	(2.95)
	(3) Previous Year		-	-
	Total Tax Expense (VIII)		**396.13**	**4,847.39**
VII.	**Profit for the year**		**812.68**	**14,238.08**
VIII.	**Other Comprehensive Income**			
	Items that will not be reclassified to profit or loss	27		
	Remeasurement gains (losses) on defined benefit plans		0.70	0.38
	Income tax effect on Remeasurement gains (losses) on defined benefit plans		(0.18)	(0.09)
XV.	**Total Comprehensive Income for the period (XIII +XIV) (Comprehensive profit and other comprehensive income for the period)**		**813.20**	**14,238.37**
XVI.	Earnings Per Equity Share:	28		
	(1) Basic		**4.49**	**78.56**
	(2) Diluted		**4.49**	**78.56**

The accompanying notes 1 to 47 form an integral part of these financial statements

As per our report of even date attached

For AMAA & Associates
Chartered Accountants
(Firm Registration No. 013066C)

Mukesh Sharma
(Partner)
M. No. 505453

Place : Delhi
Date: 13/9/2023
UDIN: 23505453BHUNYH9568

A.M.A.A. & ASSOCIATES NEW DELHI FRN 013066C CHARTERED ACCOUNTANTS

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

N.R.V.V.M.K Rajendra Kumar
(Chairman and Managing Director)
(DIN:09494456)

Subhash Khurana
(Chief Financial Officer)

Kushal Veer Singh
(Director)
(DIN:09483690)

Gopabandhu Mishra
(Company Secretary)

INDIAN HIGHWAYS MANAGEMENT COMPANY LIMITED
CIN: U74140DL2012PLC246662
Notes forming part of the Financial Statements for the year ended on March 31, 2023
(All amounts in ₹ Lacs, unless otherwise stated)

A. Equity Share Capital (Refer Note No.10)

(1) For the year ended 31st March, 2023

Balance at 1st April, 2022	Changes in Equity Share Capital due to prior period errors	Restated balance at 1st April, 2022	Change in equity share capital during the year	Balance at 31st March, 2023
1,812.43	-	1,812.43	-	1,812.43

(2) For the year ended 31st March, 2022

Balance at 1st April, 2021	Changes in Equity Share Capital due to prior period errors	Restated balance at 1st April, 2021	Change in equity share capital during the year	Balance at 31st March, 2022
1,812.43	-	1,812.43	-	1,812.43

B. Other Equity (refer Note No. 11)

Particulars	Retained Earnings	General Reserve	Total
Balance as at 1st April, 2022	**44,240.71**	-	**44,240.71**
Changes in Accounting Policy or Prior Period Errors	206.55	-	206.55
Reinstated Balance as at 1st April, 2022	**44,447.26**		**44,447.26**
Profit for the year	812.68	-	812.68
Remeasurement Gain/(Loss) (Net of Tax)	0.53	-	0.53
Total Comprehensive Income for the period	**813.20**	-	**813.20**
	-		
Balance as at 31st March, 2023	**45,260.46**	-	**45,260.46**
Balance as at 1st April, 2021	**30,002.34**	-	**30,002.34**
Profit for the year	14,238.08	-	14,238.08
Remeasurement Gain/(Loss) (Net of Tax)	0.29	-	0.29
Total Comprehensive Income for the period	**14,238.37**	-	**14,238.37**
			-
Balance as at 31st March, 2022	**44,240.71**	-	**44,240.71**

The accompanying notes 1 to 47 form an integral part of these financial statements

In terms of our report attached

For AMAA & Associates
Chartered Accountants
(Firm Registration No. 013066C)

Mukesh Sharma
Partner
M. No. 505453

Place: Delhi
Date: 13/9/2023
UDIN: 23505453BHUNYG9568

A.M.A.A. & ASSOCIATES NEW DELHI FRN 013066C CHARTERED ACCOUNTANTS

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

N.R.V.V.M.K Rajendra Kumar
(Chairman and Managing Director)
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Kushal Veer Singh
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Subhash Khurana
(Chief Financial Officer)

Gopabandhu Mishra
(Company Secretary)

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INDIAN HIGHWAYS MANAGEMENT COMPANY LIMITED

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

Cash Flow Statement for the year ending 31st March, 2023

(All amounts in ₹ lacs, unless otherwise stated)

Particulars	Year Ended 31st March, 2023		Year Ended 31st March, 2022	
A. Cash Flow from Operating Activities:				
Net Profit before tax		1,208.80		19,085.47
Adjustments for:				
a) Depreciation and Amortisation Expenses	94.71		40.36	
b) Interest Income	(373.74)		(224.12)	
c) Provision for Employee benefit	1,344.78		8.67	
d) Finance costs	-		-	
e) CSR expense	570.78		175.08	
f) Prior Period Errors	206.55	1,843.08	-	(0.01)
Operating Cash Profit before Working Capital Changes		3,051.89		19,085.45
Changes in Working Capital				
a) Increase/(Decrease) in Other current liability	1,139.54		(2,289.50)	
b) (Increase)/Decrease in Trade Receivable	13,005.03		(19,179.49)	
c) Increase/(Decrease) in Trade Payable	(2,208.87)		(1,206.85)	
d) (Increase)/Decrease in and Other Current assets	(2,036.87)	9,898.83	8,988.31	(13,687.54)
Cash Generated/(used in) from operations		12,950.71		5,397.91
Less: Amount spent on CSR Activities		(570.78)		(175.08)
Less: Direct taxes Paid		(5,629.61)		(10,566.27)
Net Cash Flow From/(used in) Operating Activities (A)		**6,750.33**		**(5,343.43)**
B. Cash Flow from Investing Activities:				
a) Purchase of Property, plant and equipment		(134.90)		(138.55)
b) Investment in term deposits of more than 12 months		(123.54)		(595.09)
c) Interest Received		476.40		197.44
Net Cash Flow From Investing Activities (B)		**217.97**		**(536.20)**
C. Cash Flow from Financing Activities:				
a) Finance cost paid		-		(0.01)
Net Cash Flow From/(used in) Financing Activities (C)		**-**		**(0.01)**
Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)		**6,968.29**		**(5,879.64)**
Add: Balance in the beginning of year		1,288.72		7,168.36
Balance at the end of year		**8,255.90**		**1,288.72**
Components of Cash and Cash Equivalents (Refer Note 8.2)				
Cash	0.00		0.00	
Balances with banks				
- In Current account	5.05		0.30	
- In deposit accounts with maturity of less than 3 months	8,251.96		1,288.39	
- In deposit accounts with maturity of more than 3 months but less than 12 months			-	
Cash & Cash Equivalents as per financial statements		**8,257.00**		**1,288.72**

Notes:

a) The above Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in Ind AS 7, 'Statement of Cash Flows.

b)The composition of Cash & Cash Equivalents has been determined based on the Accounting Policy No. 3.4

c)Direct Taxes paid are treated as arising from operating activities and are not bifurcated between investing and inancing activities.

d) Figures in brackets indicate cash outgo

e) Previous year figures have been regrouped/rearranged wherever necessary to conform current year's presentation.

As per our report of even date

For AMAA & Associates
Chartered Accountants
(Firm Registration No. 013066C)

Mukesh Sharma
(Partner)
M. No. 505453

A.M.A.A. & ASSOCIATES NEW DELHI FRN 013066C CHARTERED ACCOUNTANTS

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

N.R.V.V.M.K Rajendra Kumar
(Chairman and Managing Director)
(DIN:09494456)

Kushal Veer Singh
(Director)
(DIN:09483690)

Subhash Khurana
(Chief Financial Officer)

Gopabandhu Mishra
(Company Secretary)

Place : Delhi
Date: 13/9/2023

UDIN: 23505453BGUNYG9568

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INDIAN HIGHWAYS MANAGEMENT COMPANY LIMITED
CIN: U74140DL2012PLC246662
Notes forming part of the Financial Statements for the year ended on March 31, 2023
(All amounts in ₹ Lacs, unless otherwise stated)

Note: 5 Property, Plant and equipment

Particulars	Furniture & Fixtures	Computers	Office Equipment's	Total
Cost or Deemed cost				
At 1 April 2021	3.36	243.94	3.69	250.98
Additions during the year	0.14	5.29	0.89	6.33
Disposals/Adjustments	-	-	-	-
At 31 March 2022	3.51	249.23	4.58	257.32
Additions during the year	-	7.69	1.50	134.90
Disposals/Adjustments	-			-
At 31 March 2023	**3.51**	**256.92**	**6.08**	**266.51**
Depreciation and impairment				
At 1 April 2021	1.27	71.93	2.15	75.35
Depreciation charge for the year	0.33	39.27	0.76	40.36
Impairment	-	-	-	-
Disposals/Adjustments	-	-	-	-
At 31 March 2022	1.60	111.20	2.91	115.71
Depreciation charge for the year	0.33	41.79	1.00	43.12
Impairment	-	-	-	-
Disposals/Adjustments	-	-	-	-
At 31 March 2023	**1.93**	**152.99**	**3.91**	**158.83**
Net book value				
At 31 March 2023	**1.58**	**103.93**	**2.17**	**107.68**
At 31 March 2022	**1.91**	**138.03**	**1.67**	**141.61**
At 1 April 2021	**2.09**	**172.00**	**1.54**	**175.64**

Note: - 5.1
Statement of Intangible Assets

Particulars	Intangible assets under development	Other Intangibles (Software/Website)	Amount
Cost or Deemed cost			
At 1 April 2021			-
Additions during the year	132.23	-	132.23
Disposals/Adjustments	-	-	-
At 31 March 2022	132.23	-	132.23
Additions during the year	-	125.71	125.71
Disposals/Adjustments	-		-
At 31 March 2023	**132.23**	**125.71**	**257.94**
Amortisation and Impairment			
At 1 April 2021	-	-	-
Amortisation for the year	-	-	-
Impairment	-	-	-
Disposals/Adjustments	-	-	-
At 31 March 2022	-	-	-
Amortisation for the year	-	**51.59**	**51.59**
Impairment			-
Disposals/Adjustments	-	-	-
At 31 March 2023	-	**51.59**	**51.59**
Net book value			
At 31 March 2023	**132.23**	**74.12**	**206.35**
At 31 March 2022	**132.23**	-	**132.23**

Ageing Schedule of Intangible Assets under development

As at 31st March 2022

Particulars	Less than 1 year	1-2 years	2-3 Years	More than 3 years	Total
Projects in progress	132.23		-	-	132.23
Projects temporarily suspended	-	-	-	-	-

A.M.A.A. & ASSOCIATES NEW DELHI FRN 013066C CHARTERED ACCOUNTANTS

INDIAN HIGHWAYS MANAGEMENT COMPANY LIMITED
CIN: U74140DL2012PLC246662
Notes forming part of the Financial Statements for the year ended on March 31, 2023

Note: 6 Other Non Current Financial Assets

Particulars	45,016.00	44,651.00	
Term Deposit in Schedule Bank*	623.54	500.00	-
Interest accrued	19.14	121.80	-
Total	**642.67**	**621.80**	-

*Under Lien with Canara bank against short term funds

Note: - 7 Non-Current Tax Asset (Net)

Particulars	45,016.00	44,651.00	
Advance tax (Net of provision for tax)	13,382.56	8,195.27	
	13,382.56	**8,195.27**	-

A.M.A.A. & ASSOCIATES NEW DELHI FRN 013066C CHARTERED ACCOUNTANTS

INDIAN HIGHWAYS MANAGEMENT COMPANY LIMITED
CIN: U74140DL2012PLC246662
Notes forming part of the Financial Statements for the year ended on March 31, 2023

(All amounts in ₹ lacs, unless otherwise stated)

Note: - 8 Current Financial Assets

8.1 Statement of Trade Receivables

Particulars	31 March 2023	31 March 2022	
Unsecured, considered good	22,376.64	34,497.08	
Unbilled revenue	114.26	998.85	
Total Trade Receivables	**22,490.90**	**35,495.93**	-

Age Wise analysis of Debtors

For the year ended 31st March, 2023

Particulars	Less Than 6 Months	6 Month- 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
(i)Undisputed Trade Receivables – considered good	21,017.87	-	0.02	3.42	0.17	**21,021.49**
(ii)Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	21.64	12.58	**34.23**
(iii)Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv)Disputed Trade Receivables- which have significant increase in credit risk	-	-	605.49	715.43	-	**1,320.92**
(v)Disputed Trade Receivables – credit impaired	-	-	-	-	-	-

For the year ended 31st March, 2022

Particulars	Less Than 6 Months	6 Month- 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
(i)Undisputed Trade Receivables – considered good	33,108.51	29.83	0.29	-	-	**33,138.63**
(ii)Undisputed Trade Receivables – which have significant increase in credit risk	-	-	25.06	12.75	-	**37.82**
(iii)Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv)Disputed Trade Receivables- which have significant increase in credit risk	-	605.49	715.43		-	**1,320.92**
(v)Disputed Trade Receivables – credit impaired	-	-	-	-	-	-

8.2 Cash and bank balances

Particulars	31 March 2023	31 March 2022	
Cash & Cash equivalents			
(i) Balances with Bank			
-- Current Account	5.05	0.30	
-- Fixed Deposits (Maturity less than 3 Months)*	8,251.96	1,288.39	
(ii) Cash In Hand	0.00	0.00	
Total	8,257.01	1,288.70	-
*Includes interest accrued but not due	4.58	1.61	
Bank balances other than cash & cash equivalents			
Term Deposit in Schedule Bank**	-	-	
	8,257.01	1,288.70	-

**Under Lien with Canara bank against short term funds

8.3 Other Current Financial Assets

Particulars	31 March 2023	31 March 2022	
Unsecured, considered good			
Interest accrued	-	-	
Receivable from National Highways Authority of India*	7,039.31	5,744.43	
Other Receivable	-	-	
Total	**7,039.31**	**5,744.43**	-

*** 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 and Toll Management.

As at 31st March 2023

Name of the project	Opening balance as on 01.04.2022	Fund received during the year	Funds utilised during the year	Closing balance as on 31.03.2023
i) Electronic Toll Collection	3,705.42	2,961.48	3,707.43	4,451.37
ii) Traffic Survey	(176.92)	-	545.42	368.50
iii) Way Side Amenities	453.00	-	3.51	456.51
iv) Road User Helpline	121.35	-	-	121.35
v) Toll Management System	2,172.93	-	-	2,172.93
vi) ETC Pool#	(373.08)	-	-	(373.08)
vii) Citizen Centric App-You Report	24.12	-	-	24.12
viii) Time & Motion Study	42.03	-	-	42.03
ix)Green Highways Mission	(224.42)	-	-	(224.42)
Total	**5,744.43**	**2,961.48**	**4,256.36**	**7,039.31**

A.M. & ASSOCIATES NEW DELHI FRN 013066C CHARTERED ACCOUNTANTS

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INDIAN HIGHWAYS MANAGEMENT COMPANY LIMITED
CIN: U74140DL2012PLC246662
Notes forming part of the Financial Statements for the year ended on March 31, 2023

(All amounts in ₹ lacs, unless otherwise stated)

As at 31st March 2022

Name of the project	Opening balance as on 01.04.2021	Fund received during the year	Funds utilised during the year	Closing balance as on 31.03.2022
i) Electronic Toll Collection	5,500.18	3,899.29	2,104.53	3,705.42
ii) Traffic Survey	4,068.50	4,068.50	(176.92)	(176.92)
iii) Way Side Amenities	284.85	-	168.15	453.00
iv) Road User Helpline	121.35	-	-	121.35
v) Toll Management System	5,247.94	3,560.84	485.83	2,172.93
vi) ETC Pool	(372.89)	-	(0.19)	(373.08)
vii) Citizen Centric App-You Report	24.12	-	-	24.12
viii) Time & Motion Study	42.03	-	-	42.03
ix)Green Highways Mission	(224.42)	-	-	(224.42)
Total	**14,691.66**	**11,528.63**	**2,581.38**	**5,744.43**

Note: - 9 Other current assets

Particulars	31 March 2023	31 March 2022
Unsecured, Considered good		
Prepaid Expenses	2.40	3.51
Input Tax Credit Carried forward	1,308.78	565.82
Other Advances (Imprest)	0.13	-
Total	**1,311.32**	**569.32**

A.M.A.A. & ASSOCIATES NEW DELHI FRN 013066C CHARTERED ACCOUNTANTS

INDIAN HIGHWAYS MANAGEMENT COMPANY LIMITED
CIN: U74140DL2012PLC246662
Notes forming part of the Financial Statements for the year ended on March 31, 2023

(All amounts in ₹ lacs, unless otherwise stated)

Note: - 10 Equity Share capital

Particulars	As at 31 March 2023	As at 31 March 2022
Authorised share capital		
4,00,00,000 (PY - 4,00,00,000) Equity Shares of ₹ 10/- each	4,000	4,000
	4,000	4,000
Issued/Subscribed and Paid up Capital		
1,81,24,256 Equity Shares (PY - 1,81,24,256) of ₹ 10/- each	1,812.43	1,812.43
	1,812.43	**1,812.43**

Details of shareholder holding more than 5% in the company

Name of the shareholder	As at 31 March 2023		As at 31 March 2022	
	No in Shares	% holding in the class	No in Shares	% holding in the class
National Highways Authority of India	75	41.38%	75	41.38%
ICICI Bank Limited	15	8.27%	15	8.27%
Axis Bank Limited	15	8.27%	15	8.27%
L & T Infrastructure Finance Company Limited	15	8.27%	15	8.27%
Total	**120**	**66.19%**	**120**	**66.19%**

1. 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 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.

2. Details of Shareholding of Promoters are as under:

Ordinary Shares held by the promoter as at 31st March,2023

Promoter Name	No. of Shares	% of total shares	% change during the year
National Highways Authority of India	75	41.38%	Nil

Ordinary Shares held by the Promoter as at 31st March, 2022

Promoter Name	No. of Shares	% of total shares	% change during the year
National Highways Authority of India	75	41.38%	Nil

3. Reconciliation of the number of equity shares and share capital

Particulars	As at 31 March 2023		As at 31 March 2022	
	No in Shares	in Lakhs	No in Shares	in Lakhs
Issued/Subscribed and Paid up equity Capital outstanding at the beginning of the year	181.24	1,812.43	181.24	1,812.43
Add: Shares Issued during the year	-	-	-	-
Issued/Subscribed and Paid up equity Capital outstanding at the end of the year	**181.24**	**1,812.43**	**181.24**	**1,812.43**

Note: - 11
Other Equity

Particulars	31 March 2023	31 March 2022	
Retained Earnings	45,260.43	44,240.66	
Total	**45,260.43**	**44,240.66**	-

Note: - 11.1

Particulars	31 March 2023	31 March 2022	-
(a) Retained Earnings			
Balance at the beginning of the year	44,240.66	30,002.34	
Add: Profit for the year	812.68	14,238.03	
Items of Other comprehensive income recognised directly in retained earnings		-	
Remeasurements of defined benefits plans, net of tax	0.53	0.29	
Less: Transfer to Reserve		-	
Balance at the end of the year	**45,053.86**	**44,240.66**	

A.M.A.A. & ASSOCIATES NEW DELHI FRN 013066C CHARTERED ACCOUNTANTS

INDIAN HIGHWAYS MANAGEMENT COMPANY LIMITED
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Notes forming part of the Financial Statements for the year ended on March 31, 2023

(All amounts in ₹ lacs, unless otherwise stated)

Note:- 12 Other non current financial liability	**As at March 31, 2023**	**As at March 31, 2022**	
Performance Security	85.21	68.16	
	85.21	**68.16**	-

Note:- 13 Non Current Provisions	**As at March 31, 2023**	**As at March 31, 2022**	
Provision for Leave Encashment (Refer note-29)	23.26	17.81	
Provision for Gratuity (Refer note-29)	17.49	12.69	
	40.74	**30.50**	-

Note: - 14 Deferred Tax Liabilities

Particulars	**31 March 2023**	**31 March 2022**	
Deferred tax assets	10.47	7.81	
Deferred tax liabilities	22.58	(20.77)	
Deferred tax Liabilities (net of deferred tax Assets)	**33.05**	**(12.96)**	-

The balance comprises to temporary differences attributable to:

(a) Employee Benefits	10.47	7.81	
(b) Depreciation and amortisation	22.58	(20.77)	
	33.05	**(12.96)**	-

Movement in Deferred Tax Liability/(Asset)

Particulars	**Property, Plant and Equipment Intangible Assets**	**Employee Benefits**	**Total**
1 April 2022	**(20.77)**	**7.81**	**(12.96)**
Charged/(credited)			
To Profit & Loss	(0.70)	(0.38)	
To other comprehensive income	0.70	0.38	
31 March 2022	**(20.77)**	**7.81**	**(12.96)**
Charged/(credited)			
To Profit & Loss	43.35	1.95	
To other comprehensive income	-	0.70	
31 March 2023	**22.58**	**10.47**	**(12.96)**

Note:- 15 Trade Payables	**As at March 31, 2023**	**As at March 31, 2022**	
Total outstanding dues of micro enterprises and small enterprises	830.59	292.81	
Total outstanding dues of creditors other than micro enterprises and small enterprises	964.18	3,710.83	
	1,794.76	**4,003.65**	-

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, the amounts payable to Micro and Small Enterprises as at 31 March 2023 and 31 March 2022 are disclosed separately.

A.M.A.A. & ASSOCIATES NEW DELHI FRN 013066C CHARTERED ACCOUNTANTS

INDIAN HIGHWAYS MANAGEMENT COMPANY LIMITED
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(All amounts in ₹ lacs, unless otherwise stated)

For the year ended 31st March, 2023

Particulars	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
(i) MSME	568.01	67.02	28.82	166.74	830.59
(ii)Others- Payable on behalf of NHAI	586.71	84.94	12.63	279.90	964.18
(iii)Disputed Dues-MSME					-
(iv)Disputed Dues- Others	-	-	-	-	-
Total	**1,154.71**	**151.97**	**41.44**	**446.65**	**1,794.76**

For the year ended 31st March, 2022

Particulars	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
(i) MSME	215.54	37.64	24.20	15.43	292.81
(ii)Others	1,249.61	1,800.39	238.48	422.35	3,710.83
(iii)Disputed Dues-MSME				-	-
(iv)Disputed Dues- Others	-	-	-	-	-
Total	**1,465.16**	**1,838.03**	**262.69**	**437.78**	**4,003.65**

Note:- 16 Other Current Financial Liability	**As at March 31, 2023**	**As at March 31, 2022**	
Receipts on account of Over Weight and Over Dimensional Vehicles*	705.36	868.06	
Earnest Money Deposit	309.00	20.50	
	1,014.36	**888.56**	-

* 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 financial liabilities as Receipts on behalf of Government of India.

Note:- 17 Other Current Liabilities	**As at March 31, 2023**	**As at March 31, 2022**	
Duties & Taxes Payable	118.77	175.46	
Expenses Payable	1,999.20	945.82	
Advance Received against Penalty by IDFC Bank	10.58	10.58	
	2,128.55	**1,131.86**	-

Note:- 18 Short Term Provisions	**As at March 31, 2023**	**As at March 31, 2022**	-
Provision for Leave Encashment (Refer note-29)	0.46	0.35	
Provision for Gratuity (Refer note-29)	0.39	0.17	
Provision for Dobutful Debts (Refer Note No.25 (e & f)	1,333.51	-	
	1,334.36	**0.52**	-

A.M.A.A & ASSOCIATES NEW DELHI FRN 013066C CHARTERED ACCOUNTANTS

INDIAN HIGHWAYS MANAGEMENT COMPANY LIMITED
CIN: U74140DL2012PLC246662
Notes forming part of the Financial Statements for the year ended on March 31 , 2023
(All amounts in ₹ lacs, unless otherwise stated)

Note:- 19 Revenue From Operations	For The Year Ended March 31, 2023	For The Year Ended March 31, 2022
Sale of Services		
-Revenue from ETC Operations**	71,571.97	1,02,794.79
-Management Fee from NHAI Projects*	67.52	39.36
	71,639.47	**1,02,834.16**

*1. Management fee @1.5% on the cost incurred by IHMCL on ETC, Traffic Survey projects 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).

**2. Revenue from Electronic toll collection (ETC Operations) @ 1.51% upto 30th November 2022 of the fee collected electronically for managing the National electronic toll collection program has been accounted in the books of accounts of the company on the basis of office Memorandum issued by NHAI vide ref no. NHAI/13013/CO/21-22/E-105990 dated 30.03.2022 valid upto 31.03.2024.With effect from 1st December 2022, the rate was revised from 1.51% to 1.53% vide office memorandum ref no. NHAI/13013/CO/21-22/E-105990 dated 08.12.2022 due to revised PMF of NPCI from 0.13% to 0.15%.

3. With respect to toll collection through National electronic toll collection programme (NETC) in certain State/City toll plazas, management fees is not charged vide circular no. IHMCL/OMC/POS/2018 dated 10th January,2019, duly extended till 31.03.2024. According to said circular, the company shall bear a part of electronic toll collection programme management fee to the extent of cost of Fastag issuance, transaction clearing and settlement and any other fees as applicable except for acquiring fees in respect to state/city toll plazas under National electronic toll collection(NETC) programme. Accordingly, no management fees has been charged in such cases.

4 . As per Scheme Guidelines for inclusion of State/ City Toll Plazas under NETC Programme, IHMCL will get a recurring programme managment fees (PMF) of 0.20% for the NETC Transactions processed. The % PMF is based on the Electronic Toll Collected at Toll Plazas on-boarded.

5. The company has accounted for revenue from Electronic toll collection operations amounted to Rs. 71,568 lacs (excluding Goods & Service Tax) during FY 2022-23 against which invoices for Rs. 71,157 lacs (excluding Goods & Service Tax) had been raised on National highways authority of India and for Rs. 411 lacs (excluding Goods & Service Tax) have been raised to Banks who have settled NETC revenue amount for State Highways under 0.20% PMF Policy.

Note:- 20 Other Income	For The Year Ended March 31, 2023	For The Year Ended March 31, 2022
Interest Income on Deposits	373.74	224.12
Miscellaneous Income	266.89	5.31
	640.63	**229.43**

Note:- 21 Operating Expenses	For The Year Ended March 31, 2023	For The Year Ended March 31, 2022
Transaction Charges for Managing Central Clearing House-(ETC Project)*	64,141.60	79,509.57
Website Hosting & Maintenance Expenses	4.28	3.63
FAStag Expenses	1.49	175.11
ANPR Based Multilane Free Flow	14.93	-
Data Storage Server - O & M Charges	26.00	39.00
1033 24*7 Call Centre Expenses	955.06	1,052.41
ETC O & M and Toll Management Expenses**	1,849.14	866.23
ICD 2.5-Firewall	24.71	42.06
SUKHAD YATRA PROJECT - Mobile APP Services	69.05	30.77
MultiLane Free Flow Tolling Project	-	87.97
Toll Monitoring & Control Centre	96.81	-
State Highways -CAPEX	-	71.28
SUKHAD YATRA PROJECT - Google API Usage Charges	14.61	20.38
Application Security Assessment Tests	-	0.35
Bandra - Worli Sea LInk Project	-	21.61
GNSS PROJECT	16.50	16.50
Manpower for Development of ICT SERVICES	-	11.87
Web Application Security Audit	-	0.59
Business Model NETC programme - Consultant	41.76	-
Traffic Survey Expenses	10.89	-
	67,266.82	**81,949.33**

A.M.A.A. & ASSOCIATES NEW DELHI FRN 013066C CHARTERED ACCOUNTANTS

INDIAN HIGHWAYS MANAGEMENT COMPANY LIMITED
CIN: U74140DL2012PLC246662
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(All amounts in ₹ lacs, unless otherwise stated)

* Transaction charges for managing central clearing house includes
a.The fee payable to 1.00% of the fee collected electronically to Issuer Banks, 0.13% of the fee to Acquirer Banks and 0.13%.0.15% to NPCI till 31.03.23. NHAI vide its Office Memorandum no. NHAI/13013/CO/21-22/E-105990 dated 30.03.2022 has revised programme management fees for NETC on NH Fee Plazas from 01.04.2022 till 31.03.2024. As per revised programme management fees Issuer Banks (1.00%), Acquirer Bank(0.13% as per discovered L1 rate) , NPCI (0.13%/0.15%) & IHMCL (0.25%).The fees collected electronically by National Payment Corporation of India (NPCI) for their services as collectors of the fee electronically totalling to Rs. 59,220.39 (Previous Year - Rs. 75,738.26).
b. With respect to toll collection through National electronic toll collection programme (NETC) in certain State/City toll plazas, the company has borne part of electronic toll collection programme management fee to the extent of cost of Fastag issuance, transaction clearing and settlement and any other fees as applicable except for acquiring fees in respect to state/city toll plazas under National electronic toll collection(NETC) programme vide Circular No. IHMCL/OMC/POS/2018 dated 10th January,2019, duly extended till 31.03.2024. Due to this, the fees payable of Rs. 4,906.76 (Previous Year- Rs. 4,261.29) has been charged to profit and loss.

** Hybrid electronic toll collection projects (CAPEX & OPEX) were being funded by NHAI. However, it was decided that w.e.f. 01.01.2023 (as proper maintenance of critical equipment's at toll plazas will entail increase in the electronic toll collection transactions which is directly proportional to increased revenue of IHMCL through e-tolling and to achieve the 100% FASTag mandate issued by MORTH), expenditure related to maintenance of electric toll collection equipment and other ancillary projects (OPEX) shall be borne by the company. Following the decision, operation & maintenance expenditure of the electronic toll collection equipment (OPEX), amounting to Rs. 1,849.14 (Previous Year-866.23) has been charged in the books of account without charging of management fees @1.5 % and reimbursement of OPEX from NHAI. The management is also in the process of revising the agreement for management fee with NHAI in this regard.

c. 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.Following the decision, an amount of Rs 955.06 (Previous Year - 1,052.41) has been charged in the books of accounts.

Note:- 22 Employees Benefit Expenses	**For The Year Ended March 31, 2023**	**For The Year Ended March 31, 2022**
Salaries and Wages	182.93	187.16
Gratuity Expenses	5.72	3.67
Compensated absences	5.55	4.99
Contribution to provident fund	7.34	6.83
Staff welfare expenses	1.59	1.63
	203.13	**204.27**

Note:- 23 Finance Cost	**For The Year Ended March 31, 2023**	**For The Year Ended March 31, 2022**
Interest expense	-	-
	-	-

Note:- 24 Depreciation and Amortization	**For The Year Ended March 31, 2023**	**For The Year Ended March 31, 2022**
Depreciation on Property Plant and equipment	94.71	40.36
	94.71	**40.36**

Note:- 25 Other Expenses	**For The Year Ended March 31, 2023**	**For The Year Ended March 31, 2022**
Compensation-Arbritration Order	1,328.40	1,141.96
Rates & Taxes	19.10	288.31
CSR Expenses	570.78	175.08
Professional & Consultancy Charges	68.37	126.29
Advertisement Expenses	111.95	-
Travelling Expenses	9.82	13.36
Arbritration Fees	24.51	12.76
Miscellaneous Expenses	9.72	8.88
Taxi Hire Charges	5.83	6.43
Insurance	6.70	4.78
Payment to Auditor		
-As Auditor	1.30	3.50
-For reimbursement of expenses	-	0.25
Sitting Fee to Directors	1.70	1.80
Printing and Stationery	1.04	0.79
License & Subscription	13.90	-
	2,173.13	**1,784.17**

A.M.A.A. & ASSOCIATES NEW DELHI FRN 013066C CHARTERED ACCOUNTANTS

d. Ld. Arbitrator has passed Final Award on dated 30.12.2021 in the arbitration proceedings between Indian Highways Management Company Ltd and M/s Efkon India Pvt. Ltd. The Award of the Ld. Arbitrator has been challenged before Hon'ble High Court under section 34 of Arbitration & Conciliation Act on the ground of inadmissibility of loss of anticipated profit @ 32.90%. Hon'ble High Court vide its order dated 19.01.2023 has directed to deposit the total amount with Registry of High Court. Accordingly an amount of Rs. 1,325.23 lacs was deposited with Registry of High Court.

e. The Board was apprised that the Contract Agreement between IHMCL and Hyderabad Growth Corridor Limited (HGCL) was signed on 03.11.2018, for on-boarding of 19 toll plazas along the Hyderabad Outer Ring Road (ORR) under the FASTag Programme. In consideration of the services rendered by IHMCL in terms of the Agreement including facilitating the services of Central Clearing House through NPCI, the HGCL undertook to pay an amount equivalent to 4% + tax of the toll amount collected as per settlement by NPCI (IHMCL 1%, NPCI 0.25%, Issuer 1.50% & Acquirer 1.25%). HGCL had been paying the PMF @ 4% of ETC transaction value from December 2018 till September 2020, but October 2020 onwards HGCL had stopped the payment of PMF to IHMCL citing the applicability of the provisions of Scheme Guidelines issued by IHMCL then whereby IHMCL was bearing the PMF up to 1.1% (incl charges of issuer banks, NPCI but excluding acquiring bank). This had resulted in the overdue amount of Rs. 1,320.92 lacs till 18.08.2021. Meanwhile, in February 2021, HGCL requested to re-migrate the existing 19 toll plazas under Scheme guidelines, issued by IHMCL in 2019. Vide policy circular no. IHMCL/OMC/POS/2018, dated 20.01.2019, scheme guidelines were released to facilitate on-boarding of State/City Toll Plazas under the FASTag Programme and enhance program's coverage to all state highways having provision of financial assistance to any state entity for ETC infrastructure installation and bear the Programme Management Fee (PMF) @1.1% (Issuer Bank 1% and NPCI 0.1%). All 19 toll plazas were switched as per the scheme guidelines w.e.f. 00:00 hrs 19.08.2021

It was discussed that the Scheme Guidelines issued by IHMCL in Jan 2019 was applicable for all State entities, including HGCL which is under the aegis of Govt. of Telangana. Whereas, IHMCL had been bearing the PMF for various state entities, as provisioned in the Scheme Guidelines, therefore HGCL may also be treated at par with other such state entities. Keeping this in view, the plea taken by HGCL was considered as justified/acceptable and therefore IHMCL stopped insisting to HGCL for payment of the outstanding PMF amount i.e. Rs. 1,320.92 lacs.

Therefore, the case of HGCL may be considered and the outstanding PMF may be waived/written-off. It was also apprised that after the expiry of Scheme Guidelines i.e. on 31.03.2022, HGCL had agreed to bear PMF@1.3% (IHMCL 0.2%, NPCI 0.1%, and Issuer 1%). The Board considered the matter and accorded ex-post facto approval to write-off the outstanding Programme Management Fee (PMF) of an amount of Rs. 1,320.92 lacs of Hyderabad Growth Corridor Limited.

f. The amount outstanding of Rs 12.58 lacs for more than 3 years with respect to Member Banks penalty amount has been shown as provision for doubtful debts.

Note:- 26 Tax Expense	**For The Year Ended March 31, 2023**	**For The Year Ended March 31, 2022**
Current income tax:		
Current income tax charge	442.32	4,850.33
Adjustments in respect of current income tax of previous year	-	-
Deferred tax:		
Relating to origination and reversal of temporary differences	(46.19)	(2.95)
	396.13	**4,847.39**

Reconciliation of Estimated Income Tax Expense at Indian Statutory Income Tax Rate to Income Tax Expense reported in Statement of Profit and Loss

Profit / (loss) for the year before income tax	1,208.80	19,085.47
Indian Corporate Income tax Rate*	25.168%	25.168%
Estimated Income tax expenses	304.23	4,803.43
Tax effect of items that are not deductible/ allowable for tax purpose	138.09	46.90
Current Income tax expenses recognized in profit or loss	**442.32**	**4,850.33**
Deferred Tax		
Income tax related to items charged or credited directly to profit or loss during the year:		
Accelerated Depreciation for tax purpose	(10.16)	(0.76)
Expenses allowable on payment basis	(2.85)	(2.18)
Deferred tax expenses	**(12.99)**	**(2.94)**
Total	**429.32**	**4,847.39**
Effective Tax Rate	**35.516%**	**25.382%**

* The tax rate used for the current year reconciliation above is the corporate tax rate of 25.168% (previous year 25.168%) payable by corporate entities in India on taxable profits under the Indian tax law.

Note:- 27 Other Comprehensive Income section **Deferred tax related to items recognised in OCI during the year:**	**For The Year Ended March 31, 2023**	**For The Year Ended March 31, 2022**
Net loss/(gain) on remeasurements of defined benefit plans	0.53	0.29
	0.53	**0.29**

A.M.A.A. & ASSOCIATES NEW DELHI FRN 013066C CHARTERED ACCOUNTANTS

INDIAN HIGHWAYS MANAGEMENT COMPANY LIMITED
CIN: U74140DL2012PLC246662
Notes forming part of the Financial Statements for the year ended on March 31 , 2023

(All amounts in ₹ lacs, unless otherwise stated)

Components of Other Comprehensive Income (OCI) The disaggregation of changes to OCI by each type of reserve in equity is shown below	**For The Year Ended March 31, 2023**	**For The Year Ended March 31, 2022**
Remeasurement of Defined benefit plans	0.70	0.38
Income Tax relating to Items that will not be reclassified to profit and loss	(0.18)	(0.10)
	0.53	**0.29**

Note:- 28 Earning Per Share	**Current Year**	**Previous Year**
Number of Equity Shares of ₹ 10 each fully paid up at the beginning of the year	181	181
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	181	181
Weighted Average number of Equity Shares of Rs10/- each outstanding during the year	181	181
Net Earning after tax for the year (₹)	**813.20**	**14,238.37**
Earning Per Equity Share of ₹ 10 each		
- Basic	4.49	78.56
- Diluted	4.49	78.56

A.M.A.A. & ASSOCIATES NEW DELHI FRN 013066C CHARTERED ACCOUNTANTS

(All amounts in ₹ lacs, unless otherwise stated)

29. As per Ind As 19 " Employee benefits", the disclosures as defined in the Accounting Standard are given below:

Defined Contribution Plan:

During the year, company has recognized the following amount in the statement of Profit and Loss:

Particulars	2022-23	2021-22
Employers Contribution to Provident Fund	6.99	6.48

Defined Benefit Plans:

In respect of Gratuity, provision is made based on the actuarial valuation by an independent Actuary. The following information as required under Ind AS-19 are based on the report of the Actuary.

	Particulars	Gratuity (Unfunded) 2022-23	2021-22
	Major Assumptions		
a	Discount Rate (per annum)	7.50%	7.09%
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	20.62	21.62
1	**Changes in the Defined Benefit Obligation**		
a	Defined Benefit obligation as at beginning of the year	0.00	0.00
b	Interest Cost DBO	0.96	0.72
c	Net Current Service Cost	3.34	2.95
d	Benefits Paid	-	-
e	Acturial (Gain) / Loss on Obligation	0.70	(0.38)
	Defined Benefit Obligation, End of Period	**5.02**	**3.27**
2	**Net Defined Benefit Cost/(Income) included in Statement of Profit & Loss at Period-End**		
a	Service Cost	3.34	2.95
b	Net Interest Cost	0.96	0.72
	Expenses recognized in the Statement of Profit & Loss	**4.31**	**3.67**
3	**Analysis of Amount Recognized in Other Comprehensive (Income)/Loss at Period - End**		
	Remeasurements Due to :	-	-
a	Effect of Change in Financial Assumptions	0.39	(0.84)
b	Effect of Experience Adjustments	0.32	0.45
c	(Gain)/Loss on Curtailments/Settlements	-	-
d	Return on Plan Assets (Excluding Interest)	-	-
e	Changes in Asset Ceiling	-	-
	Amount Recognized in OCI (Gain)/Loss, End of Period	0.70	(0.38)
4	**Total Defined Benefit Cost/(Income) included in Profit & Loss and Other Comprehensive Income)**		
a	Amount recognized in P&L, End of Period	4.31	3.67
b	Amount recognized in OCI, End of Period	0.70	(0.38)
	Total Net Defined Benefit Cost/(Income) Recognized at Period - End	**5.02**	**3.28**

	Particulars	Gratuity 2022-23	2021-22
5	**Reconciliation of Balance Sheet Amount**		
a	Balance Sheet (Asset)/Liability, Beginning of Period	0.00	9.58
b	True-up	-	-
c	Total Charge/(Credit) Recognised in Profit and Loss	4.31	3.67
d	Total Remeasurements Recognised in OC (Income) / Loss	0.70	(0.38)
e	Benefits Paid	-	-
	Balance Sheet (Asset)/Liability, End of Period	**5.02**	**12.85**
6	**Current / Non Current Bifurcation**		
a	Current liability	0.39	0.17
b	Non-Current liability	17.49	12.69
	Net Liability	**17.87**	**12.86**

A.M.A.A. & ASSOCIATES NEW DELHI FRN 013066C CHARTERED ACCOUNTANTS

INDIAN HIGHWAYS MANAGEMENT COMPANY LIMITED
CIN: U74140DL2012PLC246662
Notes forming part of the Financial Statements

(All amounts in ₹ lacs, unless otherwise stated)

7	**Sensitivity Analysis**		
a	Defined Benefit Obligation - Discount Rate +100 Basis Points	**(2.41)**	**(1.81)**
b	Defined Benefit Obligation - Discount Rate -100 Basis Points	**2.87**	**2.16**
c	Defined Benefit Obligation - Salary Escalation Rate +100 Basis Points	**2.83**	**2.13**
d	Defined Benefit Obligation - Salary Escalation Rate -100 Basis Points	**(2.42)**	**(1.81)**
		-	
	Expected Cashflows for the Next Ten Years	-	
a	Year - 2023	**0.40**	**0.18**
b	Year - 2024	**0.46**	**0.20**
c	Year - 2025	**0.62**	**0.45**
d	Year - 2026	**0.81**	**0.62**
e	Year - 2027	**1.00**	**0.81**
f	Year - 2028 to 2032	**8.45**	**7.26**

Defined Benefit Plans:

In respect of Leave Encashment, provision is made based on the actuarial valuation by an independent Actuary. The following information as required under Ind AS-19 are based on the report of the Actuary.

	Particulars	**Leave Encashment (Unfunded)**	
		2022-23	**2021-22**
	Major Assumptions		
a	Discount Rate (per annum)	7.50%	7.09%
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	20.62	21.62
1	**Change in Defined Benefit Obligation**		
a	Defined Benefit obligation, beginning of period	0.00	13.17
b	Interest Cost on DBO	1.36	0.99
c	Net Current Service Cost	4.44	4.17
d	Benefits Paid	-	-
e	Actuarial (Gain)/Loss on obligation	(0.25)	(0.16)
	Defined Benefit Obligation, End of Period	**5.55**	**18.18**
2	**Amounts Recognised in Statement of Profit & Loss at Period End**		
a	Service Cost	4.44	4.17
b	Net Interest Cost	1.36	0.99
c	Remeasurements	(0.25)	(0.16)
	Total Expense /(Income) included in "Employee Benefit Expense"	**5.55**	**4.99**
3	**Analysis of Amounts Recognized in Remesurements of the Net Defined Belnefit Liability / (asset) during the period**		
	Remeasurements Due to :		
a	Effect of Change in Financial Assumptions	0.52	(1.17)
b	Effect of Experience Adjustments	(0.76)	1.01
	Total Remeasurements Recognised (Gains) /Losses	(0.00)	(0.00)
4	**Reconciliation of Balance Sheet Amount**		
a	Balance Sheet (Asset)/Liability, Beginning of Period	0.00	13.17
b	Total Charge/(Credit) Recognised in Profit and Loss	5.55	4.99
C	Benefit Payouts	-	-
	Balance Sheet (Asset)/Liability, End of Period	**5.54**	**18.18**

	Particulars	**Leave Encashment (Unfunded)**	
		2022-23	**2021-22**
5	**Current / Non Current Bifurcation**		
a	Current liability	0.46	0.35
b	Non-Current liability	23.26	17.81
c	**Net Liability**	**23.71**	**18.17**
6	**Sensitivity Analysis**		
a	Defined Benefit Obligation - Discount Rate +100 Basis Points	(3.20)	(2.52)
b	Defined Benefit Obligation - Discount Rate -100 Basis Points	3.81	3.02
c	Defined Benefit Obligation - Salary Escalation Rate +100 Basis Points	3.75	2.97
d	Defined Benefit Obligation - Salary Escalation Rate -100 Basis Points	(3.21)	(2.53)

A.M.A.A. & ASSOCIATES NEW DELHI FRN 013066C CHARTERED ACCOUNTANTS

(All amounts in ₹ lacs, unless otherwise stated)

30 Capital Management

The Companies objective when managing capital is to safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and maintain an optimal Capital Structure to reduce the Cost of Capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

31 Fair Value measurements

The fair value of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

(i) Financial Instruments by Category

Particulars	31 March 2023			31 March 2022		
	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost
Financial Assets						
Trade Receivables	-		22,490.90	-	-	35,495.93
Cash and Cash Equivalents	-	-	8,257.01	-	-	1,288.70
Other Financial Assets			7,039.31	-	-	5,744.43
Total Financial Assets	**-**	**-**	**37,787.22**	**-**	**-**	**42,529.05**
Financial Liabilities						
Trade Payables	-	-	1,794.77	-	-	4,003.65
Other financial liabilities			1,014.36	-	-	888.56
Total Financial Liabilities	**-**	**-**	**2,809.14**	**-**	**-**	**4,892.21**

Fair Value hierarchy

Level 1- Quoted prices (unadjusted) in active markets for identical assets or liabilties

Level 2- Inputs other than quoted prices included within Level 1 that are observable for the assets or liabilty, either directly (i.e. as prices) or indirectly (i.e. derived form prices)

Level 3- Inputs for the assets or liabilties that are not based on abservable market data (unobservable inputs)

The following table presents the fair value measurement hierarchy of financial assets and liabilties measured at amortised cost:-

As at 31-03-2023

Particulars	Carrying Value	Level 1	Level 2	Level 3	Total
Financial Assets					
Trade Receivables	22,490.90	-	-		
Cash and Cash Equivalents	8,257.01	-	-	-	
Other Financial Assets	7,039.31	-	-	-	
Total financial Assets	**37,787.22**				
Financial Liabilities					
Trade Payables	1,794.77				
Other financial liabilities	1,014.36				
Total financial liabilities	**2,809.14**				

As at 31-03-2022

Particulars	Carrying Value	Level 1	Level 2	Level 3	Total
Financial Assets					
Trade Receivables	35,495.93	-	-	-	
Cash and Cash Equivalents	1,288.70	-	-	-	
Other Financial Assets	5,744.43	-	-	-	
Total financial Assets	**42,529.05**				
Financial Liabilities					
Trade Payables	4,003.65				
Other financial liabilities	888.56				
Total financial liabilities	**4,892.21**				

A.M.A.A. & ASSOCIATES NEW DELHI FRN 013066C CHARTERED ACCOUNTANTS

(All amounts in ₹ lacs, unless otherwise stated)

32 Financial Risk Management

The Company's activities are not significantly affected by market risk, liquidity risk and credit risk. Therefore, the disclosure relating to maturity profile of financial liabilities, borrowing limits, gearing ratios etc. have not been furnished.

33 The company does not have any transaction and balances with Struked off companies.

34 No proceedings are initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and the rules made

35 The company is not a declared willful defaulter by any bank or financial Institution or other lender.

36 There is no transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act. 1961.

37 The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

38 There are no subsidiaries therefore compliance with respect to Section 2(87) of the Companies Act, 2013

39 Related Party disclosures as required by Ind-AS 24 "Related party Disclosure"

39.1 Key Management Personnel

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

Parties which exercise/ can exercise significant infulence over the company
National Highway Authority of India

Key Managerial Personnel (KMP)
Mr. Mahabir Singh (Chairman and Managing Director) (Appointed as CMD on 01.10.2020 & Cessation on 06.03.2023)
Mr.Ajmer Singh (Chairman and Managing Director) (Appointed on 06.03.2023 & Cessation on 19.05.2023)
Mr. N.R.V.V.M.K Rajendra Kumar (Chairman and Managing Director) (Appointed as CMD on 18.05.2023)
Mr. Subhash Khurana - Chief Financial Officer (Appointed as CFO on 15.05.2020)
Mr. Gopabandhu Mishra – Company Secretary

Directors of the Company
Mr.Ajmer Singh (Chairman and Managing Director) (Appointed on 06.03.2023 & Cessation on 19.05.2023)
Mr. N.R.V.V.M.K Rajendra Kumar (Chairman and Managing Director) (Appointed on 19.05.2023)
Mr. Ramsekhar Manchikalepati, IAS (Retd.)
Ms. Surabhi Sinha, IRS(Retd)
Mr. Kushal Veer Singh
Dr. Amita Prasad, IAS (Retd.) (Appointed on 09.06.2022 & Cessation on 17.11.2022)
Mr. Bangaru Raju Obbillisetty (Appointed on 25.02.2022)
Mr. Hardik Dinesh Chandra Agrawal
Mr. Raju Francis Dodti (Appointed on 25.02.2022)
Mr. T.R. Rao (Appointed on 28.03.2023)
Mr. Sudipta Roy (Appointed on 30.09.2022)

39.2 Disclosure of transactions with related parties

Particulars	Transactions	
	31-Mar-23	31-Mar-22
Management Fee	67.52	39.36
Electronic toll collection	71,157.15	1,02,125.16
Balance outstanding as at year end		
Trade Receivable- NHAI	22,500.07	32,469.89
Other Receivable- NHAI	7,039.31	5,744.43
Transactions with KMP	-	-
Remuneration	-	-
Mr. Gopabandhu Mishra	13.34	12.12
Balance outstanding as at year end	-	-
Mr. Gopabandhu Mishra	-	-
a) Remuneration	1.19	1.08
b) Expense Payable	-	-

39.3 Indian Highways Management Company Limited (IHMCL) was promoted by NHAI and 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. At present IHMCL is implementing all projects mandate by NHAI.NHAI has provided office space to IHMCL at 1st Floor, NHAI HQ, Plot No. G – 5 & 6, Sector – 10, Dwarka, New Delhi – 110075 and NHAI also arranged additional duties to its officer's to successfully manage the projects mandated by NHAI.

40 Segment information (Ind As - 108)

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)

41 In the opinion of the management, there is no impairment of assets requiring provision in accordance with Ind AS-36.

42 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	31-Mar-23	31-Mar-22
Amount need to spent during the year	334.82	241.48
Amount accumulated for previous year	241.48	175.08
Accumulated amount	576.30	416.56
Amount spent (PM cares fund)	570.78	175.08
Forward to next year	5.52	241.48

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The company is required to spent Rs. 334.82 lacs (Rs. 241.48 lacs for FY 2021-22) on CSR activites. During the current year, the company has spent Rs. 570.78 lacs on CSR expenses (PM CARES FUND) and Rs. 5.52 lacs have been deposited with PM Cares fund Subsequent to balance sheet date. The amount of CSR spent would be treated as an expense for the year to be charged to the statement of profit and loss on receipt basis.

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

	Particulars	31-Mar-23	31-Mar-22
a	(i) the principal amount remaining unpaid to any supplier	830.59	292.81
	(ii) interest due thereon	153.31	9.49
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 unpaid	281.34	128.03
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.

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.

44 Disclosure relating to various Ratios:

	Particulars	31-Mar-23	31-Mar-22	Variance
(i)	Current Ratio (Current Assets / Current Liabilities)	6.24	7.15	-12.79%
(ii)	Return on Equity (Net profit after tax / Average Shareholder's equity) Reason for Variation for more than 25%: Due to descrease in revenue share of IHMCL	0.87%	18.28%	-95.23%
(iii)	Trade Receivable Turnover Ratio (Sale of Services / Average Trade Receivables) Reason for Variation for more than 25%: Due to decrease in trade receivable	1.24	198.47%	-37.75%
(iv)	Trade Payable Turnover Ratio ([Total Expenses-Depreciation-Employee Benefit Expense-Finance Costs] / Average Trade Payable Reason for Variation for more than 25%: Due to major outstanding dues released during the period	0.54%	456.42%	-99.88%
(v)	Net Capital Turnover Ratio (Sale of Service / [Current Assets-Current Liabilities])	2.18	277.38%	-21.40%
(vi)	Net Profit Ratio (Net Profit after Tax / Sale of Services) Reason for Variation for more than 25%: Due to decrease in revenue share of IHMCL and consequent decrease in expenditure	1.13%	13.85%	-91.81%
(vii)	Return on Capital Employed (Earnings before interest, tax & depreciation / Average Capital Employed) Reason for Variation for more than 25%: Due to decrease in revenue share of IHMCL and consequent decrease in expenditure	2.76%	38.51%	-92.83%
(viii)	Return on Investment (Income Generated From Investments / Time Weighted Average Investments) Reason for Variation for more than 25%: Due to decrease in revenue share of IHMCL and consequent decrease in expenditure	7.84%	4.89%	60.21%

Note:

1) During the Current year and previous year the company has no borrowings from any corporate, bank or financial institution. Hence, Debt-Equity Ratio and Debt-Service Coverage Ratio is not reported.

2) The Company is engaged in the business of National Electronic Toll Collection Services and there is no inventory of Goods. Hence, Inventory turnover Ratio is not applicable to Company.

45 The company has received Rs. 1,55,154.06 lacs till 31.03.2023 from National Highways Authority of India for execution of projects namely Traffic survey, Electronic Toll Collection.The company has spent a sum of Rs. 1,62,193.38 lacs till 31.03.2023 for implementing these projects including purchase of Electronic Toll Collection (ETC) equipments and other project expenses through contractors on behalf of NHAI and an amount of Rs. 7039.32 lacs is receivable as on 31.03.2023 on account of amount spent by the company on behalf of NHAI which has been shown as "Receivable from NHAI" under Other current assets. In the opinion of the management, the amount is recoverable from NHAI. However, the confirmation of the receivable amount is received by NHAI. The invoices for Electronic Toll Collection(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.

As per the confirmation received from NHAI a sum of Rs. 570.20 lacs are outstanding as receivable from NHAI, resulting in a gross difference of ₹ 5934.27 lacs. The reconciliation difference of Rs. 5934.27 lacs are mainly due to non – passing of entries in NHAI books of account before 31st March 2023 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 ongoing process and necessary entries has been passed by NHAI subsequent to the balance sheet date. There are no pending entries to be passed by the company as a result of reconciliation.

46 ***Contingent Liabilities***

Particulars	Refer Note	Award Dated	31-Mar-23	31-Mar-22
Matters relating to:-				
- Matter in CIT(Appeals) F.Y. 2015-16	a	-	-	729.35
- **Claims against the Company, not acknowledged as debts**	b	-	-	968.90
ATT Sys Estex telecom Pvt Ltd		24-05-2023	1,090.86	-
VR Techniche Consultants Private Ltd		23-08-2023	96.83	-

a The income tax Assessing Officer has considered an amount of Rs. 1,870.81 lacs payable to MORTH recovered by the company on account of penalty on oversized/overweighted vehicles as income during assessment related to Financial year 2015-16 & raise the additional demand of Rs. 6,54,98,000 which has been adjusted against the income tax deposits of Rs. 890.51 lacs. The MORTH has clarified that this amount is payable to them and has been paid by the company to MORTH in subsequent period. Further, the Company has filed an appeal before Commissioner of Income Tax (Appeals) for refund of Rs 654.98 lacs and the appeal is hereby allowed vide order no. ITBA/NFAC/S/250/2022-23/1051249859(1) dated 24.03.2023.

A.M. & ASSOCIATES NEW DELHI FRN 013066C CHARTERED ACCOUNTANTS

The Arbitrator has passed the order for IHMCL to pay Rs. 929.21 lacs plus simple interest @9% with effect from 21.11.2018 till actual realisation to Efkon India Private Limited towards loss of anticipated profits and idling cost of its employees.

b The company is also liable to pay costs of Rs. 39.68 lacs within 30 days of the award, failing which it shall be paid with interest @9% simple interest with effect from date of the award till actual payment. However, the company has filed appeal before Hon'ble High Court against the award of arbritrator.

47 Authorization of Financial Statements

The financial statements for the year ended March 31, 2023 were approved by the Board of Directors on 13.09.2023. The management and authorities have the power to amend the Financial Statements in accordance with Section 130 and 131 of The Companies Act, 2013.

Previous Year Figures are regrouped / reclassified wherever required in order to make it comparable in line with the amendments in Schedule III, Division II to the companies Act, 2013 effective from 1st April, 2021.

For AMAA & Associates
Chartered Accountants
(Firm Registration No. 013066C)

Mukesh Sharma
Partner
M. No. 505453

Place: Delhi
Date: 13/9/2023

A.M.A.A. & ASSOCIATES NEW DELHI FRN 013066C CHARTERED ACCOUNTANTS

UDIN: 23505453BHUNYG9568

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

N.R.V.V.M.K Rajendra Kumar
(Chairman and Managing Director)
(DIN:09494456)

Kushal Veer Singh
(Director)
(DIN:09483690)

Subhash Khurana
(Chief Financial Officer)

Gopabandhu Mishra
(Company Secretary)

INDEPENDENT AUDITOR'S REPORT

To
The Members of INDIAN HIGHWAYS MANAGEMENT COMPANY LIMITED

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the accompanying Ind AS Financial Statements of **INDIAN HIGHWAYS MANAGEMENT COMPANY LIMITED** ("the Company"), which comprise the Balance sheet as at 31st March 2023, and the Statement of Profit and Loss (including other comprehensive income), the statement of Changes in Equity and the statement of cash flow 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 the "financial statements" or "financial statement").

In our opinion and to the best of our information and according to the expiations given to us, except for the possible effects of the matter described in the Basis of Qualified Opinion paragraph, the aforesaid financial statements give the information required by the Companies Act,2013 ("the Act") in the manner so required and give a true and fair view in conformity with Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules,205, as amended, ("Ind AS") and the accounting principles generally accepted in India, of the state of affairs of the company as at March 31,2023 and its profit, total comprehensive income, changes in equity and the cash flows for the year ended on that date.

Basis for Qualified Opinion

1. Attention is invited to Note no. 25(e) of the Financial Statements, the company have written off an amount of Rs. 1,320.92 Lacs receivable from M/s. Hyderabad Growth Corridor Limited from more than 3 years in the current year as per discussion held in 45th Board Meeting of the Company.

   As per Item No. 5 of the minutes of 45th Board Meeting held on 23rd of December 2022,

   "The board was apprised that the Contract Agreement between IHMCL and Hyderabad House Corridor Limited (HGCL) was signed on 03.11.2018, for on-barding of 19 toll plazas along the Hyderabad Outer Ring Road (ORR) under the FASTag Programme. In consideration of services rendered by IHMCL in terms of the Agreement including facilitating the service of Central Clearing House through NPCI, the HGCL undertook to pay the amount equivalent to 4% + tax of the toll amount collected as per toll settlement by NPCI (IHMCL 1%, NPCL 0.25%, Issuer 1.50% & Acquire 1.25%). HGCL had been paying the PMF @ 4% of ETC transaction value from December 2018 till September 2020, October 2022 onwards, but HGCL had stopped the payment of PMF to IHMCL then whereby IHMCL was bearing the PMF up to 1.1% (incl. charges of issuer banks, NPCL but excluding acquiring bank). This had a resulted in the overdue amount of Rs. 13.20 Cr. till 18.08.2021. Meanwhile in February 2021, HGCL requested to re-migrate the existing 19 toll plazas under scheme guidelines, issued by IHMCL in 2019 vide policy circular no. IHMCL/OMC/POS/2018, dated 20.01.2019, scheme

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guidelines were released to facilitate on-boarding of State/ City Toll Plazas under the FASTag Programme and enhance program's coverage to all state highways having provision of financial assistance to any state entity for ETC infrastructure installation and bear the Programme Management Fee (PMF) @ 1.1% (issuer Bank 1% and NPCI 0.1%), All 19 toll plazas were switched as per the scheme guidelines w.e.f. 00:00 hrs 19.08.2021.

It was discussed that the Scheme Guidelines issued by IHMCL in Jan 2019 was applicable for all the State entities, including HGCL which is under the aegis of Govt. of Telangana. Whereas, IHMCL had been bearing the PMF for various state entities, as provisioned in the Scheme Guidelines, therefore HGCL may also be treated as par with other such state entities. Keeping this in view, the plea taken by HGCL was considered as justified/acceptable and therefore IHMCL stopped insisting to HGCL for payment of the outstanding PMF amount i.e., Rs. 13.20 Cr.

Therefore, the case of HGCL may be considered and the outstanding PMF may be waived/ written off. It is also apprised that after the expiry of Scheme Guidelines i.e., on 31.03.2022, HGCL had agreed to bear PMF @ 1.3% (IHMCL 0.2%, NPCI 0.1% and Issuer 1%.)

The Board considered the matter and accorded ex-post facto approval to write-off the outstanding Programme Management Fee (PMF) of an amount of Rs. 13.20 Cr. of Hyderabad Growth Corridor Limited. Accordingly, the following resolution was passed by the Board: - RESOLVED THAT the write-off the Outstanding Programme Management Fee (PMF) of an amount of Rs. 13.20 Cr. of Hyderabad Growth Corridor Limited (HGCL) for availing the FASTag Programme be and is hereby approved."

The management has provided provision for doubtful debts of Rs, 1,320.92 Lacs in the current year, although the board has grant ex post facto approval to write off the amount of Rs. 1,320.92 Lacs receivable from M/s. HGCL which is pertaining to FY 2020-21 & FY 2021-22. The accounting of the same is not in accordance of Ind AS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" in which the management is required to restate the Financial Statement as per paragraph 42 of the Ind AS 8.

2. (a) Attention is invited to note no. 5.1 & 24 of Financial Statements regarding Intangible Assets & Depreciation and Amortization respectively. The company have capitalized Rs. 257.94 Lacs as "BI Tool Software" without receiving Go Live Certificate/Date from M/s SRIT India Pvt. Ltd. & M/s. Auriga IT Solution Pvt. Ltd. (Consortium). But as per LOA No. IHMCL/TMCC/2020/02/33 dated 4th February 2021, the capax cost was Rs. 489.74 Lacs, which is to be capitalized. Thus, resulting in shortfall in amortization of the software by Rs. 46.36 Lacs for the year.

   (b) Attention is invited to Note no. 21 of Financial Statements regarding "Toll Monitoring & Control Center" under Operating Expenses, the management has paid sum of Rs. 96.81 Lacs with respect to O & M Expense without obtaining Go Live certificate/date of plazas as referred in note no, (i) of Clause 3.7.4 of agreement with M/s SRIT India Pvt. Ltd. & M/s. Auriga IT Solution Pvt. Ltd. (Consortium) dated 17th March 2021. It is clearly mentioned in the note that O&M Charges of "Go Live" Plazas shall be calculated on Pro-rata basis.

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3. Attention is invited to Note no. 5 of Financial Statement regarding valuation of Property, Plant & Equipment, the management has written off Laptops & Office Equipment having original cost of Rs. 8.94 Lacs without retaining 5% residual value of the asset which is non-compliance of Schedule II of Companies Act, 2013 and the depreciation is not written back during the year to re-recognize these assets at 5% of the original cost. The impact of these assets has not taken in current year Financials which is non-compliance of Ind AS 8 "Accounting Policies, Changes in Accounting Estimates and Errors".

4. The appointment of Internal Auditor during the year was extended for the period from 1st January 2023 to 31st December 2023. The initial appointment was made through open tender for one year commencing from 1st January 2022 to 31st December 2022 and there was no condition in RFP for extension of appointment of Internal Auditor. While taking approval from the competent authority for extension, this fact has not been disclosed to the competent authority. So, in our opinion the appointment of Internal Auditor is defective.

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 on the financial statement.

Emphasis of Matter

We draw attention to the following notes on the Financial Statements being matters pertaining to the Company requiring emphasis by us:

1. Attention is invited to Note no. 16 of the 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/I/2010-S&R(B) dated 20.09.2013. user fee for movement of overweight and over dimensional (OW/OD) consignments levied by MORTH is being deposited in Company's Bank Account. The company has received Rs. 1,515.47 lacs during the year in this behalf of which Rs. 705.36 Lacs are still pending as a payable to MORTH as on 31st March 2023 which has been shown under "current liabilities" as "receipt on behalf of Government of India" which is subsequently paid on 17th May 2023.

2. Attention is invited to Note no. 25 of Financial Statements relating to Compensation-Arbitration Order of Rs. 1,325.23 Lacs, Ld. Arbitrator has passed Final Award on dated 30.12.2021 in the arbitration proceedings between Indian Highways Management Company Ltd and M/s Efkon India Pvt. Ltd. The Award of the Ld. Arbitrator has been challenged before Hon'ble High Court under section 34 of Arbitration & Conciliation Act on the ground of inadmissibility of loss of anticipated profit @ 32.90%. Hon'ble High Court vide its order dated 19.01.2023 has directed to deposit the total amount with Registry of High Court. Accordingly, an amount of Rs. 1,325.23 Lacs was deposited with Registry of High Court.

3. Attention is invited to note no. 39.3 of Financial Statements regarding disclosure of transaction with related parties, the Company has occupied the space at 1st Floor, NHAI HQ, Plot No. G – 5 & 6, Sector – 10, Dwarka, New Delhi – 110075 and NHAI also arranged additional duties to its officer's to successfully manage the projects mandated by NHAI.

4. Attention is invited to Note no. 43 of the Financial Statements, the company have not accounted the interest payable to Micro and Small Enterprises as per section 16 of Micro, Small and Medium Enterprises Development Act, 2006 of Rs. 281.34 Lacs.

5. Attention is invited to Note no. 8.3 of the Financial Statements relating to balance recoverable from National Highway Authority of India (NHAI), the company has recoverable balance of Rs. 7,039.31 Lacs from NHAI but in confirmation to that, balance confirmation letter received from NHAI vide letter no. NHAI/F&A/2022-23/IHMCL/E-18348 dated 13th September 2023 showing payable amount of Rs. 570.75 Lacs to the company which is huge amount of exception of Rs. 6,468.56 Lacs.

Our opinion is not modified in respect of these matters.

Information Other than the Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's Report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance or conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards prescribed under section 133 of the Act read together with the Companies (Accounts) Rules, 2015, as amended. 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.

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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.

Auditors 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.

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- 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.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors Report) Order, 2020 ("the Order'), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143 (3) of the Act, we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion, except for the effects of the matters described in the basis for qualified opinion paragraph above, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive income), the Statement of Changes in Equity and the Cash Flow Statement dealt with by this report agree with the books of account.

   d) In our opinion, except for the effects of the matters described in the basis for qualified opinion paragraph above, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

   e) The matters described in the Basis for Qualified Opinion and Emphasis of Matter 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, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2023 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.

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h) With respect to the adequacy of the internal financial controls with reference to financial statements 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 the best of our information and according to the explanations given to us, the company has not paid any remuneration to its directors during the financial year 2021-2022 and therefore provision of section 197(16) of the Act is not applicable to 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 Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

I. The Company has pending litigations which would impact its financial position in its financial statement as referred in the note 46 of the financial statements.

II. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

III. There were no amounts which were required to be transferred to the investor's education and protection fund by the company.

IV. (a) Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) Management has represented, that, to the best of its knowledge and belief, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ('Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on such audit procedures performed and information and explanation given, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.

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V. The Company has not paid dividend during the year.

3. In our opinion and as per information and explanations given to us, the managerial remuneration for the year ended 31st March 2023 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 of the Act.

For AMAA & Associates
Chartered Accountant
FRN: 013066C

Place: Delhi
Date: 13.09.2023
UDIN: 23505453BGUNYG9568

A.M.A.A. & ASSOCIATES NEW DELHI FRN 013066C CHARTERED ACCOUNTANTS

CA Mukesh Sharma
Partner
Membership No. 505453

Address: UG-2, 17A/56, Triveni Plaza, W.E.A., Karol Bagh, New Delhi – 110 005
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ANNEXURE A
INDIAN HIGHWAYS MANAGEMENT COMPANY LIMITED
Annexure "A" to Independent Auditors' Report for the year ended 31 March 2023 (Referred to in Paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our Report of even date)

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

I. Property Plant and Equipment

(a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of Property, Plant and Equipment and relevant details of right of use assets.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) According to the information and explanation given to us, there are no immovable assets held by the company, hence this clause of paragraph 3 (i) of the order is not applicable to the Company.

(c) The title deeds of immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favor of the lessee), as disclosed in the financial statements included under Property, Plant and Equipment are held in the name of the Company as at the balance sheet date.

(d) The Company has not revalued any of its Property, Plant and Equipment (including right of use assets) or intangible assets during the year.

(e) According to the information and explanation given to us, No proceedings have been initiated during the year or are pending against the Company as at 31st March, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

II. Inventories

(a) The Company is a service company, engaged in the business of providing services to National Highways Authority of India in implementation of various projects operating in India and there is no inventory in hand at any point of time, hence paragraph 3 (ii) (a) of the order is not applicable to the Company.

(b) According to the information and explanations given to us and as verified by us, during any point of time of the year, the Company has not been sanctioned working capital limits, hence paragraph 3(ii) (a) of the order is not applicable to the company.

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III. Investment made or Loans given

According to the information and explanation given to us and as verified by us, during the year the company has not made investments in, or provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Therefore, the reporting under clauses 3 (iii) of the order is not applicable to the company.

IV. Compliance of Section 185 & 186

According to the information and explanations given to us and as verified by us, the Company has not entered into any transaction in respect of loans, investment, guarantee and security which attracts compliance to the provisions of Section 185 and 186 of the Companies Act, 2013, therefore, paragraph 3(iv) is not applicable to the company.

V. Public Deposit

According to the information and explanations given to us and as verified by us, the Company has not accepted any deposits or amounts which are deemed to be deposits from the public and hence the direction issued by Reserve Bank of India and the provision of section 73 to 76 or any other relevant provision of the Act and the Rules framed there under apply are not applicable. Accordingly, Paragraph 3(v) of the Order is not applicable to the company.

VI. Cost Records

According to the information and explanations given to us and as verified by us, the maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013 for the business activities carried out by the company. Thus, reporting under clause 3(vi) of the order is not applicable to the company.

VII. Statutory Dues

a) According to the records of the Company and information and explanations given to us and the records of the Company examined by us, the Company has been regular in depositing the undisputed statutory dues including goods and service tax, provident fund, employees state insurance, income tax, sale tax, service tax, duty of customs duty of excise, value added tax, cess and other material statutory dues applicable to it with the appropriate authorities.

b) According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were in arrears as at 31st March, 2023 for a period of more than six months from the date they became payable.

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VIII. Unrecorded Income

According to the records of the Company and information and explanations given to us, there were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

IX. Default in repayment of borrowings

According to the records of the Company and information and explanations given to us and on the basis of examination of books of accounts, the Company has not taken any loans or borrowings from any landers. Accordingly, the provision of paragraph 3(ix) of the Order is not applicable to the Company

X. Application of fund raise through public offer

a) According to the records of the Company and information and explanations given to us and on the basis of examination of books of accounts, The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable to the company.

b) According to the records of the Company and information and explanations given to us and on the basis of examination of books of accounts, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable to the company.

XI. Fraud

a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.

c) No whistle-blower complaints were received by the Company during the year (and up to the date of this report) and hence reporting under clause 3(xi) (c) of the Order is not applicable.

XII. Compliance by Nidhi Company

The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable.

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XIII. Compliance on transactions with related parties

In our opinion, the Company has not complied with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards since the Company has not disclosed that the Company has occupied the space at 1st Floor, NHAI HQ, Plot No. G – 5 & 6, Sector – 10, Dwarka, New Delhi – 110075 and taking manpower services from NHAI without any consideration.

XIV. Internal Audit System

(a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date

XV. Non-cash transaction

In our opinion and according to the information and explanations given to us, during the year, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors. and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

XVI. Registration under Section 45-IA of Reserve Bank of India Act, 1934

In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a),(b) and (c) of the Order is not applicable. In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi) (d) of the Order is not applicable to the Company.

XVII. Cash losses

The Company has not incurred cash losses during the current and the immediately preceding financial year.

XVIII. Resignation of statutory auditors

There has been no resignation of the statutory auditors of the Company during the year and accordingly the clause is not applicable.

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XIX. Material Uncertainty

According to the records of the Company and information and explanations given to us, on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

XX. Transfer to fund specified under Schedule VII of Companies Act, 2013

(a) There is no unspent amount under sub-section (5) of section 135 of the Act pursuant to any project other than ongoing projects. Accordingly, clause 3(xx)(a) of the Order is not applicable.

(b) There is no unspent CSR amount as at Balance Sheet date under section (5) of section 135 of the Act, pursuant to any ongoing project, hence, reporting under clause 3(xx)(b) of the Order is not applicable.

XXI. Qualifications or adverse auditor remarks in other group companies

The Company is not required to prepare consolidated financial statement, therefore the provision of paragraph 3(xxi) of the order is not applicable to the Company.

For AMAA & Associates
Chartered Accountant
FRN: 013066C

Place: Delhi
Date: 13.09.2023
UDIN: 23505453BGUNYG9568

A.M.A.A. & ASSOCIATES NEW DELHI FRN 013066C CHARTERED ACCOUNTANTS

CA Mukesh Sharma
Partner
Membership No. 505453

Address: UG-2, 17A/56, Triveni Plaza, W.E.A., Karol Bagh, New Delhi – 110 005
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ANNEXURE B
THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF INDIAN HIGHWAYS MANAGEMENT COMPANY LIMITED

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

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

We have audited the internal financial controls with reference to financial statement of **INDIAN HIGHWAYS MANAGEMENT COMPANY LIMITED** ("the Company') as of 31 March, 2023 in conjunction with our audit of the Ind AS 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 with reference to financial statement 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 with reference to financial statement 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and. the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statement and their operating effectiveness. Our audit of internal financial controls with reference to financial statement included obtaining an understanding of internal financial controls with reference to financial statement, 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 judgments, 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 with reference to Financial Statements.

Meaning of Internal Financial Controls With reference to Financial Statements

A company's internal financial control with reference to financial statement 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 with reference to financial statement includes those policies and procedures that (I) 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls With reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statement, 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 with reference to financial statement to future periods are subject to the risk that the internal financial control with reference to financial statement 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, not have adequate internal financial controls system with reference to financial statement and such internal financial control with reference to financial statement were operating effectively as at 31 March, 2023, 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 since the review of Internal Financial Control (IFC) Matrix not conducted during the year.

For: AMAA & Associates
Chartered Accountant
FRN: 013066C

Place: Delhi
Date: 13.09.2023
UDIN: 23505453BGUNYG9568

A.M.A.A. & ASSOCIATES NEW DELHI FRN 013066C CHARTERED ACCOUNTANTS

CA Mukesh Sharma
Partner
Membership No. 505453

Address: UG-2, 17A/56, Triveni Plaza, W.E.A., Karol Bagh, New Delhi – 110 005
Ph. +91 92123 27628, +911147057628, Email – mukesh@amaa.in

S. Behera & Co.
Company Secretaries

Off :S-1/3&4, First Floor, Near Uphaar Cinema,
Green Park Extn., New Delhi-110016
Ph.: +91-11-41731103, M.: +91-9999002490
E-mail : shesdev@gmail.com acecorporate.india@gmail.com
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SECRETARIAL AUDIT REPORTFOR THE FINANCIAL YEAR ENDED 31.03.2023

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration Managerial Personnel) Rules, 2014]

To,
The Members,
INDIAN HIGHWAYS MANAGEMENT COMPANY LIMITED
CIN: U74140DL2012PLC246662
Room No. 402, NHAI HQ, Plot G- 5&6,
Sector -10, Dwarka, New Delhi - 110075

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Indian Highways Management Company Limited (CIN: U74140DL2012PLC246662)** (hereinafter called the 'company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the registers, records, books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representation made by the Management, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2023 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2023 according to the provisions of:

1. The Companies Act, 2013 (the Act) and the rules made thereunder;

2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;**(Not applicable)**

3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

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S. Behera & Co. C.P. No. 5980 NEW DELHI Company Secretaries

4. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;**(Not applicable)**

5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

   a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers)Regulations, 2011; **(Not applicable)**

   b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992; **(Not applicable)**

   c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements)Regulations, 2009; **(Not applicable)**

   d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; **(Not applicable)**

   e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations,2008;**(Not applicable)**

   f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents)Regulations, 1993 regarding the Companies Act and dealing with client;**(Not applicable)**

   g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not applicable)** and

   h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998**(Not applicable)**.

6. Employees' Provident Funds & Misc. Provisions Act, 1952;

7. Employees' State Insurance Act, 1948 ;

8. Maternity Benefit Act, 1961;

9. Minimum Wages Act, 1948;

10. Payment of Bonus Act, 1965;

11. Payment of Gratuity Act, 1972;

S. Behera & Co. C.P. No. 5980 NEW DELHI Company Secretaries

Contd...P/3

12. Delhi Shops and Establishments Act, 1954

13. As informed and certified by the Management of the Company, there were no other sector/ industry specific laws which were specifically applicable to the Company during the period under review.

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India with respect to Meeting of Board, Committees of Board and Members.

During the Audit period under review, the Company was not required to comply with the clauses of the Listing Agreement(s) and/or the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review and as per representations and clarifications provided by the management, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. as mentioned hereinabove except to the extent as mentioned below:

a) Filing of Form CSR-2 for financial year ended 31.03.2022. We have been clarified that due to the process of migration from version2 to version3 the MCA portal has been facing persistent technical issues while filling, filing, etc. in the MCA portal therefore the said form could not be uploaded within the due time and the company has been continuously following-up to resolve the issue and has assured that the said provisions will be compiled at the earliest as soon as the MCA portal enables the smooth functioning.

b) Compliance in the matter of appointment of woman director on the Board of Directors of the Company as per the requirements of the provisions of Section 149 of Companies Act, 2013 read with Rule 4 Chapter XI, Companies (Appointment and Qualification of Directors) Rules, 2014. The board of directors of the company vide their meeting held on 28.03.2023 appointed Ms. Surabhi Sinha (DIN: 10011356), IRS (retd.) as the Independent cum Woman Director in place of Ms. Amita Prasad, (DIN: 03644516) who ceased to be Independent cum Woman Director w.e.f 17.11.2022.

WE FURTHER REPORT THAT:

The Board of Directors of the Company is duly constituted except to the extent of appointment of Independent Director and Woman director which the company has complied with before the closure of the Financial Year.

S. Behera & Co. C.P. No. 5980 NEW DELHI Company Secretaries

Contd...P/4

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors.

We further report that based on review of compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, we are of the opinion that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

For **S. Behera & Co.**
Company Secretaries

S. Behera & Co. C.P. No. 5980 NEW DELHI Company Secretaries

Shesdev Behera
Company Secretary in practice
CP. No. 5980
M. No. F-8428
UDIN: F008428E000816664

Date: 17/08/2023
Place: New Delhi

Note: **Annexure-'A'** forming an integral part of this Report.

Annexure-'A'

To,

The Members,

Indian Highways Management Company Limited

CIN: U74140DL2012PLC246662

Room No. 402, NHAI HQ, Plot G- 5&6,

Sector -10, Dwarka, New Delhi – 110075

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

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express as opinion on such secretarial records based on our audit.
2. We have followed the audit practices and process as we considered appropriate to obtain reasonable assurance on the correctness and completeness of the secretarial records. Our verification was conducted on a test basis to ensure that all entries have been made as per statutory requirements; we believe that the processes and practices we followed for this purpose provided a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of the financial records and books of accounts of the Company.
4. Wherever required, we have obtained the management representation with respect to compliance of laws, rules and regulations and of significant events during the year.
5. The compliance of the provisions of corporate and other applicable laws, rules and regulations, and standards is the responsibility of the management. Our examination was limited to the verification of secretarial records on test-check basis to the extent applicable to the Company.
6. The Secretarial audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **S. Behera & Co.**

Company Secretaries

S. Behera & Co. C.P. No. 5980 NEW DELHI Company Secretaries

Shesdev Behera

Company Secretary in practice

CP. No. 5980

M. No. F-8428

UDIN: F008428E000816664

Date: 17/08/2023

Place: New Delhi