August 14, 2021

BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai- 400 001

Scrip Code- 541019

National Stock Exchange of India Limited
Exchange Plaza, C-1, Block G,
Bandra Kurla Complex, Bandra (East),
Mumbai- 400 051

Scrip Symbol- HGINFRA

Dear Sirs,

Sub: Annual Report for the financial year 2020-21 including Notice of 19th Annual General Meeting

In terms of Regulation 34(1) and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the Annual Report of the Company for the financial year 2020-21 including the Notice convening 19th Annual General Meeting ("Notice"), being sent to the members through electronic mode.

The Annual Report including Notice is also uploaded on the website of the Company at www.hginfra.com

This is for your information and records.

Thanking you,

Yours faithfully,
For **H. G. Infra Engineering Limited**

H.G. Infra Engineering Limited III Floor Sheel Mohar Plaza A-1 Tilak Marg C-Scheme

Ankita Mehra
Company Secretary and Compliance Officer
M.No-A33288

Encl: as above



Focus on tomorrow

H.G. Infra Engineering Limited

Annual Report 2020-21

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Forward-looking statements / Cautionary statement

In this annual report, we have disclosed forward looking information to enable investors comprehend our prospects and take informed investment decisions. This report and other statements – written and oral – that we periodically produce/publish, may contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements would be fully realised, although we believe we have been prudent in our assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. If known or unknown risks or uncertainties materialise, or if underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

2020 has been a testing year - we demonstrated resilience despite the headwinds



The Pandemic has brought in unprecedented challenges for people and businesses alike. Rapid spread of the pandemic and the subsequent lockdowns have led to huge loss of income and subdued economic growth.

Despite the challenges, our committed focus on project execution and efficiencies led us to a strong rebound from initial quarters to end the year on a solid note.

With 15% growth in revenues and strong margins - EBITDA margins expanding to 16.2% and PAT margins to 8.3%, we recorded an increase in our order book with an inflow of Rs 19,333 mn with the addition of 4 new orders during the year.

One of our best-ever years even though this was one of the slowest years of growth in more than a decade for the country.

Interestingly, the big story at HG Infra is not the year that passed, but the years we see ahead.

Not the fact that we continue to strengthen our market position within our industry space, but where we are likely to go over the foreseeable future as we continue to strengthen our internal capabilities and our technological quotient.

Not the fact that we continue to strengthen our position as one of the leading civil construction players in India, but being a future-focused company, the initiatives we took to tweak and reform our approach to leverage the present market scenario and, thereby, ensure sustainable growth.

With our DNA remaining that of a challenger, in the current business landscape, we will continue to play our strategy to create significant value for our different stakeholders.

Where HG Infra stands today



18

Years of rich industry experience

₹70,401mn

Order Book, March 2021

20+

Active projects

4600+

Strong and active workforce (including contract labor)

₹25,275mn

Revenue, 2020-21

₹4,107mn

EBIDTA, 2020-21

₹2,110mn

PAT, 2020-21

₹7,602mn

Gross Block, March 2021

₹5,273mn

Net cash from Operations, 2020-21

Knowing HG Infra

Embarking on the Company's third decade of existence, HG Infra Engineering Limited ("HGIEL"/ "the Company") is one of India's leading private sector companies engaged in construction, development, designing and management of infrastructure projects.

We specialize in delivering integrated design, engineering, procurement and construction services.

We aim at delivering outstanding civil construction projects that helps deliver long-term value to the nation and satisfies the highest requirements for quality, performance and reliability.

We continue to prioritise investment in sustainable technologies that helps us to maintain profitability over the long-term.

HGIEL has successfully delivered key capital projects as well as the maintenance of infrastructure services through partnerships with strategic clients and long-term alliances.

We take pride in bringing our specialist knowledge, sector leading experience and out-of-the-box thinking to design, develop and deliver critical infrastructure projects for a safer tomorrow.

We combined people, processes and technology to achieve our purpose of delivering sustainable growth.

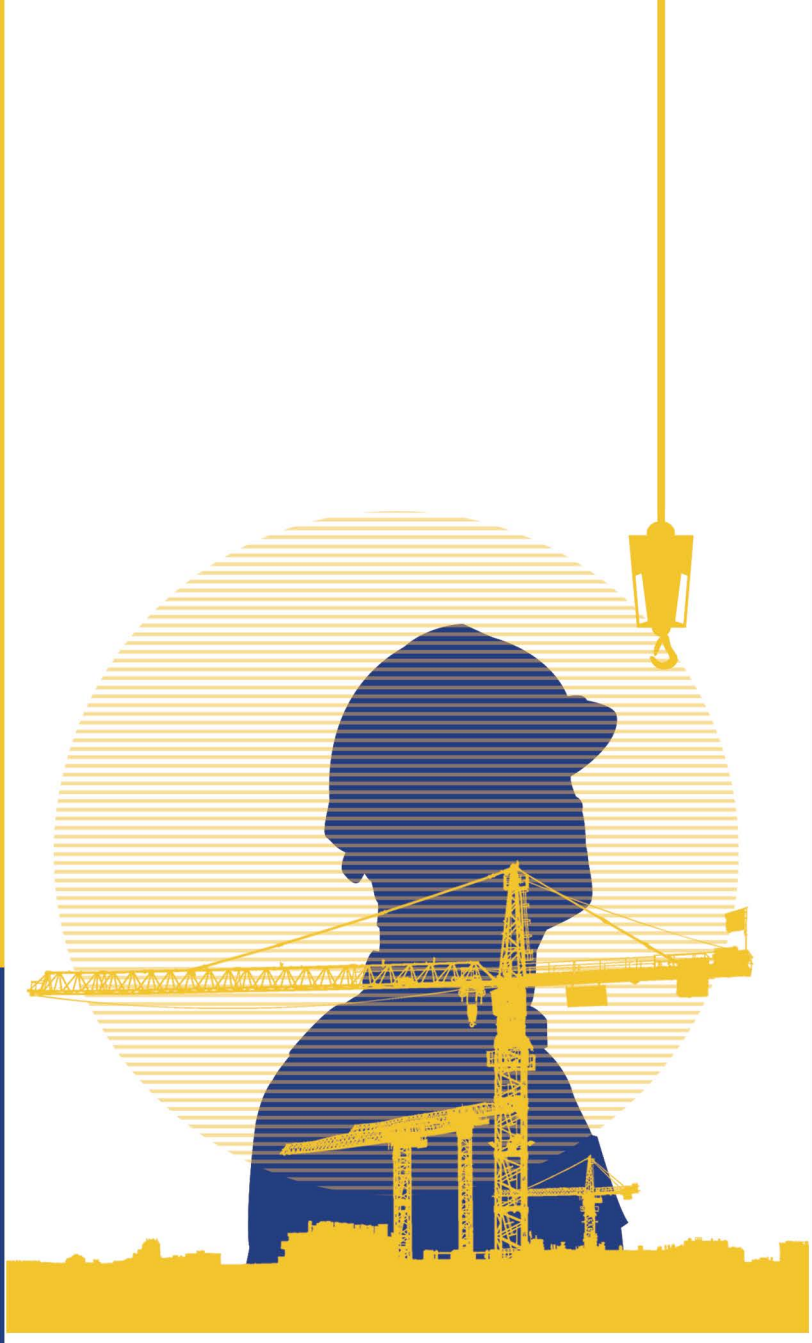


Recognitions that we have earned

- Certified for Quality Management System Certificate ISO 9001:2015
- Certified for Health & Safety Management System Certificate OHSAS 18001:2007
- Certified for Environmental Management System Certificate ISO 14001:2004
- Letter of appreciation in 2012 from L&T for being the most quality-consciousness subcontractor
- Received bonus from PWD for the early completion of widening and strengthening of NH-96 Faizabad-Allahabad Road in Uttar Pradesh

Our vision

To be amongst the most admired and most trusted infrastructure companies in the country, delivering qualitative, reliable and quality 'creations & services' to all customers at competitive costs, with highest standards of infrastructure creations, setting new benchmarks in standards of corporate performance and governance through the pursuit of operational and financial excellence, responsible citizenship and profitable growth, thereby creating superior value for all the stakeholders and contributing significantly in the growth of this sector.



Our mission

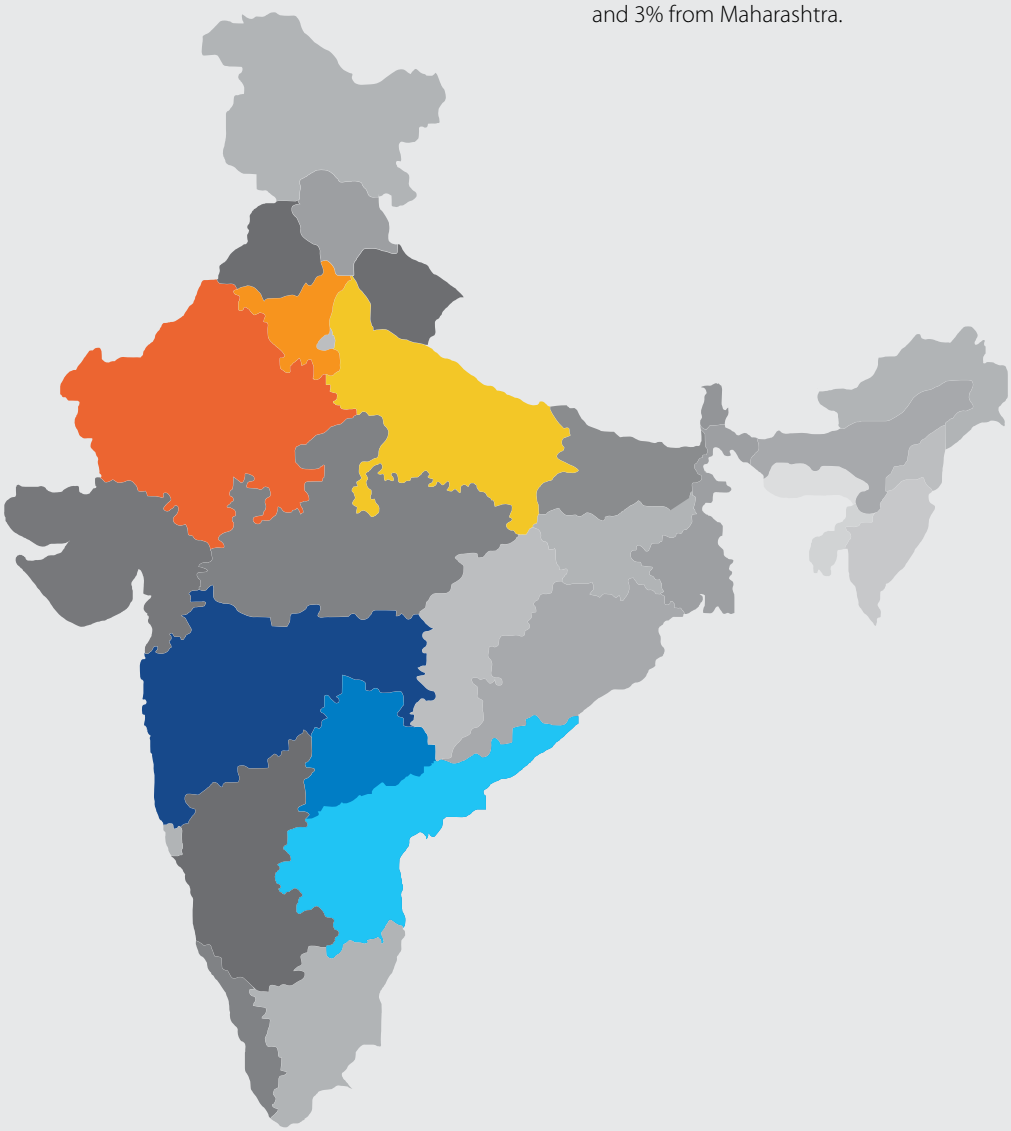
- To create the world-class assets and infrastructure to provide the platform for faster and consistent growth for India to become world's economic power.
- To earn the trust and confidence of all customers and stakeholders, exceeding their expectations and making the company a respected household name.
- To consistently achieve high growth with the highest levels of productivity holding guiding principles of trust, integrity and transparency in all aspects of interactions and dealings.
- To be a technology-driven, efficient and financially sound organisation.
- To promote a work culture that fosters individual growth, team spirit and creativity to overcome challenges and attain goals, encourage ideas, talent and value systems.

Our values

Our ethos are 'Trust', 'Passion' and 'Quality'. These are intact and constantly keep on pushing us to deliver best of quality infrastructure for the nation.

Our growing presence

Headquartered in Jaipur, Rajasthan, the company has project experience in more than eight states with active projects in six states currently. Of the total order book, outstanding as on 31 March, 2021, 38% is from Rajasthan, 28% from Telangana, 11% from Andhra Pradhesh, 10% from Haryana, 10% from Uttar Pradesh and 3% from Maharashtra.



Rajasthan
10 projects

Haryana
4 projects

Uttar Pradesh
1 project

Maharashtra
7 projects

Telangana
3 projects

Andhra Pradesh
1 project

Our business model

Sustainable business model enhanced by our business strategy

Inputs

Industry expertise: HGIEL has been operating in the Indian market for nearly two decades now with strong project execution capabilities.

Operational efficiency: HGIEL's businesses benefit from regular investment in equipment and the keen focus of the management to drive growth.

Durable relationship: The Company is one of the fastest growing private players within the Indian road infrastructure sector. It seeks strong, collaborative and close relationships with our customers and suppliers. The business cycle is multi-year, and we seek relationships to support this.

Strong governance: The Company maintains a high standard of corporate governance to ensure HGIEL achieves success for the benefit of the businesses it manages and our shareholders over the long term.

People strength: HGIEL believes that its people help the company to ensure sustainable growth. It regularly invests in the development and safety of our people to solve the evolving challenges of our clients.

Our strategy for growth for different markets

Lead the Indian infrastructure industry, by working in partnership with the Government. Emerge as the leading private player in India through continuous investment to enhance technological capabilities and build on execution capabilities.

Our strategy for growth for the overall business

Invest in knowledge and apply our inherent strengths for customer advantage across the segments of our presence. Our strategy is to maintain strict discipline in order selection and maintaining project site efficiencies through innovation - delivering best-in-class projects to clients.

Create a unique position in the Indian market by combining the dedication and creativity of our people, our strong technical knowledge and engineering expertise to find opportunities in new segments within the civil construction space and improve the way we execute the projects on time and within budget.

How we intend to sustain our business model

Our strategic enablers ensure we continually do things better for our customers and help us deliver our strategy.

Develop knowledge base for tomorrow

Our business model is robust and sustainable because our knowledge base is constantly refreshed as we focus on continuous learning from our experiences, equipping us with the means to undertake larger projects and enter newer markets while understanding emerging customer requirements and investing in future technologies.

Build on our capabilities

To grow HGIEL's business, we intend to levereage our civil engineering expertise to further expand our presence in other growth segments. This enables us to both sustain existing capabilities and create new ones to ensure we respond to customer requirements and stay ahead of the competition.

Invest in our facilities

Enhanced and modernized equipments would enable us to cater to execute projects within the stipulated time, save on cost and build on our offerings. We are investing in our equipment to ensure we remain relevant and continue to grow our business.

Create differentiated technology

By investing in and developing sustainable and differentiated technologies organization wide, we have been successful in delivering projects in time and improving communication and efficiencies on project sites and offices.

Invest in our people

As an organisation, we believe that our reputation and our achievements are centred on our people. Our future success is primarily dependent on our ability to recruit, develop, engage and retain exceptional employees. We periodically invest in our people to support their career development, wellbeing and engagement and would continue to do so.

Values created by our business model

Financial

Revenue, as of 31st March 2021

₹25,275 Mn

22% CAGR growth over the last 3 years

PAT, as of 31st March 2021

₹2,110 Mn

36% CAGR growth over the last 3 years

Capital investment

₹2,705 Mn

Investment in plant and machinery in last 3 years

Cash flow from operations as of 31st March 2021

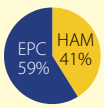
₹5,273 Mn

Order book

₹70,401 Mn

Total value of order book as of 31st March 2021

Order book composition



Intellectual & People

4600+
Employees

500+
Engineers

1500+
People with technical expertise

Our strategy

Core focus on road EPC & HAM

- Continue to focus on EPC Projects and timely execution with strong discipline in order selection
- Focus on selective HAM projects with a goal of maintaining healthy IRR
- Explore opportunities to monetize HAM projects and free up equity

Diversification to other infra sectors

- De-risk business by expanding into sectors like Railways (track laying), Water Infra (pipeline laying) and Airports (runways/taxiways)

Maintain financial discipline

- Continue focus on projects with desirable levels of EBITDA Margins/ IRR
- Maintain strict cost controls to improve profitability and deleverage balance sheet
- Continue focus on working capital management and cash generation



Road ahead

Phase I
(2008-2012)

Subcontractor with major experience in 1 state

Capabilities



PWD/Civil Construction

Revenue as prime contractor
~25%

EPC PQ
Rs 500 Mn

Geographical Presence
2 States

Revenue
Rs 2,872 Mn (FY 12)

EBITDA Margin
13.8% (FY 12)

PAT
Rs 132 Mn (FY 12)

Gross Block
Rs 1,193 Mn (FY 12)

Debt/Equity
1.75x (FY 12)

Phase II
(2013-2017)

Upcoming prime contractor starting contracts with NHAI

Capabilities



Highways/ Expressways

Revenue as prime contractor
~50%

EPC PQ
Rs 15,000 Mn

Geographical Presence
6 States

Revenue
Rs 10,560 Mn (FY 17)

EBITDA Margin
12.0% (FY 17)

PAT
Rs 534 Mn (FY 17)

Gross Block
Rs 2,294 Mn (FY 17)

Debt/Equity
1.16x (FY 17)

Phase III
(2018-2021)

Leading road developer with pan-India presence

Capabilities



High value road EPC & HAM

Revenue as prime contractor
~75%

EPC PQ
Rs 28,000 Mn

Geographical Presence
8 States

Revenue
Rs 25,275 Mn (FY 21)

EBITDA Margin
16.2% (FY 21)

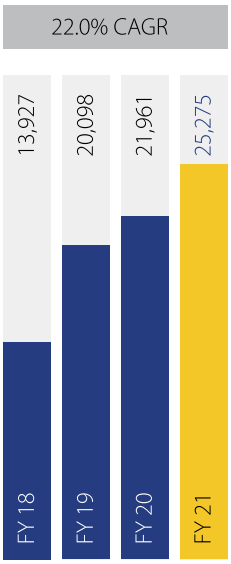
PAT
Rs 2,110 Mn (FY 21)

Gross Block
Rs 7,602 Mn (FY 21)

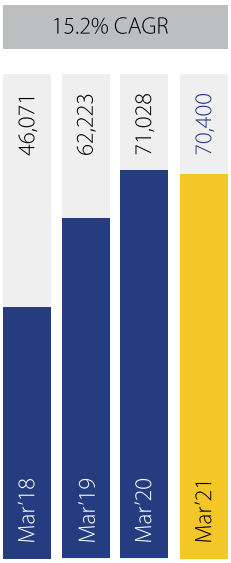
Debt/Equity
0.28x (FY 21)

Measurement of our success

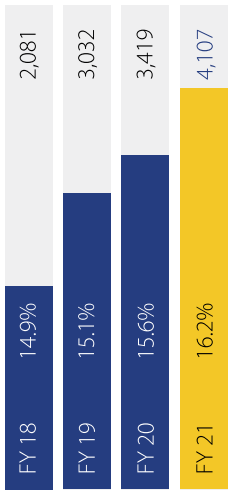
Revenue (Rs Mn)



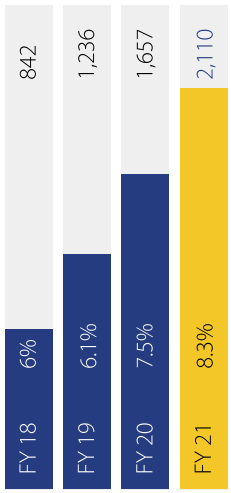
Order Book (Rs Mn) and Book to Bill (x)



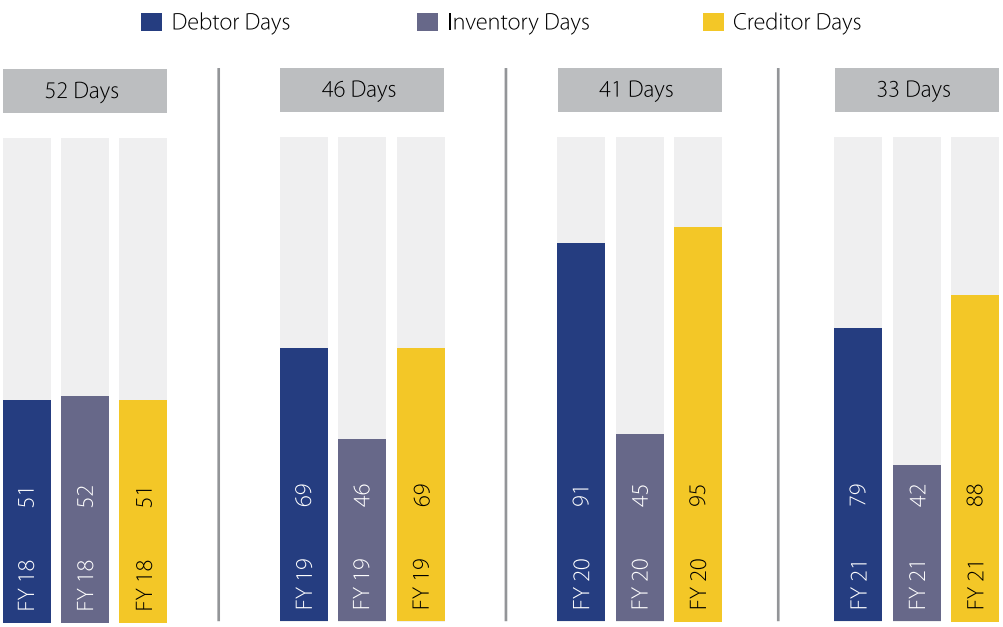
EBITDA (Rs Mn) and Margin (%)



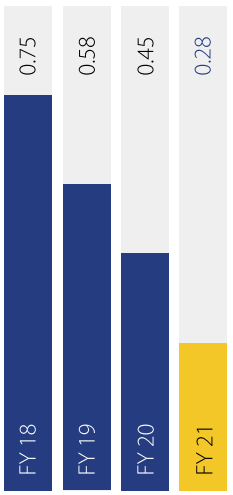
PAT (Rs Mn) and Margin (%)



Net Working Capital (Days)



Debt to Equity (x)



27%

Return on Capital Employed FY21

20%

Return on Equity FY 21

Our execution capabilities



Rehabilitation and Upgradation of a stretch on the Amravati-Nandgaon-Morshi-Warud-Pandhurna National Highway between Nandgaon and Morshi. It will involve two-laning with paved shoulders on an EPC basis.
State- Maharashtra



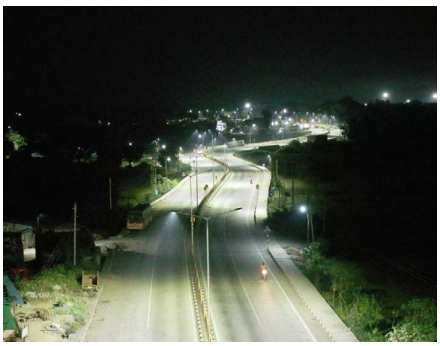
Rehabilitation and Upgradation of Amravati-Nandgaon-Morshi-Warud- Pandhurna National Highway from Morshi in Maharashtra via the Madhya Pradesh State Border upto the Wardha River Bridge to two lanes with paved shoulders on an EPC basis.
State- Maharashtra



Rehabilitation and Upgradation of Nagpur-Katol-Warud State Highway from the end of the Katol bypass to the joint junction at Warud from two lanes with paved shoulder on an EPC basis.
State- Maharashtra



Strengthening and widening of a total road length of 59.00 km of the Hoda-Bhadesar-Awari-Mata-Nikumbh Crossing the Bari Sadri Bansi Road.
State- Rajasthan



Upgradation of Bhandara – Khat –Ramtek –Mansar – Mauli – Nayakund – Parseoni – Saoner to jont NH 547 E , Package – II, Amdi to Saoner, to two lanes with paved shoulders four lane configurations on an EPC basis.
State- Maharashtra



Upgradation of the Bhandara - Khat -Ramtek -Mansar - Mauli - Nayakund -Parseoni - Saoner to Jont NH 547 E , Bhandara to Ghotitok to an two lane national highway with paved shoulders and four lane configurations on an EPC basis.
State- Maharashtra



Upgradation to two lanes with paved shoulders for a section of NH-325 from Balotra to Sanderao via Jalore.
State- Rajasthan



Chairman's message



Dear shareholders,

I hope you and your families are keeping safe during these challenging times. We were faced with an unprecedented once in a century event in terms of the Covid-19 led pandemic, disrupting social and economic activities across the world. During the year, India witnessed one of the strictest lockdowns disrupting the economic activities during the first half of the year. However, despite being faced with several challenges, I am pleased to convey the exceptional performance our team has delivered with their committed zeal to achieve the highest ever recorded revenues. We have been able to maintain our momentum and our strong efficiency, which has led to a complete rebound in execution post the tough initial quarters.

Strengthening infrastructure

Infrastructure plays an important role in graduating India to the next phase of growth. The government focus on infrastructure spending to put the economy back on track resulted in the sector's growth during the year under review. The NHAI awarded 141 projects (4,788 km) worth Rs 1.71 lakh crore in 2020-21. The share of engineering procurement and construction (EPC) in the awards last fiscal was 51% followed by hybrid annuity model (HAM) at 49%.

The announcement in Budget 2021 further reflects the Central Government's commitment towards transforming the country's infrastructure sector with a significant increase in allocation with the objective of connecting cities and towns and facilitating urban development across the nation. The gross budgetary support towards capital expenditure has been increased significantly to Rs 5.54 lakh crore in 2021-22 BE (up 34 percent from 2020-21 BE, and 26 percent from 2020-21 RE) with higher allocation towards the infrastructure sector (roads, railways, among others). The government also provided for additional allocation towards the National Investment and Infrastructure Fund (NIIF) and the setting up of a new development finance institution (DFI) to bolster the financing avenues for the infrastructure sector and can pave the way for increased private participation thereby supporting the overall infrastructure investment.

We are optimistic on the road ahead with our comfortable order book position, strong revenue visibility, healthy operating margin, comfortable balance sheet position, controlled working capital cycle and strong return profile would like to take this opportunity to thank and show my gratitude for all our employees for their hard work and continued support and to all our stakeholders for their continued trust in us.

Robust performance

Despite the challenging external environment, we showed resilience and reported one of our strongest performances in the recent years. Through our relentless focus we managed to recover the deficit in the last 2 quarters and achieved our goal of surpassing last year's performance.

We reported revenues of Rs 25,275 million a growth of 15% over the last year. We grew at 20% at the EBIDTA level to reach Rs 4,107 million, while the EBIDTA margin grew and continued to remain robust at 16.2%. We were also able to improve PAT from Rs 1,657 million to Rs 2,110 million and PAT Margin improved from 7.5% to 8.3%.

We have been able to maintain a highly deleveraged balance sheet with debt-equity strengthening from 0.45 times in 2019-20 to 0.28 times in 2020-21 and have witnessed good improvement in our working capital to a net of 33 days. We continued to win orders with the addition of 4 new projects with a total epc value of Rs 19,333 Mn and ended the year with our order book standing at Rs 70,400 Mn.

Charting our growth path

As we move forward, we have prioritized our strategies around three broad areas – continued focus on EPC and HAM in the road sector, move up in the value chain and diversify into other sectors within the infrastructure space and maintain a steady growth without stretching the balance sheet.

Core focus on road EPC & HAM

We will continue focus on EPC Projects and timely execution with strong discipline in order selection. We will opt for selective HAM projects with a goal of maintaining healthy IRR and continue to explore opportunities to monetize HAM projects and free up equity. We plan to de-risk our business by expanding into sectors like Railways (track laying), Water Infra (pipeline laying) and Airports (runways/taxiways). We will continue to maintain financial discipline, and we will continue to focus on projects with desirable levels of EBITDA Margins/ IRR. We are maintaining strict cost controls to improve profitability and deleverage balance sheet. One of our key success factors remains our continued focus on working capital management and cash generation.

Road ahead

While the economy started gradual recovery, the situation has been further disrupted by the second wave of the pandemic sweeping across the country. However, with a strong vaccination program in place, we expect that the situation will improve for better from the second quarter of FY21-22.

With the government push on infrastructure development, we see high potential on infra spending and awarding activity. With strong sectoral opportunities and our gradual pan-Indian expansion, we are expected to drive growth in the coming years.

Additionally, leveraging our expertise, we will continue to look at opportunities beyond road in sectors like railways, metro and airports to diversify our order book. India's infrastructure plans in these sectors are well defined and there is a lot of project scope available. Towards this, we have further strengthened our business development team with the induction of senior resources who have vast experience in these sectors. Our focus is to explore and tap into these new sector opportunities that will contribute to the topline of our business in the coming years.

We are leveraging digitalization to enhance efficiency in our process and expect that as one of the key drivers of business in the next few years. Our continued focus on a disciplined approach in selecting and executing orders will translate into robust margins and return profile.

We are optimistic on the road ahead with our comfortable order book position, strong revenue visibility, healthy operating margin, comfortable balance sheet position, controlled working capital cycle and strong return period would like to take this opportunity to thank and show my gratitude for all our employees for their hard work and continued support and to all our stakeholders for their continued trust in us.

Harendra Singh
Chairman and Managing Director

Profile of Board of Directors



Mr. Harendra Singh
Chairman and Managing Director

Mr. Harendra Singh has been on the Board of Company since its incorporation and was appointed as Managing Director of the Board for a period of five years with effect from May 15, 2017. He holds a bachelor's degree in Engineering (Civil) from Jodhpur University and has garnered more than 27 years of experience in the construction industry. For his outstanding achievement in business and social service, he was awarded twice by the Indian Achievers Forum.



Mr. Vijendra Singh
Whole Time Director

Responsible for the overall functioning of the Company, Mr. Vijendra Singh has been on the Board of Company since its incorporation. After garnering a basic education, he amassed more than 29 years of experience in the construction industry. He was appointed as a Whole Time Director on the Board for a period of five years with effect from May 15, 2017.



Mr. Dinesh Kumar Goyal
Whole Time Director

Mr. Dinesh Kumar Goyal, IAS, retired as Additional Chief Secretary to Govt. of Rajasthan in 2013. He has 39 years of experience at top level in various departments including Finance, Energy, Public Works, Roads & Highway. Mines, Industries, Urban Development, and Labour. After retirement from IAS, he has been Adviser to Solar Energy Corp. of India; Senior Consultant for the World Bank funded Road Sector Project, and Advisor to Hindustan Zinc Ltd. Mr. Dinesh Kumar Goyal became the Director of Company with effect from May 23, 2018. He is Ph.D. from Birla Institute of Tech. & Science, Pilani; M.Sc. from London School of Economics; M.Sc. (I) from IIT Delhi; and an Eisenhower Fellow.



Mr. Ashok Kumar Thakur
Independent Director

With a master's degree in commerce from Lucknow University, Mr. Ashok Kumar Thakur has over 39 years of experience in the banking industry. He has been an Independent Director on the Board with effect from May 15, 2017. Prior to this, he has held various positions at Union Bank of India, including general manager (HR) at Corporate Office, general manager (Kolkata zone) and deputy general manager (regional head) at Kolkata and Chandigarh. He has also been chairman at the Rewa Siddhi Gramin Bank.



Mrs. Pooja Hemant Goyal
Independent Director

An Independent Director of our Company, Mrs. Pooja Hemant Goyal holds a bachelor's degree in commerce and a master's degree in law, from Jiwaji University, Gwalior, Madhya Pradesh. She was associated with the law firm N.V. Vechalekar & Co. in Mumbai. She is having more than 11 years of experience in the legal industry and as a legal practitioner. She has been appointed on the Board with effect from May 15, 2017.



Mr. Onkar Singh
Independent Director

A retired Indian Administrative Service (IAS) officer, Mr. Onkar Singh joined the Board on September 08, 2017 and is currently an Independent Director of the Company. He holds a bachelor's degree in Commerce and master's degree in economic administration and financial management. He also holds degree of M.PHIL. He has over 22 years of experience including the tribal area developments, education administration and rural developments in different capacities. He has also been the collector in the District of Tonk, Dausa, Rajsamand and Bhilwara for seven years in the state of Rajasthan. Further, he was the divisional commissioner at Kota and also hold the Additional Charge of the post of the vice-chancellor at the Agriculture University, Kota, Kota University and Rajasthan Technical University, Kota.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Harendra Singh
Chairman & Managing Director
DIN-00402458

Vijendra Singh
Whole Time Director
DIN-01688452

Dinesh Kumar Goyal
Whole Time Director
DIN-02576453

Ashok Kumar Thakur
Independent Director
DIN-07573726

Pooja Hemant Goyal
Independent Director
DIN-07813296

Onkar Singh
Independent Director
DIN-07853887

COMMITTEE DETAILS

AUDIT COMMITTEE

Ashok Kumar Thakur
Chairman

Onkar Singh
Member

Harendra Singh
Member

STAKEHOLDER RELATIONSHIP COMMITTEE

Onkar Singh
Chairman

Harendra Singh
Member

Vijendra Singh
Member

NOMINATION AND REMUNERATION COMMITTEE

Pooja Hemant Goyal
Chairperson

Ashok Kumar Thakur
Member

Onkar Singh
Member

RISK MANAGEMENT COMMITTEE

Harendra Singh
Chairman

Vijendra Singh
Member

Ashok Kumar Thakur
Member

Kailash Chandra Gupta
Member

Satish Kumar Sharma
Member

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Vijendra Singh
Chairman

Harendra Singh
Member

Onkar Singh
Member

Dinesh Kumar Goyal
Member

FINANCE COMMITTEE

Harendra Singh
Chairman

Vijendra Singh
Member

Dinesh Kumar Goyal
Member

MANAGEMENT COMMITTEE

Harendra Singh
Chairman

Vijendra Singh
Member

Dinesh Kumar Goyal
Member

CHIEF FINANCIAL OFFICER

Rajeev Mishra

COMPANY SECRETARY & COMPLIANCE OFFICER

Ankita Mehra

AUDITORS

M/s Price Waterhouse & Co. Chartered Accountants LLP
252, Veer Savarkar, Marg, Shivaji Park, Dadar,(West)
Mumbai- 400028

M/s Shridhar & Associates, Chartered Accountants,
701, 7th Floor, Ambasadan Building, Plot No.325,
Linking Road, Near Citi Bank, Khar (West),
Mumbai-400052

SECRETARIAL AUDITORS

M/s ATCS & ASSOCIATES,
Company Secretaries
23 KA-4, Jyoti Nagar Near Vidhan Sabha, Jaipur
Rajasthan 302005

COST AUDITORS

M/s Rajendra Singh Bhati & Co.
Cost Accountants
Office no. 10A 2nd Floor Sanjivani Ananda, Manji ka Hatta Paota Jodhpur Rajasthan 342003

INTERNAL AUDITORS

M/s Tibrewal Chand & Co,
Chartered Accountants
90, Nemi Sagar Colony,
Vaishali Nagar, Jaipur-302021, Rajasthan

REGISTERED OFFICE

14, Panchwati Colony, Ratanada Jodhpur
Rajasthan-342001
Tel: 0291-2515327
Email ID-cs@hginfra.com
Website- www.hginfra.com
CIN- L45201RJ2003PLC018049

CORPORATE OFFICE

III Floor, Sheel Mohar Plaza, A-1 Tilak Marg,
C-Scheme Rajasthan, Jaipur-302001
Tel: 0141-4106040-41 Fax no: 0141-4106044
Email ID-cs@hginfra.com

REGISTRAR & SHARE TRANSFER AGENT

Link Intime India Private Limited

Noble Heights 1st Floor,
Plot No. NH-2, LSC, C-1 Block,
near Savitri Market, Janakpuri, New Delhi 110058
Tel: 011-49411000
Fax no: 011-41410591
Email ID-delhi@linkintime.co.in

BANKERS

HDFC Bank Ltd.
ICICI Bank Ltd.
Punjab National Bank
Union Bank of India
Bank of Baroda
State Bank of India
Yes Bank Ltd.
IDFC First Bank Ltd.
Indusind Bank Ltd.
RBL Bank Ltd.
Axis Bank Ltd.
Federal Bank

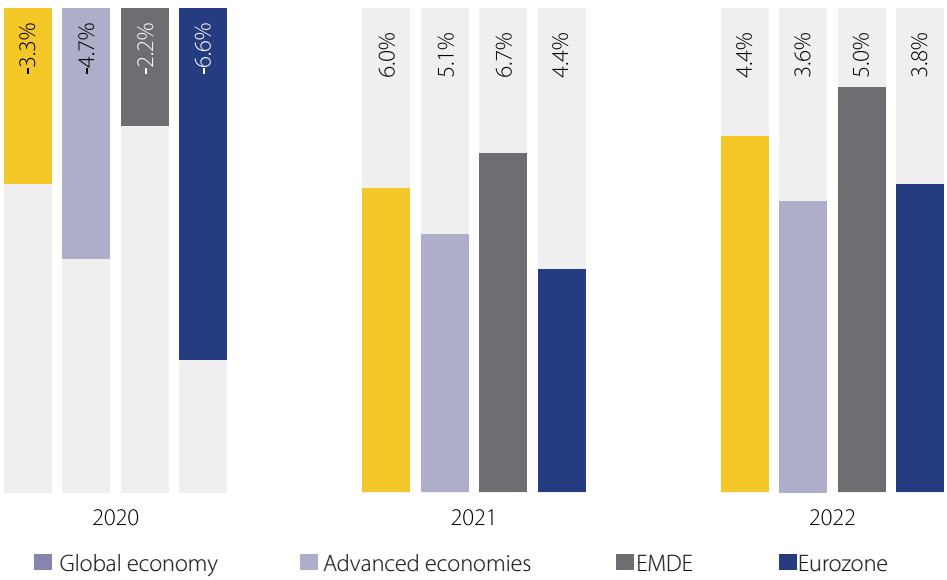
Management Discussion & Analysis

Global economy overview

2020 is a year that many would remember for years, the covid-19 pandemic has not only presented with a global health crisis but has also severely impacted the global financial markets and the economies. Significant reductions in income, a rise in unemployment, rise in external debt and disruptions in economic activities has pushed a number of economies into a recession or have taken them to a brink of one.

The first half of 2020 witnessed stringent lockdown norms being implemented in most of the countries across the globe. This was necessary to stem the rapid spread of the virus but it also meant putting a screeching halt to all the major economic activities. This resulted in a rapid contraction of the global economy. However, the things started to improve in the second half of 2020 with the gradual withdrawal of the lockdowns and the economic activities slowly picking up pace. Backed by the rebound in the oil prices and the commodity prices, the global demand also firmed up. According to the International Monetary Fund (IMF), the global economy is likely to have contracted by nearly 3.3% in 2020, an outcome "far worse" than the 2009 global financial crisis.

Global economic growth forecasts (%)



(Source: https://www.imf.org/en/Publications/WEO/Issues/2021/03/23/world-economic-outlook-april-2021) [EMDE – emerging markets and developed economies]

Owing to the disruptions caused by the pandemic some of the major economies of the globe witnessed the highest ever fall in key economic activities such as manufacturing, resulting decline in the domestic demand. The pandemic has hit the advanced economies the hardest, and together the advanced economies were likely to have grown by -6% in 2020.

Compared to the advanced economies, the emerging market and developing economies (EMDEs) showcased better resistance and were expected to have contracted by -1% during 2020.

Partial easing of stringent lockdowns, during the latter half of 2020 and early 2021, instigated the resumption of business activities and goods trading witnessed slow improvement.

One year into the COVID-19 pandemic, the accumulating human toll continues to raise concerns, even as growing vaccine coverage lifts sentiment. According to IMF, after witness the worst year since the World War II, the global economy is like to stage a commendable growth in 2021. The global economy is expected to grow by 5.5% in 2021, this is likely to happen on the back of steady spread of the Covid-19 vaccines which is to power a stronger global economic recovery in 2021. The vaccines should contain the spread of the virus and is likely to encourage a return to normal economic activity.

Indian economy overview

The ravages of the COVID-19 pandemic have taken a heavy human toll, not just in terms of afflicting lives and human well-being, but also by impacting incomes and livelihoods of the people of India. Amongst the G20 economies, the Indian economy witnessed the steepest contractions during 2020 as it contracted for two straight quarters in the first half of FY21. This also led the Indian economy to a technical recession in FY21 after a gap of more than 40 years.

With nearly one year since the spread of the Covid-19 pandemic, the nation still continues its fight against the novel virus and wade through the pandemic-induced challenges. However, with the phased unlocking of the

economic activities, easing of movement restrictions, pent-up demand, and the revival of several infrastructure projects led to the slow recovery of the economy in the latter half of FY21. As anticipated, while the lockdown resulted in a 23.9% contraction in GDP in Q1, the recovery has been a V-shaped one as seen in the 7.5% decline in Q2 and then a steady recovery across all key economic indicators in the second half of FY21. India reported a growth of (8)% in FY21 and is expected to bounce back to grow at 8.3% in FY22. Aided by the ramped-up vaccination process and additional fiscal support from the government, the Indian economy is likely to continue on its recovery path. The only concern or road block can prove to be the second wave of the pandemic outbreak hitting the nation.

As India continues to grapple with the pandemic stepping into the new year brings in new ray of hope for the economy and its people. With the rollout of Covid-19 vaccine, India may have turned toward the road to recovery but still in need of an encompassing plan to return on the growth track. Lower infection and fatality rates, and the possibility of widespread vaccine deployment are expected to improve consumer and business confidence. Further impetus to the economy is being provided by the pent-up demand for more elastic discretionary goods. This is likely to be driven by the top 10 income percentile of the population that could not spend because of mobility restrictions and may spur private investment that has been contracting for five consecutive quarters now.

Indian road infrastructure sector overview

Creation of road transport infrastructure, through its direct and indirect effects, has a bearing on sustainability of growth and overall development of the nation. Apart from improving connectivity, the development of roads can open up hitherto unconnected regions to trade and investment and step-up access to goods, services and employment opportunities. This is reinforced by the fact that spending on infrastructure has large multiplier effects across different sectors.

With the second largest road network in the world, the Indian road network spreads across 6.21 million kilometres (kms) and supports more than 64% of the total goods transport and 90% of India's total passenger traffic. Out of this the National Highways (NHs) constitute around 2% of the total road network covering around 1.36 lakh kilometre and carry about total 40% of the road traffic of India. Creation and operation of quality road infrastructure continue to be major requirements for enabling overall growth and development of the Indian economy in a sustained manner. Apart from providing connectivity in terms of enabling movement of passengers and freight, roads act as force multipliers in the Indian economy today.

The recent growth of the road infrastructure sector in India can be attributed to the different innovative business models adopted by the government such as Public Private Partnership (PPP), Hybrid Annuity Model (HAM),among others. This helped the sector attract investment and higher participation from the private players.

But the Indian road infrastructure sector faced a headwind in 2020 as the pandemic and the subsequent lockdown led to stalling of all the road infrastructure project and public health investment on the part of the government taking precedence over other sectors. In light of the continuing concern with the second wave of Covid hitting the nation, the government may continue to focus on the priority healthcare sector and this could impact the annual gap in road infrastructure investment on the part of the government in the short to medium term.

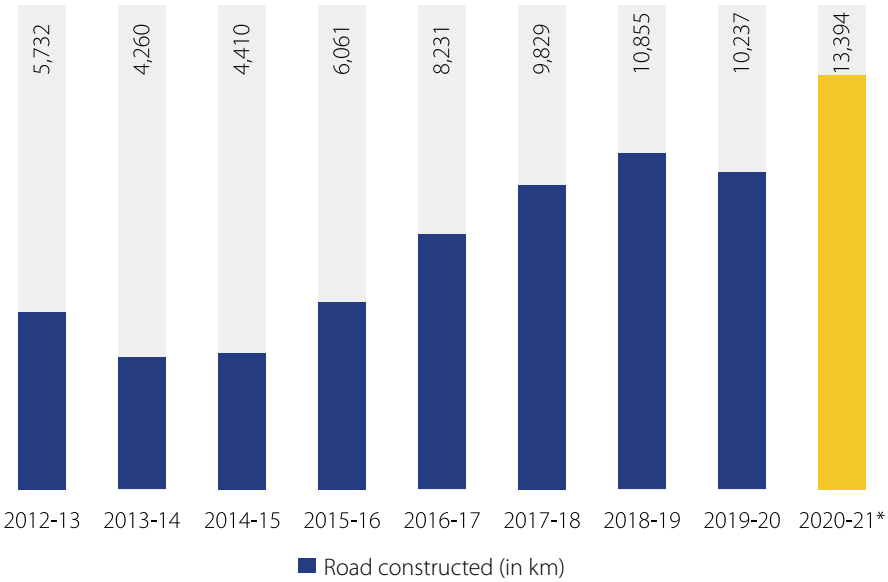
Despite the roadblocks provided by the Covid-19 pandemic, the Government takes cognisance of the importance of a well-connected road network and road infrastructure remains to be a focus area. In 2020-21, overall, all road projects exceeding 55,000 km in length and costing more than ₹6.26 lakh crore were undertaken by Ministry of Road Transport and Highways. National Highways of 7,767 km length have been completed in the first nine months of FY 2020-21, as against 6,940 km for the corresponding period during the last financial year.

Highway construction in India has grown at a CAGR of 17.00% over the last five years till FY21, and is expected to grow at a similar pace over the next five years despite obstacles posed by the pandemic. The government aims to construct 65,000 km of national highways at a cost of ₹5.35 lakh crore (US$ 741.51 billion) by 2022. Despite the challenges thrown by the Covid-19, actual physical construction of highways for FY21 stood at 13,298 km.

During 2020 the Ministry of Road Transport & Highways (MoRTH) also proposed to develop additional 60,000 kms of national highways (over the next five years), of which 2,500 kms is expected to be expressways/ access-controlled highways, 9,000 kms economic corridors, 2,000 kms coastal and port connectivity highways and 2,000 kms are border road/strategic highways.

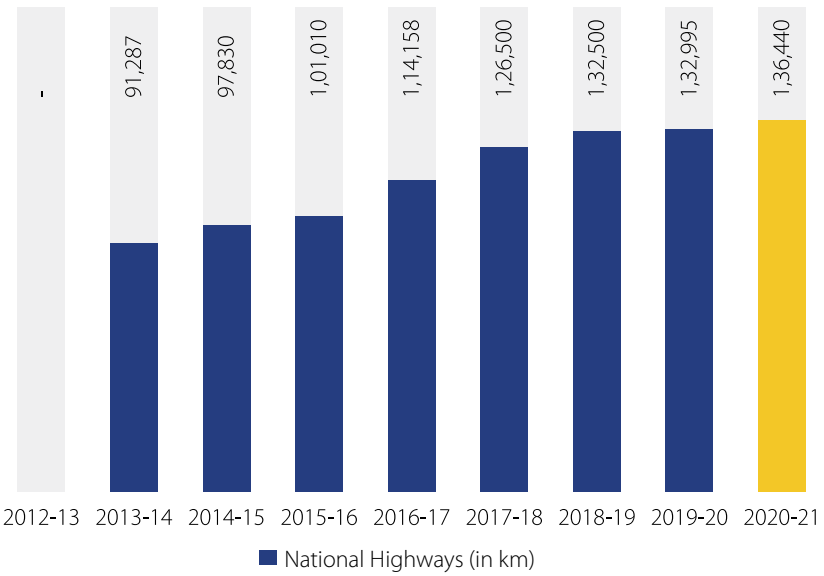
Government's focused road development





(Source: Ministry of Road Transport & Highways, Annual Report – 2020-21)

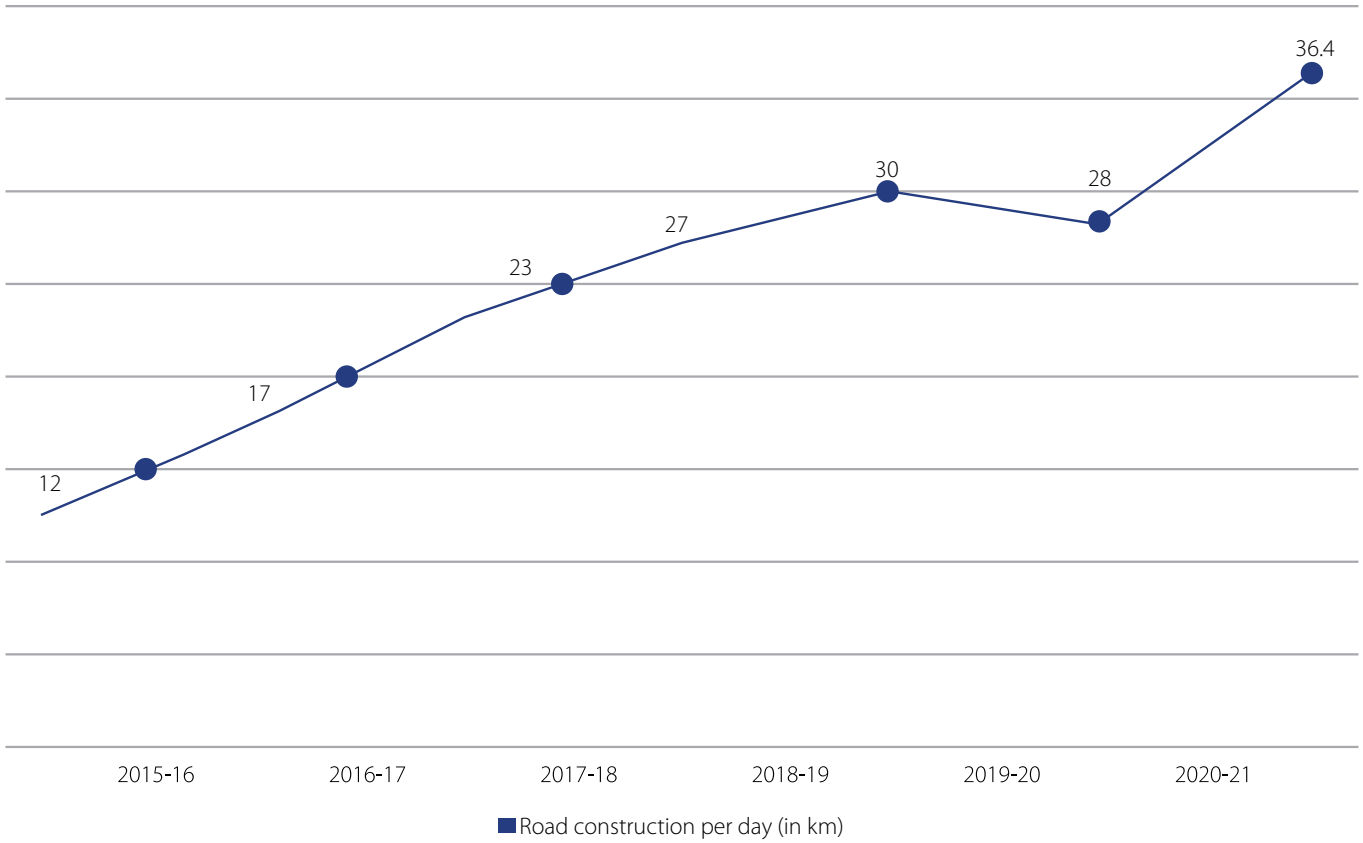
India's growing national highway network



(Source: Ministry of Road Transport & Highways, Annual Report – 2020-21)



Road construction per day (in km)



(Source: Ministry of Road Transport & Highways, Annual Report – 2020-21)

Budget highlights, 2021-22

The recent budget of the government witnessed a significant budgetary outlay for the road transport and highways sector of ₹1,18,101 crore. The recent budget witnessed a renewed focus on the part of the government commitment towards expenditure on the road infrastructure sector. In addition to the authorisation of internal and extra budgetary resources of ₹65,000 crore, the budget witnessed an enhancement of 20% in the budgetary outlay for the road transport and highways sector.

Further the government has allocated ₹111 lakh crore (US$ 13.14 billion) under the National Infrastructure Pipeline for FY 2019-25. The Road infrastructure and development sector is expected to account for ~18% capital expenditure over FY 2019-25 under this project.

By March 2022, ~ 8,500 km of highways will be awarded and an additional 11,000 km of national highway corridors will be completed. Till January 2021, road projects with an aggregate length of about 13,521 km, and costing ₹3.45 lakh crore have been approved under Bharatmala Pariyojana Phase-I. Of this, road length of 3,758 km has already been completed.

Budget 2021-22 also witnessed the government intention to launch the NHAI's Infrastructure Investment Trust (InVIT) to help bridge the funding gap needed to achieve India's road development targets. Under this Trust, the government intends to monetise ₹1,00,000 crore under the ToT model over the next 5 years.

The government also announced a National Monetisation Pipeline of potential brownfield infrastructure assets which are expected to be launched in the coming years. An Asset Monetisation dashboard is also likely to be created for tracking the progress and to provide visibility to investors.

Key policy support from the government

- Financial institutions to receive quick Government approval to raise money through tax-free bonds.
- 100% FDI to be allowed under automatic route subject to applicable laws and regulations.

Development activities under Phase-I of Bharatmala Pariyojana

Scheme	Length (km)	Cost (₹ crore)
Economic Corridors	9,000	1,20,000
Inter - Corridors & feeder roads	6,000	80,000
National Corridor Efficiency improvement	5,000	1,00,000
Border & International connectivity roads	2,000	25,000

Coastal & port connectivity roads	2,000	20,000
Expressways	800	40,000
Sub Total	**24,800**	**3,85,000**
Ongoing Projects, including NHDP	10,000	1,50,000
Total	**34,800**	**5,35,000**

(Source: Ministry of Road Transport & Highways, Annual Report – 2020-21)

Company Overview

Established in 2003, HG Infra over the years has established its presence in the Indian road infrastructure sector as one of the leading road infrastructure company. Predominantly engaged in the road construction activities, HG Infra has emerged as a major Engineering Procurement Construction (EPC) player with selective focus on Hybrid Annuity Model (HAM) projects. Catering to a wide range of clients including government and private, the Company has created a brand name in successfully executing large sized civil construction projects such as extension & grading of runways, railways & land development as well as water pipeline projects.

With a strong presence in the states of Rajasthan, Haryana, Uttar Pradesh, Maharashtra, Telangana and Andhra Pradesh, the Company has an enriching industry experience of more than two decades.

Results of Operations

Revenue from operations: Revenue during the year stood at Rs. 2,528 Cr, increased by 15.1% as compared to Rs. 2,196 Cr in FY2019-20.

EBITDA during the year stood at Rs. 411 Cr, increased by 20.1% as compared to Rs. 342 Cr in FY2019-20.

Profit before tax: The Company registered a profit before tax of Rs. 282 Cr compared to Rs 228 cr in the previous year.

Profit after tax: The Company registered a profit after tax of Rs. 211 Cr compared to Rs 166 cr in the previous year

Financial Ratios

Particulars (Standalone)	Financial year 2020-21	Financial year 2019-20
EBITDA/ Turnover (%)	16.2%	15.6%
Debt equity ratio (x)	0.28	0.45
Return on equity (%)	20.4%	20.2%
Earnings per share (Rs)	32.37	25.43
Book value per share (Rs)	158.39	126.07

SWOT Analysis

Strengths

- Leading prime contractor with execution track record of over 17 years
- Expanding presence in 8 states
- High prequalification to independently bid on big EPC & HAM projects
- Integrated business model ensuring cost efficiencies on real-time basis
- Invested in advanced equipment and technologies deployed at project sites
- Organization wide SAP implementation to ensure lean and effective planning and organization

Weaknesses

- Susceptible to seasonality with potential delays at project sites due to weather effects
- Labour intensive business leading to direct impact on project sites due to labour shortages
- Low presence in southern and eastern states

Opportunities

- Increasing capabilities to execute projects independently as a prime contractor
- Infrastructure push by Government leading to more bids and awarding activity in the sector
- Government focus on high speed expressways and urban connectivity leading to requirement for effective and efficient construction

Threats

- Land acquisition delays leading to delays in approvals and project execution
- Unforeseen disruptions in raw material/ labour unavailability
- Cash flow disruptions in event of economic slowdown

Opportunities & Outlook

The Company has witnessed in the recent term an increasing push by the Government on infrastructure development across the nation with the objective of improving roadways, connectivity, and urbanization in this new decade. With consistently high awarding and construction activity, the company sees good potential with a strong pipeline ahead.

By establishing a strong foothold in the road construction sector the company plans to focus on the following areas –

a. Core focus on EPC & HAM projects

Continued focus on EPC projects with timely execution and strict disciple in order selection is a core strategy of the Company. Additionally, building a HAM portfolio with a goal of maintaining a healthy IRR with opportunities to monetize will help the Company in expanding the order book in line with the PPP model being encouraged by the Government.

b. Diversification to other infra sectors

The Company will look at opportunities beyond road in sectors like railways, metro and airports to diversify the order book. India's infrastructure plans in these sectors are well defined with a lot of potential project scope available. Efforts are being made to capitalize on these opportunities by leveraging the Company's existing project execution capabilities.

c. Maintaining financial discipline

The company's competitive advantage lies in managing project expectations with strict cost controls and order selection discipline in place to ensure

margins and return profiles are not compromised. Continued focus on improving profitability, deleveraging balance sheet, working capital management and cash generation will help the Company to further improve its industry position.

Risk Management

The Company has an effective risk management framework in place to primarily control business and operational risks. The major risk areas are periodically and systematically reviewed by the senior management and risk-management committee. Comprehensive policies and procedures help identify, mitigate and monitor risks at various levels. Further, the Company remains vigilant to the opportunities and will not hesitate to exploit them provided the Company can do so by eliminating any risk to our capital. By taking such proactive measures, the Company ensures that strategic business objectives are achieved seamlessly.

Human resources

The human resource division of the company plays a vital role in hiring, training, managing and retaining employees to build a group of talented workforces. So that they can reach their full potential and work diligently towards the growth of the organization. The Company has created a level playing field space, whereon equal opportunities to all employees is provided. With this belief, it has enhanced employee morale, boosted productivity and reduced people absenteeism. The Company industrial relations continue to be friendly throughout the year by adhering to the best safety standards at manufacturing units. The Company had also set up seminars and workshops for its work force for their development and to equip them to adapt to the fast-changing environment. As of March 31, 2021, the Company had 1965 employees on its payroll.

Internal controls and their adequacy

HG Infra has in place an adequate system of internal control procedures. It is committed to good corporate governance practices and has well-defined systems and processes covering all the corporate functions and units. The internal Audit processes ensures all the assets are safeguarded and protected against loss. Furthermore, all the transactions are authorised, recorded and reported correctly. The internal control systems of the Company are monitored and evaluated by internal auditors and their audit reports are periodically reviewed by the Audit Committee.

Cautionary Statement

Some of the statements in this Management Discussion and Analysis, describing the company's objectives, projections, estimates and expectations may be 'forward looking statements' within the meaning of applicable Laws and Regulations. Actual results might differ substantially from those expressed or implied. Important developments that could affect the company's operations include changes in economic conditions affecting demand, supply and price movements in the domestic and overseas markets in which your company operates, changes in the Government regulations, Tax Laws and other Statutes or other incidental factors. The company assumes no responsibility in respect of forward-looking statements, which may be amended or modified in future.

Board's Report

Dear Shareholders/Members,

Your Directors have pleasure in presenting the 19th Annual Report on the business operations and financial performance of H.G. Infra Engineering Limited. ("the Company" or "HGIEL") along with the Audited Financial Statements (standalone and consolidated) for the financial year ended March 31, 2021 (the "Financial Year" or "FY 2020-21")

FINANCIAL RESULTS

The financial performance (standalone and consolidated) of the Company for the financial year ended on March 31, 2021 is as follows-:

(Amount in ₹ Millions)

Particulars	Standalone		Consolidated	
	31.03.2021	31.03.2020	31.03.2021	31.03.2020
Revenue from operations	25,275.00	21,961.42	26,022.54	22,170.68
Other income	154.28	141.04	148.46	141.04
Total Income	**25,429.28**	**22,102.46**	**26,171.00**	**2,2311.72**
Total Expenses	22,608.14	19,821.93	23,051.06	19,973.81
Share of (Loss) of associate	-	-	-	(28.54)
Profit / (loss) before tax	**2,821.14**	**2,280.53**	**3,119.94**	**2,309.37**
Tax Expense	711.54	623.31	753.40	643.26
Profit After Tax	**2,109.60**	**1,657.22**	**2366.54**	**1,666.11**
Other comprehensive income net of tax	(3.53)	6.05	(3.53)	6.05
Total Comprehensive Income for the period	**2,106.07**	**1,663.27**	**2363.01**	**1,672.16**
EPS (Basic and Diluted) (Amount in Rs.)	32.37	25.43	36.31	25.57

REVIEW OF OPERATIONS/STATE OF AFFAIRS OF THE COMPANY

There has been no change in the nature of business of your Company during the year under review.

At Standalone level, the Revenue from Operations increased to ₹25,275 Million as against ₹21,961.42 Million in the previous year, recording an increase of 15.09%. The Net Profit before Tax amounted to ₹2,821.14 Million as against ₹2,280.53 Million in the previous year, recording an increase of 23.71%. The Net Profit for the year amounted to ₹2,109.60 Million against ₹1,657.22 Million reported in the previous year, recording an increase of 27.30% and total comprehensive income for the period amounted to ₹2,106.07 Million as against ₹1,663.27 Million in the previous year, recording an increase of 26.62%.

At Consolidate level, the Revenue from Operations increased to ₹26,022.54 Million as against ₹22,170.68 Million in the previous year, recording an increase of 17.37%. The Net Profit before Tax amounted to ₹3,119.94 Million as against ₹2,309.37 Million in the previous year, recording an increase of 35.10%. The Net Profit for the year amounted to ₹2,366.54 Million against ₹1,666.11 Million reported in the previous year, recording an increase of 42.04% and total comprehensive income for the year amounted to ₹2,363.01 Million as against ₹1,672.16 Million in the previous year, recording an increase of 41.31%.

INFORMATION ABOUT HOLDING / SUBSIDIARIES / JOINTLY CONTROLLED OPERATIONS / ASSOCIATE COMPANY

The Company doesn't have any Holding and Associate Company as on March 31, 2021.

During the year under review the following new Company has been incorporated as a wholly owned subsidiary of the Company:

Name of wholly owned subsidiary	Date of Incorporation
H.G. Rewari Bypass Private Limited	May 01, 2020

Except above there is no companies which have become or ceased to be its subsidiaries, joint ventures or associate companies during the financial year.

As on March 31, 2021, your Company has four (4) wholly owned subsidiaries and 3 (three) Jointly Controlled Operations.

In terms of the Company's Policy on determining "material subsidiary", during the financial year ended March 31, 2021, Gurgaon Sohna Highway Private Limited was determined as a material subsidiary whose income exceeds 10% of the consolidated income of the Company in the immediately preceding financial year. The Policy for determining material subsidiary company, as approved, can be accessed on the Company's website at the link https://www.hginfra.com/investors-relation.html#btn-gover

The Company is in compliance with regulation 24A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations"). The Company's unlisted material subsidiary undergo Secretarial Audit, and also forms part of this Annual Report. The Secretarial Audit report of unlisted material subsidiary does not contain any qualification, reservation, adverse remark or disclaimer.

The Company monitors performance of subsidiary companies, inter alia, by the following means:

a) financial statements, in particular investments made by subsidiary companies, are reviewed quarterly by the Company's Audit Committee;

b) minutes of Board meetings of subsidiary companies are placed before the Company's Board regularly;

c) a statement containing all significant transactions and arrangements entered into by subsidiary companies is placed before the Company's Board; and

d) presentations are made to the Company's Board on business performance of major subsidiaries of the Company by the senior management.

During the year under review, the Board of Directors (the "Board") also reviewed the affairs of the subsidiaries. Pursuant to the provisions of Section 129(3) of the Companies Act, 2013 (the "Act") the Company has prepared the Consolidated Financial Statements of the Company which forms part of this Annual Report. Further, a Statement containing salient features of the performance and financial positions of the Subsidiary and Jointly Controlled Operations, in the prescribed format AOC-1, pursuant to Section 129(3) of the Act read with the Companies (Accounts) Rules, 2014, is annexed as "**Annexure-I**" to this Report.

In accordance with Section 136(1) of the Companies Act, 2013, the Annual Report of your Company containing inter alia, Financial Statements including consolidated financial statements, has been placed on the website of the Company at https://www.hginfra.com/investors-relation.html#btn-quart. Further, the financial statements of the subsidiaries have also been placed on the website of the Company at https://www.hginfra.com/investors-relation.html#btn-quart

Details of Wholly Owned Subsidiaries

A. Gurgaon Sohna Highway Private Limited (GSHPL)

GSHPL has been incorporated as Special Purpose Vehicle (SPV) for domiciling a project allotted by National Highways Authority of India i.e. "Construction of Six laning and strengthening of new NH- 248A from existing km 11+682 to existing km. 24+400 in the state of Haryana Package-2: Existing Ch. Km 11+682 to km 24+400 (Design Ch. km 9+282 to km 22+000) under NHDP Phase IV on Hybrid Annuity Mode."

During the year under review, GSHPL has achieved Total Income of ₹1,582.21 Million against ₹3,295.17 Million reported in previous year and earned Net Profit after Tax of ₹122.29 Million against ₹32.02 Million reported in previous year.

B. H.G. Rewari Ateli Highway Private Limited (HGRAHPL)

HGRAHPL has been incorporated as Special Purpose Vehicle (SPV) for domiciling a project allotted by National Highways Authority of India i.e. "Upgradation of Four Lane of Rewari-Ateli Mandi Section of NH-11 from km 11.780 at Rewari to Ex. Km 43.445 near Ateli Mandi (designed length 30.45 km) as Feeder Route Pkg-III in the State of Haryana on Hybrid Annuity Mode."

During the period under review, HGRAHPL has achieved Total Income of ₹2,500.95 Million against ₹801.56 Million reported in previous year and earned Net Profit after Tax of ₹46.98 Million against 1.26 Million reported in previous year.

C. H.G. Ateli Narnaul Highway Private Limited (HGANHPL)

HGANHPL has been incorporated as Special Purpose Vehicle (SPV) for domiciling a project allotted by National Highways Authority of India i.e. "Construction of proposed Narnaul Bypass (design length 24.0 km) & Ateli Mandi to Narnaul Section of NH-11 from km 43.445 to km 56.900 (design length 14.0 km) as an Economic Corridor & Feeder route Pkg-II in the State of Haryana on Hybrid Annuity Mode."

During the year under review, HGANHPL has achieved Total Income of ₹4,685.67 Million against ₹974.25 Million reported in previous year and earned Net Profit after Tax of ₹85.64 Million against ₹4.09 Million reported in previous year.

D. H.G. Rewari Bypass Private Limited (HGRBPL)

HGRBPL has been incorporated as Special Purpose Vehicle (SPV) for domiciling a project allotted by National Highways Authority of India i.e. "Construction of proposed Rewari Bypass (NH-11) as Feeder Route in Rewari District in the State of Haryana (Design length-14.40 km) on Hybrid Annuity Mode."

During the year under review, HGRBPL has achieved Total Income of ₹643.62 Million and earned Net Profit after Tax of ₹3.07 Million.

Consolidated Financial Statements

The Audited Consolidated Financial Statements for the financial year ended March 31, 2021, presented by the Company include the financial statements of its subsidiary companies and Jointly Controlled Operations. The Consolidated Financial Statements of the Company prepared in accordance with the Companies Act, 2013 and applicable Indian Accounting Standards forms an integral part of this Annual Report.

BUSINESS OVERVIEW

During the financial year your Company won following orders:

- Transportation of 26.41 Lakh Cu.M. of Pond Ash from NTPC Ramagundam to NHAI-PIU Mancherial road construction project from NTPC Limited valued at 949.5 Million
- Construction of Four Lane Access Controlled New Greenfield Highway project at section of NH 365 BG Khamman-Devarapalle in the state of Telangana on Hybrid Annuity Mode from National Highways Authority of India (NHAI) valued at ₹7,721.1 Million

- Construction of Four Lane Access Controlled New Greenfield Highway project at section of NH 365 BG Khamman-Devarapalle in the state of Telangana on Hybrid Annuity Mode from NHAI valued at ₹6371.1 Million
- Development of Six Lane project at Aluru-Jakkuva in the state of Andhra Pradesh on Hybrid Annuity Mode from NHAI valued at ₹10,601.1 Million

Taking all these projects into count, the total order inflow for the financial year was ₹25,642.8 Million. Out of the total order received during the financial year, one order awarded by NTPC was on item rate basis and three projects awarded by NHAI were on Hybrid Annuity Mode.

Order book as on March 31, 2021 stood in excess of ₹70,401 Million and out of the total order book, 78% are government contracts and 22% are from private clients.

Projects Completed during the financial year 2020-21

During the financial year your, Company has received the provisional completion certificates for following projects:

Balotra to Sanderao via Jalore: Upgradation of 2 lane with paved Shoulder for Section from km. 58.00 to km. 91.600 excluding chainage (59.460 to 62.900), (73.120 to 75.920), (82.650 to 85.300) Balotra to Sanderao via Jalore section of NH-325 on Engineering, Procurement and Construction (EPC) basis in the State of Rajasthan (Package II) amounting to ₹1,133.1 Million.

Amravati-Nandgaon -Morshi -Warud –Pandhurna:- Rehabilitation and Up-gradation of Amravati-Nandgaon -Morshi -Warud -Pandhurna National Highway from existing km 95+670 (on 140+200 NIT-53, Nandgaon) to km 52+440 (Morshi) [Design km. 0.000 to km. 43.000] to Two lane with paved shoulders in the state of Maharashtra on Engineering, Procurement and Construction (EPC) basis amounting to ₹2,433.1 Million

Amravati-Nandgaon -Morshi -Warud –Pandhurna: Rehabilitation and Up-gradation of Amravati- Nandgaon -Morshi -Warud -Pandhuma National Highway from existing km 52+440 (Morshi) to km 0+000 (Maharashtra/ Madhya Pradesh State Border upto Wardha River Bridge) [Design km.43.000 to km.95.390] to Two lane with paved shoulders in the state of` Maharashtra on Engineering, Procurement and Construction (EPC) basis amounting to ₹2,945.1 Million.

Nagpur-Katol-Warud: Rehabilitation and up-gradation of Nagpur-Katol-Warud National Highway from existing KM 60+100 (End of katol bypass) to 101+085 (Warud upto joint junction). Design chainage 60+100 to 100+565) two lane with paved shoulders in the state of Maharashtra on Engineering, Procurement and Construction (EPC) basis amounting to ₹3,142.1 Million

Bhandara-Khat-Ghotitok: Rehabilitation and Upgradation of Bhandara-Khat-Ghotitok Junction NH 547 E, From Km. 166+640 (on 493+250 of NH-6, Bhandara, Junction) to km 205+214 (Design Chainage) Ghotitok Junction (Part of Bhandara - Ghotitok -Mansar-Amadi-Parseoni- Khapa to saonerProject) to Two Lane with Paved Shoulders/Four Lane configuration in the state of Maharashtra on Engineering, Procurement and Construction (EPC) basis amounting to ₹2576.1 Million

Bhandara-Khat-Ghotitok: Rehabilitation and Upgradation of Bhandara-Khat-Ghotitok Junction (Proposed National Highway) from Km. 266+140 NH-07, Amdi Junction to Km. 265+724 Saoneer to Join NH 547 E (Part of the Bhandara Ghotitok-Mansar-Amdi-Parseoni-Khapa to Saoner project) to Two/Four lane with paved shoulders in the state of Maharashtra on Engineering, Procurement & Construction (EPC) basis amounting to ₹2,583.3 Million

IMPACT OF COVID-19 PANDEMIC

COVID-19 is significantly impacting business operation of the companies, by way of unavailability of personnel, closure / lockdown of production facilities etc. On March 24, 2020, the Government of India ordered a nationwide lockdown for 21 days and the company resumed back its operations gradually since April 24, 2020 after obtaining necessary permissions from concerned government/ local authorities and adopting an employee safety first approach.

Measures for curbing the spread of virus across the organization includes social distancing, mask distributions, issuing guidelines, travel bans, thermal screening, work from home and regular sanitization at all offices and sites. The company also emphasized on 'vocal for local' by engaging local labours and subcontractors across its various sites as and when required.

The Company has road projects majorly in states like Rajasthan, Haryana, Uttar Pradesh, Maharashtra, Telangana and Andhra Pradesh. On accounts of second wave of Covid 19, most of the states have declared lock down but have allowed infrastructure activity to be continued.

The Management and the Board of Directors have evaluated the impact of the pandemic on its business operations. The Company currently has a strong order book in excess of ₹70,401 Million, leading to a clear visibility of revenue over the next 18-24 months. Collection from customers have been normal during the lockdown period enabling the Company to meet all its liabilities (including employee payables) in a timely manner and without availing any moratorium as announced by the Reserve Bank of India. The Company has adequate unutilized fund-based credit facilities available, to take care of any urgent requirement of funds. The Company through the lockdown period and even subsequently has been able to maintain adequate control of its assets and there have been no significant changes to its control environment during the period.

Based on the above assessment, the Company strongly believes that there is no material impact of Covid 19 on the financial statements. The Company has also made a detailed assessment of its liquidity position for the next 12 months from the balance sheet date. Further, there is no material impact foreseen on revenue and operating cash flow of the Company.

Accordingly, the pandemic is not likely to have a significant impact on the future operations, its profitability and recoverability of the carrying value of its assets, as at March 31, 2021 and on its control environment.

The Company will continue to closely monitor material changes to future economic conditions, if any, as and when they arise.

YEAR AHEAD AND PROSPECTUS

Your Company currently has a strong order book in excess of ₹70,401 Million, leading to a clear visibility of revenue over the next 18-24 months. Your Company continues to work towards strengthening and improving the order book going forward. The present order book and the opportunities in the Infrastructure space give good visibility towards a sustainable and profitable growth going forward. Continuous thrust on using latest technologies and better processes would ensure further improvement of margin going forward.

DIVIDEND

The Board of your Company at their meeting held on May 12, 2021, has recommended payment of ₹0.80 (Rupees eighty paise only) i.e. 8% per equity share of the face value of ₹10/- (Rupees ten only) each as final dividend for the financial year ended March 31, 2021. The payment of final dividend is subject to the approval of the shareholders at the ensuing Annual General Meeting (AGM) of the Company. If approved, the total outgo on account of the dividend on existing equity capital would be ₹52.14 Million.

There was no interim dividend declared during the financial year.

In view of the changes made under the Income-tax Act, 1961, by the Finance Act, 2020, dividends paid or distributed by the Company shall be taxable in the hands of the Shareholders. The Company shall, accordingly, make the payment of the final dividend after deduction of tax at source.

The dividend recommended is in accordance with the Dividend Distribution Policy of the Company. The Dividend Distribution Policy, in terms of Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") is available on the Company's website: https://www.hginfra.com/investors-relation.html#btn-gover and also forms part of the Annual Report as **Annexure II**.

UNCLAIMED DIVIDEND AND TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

In compliance of Section 124 and 125 of the Act read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, any money transferred to the Unpaid Dividend Account of a Company in pursuance of this section which remains unpaid or unclaimed for a period of seven years from the date of such transfer shall be transferred by the Company along with interest accrued, if any, thereon to the Fund established under sub-section (1) of section 125 i.e. Investor Education and Protection Fund.

During the financial year, the Company was not liable to transfer any unclaimed dividends and corresponding shares thereto to IEPF. The Company has also uploaded the details of unclaimed dividend amountlying with the Unpaid Dividend Account on its website and can be viewed at https://www.hginfra.com/investors-relation.html#open and the details for financial year 2017-18 and 2018-19 have also been uploaded on the website of the IEPF Authority and the same can be accessed through the link www.iepf.gov.in.

TRANSFER TO RESERVES

During the year under review, there was no amount transferred to any of the reserves by the Company. The Total Other Equity (including securities premium and retained earnings) as on March 31, 2021 is ₹ 9,973.96 million (on Consolidate Basis) as against the Paid- up Capital of ₹651.71 million.

DEPOSITS

During the financial year ended March 31, 2021, the Company has not accepted deposits from the public falling within the ambit of Section 73 and 74 of the Companies Act, 2013 and the Rules framed there under and hence no amount on account of principal or interest on public deposits was outstanding as on the date of the Balance Sheet.

DIRECTORS' RESPONSIBILITY STATEMENT

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory, cost and secretarial auditors including audit of internal financial controls over financial reporting by the statutory auditors and the reviews performed by the management and the relevant Board committees, including the audit committee, the Board is of the opinion that the Company's internal financial controls were adequate and operating effectively during the financial year 2020-21.

Pursuant to Section 134 of the Companies Act, 2013, the Directors of the Company state that:

i. in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;

ii. 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 and loss of the Company for that period;

iii. the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

iv. the Directors have prepared the annual accounts on a going concern basis;

v. the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and operating effectively; and

vi. the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

CAPITAL STRUCTURE OF THE COMPANY

The Current Capital Structure of the Company is given below:

Authorized Capital:

The Authorised Capital of the Company is ₹80,00,00,000/- (Rupees Eighty Crore Only) divided into 8,00,00,000 (Eight Crore) Equity Shares of ₹10/- (Rupees Ten only) each.

Issued Capital:

The Issued Capital of the Company is ₹65,17,11,110/- (Rupees Sixty-Five Crore Seventeen Lakh Eleven Thousand One Hundred Ten Only) divided into 6,51,71,111 (Six Crore Fifty-One Lakh Seventy-One Thousand One Hundred Eleven) Equity Shares of ₹10/- (Rupees Ten only) each.

Subscribed & Paid up Capital:

The Subscribed & Paid up Capital of the Company is ₹65,17,11,110/- (Rupees Sixty-Five Crore Seventeen Lakh Eleven Thousand One Hundred Ten Only) divided into 6,51,71,111 (Six Crore Fifty-One Lakh Seventy-One Thousand One Hundred Eleven) Equity Shares of ₹10/- (Rupees Ten only) each.

During the financial year 2020-21, there was no change in the capital structure of the Company.

ANNUAL RETURN

In accordance with the provisions of Section 134(3) read with Section 92(3) of the Companies Act, 2013, the Annual Return as on March 31, 2021 is available on website of the Company and can be viewed at http://www.hginfra.com/investors-relation.html#btn-annual. By virtue of amendment to Section 92(3) of the Companies Act, 2013, the Company is not required to provide extract of Annual Return (Form MGT-9) as part of the Board's report.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Board of Directors

The members of the Company's Board of Directors are eminent persons of proven competence and integrity. Besides experience, strong financial acumen, strategic astuteness and leadership qualities, they have a significant degree of commitment towards the Company and devote adequate time to the meetings and preparation.

The Board meets at regular intervals to discuss and decide on Company / Business policy and strategy apart from other Board business. The Board exhibits strong operational oversight with regular presentations in every quarterly meeting. The Board/Committee meetings are convened by giving appropriate notice well in advance to help them plan their schedule and ensure meaningful participation in the meetings. Only in case of special and urgent business, if the need arises, the Board's/ Committee's approval is taken by passing resolutions through circulation or by calling Board/ Committee meetings at short notice, as permitted by law.

The Directors / Members are provided with appropriate information in the form of agenda items in a timely manner, to enable them to deliberate on each agenda item and make informed decisions and provide appropriate directions to the Management in this regard.

The Board of Directors of the Company comprises of six Directors, consisting of three Independent Directors (including one Women Director) and three Executive Directors including two Whole Time Directors and one Managing Director as on March 31, 2021 who brings in a wide range of skills and experience to the Board.

The composition of Board of the Company as on March 31, 2021 is as under:

Name of Director	Designation	DIN
Harendra Singh	Managing Director	00402458
Vijendra Singh	Whole-time Director	01688452
Ashok Kumar Thakur	Independent Director	07573726
Pooja Hemant Goyal	Independent Director	07813296
Onkar Singh	Independent Director	07853887
Dinesh Kumar Goyal	Whole-time Director	02576453

During the Financial Year 2020-21 the designation of Mr. Dinesh Kumar Goyal has been changed from Non-Executive to Executive Director with effect from June 24, 2020. Apart from that there is no change in the Directors of the Company.

Details of Composition of the Board and its committees, Category, Attendance of Directors at Board Meetings and committees meetings and last Annual General Meeting, number of other directorships and other committee memberships are given in the Corporate Governance Report forming part of this report as **Annexure V.**

During the year under review, the non-executive directors of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees, commission and reimbursement of expenses, if any.

Women Director

In terms of the provisions of Section 149 of the Companies Act, 2013 and Regulation 17 of the Listing Regulations. Your Company has complied with the requirement of having at least one-Woman Independent Director on the Board of the Company i.e. Mrs. Pooja Hemant Goyal (DIN: 07813296), appointed as Independent Women Director of the Company.

The details of meeting of Independent Director and Criteria for Evaluation of Independent Directors and the Board are explained in the Corporate Governance Report forming part of this report as **Annexure V.**

Retirement by Rotation

In accordance with the provisions of Section 152 of the Act and as per the Article of Association of the Company, Mr. Dinesh Kumar Goyal (DIN 02576453) Executive Director of the Company is liable to retire by rotation at the ensuing 19th Annual General Meeting of the Company and being eligible offer himself for re-appointment.

Declaration from Directors

Your Company having three (3) Independent Directors which are in accordance with the requirement of Listing Regulation as well as under the Act.

The Company has received necessary declaration from all the three Independent Directors to the effect that (i) they meet the criteria of independence as provided under Section 149(6) of the Act and Regulation 16(1)(b) of Listing Regulations and there has been no change in the circumstances affecting their status as independent directors of the Company; (ii) They have registered themselves with the Independent Director's Database maintained by the IICA.

In the opinion of the Board, they fulfil the conditions specified in the Act and Rules made there under for the appointment as Independent Directors and are Independent of the Management.

The Independent Directors have complied with the Code applicable for Independent Directors as stipulated under schedule IV of the Act.

None of the Directors of the Company are disqualified for being appointed as Directors as specified in Section 164(2) of the Act and Rule 14(1) of the Companies (Appointment and Qualification of Directors) Rules, 2014.

Key Managerial Personnel

Mr. Harendra Singh, Managing Director, Mr. Vijendra Singh, Whole Time Director, Mr. Dinesh Kumar Goyal, Executive Director, Mr. Rajeev Mishra, Chief Financial Officer and Ms. Ankita Mehra, Company Secretary, are the Key Managerial Personnel of the Company.

During the year under review, there were no other changes to the Key Managerial Personnel of the Company except change in designation of Mr. Dinesh Kumar Goyal from Non-executive to Executive Director with effect from June 24, 2020.

COMMITTEES OF THE BOARD

As on March 31, 2021, the Board has following committees which have been constituted in compliance with the requirements of the business and relevant provisions of the applicable laws and statutes:

1. Audit Committee;
2. Nomination & Remuneration Committee;
3. Stakeholders' Relationship Committee;
4. Corporate Social Responsibility (CSR) Committee;
5. Finance Committee;
6. Management Committee;
7. Risk Management Committee.

During the year under review, all recommendations made by above committees were approved by the Board.

A detailed note on the composition of the Board and its committees, including its terms of reference, number of meetings and attendance during the financial year is provided in the Corporate Governance Report. The composition and terms of reference of all the Committee(s) of the Board of the Company is in line with the provisions of the Act and Listing Regulations.

NUMBER OF MEETINGS OF BOARD

During the year under review, five Board meetings were convened and duly held. The intervening gap between the said meetings were in accordance with the provisions of the Act, relevant Rules made thereunder, Secretarial Standards Issued by the Institute of Company Secretaries of India and provisions of Listing Regulations.

The details of the meetings of the Board of the Company held and attended by the Directors during the financial year are given in the Corporate Governance Report which forms part of this Annual Report.

MEETING OF INDEPENDENT DIRECTORS

Your Company conducted a separate meeting of Independent Directors on November 09, 2020 without the presence of the Non-Independent Directors and members of Management of the Company.

At the said meeting, the Independent Directors discussed, among other matters, the performance of the Company and risks faced by it, the flow of information to the Board and its committees, governance, compliance and performance of Non-Independent Directors, the Board as a whole and of the Chairman.

DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

The Company has designed and implemented a process driven framework for Internal Financial Controls ("IFC") within the meaning of the explanation to Section 134(5)(e) of the Act read with Rule 8(5)(viii) of the Companies (Accounts) Rules, 2014. The Company has appropriate internal control systems for business processes with regard to its operations, financial reporting and compliance with applicable laws and regulations. It has documented policies and procedures covering financial and operatingfunctions and processes. These policies and procedures are updated from time to time and compliance is monitored by the internal audit function as per the audit plan. The Company continues its efforts to align all its processes and controls with best practices.

Your Company uses SAP ERP Systems as a business enabler and to maintain its Books of Account. The transactional controls built into the SAP ERP systems ensure appropriate segregation of duties, appropriate level of approval mechanisms and maintenance of supporting records. The information Management Policy reinforces the control environment. The systems, Standard Operating Procedures and controls including manual controls are reviewed by Management.

Your Company has in place adequate Internal Financial Controls with reference to the Financial Statements commensurate with the size, scale and complexity of its operations.

The Company has appointed independent audit firms as Internal Auditors to observe the Internal Control system.

The Board of the Company have adopted various policies viz Policy on determining Material Subsidiary, Policy on Determination of Materiality of Events or Information, Whistle Blower Policy, Policy on Related Party Transactions, Policy on Prohibition of Insider Trading, Policy on Prevention of Sexual Harassment at Workplace, Policy on Corporate Social Responsibility, Nomination and Remuneration Policy and other policies and procedures for ensuring the orderly and efficient conduct of its business for 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.

The Audit Committee of the Board actively reviews the adequacy and effectiveness of the internal control system and suggests improvements to strengthen the same. The Company has robust management information system, which is an integral part of the control mechanism.

FAMILIARIZATION PROGRAM FOR INDEPENDENT DIRECTORS

All Independent Directors are familiarized with the operations and functioning of the Company. The details of the training and familiarization program are provided in the corporate governance report. At the time of the appointment of an independent director, the Company issues a formal letter of appointment outlining his / her role, function, duties and responsibilities. The format of the letter of appointment is available on our website, at the link: https://www.hginfra.com/investors-relation.html#btn-gover The Director is also explained in detail the Compliances required from him / her under the Act, SEBI Regulations and other relevant regulations.

As trustees of shareholders, Independent Directors play a pivotal role in upholding Corporate Governance norms and ensuring fairness in decision making. Being experts in various fields, they also bring Independent Judgement on matters of strategy, risk management, controls and business performance.

By way of an introduction to the Company, presentations are also made to the newly appointed Independent Director on relevant information like overview of the Company's businesses, market and business environment, growth and performance, organizational set up of the Company, governance and internal control processes.

On-going familiarization program aims to provide insights into the Company and the business environmentto enable all the Independent Directors to be updated of newer challenges, risks and opportunities relevant in the Company's context and to lend perspective to the strategic direction of the Company.

As required under Regulation 46(2)(i) of the Listing Regulations, the details of familiarization programmes conducted during financial year is also put on the Company's website and the same can be accessed at https://www.hginfra.com/investors-relation.html#btn-gover

CRITERIA FOR DETERMINING QUALIFICATIONS, POSITIVE ATTRIBUTES AND INDEPENDENCE OF A DIRECTOR

In terms of the provisions of Section 178(3) of the Act, and Regulation 19 of the Listing Regulations, the Nomination and Remuneration Committee ("NRC") has formulated the criteria for determining qualifications, positive attributes and independence of Directors, the key features of which are as follows:

- **Qualifications –** The Board nomination process encourages diversity of thought, experience, knowledge, age and gender. It also ensures that the Board has an appropriate blend of functionaland industry expertise.
- **Positive Attributes -** Apart from the duties of Directors as prescribed in the Act the Directors are expected to demonstrate high standards of ethical behaviour, communication skills and independent judgment. The Directors are also expected to abide by the respective Code of Conduct as applicable to them.
- **Independence -** A Director will be considered independent if he / she meets the criteria laid down in Section 149(6) of the Act, the Rules framed thereunder and Regulation 16(1)(b) of the Listing Regulations.

ANNUAL EVALUATION OF BOARD PERFORMANCE AND PERFORMANCE OF ITS COMMITTEES AND OF DIRECTORS

The Board has carried out an annual evaluation of its own performance, Board Committees, and individual Directors pursuant to the provisions of the Act and the Listing Regulations.

The Board evaluated its performance after seeking inputs from all the Directors on the basis of criteria such as the Board composition and structure, effectiveness of Board processes, information and functioning, etc.

The performance of the Committees was evaluated by the Board after seeking inputs from the committee members on the basis of criteria such as the composition of committees, effectiveness of committee meetings, etc. The above criteria are as provided by the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India.

The Chairman of the Board had one-on-one meetings with the Independent Directors and the Chairman of Nomination and Remuneration Committee ("NRC") had one- on-one meetings with the Executive and Non-Executive, Non- Independent Directors. These meetings were intended to obtain Directors' inputs on effectiveness of the Board/ Committee processes.

The Board and the NRC reviewed the performance of individual directors on the basis of criteria such as the contribution of the individual director to the board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc.

In a separate meeting of Independent directors, performance of non-independent directors and the board as a whole was evaluated. The Independent Directors in the said meeting also evaluated the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties. Additionally, the Chairman of the Board was also evaluated on key aspects of his role, taking into account the views of executive directors and non-executive directors in the aforesaid meeting.

Performance evaluation of Independent directors was done by the entire board, excluding the independent director being evaluated. The Directors expressed their satisfaction with the evaluation process.

For details of previous year Annual Evaluation, please refer to the Annual Report for the Financial Year 2019-20, which is accessed through https://www.hginfra.com/investors-relation.html#btn-annual

CREDIT RATING

Your Company's financial prudence is reflected in the strong credit rating ascribed by rating agencies. The Table below depicts the Credit Rating profile:

Instrument	Rating Agencies	Current Rating
Long Term Credit	ICRA	ICRA A
Short Term Credit	ICRA	ICRA A1

There was no revision in the credit ratings during the year under review.

VIGIL MECHANISM / WHISTLE BLOWER

The Company has established Vigil /Whistle Blower Mechanism in accordance with the provisions of Section 177(10) of the Act and Regulation 22 of the Listing Regulations, to encourages Directors and employees to bring to the Company's attention, instances of unethical behaviour, and actual or suspected incidents of fraud or violation of the Code of Conduct that could adversely impact the Company's operations, business performance and / or reputation.

Company investigates such incidents, when reported, in an impartial manner and takes appropriate action to ensure that requisite standards of professional and ethical conduct are always upheld. It is the Company's Policy to ensure that no persons are victimised or harassed for bringing such incidents to the attention of the Company. The practice of the Whistle Blower /Vigil Mechanism is overseen by the Audit Committee and no persons have been denied direct access to the Chairman of the Audit Committee. The Policy is available on the Company's website and the same can be accessed at https://www.hginfra.com/investors-relation.html#btn-gover

NOMINATION & REMUNERATION POLICY

The Board on the recommendation of the Nomination and Remuneration Committee adopted a Policy on Nomination & Remuneration for Directors, Key Managerial Personnel, Senior Management and Other Employees, which, inter-alia, lays down the criteria for determining qualifications, positive attributes and independence of a director, appointment and removal of Directors, Key Managerial Personnel and other Senior Management of the Company, along with the criteria for determination of their remuneration and evaluation and includes other matters, as prescribed under the provisions of Section 178 of the Act and the Listing Regulations. The policy is available on our website and the same can be accessed at https://www.hginfra.com/investors-relation.html#btn-gover

We affirm that the remuneration paid to the directors are as per the terms laid out in the Nomination and Remuneration Policy of the Company.

SELECTION AND PROCEDURE FOR NOMINATION AND APPOINTMENT OF DIRECTORS

The Company has a Nomination and Remuneration Committee ("NRC") which is responsible for developing competency requirements for the Board, based on the industry and strategy of the Company. The Board composition analysis reflects an in- depth understanding of the Company, including its strategies, environment, operations, financial condition and compliance requirements.

The role of the NRC encompasses conducting a gap analysis to refresh the Board on a periodic basis, including each time a Director's appointment or re- appointment is required. The NRC is also responsible for reviewing the profiles of potential candidates vis- à-vis the required competencies, undertake a reference and due diligence and meeting of potential candidates prior to making recommendations of their nomination to the Board. The appointee is

also briefed about the specific requirements for the position including expert knowledge expected at the time of appointment.

During the year, all recommendations made by the Nomination and Remuneration Committee were approved by the Board.

CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

All contracts/arrangements/transactions entered into by the Company during the year under review with Related Parties were on an arm's length basis and in the ordinary course of business.

The details of the Related Party Transactions are set out in the Notes to Financial Statements forming part of this Annual Report.

There are no material significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons and their relatives which may have a potential conflict with the interest of the Company at large.

During the year under review, your Company had entered into Material Related Party Contracts/ arrangements with wholly owned subsidiaries of your Company. These contracts / arrangements too were in the ordinary course of business of your Company and were on arm's length basis, details of which, as required to be provided under Section 134(3)(h) of the Act are disclosed in Form AOC-2 as **Annexure III** and forms part of this Annual Report.

A list of all related party transactions is placed before the Audit Committee as well as the Board. The Audit Committee has granted omnibus approval for related party transactions as per the provisions of the Act and the Listing Regulations. The Board has also framed a policy on related party transactions and the same is available on the Company's website at https://www.hginfra.com/investors-relation.html#btn-gover

The Company in terms of Regulation 23 of the Listing Regulations submits within 30 days from the date of publication of its standalone and consolidated financial results for the half year, disclosures of related party transactions on a consolidated basis, in the format specified in the relevant accounting standards to the stock exchanges. The said disclosures can be accessed on the website of the Company at https://www.hginfra.com/investors-relation.html#btn-gover

LOANS AND INVESTMENTS

Details of loans, guarantees and investments under the provisions of Section 186 of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014, as on March 31, 2021, are set out in the Standalone Financial Statements of the Company.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

In accordance with the requirements of Section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, your Company has constituted a CSR Committee, which comprises of executives and non-executives directors as its members.

As a part of its initiatives under "Corporate Social Responsibility" the Company has framed the Corporate Social Responsibility Policy (CSR Policy) in terms of which the Company has undertaken various projects in the areas of Promoting Health Care, Promoting Education, Rural Development, Environment sustainability, Animal Welfare, Disaster Response, etc. The Company's CSR Policy is available on our website and the same can be accessed at https://www.hginfra.com/investors-relation.html#btn-gover .

The Company's CSR Policy statement and annual report on the CSR activities undertaken during the financial year ended March 31, 2021, in accordance with Section 135 of the Act and Companies (Corporate Social Responsibility Policy) Rules, 2014 is set out in **Annexure IV** to this report.

RISK MANAGEMENT

Your Company has a well-defined risk management framework in place. The risk management framework works at various levels across the Company. These levels form the strategic defence cover of the Company's risk management. The Company has a robust organizational structure for managing and reporting on risks.

In terms of Regulation 21 of the Listing Regulations, the Board at its meeting held on June 24, 2020 has constituted the Risk Management Committee. The composition of committee is in conformity with the Listing Regulations, with the majority of members being Directors of the Company.

The Risk Management Committee is responsible for oversight on overall risk management processes of the Company and to ensure that key strategic and business risks are identified and addressed by the management. The terms of reference of the Risk Management Committee, among other things, are disclosed in the Corporate Governance Report forming part of this report as **Annexure V.**

Risk management comprises all the organizational rules and actions for early identification of risks in the course of doing business and the management of such risks. In terms of regulation 17(9)(b) of the Listing Regulations, the Board adopted a Risk Management Policy.

The Risk Management Policy of the Company, inter alia, includes identification of risks, including cyber security and related risks and also those which in the opinion of the Board may threaten the existence of the Company. The Risk management process has been established across the Company and is designed to identify, assess and frame a response to threats that affect the achievement of company's objectives. Further, it is embedded across all the major functions and revolves around the goals and objectives of the organization.

The effectiveness of Risk Mitigation plans shall be ensured through proper monitoring, evaluation of outcomes of mitigation plans and to look for the scope of its applicability in other areas in order to achieve overall objective of the policy. There are no risks which in the opinion of the Board threaten the existence of the Company.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars of energy conservation, technology absorption and foreign exchange earnings and outgo is provided as under in terms of Section 134(3)(m) of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014:

PARTICULARS	REMARKS
A) CONSERVATION OF ENERGY	
the steps taken or impact on conservation of energy;	Although operations of the Company are not energy intensive yet Company focus on reducing energy cost, safeguard of environment and use of non-conventional energy. The company has taken the steps for shifting all projects camps energy requirement to Grid Power, thereby, reduced Fuel Consumption to 70-80%
the steps taken by the Company for utilizing alternate sources of energy;	
the capital investment on energy conservation equipment's	• Use of Solar Power for plant operations wherever feasibility is there; • Use of grid connection on construction work locations and reduced fuel consumption to 50% approx. • Upgradation of fleet to transform to new technology machines.
B) TECHNOLOGY ABSORPTION	
the efforts made towards technology absorption;	Expressway project needs different methodology wherein the requirement of daily plant production and top layers' parity need to enhance sustainably to meet the required targets. This process generally adopted in continuous process plant and supply chain management were adopted.
the benefits derived like product improvement, cost reduction, product development or import substitution;	Timely completion of the projects as well as meeting the budgetary requirements are the two critical areas where different techniques help to a great extent. Many innovative techniques have been developed and put to effective use in the past and the effort to develop new techniques continue unabated and target meets.
in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)- (a) the details of technology imported; (b) the year of import; (c) whether the technology been fully absorbed; and (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof;	The Company uses latest technology and equipment in its business. Further, the Company is not engaged in any manufacturing activities.
the expenditure incurred on Research and Development	During the year the Company has not spent any amount towards research and development activity.
C) FOREIGN EXCHANGE EARNINGS AND OUTGO	
The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outflow during the year in terms of actual outflows	NIL

CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION AND ANALYSIS

The Company has been consistently endeavoring to adhere the corporate governance guidelines and best practices sincerely and discloses the same transparently. The Board is conscious of its inherent responsibility to disclose timely and accurate information on the Company's operations, performance, material corporate events as well as on the leadership and governance matters relating to the Company. Your Company has complied with the requirements of the Listing Regulations regarding Corporate Governance. A report on the Corporate Governance practices along with a certificate from practicing Company Secretary of mandatory requirements thereof, forming an integral part of this Annual Report and is annexed as **Annexure V.**

Management's Discussion and Analysis Report for the year under review, as stipulated under the Listing Regulations, is presented in a separate section forming part of this Annual Report.

BUSINESS RESPONSIBILITY REPORT

Pursuant to regulation 34 of the Listing Regulations, a Business Responsibility Report (BRR) is required to be published by the Top 1000 Listed Companies based on market capitalization. The BRR describes the initiatives taken by the Company on the environmental, social and governance front forming part of this Annual Report as **Annexure VIII.**

AUDITORS AND AUDITORS' REPORT

Statutory Auditors

M/s. Price Waterhouse & Co Chartered Accountants LLP (ICAI Firm Registration No. 304026E/E300009) and M/s. Shridhar & Associates, Chartered Accountants (ICAI Firm Registration No. 134427W) were appointed as the Joint Statutory Auditors of the Company for a term of 5 years at the Annual General Meeting held on September 08, 2017 and September 25, 2020, respectively.

There were no changes in the statutory auditors of the company, during the financial year.

The Auditors have issued an unmodified opinion on the Financial Statements, both standalone and consolidated, for the financial year ended March 31, 2021. The said Auditors' Reports for the financial year ended March 31, 2021 on the financial statements of the Company forms part of this Annual Report.

The Statutory Auditors mentioned in their reports that the Company is generally regular in depositing undisputed Statutory dues in respect of income tax though there has been a slight delay in a few cases and is regular in depositing the undisputed statutory dues, including provident fund, employees' state insurance, income tax, goods and service tax and professional tax, as applicable, with the appropriate authorities.

For aforesaid the Company is taking necessary steps to ensure the compliance/timely payment of statutory dues.

Except above all Information referred in the Auditors' Report are self-explanatory and do not call for any further comments.

Secretarial Auditors

M/s. ATCS & Associates, Company Secretaries in Practice, (Firm Registration no. P2017RJ063900) have carried out the Secretarial Audit for the financial year ended March 31, 2021.

The Secretarial Audit Reports issued by M/s. ATCS & Associates for the financial year ended March 31, 2021 under the Act, read with Rules made thereunder and Regulation 24A of the Listing Regulations, is set out in the **Annexure-VI (i)** to this Annual Report.

The Secretarial Compliance Report issued by M/s. ATCS & Associates for the financial year ended March 31, 2021, in relation to compliance of all applicable SEBI Regulations/circulars/guidelines issued thereunder, pursuant to requirement of Regulation 24A of the Listing Regulations, is set out in **Annexure-VI (ii)** to this Annual Report.

As per regulation 24A of the Listing Regulations, a listed company is required to annex a secretarial audit report of its material unlisted subsidiary to its Directors Report. The secretarial audit report of Gurgaon Sohna Highway Private Limited, a material subsidiary for FY2020-21 issued by the Rahul S & Associates (Firm Registration number S2017RJ506300) is annexed herewith.

The Secretarial Audit Reports and/or Secretarial Compliance Report does not contain any qualification, reservation or adverse remark.

In terms of Section 204 of the Act, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Audit Committee recommended and the Board has re-appointed M/s. ATCS & Associates, Company Secretaries as the Secretarial Auditors of the Company to conduct Secretarial Audit for the financial year 2021-22.

Cost Auditors

The Company has maintained cost accounts and records as specified by the Central Government under sub-section (1) of Section 148 of the Act. M/s. Rajendra Singh Bhati & Co, Cost Accountants (Firm registration number 101983) have carried out the cost audit during the financial year 2020-21.

There are no qualifications, reservations or adverse remarks made by the Cost Auditors in their report.

The Board, on the recommendation of the Audit Committee, has re-appointed M/s. Rajendra Singh Bhati & Co, as Cost Auditors of the Company for conducting the audit of cost records for the financial year 2021-22 under Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014.

The remuneration proposed to be paid to the Cost Auditor is subject to ratification by the members of the Company at the ensuing 19th Annual General Meeting.

Internal Auditors

The Board had appointed M/s. Tibrewal Chand & Co., Chartered Accountants (Firm registration number 311047E), as Internal Auditors for conducting Internal Audits for the financial year 2020-21.

The observations and suggestions of the Internal Auditors were reviewed and necessary corrective/ preventive actions were taken in consultation with the Audit Committee.

On the recommendation of the Audit Committee, the Board has re-appointed M/s. Tibrewal Chand & Co., as Internal Auditors of the Company for the financial year 2021-22.

Reporting of Fraud by Auditors

During the financial year, none of the Auditors of the Company have reported any instances of frauds committed as specified under section 143(12) of the Act.

PARTICULARS OF LOANS GIVEN, INVESTMENTS MADE, GUARANTEES GIVEN AND SECURITIES PROVIDED

As per Section 186(11) of the Act, except Section 186(1), nothing contained in section 186 of the Act shall apply to any loan made, any guarantee given or any security provided or any investment made by a Company engaged in the business of providing infrastructural facilities. Since the Company is engaged in the business of Infrastructure & Construction, the criteria of section 186 is not applicable to the Company except sub section 1 of section 186 of the Act.

However, the details of loans, guarantees, and investments as required by the provisions of Section 186 of the Act and the rules made thereunder are set out in the Notes to the Standalone Financial Statements of the Company.

REGISTRAR AND TRANSFER AGENT AND INVESTOR GRIEVANCE REDRESSAL

M/s Link Intime India Private Limited is the Registrar and Transfer Agent of the Company. M/s Link Intime India Private Limited has appropriate systems to ensure that requisite service is provided to investors of the Company in accordance with the applicable corporate and securities laws and within the adopted service standards.

All shares of the Company are in dematerialized form.

Ms. Ankita Mehra, Company Secretary of the Company is the Compliance Officer for the purpose of the Listing Regulations.

During the financial year ended March 31, 2021, one complaint was received from shareholder. The same has been redressed to the satisfaction of shareholder and none of them was pending as on March 31, 2021.

RECONCILIATION OF SHARE CAPITAL AUDIT REPORT

As stipulated by SEBI, a Practicing Company Secretary carried out the Reconciliation of Share Capital Audit to reconcile the total admitted capital with NSDL and CDSL, total issued and listed capital on a quarterly basis. The said reports were placed before the Board in the subsequent meeting. The audits confirm that the total issued/paid-up capital is in agreement with the aggregate total number of shares in physical form, shares allotted and total number of dematerialized shares held with NSDL and CDSL.

CODE OF CONDUCT

Your Company is committed to conduct its business in accordance with the applicable laws, rules and regulations and highest standards of business ethics. In recognition thereof, the Board has implemented a Code of Conduct for adherence by the Directors, Senior Management Personnel of the Company. The Code of Conduct is dealing with ethical issues and also foster a culture of accountability and integrity. In accordance with Schedule V(D) of the Listing Regulations, a declaration to this effect signed by Mr. Harendra Singh, Chairman and Managing Director of the Company confirming that all the Directors and Senior Management Personnel of the Company have complied to the Code of Conduct for the financial year ended on March 31, 2021 forms the part of this Annual Report. The Code in accordance with the requirements of Listing Regulations has been posted on the Company's website and the same can be accessed at https://www.hginfra.com/investors-relation.html#btn-gover

CONFLICT OF INTERESTS

Each Director informs the Company on an annual basis about the Board and the Committee positions he/she occupies in other companies including Chairmanships and notifies changes during the year. The Members of the Board while discharging their duties, avoid conflict of interest in the decision-making process. The Members of Board restrict themselves from any discussions and voting in transactions in which they have concern or interest.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY REGULATORS OR COURTS

During the financial year, no significant or material orders were passed by the Regulators or Courts or Tribunals which impact the Company's going concern status and operations in future.

DISCLOSURE IN REFERENCE OF SUB RULE 1 CLAUSE (C) SUB CLAUSE (VIII) OF RULE 2 OF COMPANIES (ACCEPTANCE OF DEPOSITS) RULES 2014

During the year under review, your Company has not accepted any deposits within the meaning of Section 73 and 74 of the Act read with the Companies (Acceptance of Deposits) Rules, 2014. There are no outstanding deposits as on March 31, 2021.

Further, during the period Company has accepted loan/borrowing from its Director as mentioned in the financial statements forming part of this Annual Report and they have given declaration that the amount given from their owned funds only and does not falls under the definition of deposits.

INTERNAL COMPLAINT COMMITTEE (ICC) AND OTHER DISCLOSURES UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORK PLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

Your Company has zero tolerance towards any action on the part of any of its officials, which may fall under the ambit of "Sexual Harassment" at workplace. Pursuant to the provisions of Section 21 of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition, Redressal) Act, 2013, the Company formulated a Policy on Prevention of Sexual Harassment at Workplace. All employees (permanent, contractual, temporary and trainees) are covered under this policy. An Internal Complaints Committee (ICC) was constituted which is responsible for redressal of complaints related to sexual harassment at the workplace.

The Internal Complaints Committee of the Company has not received any complaint of Sexual Harassment during the year under review and no complaint was pending as March 31, 2021.

DISCLOSURE RELATING TO REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND PARTICULARS OF EMPLOYEES

The remuneration paid to the Directors, Key Managerial Personnel and Senior Management is in accordance with the Nomination and Remuneration Policy formulated in accordance with Section 178 of the Act and Regulation 19 read with Schedule II of the Listing Regulations. Further details on the same are given in the Corporate Governance Report which forms part of this Annual Report.

The Managing Director and Whole Time Directors of your Company do not receive remuneration or commission from any of the subsidiaries of the Company except sitting fees as entitled as a Non-Executive Directors in subsidiary Companies.

The information required under Section 197 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of Directors/employees of your Company is set out in the **Annexure VII** to this report and is also available on the website of the Company at www.hginfra.com.

INVESTOR RELATIONS

Your Company has an effective Investor Relations Program through which the Company continuously interacts with the investment community through various communication channels viz Periodic Earnings Calls, Participation in conferences, etc.

Your Company ensures that critical information about the Company is made available to all its investors by uploading such information on the Company's website under the Investors section. Your Company also intimates stock exchanges regarding events like earnings calls, declaration of quarterly & annual earnings with financial statements and other such matters having bearing on the share price of the Company.

ENVIRONMENT HEALTH AND SAFETY (EHS) PROTECTION

Your Company is committed towards the wellbeing and protection of Health, Safety and Environment, through its EHS Policy which is formulated in line with all applicable laws and legal requirements connected with occupational Health, Safety and Environment matters. Trainings are being provided to its employees for the better awareness and implementation of EHS. The Company always ensures that healthy and safe working environment is provided to all employees of the Company.

HUMAN RESOURCE DEVELOPMENT

Your Company has been continuously working upon the augmentation of staff facilities. The Company is committed and determined to provide the best internal infrastructure and facilities to its employees who are working in a harsh environment to develop the nation's infrastructure. Company also keeps on conducting various on the job training and workshops to ensure continuous upgrading of its workforce.

It is ensured that competitive and appropriate remuneration is being paid to all employees through standardization of pay ranges, continuous monitoring on the team and individual performances and market surveys.

During the tough times of pandemic the company took a very positive step by neither retrenching any single employee nor cutting any pays and also promoted remote working culture. Various employment opportunities were also given to the youth living in nearby rural areas of its construction projects promoting skill development and rural employment.

SECRETARIAL STANDARDS

During the year, the Company is in compliance with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI).

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There are no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year and the date of this report.

INSIDER TRADING CODE

Your Company has formulated a Code of Prohibition of Insider Trading ("Code") in accordance with SEBI (Prohibition of Insider Trading) Regulations, 2015. The objective of this Code is to protect the interest of Shareholders at large, to prevent misuse of any price sensitive information and to prevent any insider trading activity by way of dealing in securities of the Company by its Designated Persons while in possession of unpublished price sensitive information in relation to Company. The code is hosted on website of the Company and can be accessed at https://www.hginfra.com/investors-relation.html#btn-gover

DIRECTORS AND OFFICERS LIABILITY INSURANCE (D & O)

Pursuant to the Regulation 25 (10) of Listing Regulations, the Company has taken Directors and Officers Liability Insurance ('D & O insurance') policy for all the Directors including Independent Directors of the Company for indemnifying any of them against any liability in respect of any negligence, default, misfeasance, breach of duty, or breach of trust for which they may be guilty in relation to the Company.

INDUSTRIAL RELATIONS

Our business is dependent on infrastructure projects undertaken by government authorities/ private authorities funded by governments or by international and multilateral development finance institutions. We therefore must develop and maintain strategic alliances with other construction developers that undertake contracts for such infrastructure development projects and we intend to continue to explore entering into Jointly Controlled Operations, consortia or sub-contract relationships for specific projects with certain of these contractors. In addition, we develop and maintain relationships and pre-qualified status with certain major clients and obtaining a share of contracts from such clients.

PARTICULARS OF EMPLOYEE REMUNERATION

The ratio of remuneration of each Director to the median employee's remuneration and other details in terms of sub-section 12 of Section 197 of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and the statement

containing particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) and Rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, forms part of this Annual Report as **Annexure VII.**

OTHER DISCLOSURES

The Board state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

1. As per rule 4(4) the Companies (Share Capital and Debentures) Rules, 2014, the Company has not issued equity shares with differential rights as to dividend, voting or otherwise;
2. As per rule 8(13) the Companies (Share Capital and Debentures) Rules, 2014, the Company has not issued shares (including sweat equity shares) to employees of the Company under any scheme;
3. As per rule 12(9) the Companies (Share Capital and Debentures) Rules, 2014, the Company has not issued equity shares under the scheme of employee stock option;
4. None of the Directors of the Company have resigned during the year under review;
5. Neither the Managing Director nor the Whole Time Directors of the Company receive any remuneration or commission from any of its subsidiaries except sitting fees as entitled as a Non-Executive Directors in subsidiary Companies;
6. Since the Company has not formulated any scheme in terms of Section 67(3) of the Act, no disclosures are required to be made;
7. There was no revision of financial statements and Board's Report of the Company during the year under review;
8. No application has been made under the Insolvency and Bankruptcy Code; hence the requirement to disclose the details of application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year along with their status as at the end of the financial year is not applicable; and
9. The requirement to disclose the details of difference between amount of the valuation done at the time of one time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof, is not applicable.

APPRECIATION

The Directors of the Company would like to express their appreciation and thank to various Central and State Government Departments, Organizations and Agencies for the continued help and co-operation extended by them. The Directors also gratefully acknowledge all stakeholders of the Company viz. customers, members, dealers, vendors, banks and other business partners for the excellent support received from them during the year and look forward to their continued support in future. The Directors place on record their sincere appreciation to all employees of the Company for their unstinted commitment and continued contribution to the Company.

For and on behalf of Board

H.G. Infra Engineering Limited

Harendra Singh
Chairman & Managing Director
DIN-00402458

Place: Jaipur
Date: May 12, 2021

Annexure I to Board's Report
FORM AOC - 1

(Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of the Companies (Accounts) Rules, 2014)
Statement containing Salient features of the financial statement of Subsidiaries / Associates / Joint Ventures

Part "A" Subsidiaries

(₹in Millions)

Sr. No.	Name of Subsidiary	Reporting Currency and exchange rate as on the last date of the relevant Financial Year in the case of foreign subsidiaries	Share Capital	Reserve & Surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit before taxation	Provision for taxation	Profit after Taxation	Proposed Dividend	% of Share-holding
1.	Gurgaon Sohna Highway Private Limited	--	619.80	200.52	2,956.86	2136.54	3.18	1,582.21	118.09	(4.20)	122.29	--	100%
2.	H.G. Ateli Narnaul Highway Private Limited	--	952.11	148.50	3,516.07	2,415.46	4.10	4,685.67	112.61	26.97	85.64	--	100%
3.	H.G. Rewari Ateli Highway Private Limited	--	382.25	197.49	1,943.91	1,364.17	-	2,500.95	61.18	14.20	46.98	--	100%
4.	H.G. Rewari Bypass Private Limited	--	9.13	407.64	1,172.55	755.78	-	643.62	7.94	4.87	3.07	--	100%

1. Names of subsidiaries which are yet to commence operations –Not Applicable
2. Names of subsidiaries which have been liquidated or sold during the year- Not Applicable

Part "B": Associates and Jointly Controlled Operations

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Jointly Controlled Operations

(₹in Millions)

Sr. No.	Name of Associates and Jointly Controlled Operations	Latest audited Balance Sheet Date	Date on which the Associate or Join Venture was associated	Shares of Associate/ Jointly Controlled Operations held by the Company on the year end No.: Amount of Investment in Associate/ Jointly Controlled Operations: Extent of Holding%	Description of how there is significant influence	Reason why the associate/ Jointly Controlled Operations is not Consolidated	Net Worth attributable to shareholding as per latest audited Balance Sheet	Profit or Loss for the year: 1. Considered in Consolidated 2. Not Considered in Consolidated
1	HGIEPL-RPS (JV)	31.03.2021	31.05.2013	51%	Holding more than 20%	NA	1.87	1. 0.58 2. 0.55
2	HGIEPL- RANJIT (JV)	31.03.2021	27.04.2015	30%	Holding more than 20%	NA	3.56	1 [0.01] 2. [0.03]
3	HGIEPL- MGCPL (JV)	31.03.2021	24.09.2015	30%	Holding more than 20%	NA	0	1. 0.00 2. 0.00

1. Names of associates or Jointly Controlled Operations which are yet to commence operations: Not Applicable
2. Names of associates or Jointly Controlled Operations which have been liquidated or sold /un associate during the year: During the financial year TPL-HGIEL disassociated with the Company.

For and on behalf of Board
H.G. Infra Engineering Limited

	Harendra Singh	**Rajeev Mishra**	**Ankita Mehra**
Place- Jaipur	Chairman & Managing Director	Chief Financial Officer	Company Secretary
Date- May 12, 2021	DIN-00402458		M. No. - A33288

Annexure II to Board's Report

Dividend Distribution Policy

PREAMBLE

As per Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the top one thousand listed entities need to mandatorily formulate a dividend distribution policy based on market capitalization calculated as on the 31st day of March of every financial year. Accordingly, the Board of Directors ('Board') of H.G. Infra Engineering Limited ('Company') has adopted this 'Dividend Distribution Policy' ('Policy').

This Policy aims to lay down a framework with regard to distribution of dividend or retention of profits and to provide clarity to the stakeholders on the dividend distribution strategy of the Company.

The Board of Directors shall recommend dividend in compliance with this policy, the provisions of the Companies Act, 2013 and rules made thereunder and other applicable legal provisions.

REGULATORY FRAMEWORK

The Company shall pay dividend (including interim dividend) in compliance with the relevant provisions of the Companies Act, 2013 (the 'Companies Act'), the Companies (Declaration and Payment of Dividend) Rules, 2014, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'SEBI LODR'), as amended from time to time and such other act, rules or regulations which provide for the distribution of dividend.

OBJECTIVE AND SCOPE

The objective of the policy is to specify the external and internal factors including financial parameters that shall be considered while declaring dividend and the circumstances under which the shareholders of the Company may or may not expect dividend and how the retained earnings shall be utilised, etc. The objective of this Policy is to ensure the right balance between the quantum of Dividend paid and amount of profits retained in the business for various purposes.

Policy lays down below parameters to be considered by the Board of Directors of the Company for declaration of Dividend from time to time.

- The circumstances under which the shareholders may or may not expect dividend;
- The financial parameters and internal and external factors that shall be considered for declaration of dividend;
- Policy as to how the retained earnings shall be utilized; and
- Parameters that shall be adopted with regard to various classes of shares.

However, the Company reserves the right to carry out in any change in the aforesaid parameters, in the best interest of the Company, shareholders and/or other stakeholders.

FACTORS TO BE CONSIDERED BEFORE DECLARING DIVIDEND

The Company would, inter alia, consider the following financial parameters and / or internal & external factors before declaring dividend(s) or recommending dividend(s) to the shareholders:

- Stability of earnings and Cash flow from operations;
- Profits earned during the financial year;
- Fund requirements to finance the working capital needs of the business;
- Industry outlook and stage of business cycle for underlying businesses;
- Opportunities for investments of the funds of the Company to capture future growth in the industry, e.g. capital expenditure, geographical expansion, etc;
- Funding requirements for any organic and inorganic growth opportunities to be pursued by the Company;
- Optimal free cash to fund any exigencies, if any;
- Leverage profile and liabilities of the Company;
- Past dividend trends;
- Overall economic / regulatory environment;
- Tax implications, if any, of distribution of dividend;
- Cost of raising funds from alternate sources;
- Corporate actions including mergers/demergers, acquisitions, bonus issue, right issue;
- Interim dividend paid, if any; and
- Any other factor which may have a financial impact on the company or as deemed fit by the Board.

The circumstances under which shareholders may or may not expect dividend/or when the dividend could not be declared by the Company shall include, but are not limited to, the following:

- Due to uncertain or recessionary economic and business conditions;
- Due to operation of any law in force;
- Due to losses incurred by the Company and the Board consider it appropriate not to declare dividend for any particular year;
- Due to any significant expansion plans of the Company;
- Due to any restrictions on payment of dividend imposed by any regulator or prevailing legal requirements, regulatory conditions or restrictions laid down under the applicable laws including tax laws; and
- Any other extraordinary circumstances.

In case the Board proposes not to distribute the profit, the grounds thereof and information on utilisation of the retained earnings, if any, shall be disclosed to the shareholders in the Board's Report forming part of Annual Report of the Company.

USE OF RETAINED EARNINGS

The Company should ensure to strike the right balance between the quantum of dividend paid and amount of profits retained in the business for various purposes. These retained earnings will be used inter alia for the Company's strategic growth plans, working capital requirements, debt repayments and other contingencies.

PARAMETERS THAT SHALL BE ADOPTED WITH REGARD TO VARIOUS CLASSES OF SHARE

The Company has only one class of shares referred to as equity shares of the face value of Re. 10/- each, forming part of its Issued, Subscribed and Paid – up share capital.

As and when the Company issues other kind of shares, the Board of Directors may suitably amend this Policy.

Dividend (including interim and/or final) would be declared and paid to equity shareholders at the rate fixed by the Board of Directors of the Company. Final dividend proposed by the Board of Directors, if any, would be subject to the approval of the shareholders at the Annual General Meeting.

DIVIDEND INFORMATION

Information on the dividends paid in the last five years will be made available on the Company's Website viz. www.hginfra.com

DISCLOSURE & AMENDMENT/REVIEW OF POLICY

The Company is committed to continuously reviewing and updating our policies and procedures. Therefore, this policy is subject to revision / amendment on a periodic basis, as may be necessary. Any amendment(s) of any provision of this policy shall be carried out by persons authorized by the Board in this regard. This policy (as amended from time to time) will be available on the company's website and in the annual report.

VARIATION

In the event of any variation or inconsistency between provisions of this policy and any amendments, clarifications, circulars, notifications or guidelines issued by the relevant authorities, then such amendments, clarifications, circulars, notifications or guidelines shall prevail over this policy and the provisions of this policy shall be deemed to have been amended so as to be read in consonance with such amendments, clarifications, circulars, notifications or guidelines.

If the Board decided to deviate from this policy, the rationale for the same will be suitably disclosed in the annual report and on the company's website.

Annexure III to Board's Report

FORM AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso thereto.

Details of contracts or arrangements or transactions not at arm's length basis

There were no contracts or arrangement or transactions entered into during the year ended March 31, 2021, which were not at arm's length basis

Details of material contracts or arrangements or transactions at arm's length basis

(Amount in ₹Millions)

Sr. No.	Name of related party and Nature of Relationship	Nature of Contract/ Arrangement/ Transactions	Duration of the Contract/ Arrangement/ Transactions	Salient terms of the Contract or Arrangement or Transactions including the value, ifany	Date(s) of Approval by the Board	Amount received/ ~~paid~~ as advance, if any*
1	Gurgaon Sohna Highway Private Limited (GSHPL) A Wholly owned Subsidiary Company	Engineering Procurement Construction (EPC) contract with GSHPL	With effect from July 13, 2018 and shall remain in force and effect either, Change in law amount, Change in scope amount or termination date	**EPC contract date:** July 13, 2018 **Project:** The Contract has been awarded to execute Six-laning and strengthening of new NH-248A from existing km. 11+682 to km. 24+400 in the state of Haryana Package-2 Existing Km. 11+682 to km 24+400 (design Ch. From km. 9+282 to km 22+000) under NHDP Phase IV. **Amount of Contract: -** ₹5,150 Million (Rupees Five Thousand One Hundred Fifty Million Only) is exclusive of price escalation, if any. **Mobilization advance:** GSHPL shall at the request of EPC contractor H.G Infra Engineering Limited (HGIEL) make available to HGIEL, interest free advance payment upto 10% of the EPC cost as at the date of this EPC agreement. Deduction of the aforesaid advance would be recovered in such a manner that the recovery would start once the progress of the work has reached 20% and full recovery when the progress has reached 90% of the work done. **Material advance:** Non-Perishable materials brought to site – 75% of invoice value of the materials shall be payable. **Insurance:** All required insurance during the construction period shall be arrange and borne by GSHPL except Work Compensation Policy (WCP) **Time schedule:** HGIEL shall complete work/ achieve Commercial Operation Date (COD) within the time period as permitted in concession agreement.	Not Applicable	33.41

2	H.G. Rewari Ateli Highway Private Limited (HGRAHPL) A Wholly owned Subsidiary Company	Engineering Procurement Construction (EPC) contract with HGRAHPL	With effect from September 18, 2019 and shall remain in force and effect either till the end of receipts of Bonus, Change in law amount, Change in scope amount or termination date	**EPC contract date:** September 18, 2019 **Project:** The Contract has been awarded to execute Upgradation of Four Lane of Rewari-Ateli Mandi section of NH-11 from km 11.780 at Rewari to Ex. Km 43.445 near Ateli Mandi (designed length 30.45 km) as Feeder Route in the state of Haryana. **Amount of contract:** ₹4,880 Million (Rupees Four Thousand Eight Hundred and Eighty Million Only) is exclusive of price escalation, if any. **Mobilization advance:** HGRAHPL shall at the request of EPC contractor H.G infra Engineering Limited (HGIEL) make available to the HGIEL, interest free advance payment upto 10% of the EPC cost as at the date of this EPC agreement. Deduction of the aforesaid advance would be recovered in such a manner that the recovery would start once the progress of the work has reached 20% and full recovery when the progress has reached 90% of the work done. **Material advance:** Non Perishable materials brought to site – 75% of invoice value of the materials shall be payable. **Bonus:** HGRAHPL shall transfer the 25% of bonus received from NHAI to HGIEL on early completion of project. **Insurance:** All required insurance during the construction period shall be arrange and borne by Company except Work Compensation Policy (WCP). **Time schedule:** HGIEL shall complete work/ achieve Commercial Operation Date (COD) within the time period as permitted in concession agreement.	Not Applicable	241.51

3	H.G. Ateli Narnaul Highway Private Limited (HGANHPL) A Wholly owned Subsidiary Company	Engineering Procurement Construction (EPC) contract with HGANHPL	With effect from September 18, 2019 and shall remain in force and effect either till the end of receipts of Bonus, change in law amount, Change in scope amount or termination date	**EPC contract date:** September 18, 2019 **Project:** The Contract has been awarded to execute for Construction of proposed Narnaul Bypass (design length 24.0 km) Ateli Mandi to Narnaul section of NH-11 from km 43.445 to km 56.900 (design length 14.0 km) as an Economic Corridor-Feeder route in the state of Haryana. **Amount of contract:** ₹8,010 Million (Rupees Eight Thousand Ten Million Only) is exclusive of price escalation, if any. **Mobilization advance:** HGANHPL shall at the request of EPC contractor H.G infra Engineering Limited (HGIEL) make available to the HGIEL, interest free advance payment upto 10% of the EPC cost as at the date of this EPC agreement. Deduction of the aforesaid advance would be recovered in such a manner that the recovery would start once the progress of the work has reached 20% and full recovery when the progress has reached 90% of the work done. **Material advance:** Non Perishable materials brought to site – 75% of invoice value of the materials shall be payable. **Bonus:** HGRAHPL shall transfer the 25% of bonus received from NHAI to HGIEL on early completion of project. **Insurance:** All required insurance during the construction period shall be arrange and borne by Company except Work Compensation Policy (WCP). **Time schedule:** HGIEL shall complete work/ achieve Commercial Operation Date (COD) within the time period as permitted in concession agreement.	Not Applicable	411.17

4	H.G. Rewari Bypass Private Limited (HGRBPL) A Wholly owned Subsidiary Company	Engineering Procurement Construction (EPC) contract with HGRBPL	With effect from December 01, 2020 and shall remain in force and effect either till the end of receipts of Bonus, Change in law amount, Change in scope amount	**EPC contract date:** December 01, 2020 **Project:** The Contract has been awarded to execute Construction of proposed Rewari Bypass (Designed length 14.4 km) as Feeder Route in the state of Haryana. **Amount of contract:** ₹4320 Million (Rupees Four Thousand Three Hundred and Twenty Million Only) is exclusive of price escalation, if any. **Mobilization advance:** HGRBPL shall at the request of EPC contractor H.G infra Engineering Limited (HGIEL) make available to the HGIEL, interest free advance payment upto 10% of the EPC cost as at the date of this EPC agreement. Deduction of the aforesaid advance would be recovered in such a manner that the recovery would start once the progress of the work has reached 20% and full recovery when the progress has reached 90% of the work done. **Material advance:** Non-Perishable materials brought to site – 75% of invoice value of the materials shall be payable. **Bonus:** HGRBPL shall transfer the 25% of bonus received from NHAI to HGIEL on early completion of project. **Insurance:** All required insurance during the construction period shall be arrange and borne by HGRBPL except Work Compensation Policy (WCP) **Time schedule:** HGIEL shall complete work/ achieve Commercial Operation Date (COD) within the time period as permitted in concession agreement.	Not Applicable	432

*Amount as on March 31, 2021

Note: The above-mentioned transactions were entered into by the Company in its ordinary course of business. The above disclosures on material transactions are based on threshold of 10 percent of annual consolidated turnover of the Company and as prescribed under the Companies (Meetings of Board and its Powers) Rules, 2014.

For and on behalf of Board
H.G. Infra Engineering Limited
Harendra Singh
(Chairman & Managing Director)
DIN-00402458

Place-Jaipur
Date-May 12, 2021

Annexure IV to Board's Report

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1. Brief outline on CSR Policy of the Company

The Company's CSR programs are guided by Corporate Social Responsibility Policy ('CSR Pollicy') duly approved by the Board of Directors ("Board"). The Company's CSR Policy framework details the mechanisms for undertaking various programs in accordance with section 135 of the Companies Act, 2013 (the "Act") read with Schedule VII to the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014 ("Rules") for the benefit of the community.

The Company is committed towards its works and its CSR policy by making a big and lasting difference, through sustainable measures, by actively contribute to the Social, Economic and Environmental development of the community in which we operate ensuring participation from the community and thereby create value for the nation.

The Company has identified the following thrust areas around which the Company shall be focusing its CSR initiatives/ programmes:

(a) **HEALTHCARE:** Promoting healthcare including preventive healthcare and sanitation, eradicating hunger, poverty and malnutrition and making available safe drinking water, providing financial support for healthcare, conducting health camps and providing consultation, medicines etc.

(b) **EDUCATION:** Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects, providing support at every stage of a child's educational cycle including but not limited to developing infrastructure for schools/educational centers/ universities/hostels, scholarships including financial support to students for education, conducting education programs, skill development and vocational training, support to sports for development of students in both urban and rural settings, digital literacy initiatives and other holistic education initiatives for rural & urban youth.

(c) **RURAL DEVELOPMENT:** Improving water conservation and rain-water harvesting, developing community infrastructure and strengthening rural areas by improving accessibility, education, healthcare, housing, street roads /lights, drinking water, sanitation, power and livelihoods, thereby creating sustainable villages.

(d) **GENDER EQUALITY AND EMPOWERMENT OF WOMEN:** Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centers and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups.

(e) **ENVIRONMENTAL SUSTAINABILITY:** Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources, maintaining quality of soil, air and water, tree plantation, promoting renewable energy and developing gardens.

(f) **NATIONAL HERITAGE, ART AND CULTURE:** Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts and preserving & promoting music and sports.

(g) **DISASTER RESPONSE:** Supporting disaster management, including relief, rehabilitation and reconstruction activities and provide relief and assistance to victims of disasters and calamities.

(h) **CONTRIBUTION TO FUNDS:** Contribution to various funds, projects, universities, bodies, departments, etc. as specified in Schedule VII of the Companies Act, 2013.

(i) **OTHER INITIATIVES:** Other need based initiatives in compliance with Schedule VII of the Companies Act, 2013 and amendments thereto from time to time.

2. Composition of CSR Committee

Sr. No.	Name of Director	Designation/Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Harendra Singh	Chairman	1	1
2.	Vijendra Singh	Whole-time Director	1	1
3.	Onkar Singh	Independent Director	1	1

The Corporate social responsibility committee has been re-constituted w.e.f. May 12, 2021 with composition: Mr. Vijendra Singh as Chairman, Mr. Harendra Singh as a Member, Mr. Dinesh Kumar Goyal as a Member and Mr. Onkar Singh as a Member.

3. Web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company:

   Composition of CSR Committee and CSR Policy: https://www.hginfra.com/corporate-social-responsibility.html

   CSR projects approved by the Board: http://www.hginfra.com/investors-relation.html#btn-gover

4. Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility) Rules, 2014, if applicable (attach the report): Not Applicable

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any: Not Applicable

6. Average net profit of the company as per section 135(5): ₹1,79,01,93,133/-

7. (a) Two percent of average net profit of the company as per section 135(5): ₹3,58,03,863/-

   (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil

   (c) Amount required to be set off for the financial year, if any: Nil

   (d) Amount unspent for the financial year 2019-20: ₹1,48,81,441/-

   (e) Total CSR obligation for the financial year (7a+7b- 7c+7d): ₹5,06,85,304/-

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135 (6) of the Act of the Act		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5) of the Act of the Act		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
5,08,48,852	--	--	--	--	--

(b) Details of CSR amount spent against ongoing projects for the financial year: Not Applicable

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sr. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Project duration	Amount allocated for the project (in ₹)	Amount spent in the current financial Year (in₹)	Amount transferred to Unspent CSR Account for the project as perSection 135(6) (in ₹)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation –Through Implementing Agency	
				State	District						Name	CSR Registration number
--	--	--	--	--	--	--	--	--	--	--	--	--
	TOTAL											

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sr. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/ No)	Location of the project		Amount spent for the project (in ₹)	Mode of implementation - Direct (Yes/No)	Mode of implementation – Through implementing agency	
				State	District			Name	CSR registration number#
1.	Education	Promoting education including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects	Yes*	Rajasthan	Jodhpur, Jaipur, Barmer, Sikar, Sawaimadhopur Udaipur, Rajsamand	2,63,63,040	Yes	HG Foundation Moinee Foundation	NA NA
2.	Health and disaster management	Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation and making available safe drinking water and Disaster management, including relief, rehabilitation and reconstruction activities	Yes	Rajasthan and Haryana	Udaipur, Rajsamand, Jaipur, Alwar , Sawaimadhopur, Rewari, Mahendragarh, Bhilwara, Rajsamand, Sirohi, Gurugram, Jodhpur	1,45,87,383	Yes	HG Foundation Enable Health Society Rajasthan Voluntary Health Association Indian Institute for Development Initiative	NA NA NA NA
3.	Rural Development Projects	Rural Development Projects	Yes	Rajasthan and Maharashtra	Nagpur, Pali Udaipur	73,01,429	Yes	Sadbhavna Gramin Vikas Sanstha Moinee Foundation	NA NA

4.	Assistance for setting up homes and shelters	Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups	Yes	Rajasthan	Alwar	3,75,000	No	Human Development Institute	NA
5.	Environmental sustainability and Animal welfare	Ensuring environmental sustainability and Animal welfare	Yes	Rajasthan	Sirohi, Jodhpur, Jaipur	22,22,000	Yes	HG Foundation	NA
	TOTAL					**5,08,48,852**			

* Includes scholarships on PAN India basis

#Not applicable for the financial year ended March 31, 2021

Note: Project Education includes HGEIL Scholarships and HG Ki Pathshala and Health and disaster management includes HG ShuddhJal

(d) Amount spent in Administrative Overheads: Not Applicable

(e) Amount spent on Impact Assessment, if applicable: Not Applicable

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): ₹5,08,48,852

(g) Excess amount for set off, if any

Sr. No.	Particular	Amount (in ₹)
(i)	Two percent of average net profit of the company as per section 135(5)	3,58,03,863
(ii)	Amount unspent for the financial year 2019-20	1,48,81,441
(iii)	Total amount spent for the Financial Year	5,08,48,852
(iv)	Excess amount spent for the financial year [(iii)-(ii+i)]	1,63,548
(v)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	--
(vi)	Amount available for set off in succeeding financial years [(iv)-(v)]	1,63,548

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sr. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) of the Act of the Act (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6) of the Act, of the Act, if any			Amount remaining to be spent in succeeding financial years (in ₹)*
				Name of the Fund	Amount (in ₹)	Date of transfer	
1.	2018-19	--	1,33,40,985	--	--	--	28,94,168.46
2.	2019-20	--	1,41,71,384	--	--	--	1,48,81,441
3.	2020-21	--	5,08,48,852	--	--	--	--
	TOTAL		**7,83,61,221**				**--**

*The Company had spent the unspent amount of previous years in succeeding financial years.

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): Not Applicable

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sr. No.	ProjectID	Name ofthe Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for theproject (in ₹)	Amount spent on the project in the reporting Financial Year (in ₹)	Cumulative amount spent at the end of reporting Financial Year (in ₹)	Status of the project -Completed /Ongoing
--	--	--	--	--	--	--	--	--
	TOTAL							

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details):

    (a) Date of creation or acquisition of the capital asset(s). - Not Applicable

    (b) Amount of CSR spent for creation or acquisition of capitalasset. - Not Applicable

    (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. - Not Applicable

    (d) Details of the capital asset(s) created or acquired (including complete address and location of the capital asset). - Not Applicable

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): Not Applicable

Sd/-
Harendra Singh
(Managing Director)
DIN-00402458

Sd/-
Vijendra Singh
(Chairman of the CSR Committee)
DIN: 01688452

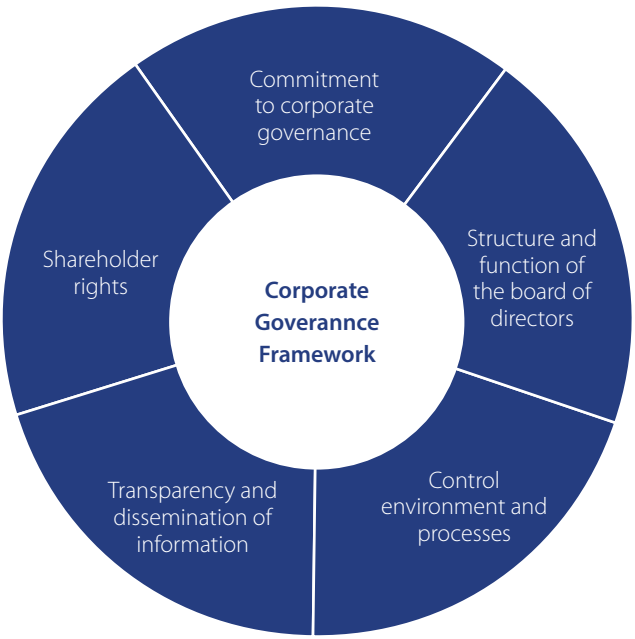
Annexure V to Board's Report

CORPORATE GOVERNANCE REPORT

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

H.G. Infra Engineering Limited (the 'Company' or 'HGIEL') has always been committed to maintain sound corporate governance standards and ethical business practices. Efficient corporate governance requires a clear understanding of the respective roles of the Board of Directors (the 'Board') and of senior management and their relationships with others in the corporate structure. Your Company believes that all actions and plans should be supported by adequate systems and procedures in order to ensure that the decision-making process across different levels of management is well-informed and conforms to the highest standards of corporate behaviour. The Company believes that sound Corporate Governance is critical for enhancing and retaining investor trust and your Company always seeks to ensure that its performance goals are met accordingly.

Our Corporate Governance framework ensures that we make timely disclosures and share accurate information regarding our financials and performance, as well as disclosures related to the leadership and governance of the Company.



This report is prepared in accordance with the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations') and the report contains the details of Corporate Governance systems and processes at HGIEL.

The Company is in compliance with the requirements stipulated under Regulation 17 to 27 read with Schedule V and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations, as applicable, with regard to corporate governance.

There are no non-compliances of any requirements of Corporate Governance Report, as per sub-paras (2) to (10) of Schedule V Part C of the Listing Regulations.

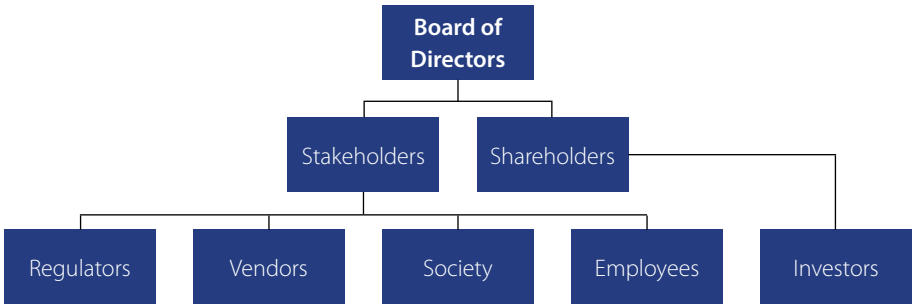
GOVERNANCE STRUCTURE AND DEFINED ROLES AND RESPONSIBILITIES

HGIEL's governance structure comprises of Board of Directors, Committees of the Board and the Management.

The Company has put in place an internal governance structure with defined roles and responsibilities of every constituent of the system. The Company's shareholders appoint the Board of Directors, which in turn governs the Company. The Board has established 7 (Seven) Committees to discharge its responsibilities in an effective manner. HGINFRA's Company Secretary acts as the Secretary to all the Committees of the Board. The Chairman and Managing Director (CMD) and the Whole Time Directors provide overall direction and guidance to the Board. In the operations and functioning of the Company, they are assisted by a core group of senior level executives.

The details of HGIEL's board structure and the various committees that constitute the governance structure of the organization are covered in detail in this report.

GOVERNANCE STRUCTURE



ETHICS/GOVERNANCE POLICIES

Corporate Governance policies ensure that organizations are run in a transparent, ethical manner, promoting good business practices. Corporate governance policies formulated by the Board and made available to all stakeholders. Your Company has adopted various codes & policies to carry out our duty in ethical manner. These codes and policies are available on the Company's website at https://www.hginfra.com/investors-relation.html#btn-gover

BUSINESS RESPONSIBILITY REPORT

As stipulated under the Listing Regulations, the Business Responsibility Report describing the initiatives taken by the Company from an environmental, social and governance perspective forms part of this Annual Report.

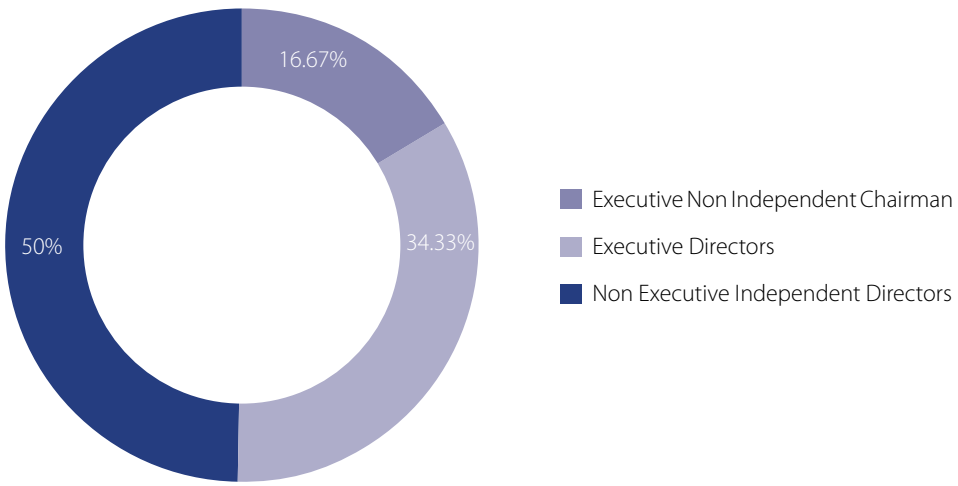
SIZE AND COMPOSITION OF THE BOARD

The Company believes in a well-balanced Board which enriches Board discussions and enables effective decision making. The Board has an optimal mix of Executive and Non-Executive Directors who have considerable expertise in their respective fields including competencies required in context of Company's businesses. The entire governance system is supported by well-structured systems and procedures that ensure well informed decision making across different levels of management.

As on March 31, 2021 and as on the date of this Report, our Board is comprised of six members, consisting of one executive Chairman (Promoter), two executive Directors (One promoter and one non-promoter) and three Non-executive Independent Directors (Out of which one is independent women director). All the Independent Directors are free from any business or other relationship that could materially influence their judgment. Independent Director constitutes half of the Board Strength.

The composition of the Board is in conformity with the requirements of Regulation 17 of the Listing Regulations as well as section 149 of the Companies Act, 2013 (the 'Act') read with the Rules made thereunder.

Size and Composition of Board



The composition of Board of the Company as on March 31, 2021 is as under:

Name of Director	Designation	DIN
Harendra Singh	Managing Director	00402458
Vijendra Singh	Whole Time Director	01688452
Ashok Kumar Thakur	Independent Director	07573726
Pooja Hemant Goyal	Independent Director	07813296
Onkar Singh	Independent Director	07853887
Dinesh Kumar Goyal	Whole Time Director	02576453

During the Financial Year 2020-21 the designation of Mr. Dinesh Kumar Goyal has been changed from Non-Executive to Executive Director with effect from June 24, 2020. Apart from that there is no change in the Directors of the Company.

Board Meetings

The Board/Committee Meetings are convened by giving appropriate notice well in advance. The Directors/Members are provided with appropriate information in the form of agenda items in a timely manner, to enable them to deliberate on each agenda item and make informed decisions and provide appropriate directions to the Management in this regard. The management makes concerted efforts to continuously upgrade the information available to the Board for decision making and the Board members are updated on all key developments relating to the Company.

With the unanimous consent of the Board, all information which is in the nature of Unpublished Price Sensitive Information (UPSI), is circulated to the Board and its Committees at a shorter notice before the commencement of the respective meetings.

Video-conferencing facility or other audio-visual means are also provided at the Board/Committee/members meetings in case any director/member is unable to physically remain present at the meetings but wishes to participate in the meetings.

The Company Secretary attends all the meetings of the Board and its Committees and is, inter alia, responsible for recording the minutes of such meetings. The draft minutes of the Board and its Committees are sent to the members for their comments in accordance with the Secretarial Standards. Thereafter, the minutes are entered in the minutes book within 30 (thirty) days of conclusion of the meetings, subsequent to incorporation of the comments, if any, received from the Directors.

The Company adheres to the provisions of the Act read with the Rules issued thereunder, Secretarial Standards and Listing Regulations with respect to convening and holding the meetings of the Board of Directors, its Committees and the General Meetings of the shareholders of the Company.

The Board meets at least once a quarter to review the quarterly results and other items on the agenda, and also on the occasion of the AGM. Additional meetings are held when necessary. Independent directors are expected to attend at least four quarterly Board meetings and the AGM.

During the financial year 2020-21 the ("Financial Year" or "FY 2021-22"), 5 (Five) Board Meetings were held which were in requirement with the provision of the Act.

The maximum time gap between any two consecutive meetings did not exceed one hundred and twenty days as per the Act.

Frequency of and quorum etc. at these meetings were in conformity with the provisions of the Act, Regulation 17 of the Listing Regulations and Secretarial Standard (SS-1) issued by the Institute of Company Secretaries of India (ICSI). All the Board members, Key managerial personnel (KMPs) and the Senior management have affirmed compliance with the Code of Conduct during the year ended on March 31, 2021.

Details of attendance of Directors at the Board Meetings held during the financial year under review and attendance at the last Annual General Meeting (AGM) are as follows:

Name of Director	Category	AGM	Board Meetings					% of attendance
		25.09.2020	24.06.2020	14.08.2020	25.08.2020	09.11.2020	27.01.2021	
Harendra Singh (Promoter, Chairman & Managing Director) DIN: 00402458	Executive Director	√	√	√	√	√	√	100%
Vijendra Singh (Promoter and Whole Time Director) DIN: 01688452	Executive Director	√	√	√	√	√	√	100%

Name of Director	Category	AGM	Board Meetings					% of attendance
		25.09.2020	24.06.2020	14.08.2020	25.08.2020	09.11.2020	27.01.2021	
Dinesh Kumar Goyal (Whole Time Director) DIN-02576453	Executive Director	√	√	√	√	√	√	100%
Ashok Kumar Thakur Independent Director (DIN:07573726)	Non – Executive Independent Director	√	√	√	√	√	√	100%
Onkar Singh Independent Director (DIN:07853887)	Non – Executive Independent Director	√	√	√	√	√	√	100%
Pooja Hemant Goyal Independent Director DIN: 07813296	Non – Executive Independent Director	√	√	√	√	√	√	100%

Notes:

1. The last AGM held through Video Conference (VC)/Other Audio Video Means (OAVM) on September 25, 2020, was attended by all members of the Board.
2. During the financial year, all meetings of the Board were held with video conference facility in accordance with the provisions of law.
3. None of the directors hold directorships in more than 20 companies of which directorships in public companies does not exceed 10 in line with the provisions of Section 165 of the Act.
4. During the year, the designation of Mr. Dinesh Kumar Goyal has been changed from Non-Executive Director to Executive Director w.e.f. June 24, 2020.

Details of committee chairmanship and committee memberships held by the directors as on March 31, 2021 are as under:

Name of Director	Designation	Age	No. of directorships in other Listed Companies*	No. of Statutory Committee(s) of Board of Directors of other companies of which Member/Chairperson**	
				Member	Chairperson
Harendra Singh	Chairman & Managing Director	54	0	0	0
Vijendra Singh	Whole-time Director	56	0	0	0
Dinesh Kumar Goyal	Whole-time Director	67	1	2	0
Ashok Kumar Thakur	Independent Director	67	2	3	3
Onkar Singh	Independent Director	65	0	0	0
Pooja Hemant Goyal	Independent Director	43	1	2	0

*Excludes directorship in HGIEL. Also excludes directorship in private companies, unlisted public companies, foreign companies, companies incorporated under Section 8 of the Act and alternate directorships.

**For the purpose of considering the limit of Committee memberships and chairmanships of a Director, membership and chairmanship of Audit Committee and Stakeholders Relationship Committee of listed public companies have been considered. Also excludes the memberships & chairmanships in HGIEL.

Notes:

1. No director holds membership of more than 10 committees of board nor is a chairman of more than 5 committees across board of all listed entities.
2. No independent director of the Company holds the position of independent director in more than 7 listed companies as required under the Listing Regulations.
3. No director holds the position of director in more than 7 listed companies as required under the Listing Regulations.
4. None of the Directors on the Board who are the Executive Directors serves as Independent Directors in more than three listed entities.

Details of directorship in other listed entities

Name of Director	Name of listed entities	Category of Directorship
Harendra Singh	Nil	NA
Vijendra Singh	Nil	NA
Dinesh Kumar Goyal	SPML Infra Limited	Non-Executive-Independent Director
Ashok Kumar Thakur	a. Navkar Corporation Limited b. Choice International Limited	Non-Executive-Independent Director
Onkar Singh	Nil	NA
Pooja Hemant Goyal	Navkar Corporation Limited	Non-Executive-Independent Director

Disclosure of relationship between director inter-se

Sr. No.	Name of Director	Relationship
1.	Harendra Singh (Chairman and Managing Director)	Brother of Vijendra Singh
2.	Vijendra Singh (Whole-time Director)	Brother of Harendra Singh

There are no material significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons and their relatives which may have a potential conflict with the interest of the Company at large.

Details of equity shares of the Company held by the Non-Executive Directors as on March 31, 2021

Name of Director(s)	Category	Number of Equity shares held
Ashok Kumar Thakur	Non-Executive Independent Director	NIL
Onkar Singh	Non-Executive Independent Director	NIL
Pooja Hemant Goyal	Non-Executive Independent Director	NIL

The Company has not issued any convertible instruments.

Key Skills, Expertise and Core Competencies of the Board

The Board comprises directors that bring a wide range of skills, expertise and experience which enhances overall Board.

The Nomination and Remuneration Committee asses and recommend to the Board, core skill sets required by directors to enable the Board to perform its oversight function effectively.

The following is the list of core skills/expertise/competencies identified by the Board of Directors, based on recommendations of the Nomination and Remuneration Committee, as required in the context of the Company's business for it to function effectively:

Definitions of Director qualifications, expertise and attributes	
Engineering	Engineering technique is the application of knowledge in the form of science, mathematics, and empirical evidence, to the innovation, design, construction, operation and maintenance of structures, machines, materials, software, devices, systems, processes, and organizations. The discipline of engineering encompasses a broad range of more specialized fields of engineering, each with a more specific emphasis on particular areas of applied mathematics, applied science, and types of application.
Planning	Extended Planning Experience for enterprises, resulting in a practical understanding of organization, processes, strategic planning and risk management. Demonstrated strengths in developing talent, planning succession, and driving change and long - term growth.
Technical	A significant background in technology, resulting in knowledge of how to anticipate technological trends, generate disruptive innovation, and extend or create new business modules.
Finance	Leadership of a financial firm or management of the finance function of an enterprise, resulting in proficiency in complex financial management, capital allocation and financial reporting processes or experience in actively supervising a principal financial officer, principal accounting officer, controller, public accountant, auditor or person performing similar functions.
Legal	A particular attribute, quality, property, or possession that an individual must have in order to be eligible to fill an office or perform a public duty or function.
Board service and Corporate Governance	Service on a public company board to develop insight about maintaining board and management accountability, protecting shareholder interests, and observing appropriate integration plans.
Administrative	Skills that are required for success in administration, such as communicating, computing, organizing, planning, scheduling, or staffing.

Given below is a list of the specific area of focus or expertise of Individual Board members:

Name of Director	Area of Operation						
	Engineering	Planning	Technical	Finance	Legal	Board service and Corporate Governance	Administrative
Harendra Singh	√	√	√	√	√	√	√
Vijendra Singh	√	√	√	-	-	√	√
Dinesh Kumar Goyal	√	-	-	√	√	√	√
Ashok Kumar Thakur	-	-	-	√	√	√	√
Pooja Hemant Goyal	-	-	-	-	√	√	-
Onkar Singh	-	-	-	-	-	√	√

Note: the absence of mark against member's name does not necessarily mean the member does not possess the corresponding qualification or skills.

Independent Director

The Company has received declarations from the Independent Directors that they meet the criteria of Independence laid down under section Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations. Further, the Independent Directors have included their names in the data bank of Independent Directors maintained with the Indian Institute of Corporate Affairs (IICA) in terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment & Qualification of Directors) Rules, 2014.

The Board of Directors, based on the declaration(s) received from the Independent Directors, have verified the veracity of such disclosures and confirm that the Independent Directors fulfil the conditions of independence specified in the Listing Regulations and the Act and are independent of the management of the Company.

The Companies Act, 2013 and the Listing Regulations define an 'Independent Director' as a person who is not a promoter or employee or one of the key managerial personnel of the company or its subsidiaries. They also state that the person should not have a pecuniary relationship or transaction with the company or its subsidiaries, apart from receiving sitting fees as an Independent Director.

Based on intimations/disclosures received from the Directors periodically, none of the Directors of the Company hold memberships/ Chairmanships more than the prescribed limits.

During the financial year, no Independent Director has resigned from the post of Directorship.

Familiarization Programme for Independent Directors

The familiarization programme for the Independent Directors of the Company is designed to help the Independent Directors to gain a deep understanding of the Company, its stakeholders, senior management / leadership team, business operations, policies, industry perspective and issues.

The Board familiarization program consists of detailed induction for all new Independent Directors when they join the Board of Directors of the Company and ongoing immersion sessions on business strategic, operational and functional matters.

The exhaustive induction for Independent Directors enables them to be familiarized with the Company, its history, values and purpose.

In Board meetings, immersion sessions on business strategy, operational and functional matters provide good in sights on the businesses carried on by the Company to the Independent Directors. These sessions also involve interactions with multiple levels of management. To make these sessions more productive, all the documents required and/or sought by them to have a good understanding of Company's operations, businesses and the industry as a whole are provided in advance. Further, they are periodically updated on material changes in regulatory framework and its impact on the Company.

Further, at the time of appointment of an Independent Director, the Company issues a formal letter of appointment outlining his/her role, function, duties and responsibilities.

Pursuant to Regulation 46 of the Listing Regulations, details of such programmes imparted to Independent Directors are available on the Company's website and can be accessed through the Web-link: https://www.hginfra.com/investors-relation.html#btn-gover

BOARD COMMITTEES

Our Board has constituted sub-committees to focus on specific areas and make informed decisions within the authority delegated to each of the Committees. Each Committee of the Board is guided by its charter, which defines the scope, powers and composition of the Committee. All decisions and recommendations of the Committees are placed before the Board for information or approval.



During the financial year 2020-21, the Board has accepted all recommendations of Committees on matters where such a recommendation is mandatorily required. There have been no instances where such recommendations have not been considered.

Details of the Committees of the Board, as on March 31, 2021, and other related information are as follows:

BOARD AND COMMITTEE COMPOSITION								
Name of Director/ Member	**Board**	**Audit Committee**	**Nomination & Remuneration Committee***	**Stakeholders' Relationship Committee**	**Corporate Social Responsibility Committee****	**Risk Management Committee*****	**Finance Committee**	**Management Committee**
Harendra Singh	√	√	-	√	√	√	√	√
Vijendra Singh	√	-	-	√	√	√	√	√
Dinesh Kumar Goyal	√	-		-	-	√	√	√
Ashok Kumar Thakur	√	√	√	-	-	-	-	-
Pooja Hemant Goyal	√	-	√	-	-	-	-	-
Onkar Singh	√	√	√	√	√	-	-	-
Satish Kumar Sharma	-	-	-	-	-	√	-	-
Kailash Chandra Gupta	-	-	-	-	-	√	-	-
Total no. of members	6	3	3	3	3	5	3	3

√ Chairperson √ Member

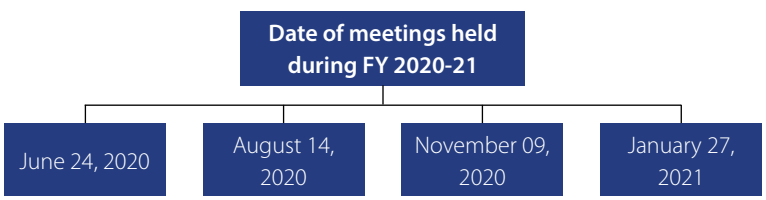
*The nomination & remuneration committee has been re-constituted w.e.f. June 24, 2020 with composition; Mrs. Pooja Hemant Goyal as Chairperson, Mr. Ashok Kumar Thakur as a Member and Mr. Onkar Singh as a Member.

**After the closure of financial year, the Corporate social responsibility committee has been re-constituted w.e.f. May 12, 2021 with composition; Mr. Vijendra Singh as a Chairperson, Mr. Harendra Singh as a Member, Mr. Dinesh Kumar Goyal as a Member and Mr. Onkar Singh as a Member.

***After the closure of financial year, the risk management committee has been re-constituted w.e.f. May 12, 2021 with composition; Mr. Harendra Singh as a Chairperson, Mr. Vijendra Singh as a Member, Mr. Ashok Kumar Thakur as a Member, Mr. Satish Kumar Sharma as a Member and Mr. Kailash Chandra Gupta as a Member and Mr. Dinesh Kumar Goyal ceased to be a member of the risk management committee w.e.f. May 12, 2021.

As on the date of this Report, the Company has following Committees of the Board:

AUDIT COMMITTEE



The composition of the Audit Committee of the Board of Directors of the Company along with the details of the attendance of the members of the committee during the financial year 2020-21are detailed below:

Sr. No.	DIN	Name of Director	Nature of membership	Number of meetings attended	% of attendance
1	07573726	Ashok Kumar Thakur	Chairman	4 of 4	100%
2	07853887	Onkar Singh	Member	4 of 4	100%
3	00402458	Harendra Singh	Member	4 of 4	100%

Four meetings of the Audit Committee were held during the year under review and the gap between two meetings did not exceed one hundred and twenty days.

The Committee invites such of the executives as it considers appropriate, representatives of the statutory auditors and internal auditors, to be present at its meetings.

The Company Secretary acts as the Secretary to the Audit Committee.

The previous Annual General Meeting of the Company held on September 25, 2020 was attended by Ashok Kumar Thakur, Chairman of the Audit Committee.

Objective:

The Audit Committee has been constituted as per Section 177 of the Act, and Regulation 18 of the Listing Regulations.

The primary objective of the Audit Committee is to monitor and provide effective supervision of the management's financial reporting process, to ensure accurate and timely disclosures, with the highest level of transparency, integrity and quality of financial reporting.

The management is responsible for the Company's internal controls and the financial reporting process while the statutory auditors are responsible for conducting independent audits of the Company's financial statements in accordance with the generally accepted Auditing Practices and for issuing reports based on such audits. The Audit Committee has been constituted to assist the Board in overseeing the quality and integrity of the accounting, auditing and reporting policies/practices of the Company and its compliance with the legal and regulatory requirements.

The Committee, accordingly, monitors various issues which include accounting and financial reporting process of the Company, maintenance of adequate internal financial controls, audit of the Company's financial statements, the appointment, independence and performance of the statutory as also the internal auditors and secretarial auditors. The Audit Committee also reviews the periodic internal, secretarial and statutory auditors' reports.

Terms of reference of the Audit Committee inter alia include the following:

i) oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

ii) recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;

iii) approval of payment to statutory auditors for any other services rendered by the statutory auditors;

iv) reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:

   a) matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Act;

   b) changes, if any, in accounting policies and practices and reasons for the same;

   c) major accounting entries involving estimates based on the exercise of judgment by management;

   d) significant adjustments made in the financial statements arising out of audit findings;

   e) compliance with listing and other legal requirements relating to financial statements;

   f) disclosure of any related party transactions;

   g) modified opinion(s) in the draft audit report;

v) reviewing, with the management, the quarterly financial statements before submission to the board for approval;

vi) reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/ prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;

vii) reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;

viii) approval or any subsequent modification of transactions of the listed entity with related parties;

ix) scrutiny of inter-corporate loans and investments;

x) valuation of undertakings or assets of the company, wherever it is necessary;

xi) evaluation of internal financial controls and risk management systems;

i) reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

ii) reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

iii) discussion with internal auditors of any significant findings and follow up there on;

iv) reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;

v) discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

vi) to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

vii) to review the functioning of the whistle blower mechanism;

viii) approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;

ix) reviewing the utilization of loans and/ or advances from/ investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans/ advances/ investments;

x) carrying out any other function as is mentioned in the terms of reference of the audit committee.

The audit committee shall mandatorily review the following information:

i) Management Discussion and Analysis of financial conditions and results of operations;

ii) Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;

iii) Management letters/ letters of internal control weaknesses issued by the statutory auditors;

iv) Internal audit reports relating to internal control weaknesses;

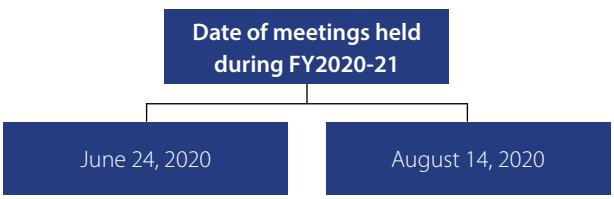
v) The appointment, removal and terms of remuneration of the chief internal auditor;

vi) statement of deviations:

a. Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the Listing Regulations.

b. Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7)Listing Regulations.

NOMINATION AND REMUNERATION COMMITTEE



The composition of the Nomination and Remuneration Committee of the Board of the Company along with the details of the attendance of the members of the committee during the financial year are detailed below:

Sr. No	DIN	Name of Director	Nature of membership	Number of meetings attended	% of attendance
1	07813296	Pooja Hemant Goyal	Chairman	2 of 2	100%
2	07573726	Ashok Kumar Thakur	Member	2 of 2	100%
3	07853887	Onkar Singh	Member*	1 of 1	100%
4	02576453	Dinesh Kumar Goyal	Member**	1 of 1	100%

*Appointed as a member of the committee w.e.f. June 24, 2020

**Ceased to be a member of the committee w.e.f. June 24, 2020

The Company Secretary acts as the Secretary to the Nomination and Remuneration Committee.

The previous AGM of the Company held on September 25, 2020 was attended by Mrs. Pooja Hemant Goyal, Chairman of the Nomination and Remuneration Committee.

The Nomination and Remuneration Committee has been re-constituted w.e.f. June 24, 2020 with composition; Mrs. Pooja Hemant Goyal as Chairperson, Ashok Kumar Thakur as a Member and Onkar Singh as a Member.

Objective:

The Nomination and Remuneration Committee has been constituted as per provisions of Section 178 of Companies Act, 2013, the rule framed there-under and Regulation 19 of the Listing Regulations.

The purpose of the committee is to screen and review individuals qualified to serve as executive directors, non-executive directors and independent directors, consistent with criteria approved by the Board, and to recommend, for approval by the Board, nominees for election at the AGM.

It reviews and discusses all matters pertaining to candidates and evaluates the candidates, and coordinates and oversees the annual evaluation of the board and of individual directors. It also reviews performance of all the executive directors on a periodic basis or at such intervals as may be necessary on the basis of the detailed performance parameters set for each executive director.

The functions of the Committee are as per the provisions of the Listing Regulations and Companies Act, 2013 besides others, which may be delegated to it by the Board.

Terms of reference of the Nomination and remuneration Committee inter alia include the following:

The Nomination and Remuneration Committee shall be responsible, among other things, for the following:

i) formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;

   The Nomination and Remuneration Committee shall, while formulating the above policy ensure that—

   a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;

   b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

   c) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

ii) formulation of criteria for evaluation of performance of independent directors and the board of directors;

iii) devising a policy on diversity of board of directors;

iv) identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal and shall specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance;

v) whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;

vi) recommend to the board, all remuneration, in whatever form, payable to senior management; and

vii) carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification as may be applicable.

Performance evaluation criteria for independent directors

The Nomination and Remuneration Committee has devised criteria for evaluation of the performance of the Independent Directors. The said criteria provide certain parameters like attendance, acquaintance with business, communicate inter se board member, effective participation, domain knowledge, compliance with code of conduct, vision and strategy etc. which is in compliance with applicable laws, regulations and guidelines.

Remuneration Policy and Remuneration paid to Directors

The Board, on the recommendation of the Nomination and Remuneration Committee, has approved the Remuneration Policy for Directors, Key Managerial Personnel, Senior Management and Other employees of the Company.

The Policy describes various aspects and guiding factors in determining the remuneration of Directors, Key Managerial Personnel, Senior Management and Other employees of the Company with intent to maintain level and composition of remuneration reasonable and sufficient to attract, retain and motivate directors and employees to run the Company successfully and align the growth of the Company and development.

The Company pays remuneration to its Executive Director, Managing Director and Whole Time Director and others by way of Salary, perquisites and allowances. Salary is paid within the range as approved by the Shareholders, wherever applicable and as per the Companies Act, 2013. The Board approves all the revisions in salary, perquisites and allowances to directors subject to the overall ceiling prescribed by Section 197 and 198 of the Act. Non-Executive Independent Directors are entitled to sitting fees as may be determined by the Board from time to time and subject to statutory provisions.

The Non-Executive Independent Directors have not been paid any remuneration except sitting fees during the financial year. The Non-Executive Non-Independent director has been paid for rendering professional services. The Company also reimburses expenses to the directors for attending the meeting of the Board and Committees.

Apart from reimbursement of expenses, remuneration as aforesaid, none of the non-executive directors have any other pecuniary relationships or transactions with your Company, its Subsidiaries or Associates or their Promoters or Directors.

The Nomination and Remuneration policy of the Company provides for the criteria of making payment to director. The same can be viewed at https://www.hginfra.com/investors-relation.html#btn-gover

Given below are the details of remuneration paid to directors during the financial year along with their respective shareholdings in the Company:

(Amount in Millions)

Name of Director	Salary	Sitting fees	Bonus	Stock option	Others	Total Remuneration	No of equity shares held as on March 31, 2021
Executive Director (Managing Director/ Whole Time director)							
Harendra Singh	21.60	-	0.45	-	-	22.05	100
Vijendra Singh	12.00	-	0.25	-	-	12.25	100
Dinesh Kumar Goyal*	3.10	-	0.08	-	0.28**	3.46	1055
Non-Executive Independent Directors							
Ashok Kumar Thakur	-	0.59	-	-	-	0.59	0
Onkar Singh	-	0.62	-	-	-	0.62	0
Pooja Hemat Goyal	-	0.47	-	-	-	0.47	0

*Designation of Mr. Dinesh Kumar Goyal has been changed from non-executive director to executive director w.e.f 24.06.2020

**Mr. Dinesh Kumar Goyal has been paid for rendering professional services as he was non-executive director till 24.06.2020

The Directors were not granted any stock options during the year under review and no convertible instruments are held by them.

Service contracts, notice period, severance fees

The tenure of office of the Managing Director and Whole-time Directors is for 5 (five) years from their respective date of appointment and can be terminated by either party by giving six months'/three months' notice on writing as per their respective terms of appointment.

All independent directors are appointed for a terms of five years. The service contracts and notice period are not applicable to Non-Executive and/or Independent Directors.

There is no separate provision for payment of severance fees.

STAKEHOLDERS' RELATIONSHIP COMMITTEE

Date of meetings held during FY2020-21
August 14, 2020

The composition of the Stakeholders' Relationship Committee of the Board of Directors of the Company along with the details of the attendance of the members of the committee during the financial year are detailed below:

Sr. No	DIN	Name	Nature of membership	Number of meetings attended	% of attendance
1	07853887	Onkar Singh	Chairman	1 of 1	100%
2	00402458	Harendra Singh	Member	1 of 1	100%
3	01688452	Vijendra Singh	Member	1 of 1	100%

The Board has designated Ms. Ankita Mehra, Company Secretary, as the Compliance Officer of the Company for the purpose of Investors' complaints/grievances.

The previous AGM of the Company held on September 25, 2020 was attended by Onkar Singh, Chairman of the Stakeholders' Relationship Committee

Objective:

In compliance with the provisions of Section 178 of the Act and Regulation 20 of the Listing Regulations, the Board has constituted the Stakeholders' Relationship Committee.

The Stakeholders' Relationship Committee is primarily responsible to review all matters connected with the company's transfer of securities and redressal of shareholders'/ investors'/ security holders' complaints.

Terms of reference of the Stakeholders' Relationship Committee inter alia include the following:

i) resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non - receipt of annual report, non- receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.;

ii) review of measures taken for effective exercise of voting rights by shareholders;

iii) review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent;

iv) review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

Details relating to the number of complaints received and redressed during the financial year 2020-21 are as under:

Number of shareholder's complaints received	Number of shareholder's complaints resolved	Number of pending complaints
1	1	0

CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

Date of meetings held during FY2020-21
June 24, 2020

The composition of the Corporate Social Responsibility Committee of the Board of Directors of the Company along with the details of the attendance of the members of the committee during the financial year are detailed below:

Sr. No	DIN	Name	Nature of membership	Number of meetings attended	% of attendance
1	00402458	Harendra Singh	Chairman	1 of 1	100%
2	01688452	Vijendra Singh	Member	1 of 1	100%
3	07853887	Onkar Singh	Member	1 of 1	100%

The CSR Committee has been re-constituted w.e.f. May 12, 2021 with composition; Vijendra Singh as Chairperson, Dinesh Kumar Goyal as a Member, Harendra Singh as a Member and Onkar Singh as a Member.

Objective

Company has a Corporate Social Responsibility (CSR) Committee in compliance with the provisions of Section 135 of the Act. The CSR committee adopted a policy that outlines the company's objectives of Social, Economic and Environmental development of the community in which we operate, through sustainable measures, ensuring participation from the community and thereby create value for the nation.

The terms of reference, inter-alia, includes recommend the amount of expenditure to be incurred on the CSR activities and monitor the Corporate Social Responsibility Policy of the company from time.

Terms of reference of the CSR Committee inter alia include the following:

i) formulate and recommend to the Board for its approval, a CSR Policy which shall indicate the activities to be undertaken by the Company in area or subject, specified in Schedule VII of the Act;

ii) recommend the amount of expenditure to be incurred on the CSR Programmes;

iii) monitor and review the CSR Policy of the Company from time to time;

iv) formulation of a transparent monitoring mechanism for ensuring implementation of the CSR programmes proposed to be undertaken by the Company or the end use of the amount spent by it towards CSR programmes;

v) ensure overall governance and compliance of the CSR Policy;

vi) annually report to the Board of Directors, the status of the CSR Programmes undertaken and contributions made by the Company;

vii) formulate and recommend to the Board for its approval, an annual CSR action plan in pursuance of the CSR Policy; and

viii) any other requirements mandated under the Act and Rules issued thereto.

The details of the CSR initiatives as per the CSR Policy of the Company forms part of the CSR Report in the Annual Report. The CSR Policy of the Company has been uploaded on the Company's website and can be accessed at: https://www.hginfra.com/investors-relation.html#btn-gover

RISK MANAGEMENT COMMITTEE

Date of meetings held during FY2020-21
December 14, 2020

In order to comply with the provisions of regulation 21 of the Listing Regulations, the board has in place the Risk Management Committee.

A well-defined risk governance structure serves to communicate the approach of risk management throughout the organization by establishing clear allocation of roles and responsibilities for the management of risks on a day to day basis.

The composition of the Risk Management Committee of the Board of Directors of the Company along with the details of the attendance of the members of the committee during the financial year are detailed below:

Sr. No	DIN	Name	Nature of membership	Number of meetings attended	% of attendance
1	00402458	Harendra Singh	Chairman	1 of 1	100%
2	01688452	Vijendra Singh	Member	1 of 1	100%
3	07853887	Dinesh Kumar Goyal	Member	1 of 1	100%
4	NA	Kailash Chandra Gupta*	Member	1 of 1	100%
5	NA	Satish Kumar Sharma**	Member	1 of 1	100%

*Designated as AVP-Contracts in the Company

** Designated as AVP- Supply Chain Management in the Company

The Risk Management Committee has been re-constituted w.e.f. May 12, 2021 with composition; Harendra Singh as Chairperson, Vijendra Singh as a Member, Ashok Kumar Thakur as a Member, Kailash Chandra Gupta as a Member and Satish Kumar Sharma, as a Member and Mr. Dinesh Kumar Goyal ceased to be a member of the risk management committee w.e.f. May 12, 2021.

Terms of reference of the Risk Management Committee inter alia include the following:

The Risk Management Committee is responsible for oversight on overall risk management processes of the Company and to ensure that key strategic and business risks are identified and addressed by the management.

The role of the committee shall, inter alia, include the following:

i) to formulate detailed risk management policy which shall include:

   a) a framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.

   b) measures for risk mitigation including systems and processes for internal control of identified risks.

   c) business continuity plan.

ii) to ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;

iii) to monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;

iv) to periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;

v) to keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;

vi) monitoring and reviewing of the risk management plan

vii) the appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.

viii) Carry out any other function as is mandated by the Board of Directors from time to time and / or enforced by any statutory notification, amendment or modification as may be applicable.

The Risk Management Policy formulated by the Risk Management Committee, inter alia, includes identification of risks, including cyber security and related risks and also those which in the opinion of the Board may threaten the existence of the Company.

FINANCE COMMITTEE

Date of meetings held during FY2020-21

April 29, 2020 | May 04, 2020 | May 15, 2020 | June 29, 2020 | August 26, 2020 | October 05, 2020 | November 04, 2020 | December 14, 2020 | January 08, 2021 | January 30, 2021 | March 20, 2021

The composition of the Finance Committee of the Board of Directors of the Company along with the details of the attendance of the members of the committee during the financial year are detailed below:

Sr. No	DIN	Name	Nature of membership	Number of meetings attended	% of attendance
1	00402458	Harendra Singh	Chairman	11 of 11	100%
2	01688452	Vijendra Singh	Member	11 of 11	100%
3	02576453	Dinesh Kumar Goyal	Member	11 of 11	100%

The purpose of the Committee is to advise the Board of Directors on matters relating to finance and in connection with availing of finance facilities/borrow monies, invest the funds of the company, grant loans or give guarantee or provide security in respect of loans and other related matters in accordance with applicable provisions of the Act.

MANAGMENT COMMITTEE

Date of meetings held during FY2020-21

July 21, 2020 | August 26, 2020 | October 30, 2020 | November 20, 2020 | February 16, 2021 | February 25, 2021

The composition of the Management Committee of the Board of Directors of the Company along with the details of the attendance of the members of the committee during the financial year are detailed below:

Sr. No	DIN	Name	Nature of membership	Number of meetings attended	% of attendance
1	00402458	Harendra Singh	Chairman	6 of 6	100%
2	01688452	Vijendra Singh	Member	6 of 6	100%
3	02576453	Dinesh Kumar Goyal	Member	6 of 6	100%

The purpose of the Committee is to advise the Board of Directors on matter relating to bidding of tender, execution of agreements and management of day-to-day business activities of the Company.

MEETING OF INDEPENDENT DIRECTORS

As required under the provisions of section 149(8) read with Schedule IV ("Code for Independent Directors") of the Act and Regulation 25 sub regulation 3 of the Listing Regulations, a separate meeting of Independent Directors of the Company was held on November 09, 2020 wherein Independent Directors, inter alia, reviewed the performance of Non-Independent Directors including chairman and the Board as a whole, taking into account the views of Executive Directors and Non-Executive Directors and assessed the adequacy quality, quantity and timeliness of flow of information between the Company's management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

In addition to formal meetings, frequent interactions outside the Board Meetings also take place between the Independent Directors and with the Chairman, and rest of the Board.

The attendance details of the Independent Directors' meetings are as follows:

Sr. No	DIN	Name	Number of meeting attended	% of attendance
1	07573726	Ashok Kumar Thakur	1 of 1	100%
2	07853887	Onkar Singh	1 of 1	100%
3	07813296	Pooja Hemant Goyal	1 of 1	100%

Criteria for Evaluation of Independent Directors and the Board:

Following are the criteria for evaluation of performance of Directors:

Executive Director: The Executive Directors shall be evaluated on the basis of targets / criteria given to Executive Directors by the Board from time to time.

Non-Executive / Independent Directors: The Non-Executive / Independent Directors shall be evaluated on the basis of the following criteria i.e. whether they:

a. Act objectively and constructively while exercising their duties;

b. Exercise their responsibilities in a bona fide manner in the interest of the Company;

c. Devote sufficient time and attention to their professional obligations for informed and balanced decision making;

d. Do not abuse their position to the detriment of the Company or its shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person;

e. Refrain from any action that would lead to loss of his independence;

f. Inform the Board immediately when they lose their independence;

g. Assist the Company in implementing the best corporate governance practices;

h. Strive to attend all meetings of the Board of Directors and the Committees;

i. Participate constructively and actively in the committees of the Board in which they are chairpersons or members;

j. Moderate and arbitrate in the interest of the Company as a whole, in situations of conflict between management and shareholder's interest;

k. Abide by Company's Memorandum and Articles of Association, Company's policies and procedures including code of conduct, insider trading guidelines etc.

GENERAL BODY MEETINGS

Details of last three Annual General Meetings (AGM) and the summary of Special Resolutions passed there at are as under:

Financial Year(s)	Date	Time	Venue	No. of Special resolutions set out at the AGM
2017-18	September 10, 2018	10.00 A.M.	Hotel Radisson, Gaurav Path Road, 8, Residency RD, Jodhpur, Rajasthan 342001	07
2018-19	August 09, 2019	10.00 A.M.	Hotel Radisson, Gaurav Path Road, 8, Residency RD, Jodhpur, Rajasthan 342001	01
2019-20	September 25, 2020	02.00 P.M.	Through Video Conference ("VC") / Other Audio-Visual Means ("OAVM")	01

Summary of Special Resolutions passed at last three AGM are as under:

Financial Year and Date	Particulars of Special Resolutions passed at the AGM
2017-18 **September 10, 2018**	• Approval to make Investments, give Loans, Guarantees and provide Securities under section 186 of the Companies Act,2013 • Approval to Borrow funds under section 180(1)(c) of the Companies Act,2013 • Approval for Creation of Mortgage and Charge on the assets of the Company under section 180(1)(a) of the Companies Act,2013 • Approval for place of keeping and inspection of Register and Index of Members, register of payment of dividend, Unpaid dividend, Register for Directors Shareholding etc. at the office of the Registrar and Share Transfer Agent of the Company for Equity Shares • Approval to Employees Stock Option Plan 2018 • Approval to extend Employees Stock Option Plan 2018 to the employees of Subsidiary Company (ies) • Approval for change in registered office of the Company within the state
2018-19 **August 09, 2019**	• Approval to rescinding of resolution passed at the previous Annual General Meeting w.r.t. change in registered office of the Company.
2019-20 **September 25, 2020**	• Approval to authorize capital raising through issuance of equity shares and/or equity linked securities.

No Extraordinary General Meeting (EGM) was held and No Special Resolution was passed through Postal Ballot during financial year 2020-21. Further, no Special Resolution is proposed to be passed through Postal Ballot as on the date of this Report.

COMMUNICATION TO THE SHAREHOLDERS

The Company promptly discloses information on material corporate developments and other events as required under the Listing Regulations. Such timely disclosures indicate the good corporate governance practices of the Company. For this purpose, it provides multiple channels of communications through dissemination of information on the online portal of the Stock Exchanges, Press Releases, the Annual Reports and by placing relevant information on its website.

Financial Results: Quarterly, half-yearly and annual financial results of the Company are published in leading English and Hindi language newspaper, viz., all India editions of Business Standards, Rajasthan edition of Business Remedies/ NafaNuksan, the results and other important information are also periodically updated on the Company's website at https://www.hginfra.com/investors-relation.html#btn-quart

Website: In compliance with Regulation 46 of the Listing Regulations, a separate dedicated section i.e. 'Investor Relations' on the Company's website i.e. www.hginfra.com gives information on various announcements made by the Company, status of unclaimed dividend, annual reports, shareholding patterns, financial results along with the applicable policies of the Company. The Company's official news releases and presentations made to the investors and analysts are also available on the Company's website. Other relevant information of interest to the Investors are also placed under the Investors Section on the Company's website.

The presentations on performance of the Company are placed on the Company's website for the benefit of the institutional investors, analysts and other shareholders after the financial results are communicated to the Stock Exchanges

Investors / Analyst Meets: The Company also conducts calls/meetings with investors immediately after declaration of financial results to brief them on the performance of the Company. These calls are attended by the Managing Director and senior officers of the Company.

Electronic Communication: The Company had during the financial year 2020-21 sent various communications including Notices, Annual Reports by email to those shareholders whose email addresses were registered with the Company / Depositories. In support of the 'Green Initiative' the Company encourages Members to register their email address with their Depository Participant or the Company, to receive soft copies of the Annual Report, Notices and other information disseminated by the Company, without any delay.

The Board of Directors has approved a policy for determining materiality of events for the purpose of making disclosure to the stock exchanges. The Managing Director, the Chief Financial Officer (CFO) and the Company Secretary are empowered to decide on the materiality of information for the purpose of making disclosures to the stock exchanges. The Company makes timely disclosures of necessary information to the stock exchanges i.e. BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE) in terms of the Listing Regulations and other applicable rules and regulations issued by the SEBI.

NEAPS is a web-based application designed by NSE for corporates. BSE Listing is a web-based application designed by BSE for corporates. All periodical compliance filings, inter alia, shareholding pattern, corporate governance report, corporate announcements, amongst others, are in accordance with the Listing Regulations filed electronically including all information required to be disclosed under Regulation 30 read with Schedule III of the Listing Regulations including material information having a bearing on the performance/operations of the Company and other price sensitive information. Further, in compliance with the provisions of Listing Regulations, the disclosures made to the stock exchanges, to the extent possible, are in a format that allows users to find relevant information easily through a searching tool.

GENERAL SHAREHOLDER INFORMATION

Your Company began its journey in 2003 as H.G. Infra Engineering Private Limited, an infrastructure company with a primary focus on:



Highway



Roads



Bridges

The company became a Public Limited Company in June, 2017 and the name of the company was accordingly changed to H.G. Infra Engineering Limited. The Company made an Initial Public Offering (IPO) in March, 2018 and listed on BSE and NSE and are regularly traded on both the exchanges w.e.f. March 09, 2018.

With a prestigious mix of government and private sector clientele, including NHAI, MORTH, Tata Projects, IRB and Adani Group, to name a few, the Company is pre-qualified to bid independently for large EPC projects and HAM Projects and registered as a grade AA Class contractor with PWD, Rajasthan and an SS Category with Military Engineering Services (MES). Your Company has invested in a broad base of construction equipment assets, including crushers, compactors, graders, loaders, pavers, mixers, dumpers, excavators, rollers, sprayers, compressors and tractors. This proprietary ownership has earned the trust of marquee clientele and enabled the Company to achieve a robust and growing order book and deliver quality construction while meeting urgent timeline.

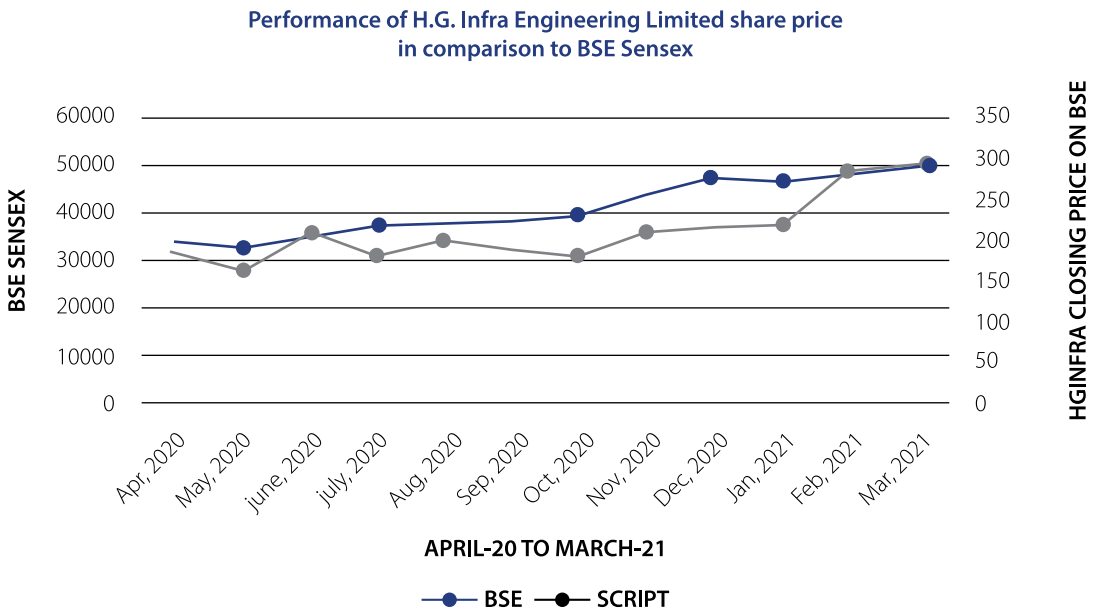
Corporate Identification Number:	L45201RJ2003PLC018049
Registered Office:	14, Panchwati Colony, Ratanda, Jodhpur, Rajasthan - 342001
19th Annual General Meeting:	
Date & Time:	Monday, September 06, 2021 at 02.00 p.m. through VC/OAVM
Venue:	Annual General Meeting through Video Conference/Other Audio Visual Means
E-Voting Dates:	Friday, September 03, 2021 at 9.00 a.m. to Sunday, September 05, 2021 at 5.00 p.m.
Dates of Book Closure	Tuesday, August 31, 2021 to Monday September 06, 2021 (both days inclusive)
Financial Year	1st April to 31st March
Dividend Payment:	The dividend, if approved, shall be paid/credited on or before Tuesday, October 05, 2021
Listing Details:	
BSE Limited (BSE)	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400 001
National Stock Exchange of India Limited (NSE)	Exchange Plaza, C-1, Block-G, Bandra-Kurla Complex, Bandra (E), Mumbai- 400 051
Stock Code/Symbol:	BSE - 541019, NSE - HGINFRA
ISIN for Depositories:	INE926X01010

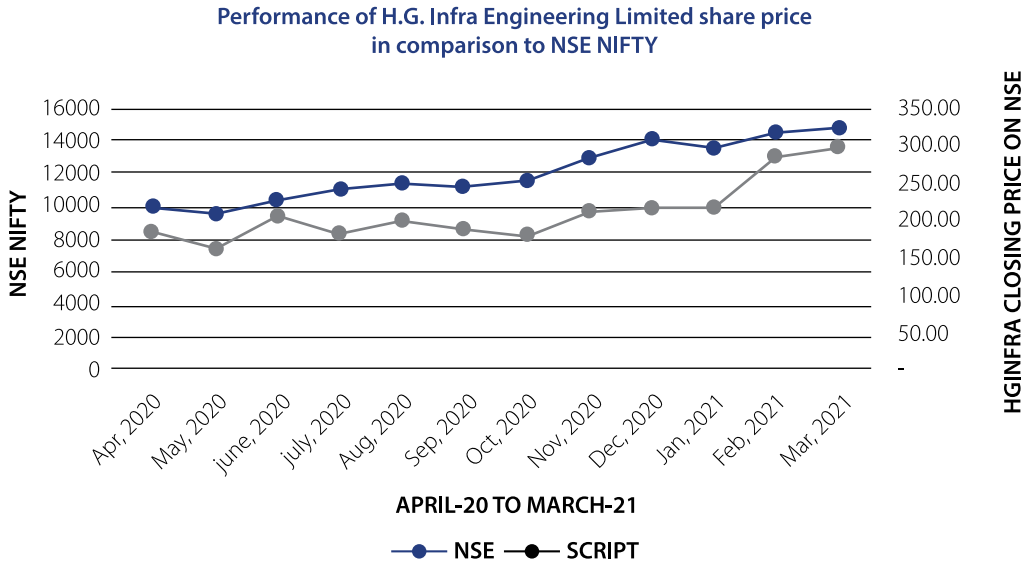
Payment of Listing Fees: The Company has paid annual listing fees to both BSE and NSE for the financial year ended March 31, 2021.

Payment of Depository Fees: Annual Custody/Issuer fees is being paid by the Company within the due date based on invoices received from the Depositories.

Stock Performance in comparison to broad-based Indices

The Chart below shows the comparison of the Company's monthly share price movement on BSE vis-à-vis the movement of the BSE Sensex and NSE Nifty for the financial year ended March 31, 2021 (based on month end closing price).





Stock Market Price Data

The monthly high and low prices of the Company's shares at BSE and NSE for the financial year ended March 31, 2021 are as follows:

MONTH	BSE		NSE	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
April	192.60	152.20	193.00	149.75
May	183.95	150.65	187.40	150.80
June	223.05	165.00	223.70	164.95
July	213.90	180.40	213.60	180.00
August	243.55	170.00	244.00	176.05
September	235.50	181.00	212.70	180.00
October	192.45	150.80	193.40	175.20
November	216.80	174.75	217.70	174.20
December	246.00	198.70	243.45	198.80
January	251.50	212.00	252.00	206.55
February	330.45	220.30	330.50	220.00
March	314.10	256.05	313.95	255.60

Sources: BSE and NSE Websites

Registrar & Share Transfer Agent and Share Transfer System

M/S. LINK INTIME INDIA PRIVATE LIMITED is the Company's Registrar and Share Transfer Agent (RTA). The share transfers, dematerialisation of shares, dividend payment and all other investor related matters are attended to and processed by our RTA.

Trading in Shares of the Company through recognised Stock Exchanges is permitted only in dematerialised form.

Pursuant to Regulation 40 of the Listing Regulations requests for effecting transfer of securities had not been processed unless the securities are held in the dematerialised form with the depository with effect from 1st April, 2019. However, this restriction shall not be applicable to the request received for effecting transmission or transposition of physical shares.

The physical shares lodged for transmission or transposition are processed and share certificates duly endorsed are returned within the stipulated time, subject to documents being valid and complete in all respects. The Board of Directors of the Company have delegated the authority to approve the transmission or transposition to the designated officials of the Company. A summary of approved transmission or transposition is placed before the Board of Directors from time to time as per the Listing Regulations.

The Stakeholders Relationship Committee consider the transaction in respect of issuance of duplicate share certificates, split, rematerialisation, consolidation, renewal of Share Certificates and attend to Shareholders' grievances, etc.

During the year, the Company obtained, on half-yearly basis the certificates from a Company Secretary in Practice, certifying the compliance as required under Regulation 40(9) of the Listing Regulations and a copy of these certificates were duly filed with the Stock Exchanges.

Distribution of Shareholding

Distribution of shareholding of shares of the Company as on March 31, 2021 is as follows:

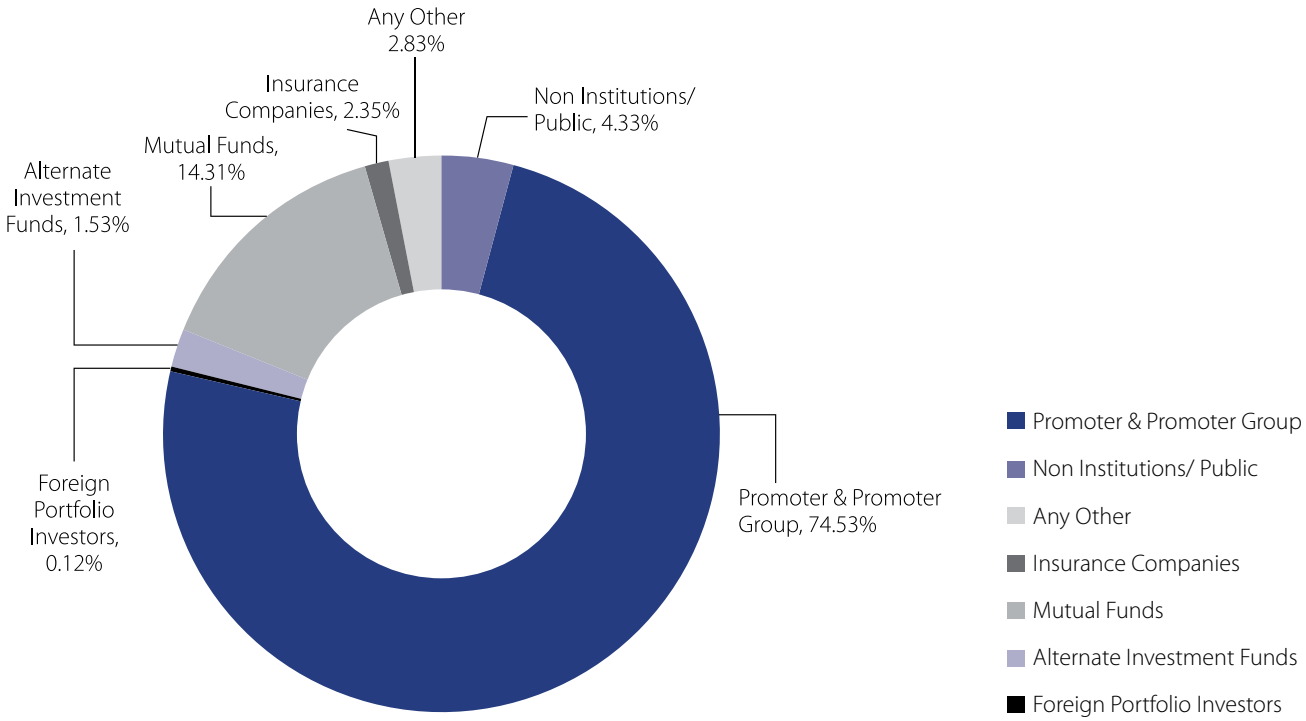
No. of equity Shares held	No. of Shareholders	No. of Shares held	% of Equity Capital
1- 500	19,625	15,25,726	2.3411
501-1000	492	3,83,894	0.5891
1001-5000	335	7,23,854	1.1107
5001-10000	32	2,24,246	0.3441
10001 & Above	69	6,23,13,391	95.6151
TOTAL	**20,553**	**6,51,71,111**	**100**

Shareholding Pattern as on March 31, 2021

The Shareholding Pattern of the Company as on March 31, 2021 is as follows:

Sr. No	Category of Shareholder(s)	Number of Shares held	Shareholding (%)
1	Promoters & Promoter group	4,85,73,157	74.53
2	Mutual Funds	93,23,072	14.31
3	Banks, Financial Institutions, Insurance Companies (Central/State Govt. Institutions, Non-Government Institutions	15,30,135	2.35
4	Foreign Portfolio Investors	78,740	0.12
5	Alternate Investment Funds	9,98,791	1.53
6	Non-Institution Individual(Public)	28,22,378	4.33
7	Any other	18,44,838	2.83
TOTAL		**6,51,71,111**	**100**

Category-wise-shareholding (%) as on March 31, 2021



Dematerialization of Shares and Liquidity

We have established connectivity with the National Security Depository Limited (NSDL) and Central Depositary Services (India) Limited (CDSL) through M/s. Link Intime India Pvt. Ltd, Registrar and Share Transfer Agents of the Company. The ISIN allotted to our shares under the Depositary system is INE926X01010.

As on March 31, 2021, 100% shareholding of the Company is in dematerialized form, in compliance with Regulation 31(2) of the Listing Regulations.

Break up of shares as on March 31, 2021 is as follows:

Category	No. of Shareholders	Shareholders (%)	No. of Shares held	Voting Strength (%)
Physical	--	--	--	--
Electronic	20,553	100	6,51,71,111	100
Total	**20,553**	**100**	**6,51,71,111**	**100**

Outstanding GDRs /ADRs / Warrants or any Convertible instruments, conversion date and likely impact on equity

The Company does not have any outstanding GDRs/ADRs/Warrants/Convertible Instruments as on March 31, 2021.

Commodity price risk or foreign exchange risk and hedging activities

Since the Company is not engaged in the field of manufacturing goods, disclosures on commodity price risks and commodity hedging activities are not applicable.

The Company does not have any foreign exchange movement.

Plant Locations

The Company does not have any manufacturing plant as the Company is in the construction, engineering and other related business. The Company has various works and project sites across the country, as mentioned below:

S. No	Name of project	State	Mode
1	Banar-Bhopalgarh-Kuchera	Rajasthan	EPC
2	Bhawi-Pipar-Khimsar	Rajasthan	EPC
3	Jodhpur -Marwar Junction-Jojawar	Rajasthan	EPC
4	Kundal to Jhadol	Rajasthan	EPC
5	Raipur-Mundla-Garwara-Dubliya-Karodiya-Sunel-Sirpoi	Rajasthan	BOQ
6	Gulabpura-Chittorgarh	Rajasthan	Item Rate
7	Delhi Vadodara Pkg-04	Rajasthan	EPC
8	Delhi Vadodara Pkg-08	Rajasthan	EPC
9	Delhi Vadodara Pkg-09	Rajasthan	EPC
10	Chittorgarh-Udaipur	Rajasthan	Item rate
11	Nandurbar to khetia	Maharashtra	EPC
12	Hapur Moradabad	Uttar Pradesh	Lump sum turnkey
13	Gurgaon Sohna	Haryana	HAM
14	Rewari Ateli Mandi	Haryana	HAM
15	Narnaul Bypass	Haryana	HAM
16	Rewari Bypass	Haryana	HAM
17	Macherial to Repallewada	Andhra Pradesh	EPC

Address for Correspondence

Registrar and Share Transfer Agent

The Company has appointed M/s Link Intime India Pvt. Ltd (RTA) as Common Agency for share registry work both for electronic and physical mode. Shareholders can make correspondence at the following addresses for share transfer matters and other grievances, if any:

M/s. Link Intime India Private Limited

Registered Office:

Registered office C-101, 1st Floor, 247 Park,

Lal Bahadur Shastri Marg, Vikhroli (West)

Mumbai Mumbai City – 400083, MAHARASTHRA

Tel: +022 49186000

Fax: +022 49186060

E-mail: mumbai@linkintime.co.in,

Website: www.linkintime.co.in

Corporate Office:

Noble Heights 1st Floor,

Plot No. NH-2, C-1 Block,

LSC near Savitri Market,

Janakpuri, New Delhi 110058

Tel: 011-49411000

Fax no: 011-41410591

Email ID-delhi@linkintime.co.in

H.G. INFRA ENGINEERING LIMITED

CIN: L45201RJ2003PLC018049

Registered Office:

14, Panchwati Colony, Ratanada,

Jodhpur-342001, Rajasthan

Tel. No.: 0291-2515327

Corporate Office:

III Floor, Sheel Mohar Plaza

A-1, Tilak Marg, C-Scheme

Jaipur-302001, Rajasthan

Tel. No.: 0141-4106040

Fax: 0141-4106044

E. Mail: cs@hginfra.com

Website: www.hginfra.com

Shareholders are requested to quote their Folio No./ DPID & Client ID, e-mail address, telephone number and full address while corresponding with the Company and its RTA.

Credit Rating

The Company has not issued any debt instruments and does not have any fixed deposit programme or any scheme or proposal involving mobilization of funds in India or abroad during the financial year ended 31st March, 2021.

The ratings given by ICRA for short-term borrowings and long-term borrowings of the Company are ICRA A1 and ICRA A respectively.

There was no revision in the said credit ratings during the year under review.

Establishment of vigil (whistle blower) mechanism

The Company has established Vigil (Whistle Blower) Mechanism in accordance with the provisions of the Act and the Listing Regulations.

The Vigil Mechanism/Whistle Blower aims to provide a channel to the Directors and employees to report genuine concerns about unethical behaviour, actual or suspected fraud or violation of the Standards, Code of Conduct or policy adopted by the Company from time to time. HGIEL is committed to conduct its business in accordance with applicable laws, rules and regulations and the highest standards of business ethics and to full and accurate disclosures. The Company believes in the conduct of the affairs of its constituents in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behaviour. Any actual or potential violation of these Standards, howsoever insignificant or perceived as such, would be a matter of serious concern for the Company. The role of the Directors, Employees in pointing out such violations of these Standards cannot be undermined.

The Company investigates such incidents, when reported, in an impartial manner and takes appropriate action to ensure that requisite standards of professional and ethical conduct are always upheld.

The vigil mechanism provides for adequate safeguards against victimisation of persons who use such mechanism and also provides for access to the Audit Committee.

The practice of the Whistle Blower /Vigil Mechanism is overseen by the Audit Committee and no persons have been denied access to the Audit Committee.

Whistle Blower Policy of your Company is available on the Company's website and can be accessed at the Web-link: https://www.hginfra.com/investors-relation.html#btn-gover

Disclosure with respect to Demat suspense account/ unclaimed suspense account

The Company does not have any of its securities lying in demat/ unclaimed suspense account arising out of public/bonus right issues as at March 31, 2021. Hence, the particulars relating to aggregate number of shareholders and the outstanding securities in suspense account and other related matters does not arise.

Details of total fees paid to Statutory Auditors of the Company

Total fees of Rs. 9.16 Millions for FY 2020-21, for all services, was paid by the Company and its subsidiaries, on a consolidated basis, to the joint statutory auditors and all entities in the network firm/network entity of which the statutory auditors is a part.

Disclosure in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company's Policy on Prevention of Sexual Harassment at workplace is in line with the requirement of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (Prevention of Sexual Harassment of Women at Workplace Act) and Rules framed thereunder. Internal Complaints Committees have also been set up to redress complaints received regarding sexual harassment.

The Company conducts sessions for employees across the organization to build awareness amongst employees about the Policy and the provisions of Prevention of Sexual Harassment of Women at Workplace Act.

During the financial year, no complaint was received/disposed by the Company under the policy and no complaint was pending as of March 31, 2021. An Annual Report for the calendar year 2020 by the Internal Complaints Committee (the "ICC") under Section 21 of the Sexual harassment of Women at Work Place (Prevention, Prohibition and Redressal) Act, 2013 (the "Act") has been submitted with relevant authority.

The Company is committed to providing a safe and conducive work environment to all of its employees and associates.

Details of Compliance with Mandatory Requirements and Adoption of the Non-Mandatory Requirements:

The Company has complied with all mandatory requirements of the Listing Regulations relating to Corporate Governance and has implemented the following non mandatory requirements:

i) During the year under review, there is no audit qualification on the Company's financial statements. The Company continues to adopt best practices to ensure regime of unmodified audit opinion.

ii) The Internal Auditors reports to the Audit Committee of the Company. They participates in the meetings of the Audit Committee of the Board of Directors of the Company and presents their internal audit observations to the Audit Committee.

A certificate from a Practicing Company Secretaries, confirming compliance with condition of corporate governance, as stipulated under Regulation 34 of the Listing Regulations is attached to this report.

Code of Prohibition of Insider Trading

The Company has adopted a Code of Prohibition of Insider Trading (the 'Code') under Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (the 'SEBI Insider Trading Regulations'). In accordance with the SEBI Insider Trading Regulations, the Company has established systems and procedures to prohibit insider trading activities.

This Code has been prepared by adopting the standards set out in Schedule B of the SEBI Insider Trading Regulations, as amended, in order to regulate, monitor and report trading by designated persons, including its directors or employees or other persons connected or deemed to be connected to the Company towards achieving compliance with the Regulations.

The Code of Prohibition of Insider Trading and the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSI) has been made available on the Company's website at www.hginfra.com and can be accessed at the Web-link: https://www.hginfra.com/investors-relation.html#btn-gover and https://www.hginfra.com/investors-relation.html#btn-gover respectively.

Related Party Transactions

All contracts/arrangements/transactions entered into entered into by the Company during the year under review with Related Parties were on an arm's length basis and in the ordinary course of business. The details of the Related Party Transactions are set out in the Notes to Financial Statements forming part of this Annual Report.

Also, the Related Party Transactions undertaken by the Company were in compliance with the provisions set out in the Act read with the Rules issued thereunder and relevant provisions of the Listing Regulations.

The Audit Committee reviews at least on a quarterly basis, the details of related party transactions entered into by the Company pursuant to each of the omnibus approval granted.

The Audit Committee, during the financial year, has approved Related Party Transactions along with granting omnibus approval in line with the Policy on dealing with and materiality of Related Party Transactions and the applicable provisions of the Act read with the Rules issued thereunder and the Listing Regulations (including any statutory modification(s) or re-enactment(s) thereof for the time being in force).

The Company's policy on related party transaction has been hosted on the website of the Company at https://www.hginfra.com/investors-relation.html#btn-gover

There are no material significant related party transactions of the Company which have potential conflict with the interest of the Company at large.

Other Disclosures

1. The Company has complied with all the requirements of the Stock Exchange(s) and SEBI on matters relating to Capital Markets. There were no non-compliances by the Company and no penalties imposed or strictures passed against the Company by SEBI and Stock Exchanges exchange(s) on which the shares of the Company are listed or any statutory authority in this regard, during the last three years.
2. The Policy for determining material subsidiaries has been uploaded and can be accessed on the Company's website at https://www.hginfra.com/investors-relation.html#btn-gover
3. Details of Preferential Allotment or Qualified Institutions placements as specified under Regulation 32(7A) of the Listing Regulations: During the year under review, the Company has not raised funds through preferential allotment or Qualified Institutional Placement.
4. Certificate as required under Part C of Schedule V of the Listing Regulations, received from M/s ATCS & Associates, Practicing Company Secretaries, that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of the Company by the Securities and Exchange Board of India/Ministry of Corporate Affairs or any such statutory authority is annexed to this report.
5. None of the Independent Directors of the Company have resigned before the expiry of their tenure. Thus, disclosure of detailed reasons for their resignation along with their confirmation that there are no material reasons, other than those provided by them is not applicable.

CEO/CFO Certification

As required under Regulation 17 of the Listing Regulations, the MD/CFO certificate for the FY 2020-21 signed by Mr. Harendra Singh, Chairman & Managing Director and Mr. Rajeev Mishra, Chief Financial Officer is annexed to this Report.

Compliance Certificate on Corporate Governance

A Certificate from a Practicing Company Secretaries, confirming compliance with condition of corporate governance, as stipulated under Regulation 34 of the Listing Regulation is annexed to this report.

Declaration of Code of Conduct

All members of the Board and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct, framed pursuant to Regulation 26(3) of the Listing Regulations for Board and Senior Management, for the FY 2020-21.

A declaration duly signed by Managing Director of the Company affirming that all the Board of Directors and Senior Management Personnel have confirmed compliance with the Code of Conduct during the financial year 2020-21 is annexed to this report.

For and on behalf of
H.G. Infra Engineering Limited

Sd/-
HARENDRA SINGH
(Chairman & Managing Director)
DIN-00402458

Place: Jaipur
Date: May 12, 2021

MANAGING DIRECTOR/CHIEF FINANCIAL OFFICER CERTIFICATION

(Under Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To
The Board of Directors
H.G. Infra Engineering Limited

We the undersigned, in our respective capacities as Managing Director and Chief Financial Officer of H.G. INRA ENGINEERING LIMITED (the "Company") to the best of our knowledge and belief certify that;

a) We have reviewed financial statements and the cash flow statement for the financial year ended March 31, 2021 and to the best of our knowledge and belief, we state that:

   i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and

   ii) these statements together present a true and fair view of the Company affairs and are in compliance with existing accounting standards, applicable laws and regulations.

b) We further state that, to the best of our knowledge and belief, no transactions entered into by the Company during the year ended March 31, 2021 are fraudulent, illegal or violative of the Company code of conduct.

c) We are responsible for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting of the Company and have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

d) We have indicated to the Auditors and the Audit Committee:

   i) significant changes, if any, in internal control over financial reporting during the year;

   ii) significant changes, if any, in accounting policies during the year and that the same have been disclosed in the notes to the financial statements;

   iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or any employee having a significant role in the Company's internal control system over financial reporting.

For H.G. Infra Engineering Limited

Sd/-
HARENDRA SINGH
(Chairman & Managing Director)
DIN: 00402458

Sd/-
RAJEEV MISHRA
(Chief Financial Officer)

Place: Jaipur
Date: May 12, 2021

DECLARATION OF CODE OF CONDUCT

To,
The Members,
H.G. INFRA ENGINEERING LIMITED
14, PANCHWATI COLONY, RATANADA, JODHPUR – 342001 (Rajasthan)

I, hereby declare that all the members of the Board of Directors and Senior Management Personnel have affirmed compliance with the code of conduct of board of directors and senior management in respect of the financial year 2020-21.

For and on behalf of
H.G. Infra Engineering Limited
Sd/-
HARENDRA SINGH
(Chairman & Managing Director)
DIN-00402458

Place: Jaipur
Date: May 12, 2021

CERTIFICATE FROM COMPANY SECRETARY IN PRACTICE
(Pursuant to clause 10 of part C of Schedule V of LODR)

In pursuance of sub clause (i) of clause 10 of part C of Schedule V of the Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR) in respect of **H.G. INFRA ENGINEERING LIMITED (PART IX) (CIN: L45201RJ2003PLC018049),** I hereby certify that:

On the basis of written presentation/declaration received from Directors and taken on record by Board of directors, as on March 31, 2021, none of the Directors on the board of the Company has been debarred or disqualified from being appointed or continuing as Director of Companies by the SEBI/Ministry of Corporate Affairs or any statutory authority.

for ATCS & ASSOCIATES
Company Secretaries
ICSI Unique Code P2017RJ063900

Sd/-
CS Deepak Arora
Partner
FCS 5104 | C P No.: 3641
UDIN NO.: F005104C000282667

Place: Jaipur
Date: May 12, 2021

CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members
H.G. INFRA ENGINEERING LIMITED (PART IX)
14, Panchwati Colony, Ratanada, Jodhpur-342001 (Raj.)

We have examined the compliance of the conditions of Corporate Governance by **H.G. INFRA ENGINEERING LIMITED (PART IX) ("the Company")** for the year ended on March 31, 2021, as stipulated under Regulations 17 to 27, clauses (b) to (i) of sub regulation (2) of Regulation 46 and Para-C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

The compliance of the conditions of Corporate Governance is the responsibility of the management of the Company. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in the SEBI Listing Regulations. Our examination was limited to the review of procedures and implementation thereof, as adopted by the Company for ensuring compliance with conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended on March 31, 2021.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

for ATCS & ASSOCIATES
Company Secretaries
ICSI Unique Code P2017RJ063900

Sd/-
CS Deepak Arora
Partner
FCS 5104 | C P No.: 3641
UDIN NO.: F005104C000282700

Place: Jaipur
Date: May 12, 2021

Annexure VI (i) to Board's Report

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st March, 2021

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

To,
The Members,
H.G. INFRA ENGINEERING LIMITED (PART IX)
14, PANCHWATI COLONY, RATANADA,
JODHPUR – 342001, RAJASTHAN

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **H.G. INFRA ENGINEERING LIMITED (PART IX)** (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 Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2021 ('Audit Period') 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 March 31, 2021 according to the provisions of:

(i) The Companies Act, 2013 ('the Act') and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 (As amended by Finance Act, 2018) and the Regulations and Bye-laws framed thereunder;

(iv) 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;

(v) 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 (Listing Obligations and Disclosure Requirements) Regulations, 2015

  (b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

  (c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

  (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

  (e) the Securities and Exchange Board of India (Depositories and Participant) Regulations, 2018;

  (f) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (Not applicable to the Company during the Audit Period)

  (g) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the Company during the Audit Period)

  (h) 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 to the Company during the Audit Period)

  (i) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the Audit Period)

  (j) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not applicable as the Company has not bought back/proposed to buy-back any of its securities during the financial year under review) and as confirmed by the management, there are no sector specific laws that are applicable specifically to the company.

We have also examined compliance with the applicable provisions of the following:

i. Secretarial Standards with regard to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India;

ii. The Listing Agreements entered into by the Company with National Stock Exchange of India Limited and BSE Limited and SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and Woman Director. There were no changes in the composition of the Board of Directors during the period under review apart from change in designation of Mr. Dinesh Kumar Goyal from Non executive director to Executive Director of the company which took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance as required, 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 of Board and Committee meetings were carried with requisite majority.

We further report that based on the information provided and the representation made by the Company and also on the review of the compliance certificates, in our opinion, there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with labour laws and other applicable laws, rules, regulations and guidelines.

We further report that during the audit period some major events were taken in Company having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc of which some are as under.:-

During the audit period the Company has incorporated following special purpose vehicle (wholly owned subsidiary) solely for the purpose of domiciling the project awarded by the National Highways Authority of India (NHAI) to the Company:

a) H.G. REWARI BYPASS PRIVATE LIMITED incorporated on 01.05.2020.

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

for **ATCS & ASSOCIATES**
Company Secretaries
ICSI Unique Code P2017RJ063900

Sd/-
CS Deepak Arora
Partner
FCS 5104 | C P No.: 3641
UDIN NO.: F005104C000278410

Place: Jaipur
Date: 11th Day of May, 2021

Annexure A

To,
The Members,
H.G. INFRA ENGINEERING LIMITED (PART IX)
14, PANCHWATI COLONY, RATANADA,
JODHPUR – 342001 (Rajasthan)

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

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
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 **ATCS & ASSOCIATES**
Company Secretaries
ICSI Unique Code P2017RJ063900

Sd/-
CS Deepak Arora
Partner
FCS 5104 | C P No.: 3641
UDIN NO.: F005104C000278410

Place: Jaipur
Date: 11th Day of May, 2021

Annexure VI (ii) to Board's Report

Secretarial Compliance Report of H.G. INFRA ENGINEERING LIMITED
For the year ended **31ST MARCH, 2021**

[Pursuant to Regulation 24A of the SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015]

To,
The Board of Directors,
H.G. INFRA ENGINEERING LIMITED (PART IX)
14, PANCHWATI COLONY, RATANADA,
JODHPUR – 342001 (RAJASTHAN)

Dear Sir/Madam,

We, **ATCS & Associates**, Company Secretaries in Practice have examined:

a) all the documents and records made available to us and explanation provided by **H.G. INFRA ENGINEERING LIMITED** ("the Listed Entity"),

b) the filings/ submissions made by the listed entity to the stock exchanges,

c) website of the listed entity,

d) any other document/ filing, as may be relevant, which has been relied upon to make this certification,

for the year ended **31st March, 2021** ("Review Period") in respect of compliance with the provisions of :

a) the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and

b) the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

The specific Regulations as amended from time to time, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include:-

a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

d) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

e) the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;

f) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (Not applicable as the Company has not bought back/ proposed to buy-back any of its securities during the financial year under review.)

g) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (Not applicable to the Company during the Audit Period)

h) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the Company during the Audit Period)

i) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013; (Not applicable to the Company during the Audit Period) and circulars/ guidelines issued thereunder;

and based on the above examination and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India due to the spread of the COVID-19 pandemic, We hereby report that, during the Review Period:

a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below:-

Sr. No.	Compliance Requirement (Regulations / circulars/ guidelines including specific clause)	Deviations	Observations/ Remarks of the Practicing Company Secretary
NIL			

b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunder in so far as it appears from my/our examination of those records.

c) The following are the details of actions taken against the listed entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder:

Sr. No.	Action taken by	Details of violation	Details of action taken E.g. fines, warning letter, debarment, etc.	Observations/ remarks of the Practicing Company Secretary, if any.
NA				

d) The listed entity has taken the following actions to comply with the observations made in previous reports:

Sr. No.	Observations of the Practicing Company Secretary in the previous reports	Observations made in the secretarial compliance report for the year ended	Actions taken by the listed entity, if any	Comments of the Practicing Company Secretary on the actions taken by the listed entity
1	The Company has submitted the Monitoring Agency Report dated 24.05.2019 to stock exchange(s) on which its equity shares are listed on 24th day of May, 2019 (beyond 45 days from the end of March, 2019 quarter).	31st March, 2020	The Company had taken necessary steps to ensure timely submissions to the stock exchanges.	During the period under review The company had timely complied with the all provisions / Regulations and Rules of SEBI and other Acts.

for **ATCS & ASSOCIATES**
Company Secretaries
ICSI Unique Code P2017RJ063900

Sd/-
CS Deepak Arora
Partner
FCS 5104 | C P No.: 3641
UDIN NO.: F005104C000278355

Place: Jaipur
Date: 11TH Day of May, 2021

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2021

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

To,
The Members,
Gurgaon Sohna Highway Private Limited
14, Panchwati Colony, Ratanada,
Jodhpur Rajasthan – 342001

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **GURGAON SOHNA HIGHWAY PRIVATE LIMITED (CIN: U45400RJ2018PTC060833)** (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 company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2021 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 hereunder:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **GURGAON SOHNA HIGHWAY PRIVATE LIMITED** ("The Company") for the financial year ended on 31st March, 2021 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made there under;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws Framed there under;

(iv) 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 (Prohibition of Insider Trading) Regulations, 1992;

   b. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

   c. 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;

   d. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(v) As confirmed by the management, there are no sector specific laws that are applicable specifically to the Company.

The Company being a material subsidiary of H.G. Infra Engineering Limited ("HGIEL"), certain employees of the Company have been categorized as Designated Persons and are covered by the Code of Conduct under The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, of HGIEL.

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

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

During the audit period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. as mentioned above.

During the audit period under review, provisions of the following Acts / Regulations were not applicable to the Company prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):

   a. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

   b. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

   c. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;

d. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018.

e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations 2008.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There were no changes in the composition of the Board of Directors during the period under review.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance as required, 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 of Board and Committee meetings were carried with requisite majority.

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

We further report that during the audit period, the following specific events / actions having major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. had taken place, some of which are as under:

1. On 10th September 2020, the company issued 50,00,000 (Fifty Lakh) Equity Shares of Rs.10/- each amounting to Rs. 5,00,00,000 (Rupees Five Crore only) on rights issue basis.
2. On 2nd January 2021, the company took approval from its members by calling an Extra-Ordinary General Meeting, to increase the authorized share capital of the company from Rs. 60,00,00,000/- (Rupees Sixty Crore only) divided into 6,00,00,000 (Six Crore) equity shares of Rs.10 each to Rs. 66,25,00,000/-(Rupees Sixty-Six Crore Twenty-Five Lakh only) divided into 6,62,50,000 (Six Crore Sixty-Two Lakh Fifty Thousand) Equity Shares of Rs.10 each by the creation of 62,50,000 Equity Shares of Rs. 10/-each.
3. On 22nd January 2021, the company issued 45,30,000 (Forty-Five Lakhs Thirty Thousand only) Equity Shares of Rs. 10/- each at a premium of Rs. 8/- each amounting to Rs. 8,15,40,000 (Rupees Eight Crores Fifteen Lakh Forty Thousand only) on right issue basis.

   As on 31st March 2021, the paid-up capital of the company is Rs. 61,98,00,000 (Rupees Sixty- One Crores Ninety-Eight Lakh only) divided into 6,19,80,000 (Six Crores Nineteen Lakh Eighty Thousand only) Equity Shares of Rs. 10/- each.
4. During the period under review Company has modified the charge amounting to Rs. 2,87,86,00,000 as under:
   - On 08th June 2020; Company altered various clauses of the Loan Facility Agreement.
   - On 15th January 2021; Company altered various clauses of the Loan Facility Agreement and after this modification loan facility of Tata Cleantech Capital Limited is Rs. 170 Crore; Loan facility of PTC India Financial Services Limited is Rs. 67.86 Crore and Limit of Indian Bank is Rs. 50 Crore to Company.

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

for Rahul S & Associates
Company Secretaries

Sd/-
Rahul Sharma
FCS No. 9611
CP No.: 18440
UDIN: F009611C000319635

Place: Jaipur
Date: 08TH May, 2021

ANNEXURE – A

To,
The Members,
Gurgaon Sohna Highway Private Limited
14, Panchwati Colony, Ratanada,
Jodhpur Rajasthan – 342001

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

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
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 Rahul S & Associates
Company Secretaries

Sd/-
Rahul Sharma
FCS No. 9611
CP No.: 18440
UDIN: F009611C000319635

Place: Jaipur
Date: 08TH May, 2021

Annexure VII to Board's Report

PARTICULAR OF EMPLOYEES

(A) Information as per Rule 5(1) of the companies (Appointment and remuneration of Managerial Personnel) Rules, 2014

1. Ratio of Remuneration of Directors to Median Remuneration of Employee:

The remuneration of each Director, Chief Financial Officer and Company Secretary, percentage increase in their remuneration during the financial year 2020-21 and ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2020-21 are as under:

S. No.	Name of Director/KMP	Designation	Remuneration of Director/KMP for the Financial Year 2020-21 (Amount In ₹)	Ratio of Remuneration to MRE1 (Median Remuneration of Employee)	% increase / (decrease) in Remuneration
A	B	C	D	E	F
01.	Harendra Singh	Managing Director	2,20,50,000	94.08	2.08%
02.	Vijendra Singh	Whole-time Director	1,22,50,000	52.27	2.08%
03.	Dinesh Kumar Goyal*	Whole-time Director	31,76,916	13.55	NA
04.	Rajeev Mishra	Chief Financial Officer	25,34,407	NA	13.33%
05.	Ankita Mehra	Company Secretary	6,25,006	NA	21.13%

*During the financial year, the designation of Mr. Dinesh Kumar Goyal has been changed from Non-Executive to Executive Director w.e.f. June 24, 2020. Accordingly, the remuneration shown in the above table is shown from June 24, 2020 to March 31, 2021 and before that he has been paid professional fees.

The Non-Executive Directors of the Company are entitled for sitting fee/professional fees as per the statutory provisions of the Companies Act, 2013 and within the limits. The details of remuneration of Non-Executive Directors are provided in the Corporate Governance Report. The ratio of remuneration and percentage increase for Non-Executive Directors Remuneration is therefore not considered for the purpose above.

2. The median remuneration of employees of the Company during the financial year was ₹2,34,377/- per annum and ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year is provided in the above table.

3. The percentage change in the median remuneration of employees in the financial year 2020-21:

   In the financial year, there was an increase of 5.58% in the median remuneration of employees.

   As the Company is working in Infrastructure sector and major employees of the Company are young professional's & trade skill masters such as heavy & machine operators. Hence, the ratio of remuneration of each director to the median remuneration of the employees of the Company is generally high.

4. Number of permanent employees on the rolls of Company was 1,965 as on March 31, 2021.

   As a strategic move to improve the excellence & focus on the engineers & Managerial category staff, Company had stopped hiring of Labour and Driver category staff in Company Roll rather outsourcing them from Manpower Service providers, which helped in the less turnaround time and availability of ground force.

5. There is an increase of 4.81% in total gross salary of employees other than the managerial personnel during the financial year as compared to previous year due to annual appraisal's, while 8.94% decrease in total gross salary of managerial personnel during the financial year as compared to previous year due to exit and new joining of Managerial Personnel in financial year 2020-21 and overall paid salary has increased by 4.12 % in comparison to financial year 2020.

6. It is hereby affirmed that the remuneration paid is as per the Policy for Remuneration of the Directors, Key Managerial Personnel and other Employees.

(B) Information as per Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

a) Details of Top ten employees as per remuneration as on March 31, 2021:

S. No.	Employee Name	Designation, nature of Employment	Educational Qualification	Age (years)	Experience (Years)	Date of joining	Remuneration Paid* (Amount In ₹)	Previous Employer	Relation with Director or manager if any
01.	Mr. Harendra Singh	Chairman and Managing Director	BE (Civil)	54	27	21.01.2003	2,20,50,000	--	Brother of Vijendra Singh- Whole Time Director
02.	Mr. Vijendra Singh	Whole-time Director	Basic Education	56	29	21.01.2003	1,22,50,000	--	Brother of Harendra Singh- Managing Director
03.	Mr. Sanjay Bafna	Senior Vice President	Chartered Accountant	53	30	24.02.2020	86,56,074	Gateway Terminal Pvt. Ltd.	NA
04.	Mr. Vaibhav Choudhary	Project Controller	MBA	34	15	01.04.2009	85,75,000	--	Son of Mr. Girishpal Singh- Promoter
05.	Mr. Abhay Madhukar Paratkar	Assistant Vice President	BE (Civil)	53	29	29.01.2018	49,31,813	IL & FS	NA
06.	Mr. Sudhir Jain	Senior Vice President	BE (Civil)	58	32	06.09.2014	45,86,290	L&T & IDPL	NA
07.	Mr. Chetan Dhawan	Senior General Manager	Post-Graduation (Construction Management)	36	14	20.08.2018	44,07,344	Larsen & Tourbo Limited	NA
08.	Mr. Satish Kumar Sharma	Assistant Vice President	BE (Civil) & MBA	50	27	09.10.2010	40,28,293	ISOLAX	NA
09.	Mr. Vinod Kumar Agrawal	Assistant Vice President	ICWA & M.Com	54	34	03.12.2016	39,66,786	Kalpatru Group	NA
10.	Mr. Dharmender Chaudhary	Vice President	B. Com	51	28	01.01.2015	36,97,853	Samtex Fashions Ltd.	NA

*Annualized Remuneration comprises of salary (fixed and variable), allowances, perquisites/taxable value of perquisites and bonus.

Notes:

1. There are no Employees employed throughout the financial year or part thereof, was in receipt of remuneration in the 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 Whole-time Director or Manager and who holds by himself/herself or along with his/her spouse and dependent children, not less than two percent of the equity shares of the company.
2. No employee of the Company holds more than 2% paid up capital of the Company in terms of clause (iii) of rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

   b) (i) Employees specified at Sr. No. 1 and 2 was falling under criteria prescribed in Rule 5(2)(i) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

   (ii) No employee of the Company was falling under criteria prescribed in Rule 5(2)(ii) & 5(2)(iii) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Annexure VIII to Board's Report

BUSINESS RESPONSIBILITY REPORT

H.G. Infra Engineering Limited (HGIEL) is committed to fulfilling its economic, environmental and social responsibilities while conducting its business. The Company is conscious of its impact on the society within which it operates, and has systems to either eliminate or control any adverse impacts of its operations. The Business Responsibility Report (BRR) is prepared in accordance with the National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) released by the Ministry of Corporate Affairs, Government of India and in accordance with Regulation 34(2)(f) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. This Report provides a broad overview of the activities carried out by your Company against the nine principles outlined in the NVGs.

Section A: General Information about the Company

Disclosure			**Information**
Corporate Identity Number (CIN) of the Company			L45201RJ2003PLC018049
Name of the Company			H.G. Infra Engineering Limited
Registered address			14, Panchwati Colony Ratanada Jodhpur Rajasthan-342001
Website			www.hginfra.com
E-mail id			cs@hginfra.com
Financial Year reported			April 1, 2020 to March 31, 2021
Sector(s) that the Company is engaged in (industrial activity code-wise)			Your Company is engaged in construction of highways, bridges, flyover (under EPC and HAM mode), maintenance of roads & highways. The Company is also engaged in construction of water supply scheme. The Company has formed various Special Purpose Vehicle(s) ('SPVs') for implementation of projects awarded to it by various Government Agencies and National Highways Authority of India (NHAI)
Group*	**Class**	**Sub-class**	Description
452	4520	45203	Construction and maintenance of roads, rail-beds, bridges, tunnels, pipelines, and runways
List three key products/services that the Company manufactures/provides (as in balance sheet)			Construction of roads, bridges, flyover (under EPC and HAM mode), maintenance of roads, bridges, flyovers and other infrastructure contract works. Please refer to Company's website at (www.hginfra.com) for more details.
Number of locations where business activity is undertaken by the Company i. Number of International Locations (Provide details of major 5)			Nil
ii. Number of National Locations			The Company has built an extensive reach of 6 locations across length and breadth of the country. i) Rajasthan ii) Maharashtra iii) Haryana iv) Telangana v) Uttar Pradesh vi) Andhra Pradesh
Markets served by the Company			Local, State and National

*As per National Industrial Classification – Ministry of Statistics and Programme Implementation

Section B: Financial details of the Company

Disclosure	Information
Paid up Capital	651.71 million
Total Turnover	25,275 million
Total profit after taxes	2109.60 million
Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	The Company's total spending on CSR for the financial year 2020-21 is Rs. 50.85 million which is 2.41% of PAT. For more details refer **Annexure IV** to the Board's Report
List of activities in which expenditure in 4 above has been incurred	i) Promoting Education; ii) Promoting Health Care and Disaster Relief; iii) Rural Development Projects; iv) Setting up homes and shelters; and v) Environment sustainability and Animal welfare. For more details refer **Annexure IV** to the Board's Report

Section C: Other details

Disclosure	Information
Does the Company have any Subsidiary Company/ Companies?	Yes, the Company has following 4 wholly owned subsidiary as on March 31, 2021: i) Gurgaon Sohna Highway Private Limited ii) H.G. Ateli Narnaul Highway Private Limited iii) H.G. Rewari Ateli Highway Private Limited iv) H.G. Rewari Bypass Private Limited
Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	The Company encourages its subsidiaries to adopt its policies and practices.
Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	No

Section D: BR Information

1. Details of Director/Directors responsible for BR

Sr. No.	Particular	Disclosure	Information
A	Details of the Director/Director responsible for implementation of the BR policy/policies	DIN Number	00402458
		Name	Harendra Singh
		Designation	Chairman and Managing Director
B	Details of the BR head	DIN Number	00402458
		Name	Harendra Singh
		Designation	Chairman and Managing Director
		Telephone Number	0141-4106040
		E-mail ID	cs@hginfra.com

2. Principle-wise as per National Voluntary Guidelines (NVGs) BR Policy/Policies

The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These briefly are as follows:

P. No	Principle Name
P1	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability
P2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.
P3	Businesses should promote the well-being of all employees
P4	Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized
P5	Businesses should respect and promote human rights.
P6	Businesses should respect, protect and make efforts to restore the environment
P7	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.
P8	Businesses should support inclusive growth and equitable development.
P9	Businesses should engage with and provide value to their customers and consumers in a responsible manner.

(a) **Details of compliance (Reply in Y/N)**

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/policies for	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Policies formulated after internal consultation covering all functional areas.								
3	Does the policy conform to any national / international standards? If yes, specify? (50 words)	All the policies of the Company have been formulated conforming to applicable statutes/guidelines/rules/policies etc. issued by the Government of India. These policies are formulated, keeping in view industry practices and standards.								
4	Has the policy being approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed online?	https://www.hginfra.com/investors-relation.html#btn-gover								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	The policies have been communicated to relevant internal and external stakeholders, as applicable.								
8	Does the company have in-house Structure to implement the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	The policies have been evaluated internally.								

Note:

1. While there may not be formal consultation with all stakeholders, the relevant policies have evolved over a period of time by taking inputs from concerned internal stakeholders.
2. The spirit and content of the Code of Conduct and all the applicable laws and standards are captured in the policies articulated by the Company. The policies are based on and are in compliance with the applicable regulatory requirements.
3. As a process all the policies are noted by the Board. The Board authorizes Senior Officials of the Company to authenticate the policies and make necessary changes whenever required.
4. While the Company has not carried out independent audit of the policies, the internal audit function periodically looks at the implementation of the policies.

(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The company has not understood the principles	Not Applicable								
2	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3	The company does not have financial or manpower resources available for the task									
4	It is planned to be done within next 6 Months									
5	It is planned to be done within the next 1year									
6	Any other reason (please specify)									

3. Governance related to BR

(a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year

The Board of Directors of the Company assesses various initiatives forming part of the BR performance of the Company on an annual basis. The Corporate Social Responsibility Committee meets on a periodic basis to ensure implementation of the projects/programmes/activities to be undertaken in the field of CSR. Other relevant functions/ groups meet on a periodic basis to assess the BR performance.

(b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

Yes, the Company publishes Business Responsibility Report annually as a part of this Annual Report and the same can be accessed at https://www.hginfra.com/investors-relation.html#btn-annual

Section E- Principle wise Performance

Principle 1- Ethics, Transparency and Accountability

Sr. No.	Disclosures	Information
1.1	Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others?	The Policy covers the Company and directly/indirectly extends to Group Companies, Jointly Controlled Operations and Subsidiary Companies.
1.2	How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management?	In past financial year one stakeholder complaint was received and was resolved satisfactorily.

Principle 2- Provide Goods and Services that are safe and contribute to Sustainable Development

Sr. No.	Disclosures	Information
2.1	List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.	i) Construction; ii) Engineering; and iii) Infrastructure contract works.
2.2	For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional): (a) Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?	i) Engineering Design a. Use of fly ash in road construction; b. Cut length of steel is used in construction; c. Waste plastic is used in bituminous work for saving of bitumen; d. Use of LED fixtures at all the new projects is compulsory as per the client requirement; e. Use of solar panel for lighting arrangement at toll plaza. ii) Environmental Management Plan a. Rain water harvesting b. Tree plantation The Company takes necessary steps to ensure efficient use of the raw materials and goods required for execution of the projects including in relation to energy, water, raw material etc.
	(b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?	Not Applicable
2.3	Does the company have procedures in place for sustainable sourcing (including transportation)? (a) If yes, what percentage of your inputs was sourced sustainably?	We opt diversified sourcing strategy in material & services. For material procurement, we focused on centralized procurement of cost-effective quality products such as Cement, HSD, Steel, Aggregate, Sand, sand, GSB & Boulder etc. Transportation of aggregate is also been monitored & controlled by head office. Apart from that, all other general consumables & small value material, we procure locally at site. So as to fulfil social aspects as well. Apart from material, mostly Labor & service-related needs fulfilled locally so as to fulfill social aspect in loop.
2.4	Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? (a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?	As indicated in point 2.3 above, we consciously focused to source procurement of goods & services from medium & small vendors locally at the best where we can, so as to improve operational efficiency & saves transportation cost. Further manpower & other service-related requirement fulfilled by employing the local people from nearby location where our business operations exist. We provide all technical guidance to improve capacity & capability of local and small vendors.
2.5	Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%).	We are highly committed to reduce wastes and make efficient use of raw material during construction activities.

Principle 3- Employee Wellbeing and Safety

Sr. No.	Disclosures	Information
3.1	Please indicate the Total number of employees.	1965 as on March 31, 2021
3.2	Please indicate the Total number of employees hired on temporary/contractual/casual basis.	4146 as on March 31, 2021
3.3	Please indicate the Number of permanent women employees	20 as on March 31, 2021
3.4	Please indicate the Number of permanent employees with disabilities	Nil
3.5	Do you have an employee association that is recognized by management	No
3.6	What percentage of your permanent employees is members of this recognized employee association?	Not Applicable
3.7	Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment, discriminatory employment in the last financial year and pending, as on the end of the financial year.	Nil
3.8	What percentage of your under mentioned employees were given safety & skill up gradation training in the last year? (a) Permanent Employees (b) Permanent Women Employees (c) Casual/Temporary/Contractual Employees (d) Employees with Disabilities	 100% 100% 100% NA

Principle 4- Responsibility towards Stakeholders

Sr. no	Disclosures	Information
4.1	Has the company mapped its internal and external stakeholders? Yes/No.	Yes, the Company has identified 'Customers', 'Employees', 'Shareholders', 'Vendors/ Contractors' and 'Society' as its stakeholders and it understands the distinct requirement of its various stakeholders.
4.2	Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders?	Yes, a system of periodic reviews is being established to ensure that the necessary actions are taken as required.
4.3	Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders?	The Company has taken up a number of initiatives to meet the expectation of different stakeholders. A variety of projects have been initiated under the broad themes of education, healthcare, scholarship programs, rural development, community welfare etc., to engage beneficiaries and stakeholders.

Principle 5- Respect and Promote Human Rights

Sr. No.	Disclosures	Information
5.1	Does the policy of the company on human rights cover only the company or extend to the Group/ Joint Ventures/Suppliers/Contractors/NGOs/Others?	The policy covers the Company and directly/indirectly extends to group companies, Jointly Controlled Operations and subsidiary companies.
5.2	How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?	No stakeholder complaints, relating to human rights, have been received in the past financial year.

Principle 6- Environmental Policy

Sr. no	Disclosures	Information
6.1	Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others	The policy covers the company, as well as group companies, Jointly Controlled Operations and subsidiaries companies
6.2	Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N.	As per CPCB norms Periodic Environmental Monitoring is being conducted through an independent third party at all projects including camps, plant areas and other sensitive locations of projects. Till date, all the parameters including PM 10 & PM 2.5 have been found under the permissible limits set by pollution control board in all such audits. For strategies/ initiatives to address global environmental issues such as climate change, global warming, etc, we have built our project design with additional culverts, bridges and drains for the prevention from flooding and other environmental safeguard. Our Environment, Health and Safety (EHS) Policy is available on the Company's website at https://www.hginfra.com/investors-relation.html#btn-gover
6.3	Does the company identify and assess potential environmental risks? Y/N	Yes, HGIEL is very much conscious to incorporate the potential environmental risk in the Project EHS Plan and access the Mitigation measures and Impacts generated surrounding the work areas.
6.4	Does the company have any project related to Clean Development Mechanism? Also, if Yes, whether any environmental compliance report is filed?	HGIEL has adopted the Solar Energy system of electrification on settlement areas and street lights falls under the project alignment. Moreover, Six Monthly environmental compliance reports are also been prepared and submitted to the Pollution control boards and subsequent clients. HGIEL has adopted the practices of "Swatch Bharat Abhiyan" and each project is the part of this mission. Different events and acts have arranged near by the projects to aware the public.
6.5	Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N.	HGIEL has taken active initiatives to install / construct Rain water Harvesting system at a low laying area of Project alignments and all the lined and unlined drains are diverted towards the Harvesting pits to safeguard and raise of ground water level as a clean technology and energy efficiency system.
6.6	Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?	We have been ensuring that all our Plants and machines meet the required environmental norms and operate after due permission from state pollution boards. We have been strictly following Guidelines of NGT by using Dust Suppression Techniques, safe disposal of effluent material, and strict monitoring of pollution levels of our Plants etc. As per CPCB norms Periodic Environmental Monitoring is being conducted through an independent third party at all projects including camps, plant areas and other sensitive locations of projects. All the parameters including PM 10 & PM 2.5 are found under the permissible limits set by pollution control board in all such audits.
6.7	Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.	Nil

Principle 7- Responsible Advocacy of Regulatory Policies

Sr. no	Disclosures	Information
7.1	Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with.	The Company is the member of the following major Trade, Chamber/ Federations: i) Federation of Indian Chambers of Commerce & Industry ii) National Highways Builders Federation
7.2	Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)	Yes, we advocated various issues with the associations and we are in constant touch with the concerned for improvement upon the same.

Principle 8- Inclusive Growth and Equitable Development

Sr. no	Disclosures	Information
8.1	Does the company have specified programmes /initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.	Yes, Company has a well-crafted CSR policy in tune with Section 135 read with Schedule VII of the Companies Act, 2013. On the basis of needs of the community around the Projects, either observed or on the basis of requests, the initiatives for the benefit of society are chosen and implemented.
8.2	Are the programmes/projects undertaken through in-house team/ own foundation/external NGO/government structures/any other organization?	The company undertakes the programmes through co-ordination and collaboration between in-house team and agencies and entities as it deems suitable.
8.3	Have you done any impact assessment of your initiative?	No such impact assessment has been done.
8.4	What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?	Please refer **Annexure IV** to the Board's Report.
8.5	Have you taken steps to ensure that this community development initiative is successfully adopted by the community?	Yes

Principle 9- Customer Centric approach to Business

Sr. no	Disclosures	Information
9.1	What percentage of customer complaints/consumer cases are pending as on the end of financial year?	Nil
9.2	Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. / Remarks (additional information)	Not applicable
9.3	Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as on end of financial year?	No
9.4	Did your company carry out any consumer survey/ consumer satisfaction trends?	Not applicable

Financial Statements

Independent auditor's report

To the Members of **H.G. Infra Engineering Limited**

Report on the audit of the Standalone financial statements

Opinion

1. We have audited the accompanying standalone financial statements of H.G. Infra Engineering Limited ("the Company") which includes 3 jointly controlled operations consolidated on a proportionate basis (Refer Note 49 to the attached Standalone Financial Statements), which comprise the balance sheet as at March 31, 2021, and the statement of Profit and Loss (including Other Comprehensive Income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "standalone financial statements").

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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 the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and total comprehensive income (comprising of profit and other comprehensive income), changes in equity and its cash flows for the year then ended.

Basis for opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. 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 Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Estimation of contract cost and revenue recognition (Refer to note 1(f)(i), 2(d), 27 and 50 of the standalone financial statements) Contract revenue amounting to Rs. 25,035.77 Million for engineering, procurement and construction contracts which usually extends over a period of 2-3 years, contract prices are fixed and in some cases, subject to price variance clauses. The contract revenue is measured based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs. This method requires the Company to perform an initial assessment of total estimated cost and further, reassess the total construction cost at each reporting period end to determine the appropriate percentage of completion. We considered the estimation of construction contract cost as a key audit matter given the involvement of significant management judgement which has consequential impact on revenue recognition.	Our procedures over the recognition of construction revenue included the following: • Understood and evaluated the design and tested effectiveness of key internal financial controls, including those related to review and approval of estimated project cost and review of provision for estimated loss by the authorised representatives. • For sample of contracts, we obtained the percentage of completion calculations, agreed key contractual terms to the signed contracts, tested the mathematical accuracy of the cost to complete calculations and re-performed the calculation of revenue recognized during the year based on the percentage of completion. • For costs incurred to date, we tested samples to appropriate supporting documentation and performed cut off procedures. • To test the forecast cost to complete, we obtained the breakdown of costs forecasts and tested elements of the forecast by obtaining executed purchase orders and agreements, evaluating reasonableness of management's judgements and assumptions using past trends and comparing the estimated costs to the actual costs incurred for the similar completed projects. • Checked the related disclosures in the financial statements. Based on the above procedures performed, we considered the manner of estimation of contract cost and recognition of revenue to be reasonable.

Key audit matter	How our audit addressed the key audit matter
Valuation of accounts receivable (including contract assets) in view of risk of credit losses (Refer to the Note 1(k), 37(i), 6 and 10 – Trade receivables and Note 15(a) for contract assets). Accounts receivables is a significant item in the Company's standalone financial statements amounting to INR 9,229.50 Million as of March 31, 2021 and provision for impairment of receivables is an area which is influenced by management's estimates and judgment. The provision for impairment of receivables amounted to INR 230.24 million (No additional provision was recognised during the financial year 2020-21). The Company has a concentration of credit exposure on certain customers, which include government and private organisations as well where there are delays in collections due to various reasons. Further, there is a legal case with respect to one government organisation. The management has assessed the appropriateness of provisions recognised, as applicable, on receivables, basis factors such as the credit risk of the customer, status of the project, discussions with the customers and contractual terms. This involves significant judgement. Given the relative significance of these receivables to the standalone financial statements and the nature and extent of audit procedures involved to assess the recoverability of receivables (including contract assets), we determined this to be a key audit matter.	**Our audit incorporated the following procedures, among others regarding accounts receivable (including contract assets),** • Understanding, evaluating the design and testing the operating effectiveness of key controls in relation to determination of estimated credit loss. • Obtaining confirmation from parties, on a sample basis, with respect to outstanding balances. • Inquiry procedures with senior management of the Company regarding status of collectability of the receivable. • Review of correspondences with the customers. • Assessing the inputs used by the Management to determine the amount of allowances by considering factors such as credit risk of the customer, cash collections, past history and status of the project, and correspondence with customers. Based on our work as stated above, no significant deviations were observed in respect of management's assessment of valuation of accounts receivables (including contract assets).

Other Information

5. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Director's Report, Corporate Governance Report and Other Information included in the Annual Report but does not include the financial statements and our auditor's report thereon.

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

   In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the 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

6. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

7. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

8. 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.

9. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism 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 Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
   - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
   - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
   - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

10. 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.

11. 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.

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

Other Matter

13. We did not audit the standalone financial statements of 3 jointly controlled operations included in the standalone financial statements of the Company, which constitute total assets of Rs 46.04 Million and net assets of Rs 5.43 Million as at March 31, 2021, total revenue of Rs. 81.48 Million, total comprehensive income (comprising of profit and other comprehensive income) of Rs 0.57 Million and net cash flows amounting to Rs 0.07 Million for the year then ended on that date, as considered in the standalone financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion on the standalone financial statements insofar as it relates to the amounts and disclosures included in respect of these jointly controlled operations and our report in terms of sub-section (3) of Section 143 of the Act including report on Other Information insofar as it relates to the aforesaid jointly controlled operations is based solely on the reports of the other auditors.

    Our opinion on the standalone financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors.

Report on other legal and regulatory requirements

14. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

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

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

(c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and Cash Flow Statement dealt with by this Report are in agreement with the books of account of the company and jointly controlled operations.

(d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act.

(e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

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

i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 44 to the financial statements.

ii. The Company has long-term contracts as at March 31, 2021 for which there were no material foreseeable losses. The Company did not have any derivative contracts as at March 31, 2021.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2021.

16. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

For Price Waterhouse & Co Chartered Accountant
Firm Registration Number: 304026E/E-300009

Nitin Khatri
Partner
Membership Number: 110282
UDIN: 21110282AAAACB5500

Place: Mumbai
Date: May 12, 2021

For Shridhar & Associates
Firm Registration Number: 134427W

Abhishek Pachlangia
Partner
Membership Number: 120593
UDIN: 21120593AAAAAV1918

Place: Mumbai
Date: May 12, 2021

Annexure A to Independent Auditors' Report

Referred to in paragraph 15(f) of the Independent Auditors' Report of even date to the members of H.G. Infra Engineering Limited on the standalone financial statements for the year ended March 31, 2021

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls with reference to financial statements of H.G. Infra Engineering Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date. Reporting under clause (i) of sub-section 3 of section 143 of the Act in respect of the adequacy of the internal financial controls with reference to financial statements is not applicable to 3 jointly controlled operations.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. 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 with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

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

5. 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

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

Inherent Limitations of Internal Financial Controls with reference to financial statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, 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 statements to future periods are subject to the risk that the internal financial control controls with reference to financial statements may

become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

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

For Price Waterhouse & Co Chartered Accountant
Firm Registration Number: 304026E/E-300009

Nitin Khatri
Partner
Membership Number: 110282
UDIN: 21110282AAAACB5500

Place: Mumbai
Date: May 12, 2021

For Shridhar & Associates
Firm Registration Number: 134427W

Abhishek Pachlangia
Partner
Membership Number: 120593
UDIN: 21120593AAAAAV1918

Place: Mumbai
Date: May 12, 2021

Annexure B to Independent Auditors' Report

Referred to in paragraph 14 of the Independent Auditors' Report of even date to the members of H.G. Infra Engineering Limited on the standalone financial statements as of and for the year ended March 31, 2021

i a. The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.

b. The fixed assets of the Company have been physically verified by the Management during the year and no material discrepancies have been noticed on such verification. In our opinion, the frequency of verification is reasonable.

c. The title deeds of immovable properties, as disclosed in Note 3(a) on fixed assets to the financial statements, are held in the name of the Company.

ii. The physical verification of inventory have been conducted at reasonable intervals by the Management during the year. The discrepancies noticed on physical verification of inventory as compared to book records were not material.

iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.

iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of the loans and investments made, and guarantees and security provided by it. Also refer note xx of the standalone financial statements.

v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.

vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products.

We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

vii(a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of income tax though there has been a slight delay in a few cases and is regular in depositing the undisputed statutory dues, including provident fund, employees' state insurance, income tax, goods and service tax and professional tax, as applicable, with the appropriate authorities. Also refer note 44(b) to the financial statements regarding management's assessment on certain matters relating to provident fund.

(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of sales-tax, service-tax, duty of customs, duty of excise, value added tax or goods and services tax which have not been deposited on account of any dispute. The particulars of dues of income tax as at March 31, 2021 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs. In Million)	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax	8.15	2013-14	Income Tax Appellate Tribunal

viii. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank as at the balance sheet date.

ix. In our opinion, and according to the information and explanations given to us, the moneys raised by way of term loans have been applied for the purposes for which they were obtained. The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments).

x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.

xi. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

Also refer paragraph 16 of our main audit report.

xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.

xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act.

xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.

xv. The Company has not entered into any non cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.

xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For Price Waterhouse & Co Chartered Accountant
Firm Registration Number: 304026E/E-300009

Nitin Khatri
Partner
Membership Number: 110282
UDIN: 21110282AAAACB5500

Place: Mumbai
Date: May 12, 2021

For Shridhar & Associates
Firm Registration Number: 134427W

Abhishek Pachlangia
Partner
Membership Number: 120593
UDIN: 21120593AAAAAV1918

Place: Mumbai
Date: May 12, 2021

Standalone Balance Sheet

as at March 31, 2021

(Amount in Rs. Millions)

Particulars	Notes	As at March 31, 2021	As at March 31, 2020
ASSETS			
Non-current assets			
Property, plant and equipment	3 (a)	4,794.55	4,758.41
Right-of-use assets	3 (b)	10.44	33.72
Capital work-in-progress	3 (a)	18.07	111.37
Intangible assets	4	25.69	32.20
Financial assets			
i. Investment	5	2,612.12	908.25
ii. Trade receivables	6	40.70	32.81
iii. Other financial assets	7	118.05	197.14
Deferred tax assets (Net)	35 (b)	95.48	86.91
Non-current tax assets	35 (e)	1.84	9.31
Other non-current assets	8	48.02	44.74
Total non-current assets		**7,764.96**	**6,214.86**
Current assets			
Inventories	9	1,680.08	1,055.30
Financial assets			
i. Trade receivables	10	6,534.38	8,077.87
ii. Cash and cash equivalents	11	1,399.48	239.82
iii. Bank balances other than (ii) above	12	1,184.70	904.59
iv. Loans	13	49.86	74.40
v. Other financial assets	14	39.73	109.60
Contract assets	15 (a)	2,654.42	3,508.31
Other current assets	16	499.12	500.16
Total current assets		**14,041.77**	**14,470.05**
Total assets		**21,806.73**	**20,684.91**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	17	651.71	651.71
Other equity			
Reserves and surplus	18	9,670.40	7,564.33
Total equity		**10,322.11**	**8,216.04**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
i. Borrowings	19	944.90	640.32
ii. Lease liabilities	3 (b)	1.06	6.88
iii. Trade payables	20	838.33	788.66
Employee benefit obligations	21	24.87	10.14
Total non-current liabilities		**1,809.16**	**1,446.00**
Current liabilities			
Financial liabilities			
i. Borrowings	22	1,322.13	1,912.15
ii. Lease liabilities	3 (b)	10.57	30.17
iii. Trade payables			
(a) total outstanding dues of micro and small enterprises	23	13.45	100.86
(b) total outstanding dues other than (iii) (a) above	23	4,132.47	5,336.07
iv. Other financial liabilities	24	672.92	1,260.67
Contract liabilities	15 (b)	3,236.13	2,088.56
Employee benefit obligations	25	82.74	75.07
Current tax liabilities	35 (d)	73.79	47.67
Other current liabilities	26	131.26	171.65
Total current liabilities		**9,675.46**	**11,022.87**
Total liabilities		**11,484.62**	**12,468.87**
Total equity and liabilities		**21,806.73**	**20,684.91**

The above standalone balance sheet should be read in conjunction with the accompanying notes.
As per our report of even date.

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration No. 304026E / E-300009

Nitin Khatri
Partner
Membership Number: 110282

For Shridhar & Associates
Firm Registration Number: 134427W

Abhishek Pachlangia
Partner
Membership Number: 120593

Place: Mumbai
Date : May 12, 2021

For and on behalf of the Board of Directors
H. G. Infra Engineering Limited
CIN: L45201RJ2003PLC018049

Harendra Singh
Chairman and Managing Director
DIN: 00402458

Rajeev Mishra
Chief Financial Officer

Place: Jaipur
Date : May 12, 2021

Ankita Mehra
Company Secretary
Membership No: A33288

Standalone Statement of Profit and Loss

for the year ended March 31, 2021

(Amount in Rs. Millions)

Particulars	Notes	Year ended March 31, 2021	Year ended March 31, 2020
Revenue from operations	27	25,275.00	21,961.42
Other income	28	154.28	141.04
Total income		**25,429.28**	**22,102.46**
Expenses			
Cost of materials consumed	29	11,856.52	8,926.41
Contract and site expenses	30	7,951.83	8,137.15
Employee benefits expense	31	1,092.60	1,113.80
Finance costs	32	595.55	523.57
Depreciation and amortisation expense	33	844.29	756.26
Other expenses	34	267.35	364.74
Total expenses		**22,608.14**	**19,821.93**
Profit before tax		**2,821.14**	**2,280.53**
Income tax expense			
- Current tax	35 (a)	718.92	624.39
- Deferred tax	35 (a)	(7.38)	(1.08)
Total tax expense		**711.54**	**623.31**
Profit after tax		**2,109.60**	**1,657.22**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurements of post-employment benefit obligations		(4.72)	8.08
Income tax relating to these items		1.19	(2.03)
Other comprehensive income for the year		**(3.53)**	**6.05**
Total comprehensive income for the year		**2,106.07**	**1,663.27**
Earnings per equity share of Rs.10 each	48		
Basic earnings per share (Amount in Rs.)		32.37	25.43
Diluted earnings per share (Amount in Rs.)		32.37	25.43

The above standalone balance sheet should be read in conjunction with the accompanying notes.
As per our report of even date.

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration No. 304026E / E-300009

Nitin Khatri
Partner
Membership Number: 110282

For Shridhar & Associates
Firm Registration Number: 134427W

Abhishek Pachlangia
Partner
Membership Number: 120593

Place: Mumbai
Date : May 12, 2021

For and on behalf of the Board of Directors
H. G. Infra Engineering Limited
CIN: L45201RJ2003PLC018049

Harendra Singh
Chairman and Managing Director
DIN: 00402458

Rajeev Mishra
Chief Financial Officer

Place: Jaipur
Date : May 12, 2021

Ankita Mehra
Company Secretary
Membership No: A33288

Standalone Cash Flow Statement

for the year ended March 31, 2021

(Amount in Rs. Millions)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
A) Cash flow from operating activities		
Profit before tax	2,821.14	2,280.53
Adjustments for:		
Depreciation and amortisation expense	844.29	756.26
Interest income from financial assets at amortised cost	(65.94)	(66.76)
Loss allowances on trade receivable	-	145.00
Net loss on disposal of property, plant and equipment	10.93	4.51
Finance costs	595.55	523.57
Operating profit before working capital changes	**4,205.97**	**3,643.11**
Changes in working capital:		
Decrease / (increase) in trade receivables	1,535.60	(2,012.01)
(Increase) / decrease in inventories	(624.78)	105.67
Decrease / (increase) in contract assets	853.89	(1,912.80)
Decrease / (increase) in other current assets	1.04	(76.13)
Decrease / (increase) in other non current financial assets	21.43	(24.67)
Decrease in other current financial assets	69.87	20.40
Decrease in other non current assets	1.50	47.88
(Decrease) / increase in trade payables	(1,241.34)	2,231.72
Increase in contract liabilities	1,147.57	1,216.01
Increase / (decrease) in other current financial liabilities	0.04	(5.00)
(Decrease) / increase in other current liabilities	(29.82)	118.87
Increase / (decrease) in employee benefit obligations	17.68	(71.52)
Cash generated from operations	**5,958.65**	**3,281.53**
Income taxes paid (Net of refunds)	(685.34)	(731.78)
Net cash generated from operating activities	**5,273.31**	**2,549.75**
B) Cash flow from investing activities		
Investment in a subsidiary	(1,703.87)	(708.25)
Payment for property, plant and equipment	(976.99)	(1,030.61)
Payment for Intangible assets	(0.23)	-
Sale of property, plant and equipment	111.70	99.37
Fixed deposits (placed) / redemption of fixed deposits (net)	(222.45)	13.82
Interest received	65.94	66.76
Loan given / repayment received (net)	24.54	(61.49)
Net cash used in investing activities	**(2,701.36)**	**(1,620.40)**

Standalone Cash Flow Statement

for the year ended March 31, 2021

(Amount in Rs. Millions)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
C) Cash flow from financing activities		
Proceeds from long term borrowings	1,083.45	1,967.29
(Repayment) of long term borrowings	(1,278.55)	(2,184.66)
Proceeds from short term borrowings (net)	(129.68)	271.62
(Repayment) of loans taken from directors	(586.02)	(461.45)
Loans taken from directors	125.67	278.56
Dividend paid to Company's shareholders (including dividend distribution tax of Rs. Nil (March 31, 2020 Rs. 6.70 million))	-	(39.29)
Principal elements of lease payments	(33.81)	(20.10)
Finance cost paid	(593.35)	(531.49)
Net cash used in financing activities	**(1,412.29)**	**(719.52)**
Net increase in cash and cash equivalents	**1,159.66**	**208.83**
Cash and cash equivalents as at the beginning of the year	239.82	30.99
Cash and cash equivalents at the end of the year	**1,399.48**	**239.82**
Reconciliation of cash and cash equivalents		
Cash and cash equivalents comprise of the following:		
Cash on hand	3.47	3.78
Bank balance on current account	1,396.01	236.04
Total	**1,399.48**	**239.82**
Non cash investing activities		
- Acquisition of right-of-use of assets (Refer note 3(b))	8.39	57.15

The above statement of cash flow should be read in conjunction with the accompanying notes.

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration No. 304026E / E-300009

Nitin Khatri
Partner
Membership Number: 110282

For Shridhar & Associates
Firm Registration Number: 134427W

Abhishek Pachlangia
Partner
Membership Number: 120593

Place: Mumbai
Date : May 12, 2021

For and on behalf of the Board of Directors
H. G. Infra Engineering Limited
CIN: L45201RJ2003PLC018049

Harendra Singh
Chairman and Managing Director
DIN: 00402458

Rajeev Mishra
Chief Financial Officer

Place: Jaipur
Date : May 12, 2021

Ankita Mehra
Company Secretary
Membership No: A33288

Standalone statement of changes in equity

for the year ended March 31, 2021

A. Equity share capital

(Amount in Rs. Millions)

Particulars	Amount
As at March 31, 2019	651.71
Changes in equity share capital	-
As at March 31, 2020	**651.71**
Changes in equity share capital	-
As at March 31, 2021	**651.71**

B. Other equity

(Amount in Rs. Millions)

Particulars	Attributable to owners of H.G. Infra Engineering Limited		
	Reserves and surplus		Total other equity
	Securities premium reserve	Retained earnings	
As at April 1, 2019	2,694.47	3,245.88	5,940.35
Profit for the year	-	1,657.22	1,657.22
Items that will not be reclassified to profit or loss			
Add: Remeasurements of post-employment benefit obligations	-	8.08	8.08
Less: Income tax relating to these items	-	(2.03)	(2.03)
Total comprehensive income for the year	**-**	**1,663.28**	**1,663.28**
Less: Dividend paid	-	(32.59)	(32.59)
Less: Dividend distribution tax	-	(6.70)	(6.70)
As at March 31, 2020	**2,694.47**	**4,869.86**	**7,564.33**
Profit for the year	-	2,109.60	2,109.60
Items that will not be reclassified to profit or loss			
Add: Remeasurements of post-employment benefit obligations	-	(4.72)	(4.72)
Less: Income tax relating to these items		1.19	1.19
Total comprehensive income for the year	**-**	**2,106.07**	**2,106.07**
Less: Dividend paid	-	-	-
Less: Dividend distribution tax	-	-	-
As at March 31, 2021	**2,694.47**	**6,975.93**	**9,670.40**

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration No. 304026E / E-300009

Nitin Khatri
Partner
Membership Number: 110282

For Shridhar & Associates
Firm Registration Number: 134427W

Abhishek Pachlangia
Partner
Membership Number: 120593

Place: Mumbai
Date : May 12, 2021

For and on behalf of the Board of Directors
H. G. Infra Engineering Limited
CIN: L45201RJ2003PLC018049

Harendra Singh
Chairman and Managing Director
DIN: 00402458

Rajeev Mishra
Chief Financial Officer

Place: Jaipur
Date : May 12, 2021

Ankita Mehra
Company Secretary
Membership No: A33288

Notes to the Standalone financial statements

as of and for the year ended March 31, 2021

Background

H.G. Infra Engineering Limited ("the Company") is a public limited Company listed on the Bombay Stock Exchange and National Stock Exchange on March 9, 2018. Its registered office is at 14, Panchwati Colony, Ratanada, Jodhpur – 342001, Rajasthan, India.

The Company is engaged in Engineering, Procurement and Construction (EPC), Maintenance of roads, bridges, flyovers and other infrastructure contract works.

These financial statements were authorized to be issued by the board of directors on May 12, 2021.

Note 1: Significant Accounting Policies

This note provides a list of the significant accounting policies adopted in the preparation of these standalone financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of preparation

(i) Compliance with Ind AS

The financial statements of the Company comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) read with Rule 4 of the Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act.

(ii) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:

- Certain financial assets and financial liabilities measure at fair value; and
- Defined benefit plans - plan assets measured at fair value

(ii) New and amended standards adopted by the Company

The Company has applied the following amendment to Ind AS for the first time for their annual reporting period commencing 1 April 2020:

- Definition of Material – amendments to Ind AS 1 and Ind AS 8
- The amendment listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

(b) Operating Cycle

Assets and liabilities are classified as current if it is expected to realize or settle within 12 months after the balance sheet date.

(c) Joint control operation

The Company recognises its direct right to the assets, liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been incorporated in the financial statements under the appropriate headings. Details of the joint operation are set out in note 49.

(d) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM). The Managing Director of the Company has been identified as CODM and he assesses the financial performance and position of the Company, and makes strategic decisions. Refer note 39 for segment information.

(e) Foreign currency translation

(i) Functional and presentation currency

Items included in the standalone financial statements of the entity are measured using the currency of the primary economic environment in which the entity operates (`the functional currency'). The standalone financial statements are presented in Indian rupee, which is Companies functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognized in profit or loss.

(f) Revenue recognition

The Company derives revenue principally from following streams:

- Construction contracts
- Sale of Services (Operation and Maintenance contracts)

(i) Construction contracts

The Company recognises revenue from engineering, procurement and construction contracts ('EPC') over the period of time, as performance obligations are satisfied over time due to continuous transfer of control to the customer. EPC contracts are generally accounted for as a single performance obligation as it involves complex integration of goods and services.

The performance obligations are satisfied over time as the work progresses. The Company recognises revenue using

Notes to the Standalone financial statements

as of and for the year ended March 31, 2021

input method (i.e percentage-of-completion method), based primarily on contract cost incurred to date compared to total estimated contract costs. Changes to total estimated contract costs, if any, are recognised in the period in which they are determined as assessed at the contract level. If the consideration in the contract includes price variation clause or there are amendments in contracts, the Company estimates the amount of consideration to which it will be entitled in exchange for work performed.

Due to the nature of the work required to be performed on many of the performance obligations, the estimation of total revenue and cost of completion is complex, subject to many variables and requires significant judgment. Variability in the transaction price arises primarily due to liquidated damages, price variation clauses, changes in scope, incentives, if any. The Company considers its experience with similar transactions and expectations regarding the contract in estimating the amount of variable consideration to which it will be entitled and determining whether the estimated variable consideration should be constrained. The Company includes estimated amounts in the transaction price to the extent it is probable that a significant reversal of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is resolved. The estimates of variable consideration are based largely on an assessment of anticipated performance and all information (historical, current and forecasted) that is reasonably available.

Progress billings are generally issued upon completion of certain phases of the work as stipulated in the contract. Billing terms of the over-time contracts vary but are generally based on achieving specified milestones. The difference between the timing of revenue recognised and customer billings result in changes to contract assets and contract liabilities. Payment is generally due upon receipt of the invoice, payable within 90 days or less. Contractual retention amounts billed to customers are generally due upon expiration of the contract period.

The contracts generally result in revenue recognised in excess of billings which are presented as contract assets on the statement of financial position. Amounts billed and due from customers are classified as receivables on the statement of financial position. The portion of the payments retained by the customer until final contract settlement is not considered a significant financing component since it is usually intended to provide customer with a form of security for Company's remaining performance as specified under the contract, which is consistent with the industry practice. Contract liabilities represent amounts billed to customers in excess of revenue recognised till date. A liability is recognised for advance payments and it is not considered as a significant financing component because it is used to meet working capital requirements at the time of project mobilisation stage. The same is presented as contract liability in the statement of financial position.

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by management.

For construction contracts the control is transferred over time and revenue is recognised based on the extent of progress towards completion of the performance obligations. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately. The percentage of completion was calculated according to the nature and the specific risk of each contract in order to reflect the effective completion of the project. This percentage of completion could be based on technical milestones or as per the contractual terms specified. A construction contract is considered completed when the last technical milestone is achieved, which occurs upon contractual transfer of ownership of the asset.

(ii) Sale of Services (Operation and Maintenance contracts)

Revenue from providing operating and maintenance services is recognised in the accounting period in which the services are rendered. Invoices are issued according to contractual terms and are usually payable as per the credit period agreed with the customer.

(iii) Interest income

Interest income from financial assets at fair value through profit or loss is disclosed as interest income within other income. Interest income on financial assets at amortised cost using the effective interest method is recognised in the statement of profit and loss as part of other income.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

(iv) Other income

All other income is accounted on accrual basis when no significant uncertainty exist regarding the amount that will be received.

(g) Income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Company measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses / tax credits only if it is probable that future taxable amounts will be available to utilise those temporary differences.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

(h) Leases

As a lessee

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable and
- payments of penalties for terminating the lease, if the lease term reflects the Company exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Company:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by Company, which does not have recent third party financing, and makes adjustments specific to the lease, e.g. term, country, currency and security.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Payments associated with short-term leases of equipment and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture.

(i) Impairment of non-financial assets

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount

Notes to the Standalone financial statements

as of and for the year ended March 31, 2021

by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

(j) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

(k) Trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Company holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance.

(l) Inventories

Inventories are stated at lower of cost and net realizable value.

Cost of raw material, stores and spare parts and construction materials includes cost of purchases and other cost incurred in bringing the inventories to the present location and condition. Cost is determined using weighted average method.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to complete the contract.

(m) 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.

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument.

Financial Assets:

Classification

The Company classifies its financial assets in the following measurement categories:

- those measured subsequently at fair value (either through other comprehensive income, or through profit or loss) and
- those measured at amortized cost.
- The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

Initial recognition and measurement

Financial assets are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through Statement of Profit or Loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed of in the Statement of Profit or Loss.

Subsequent measurement

After initial recognition, financial assets are measured at:

- fair value (either through other comprehensive income, or through profit or loss)
- amortized cost

When assets are measured at fair value, gains and losses are either recognised in the statement of profit and loss (i.e. fair value through profit or loss (FVTPL)), or recognised in other comprehensive income (i.e. fair value through other comprehensive income (FVOCI)).

(i) Financial assets measured at amortised cost:

Assets that are held for collecting contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in financial income using effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gain/(losses).

(i) Financial assets measured at Fair Value through Other Comprehensive Income ("FVTOCI"):

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent

solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains of losses, interest income and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in other income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in statement of profit and loss.

(i) Financial assets measured at Fair Value through Profit or Loss ("FVTPL"):

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

Debt instruments

Subsequent measurement of debt instruments depends on the Company business model for managing the asset and the cash flow characteristics of the asset. Debt instrument are classified as amortised cost instruments.

Impairment of Financial Assets

The Company assesses on a forward looking basis the expected credit losses (ECL) associated with its financial assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 37(i) details how the Company determines whether there has been a significant increase in credit risk.

For trade receivables (including contract assets), the Company applies the simplified approach required by Ind AS 109, which requires lifetime ECL to be recognised as loss allowances.

Derecognition of Financial Assets

A financial asset is derecognized only when:

- the Company has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognized. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognized.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognized if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognized to the extent of continuing involvement in the financial asset.

Financial Liabilities:

Initial recognition and measurement

Financial liabilities are initially measured at its fair value plus or minus, in the case of a financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the issue/origination of the financial liability.

Subsequent Measurement

Financial liabilities are classified as measured at amortized cost. Financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in statement of profit and loss. Any gain or loss on derecognition is also recognized in statement of profit and loss.

Derecognition

A financial liability is derecognized when the obligation specified in the contract is discharged, cancelled or expires. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss as other gains/(losses).

(n) Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount is reported in the Balance Sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

(o) Property, plant and equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Depreciation methods, estimated useful lives and residual value

Depreciation is provided on a pro-rata basis on the written down value (WDV) / Straight Line Method (SLM) over the estimated useful lives of the assets, based on technical evaluation done by management's expert, which are higher than those specified by Schedule II to the Companies Act, 2013, in order to reflect the actual usage of the assets. The useful life, residual value and the depreciation method are reviewed at least at each financial year end. If the expectations differ from previous estimates, the changes are accounted for prospectively as a change in accounting estimate.

The management estimates useful lives of the tangible fixed assets as follows:

Particulars	Life in year	Depreciation method
• Building	60	SLM
• Plant and machinery	20/15	WDV
• Shuttering	5	SLM
• Computers	3	SLM
• Furniture and fixtures	10	SLM
• Vehicles	8	WDV

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains/ (losses). (Also refer note 2(a)).

(p) Intangible assets

Costs associated with maintaining software programmes are recognised as an expense as incurred.

Purchases costs are recorded as intangible assets and amortised from the point at which the asset is available for use.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of its intangible assets measured as per the previous GAAP and use that carrying value as the deemed cost of the intangible assets.

Amortisation methods and periods

The Company amortises intangible assets with a finite useful life using the straight-line method over the following periods:

Particulars	Life in year	Depreciation method
• Computer Software	6	SLM

(q) Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. The amounts are unsecured. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period.

(r) Borrowings

Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in profit or loss over the period of the borrowings using the effective interest method.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

(s) Provisions and contingent liabilities

Provisions

Provisions are recognised when Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Contingent liabilities

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company, or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

(t) Employee benefits

(i) Short term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(ii) Other long term employee benefit obligations

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognized in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the company does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

(iii) Post-employment obligations

The company operates the following post-employment schemes.

- Defined benefit plan i.e. gratuity
- Defined contribution plans such as provident fund, superannuation etc.

Gratuity obligations

The liability or asset recognized in the balance sheet in respect of defined benefit gratuity plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss as past service cost.

Defined contribution plans

The company pays contribution to defined contribution schemes such as provident fund etc. The company has no further payment obligation once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognized as employee benefit expense when they are due.

Bonus plans

The Company recognises a liability and an expense for bonuses. The Company recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

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(u) Contributed equity

Equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(v) Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

(w) Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- The profit attributable to owners of the company
- By the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

(x) Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest million as per the requirement of Schedule III, unless otherwise stated.

Note 2: Critical estimates and judgments

The preparation of the financial statements requires use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgment in applying the Company's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgments or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgments is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

The areas involving critical estimates or judgments are:

(a) Estimation of useful life of Property, plant and equipment

The Company estimates the useful life of the Property, plant and equipment as mentioned in Note 1(o) above, which is based on the expected technical obsolescence of such assets. However, the actual useful life may be shorter or longer than the life estimated, depending on technical innovations and competitor actions.

(b) Estimation of defined benefit obligation

The cost of the defined benefit gratuity plan and other post-employment employee benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. 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. The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation. The mortality rate is based on publicly available Indian Assured Lives Mortality (2012-14) Ultimate. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for the respective countries. Refer note 42 for key actuarial assumptions.

(c) Estimation of fair value of level 3 financial instruments

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Company uses its judgment to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. Refer note 36 on fair value measurements where the assumptions and methods to perform the same are stated.

(d) Revenue recognition for construction contract

Refer note 1(f) and note 50

(e) Impairment of trade receivables (including Contract Assets) – Refer note 1(k) and 6,10, 15(a) and 37(i)

Notes to the Standalone Financial statements

as at and for the year ended March 31, 2021

Note 3 (a) - Property, plant and equipment

(Amount in Rs. Millions)

Particulars	Freehold Land	Building	Plant and Machinery	Vehicles	Computers	Furnitures and fixtures	Total	Capital work -in-progress
Year ended March 31, 2020								
Gross carrying amount								
Opening gross carrying amount	**133.46**	**161.02**	**5,505.62**	**141.01**	**29.86**	**135.24**	**6,106.21**	**51.38**
Additions	-	-	939.92	49.94	6.55	7.50	1,003.91	149.97
Disposals / Capitalisation	-	-	(212.07)	-	-	-	(212.07)	(89.98)
Closing gross carrying amount	**133.46**	**161.02**	**6,233.47**	**190.95**	**36.41**	**142.74**	**6,898.05**	**111.37**
Accumulated depreciation								
Opening accumulated depreciation	**-**	**9.53**	**1,400.74**	**63.25**	**14.49**	**33.37**	**1,521.38**	**-**
Depreciation charge during the year	-	2.45	672.66	31.50	8.07	11.77	726.45	-
Disposals	-	-	(108.19)	-	-	-	(108.19)	-
Closing accumulated depreciation	**-**	**11.98**	**1,965.21**	**94.75**	**22.56**	**45.14**	**2,139.64**	**-**
Net carrying amount as on March 31, 2020	**133.46**	**149.04**	**4,268.26**	**96.20**	**13.85**	**97.60**	**4,758.41**	**111.37**
Year ended March 31, 2021								
Gross carrying amount								
Opening gross carrying amount	**133.46**	**161.02**	**6,233.47**	**190.95**	**36.41**	**142.74**	**6,898.05**	**111.37**
Additions	9.63	7.62	901.90	26.19	10.84	19.02	975.20	222.93
Disposals / Capitalisation	-	(3.15)	(263.03)	(5.52)	-	(0.02)	(271.72)	(316.23)
Closing gross carrying amount	**143.09**	**165.49**	**6,872.34**	**211.62**	**47.25**	**161.74**	**7,601.53**	**18.07**
Accumulated depreciation								
Opening accumulated depreciation	**-**	**11.98**	**1,965.21**	**94.75**	**22.56**	**45.14**	**2,139.64**	**-**
Depreciation charge during the year	-	2.53	746.53	31.67	8.55	16.60	805.88	-
Disposals	-	(0.22)	(134.03)	(4.29)	-	-	(138.54)	-
Closing accumulated depreciation	**-**	**14.29**	**2,577.71**	**122.13**	**31.11**	**61.74**	**2,806.98**	**-**
Net carrying amount as on March 31, 2021	**143.09**	**151.20**	**4,294.63**	**89.49**	**16.14**	**100.00**	**4,794.55**	**18.07**

Notes:

1) Refer capital commitments Note 46 (a) for disclosure of contractual commitment for acquisition of property, plant and equipment.

2) Refer note 43 for information on property, plant and equipment hypothecated and mortgaged as security by the Company.

3) Capital work-in-progress mainly comprises of Plant and Machinery.

Notes to the Standalone financial statements

as of and for the year ended March 31, 2021

Note 3 (b) - Leases

(i) Amounts recognised in Balance sheet

The balance sheet shows following amounts relating to leases:

(Amount in Rs. Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
Right- of use- assets		
Land	10.44	16.36
Building	-	5.20
Plant and machinery	-	12.16
	10.44	**33.72**

(Amount in Rs. Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
Lease Liabilities		
Current	10.57	30.17
Non -current	1.06	6.88
	11.63	**37.05**

(ii) Amounts recognised in the statement of profit and loss

The statement of profit and loss shows following amounts relating to leases:

(Amount in Rs. Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
Depreciation of right-of-use assets		
Land	14.31	12.16
Building	5.20	6.41
Plant and machinery	12.16	4.86
	31.67	**23.43**

(Amount in Rs. Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
Finance cost		
Interest and finance charges on lease liabilities	1.80	2.95
Other expenses		
Lease rent	33.42	33.77
	35.22	**36.72**

The total cash outflow for the leases for the year ended March 31, 2021 was Rs. 35.61 Million (March 31, 2020 Rs. 23.05 Million).
Acquistion of right-of-use of assets for the year ended March 31, 2021 was Rs. 8.39 Million (March 31, 2020 Rs. 57.15 Million).

Notes to the Standalone financial statements

as of and for the year ended March 31, 2021

Note 4 - Intangible assets

(Amount in Rs. Millions)

Software License	Amount
Year ended March 31, 2020	
Gross Carrying Amount	
Opening Gross Carrying Amount	**39.77**
Additions	4.49
Disposals	-
Closing Gross Carrying Amount	**44.26**
Accumulated amortisation	
Opening Accumulated amortisation	**5.68**
Amortisation Charge for the year	6.38
Disposals	-
Closing Accumulated amortisation	**12.06**
Net Carrying Amount as on March 31, 2020	**32.20**
Year ended March 31, 2021	
Gross Carrying Amount	
Opening Gross Carrying Amount	**44.26**
Additions	0.23
Disposals	-
Closing Gross Carrying Amount	**44.49**
Accumulated amortisation	
Opening Accumulated amortisation	**12.06**
Amortisation Charge for the year	6.74
Disposals	-
Closing Accumulated Depreciation	**18.80**
Net Carrying Amount as on March 31, 2021	**25.69**

Notes to the Standalone financial statements

as of and for the year ended March 31, 2021

Note 5 - Investment

(Amount in Rs. Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
Non current investment		
Investment in equity instruments (Fully paid-up)		
Investments in subsidiary (unquoted Investments - cost) *		
61,980,000 (March 31, 2020 : 52,450,000) equity shares of Gurgaon Sohna Highway Private Limited	656.04	524.50
38,225,000 (March 31, 2020 : 38,225,000) equity shares of HG Rewari Ateli Highway Private Limited	382.25	382.25
95,211,000 (March 31, 2020 : 150,000) equity shares of HG Ateli Narnaul High-way Private Limited	952.11	1.50
913,335 (March 31, 2020 : Nil) equity shares of HG Rewari Bypass Private Limited	413.70	-
Investments in instruments entirely equity in nature**		
Investment in optionally convertible unsecured loan of HG Rewari Ateli Highway Private Limited	149.25	-
Investment in optionally convertible unsecured loan of HG Ateli Narnaul Highway Private Limited	58.77	-
	2,612.12	**908.25**
Aggregate amount of unquoted investments	**2,612.12**	**908.25**

* The Company secures contracts by submitting bids in response to tenders in terms of which it is required to form Special Purpose Vehicle (SPV) Companies (subsidiary Companies) to execute the awarded projects. As at March 31, 2021 the company has 4 SPV's (March 31, 2020 3 SPV's) as above.

** **Terms of optionally convertible unsecured loan**

The SPVs have a sole option / discretion to convert loan's in whole to equity shares at any time during the tenure of loan. If the conversion is exercised, loans shall be converted into a fixed number of equity shares at a fixed price of Rs. 10 each. The equity shares derived from the conversion of the loan's shall rank pari passu with the existing Shares of the SPVs with respect to all rights therein and the Company shall have the same rights in respect of such Shares as the other Shares held by the existing Shareholder/(s). Further, the SPVs have a sole option / discretion to redeem loans in whole at any time during the tenor of the loan's.

Note 6 - Trade receivables

(Amount in Rs. Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
Non current trade receivables		
Trade receivables from contract with customers	65.43	57.54
Less: Loss allowance (Refer note 37(i))	(24.73)	(24.73)
	40.70	**32.81**

Note: Non current trade receivables represent long term retentions related to construction contracts.

Notes to the Standalone financial statements

as of and for the year ended March 31, 2021

(Amount in Rs. Millions)

Break-up of security details:	As at March 31, 2021	As at March 31, 2020
Trade receivables considered good – Secured	-	-
Trade receivables considered good – Unsecured	40.70	32.81
Trade receivables which have significant increase in credit risk	24.73	24.73
Trade receivables – credit impaired	-	-
Total	**65.43**	**57.54**
Less: Loss allowance	(24.73)	(24.73)
	40.70	**32.81**

Refer Note 37 (i) for movement of loss allowance and credit risk.

Note 7 - Other financial assets

(Amount in Rs. Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
Other non current financial assets		
Margin money deposits	85.22	142.88
Security deposits	12.56	20.43
Deposits with government authorities	20.27	33.83
	118.05	**197.14**

Note: Margin money deposits represent fixed deposits made by the Company against bank guarantee.

Note 8 - Other non current assets

(Amount in Rs. Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
Advances to related parties (Refer note 41)	-	0.99
Capital advances	32.15	27.37
Advances other than capital advances		
Balances with government authorities	15.87	16.38
	48.02	**44.74**

Note 9 - Inventories

(Amount in Rs. Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
Project materials [(including material in transit amounts to Rs. 84.15 Million) (March 31, 2020 Rs. 24.99 Million)]	1,426.85	852.86
Stores and Spares	253.23	202.44
	1,680.08	**1,055.30**

Note 10 - Trade receivables

(Amount in Rs. Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
Trade receivables from contract with customers	5,877.90	6,757.91
Trade receivables from contract with customers - related parties (Refer note 41)	850.99	1,514.47
Less: Loss allowance (Refer note 37(i))	(194.51)	(194.51)
	6,534.38	**8,077.87**

Note:Trade receivables include retentions of Rs. 2,188.35 Million (March 31, 2020 Rs. 1,836.73 Million) related to construction contracts.

Certain retention money receivables which are contractually due after one year however which can be released early on submission of bank guarantee have been considered as current considering the past history and management expectation.

Notes to the Standalone financial statements

as of and for the year ended March 31, 2021

(Amount in Rs. Millions)

Break-up of security details:	As at March 31, 2021	As at March 31, 2020
Trade receivables considered good – Secured	-	-
Trade receivables considered good – Unsecured	6,534.38	8,077.87
Trade receivables which have significant increase in credit risk	194.51	194.51
Trade receivables – credit impaired	-	-
Total	**6,728.89**	**8,272.38**
Less: Loss allowance	(194.51)	(194.51)
	6,534.38	**8,077.87**

Refer Note 37 (i) for movement of loss allowance and credit risk.

Note 11 - Cash and cash equivalents

(Amount in Rs. Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
Balances with banks		
- In current accounts	1,145.99	236.04
Deposits with original maturity of less than three months	250.02	-
Cash on hand	3.47	3.78
	1,399.48	**239.82**

Note 12 - Bank balances other than cash and cash equivalents

(Amount in Rs. Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
Margin money deposit	1,184.70	904.59
	1,184.70	**904.59**

Note: Margin money deposit represent fixed deposits made by the Company against bank guarantee.

Note 13 - Loans

(Amount in Rs. Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
Loan to Subsidiary (Refer note 41 and 47)	43.90	68.25
Loan to employees	5.96	6.15
	49.86	**74.40**

(Amount in Rs. Millions)

Break-up of security details:	As at March 31, 2021	As at March 31, 2020
Loan considered good – Secured	-	-
Loan considered good – Unsecured	49.86	74.40
Loan which have significant increase in credit risk	-	-
Loan – credit impaired	-	-
Total	**49.86**	**74.40**
Less: Loss allowance	-	-
	49.86	**74.40**

Notes to the Standalone financial statements

as of and for the year ended March 31, 2021

Note 14 - Other Financial Assets

(Amount in Rs. Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
Capital advance refund receivable	-	109.60
Other receviable against deferred guarantee commission income (Refer Note 41)	33.74	-
Other (Refer Note 41)	5.99	-
	39.73	**109.60**

Note 15 (a) - Contract assets

(Amount in Rs. Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
Contract assets	2,665.42	3,519.31
Less: Loss allowance (Refer note 37(i))	(11.00)	(11.00)
	2,654.42	**3,508.31**

Note 15 (b) - Contract liabilities

(Amount in Rs. Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
Contract liabilities (Refer note 50)	3,236.13	2,088.56
	3,236.13	**2,088.56**

Note: Contract liabilities include interest accrued but not due of Rs. Nil Million (March 31, 2020 Rs. 2.52 Million) on mobilisation advances taken by the company.

Significant changes in contract assets and liabilities

Contract assets have decreased as the Company has provided fewer services ahead of the agreed payment schedules for construction contracts. The Company also recognised a loss allowance for contract assets in accordance with Ind AS 109. Contract liabilities have increased as the Company has received mobilisation advance for new projects.

Note 16 - Other current assets

(Amount in Rs. Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
Advances to suppliers	79.72	39.37
Advance to sub contractor	21.85	1.29
Other advances		
Prepayments	125.67	124.92
Advance to employees	2.50	1.92
Goods and Services Tax (GST) recoverable	269.38	332.66
	499.12	**500.16**

Note 17 - Equity share capital

(Amount in Rs. Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
Authorised :		
80,000,000 (March 31, 2020 : 80,000,000) Equity Shares of Rs. 10 each	800.00	800.00
Issued		
65,171,111 (March 31, 2020 : 65,171,111) Equity Shares of Rs. 10 each	651.71	651.71
Subscribed and Paid up		
65,171,111 (March 31, 2020 : 65,171,111) Equity Shares of Rs. 10 each	651.71	651.71
	651.71	**651.71**

Notes to the Standalone financial statements

as of and for the year ended March 31, 2021

Note 17 - Equity share capital (Contd..)

(a) Movement in equity share capital

Particulars	FY 2020-21		FY 2019-20	
	Number of Shares	Amount	Number of Shares	Amount
Balance as at the beginning of the year	6,51,71,111	651.71	6,51,71,111	651.71
Add: Shares issued during the year	-	-	-	-
Balance as at the end of the year	**6,51,71,111**	**651.71**	**6,51,71,111**	**651.71**

(b) Terms and rights attached to equity shares

The Company has a single class of equity shares. Accordingly, all equity rank equally with regard to dividends and share in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to its share of the paid-up equity capital that has not been paid. On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.

(c) Details of shareholders holding more than 5% shares in the Company

Equity shares	Number of Shares	% holding
Shri Hodal Singh	4,83,88,683	74.25%
(As at March 31, 2020)	(61,73,076)	(9.47%)
Shri Girishpal Singh	100	0.00%
(As at March 31, 2020)	(1,25,11,932)	(19.20%)
Shri Vijendra Singh	100	0.00%
(As at March 31, 2020)	(1,17,41,568)	(18.02%)
Shri Harendra Singh	100	0.00%
(As at March 31, 2020)	(1,43,97,633)	(22.09%)
L&T Mutual Fund Trustee Limited-L&T Emerging Businesses Fund	30,92,052	4.74%
(As at March 31, 2020)	(40,48,116)	(6.21%)
Nippon Life India Trustee Ltd-A/C Nippon India Small Cap Fund	35,60,260	5.46%
(As at March 31, 2020)	(35,55,334)	(5.46%)

(d) There are no shares allotted as fully paid up pursuant to contracts without being received in cash since incorporation.

(e) There are no shares which are reserved to be issued under options and there are no securities issues / outstanding which are convertible into equity shares.

Notes to the Standalone financial statements

as of and for the year ended March 31, 2021

Note 18 - Other Equity

(Amount in Rs. Millions)

Particulars		As at March 31, 2021	As at March 31, 2020
Reserves and surplus			
Securities premium		2,694.47	2,694.47
Retained earnings		6,975.93	4,869.86
		9,670.40	**7,564.33**
a) Securities premium			
Opening balance		2,694.47	2,694.47
Closing balance	**(a)**	**2,694.47**	**2,694.47**
b) Retained Earnings			
Opening balance		4,869.86	3,245.88
Net profit for the year		2,109.60	1,657.22
Less: Dividend paid		-	(32.59)
Less: Dividend distribution tax		-	(6.70)
Items of other comprehensive income recognised directly in retained earnings			
- Remeasurements of post-employment benefit obligations, net of tax		(3.53)	6.05
Closing balance	**(b)**	**6,975.93**	**4,869.86**
Total other equity	**(a+b)**	**9,670.40**	**7,564.33**

Nature and purpose of reserves

Securities premium reserve

"Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013."

Note 19 - Borrowings

(Amount in Rs. Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
Non current borrowings		
Secured :		
Term loans		
Banks (Refer note 19.1)	606.41	339.14
Financial institutions (Refer note 19.1)	323.23	277.03
Vehicle loan		
Banks (Refer note 19.1)	13.15	20.91
Financial institutions (Refer note 19.1)	2.11	3.24
	944.90	**640.32**

Refer note 37 (ii) for liquidity risk management and Refer note 43 for Assets pledged as security

Notes to the Standalone financial statements

as of and for the year ended March 31, 2021

Note 19 - Borrowings (Cntd...)

19.1 The details of rate of interest and repayment term loans are as under :

(Amount in Rs. Millions)

S. No.	Particulars	Number of loans outstanding as at		Amount outstanding as at		Interest range % per annum	Frequency of installments	Installments commencing from - to	
		March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020			March 31, 2021	March 31, 2020
1	Secured - term loan from banks	450	463	980.98	886.27	7.17% to 14.00%	Monthly	Dec 17 to May 24	Feb. 17 to Feb. 23
2	Secured - term loan from financial institution	150	365	551.97	830.33	7.05% to 9.80%	Monthly	Nov 18 to Feb 24	April 17 to Nov 22
3	Vehicles loans - from bank	38	84	31.61	41.77	7.65% to 9.61%	Monthly	July 18 to Jan 24	Oct 16 to Feb 23
4	Vehicles loans - from financial institution	1	2	3.24	4.53	8.75%	Monthly	Dec 19 to Nov 23	Aug 17 to Nov 23

Secured term loans from banks and financial institution

a) All term loans have been obtained for financing the asset purchased and are secured by hypothecation of specific assets purchased out of loan, comprising Plant and Machinery and Constructions Equipment.

Secured motor car vehicles loans from banks and financial institution

a) All motor car vehicles loans are secured by hypothecation of specific vehicles financed though the loan arrangements.

Note 20 - Trade payable

(Amount in Rs. Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
Non-current trade payable		
(a) Trade payables: micro and small enterprises	-	-
(b) Trade payables: others	838.33	788.66
(c) Trade payables to related parties	-	-
	838.33	**788.66**

Notes to the Standalone financial statements

as of and for the year ended March 31, 2021

Note 21 - Employee benefit obligations

(Amount in Rs. Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
Non current employee benefit obligations		
Gratuity (Refer note 42)	24.87	10.14
	24.87	**10.14**

Note 22 - Borrowings

(Amount in Rs. Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
Current borrowings		
Loans repayable on demand		
Secured		
Cash credit facility*	568.02	722.90
Unsecured		
Loans from directors (Refer note 41)**	-	460.35
Payable under MSMED trade receivable discounting system (TReDS)	754.11	728.90
	1,322.13	**1,912.15**

***Cash Credit facilities availed from banks are secured by :**

Nature of Security

Cash Credit facility availed from all Banks secured by:

a) First Pari Passu charge in favour of the Bank by way of Hypothecation of the Company's entire stocks of raw materials, consumable stores spares including book debts.

b) All the bank are secured by exclusive charge on the entire movable and immovable assets of the Company (Present and Future) save and excepts assets exclusively financed by other lenders.

c) All the bank loans are secured by equitable mortgage of land and equipments mentioned in the property as per the collateral agreement.

d) All the bank loans are collaterally secured by unconditional and irrevocable personal guarantees of the promotees.

**Loan from Directors is repayable on demand and is interest free.

Notes to the Standalone financial statements

as of and for the year ended March 31, 2021

Note 23 - Trade payables

(Amount in Rs. Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
Trade payables		
(a) Trade payables: micro and small enterprises	13.45	100.86
(b) Trade payables: others	4,119.20	5,327.98
(c) Trade payables to related parties (Refer note 41)	13.27	8.09
	4,145.92	5,436.93

Note: Trade Payable represent amount retained as per the terms of contract.

Note - Dues from micro and small enterprises

Following disclosures required for Micro, Small and Medium Enterprises Development Act, 2006 has been determined on the basis of information available with the company.

(Amount in Rs. Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
(a) The principal amount remaining unpaid to supplier as at the end of accounting year	8.96	97.21
(b) The interest due thereon remaining unpaid to supplier as at the end of accounting year.	-	-
(c) The amount of interest paid in terms of section 16, along with the amounts of the payment made to the supplier beyond the appointed day during the year	-	-
(d) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act.	-	-
(e) The amount of interest accrued during the year and remaining unpaid at the end of the accounting year	0.84	-
(f) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure.	3.65	3.65

Note 24 - Other financial liabilities

(Amount in Rs. Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
Other current financial liabilities		
Secured		
Current maturities of long-term debts		
Term loans		
Banks (Refer note 19.1)*	374.57	547.13
Financial institutions (Refer note 19.1)*	228.74	553.30
Vehicle loan		
Banks (Refer note 19.1)*	18.46	20.86
Financial institutions (Refer note 19.1)*	1.13	1.29
Interest accrued but not due	6.72	4.52
Capital creditors	43.25	133.56
Other payables	0.05	0.01
	672.92	**1,260.67**

*Refer note 43 for Assets pledged as security

Notes to the Standalone financial statements

as of and for the year ended March 31, 2021

Note 25 - Employee benefit obligations

(Amount in Rs. Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
Short term employee benefit obligations		
Employee benefits payable	69.43	69.25
Leave obligations (Refer note 42)	13.31	5.82
	82.74	**75.07**

Note 26 - Other current liabilities

(Amount in Rs. Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
Payroll taxes	5.59	6.43
Statutory tax payables	89.35	144.29
Advance received for sale of goods	1.53	1.06
Advance received for sale of property, plant and equipments	8.86	19.41
Excess contribution from JV partner	1.16	0.46
Deferred guarantee commission income	24.77	-
	131.26	**171.65**

Note 27 - Revenue from operations

(Amount in Rs. Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
Revenue from contracts with customers (Refer note 50)		
Construction contracts	25,035.77	21,793.70
Sale of services (Operation and maintenance contracts)	239.23	167.72
	25,275.00	**21,961.42**

Note 28 - Other income

(Amount in Rs. Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
Interest income from financial assets at amortised cost	65.94	66.76
Rental income (Refer note 45)	5.98	6.32
Miscellaneous income	82.36	67.96
	154.28	**141.04**

Note 29 - Cost of materials consumed

(Amount in Rs. Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
Construction material, stores and spares		
Opening stock at the beginning of the year	1,055.30	1,160.97
Add: Purchases during the year	12,481.30	8,820.74
Less: Closing stock at the end of the year	(1,680.08)	(1,055.30)
	11,856.52	**8,926.41**

Notes to the Standalone financial statements

as of and for the year ended March 31, 2021

Note 30 - Contract and site expenses

(Amount in Rs. Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
Sub contracting expenses	6,689.02	7,010.29
Indirect taxes (Labour cess and road tax expenses etc.)	288.33	201.16
Insurance expenses	39.06	42.39
Contract labour charges	9.65	89.74
Hire charges for machinery and others (Refer note 52)	255.09	286.24
Site and other direct expenses	468.92	367.84
Repairs and maintenance - plant and machinery	130.10	89.57
Technical consultancy	71.66	49.92
	7,951.83	**8,137.15**

Note 31 - Employee benefit expenses

(Amount in Rs. Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
Salaries, wages and bonus	878.05	887.63
Contribution to provident and other funds (Refer note 42)	35.26	43.78
Gratuity (Refer note 42)	11.39	17.91
Staff welfare expenses	167.90	164.48
	1,092.60	**1,113.80**

Note 32 - Finance costs

(Amount in Rs. Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
Interest on :		
Term loan	127.30	166.88
Working capital loan	200.96	167.87
Other borrowing cost	219.23	115.76
Bank charges	28.53	34.72
Interest on late payment of micro and small enterprises	0.84	-
Interest and finance charges on lease liabilities	1.80	2.95
Interest on late payment of Income tax	16.89	35.39
	595.55	**523.57**

Note 33 - Depreciation and amortisation expense

(Amount in Rs. Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
Depreciation of property, plant and equipment (Refer note 3(a))	805.88	726.45
Depreciation of right-of-use assets (Refer note 3(b))	31.67	23.43
Amortisation of intangible assets (Refer note 4)	6.74	6.38
	844.29	**756.26**

Notes to the Standalone financial statements

as of and for the year ended March 31, 2021

Note 34 - Other expenses

(Amount in Rs. Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
Repairs and maintenance - others	25.93	22.85
Rates and taxes	12.60	14.26
Sitting fees	1.67	1.33
Lease rent (Refer note 52 and 3 (b))	33.42	33.77
Payment to auditors (Refer note (a) below)	9.42	6.64
Advertisement and business promotion	16.65	11.56
Travelling and conveyance	14.47	22.30
Corporate social responsibility expenditure (Refer note (b) below)	50.85	14.17
Legal and professional fees	20.34	27.17
Electricity expenses	22.03	9.87
Printing and stationery	11.15	9.36
Loss allowances (Refer note 37 (i))	-	145.00
Telephone and communication	8.07	9.05
Net foreign exchange differences	-	2.92
Net loss on disposal of property, plant and equipment	10.93	4.51
Miscellaneous expenses	29.82	29.98
	267.35	364.74

(a) Payment to auditors ((Net of GST of Rs. 1.70 Millions (Previous year: Rs. 1.20 Millions))

(Amount in Rs. Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
Audit Fees	6.68	4.51
Certification fees	2.48	1.29
Reimbursements of expenses	0.26	0.84
Total payments to auditors	9.42	6.64

(b) Corporate social responsibility expenditure

(Amount in Rs. Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
Amount required to be spent as per Section 135 of the Act	35.80	26.16
Amount spent during the year on		
(i) Construction/acquisition of an asset	-	-
(ii) On purposes other than (i) above	50.85	14.17

Notes to the Standalone financial statements

as of and for the year ended March 31, 2021

Note 35 - Taxation

35 (a) - Income tax expense

(Amount in Rs. Millions)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Current tax		
Current tax on profits for the year	728.00	625.19
Adjustment for current tax of prior periods	(9.08)	(0.80)
Total current tax expense	**718.92**	**624.39**
Deferred tax		
(Increase) / decrease in deferred tax assets	13.35	(6.78)
Increase / (decrease) in deferred tax liabilities	(20.73)	5.70
Total deferred tax expense / (benefit)	**(7.38)**	**(1.08)**
Income tax expense	711.54	623.31

Other comprehensive income

(Amount in Rs. Millions)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Deferred tax on other comprehensive income	1.19	(2.03)
	1.19	**(2.03)**

35 (b) - Deferred tax assets (net)

The balance comprises temporary differences attributable to

(Amount in Rs. Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
Disallowance under Section 43B of Income Tax Act, 1961	9.61	4.02
Loss Allowance for trade receivable	57.95	57.95
Disallowances section 40(a)(ia) of Income Tax Act, 1961	1.64	3.65
Expenditure on initial public offer (IPO)	9.79	19.58
Indexation on land	3.88	3.43
Timing difference between balance as per Income Tax Act, 1961 and book balance for fixed assets	9.68	-
Deferred tax assets arising on lease liabilities	2.93	9.33
Total deferred tax assets	**95.48**	**97.96**
Timing difference between balance as per Income Tax Act, 1961 and book balance for fixed assets	-	(11.05)
Total deferred tax liabilities	**-**	**(11.05)**
Net deferred tax assets	**95.48**	**86.91**

Movement in deferred tax assets

(Amount in Rs. Millions)

Particulars	As at April 1, 2019	(Charged)/ credited to profit and loss	(Charged)/ credited to OCI	Year ended March 31, 2020
Disallowance under section 43B of Income Tax Act, 1961	15.48	(13.50)	2.03	4.02
Loss allowance for trade receivable	29.79	28.16	-	57.95
Disallowance under section 40(a)(ia) of Income Tax Act, 1961	-	3.65	-	3.65
Expenses on issue of Initial Public Offer (IPO)	40.76	(21.18)	-	19.58
Indexation on land	3.11	0.32	-	3.43
Deferred tax assets arising on lease liabilities	-	9.33	-	9.33
Total deferred tax assets	**89.14**	**6.78**	**2.03**	**97.96**

(Amount in Rs. Millions)

Particulars	As at April 1, 2020	(Charged)/ credited to profit and loss	(Charged)/ credited to OCI	Year ended March 31, 2021
Disallowance under section 43B of Income Tax Act, 1961	4.02	4.40	1.19	9.61
Loss allowance for trade receivable	57.95	(0.00)	-	57.95
Disallowance under section 40(a)(ia) of Income Tax Act, 1961	3.65	(2.01)	-	1.64
Expenses on issue of Initial Public Offer (IPO)	19.58	(9.79)	-	9.79
Indexation on land	3.43	0.45	-	3.88
Deferred tax assets arising on lease liabilities	9.33	(6.40)	-	2.93
Total deferred tax assets	**97.96**	**(13.35)**	**1.19**	**85.80**

Movement in deferred tax liabilities

(Amount in Rs. Millions)

Particulars	As at April 1, 2019	(Charged)/ credited to profit and loss	(Charged)/ credited to OCI	Year ended March 31, 2020
Timing difference between balance as per Income Tax Act, 1961 and book balance for fixed assets	5.35	5.70	-	11.05
Total deferred tax liabilities	**5.35**	**5.70**	**-**	**11.05**

(Amount in Rs. Millions)

Particulars	As at April 1, 2020	(Charged)/ credited to profit and loss	(Charged)/ credited to OCI	Year ended March 31, 2021
Timing difference between balance as per Income Tax Act, 1961 and book balance for fixed assets	11.05	(20.73)	-	(9.68)
Total deferred tax liabilities	**11.05**	**(20.73)**	**-**	**(9.68)**

Notes to the Standalone financial statements

as of and for the year ended March 31, 2021

35 (c) - Reconciliation of tax expense and accounting profit multiplied by statutory tax rates

(Amount in Rs. Millions)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Profit before income tax expense	**2,821.14**	**2,280.53**
Statutory tax rate applicable to the Company	25.17%	25.17%
Tax expense at applicable tax rate	**710.02**	**573.96**
Tax effects of amounts which are not deductible (taxable) in calculating taxable income:		
Corporate social responsibility expenditure	12.80	3.57
Donation	0.58	4.22
Interest on late payment of income tax	4.25	9.09
Profit of jointly controlled operations	0.31	0.28
Indexation on land	(0.44)	(0.33)
Deduction for Section 80JJAA as per Income tax Act, 1961	(7.48)	-
Interest payable to micro and small enterprises	0.21	-
Adjustment for current tax of prior period	(9.08)	(0.80)
Effect of change in tax rates	-	32.10
Others	0.37	1.22
Income tax expense	**711.54**	**623.31**

35 (d) - Current tax liabilities

(Amount in Rs. Millions)

liabilities	As at March 31, 2021	As at March 31, 2020
Opening Balance	47.67	154.72
Add: Additional income tax provision	727.70	626.94
Less: Income tax adjustment for earlier years	(11.35)	(0.80)
Less: Income tax paid	(690.23)	(733.19)
Closing balance	**73.79**	**47.67**

35 (e) - Income tax asset

(Amount in Rs. Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
Opening Balance	9.31	11.01
Add: Advance tax paid/ (refund received)	(4.89)	(1.42)
Less: Income tax adjustment for earlier years	(2.27)	-
Less: Income tax provision created during the year	(0.31)	(0.28)
Closing balance	**1.84**	**9.31**

Notes to the Standalone financial statements

as of and for the year ended March 31, 2021

Note 36 - Fair Value Measurements

(i) Financial instruments by category

(Amount in Rs. Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
Financial assets - Amortised cost		
Investment*	-	-
Trade receivables (net of loss allowance)	6,575.08	8,110.68
Cash and cash equivalents	1,399.48	239.82
Bank balances other than cash and cash equivalents	1,184.70	904.59
Loans	49.86	74.40
Capital advance refund receivable	39.73	109.60
Margin money deposits	85.22	142.88
Security deposits	12.56	20.43
Deposits with government authorities	20.27	33.83
Total financial assets	**9,366.90**	**9,636.23**
Financial liabilities - Amortised cost		
Borrowings	2,889.93	3,675.05
Trade payables	4,984.25	6,225.59
Interest accrued	6.72	4.52
Capital creditors	43.25	133.56
Other payables	0.05	0.01
Lease liability	11.63	37.05
Total financial liabilities	**7,935.83**	**10,075.78**

* Investments in subsidiaries classified as equity investments have been accounted at historical cost. Since these are scope out of Ind AS 109 for the purposes of measurement, the same have not been disclosed in the tables above.

(ii) Fair value hierarchy

This section explains the judgments and estimates made in determining the fair values of the financial instruments that are measured at amortised cost and for which fair values are disclosed in the financial statements.

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes instruments like listed equity instruments, traded bonds and mutual funds that have quoted price.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the counter derivatives etc) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Notes to the Standalone financial statements

as of and for the year ended March 31, 2021

(iii) Fair value of financial instruments measured at amortised cost - Level 3

(Amount in Rs. Millions)

Particulars	As at March 31, 2021		As at March 31, 2020	
	Carrying value	Fair value	Carrying value	Fair value
Financial assets				
Margin Money deposits	85.22	83.20	142.88	141.93
Total financial assets	**85.22**	**83.20**	**142.88**	**141.93**
Financial liabilities				
Borrowings	944.90	964.95	640.32	645.73
Lease Liability	1.06	1.08	6.88	6.33
Total financial liabilities	**945.96**	**966.03**	**647.20**	**652.06**

The carrying amounts of short term loans, trade receivables, cash and cash equivalents, loans, bank balances other than cash and cash equivalents, security deposits, unbilled revenue, deposit with government authorities, other receivables, trade payables, current borrowings, current maturities of long term borrowings, interest accrued, capital creditors, lease liability and other payables are considered to be the same as their fair values due to their short-term nature.

Note 37 - Financial Risk Management

The Company's activities expose it to a variety of financial risks namely credit risk, liquidity risk and market risk. The Company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance.

(i) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Financial instruments that are subject to credit risk and concentration thereof principally consist of trade receivables, contract assets, security deposits and cash and cash equivalents.

"Management makes the assessment of the credit risk on trade receivables and contract assets considering the customer profile. Customers of the company mainly consists of the government promoted entities and some large private corporates. In case of government customers which forms the majority of the revenue, credit risk is low.

Considering the nature of business, each contract and its customer is evaluated for the purpose of assessment of allowances. The reasons for allowances could be recovery of claims, disputes with customer, customers ability to pay, delays in approval by government authorities, and expected time to recover the amount. Management makes an assessment considering facts of each contract, past trends, terms of the contract and accordingly considers the need for allowances, if any."

The following table gives details in respect of percentage of revenue generated from government promoted agencies and highly rated corporate:

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Revenue from government promoted agencies	73%	71%
Revenue from private corporates	27%	29%
	100%	**100%**

The Company secured contracts by submitting bids in response to tenders in terms of which it is required to form Special Purpose Vehicle (SPV) Companies (subsidiary Companies) to execute the awarded projects. As at March 31, 2021 the company has 4 SPV's (As at March 31, 2020 the company has 3 SPV's) who have received contracts from government promoted agencies and revenue related to SPV's for work executed by the Company has been grouped in Revenue from government promoted agencies.

Notes to the Standalone financial statements

as of and for the year ended March 31, 2021

Note 37 - Financial Risk Management (Contd..)

The movement in allowance for expected credit loss on trade receivables and contract assets is as below:

(Amount in Rs. Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
Opening balance	230.24	85.24
Changes in loss allowances		
Additions	-	145.00
Closing Balance	**230.24**	**230.24**

Maturity analysis of trade receivable including contract assets as on March 31, 2021

(Amount in Rs. Millions)

Ageing	0 - 180 days	181 - 365 days	More than 365 days	Total
Trade Receivables- Related Parties	**850.99**	**-**	**-**	**850.99**
Trade Receivables- Others	5,070.13	410.57	462.63	5,943.33
Contract Assets	1,997.10	245.06	423.26	2,665.42
Total	**7,918.22**	**655.63**	**885.89**	**9,459.74**
Loss Provision	-	-	230.24	230.24
Net Trade receivables	**7,918.22**	**655.63**	**655.65**	**9,229.50**

Maturity analysis of trade receivable including contract assets as on March 31, 2020

(Amount in Rs. Millions)

Ageing	0 - 180 days	181 - 365 days	More than 365 days	Total
Trade Receivables- Related Parties	**1,514.47**	**-**	**-**	**1,514.47**
Trade Receivables- Others	5,594.48	691.20	529.77	6,815.45
Contract Assets	2,904.31	158.50	456.50	3,519.31
Total	**10,013.26**	**849.70**	**986.27**	**11,849.23**
Loss Provision	-	-	230.24	230.24
Net Trade receivables	**10,013.26**	**849.70**	**756.03**	**11,618.99**

Note on recoverability of amount due from certain trade receivables

The Company has long outstanding dues amounting to Rs. 869.20 Million (as at March 31, 2020 Rs. 1,216.97 Million) from certain customers which due to liquidity issues have remain unpaid. There is no dispute on the said balances and balances have been confirmed by the parties. The Company is very actively engaged with them for recovery of the said balance. Based on the latest discussions, correspondences exchanges, evaluation of the credit profile of the customer, the Company has considered a provision of Rs. 230.24 Million (for the year ended March 31, 2020 Rs. 230.24 Million) towards the said balances.

The Company has started arbitration as per the terms of the contract with a customer towards recovery of outstanding claims and the arbitrator has given the award in favour of the Company. However, the arbitrator also accepted a counter claim of the customer amounting to Rs. 111.70 Million (as at March 31, 2020 Rs. 111.70 Million) which according to the management is not justified and has been subsequently challenged in the High Court. Based on the management assessment, which is also supported by the legal opinion, the counter claim of Rs. 111.70 Million (as at March 31, 2020 Rs. 111.70 Million) appears to be against public policy, expected to result in favor of the Company and accordingly the possibility of an outflow of resources is assessed to be remote and hence the same has not been disclosed as contingent liability.

Notes to the Standalone financial statements

as of and for the year ended March 31, 2021

Note 37 - Financial Risk Management (Contd..)

(ii) Liquidity risk

Liquidity defined is as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. Company's objective is to, at all time maintain optimum levels of liquidity to meet its financial obligations. The Company manages liquidity risk by maintaining sufficient cash and cash equivalents and by having access to funding through an adequate amount of committed credit lines. In addition, processes and policies related to such risks are overseen by senior management.

Maturities of financial liabilities

The table summarises the maturity profile of company's financial liabilities based on contractual undiscounted payments:

(Amount in Rs. Millions)

Particulars	Carrying Amount	Less than 1 year	1 - 3 Years	Total
As at March 31, 2021				
Borrowings	2,889.93	1,945.03	944.90	**2,889.93**
Interest payable	6.72	166.24	243.64	**409.88**
Trade payables	4,984.25	4,145.92	838.33	**4,984.25**
Capital creditors	43.25	43.25	-	**43.25**
Other payables	0.05	0.05	-	**0.05**
Lease liabilities	11.63	10.57	1.06	**11.63**
"Financial guarantee contracts *"	11,408.10	-	-	**-**
		6,311.06	**2,027.93**	**8,338.99**

(Amount in Rs. Millions)

Particulars	Carrying Amount	Less than 1 year	1 - 3 Years	Total
As at March 31, 2020				
Borrowings	3,219.22	2,578.90	640.32	**3,219.22**
Interest payable	4.52	117.35	65.78	**183.13**
Loan from Directors	460.35	460.35	-	**460.35**
Trade payables	6,225.60	5,436.94	788.66	**6,225.60**
Capital creditors	133.56	133.56	-	**133.56**
Other payables	0.01	0.01	-	**0.01**
Lease liabilities	37.05	30.17	6.88	**37.05**
Financial guarantee contracts *	**9,208.10**	-	-	**-**
		8,757.28	1,501.64	**10,258.92**

* Guarantee issued by the Company to the bankers on behalf of Gurgaon Sohna Highway Private Limited, HG Ateli Narnaul Highway Private Limited, HG Rewari Ateli Highway Private Limited and H.G. Rewari Bypass Private Limited, subsidiary Companies is with respect to limits availed by them . These amounts will be payable in case of default by the subsidiary Companies. As of the reporting date, the subsidiary Companies has not defaulted and hence, the Company does not have any present obligation to third parties in relation to such guarantee.

Note 37 - Financial Risk Management (Contd..)

(iii) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risks i.e. interest rate risk and currency risk. Financial instruments affected by market risk include borrowings and creditors for capital expenditures.

(a) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates is very less and relates primarily to the Company's creditors for capital expenditures. The Company's foreign currency risks are identified, measured and managed at periodic intervals in accordance with the Company's policies. As at March 31, 2021 there was no foreign currency exposure.

(b) Interest risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to risk of changes in market rate is limited to short term working capital loans taken from banks as the Company's long term borrowings bear fixed interest rate.

The Company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

The Company manages the interest rate risk by having a balanced portfolio of fixed and variable rate borrowings. The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are as follows:

1. Interest rate exposure

(Amount in Rs. Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
Variable rate borrowings	568.02	722.90
Fixed rate borrowings	2,321.91	2,491.80
Total borrowings	**2,889.93**	**3,214.70**

An analysis by maturities is provided in Liquidity risk note above.

2. Sensitivity

Profit or loss is sensitive to higher / lower interest expense as a result of changes in interest rates. A 20 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates. With all other variables held constant, the Company's profit before tax will be impacted by a change in interest rate as follows:

(Amount in Rs. Millions)

Particulars	Increase / (Decrease in profit before tax	
	Year ended March 31, 2021	Year ended March 31, 2020
Increase in interest rate by 20 basis points (20 bps)	(5.82)	(2.38)
Decrease in interest rate by 20 basis points (20 bps)	5.82	2.38

Notes to the Standalone financial statements

as of and for the year ended March 31, 2021

Note 38 - Capital Management

(a) Risk Management

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company and borrowings.

The Company aims to manage its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to our shareholders. The capital structure of the Company is based on management's judgement of the appropriate balance of key elements in order to meet its strategic and day-to day needs. We consider the amount of capital in proportion to risk and manage the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets.

The Company's aim is to translate profitable growth to superior cash generation through efficient capital management. The Company's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditors and market confidence and to sustain future development and growth of its business. The Company will take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

(Amount in Rs. Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
Net debt	1,508.80	3,476.80
Total equity	10,322.11	8,216.04
Net debt to equity ratio	**15%**	**42%**

The net debt to equity ratio for the current year decreased from 42% to 15% following the repayment of term loan and internal accrual of profit.

(b) Dividends

(Amount in Rs. Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
(i) Equity shares		
Final dividend for the year ended March 31, 2020 of Rs. NIL (March 31, 2019 - Rs. 00.50) per fully paid share	-	(32.59)
DDT on final dividend	-	(6.70)
(ii) Dividends not recognised at the end of the reporting period		
In addition to the above dividends, since year end the directors have recommended the payment of a final dividend of Rs. 0.80 per fully paid equity share (March 31, 2020 Rs. Nil).	52.14	-

Notes to the Standalone financial statements

as of and for the year ended March 31, 2021

Note 39 - Segment Reporting

The Company's managing director who is identified as the chief operating decision maker of the Company, examines the performance of the business and allocates funds on the basis of a single reportable segment i.e. 'EPC business'. The Company has no other reportable segment. The Company does not have any reportable geographical segment as it caters to the needs of only the domestic market.

Accordingly, the segment revenue, segment results, total carrying amount of segment assets and segment liability, total cost incurred to acquire segment assets and total amount of charge for depreciation during the period, is as reflected in the Financial Statements as of and for the financial year ended March 31, 2021.

Non-current assets excluding financial assets, deferred tax assets amounts to Rs. 4,898.61 Millions (March 31, 2020 Rs. 4,989.75 Millions) are located entirely in India.

Information relating to major customers

Revenue of approximately Rs. 20,786.04 Millions (for the year ended March 31, 2020 - Rs. 19,259.26 Millions) was derived from external customers, which individually accounted for more than 10% of the total revenue.

The Company secured contracts by submitting bids in response to tenders in terms of which it is required to form Special Purpose Vehicle (SPV) Companies (subsidiary Companies) to execute the awarded projects. As at March 31, 2021 the company has 4 SPV's (As at March 31, 2020 the company has 3 SPV's) who have received contracts from government promoted agencies and revenue related to SPV's for work executed by the Company has been grouped in Revenue derived from external customers.

Note 40 - Net Debt Reconciliation

(Amount in Rs. Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
Cash and cash equivalents	1,399.48	239.82
Current borrowings	(1,322.13)	(1,912.15)
Current maturities of long term borrowings	(622.90)	(1,122.58)
Interest accrued but not due	(6.72)	(4.52)
Non current borrowings	(944.90)	(640.32)
Lease liabilities	(11.63)	(37.05)
Net Debt	**(1,508.80)**	**(3,476.80)**

Particulars	Other assets	LIABILITIES FROM FINANCING ACTIVITIES				Total
	Cash and bank balances	Lease liabilities	Non-current borrowings	Current borrowings*	Interest accrued	
Net debt as at April 1, 2019	**30.99**	**-**	**(593.13)**	**(3,210.56)**	**(12.44)**	**(3,785.14)**
Cash flows	208.83	(37.05)	(47.19)	175.83	-	300.42
Interest expense	-	-	-	-	(334.75)	(334.75)
Interest paid	-	-	-	-	342.67	342.67
Net debt as at March 31, 2020	**239.82**	**(37.05)**	**(640.32)**	**(3,034.73)**	**(4.52)**	**(3,476.80)**
Cash flows	1,159.66	25.42	(304.58)	1,089.70	-	1,970.20
Interest expense	-	-	-	-	(328.26)	(328.26)
Interest paid	-	-	-	-	326.06	326.06
Net debt as at 31 March 2021	**1,399.48**	**(11.63)**	**(944.90)**	**(1,945.03)**	**(6.72)**	**(1,508.80)**

* Includes current maturities of long term borrowings, cash credit facility, Payable under MSMED trade receivable discounting system (TReDS) and loan taken from directors.

Notes to the Standalone financial statements

as of and for the year ended March 31, 2021

Note 41 - Related Party transactions

I Name of related parties and nature of relationship:

Related parties where control exits

A) Subsidiary

Gurgaon Sohna Highway Private Limited

HG Ateli Narnaul Highway Private Limited

HG Rewari Ateli Highway Private Limited

H.G. Rewari Bypass Private Limited (w.e.f. May 1, 2020)

Other Related Parties with whom transactions have taken place during the year

B) Key Management Personnel

Mr. Vijendra Singh	- Whole Time Director
Mr. Harendra Singh	- Chairman and Managing Director
Mr. Ashok Kumar Thakur	- Non-Executive Independent Director
Mrs. Pooja Hemant Goyal	- Non-Executive Independent Director
Mr. Onkar Singh	- Non-Executive Independent Director
Mr. Dinesh Kumar Goyal	- Non-Executive Director (w.e.f January 25, 2019 - June 23 2020) and Executive Director (w.e.f June 24, 2020)
Mr. Rajeev Mishra	- Chief Financial Officer
Mrs. Ankita Mehra	- Company Secretary

C) Relatives of Key Management Personnel

Mr. Girishpal Singh	- Brother of Mr. Harendra Singh
Mr. Vaibhav Choudhary	- Son of Mr. Girishpal Singh
Mr. Hodal Singh	- Father of Mr. Harendra Singh
Mr. Rohit Choudhary	- Son of Mr. Girishpal Singh
Ms. Ridhima Choudhary	- Daughter of Mr. Harendra Singh

D) Enterprises over which key management personnel and their relatives are able to exercise significant influence

HG Traders

H.G. Infra Toll Ways Private Limited

Mahadev Stone Crusher

HG Fundation

TPL – HGIEPL JV

Notes to the Standalone financial statements

as of and for the year ended March 31, 2021

Note 41 - Related Party transactions (Contd..)

II Transactions with related parties

A Key Management personnel compensation

(Amount in Rs. Millions)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Short-term employee benefits	40.64	36.36
Director's sitting fees	1.67	1.33
Total compensation	**42.31**	**37.69**

Compensation exclude provision for gratuity and compensated absences since these are based on actuarial valuation on an overall company basis.

B Transactions during the year

(Amount in Rs. Millions)

Particulars	For the Year ended March 31, 2021	For the Year ended March 31, 2020
Sale of material		
Mahadev Stone Crusher	18.79	10.43
Expenses incurred on behalf of		
Mr. Hodal Singh	4.09	-
Guarantee Commission Income received from		
Gurgaon Sohna Highway Private Limited	28.79	-
HG Ateli Narnaul Highway Private Limited	0.98	-
HG Rewari Ateli Highway Private Limited	0.77	-
H.G. Rewari Bypass Private Limited	0.04	-
Contract Revenue		
HGIEPL - TPL JV	274.98	1,464.02
Gurgaon Sohna Highway Private Limited	1,254.16	3,128.62
HG Ateli Narnaul Highway Private Limited	4,260.90	954.34
HG Rewari Ateli Highway Private Limited	2,355.60	778.78
H.G. Rewari Bypass Private Limited	619.91	-
Sales of Fixed assets		
HG Ateli Narnaul Highway Private Limited	4.00	-
Mahadev Stone Crusher	-	13.50
Contract Expenses		
H.G. Infra Tollways Private Limited	197.56	148.48
Mahadev Stone Crusher	45.47	20.19
HG Traders	4.14	1.23
Rent Paid for Office		
Mr. Hodal Singh	0.28	0.14
Mr. Girishpal Singh	0.43	0.40

Notes to the Standalone financial statements

as of and for the year ended March 31, 2021

Note 41 - Related Party transactions (Contd..)

(Amount in Rs. Millions)

Particulars	For the Year ended March 31, 2021	For the Year ended March 31, 2020
Sitting Fees		
Mr. Onkar Singh	0.62	0.51
Ms. Pooja Hemant Goyal	0.47	0.37
Mr. Ashok Kumar Thakur	0.59	0.45
Remuneration paid		
Key management personnel:		
Mr. Vijendra Singh*	12.25	12.00
Mr. Harendra Singh*	22.05	21.60
Mr. Dinesh Kumar Goyal*	3.18	-
Mr. Rajeev Mishra*	2.53	2.24
Mrs. Ankita Mehra*	0.63	0.52

* Gratuity is not included, as it is provided on overall basis based on actuarial valuation.

Remuneration to relatives of KMP		
Mr. Vaibhav Choudhary	8.58	8.40
Mr. Rohit Choudhary	0.44	0.84
Legal and professional fees		
Ms. Ridhima Choudhary	1.20	0.78
Mr. Dinesh Kumar Goyal	0.28	1.20
Corporate social responsibility expenditure		
HG Fundation	11.05	-
Guarantees given on behalf of Company		
Mr. Vijendra Singh	2,780.00	3,175.00
Mr. Harendra Singh	2,780.00	3,175.00
Guarantees issue on behalf of Subsidiary Company		
HG Ateli Narnaul Highway Private Limited	-	4,059.50
HG Rewari Ateli Highway Private Limited	-	2,270.00
H.G. Rewari Bypass Private Limited	2,200.00	-
Insurance premium paid towards keyman term policy taken by Company		
Mr. Vijendra Singh	2.76	5.41
Mr. Harendra Singh	2.73	5.34
Mr. Vaibhav Choudhary	2.58	5.05
Loans given		
Gurgaon Sohna Highway Private Limited	137.06	75.48
HG Ateli Narnaul Highway Private Limited	45.49	40.52
HG Rewari Ateli Highway Private Limited	-	28.26
H.G. Rewari Bypass Private Limited	31.15	-

Notes to the Standalone financial statements

as of and for the year ended March 31, 2021

Note 41 - Related Party transactions (Contd..)

(Amount in Rs. Millions)

Particulars	For the Year ended March 31, 2021	For the Year ended March 31, 2020
Advance from customers received (Contract liability)		
Gurgaon Sohna Highway Private Limited	140.00	515.00
HG Rewari Ateli Highway Private Limited	-	488.00
HG Rewari Ateli Highway Private Limited	79.11	-
Loans repayment		
Gurgaon Sohna Highway Private Limited	137.06	84.18
HG Ateli Narnaul Highway Private Limited	41.90	0.21
HG Rewari Ateli Highway Private Limited	27.94	0.32
H.G. Rewari Bypass Private Limited	31.15	-
Loans taken from Key management personnel / directors:		
Mr. Vijendra Singh	18.98	70.46
Mr. Harendra Singh	106.69	208.10
Repayment of Loan to Key management personnel / directors:		
Mr. Vijendra Singh	137.30	243.51
Mr. Harendra Singh	448.72	217.94
C Outstanding balances		
Current borrowings		
Key management personnel / directors:		
Mr. Vijendra Singh	-	118.32
Mr. Harendra Singh	-	342.03
Other Current Liabilities		
Employee benefits payable		
Mr. Vaibhav Choudhary	0.39	0.75
Mr. Vijendra Singh	0.57	-
Mr. Rohit Choudhary	-	0.02
Mr. Rajeev Mishra	0.20	0.16
Mrs. Ankita Mehra	0.04	0.04
Trade Receivables		
HGIEPL - TPL JV	126.03	285.65
Gurgaon Sohna Highway Private Limited	171.83	104.46
HG Ateli Narnaul Highway Private Limited	181.29	1,049.77
HG Rewari Ateli Highway Private Limited	237.34	74.59
H.G. Rewari Bypass Private Limited	134.50	-
Advance to Contractor		
Mahadev Stone Crusher	-	0.99
Other receviable		
Mr. Hodal Singh	4.72	-

Notes to the Standalone financial statements

as of and for the year ended March 31, 2021

Note 41 - Related Party transactions (Contd..)

(Amount in Rs. Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
Other receivable against deferred Guarantee Commission Income		
Gurgaon Sohna Highway Private Limited	31.81	-
HG Ateli Narnaul Highway Private Limited	1.08	-
HG Rewari Ateli Highway Private Limited	0.85	-
Loans		
HG Ateli Narnaul Highway Private Limited	43.90	40.31
HG Rewari Ateli Highway Private Limited	-	27.94
Trade Payable		
Mr. Dinesh Kumar Goyal	-	0.10
Ms. Ridhima Choudhary	0.35	0.16
HG Traders	2.03	1.44
Mahadev Stone Crusher	1.21	-
H.G. Infra Tollways Private Limited	9.68	6.39
Advance from customers (Contract liability)		
HGIEPL - TPL JV	-	22.83
Gurgaon Sohna Highway Private Limited	33.41	72.38
HG Rewari Ateli Highway Private Limited	241.51	488.00
H.G. Rewari Bypass Private Limited	432.00	-
Sitting fees payable		
Mr. Onkar Singh	-	0.03
Ms. Pooja Hemant Goyal	-	0.03
Mr. Ashok Kumar Thakur	-	0.03
Guarantees issue on behalf of Subsidiary Company		
Gurgaon Sohna Highway Private Limited	2,878.60	2,878.60
HG Ateli Narnaul Highway Private Limited	4,059.50	4,059.50
HG Rewari Ateli Highway Private Limited	2,270.00	2,270.00
H.G. Rewari Bypass Private Limited	2,200.00	-
Guarantees given on behalf of Company		
Mr. Vijendra Singh	11,280.00	8,500.00
Mr. Harendra Singh	11,280.00	8,500.00

D) Terms and conditions

All Related Party Transactions entered during the year were in ordinary course of the business and are on arm's length basis.

All outstanding balances are unsecured and repayable in cash.

There is no loss allowance has been recognised during the year in respect of receivable due from related parties.

Notes to the Standalone financial statements

as of and for the year ended March 31, 2021

Note 42 - Employee benefit obligations

(Amount in Rs. Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
Compensated Absences	13.31	5.82
Gratuity	24.87	10.14
Total	**38.18**	**15.96**

(i) Compensated Absences

"The employees of the Company are entitled to compensated absences as per the policy of the Company. Based on past experience, the Company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months. The following amounts reflect leave that is not expected to be taken or paid within the next 12 months."

(Amount in Rs. Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
Current leave obligations not expected to be settled within the next 12 months	13.31	5.82
(ii) Post employment obligations		
(a) Defined Contribution Plans:		
Provident fund		
Employers' contribution to employees' pension scheme 1995		
Employers' contribution to Employee State Insurance Corporation (ESIC)		

The provident fund and pension scheme are operated by regional provident fund commissioner. Under the scheme, the Company is required to contribute a specified percentage of payroll cost to the retirement benefit schemes to fund the benefits.

The Company has recognised the following amounts in the Statement of Profit and Loss for the year:

(Amount in Rs. Millions)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Contribution to Provident Fund	13.10	15.85
Contribution to E.S.I.C	5.38	6.88
Contribution to Pension Fund	16.78	21.05
Contribution to Gratuity	11.39	17.91
	46.65	**61.69**

(b) Defined Benefit Plans:

Gratuity

The company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. Contributions are made to a gratuity based upon actuarial valuation done at the year end of every financial year using "Projected Unit Credit" method. The charge on account of provision for gratuity has been included in Employee Benefits Expense in the Statement of Profit and Loss except remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in other comprehensive income.

Notes to the Standalone financial statements

as of and for the year ended March 31, 2021

Note 42 - Employee benefit obligations (Contd..)

The amounts recognised in the Balance Sheet and the movements in the net defined benefit obligation over the year are as follows:

(Amount in Rs. Millions)

Particulars	Present Value of Obligation	Fair Value of plan Assets	Net Amount
As on April 1, 2019 (A)	**39.69**	**8.38**	**31.31**
Current service cost	15.87	-	15.87
Past service cost	-	-	-
Interest expense	2.93	0.89	2.04
Total Amount Recognised in profit and loss (B)	**18.80**	**0.89**	**17.91**
Remeasurements			
Assets, excluding amount included in interest expense/(income)	-	(0.42)	0.42
(Gain)/loss from change in demographic assumptions	8.08	-	8.08
(Gain)/loss from change in financial assumptions	(9.78)	-	(9.78)
Experience (gains)/losses	(6.80)	-	(6.80)
Total amount recognised in other comprehensive income (C)	**(8.50)**	**(0.42)**	**(8.08)**
Employer contributions (D)	-	30.96	(30.96)
Benefit payments (E)	(1.13)	(1.09)	(0.04)
Balance as on March 31, 2020 (A+B+C+D+E)	**48.86**	**38.72**	**10.14**

(Amount in Rs. Millions)

Particulars	Present Value of Obligation	Fair Value of plan Assets	Net Amount
As on April 1, 2020 (A)	**48.86**	**38.72**	**10.14**
Current service cost	11.10	-	11.10
Past service cost	-	-	-
Interest expense	2.28	2.00	0.28
Total Amount Recognised in profit and loss (B)	**13.38**	**2.00**	**11.38**
Remeasurements			
Assets, excluding amount included in interest expense/(income)	-	(0.10)	0.10
(Gain)/loss from change in demographic assumptions	2.20	-	2.20
(Gain)/loss from change in financial assumptions	(3.01)	-	(3.01)
Experience (gains)/losses	5.43	-	5.43
Total amount recognised in other comprehensive income (C)	**4.62**	**(0.10)**	**4.72**
Employer contributions (D)	-	1.37	(1.37)
Benefit payments (E)	**(1.13)**	**(1.13)**	**-**
Balance as on March 31, 2021 (A+B+C+D+E)	**65.73**	**40.86**	**24.87**

Note 42 - Employee benefit obligations (Contd..)

The significant actuarial assumptions were as follows:

Particulars	As at March 31, 2021	As at March 31, 2020
Discount rate (per annum)	4.45%	5.45%
Salary growth rate	10.00%	12.68%
Expected average remaining working lives of employees	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2012-14)

Sensitivity Analysis

The sensitivity of the defined benefit obligation to increase and decrease in the weighted principal assumptions by 0.50% is as below:

Particulars	Year ended March 31, 2021		Year ended March 31, 2020	
	Discount	Salary escalation	Discount	Salary escalation
Impact of increase in 50 BPS on DBO	-1.53%	1.43%	-1.50%	1.44%
Impact of Decrease in 50 BPS on DBO	1.58%	-1.41%	1.54%	-1.41%

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the Balance Sheet. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

(iii) The major categories of plans assets are as follows:

The plan asset for the funded gratuity plan is administered by Life Insurance Corporation of India ('LIC') as per the investment pattern stipulated for Pension and Group Schemes fund by Insurance Regulatory and Development Authority regulations i.e. 100% of plan assets are invested in insurer managed fund. Quoted price of the same is not available in active market.

(iv) Risk Exposure

Through its defined benefit plans, the Company is exposed to a number of risks, the most significant of which are detailed below:

Demographic Risk : This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to a long service employee.

Asset volatility : The plan liabilities are calculated using a discount rate set with reference to bond yields; if plan assets underperform this yield, this will create a deficit. 100% of the plan asset investments is in insurer managed funds. These are subject to interest rate risk and the fund manages interest rate risk with derivatives to minimise risk to an acceptable level.

Salary Inflation Risk : Higher than expected increases in salary will increase the defined benefit obligation.

Interest-Rate Risk : The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.

(v) Defined Benefit Liability and Employer Contributions

The Company considers that the contribution rates set at the last valuation date are sufficient to eliminate the deficit over the agreed period and that regular contributions, which are based on service costs, will not increase significantly.

Notes to the Standalone financial statements

as of and for the year ended March 31, 2021

Note 42 - Employee benefit obligations (Contd..)

Expected contributions to post-employment benefit plans for the year ending March 31, 2021 are Rs. 10 Million (Year ending March 31, 2020 Rs. 10 Million)

The weighted average duration of the defined benefit obligation is 3.11 years (March 31, 2020: 3.06 years). The expected maturity analysis of undiscounted gratuity is as follows:

Maturity Analysis of the Projected Benefit Obligations - Gratuity

(Amount in Rs. Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
1st Following Year	17.52	14.16
2nd Following Year	16.57	10.34
3rd Following Year	12.59	10.18
4th Following Year	9.38	7.59
5th following year	6.24	5.29
Sum of 6th to 10th Following Year	13.90	10.59

Note 43 - Assets pledged as security

(Amount in Rs. Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
Current		
Financial Assets		
Floating Charge		
Trade Receivables (net of loss allowance)	6,575.08	8,110.68
Non-financial assets		
Inventories	1,680.08	1,055.30
Total Current Assets pledged as Security	**8,255.16**	**9,165.98**
Non-Current		
Plant and machinery	2,175.27	3,542.42
Building	132.85	88.04
Vehicles	82.97	106.10
Total Non-Current assets pledged as Security	**2,391.09**	**3,736.56**
Total Assets pledged as Security	**10,646.25**	**12,902.54**

Note: Amount of assets pledged are gross carrying values.

Notes to the Standalone financial statements

as of and for the year ended March 31, 2021

Note 44 - Contingent Liabilities

(Amount in Rs. Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
(a) The company has a contingent claims liability against which, the company has taken a Insurance policy against third party liability.	44.79	40.55

(b) The Company has evaluated the impact of the Supreme Court (SC) judgement dated February 28, 2019 in case of "Vivekananda Vidyamandir And Others Vs The Regional Provident Fund Commissioner (II) West Bengal" and the related circular (Circular No. C-I/1(33)2019/Vivekananda Vidya Mandir/284) dated March 20, 2019 issued by the Employees' Provident Fund Organisation in relation to non-exclusion of certain allowances from the definition of "basic wages" of the relevant employees for the purposes of determining contribution to provident fund under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952. In the assessment of the management which is supported by legal advice, the Company believes that the aforesaid judgement does not have material impact on the Company. The Company will continue to monitor and evaluate its position based on future events and developments.

Note 45 - Disclosure of operating leases under Ind AS 17

The Company rents out its equipment on operating lease basis. All the arrangements are cancellable and are generally ranging in the period of 1 months to 6 months. There are no contingent rents recognised as income in the period.

Amounts recognised in the Standalone Statement of Profit and Loss

(Amount in Rs. Millions)

Particulars	Ref Note No.	For the Year ended March 31, 2021	For the Year ended March 31, 2020
Equipment given on hire	28	5.98	6.32

Note 46 - Commitments

(a) Capital commitments

Capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:

(Amount in Rs. Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
Property, plant and equipment [(net of capital advance amounts to Rs. 26.96 Million) (March 31, 2020 Rs 27.37 Million)]	179.59	49.63

(b) Other commitments

(Amount in Rs. Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
Guarantees given to lenders of subsidiary Companies	11,408.10	9,208.10

Footnote :

The guarantees given to lenders of subsidiaries are unlikely to be called, as subsidiaries are in a position to service principal and interest, covered by such guarantees.

Note 47

The holding company has been legally advised that outstanding loan aggregating to Rs. 43.90 Million (as at March 31, 2020 , Rs. 68.25 Million) made towards financing the subsidiary do not come under the preview of Section 186 of companies Act, 2013 as the company is in the business of constructing and developing infrastructure facilities.

Notes to the Standalone financial statements

as of and for the year ended March 31, 2021

Note 48 - Earnings per share

(Amount in Rs. Millions)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Profit for the year (Amount in Rs. Millions)	2,109.60	1,657.22
Weighted average number of equity shares outstanding (number)	6,51,71,111	6,51,71,111
Earning per Share (basic and diluted)	32.37	25.43
Nominal value per equity share	10	10

Note 49 - Interests in other entities

Details of the Company's interests in other entities are as under:

Particulars	Place of business / Country of incorporation	As at March 31, 2021	As at March 31, 2020	Principal activities
Joint controlled operations				
HGIEPL – Ranjit JV	India	30%	30%	Road construction
HGIEPL – MGCPL JV	India	30%	30%	Road construction
HGIEPL – RPS JV	India	51%	51%	Road construction

The country of incorporation and principle place of above entities is in India.

Significant judgment: classification of joint arrangements

The Company has entered into Partnership firms / Association of person whose legal form confers separation between the parties to the joint arrangement and the Company itself. Also, as per the contractual arrangements, the parties to the joint arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Accordingly the Joint arrangements have been identified as joint operations.

Financial impact of Joint controlled operations

The Company accounts for assets, liabilities, revenue and expenses relating to its interest in joint controlled operations based on the internal agreements/ arrangements entered into between the parties to the joint arrangements for execution of projects. Accordingly the Company has recognised total income from operations Rs. 81.48 Million (for the year ended March 31, 2020 Rs. 88.10 Million), total expenditure (including tax) Rs. 80.91 Million (for the year ended March 31, 2020 Rs. 87.67 Million), total assets as at March 31, 2021 Rs. 46.04 Million (as at March 31, 2020 Rs. 69.10 Million) and total liabilities as at March 31, 2021 Rs. 40.61 Million (as at March 31, 2020 Rs. 60.50 Million)

Note 50 - Revenue from contracts with customers

Note 50.1 - Disaggregation of revenue from contracts with customers

The Company has determined the categories for disaggregation of revenue considering the types / nature of contracts. The Company recognises revenue from following types construction contracts, sale of services and sale of goods point in time and overtime as below:

(Amount in Rs. Millions)

As on March 31, 2021	Construction Contracts	Sale of Services (Maintenance Contract)	Total
Revenue from external customers	25,035.77	239.23	**25,275.00**
Timing of revenue recognition			
- At a point in time	-	239.23	**239.23**
- Over time	25,035.77	-	**25,035.77**
	25,035.77	**239.23**	**25,275.00**

Notes to the Standalone financial statements

as of and for the year ended March 31, 2021

Note 50.1 - Disaggregation of revenue from contracts with customers (Contd..)

(Amount in Rs. Millions)

As on March 31, 2020	Construction Contracts	Sale of Services (Maintenance Contract)	Total
Revenue from external customers	21,793.70	167.72	**21,961.42**
Timing of revenue recognition			
- At a point in time	-	167.72	**167.72**
- Over time	**21,793.70**	**-**	**21,793.70**
	21,793.70	**167.72**	**21,961.42**

The Company recognised revenue amounting to Rs. 1,468.42 Million (as at March 31, 2020 Rs. 664.48 Million) in the current reporting period that was included in the contract liability balance of previous year (Refer note 15 (a)) .

Note 50.2 - Unsatisfied performance obligations

The aggregate amount of transaction price allocated to performance obligations that are unsatisfied as at the end of reporting period is Rs. 70,401 Million (as at March 31, 2020 Rs. 67,279.98 Million) . On Construction Contracts (Road Projects and Pipeline contracts) have a life cycle of 2-3 years and other businesses performance obligations are met over a period of one or less than one year. Management expects that around 30% -35% of the transaction price allocated to unsatisfied contracts as of March 31, 2021 will be recognised as revenue during next reporting period depending upon the progress on each contracts.

The remaining amount is expected to be recognised in next year.

The amount disclosed above does not include variable consideration.

Note 50.3 - There are no reconciliation items between revenue from contracts with customers and revenue recognised with contract price.

Note 51 - Assessment of the financial impact of the outbreak of Coronavirus (Covid-19)

"The Company has road projects majorly in states like Rajasthan, Haryana, Maharashtra, Uttar Pradesh and Telangana. On accounts of second wave of Covid 19, most of the states have declared lock down but have allowed infrastructure activity to be continued. The Management and the Board of Directors have evaluated the impact of the pandemic on its business operations. The Company currently has a strong order book in excess of Rs. 70,401 Million, leading to a clear visibility of revenue over the next 18-24 months. Collection from customers have been normal during the lockdown period enabling the Company to meet all its liabilities (including employee payables) in a timely manner and without availing any moratorium as announced by the Reserve Bank of India. The Company has adequate unutilized fund-based credit facilities available, to take care of any urgent requirement of funds. The Company through the lockdown period and even subsequently has been able to maintain adequate control of its assets and there have been no significant changes to its control environment during the period. Based on the above assessment, the Company strongly believes that there is no material impact of Covid 19 on these standalone financial statement. The Company has also made a detailed assessment of its liquidity position for the next 12 months from the balance sheet date. Further, there is no material impact foreseen on revenue and operating cash flow of the Company. Accordingly, the pandemic is not likely to have a significant impact on the future operations, its profitability and recoverability of the carrying value of its assets, as at March 31, 2021 and on its control environment. The Company will continue to closely monitor material changes to future economic conditions, if any, as and when they arise."

Notes to the Standalone financial statements

as of and for the year ended March 31, 2021

Note 52 - Disclosure of operating leases under Ind AS 17

Leases as lessee

The Company has obtained premises (office, residential and Camp) and machineries taken on lease. The terms of lease include terms of renewals, increase in rent in future period, terms of cancellation, etc. The agreements are executed for a period of 1 months to 36 months with a renewable clause and also provide for termination at will by either party giving a prior notice of 1 to 3 months at any time during the lease term.

Amounts recognised in the Standalone Statement of Profit and Loss

(Amount in Rs. Millions)

Particulars	Refer Note No.	As at March 31, 2021	As at March 31, 2020
Civil construction costs	30		
Hire charges for machinery and others		255.09	286.24
Other expenses	34		
Lease rent		33.42	33.77
Total Expense		**288.51**	**320.02**

Note 53 - Disclosure under Regulation 34(3) read with para A Schedule V to Securities and Exchange Board of India (SEBI) (Listing obligations and disclosure requirements) Regulations 2015.

Loans given to Wholly owned subsidiaries:

Particulars	Amount outstanding as at		Maximum balance outstanding during the year ended	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Gurgaon Sohna Highway Private Limited	-	-	70.51	19.34
HG Ateli Narnaul Highway Private Limited	43.90	40.31	84.04	40.31
HG Rewari Ateli Highway Private Limited	-	27.94	41.48	27.94
H.G. Rewari Bypass Private Limited	-	-	31.15	-

1. The Company has not given any loans or advances in the nature of loan to any Companies, in which Directors are interested.

2. The above loans were given to the subsidiaries for their normal business activities.

The Company is engaged in the business of providing infrastructural facilities as per Section 186 (11) of the Act. Accordingly, disclosure under section 186 (4) of the Act, is not applicable to the Company.

Note 54 - Prior year figures have been regrouped, wherever necessary.

For Price Waterhouse & Co Chartered Accountants LLP

Firm Registration No. 304026E / E-300009

Nitin Khatri
Partner
Membership Number: 110282

For Shridhar & Associates
Firm Registration Number: 134427W

Abhishek Pachlangia
Partner
Membership Number: 120593

Place: Mumbai
Date : May 12, 2021

For and on behalf of the Board of Directors

H. G. Infra Engineering Limited
CIN: L45201RJ2003PLC018049

Harendra Singh
Chairman and Managing Director
DIN: 00402458

Rajeev Mishra
Chief Financial Officer

Place: Jaipur
Date : May 12, 2021

Ankita Mehra
Company Secretary
Membership No: A33288

Independent auditor's report

To the Members of **H.G. Infra Engineering Limited**

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying consolidated financial statements of H.G. Infra Engineering Limited in which are incorporated 3 jointly controlled operations (hereinafter referred to as the 'Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), (refer Note 48 to the attached consolidated financial statements), which comprise the consolidated Balance Sheet as at March 31, 2021, and the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated statement of changes in equity and the consolidated cash flows Statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information prepared based on the relevant records. (hereinafter referred to as "the consolidated financial statements").

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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 the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2021, of consolidated total comprehensive income (comprising of profit and other comprehensive income), consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in India in terms of the Code of Ethics issued by ICAI and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph 14 and 15 of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The following Key Audit Matters have been reproduced from our report on the audit of standalone financial statements of the Holding Company.

Key audit matter	How our audit addressed the key audit matter
Estimation of contract cost and revenue recognition (Refer to note 1(f)(i), 2(d), 26 and 49 of the consolidated financial statements) Contract revenue amounting to Rs. 25,035.77 Million for engineering, procurement and construction contracts which usually extends over a period of 2-3 years, contract prices are fixed and in some cases, subject to price variance clauses. The contract revenue is measured based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs. This method requires the Holding company to perform an initial assessment of total estimated cost and further, reassess the total construction cost at each reporting period end to determine the appropriate percentage of completion.	Our procedures over the recognition of construction revenue included the following: • Understood and evaluated the design and tested effectiveness of key internal financial controls, including those related to review and approval of estimated project cost and review of provision for estimated loss by the authorised representatives. • For sample of contracts, we obtained the percentage of completion calculations, agreed key contractual terms to the signed contracts, tested the mathematical accuracy of the cost to complete calculations and re-performed the calculation of revenue recognized during the year based on the percentage of completion.

Key audit matter	How our audit addressed the key audit matter
We considered the estimation of construction contract cost as a key audit matter given the involvement of significant management judgement which has consequential impact on revenue recognition. Valuation of accounts receivable and contract assets in view of risk of credit losses (Refer to the Note 1(k), 36(i), 5 and 9 – Trade receivables and Note 14(a) for contract assets). Accounts receivables and contract assets is a significant item in the Holding company's standalone financial statements amounting to INR 9,229.50 Million as of March 31, 2021 and provision for impairment of receivables and contract assets is an area which is influenced by management's estimates and judgment. The provision for impairment of receivables and contract assets amounted to INR 230.24 million (No additional new provisions was recognised during the financial year 2020-21). The Holding company has a concentration of credit exposure on certain customers, which include government and private organisations as well where there are delays in collections due to various reasons. The management has assessed the appropriateness of provisions recognised, as applicable, on receivables and contract assets, basis factors such as the credit risk of the customer, status of the project, discussions with the customers and contractual terms. This involves significant judgement. Given the relative significance of these receivables and contract assets to the consolidated financial statements and the nature and extent of audit procedures involved to assess the recoverability of receivables and contract assets, we determined this to be a key audit matter.	• For costs incurred to date, we tested samples to appropriate supporting documentation and performed cut off procedures. • To test the forecast cost to complete, we obtained the breakdown of costs forecasted and tested elements of the forecast by obtaining executed purchase orders and agreements, evaluating reasonableness of management's judgements and assumptions using past trends and comparing the estimated costs to the actual costs incurred for the similar completed projects. • Checked the related disclosures in the financial statements. Based on the above procedures performed, we considered the manner of estimation of contract cost and recognition of revenue to be reasonable. Our audit incorporated the following procedures, among others regarding accounts receivable and contract assets, • Understanding, evaluating the design and testing the operating effectiveness of key controls in relation to determination of estimated credit loss. • Obtaining confirmation from parties, on a sample basis, with respect to outstanding balances. • Inquiry procedures with senior management of the Company regarding status of collectability of the receivable and contract assets. • Review of correspondences with the customers. • Assessing the inputs used by the Management to determine the amount of allowances by considering factors such as credit risk of the customer, cash collections, past history and status of the project, and correspondence with customers. Based on our work as stated above, no significant deviations were observed in respect of management's assessment of valuation of accounts receivables and contract assets.

Other Information

5. The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Directors' Report, Corporate Governance Report and Other Information included in Annual Report, but does not include the consolidated financial statements and our auditor's report thereon.

   Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

   In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the 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 Consolidated Financial Statements

6. The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows, and changes in equity of the Group in accordance with the accounting principles generally accepted in

India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

7. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group 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 Group or to cease operations, or has no realistic alternative but to do so.

8. The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

9. Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated financial statements.

10. 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 consolidated 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 Act, we are also responsible for expressing our opinion on whether the Holding company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group 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 consolidated 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 Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

12. 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.

13. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in

our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

14. We did not audit the financial statements of 3 jointly controlled operations included in the standalone financial statements of the Holding Company whose financial statements reflect total assets of Rs. 46.04 million and net assets of Rs. 5.43 million as at March 31, 2021, Total revenue Rs. 81.48 million, total net profit after tax of Rs. 0.57 million, total comprehensive income of Rs. 0.57 million and net cash flows amounting to Rs 0.07 million for the year ended on that date, as considered in the standalone audited financial statements of these entities included in our Group. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion on the consolidated financial statements insofar as it relates to the amounts and disclosures included in respect of these, jointly controlled operations and our report in terms of sub-section (3) of Section 143 of the Act including report on Other Information insofar as it relates to the aforesaid jointly controlled operations, is based solely on the reports of the other auditors.

15. We did not audit the financial statements of four subsidiaries included in the consolidated financial statements whose financial statements reflect total assets of Rs. 9,589.37 Million and net assets of Rs. 2,917.43 Million as at March 31, 2021, total revenue of Rs. 9,412.44 Million, total net profit after tax of Rs. 257.97 Million, total comprehensive income of Rs. 257.97 Million and net cash flows amounting to Rs. 36.02 Million for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion on the consolidated financial statements insofar as it relates to the amounts and disclosures included in respect of these subsidiaries Companies and our report in terms of sub-section (3) of Section 143 of the Act including report on Other Information insofar as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

    Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

16. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

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

    (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

    (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account and records maintained for the purpose of preparation of the consolidated financial statements.

    (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.

    (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2021 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Holding Company and its subsidiaries are disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164(2) of the Act.

    (f) With respect to the adequacy of internal financial controls with reference to financial statements of the Group and the operating effectiveness of such controls, refer to our separate report in Annexure A.

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

        i. The consolidated financial statements disclose the impact, if any, of pending litigations on the consolidated financial position of the Group.– Refer Note 43 to the consolidated financial statements.

        ii. The Company assesses periodically the foreseeable losses on all its long term contracts. As at year end under report there were no such foreseeable losses. The Holding Company and its subsidiaries did not have any derivative contracts as at March 31, 2021.

        iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies incorporated in India.

        iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Group for the year ended March 31, 2021.

17. The Group has provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

For Price Waterhouse & Co
Chartered Accountant
Firm Registration Number: 304026E/E-300009

Nitin Khatri
Partner
Membership Number: 110282
UDIN: 21110282AAAACC5927

Place: Mumbai
Date: May 12, 2021

For Shridhar & Associates
Firm Registration Number: 134427W

Abhishek Pachlangia
Partner
Membership Number: 120593
UDIN: 21120593AAAAAW4233

Place: Mumbai
Date: May 12, 2021

Annexure A to Independent Auditors' Report

Referred to in paragraph 16(f) of the Independent Auditors' Report of even date to the members of H.G. Infra Engineering Limited on the consolidated financial statements for the year ended March 31, 2021

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

1. In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2021, we have audited the internal financial controls with reference to financial statements of H.G. Infra Engineering Limited (hereinafter referred to as "the Holding Company") and its subsidiary companies as of that date. Reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls with reference to financial statements is not applicable to 3 jointly controlled operations.

Management's Responsibility for Internal Financial Controls

2. The respective Board of Directors of the Holding company and its subsidiary companies, to whom reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls with reference to financial statements is applicable, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI)". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective 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 Act.

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements 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 ICAI and the Standards on Auditing deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. 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 with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

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

5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, 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

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

Inherent Limitations of Internal Financial Controls with reference to financial statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, 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 statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

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

Other Matters

9. Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements insofar as it relates to 4 subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India. Our opinion is not qualified in respect of this matter.

For Price Waterhouse & Co
Chartered Accountant
Firm Registration Number: 304026E/E-300009

Nitin Khatri
Partner
Membership Number: 110282
UDIN: 21110282AAAACC5927

Place: Mumbai
Date: May 12, 2021

For Shridhar & Associates
Firm Registration Number: 134427W

Abhishek Pachlangia
Partner
Membership Number: 120593
UDIN: 21120593AAAAAW4233

Place: Mumbai
Date: May 12, 2021

Consolidated Balance sheet

as at March 31, 2021 (Amount in Rs. Millions)

Particulars	Notes	31 March 2021	31 March 2020
ASSETS			
Non-current assets			
Property, plant and equipment	3 (a)	4,800.03	4,761.00
Right-of-use assets	3 (b)	10.44	33.72
Capital work-in-progress	3 (a)	18.07	111.37
Intangible assets	4	25.69	32.20
Financial assets			
ii. Trade receivables	5	40.70	32.81
iii. Other financial assets	6	4,200.36	1,117.42
Deferred tax assets	34 (b)	95.48	86.91
Non-current tax assets	34 (e)	131.53	57.18
Other non-current assets	7	48.02	44.74
Total non-current assets		**9,370.32**	**6,277.35**
Current assets			
Inventories	8	1,680.08	1,055.30
Financial assets			
i. Trade receivables	9	5,817.43	6,849.05
ii. Cash and cash equivalents	10	1,441.43	245.75
iii. Bank balances other than (ii) above	11	1,184.70	904.59
iv. Loans	12	5.96	6.21
v. Other financial assets	13	3,318.47	2,351.53
Contract assets	14 (a)	2,654.42	3,508.31
Other current assets	15	1,363.96	967.71
Total current assets		**17,466.45**	**15,888.45**
Total assets		**26,836.77**	**22,165.80**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	16	651.71	651.71
Other equity			
Reserves and surplus	17	9,973.96	7,610.95
Total equity		**10,625.67**	**8,262.66**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
i. Borrowings	18	5,570.40	2,129.55
ii. Lease liabilities	3 (b)	1.06	6.88
iii. Trade payables	19	838.33	788.66
Deferred tax liabilities	34 (b)	34.23	10.08
Employee benefit obligations	20	24.87	10.14
Total non-current liabilities		**6,468.89**	**2,945.31**
Current liabilities			
Financial liabilities			
i. Borrowings	21	1,322.13	1,912.15
ii. Lease liabilities	3 (b)	10.57	30.17
iii. Trade payables			
(a) total outstanding dues of micro and small enterprises	22	13.45	100.86
(b) total outstanding dues other than (iii) (a) above	22	4,132.47	5,336.07
iv. Other financial liabilities	23	1,014.90	1,290.17
Contract liabilities	14 (b)	2,958.68	1,959.66
Employee benefit obligations	24	83.88	75.76
Current tax liabilities	34 (d)	73.79	47.67
Other current liabilities	25	132.34	205.32
Total current liabilities	**9,742.21**	**10,957.83**	
Total liabilities	**16,211.10**	**13,903.14**	
Total equity and liabilities	**26,836.77**	**22,165.80**	

The above consolidated balance sheet should be read in conjunction with the accompanying notes.
As per our report of even date.

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration No. 304026E / E-300009

Nitin Khatri
Partner
Membership Number: 110282

For Shridhar & Associates
Firm Registration Number: 134427W

Abhishek Pachlangia
Partner
Membership Number: 120593

Place: Mumbai
Date : May 12, 2021

For and on behalf of the Board of Directors
H. G. Infra Engineering Limited
CIN: L45201RJ2003PLC018049

Harendra Singh
Chairman and Managing Director
DIN: 00402458

Rajeev Mishra
Chief Financial Officer

Place: Jaipur
Date : May 12, 2021

Ankita Mehra
Company Secretary
Membership No: A33288

Consolidated statement of profit and loss

for the year ended March 31, 2021

(Amount in Rs. Millions)

Particulars	Notes	Year ended March 31, 2021	Year ended March 31, 2020
Revenue from operations	26	26,022.54	22,170.68
Other income	27	148.46	141.04
Total income		**26,171.00**	**22,311.72**
Expenses			
Cost of materials consumed	28	11,856.52	8,926.41
Contract and site expenses	29	7,967.13	8,157.78
Employee benefits expense	30	1,107.90	1,122.74
Finance costs	31	941.58	597.70
Depreciation and amortisation expense	32	844.33	756.39
Other expenses	33	333.60	412.79
Total expenses		**23,051.06**	**19,973.81**
Profit before tax		**3,119.94**	**2,337.91**
Share of (loss) of associate		-	(28.54)
Profit after share of loss of associate and before tax		**3,119.94**	**2,309.37**
Income tax expense			
- Current tax	34 (a)	736.63	634.30
- Deferred tax	34 (a)	16.77	8.96
Total tax expense		**753.40**	**643.26**
Profit after tax		**2,366.54**	**1,666.11**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurements of post-employment benefit obligations		(4.72)	8.08
Income tax relating to these items	34 (a)	1.19	(2.03)
Other comprehensive income for the year		**(3.53)**	**6.05**
Total comprehensive income for the year		**2,363.01**	**1,672.16**
Earnings per equity share of Rs.10 each	47		
Basic earnings per share (Amount in Rs.)		36.31	25.57
Diluted earnings per share (Amount in Rs.)		36.31	25.57

The above standalone balance sheet should be read in conjunction with the accompanying notes.
As per our report of even date.

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration No. 304026E / E-300009

Nitin Khatri
Partner
Membership Number: 110282

For Shridhar & Associates
Firm Registration Number: 134427W

Abhishek Pachlangia
Partner
Membership Number: 120593

Place: Mumbai
Date : May 12, 2021

For and on behalf of the Board of Directors
H. G. Infra Engineering Limited
CIN: L45201RJ2003PLC018049

Harendra Singh
Chairman and Managing Director
DIN: 00402458

Rajeev Mishra
Chief Financial Officer

Place: Jaipur
Date : May 12, 2021

Ankita Mehra
Company Secretary
Membership No: A33288

Consolidated cash flow statement

for the year ended March 31, 2021

(Amount in Rs. Millions)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
A) Cash flow from operating activities		
Profit before tax	3,119.94	2,337.91
Adjustments for:		
Depreciation and amortisation expense	844.33	756.39
Interest income from financial assets at amortised cost	(65.94)	(66.76)
Loss allowances on trade receivable	-	145.00
Net loss on disposal of property, plant and equipment	12.00	4.51
Finance costs	941.58	597.70
Operating profit before working capital changes	4,851.91	3,774.75
Changes in working capital:		
Decrease / (Increase) in trade receivables	1,023.73	(756.51)
(Increase) / decrease in inventories	(624.78)	105.67
(Increase) in other financial assets	-	(3,770.44)
Decrease / (Increase) in contract assets	853.89	(1,912.80)
(Increase) in other current assets	(396.25)	(76.13)
(Increase) in other non current financial assets	(3,140.60)	(24.67)
(Increase) / decrease in other current financial assets	(966.94)	20.40
Decrease in other non current assets	1.50	47.88
(Decrease) / Increase in trade payables	(1,241.34)	2,135.94
Increase in contract liabilities	999.02	1,087.12
Increase in other current financial liabilities	174.54	471.35
(Decrease) / Increase in other current liabilities	(62.42)	118.87
Increase / (decrease) in employee benefit obligations	18.13	(71.52)
Cash generated from operations	1,490.39	1,149.91
Income taxes paid (Net of refunds)	(784.87)	(792.96)
Net cash generated from operating activities	**705.52**	**356.95**
B) Cash flow from investing activities		
Payment for property, plant and equipment	(976.99)	(1,031.61)
Sale of property, plant and equipment	107.70	99.37
Payment for intangible assets	(0.23)	-
Fixed deposits (placed) / redemption of fixed deposits (net)	(222.45)	13.82
Interest received	65.94	66.76
Loans to employees	0.25	(1.94)
Net cash used in investing activities	**(1,025.78)**	**(853.60)**

Consolidated cash flow statement

for the year ended March 31, 2021

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
C) Cash flow from financing activities		
Proceeds from long term borrowings	4,370.50	3,456.41
(Repayment) of long term borrowings	(1,279.64)	(2,184.66)
Proceeds from short term borrowings (net)	(129.67)	271.62
(Repayment) of loans taken from directors	(586.02)	(461.45)
Loans taken from directors	125.67	278.56
Dividend paid to Company's shareholders (including dividend distribution tax of Rs. 6.71 million)	-	(39.29)
Principal elements of lease payments	(33.81)	(20.10)
Finance cost paid	(951.09)	(589.86)
Net cash used in financing activities	**1,515.94**	**711.23**
Net increase in cash and cash equivalents	**1,195.68**	**214.58**
Cash and cash equivalents as at the beginning of the year	245.75	31.17
Cash and cash equivalents at the end of the year	**1,441.43**	**245.75**
Reconciliation of Cash and cash equivalents as per the cash flow statement		
Cash and cash equivalents comprise of the following:		
Cash on hand	3.47	3.78
Bank balance on current account	1,437.96	241.97
Total	**1,441.43**	**245.75**

The above standalone balance sheet should be read in conjunction with the accompanying notes.
As per our report of even date.

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration No. 304026E / E-300009

Nitin Khatri
Partner
Membership Number: 110282

For Shridhar & Associates
Firm Registration Number: 134427W

Abhishek Pachlangia
Partner
Membership Number: 120593

Place: Mumbai
Date : May 12, 2021

For and on behalf of the Board of Directors
H. G. Infra Engineering Limited
CIN: L45201RJ2003PLC018049

Harendra Singh
Chairman and Managing Director
DIN: 00402458

Rajeev Mishra
Chief Financial Officer

Place: Jaipur
Date : May 12, 2021

Ankita Mehra
Company Secretary
Membership No: A33288

Consolidated statement of changes in equity

for the year ended March 31, 2021

A. Equity share capital

(Amount in Rs. Millions)

Particulars	Amount
As at March 31, 2019	651.71
Changes in equity share capital	-
As at March 31, 2020	651.71
Changes in equity share capital	-
As at March 31, 2021	651.71

B. Other equity

(Amount in Rs. Millions)

Particulars	Attributable to owners of H.G. Infra Engineering Limited		
	Reserves and surplus		Total other equity
	Securities premium reserve	Retained earnings	
As at April 1, 2019	2,694.47	3,283.63	5,940.35
Profit for the year	-	1,666.11	1,666.11
Items that will not be reclassified to profit or loss			
Add: Remeasurements of post-employment benefit obligations	-	8.08	8.08
Less: Income tax relating to these items	-	(2.03)	(2.03)
Total comprehensive income for the year	**-**	**1,672.16**	**1,672.16**
Less: Dividend paid	-	(32.60)	(32.60)
Less: Dividend distribution tax	-	(6.71)	(6.71)
As at March 31, 2020	**2,694.47**	**4,916.48**	**7,610.95**
Profit for the year	-	2,366.54	2,366.54
Items that will not be reclassified to profit or loss			
Add: Remeasurements of post-employment benefit obligations	-	(4.72)	(4.72)
Less: Income tax relating to these items		1.19	1.19
Total comprehensive income for the year	**-**	**2,363.01**	**2,363.01**
Less: Dividend paid	-	-	-
Less: Dividend distribution tax	-	-	-
As at March 31, 2021	**2,694.47**	**7,279.49**	**9,973.96**

The above standalone balance sheet should be read in conjunction with the accompanying notes.
As per our report of even date.

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration No. 304026E / E-300009

Nitin Khatri
Partner
Membership Number: 110282

For Shridhar & Associates
Firm Registration Number: 134427W

Abhishek Pachlangia
Partner
Membership Number: 120593

Place: Mumbai
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For and on behalf of the Board of Directors
H. G. Infra Engineering Limited
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Harendra Singh
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Chief Financial Officer

Place: Jaipur
Date : May 12, 2021

Ankita Mehra
Company Secretary
Membership No: A33288

Notes to the Consolidated financial statements

as of and for the year ended March 31, 2021

Background

H.G. Infra Engineering Limited ("Parent Company or the Company") is a public limited Company listed on the Bombay Stock Exchange and National Stock Exchange on March 9, 2018. Its registered office is at 14, Panchwati Colony, Ratanada, Jodhpur – 342001, Rajasthan, India. The Company (including 3 jointly controlled operations consolidated on proportionate basis) and 4 subsidiaries together referred to as "the Group".

The Group is engaged in Engineering, Procurement and Construction (EPC), maintenance of roads, bridges, flyovers and other infrastructure contract works.

These consolidated financial statements were authorized to be issued by the board of directors on May 12, 2021. Also, the Company secures controls by submitting bids in response to tenders in terms of which it is required to form Special Purpose Vehicle (SPV) Companies (subsidiary companies) to execute the awarded projects. As at March 31, 2021 the company has 4 SPV's as above.

Note 1: Significant Accounting Policies

This note provides a list of the significant accounting policies adopted in the preparation of these consolidated financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of preparation

(i) Compliance with Ind AS

The consolidated financial statements of the Group comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) read with Rule 4 of the Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act.

(ii) Historical cost convention

The consolidated financial statements have been prepared on a historical cost basis, except for the following:

- Certain financial assets and financial liabilities measured at fair value; and
- Defined benefit plans - plan assets measured at fair value

(iii) New and amended standards adopted by the Group

The Group has applied the following standard and amendment for the first time for their annual reporting period commencing April 1, 2020:

Definition of Material – amendment to Ind AS 1 and Ind AS 8

The amendment listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

(b) Operating Cycle

Assets and liabilities are classified as current if it is expected to realize or settle within 12 months after the balance sheet date.

(c) Principles of consolidation and equity accounting

i. Subsidiaries

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group Companies are eliminated (Refer note 53). Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group. Details of the Subsidiaries are set out in note 48.

ii. Jointly controlled operation

The Parent Company recognises its direct right to the assets, liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been incorporated in the financial statements under the appropriate headings. Details of the jointly controlled operations are set out in note 48.

iii. Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the group's share of the post-acquisition profits or losses of the investee in profit and loss, and the group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates are recognised as a reduction in the carrying amount of the investment.

When the group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the group and its associate are eliminated to the extent of the group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the group.

The carrying amount of equity accounted investments are tested for impairment in accordance with the policy described in note 1(m) below.

(d) **Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM). The Managing Director of the Holding Company has been identified as CODM and he assesses the financial performance and position of the Holding Company, and makes strategic decisions. Refer Note 38 for segment information presented.

(e) Foreign currency translation

(i) Functional and presentation currency

Items included in the consolidated financial statements of the Group are measured using the currency of the primary economic environment in which the entity operates (`the functional currency'). The consolidated financial statements are presented in Indian rupee, which is H. G. Infra Engineering Limited functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognized in profit or loss.

(f) Revenue recognition

The Group derives revenue principally from following streams:

- Construction contracts
- Service concession arrangement
- Sale of Services (Operation and Maintenance contracts)

(i) Construction contracts

The Group recognises revenue from engineering, procurement and construction contracts ('EPC') over the period of time, as performance obligations are satisfied over time due to continuous transfer of control to the customer. EPC contracts are generally accounted for as a single performance obligation as it involves complex integration of goods and services.

The performance obligations are satisfied over time as the work progresses. The Group recognises revenue using input method (i.e percentage-of-completion method), based primarily on contract cost incurred to date compared to total estimated contract costs. Changes to total estimated contract costs, if any, are recognised in the period in which they are determined as assessed at the contract level. If the consideration in the contract includes price variation clause or there are amendments in contracts, the Group estimates the amount of consideration to which it will be entitled in exchange for work performed.

Due to the nature of the work required to be performed on many of the performance obligations, the estimation of total revenue and cost of completion is complex, subject to many variables and requires significant judgment. Variability in the transaction price arises primarily due to liquidated damages, price variation clauses, changes in scope, incentives, if any. The Group considers its experience with similar transactions and expectations regarding the contract in estimating the amount of variable consideration to which it will be entitled and determining whether the estimated variable consideration should be constrained. The Group includes estimated amounts in the transaction price to the extent it is probable that a significant reversal of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is resolved. The estimates of variable consideration are based largely on an assessment of anticipated performance and all information (historical, current and forecasted) that is reasonably available.

Progress billings are generally issued upon completion of certain phases of the work as stipulated in the contract. Billing terms of the over-time contracts vary but are generally based on achieving specified milestones. The difference between the timing of revenue recognised and customer billings result in changes to contract assets and contract liabilities. Payment is generally due upon receipt of the invoice, payable within 90 days or less. Contractual retention amounts billed to customers are generally due upon expiration of the contract period.

The contracts generally result in revenue recognised in excess of billings which are presented as contract assets on the statement of financial position. Amounts billed and due from customers are classified as receivables on the statement of financial position. The portion of the payments retained by the customer until final contract settlement is

Notes to the Consolidated financial statements

as of and for the year ended March 31, 2021

not considered a significant financing component since it is usually intended to provide customer with a form of security for Group's remaining performance as specified under the contract, which is consistent with the industry practice. Contract liabilities represent amounts billed to customers in excess of revenue recognised till date. A liability is recognised for advance payments and it is not considered as a significant financing component because it is used to meet working capital requirements at the time of project mobilisation stage. The same is presented as contract liability in the statement of financial position.

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by management.

For construction contracts the control is transferred over time and revenue is recognised based on the extent of progress towards completion of the performance obligations. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately. The percentage of completion was calculated according to the nature and the specific risk of each contract in order to reflect the effective completion of the project. This percentage of completion could be based on technical milestones or as per the contractual terms specified. A construction contract is considered completed when the last technical milestone is achieved, which occurs upon contractual transfer of ownership of the asset.

(ii) Service concession arrangement

Construction revenue from Hybrid Annuity Contracts

The Group constructs the infrastructure (road) used to provide a public service and operates and maintains that infrastructure for a specified period of time. Under Appendix D to Ind AS 115, Revenue from Contracts with Customers, this arrangement is accounted for based on the nature of the consideration. The financial asset is used when the Company has an unconditional right to receive cash or another financial asset from or at the direction of the grantor for the construction services.

Design - Build - Operate - Transfer (DBOT) contracts on hybrid annuity basis contain three streams of revenue – Construction revenue, Financing income and Operations and maintenance (O&M) income. The construction stream of DBOT revenues are accounted for in the construction phase of DBOT, O&M income is recognised in the operating phase of the DBOT, while finance income is recognised over a concession period based on the imputed interest method.

The subsidiary recognises and measures revenue, costs and margin for providing construction services during the period of construction of the infrastructure, on the same basis as that for construction contract referred to in Note 1(f)(i).

(iii) Sale of Services (Operation and Maintenance contracts)

Revenue from providing operating and maintenance services is recognised in the accounting period in which the services are rendered. Invoices are issued according to contractual terms and are usually payable as per the credit period agreed with the customer.

(iv) Interest income

Interest income from financial assets at fair value through profit or loss is disclosed as interest income within other income. Interest income on financial assets at amortised cost using the effective interest method is recognised in the statement of profit and loss as part of other income.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

(v) Other income

All other income is accounted on accrual basis when no significant uncertainty exist regarding the amount that will be received.

(g) Income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses / tax credits only if it is probable that future taxable amounts will be available to utilise those temporary differences.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

(h) Leases

As a lessee

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Company:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by Company, which does not have recent third party financing, and makes adjustments specific to the lease, e.g. term, country, currency and security.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Payments associated with short-term leases of equipment and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture.

(i) Impairment of non-financial assets

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

Notes to the Consolidated financial statements

as of and for the year ended March 31, 2021

(j) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

(k) Trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance.

(l) Inventories

Inventories are stated at lower of cost and net realizable value.

Cost of raw material, stores and spare parts and construction materials includes cost of purchases and other cost incurred in bringing the inventories to the present location and condition. Cost is determined using weighted average method.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to complete the contract.

(m) 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.

Financial assets and liabilities are recognized when the Group becomes a party to the contractual provisions of the instrument.

Financial Assets:

Classification

The Group classifies its financial assets in the following measurement categories:

- those measured subsequently at fair value (either through other comprehensive income, or through profit or loss) and
- those measured at amortized cost.

The classification depends on the entities business model for managing the financial assets and the contractual terms of the cash flows.

Initial recognition and measurement

Financial assets are recognized when the Entity becomes a party to the contractual provisions of the instrument. Financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through Statement of Profit or Loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed of in the Statement of Profit or Loss.

Subsequent measurement

After initial recognition, financial assets are measured at:

- fair value (either through other comprehensive income, or through profit or loss)
- amortized cost

When assets are measured at fair value, gains and losses are either recognised in the statement of profit and loss (i.e. fair value through profit or loss (FVTPL)), or recognised in other comprehensive income (i.e. fair value through other comprehensive income (FVOCI)).

(i) Financial assets measured at amortised cost:

Assets that are held for collecting contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in financial income using effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gain/(losses).

(ii) Financial assets measured at Fair Value through Other Comprehensive Income ("FVTOCI"):

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains of losses, interest income and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in other income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in statement of profit and loss.

(iii) Financialassetsmeasuredat FairValuethroughProfitorLoss ("FVTPL"):

Assets that do not meet the criteria for amortised cost or

FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

Debt instruments

Subsequent measurement of debt instruments depends on the entities business model for managing the asset and the cash flow characteristics of the asset. Debt instrument are classified as amortised cost instruments.

Impairment of Financial Assets

The Group assesses on a forward looking basis the expected credit losses (ECL) associated with its financial assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 36(i) details how the Group determines whether there has been a significant increase in credit risk.

For trade receivables only, the Group applies the simplified approach required by Ind AS 109, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Derecognition of Financial Assets

A financial asset is derecognized only when:

- the Group has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

  Where the entity has transferred an asset, the Group evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognized. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognized.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognized if the Group has not retained control of the financial asset. Where the Group retains control of the financial asset, the asset is continued to be recognized to the extent of continuing involvement in the financial asset.

Financial Liabilities:

Initial recognition and measurement

Financial liabilities are initially measured at its fair value plus or minus, in the case of a financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the issue/origination of the financial liability.

Subsequent Measurement

Financial liabilities are classified as measured at amortized cost. Financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in statement of profit and loss. Any gain or loss on derecognition is also recognized in statement of profit and loss.

Derecognition

A financial liability is derecognized when the obligation specified in the contract is discharged, cancelled or expires. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss as other gains/(losses).

(n) Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount is reported in the Balance Sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

(o) Property, plant and equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Transition to Ind AS

On transition to Ind AS, the Group has elected to continue with the carrying value of all of its property, plant and equipment measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Depreciation methods, estimated useful lives and residual value

Depreciation is provided on a pro-rata basis on the written down value (WDV) / Straight Line Method (SLM) over the estimated useful lives of the assets, based on technical evaluation done by

Notes to the Consolidated financial statements

as of and for the year ended March 31, 2021

management's expert, which are higher than those specified by Schedule II to the Companies Act, 2013, in order to reflect the actual usage of the assets. The useful life, residual value and the depreciation method are reviewed at least at each financial year end. If the expectations differ from previous estimates, the changes are accounted for prospectively as a change in accounting estimate.

The management estimates useful lives of the tangible fixed assets as follows:

	Life in year	Depreciation method
• Building	60	SLM
• Plant and machinery	20/15	WDV
• Shuttering	5	SLM
• Computers	3	SLM
• Furniture and fixtures	10	SLM
• Vehicles	8	WDV

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains/ (losses). (Also refer note 2(a)).

(p) Intangible assets

Costs associated with maintaining software programmes are recognised as an expense as incurred.

Purchases costs are recorded as intangible assets and amortised from the point at which the asset is available for use.

Transition to Ind AS

On transition to Ind AS, the Group has elected to continue with the carrying value of its intangible assets measured as per the previous GAAP and use that carrying value as the deemed cost of the intangible assets.

Amortisation methods and periods

The Group amortises intangible assets with a finite useful life using the straight-line method over the following periods:

	Life in year	Depreciation method
• Computer Software	6	SLM

(q) Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. The amounts are unsecured. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period.

(r) Borrowings

Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in profit or loss over the period of the borrowings using the effective interest method.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired.

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

(s) Provisions and contingent liabilities

Provisions

Provisions are recognised when Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Contingent liabilities

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group, or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

(t) Employee benefits

(i) Short term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of

employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(ii) Other long term employee benefit obligations

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognized in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the group does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

(iii) Post-employment obligations

The group operates the following post-employment schemes.

- Defined benefit plan i.e. gratuity
- Defined contribution plans such as provident fund, superannuation etc.

Gratuity obligations

The liability or asset recognized in the balance sheet in respect of defined benefit gratuity plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income.They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss as past service cost.

Defined contribution plans

The Group pays contribution to defined contribution schemes such as provident fund etc. The group has no further payment obligation once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognized as employee benefit expense when they are due.

Bonus plans

The Group recognises a liability and an expense for bonuses. The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

(u) Contributed equity

Equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(v) Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

(w) **Earnings per share**

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- The profit attributable to owners of the Group
- By the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

Notes to the Consolidated financial statements

as of and for the year ended March 31, 2021

(x) Rounding of amounts

All amounts disclosed in the consolidated financial statements and notes have been rounded off to the nearest million as per the requirement of Schedule III, unless otherwise stated.

Note 2: Critical estimates and judgements

The preparation of the consolidated financial statements requires use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Group's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgements or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the consolidated financial statements.

The areas involving critical estimates or judgements are:

(a) Estimation of useful life of Property, plant and equipment

The Group estimates the useful life of the Property, plant and equipment as mentioned in Note 1(o) above, which is based on the expected technical obsolescence of such assets. However, the actual useful life may be shorter or longer than the life estimated, depending on technical innovations and competitor actions.

(b) Estimation of defined benefit obligation

The cost of the defined benefit gratuity plan and other post-employment employee benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. 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. The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation. The mortality rate is based on publicly available Indian Assured Lives Mortality (2012-14) Ultimate. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for the respective countries. Refer note 41 for key actuarial assumptions.

(c) Estimation of fair value of level 3 financial instruments

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Group uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. Refer note 35 on fair value measurements where the assumptions and methods to perform the same are stated.

(d) Revenue recognition for construction contract

Refer note 1(f) and note 49

(e) Impairment of trade receivables (including Contract Assets) – Refer note 1(k) and 5,9, 14(a) and 36(i)

Notes to the Consolidated financial statements

as at and for the year ended March 31, 2021

Note 3 (a) - Property, plant and equipment

(Amount in Rs. Millions)

Particulars	Freehold Land	Building	Plant and Machinery	Vehicles	Computers	Furnitures and fixtures	Total	Capital work-in-progress
Year ended March 31, 2020								
Gross carrying amount								
Opening gross carrying amount	**133.46**	**164.00**	**5,505.62**	**141.01**	**29.86**	**135.24**	**6,109.19**	**51.38**
Additions	-	-	939.92	49.94	6.55	7.50	1,003.91	149.97
Disposals / Capitalisation	-	-	(212.07)	-	-	-	(212.07)	(89.98)
Closing gross carrying amount	**133.46**	**164.00**	**6,233.47**	**190.95**	**36.41**	**142.74**	**6,901.03**	**111.37**
Accumulated depreciation								
Opening accumulated depreciation	**-**	**9.78**	**1,400.74**	**63.25**	**14.49**	**33.37**	**1,521.63**	**-**
Depreciation charge during the year	-	2.59	672.66	31.50	8.07	11.77	726.59	-
Disposals	-	-	(108.19)	-	-	-	(108.19)	-
Closing accumulated depreciation	**-**	**12.37**	**1,965.21**	**94.75**	**22.56**	**45.14**	**2,140.03**	**-**
Net carrying amount as on March 31, 2020	**133.46**	**151.63**	**4,268.26**	**96.20**	**13.85**	**97.60**	**4,761.00**	**111.37**
Year ended March 31, 2021								
Gross carrying amount								
Opening gross carrying amount	**133.46**	**164.00**	**6,233.47**	**190.95**	**36.41**	**142.74**	**6,901.03**	**111.37**
Additions	9.63	7.62	901.90	26.19	10.84	19.02	975.20	222.93
Disposals / Capitalisation	-	-	(263.03)	(5.52)	-	(0.02)	(268.57)	(316.23)
Closing gross carrying amount	**143.09**	**171.62**	**6,872.34**	**211.62**	**47.25**	**161.74**	**7,607.66**	**18.07**
Accumulated depreciation								
Opening accumulated depreciation	**-**	**12.37**	**1,965.21**	**94.75**	**22.56**	**45.14**	**2,140.03**	**-**
Depreciation charge during the year	-	2.57	746.53	31.67	8.55	16.60	805.92	-
Disposals	-		(134.03)	(4.29)	-	-	(138.32)	-
Closing accumulated depreciation	**-**	**14.94**	**2,577.71**	**122.13**	**31.11**	**61.74**	**2,807.63**	**-**
Net carrying amount as on March 31, 2021	**143.09**	**156.68**	**4,294.63**	**89.49**	**16.14**	**100.00**	**4,800.03**	**18.07**

Notes:

1) Refer capital commitments Note 45 (a) for disclosure of contractual commitment for acquisition of property, plant and equipment.

2) Refer note 42 for information on property, plant and equipment hypothecated and mortgaged as security by the Company.

3) Capital work-in-progress mainly comprises of Plant and Machinery.

Notes to the Consolidated financial statements

as at and for the year ended March 31, 2021

Note 3 (b) - Leases

(i) Amounts recognised in Balance sheet

The balance sheet shows following amounts relating to leases:

(Amount in Rs. Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
Right- of use- assets		
Land	10.44	16.36
Building	-	5.20
Plant and machinery	-	12.16
	10.44	**33.72**

(Amount in Rs. Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
Lease Liabilities		
Current	10.57	30.17
Non -current	1.06	6.88
	11.63	**37.05**

(ii) Amounts recognised in the statement of profit and loss

The statement of profit and loss shows following amounts relating to leases:

(Amount in Rs. Millions)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Depreciation of right-of-use assets		
Land	14.31	12.16
Building	5.20	6.41
Plant and machinery	12.16	4.86
	31.67	**23.43**

(Amount in Rs. Millions)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Finance cost		
Interest and finance charges on lease liabilities	1.80	2.95
Other expenses		
Lease rent	33.42	33.77
	35.22	**36.72**

The total cash outflow for the leases for the year ended 31 March, 2021 was in Rs. 32.27 Million (March 31, 2020 Rs. 23.05 Million) .

Acquistion of right-of-use of assets for the year ended March 31, 2021 was Rs. 8.39 Million (March 31, 2020 Rs. 57.15 Million).

Notes to the Consolidated financial statements

as at and for the year ended March 31, 2021

Note 4 - Intangible assets

(Amount in Rs. Millions)

Software License	Amount
Year ended March 31, 2020	
Gross Carrying Amount	
Opening Gross Carrying Amount	39.77
Additions	4.49
Disposals	-
Closing Gross Carrying Amount	**44.26**
Accumulated amortisation	
Opening Accumulated amortisation	**5.68**
Amortisation Charge for the year	6.38
Disposals	-
Closing Accumulated amortisation	12.06
Net Carrying Amount as on March 31, 2020	32.20
Year ended March 31, 2021	
Gross Carrying Amount	
Opening Gross Carrying Amount	**44.26**
Additions	0.23
Disposals	-
Closing Gross Carrying Amount	**44.49**
Accumulated amortisation	
Opening Accumulated amortisation	**12.06**
Amortisation Charge for the year	6.74
Disposals	-
Closing Accumulated Depreciation	**18.80**
Net Carrying Amount as on March 31, 2021	**25.69**

Notes to the Consolidated financial statements

as at and for the year ended March 31, 2021

Note 5 - Trade receivables

(Amount in Rs. Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
Non current trade receivables		
Trade receivables from contract with customers	65.43	57.54
Less: Loss allowance (Refer note 36(i))	(24.73)	(24.73)
	40.70	**32.81**
Note: Non current trade receivables represent long term retentions related to construction contracts.		
Break-up of security details:		
Trade receivables considered good – Secured	-	-
Trade receivables considered good – Unsecured	40.70	32.81
Trade receivables which have significant increase in credit risk	24.73	24.73
Trade receivables – credit impaired	-	-
Total	**65.43**	**57.54**
Less: Loss allowance	(24.73)	(24.73)
	40.70	**32.81**

Refer Note 36 (i) for movement of loss allowance and credit risk.

Note 6 - Other financial assets

(Amount in Rs. Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
Other non current financial assets		
Receviable under service concession aggrement with National Highway Authority of India (NHAI) (Refer note 51)	4,082.02	920.19
Margin money deposits	85.22	142.88
Security deposits	12.56	20.43
Deposits with government authorities	20.56	33.92
	4,200.36	**1,117.42**

Note: Margin money deposits represent fixed deposits made by the Company against bank guarantee.

Note 7 - Other non current assets

(Amount in Rs. Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
Advances to related parties (Refer note 40)	**-**	**0.99**
Capital advances	32.15	27.37
Advances other than capital advances		
Balances with government authorities	15.87	16.38
	48.02	**44.74**

Notes to the Consolidated financial statements

as at and for the year ended March 31, 2021

Note 8 - Inventories

(Amount in Rs. Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
Project materials [(including material in transit amounts to Rs. 84.15 Million) (March 31, 2020 Rs. 24.99 Million)]	1,426.85	852.86
Stores and spares	253.23	202.44
	1,680.08	**1,055.30**

Note 9 - Trade receivables

(Amount in Rs. Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
Trade receivables from contract with customers	5,885.91	6,757.91
Trade receivables from contract with customers - related parties (Refer note 40)	126.03	285.65
Less: Loss allowance (Refer note 36(i))	(194.51)	(194.51)
	5,817.43	**6,849.05**

Note: Trade receivables include retentions of Rs. 1,794.75 Million (March 31, 2020 Rs. 1,836.73 Million) related to construction contracts.

Certain retention money receivables which are contractually due after one year however which can be released early on submission of bank guarantee have been considered as current considering the past history and management expectation.

Break-up of security details:

(Amount in Rs. Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
Trade receivables considered good – Secured	-	-
Trade receivables considered good – Unsecured	5,817.43	6,849.05
Trade receivables which have significant increase in credit risk	194.51	194.51
Trade receivables – credit impaired	-	-
Total	**6,011.94**	**7,043.56**
Less: Loss allowance	(194.51)	(194.51)
	5,817.43	**6,849.05**

Refer Note 36 (i) for movement of loss allowance and credit risk.

Note 10 - Cash and cash equivalents

(Amount in Rs. Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
Balances with banks		
- In current accounts	1,187.94	241.97
Deposits with original maturity of less than three months	250.02	-
Cash on hand	3.47	3.78
	1,441.43	**245.75**

Notes to the Consolidated financial statements

as at and for the year ended March 31, 2021

Note 11 - Bank balances other than cash and cash equivalents

(Amount in Rs. Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
Margin money deposit	1,184.70	904.59
	1,184.70	904.59

Note: Margin money deposit represent fixed deposits made by the Company against bank guarantee.

Note 12 - Loans

(Amount in Rs. Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
Loan to employees	5.96	6.21
	5.96	**6.21**
Break-up of security details:		
Loan considered good – Secured	-	-
Loan considered good – Unsecured	5.96	6.21
Loan which have significant increase in credit risk	-	-
Loan – credit impaired	-	-
Total	**5.96**	**6.21**
Less: Loss allowance	-	-
	5.96	**6.21**

Note 13 - Other Financial Assets

(Amount in Rs. Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
Receivable under service concession aggrement with National Highway Authority of India (NHAI) (Refer note 51)	3,300.94	2,241.93
Capital advance refund receivable	-	109.60
Other (Refer note 40)	17.53	-
	3,318.47	**2,351.53**

Note 14 (a) - Contract assets

(Amount in Rs. Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
Contract assets	2,665.42	3,519.31
Less: Loss allowance (Refer note 36(i))	(11.00)	(11.00)
	2,654.42	**3,508.31**

Note 14 (b) - Contract liabilities

(Amount in Rs. Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
Contract liabilities (Refer note 49)	2,958.68	1,959.66
	2,958.68	**1,959.66**

Note: Contract liabilities include interest accrued but not due of Rs. Nil Million (March 31, 2020 Rs. 2.52 Million) on mobilisation advances taken by the company.

Significant changes in contract assets and liabilities

Contract assets have decreased as the Company has provided fewer services ahead of the agreed payment schedules for construction contracts. The Company also recognised a loss allowance for contract assets in accordance with Ind AS 109. Contract liabilities have increased as the Company has received mobilisation advance for new projects.

Note 15 - Other current assets

(Amount in Rs. Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
Advances to suppliers	79.72	39.37
Advance to sub contractor	21.85	1.29
Other advances		
Prepayments	149.99	166.02
Advance to employees	2.50	1.92
Goods and Services Tax (GST) recoverable	1,109.90	759.11
	1,363.96	**967.71**

Note 16 - Equity share capital

(Amount in Rs. Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
Authorised :		
80,000,000 (March 31, 2020 : 80,000,000) Equity Shares of Rs. 10 each	800.00	800.00
Issued		
65,171,111 (March 31, 2020 : 65,171,111) Equity Shares of Rs. 10 each	651.71	651.71
Subscribed and Paid up		
65,171,111 (March 31, 2020 : 65,171,111) Equity Shares of Rs. 10 each	651.71	651.71
	651.71	**651.71**

(a) Movement in equity share capital

Particulars	FY 2020-21		FY 2019-20	
	Number of Shares	Amount	Number of Shares	Amount
Balance as at the beginning of the year	**6,51,71,111**	**651.71**	**6,51,71,111**	**651.71**
Add: Shares issued during the year	-	-	-	-
Balance as at the end of the year	**6,51,71,111**	**651.71**	**6,51,71,111**	**651.71**

Notes to the Consolidated financial statements

as at and for the year ended March 31, 2021

Note 16 - Equity share capital (Contd..)

(b) Terms and rights attached to equity shares

The Company has a single class of equity shares. Accordingly, all equity rank equally with regard to dividends and share in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to its share of the paid-up equity capital that has not been paid. On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.

(c) Details of shareholders holding more than 5% shares in the Company

Equity shares	Number of Shares	% holding
Shri Hodal Singh	4,83,88,683	74.25%
(As at March 31, 2020)	(61,73,076)	(9.47%)
Shri Girishpal Singh	100	0.00%
(As at March 31, 2020)	(1,25,11,932)	(19.20%)
Shri Vijendra Singh	100	0.00%
(As at March 31, 2020)	(1,17,41,568)	(18.02%)
Shri Harendra Singh	100	0.00%
(As at March 31, 2020)	(1,43,97,633)	(22.09%)
L&T Mutual Fund Trustee Limited-L&T Emerging Businesses Fund	30,92,052	4.74%
(As at March 31, 2020)	(40,48,116)	(6.21%)
Nippon Life India Trustee Ltd-A/C Nippon India Small Cap Fund	35,60,260	5.46%
(As at March 31, 2020)	(35,55,334)	(5.46%)

(d) There are no shares allotted as fully paid up pursuant to contracts without being received in cash since incorporation.

(e) There are no shares which are reserved to be issued under options and there are no securities issues/ outstanding which are convertible into equity shares.

Note 17 - Other Equity

(Amount in Rs. Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
Reserves and surplus		
Securities premium	2,694.47	2,694.47
Retained earnings	7,279.49	4,916.48
	9,973.96	**7,610.95**
a) Securities premium		
Opening balance	2,694.47	2,694.47
Closing balance (a)	**2,694.47**	**2,694.47**
b) Retained Earnings		
Opening balance	4,916.48	3,283.63
Net profit for the year	2,366.54	1,666.11
Less: Dividend paid	-	(32.60)
Less: Dividend distribution tax	-	(6.71)
Items of other comprehensive income recognised directly in retained earnings		
- Remeasurements of post-employment benefit obligations, net of tax	(3.53)	6.05
Closing balance (b)	**7,279.49**	**4,916.48**
Total other equity (a+b)	**9,973.96**	**7,610.95**

Notes to the Consolidated financial statements

as at and for the year ended March 31, 2021

Note 17 - Other Equity (Contd..)

Nature and purpose of reserves

Securities premium reserve

"Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013."

Note 18 - Borrowings

(Amount in Rs. Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
Non current borrowings		
Secured :		
Term loans		
Banks (Refer note 18.1)	606.41	483.42
Financial institutions (Refer note 18.1)	4,948.73	1,621.98
Vehicle loan		
Banks (Refer note 18.1)	13.15	20.91
Financial institutions (Refer note 18.1)	2.11	3.24
	5,570.40	**2,129.55**

Refer note 36 (ii) for liquidity risk management and Refer note 42 for Assets pledged as security

Note 19 - Trade payable

(Amount in Rs. Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
Non-current trade payable		
(a) Trade payables: micro and small enterprises	-	-
(b) Trade payables: others	838.33	788.66
(c) Trade payables to related parties	-	-
	838.33	**788.66**

Note: Trade Payables represents amount retained as per the terms of contract.

Note 20 - Employee benefit obligations

(Amount in Rs. Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
Non current employee benefit obligations		
Gratuity (Refer note 41)	24.87	10.14
	24.87	**10.14**

Notes to the Consolidated financial statements

as at and for the year ended March 31, 2021

Note 21 - Borrowings

(Amount in Rs. Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
Current borrowings		
Loans repayable on demand		
Secured		
Cash credit facility*	568.02	722.90
Unsecured		
Loans from directors (Refer note 40)**	-	460.35
Payable under MSMED trade receivable discounting system (TReDS)	754.11	728.90
	1,322.13	**1,912.15**

***Cash Credit facilities availed from banks are secured by :**

Nature of Security

Cash Credit facility availed from all Banks secured by:

a) First Pari Passu charge in favour of the Bank by way of Hypothecation of the Holding Company's entire stocks of raw materials, consumable stores spares including book debts.

b) All the bank are secured by exclusive charge on the entire movable and immovable assets of the Holding Company's (Present and Future) save and excepts assets exclusively financed by other lenders.

c) All the bank loans are secured by equitable mortgage of land and equipments mentioned in the property as per the collateral agreement.

d) All the bank loans are collaterally secured by unconditional and irrevocable personal guarantees of the promotees.

** Loan from Directors is repayable on demand and is interest free.

Note 22 - Trade payables

(Amount in Rs. Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
Trade payables		
(a) Trade payables: micro and small enterprises	13.45	100.86
(b) Trade payables: others	4,119.20	5,327.98
(c) Trade payables to related parties (Refer note 40)	13.27	8.09
	4,145.92	**5,436.93**

Note: Trade Payable represent amount retained as per the terms of contract.

Note - Dues from micro and small enterprises

Following disclosures required for Micro, Small and Medium Enterprises Development Act, 2006 has been determined on the basis of information available with the company.

Notes to the Consolidated financial statements

as at and for the year ended March 31, 2021

Note 22 - Trade payables (Cntd..)

(Amount in Rs. Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
(a) The principal amount remaining unpaid to supplier as at the end of accounting year	8.96	97.21
(b) The interest due thereon remaining unpaid to supplier as at the end of accounting year.	-	-
(c) The amount of interest paid in terms of section 16, along with the amounts of the payment made to the supplier beyond the appointed day during the year	-	-
(d) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act.	-	-
(e) The amount of interest accrued during the year and remaining unpaid at the end of the accounting year	0.84	-
(f) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure.	3.65	3.65

Note 23 - Other financial liabilities

(Amount in Rs. Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
Other current financial liabilities		
Secured		
Current maturities of long-term debts		
Term loans		
Banks (Refer note 18.1)*	374.57	547.13
Financial institutions (Refer note 18.1)*	378.43	553.30
Vehicle loan		
Banks (Refer note 18.1)*	18.46	20.86
Financial institutions (Refer note 18.1)*	1.13	1.29
Interest accrued but not due	9.75	19.26
Capital creditors	43.25	133.56
Other payables	189.31	14.77
	1,014.90	**1,290.17**

*Refer note 42 for Assets pledged as security

Note 24 - Employee benefit obligations

Particulars	As at March 31, 2021	As at March 31, 2020
Short term employee benefit obligations		
Employee benefits payable	70.57	69.94
Leave obligations (Refer note 41)	13.31	5.82
	83.88	**75.76**

Notes to the Consolidated financial statements

as at and for the year ended March 31, 2021

Note 25 - Other current liabilities

(Amount in Rs. Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
Payroll taxes	5.59	6.44
Statutory tax payables	115.20	177.95
Advance received for sale of goods	1.53	1.06
Advance received for sale of property, plant and equipments	8.86	19.41
Excess contribution from JV partner	1.16	0.46
	132.34	**205.32**

Note 26 - Revenue from operations

(Amount in Rs. Millions)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Revenue from contracts with customers (Refer note 49)		
Construction contracts	25,438.67	21,967.86
Sale of services (Operation and maintenance contracts)	239.23	167.72
Other operating revenue		
Interest Income due to unwinding of annuity amount	344.64	35.10
	26,022.54	**22,170.68**

Note 27 - Other income

(Amount in Rs. Millions)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Interest income from financial assets at amortised cost	65.94	66.76
Rental income (Refer note 44)	5.98	6.32
Miscellaneous income	76.54	67.96
	148.46	**141.04**

Note 28 - Cost of materials consumed

(Amount in Rs. Millions)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Construction material, stores and spares		
Opening stock at the beginning of the year	1,055.30	1,160.97
Add: Purchases during the year	12,481.30	8,820.74
Less: Closing stock at the end of the year	(1,680.08)	(1,055.30)
	11,856.52	**8,926.41**

Notes to the Consolidated financial statements

as at and for the year ended March 31, 2021

Note 29 - Contract and site expenses

(Amount in Rs. Millions)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Sub contracting expenses	6,689.02	7,010.29
Indirect taxes (Labour cess and road tax expenses etc.)	288.33	216.84
Insurance expenses	54.36	47.34
Contract labour charges	9.65	89.74
Hire charges for machinery and others (Refer note 52)	255.09	286.24
Site and other direct expenses	468.92	367.84
Repairs and maintenance - plant and machinery	130.10	89.57
Technical consultancy	71.66	49.92
	7,967.13	**8,157.78**

Note 30 - Employee benefit expenses

(Amount in Rs. Millions)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Salaries, wages and bonus	893.28	878.60
Contribution to provident and other funds (Refer note 41)	35.33	61.75
Gratuity (Refer note 41)	11.39	17.91
Staff welfare expenses	167.90	164.48
	1,107.90	**1,122.74**

Note 31 - Finance costs

(Amount in Rs. Millions)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Interest on :		
Term loan	414.81	210.94
Working capital loan	200.96	167.87
Other borrowing cost	245.75	131.47
Bank charges	60.53	49.08
Interest on late payment of micro and small enterprises	0.84	-
Interest and finance charges on lease liabilities	1.80	2.95
Interest on late payment of Income tax	16.89	35.39
	941.58	**597.70**

Note 32 - Depreciation and amortisation expense

(Amount in Rs. Millions)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Depreciation of property, plant and equipment (Refer note 3(a))	805.92	726.59
Depreciation of right-of-use assets (Refer note 3(b))	31.67	23.42
Amortisation of intangible assets (Refer note 4)	6.74	6.38
	844.33	**756.39**

Notes to the Consolidated financial statements

as at and for the year ended March 31, 2021

Note 33 - Other expenses

(Amount in Rs. Millions)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Repairs and maintenance - others	25.93	22.85
Rates and taxes	12.60	14.26
Sitting fees	2.44	1.33
Lease rent (Refer note 52)	33.42	33.77
Payment to auditors (Refer note (a) below)	9.92	7.10
Advertisement and business promotion	16.65	11.56
Travelling and conveyance	14.47	22.30
Corporate social responsibility expenditure (Refer note (b) below)	50.85	14.17
Legal and professional fees	74.60	57.47
Electricity expenses	22.03	9.87
Printing and stationery	11.15	9.36
Loss allowances (Refer note 36 (i))	-	145.00
Telephone and communication	8.07	9.05
Net foreign exchange differences	-	2.92
Net loss on disposal of property, plant and equipment	12.00	4.51
Miscellaneous expenses	39.47	47.27
	333.60	**412.79**

(a) Payment to auditors ((Net of GST of Rs. 1.79 Millions (Previous year: Rs. 1.28 Millions))

(Amount in Rs. Millions)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Audit Fees	7.18	4.97
Certification fees	2.48	1.29
Reimbursements of expenses	0.26	0.84
Total payments to auditors	**9.92**	**7.10**

(b) Corporate social responsibility expenditure

(Amount in Rs. Millions)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Amount required to be spent as per Section 135 of the Act	35.80	26.16
Amount spent during the year on		
(i) Construction/acquisition of an asset	-	-
(ii) On purposes other than (i) above	50.85	14.17

Notes to the Consolidated financial statements

as at and for the year ended March 31, 2021

Note 34 - Taxation

34 (a) - Income tax expense

(Amount in Rs. Millions)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Current tax		
Current tax on profits for the year	745.71	629.55
Adjustment for current tax of prior periods	(9.08)	4.75
Total current tax expense	**736.63**	**634.30**
Deferred tax		
(Increase) in deferred tax assets	38.22	(1.12)
Increase / (decrease) in deferred tax liabilities	(21.45)	10.08
Total deferred tax expense	**16.77**	**8.96**
Income tax expense	**753.40**	**643.26**

Other comprehensive income

(Amount in Rs. Millions)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Deferred tax on other comprehensive income	1.19	(2.03)
	1.19	**(2.03)**

34 (b) - Deferred tax assets (net)

The balance comprises temporary differences attributable to:

(Amount in Rs. Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
Disallowance under Section 43B of Income Tax Act, 1961	9.61	4.02
Loss Allowance for trade receivable	57.95	57.95
Disallowances section 40(a)(ia) of Income Tax Act, 1961	1.64	3.65
Expenditure on initial public offer (IPO)	9.79	19.58
Indexation on land	3.88	-
Timing difference between balance as per Income Tax Act, 1961 and book balance for fixed assets	9.68	-
Deferred tax assets arising on lease liabilities	2.93	1.71
Total deferred tax assets	**95.48**	**86.91**
Timing difference between balance as per Income Tax Act, 1961 and book balance for fixed assets	(34.23)	(10.08)
Total deferred tax liabilities	**(34.23)**	**(10.08)**
Net deferred tax assets	**61.25**	**76.83**

Notes to the Consolidated financial statements

as at and for the year ended March 31, 2021

Note 34 - Taxation (Cntd..)

Movement in deferred tax assets

(Amount in Rs. Millions)

Particulars	As at April 1, 2019	(Charged)/ credited to profit and loss	Credited to OCI	Year ended March 31, 2020
Disallowance under section 43B of Income Tax Act, 1961	15.48	(13.49)	2.03	4.02
Loss allowance for trade receivable	29.79	28.16	-	57.95
Disallowance under section 40(a)(ia) of Income Tax Act, 1961	-	3.65	-	3.65
Expenses on issue of Initial Public Offer (IPO)	35.36	(15.78)	-	19.58
Others	3.11	(1.40)	-	1.71
Total deferred tax assets	**83.74**	**1.14**	**2.03**	**86.91**

(Amount in Rs. Millions)

Particulars	As at April 1, 2020	(Charged)/ credited to profit and loss	Credited to OCI	Year ended March 31, 2021
Disallowance under section 43B of Income Tax Act, 1961	4.02	4.40	1.19	9.61
Loss allowance for trade receivable	57.95	-	-	57.95
Disallowance under section 40(a)(ia) of Income Tax Act, 1961	3.65	(2.01)	-	1.64
Expenses on issue of Initial Public Offer (IPO)	19.58	(9.79)	-	9.79
Indexation on land	-	3.88	-	3.88
Timing difference between balance as per Income Tax Act, 1961 and book balance for fixed assets	-	9.68		9.68
Others	1.71	1.22	-	2.93
Total deferred tax assets	**86.91**	**7.38**	**1.19**	**95.48**

Movement in deferred tax liabilities

(Amount in Rs. Millions)

Particulars	As at April 1, 2019	Charged to profit and loss	Charged to OCI	As at March 31, 2020
Timing difference between balance as per Income Tax Act, 1961 and book balance for fixed assets	-	10.08	-	10.08
Total deferred tax liabilities	**-**	**10.08**	**-**	**10.08**

(Amount in Rs. Millions)

Particulars	"As at April 1, 2020	(Credited) to profit and loss	(Credited) to OCI	As at March 31, 2021
Timing difference between balance as per Income Tax Act, 1961 and book balance for fixed assets	10.08	(44.31)	-	(34.23)
Total deferred tax liabilities	**10.08**	**(44.31)**	**-**	**(34.23)**

Notes to the Consolidated financial statements

as at and for the year ended March 31, 2021

Note 34 - Taxation (Cntd..)

34 (c) - Reconciliation of tax expense and accounting profit multiplied by statutory tax rates

(Amount in Rs. Millions)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Profit before income tax expense	**3,119.94**	**2,309.37**
Statutory tax rate applicable to the Group	25.17%	25.17%
Tax expense at applicable tax rate	**785.23**	**581.22**
Tax effects of amounts which are not deductible (taxable) in calculating taxable income:		
Corporate social responsibility expenditure	12.80	3.57
Donation	0.58	4.22
Interest on late payment of income tax	4.25	9.09
Share of profit of associate	-	7.18
Profit of jointly controlled operations	0.31	0.28
Indexation on land	(0.44)	(0.33)
Deduction for Section 80JJAA as per Income tax Act, 1961	(7.48)	-
Interest payable to micro and small enterprises	0.21	-
Adjustment for current tax of prior period	(18.24)	4.75
Effect of change in tax rates	-	32.10
Interest Income due to unwinding of annuity amount	(27.28)	
Others	3.46	1.18
Income tax expense	**753.40**	**643.26**

34 (d) - Current tax liabilities

(Amount in Rs. Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
Opening Balance	47.67	158.15
Add: Additional income tax provision	727.70	634.30
Add: Income tax adjustment for earlier years	(11.35)	(0.80)
Less: Income tax paid	(690.23)	(743.98)
Closing balance	**73.79**	**47.67**

34 (e) - Income tax asset

(Amount in Rs. Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
Opening Balance	57.18	11.01
Add: Advance tax paid/ (refund received)	94.63	48.98
Less: Income tax adjustment for earlier years	(2.27)	(5.55)
Less: Income tax provision created during the year	(18.01)	2.74
Closing balance	**131.53**	**57.18**

Notes to the Consolidated financial statements

as at and for the year ended March 31, 2021

Note 35 - Fair Value Measurements

(i) Financial instruments by category

(Amount in Rs. Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
Financial assets - Amortised cost		
Trade receivables (net of loss allowance)	5,858.13	6,881.86
Cash and cash equivalents	1,441.43	245.75
Bank balances other than cash and cash equivalents	1,184.70	904.59
Loans	5.96	6.21
Capital advance refund receivable	-	109.60
Margin money deposits	85.22	142.88
Security deposits	12.56	20.43
Deposits with government authorities	20.56	33.92
Receivable under service concession aggrement with National Highway Authority of India (NHAI)	7,382.96	3,162.12
Others	17.53	-
Total financial assets	**16,009.05**	**11,507.36**
Financial liabilities - Amortised cost		
Borrowings	7,665.11	5,164.28
Trade payables	4,984.25	6,225.59
Interest accrued	9.75	19.26
Capital creditors	43.25	133.56
Other payables	189.31	14.77
Lease liability	11.63	37.05
Total financial liabilities	**12,903.30**	**11,594.51**

(ii) Fair value hierarchy

This section explains the judgments and estimates made in determining the fair values of the financial instruments that are measured at amortised cost and for which fair values are disclosed in the financial statements.

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes instruments like listed equity instruments, traded bonds and mutual funds that have quoted price.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the counter derivatives etc) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Notes to the Consolidated financial statements

as at and for the year ended March 31, 2021

Note 35 - Fair Value Measurements (Cntd..)

(iii) Fair value of financial instruments measured at amortised cost - Level 3

(Amount in Rs. Millions)

Particulars	As at March 31, 2021		As at March 31, 2020	
	Carrying value	Fair value	Carrying value	Fair value
Financial assets				
Margin Money deposits	85.22	83.20	142.88	141.93
Total financial assets	**85.22**	**83.20**	**142.88**	**141.93**
Financial liabilities				
Borrowings	5,570.40	5,635.26	2,129.55	2,164.31
Lease Liability	1.06	1.08	37.05	34.08
Total financial liabilities	**5,571.46**	**5,636.34**	**2,166.60**	**2,198.39**

The carrying amounts of short term loans, trade receivables, cash and cash equivalents, loans, bank balances other than cash and cash equivalents, security deposits, unbilled revenue, deposit with government authorities, other receivables, trade payables, current borrowings, current maturities of long term borrowings, interest accrued, capital creditors, lease liability and other payables are considered to be the same as their fair values due to their short-term nature.

Note 36 - Financial Risk Management

The Group's activities expose it to a variety of financial risks namely credit risk, liquidity risk and market risk. The Group's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance.

(i) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Financial instruments that are subject to credit risk and concentration thereof principally consist of trade receivables, contract assets, security deposits and cash and cash equivalents.

"Management makes the assessment of the credit risk on trade receivables and contract assets considering the customer profile. Customers of the Group mainly consists of the government promoted entities and some large private corporates. In case of government customers which forms the majority of the revenue, credit risk is low.

Considering the nature of business, each contract and its customer is evaluated for the purpose of assessment of allowances. The reasons for allowances could be recovery of claims, disputes with customer, customers ability to pay, delays in approval by government authorities, and expected time to recover the amount. Management makes an assessment considering facts of each contract, past trends, terms of the contract and accordingly considers the need for allowances, if any."

The following table gives details in respect of percentage of revenue generated from government promoted agencies and highly rated corporate:

(Amount in Rs. Millions)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Revenue from government promoted agencies	74%	74%
Revenue from private corporates	26%	26%
	100%	**100%**

The movement in allowance for expected credit loss on trade receivables and contract assets is as below:

(Amount in Rs. Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
Opening balance	**230.24**	**85.24**
Changes in loss allowances		
Additions	-	145.00
Closing Balance	**230.24**	**230.24**

Notes to the Consolidated financial statements

as at and for the year ended March 31, 2021

Note 36 - Financial Risk Management (Cntd..)

Maturity analysis of trade receivable including contract assets as on March 31, 2021

(Amount in Rs. Millions)

Ageing	0 - 180 days	181 - 365 days	More than 365 days	Total
Trade Receivables- Related Parties	**126.03**	**-**	**-**	**126.03**
Trade Receivables- Others	5,078.14	410.57	462.63	5,951.34
Contract Assets	1,997.10	245.06	423.26	2,665.42
Total	**7,201.27**	**655.63**	**885.89**	**8,742.79**
Loss Provision	-	-	230.24	230.24
Net Trade receivables	**7,201.27**	**655.63**	**655.65**	**8,512.55**

Maturity analysis of trade receivable including contract assets as on March 31, 2020

(Amount in Rs. Millions)

Ageing	0 - 180 days	181 - 365 days	More than 365 days	Total
Trade Receivables- Related Parties	**285.65**	**-**	**-**	**285.65**
Trade Receivables- Others	5,594.48	691.20	529.77	6,815.45
Contract Assets	2,904.31	158.50	456.50	3,519.31
Total	**8,784.44**	**849.70**	**986.27**	**10,620.41**
Loss Provision	-	-	230.24	230.24
Net Trade receivables	8,784.44	849.70	756.03	10,390.17

Note on recoverability of amount due from certain trade receivables

The Holding Company has long outstanding dues including contract assets amounting to Rs. 869.20 Million (as at March 31, 2020 Rs. 1,216.97 Million) from certain customers which due to liquidity issues have remain unpaid. There is no dispute on the said balances and balances have been confirmed by the parties. The Holding Company is very actively engaged with them for recovery of the said balance. Based on the latest discussions, correspondences exchanges, evaluation of the credit profile of the customer, the Group has considered a provision of Rs. 230.34 Million (for the year ended March 31, 2020 Rs. 230.24 Million) towards the said balances.

The Holding Company has started arbitration as per the terms of the contract with a customer towards recovery of outstanding claims and the arbitrator has given the award in favour of the Group. However, the arbitrator also accepted a counter claim of the customer amounting to Rs. 111.70 Million (as at March 31, 2020 Rs. 111.70 Million) which according to the management is not justified and has been subsequently challenged in the High Court. Based on the management assessment, which is also supported by the legal opinion, the counter claim of Rs. 111.70 Million (as at March 31, 2020 Rs. 111.70 Million) appears to be against public policy, expected to result in favor of the Group and accordingly the possibility of an outflow of resources is assessed to be remote and hence the same has not been disclosed as contingent liability.

(ii) Liquidity risk

Liquidity defined is as the risk that the Group will not be able to settle or meet its obligations on time or at a reasonable price. Group's objective is to, at all time maintain optimum levels of liquidity to meet its financial obligations. The Group manages liquidity risk by maintaining sufficient cash and cash equivalents and by having access to funding through an adequate amount of committed credit lines. In addition, processes and policies related to such risks are overseen by senior management.

Notes to the Consolidated financial statements

as at and for the year ended March 31, 2021

Note 36 - Financial Risk Management (Cntd..)

Maturities of financial liabilities

The table summarises the maturity profile of Group's financial liabilities based on contractual undiscounted payments:

(Amount in Rs. Millions)

Particulars	Carrying Amount	Less than 1 year	1 - 3 Years	Total
As at March 31, 2021				
Borrowings	7,665.12	2,094.72	5,570.40	7,665.12
Interest payable	9.75	603.53	3,326.79	3,930.32
Trade payables	4,984.25	4,145.92	838.33	4,984.25
Capital creditors	43.25	43.25	-	43.25
Other payables	189.31	189.31	-	189.31
Lease liabilities	11.63	10.57	1.06	11.63
"Financial guarantee contracts *"	11,408.10	-	-	-
		7,087.30	**9,736.58**	**16,823.88**

(Amount in Rs. Millions)

Particulars	Carrying Amount	Less than 1 year	1 - 3 Years	Total
As at March 31, 2020				
Borrowings	4,723.19	2,593.64	2,129.55	4,723.19
Interest payable	19.26	253.80	396.47	650.27
Loan from Directors	460.35	460.35	-	460.35
Trade payables	6,225.60	5,436.94	788.66	6,225.60
Capital creditors	133.56	133.56	-	133.56
Other payables	14.77	14.77	-	14.77
Lease liabilities	37.05	30.17	6.88	37.05
"Financial guarantee contracts *"	9,208.10	-	-	-
		8,923.23	**3,321.56**	**12,244.79**

* Guarantee issued by the Holding Company to the bankers on behalf of Gurgaon Sohna Highway Private Limited, HG Ateli Narnaul Highway Private Limited, HG Rewari Ateli Highway Private Limited and H.G. Rewari Bypass Private Limited, subsidiary Companies is with respect to limits availed by them . These amounts will be payable in case of default by the subsidiary Companies. As of the reporting date, the subsidiary Companies has not defaulted and hence, the Holding Company does not have any present obligation to third parties in relation to such guarantee.

(iii) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risks i.e. interest rate risk and currency risk. Financial instruments affected by market risk include borrowings and creditors for capital expenditures.

(a) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates is very less and relates primarily to the Group's creditors for capital expenditures. The Group's foreign currency risks are identified, measured and managed at periodic intervals in accordance with the Group's policies. As at March 31, 2021 there was no foreign currency exposure.

Notes to the Consolidated financial statements

as at and for the year ended March 31, 2021

Note 36 - Financial Risk Management (Cntd..)

(b) Interest risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to risk of changes in market rate is limited to short term working capital loans taken from banks as the Group's long term borrowings bear fixed interest rate.

The Group's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

The Group manages the interest rate risk by having a balanced portfolio of fixed and variable rate borrowings. The exposure of the Group's borrowing to interest rate changes at the end of the reporting period are as follows:

1. Interest rate exposure

(Amount in Rs. Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
Variable rate borrowings	5,238.33	2,212.13
Fixed rate borrowings	2,426.79	2,491.80
Total borrowings	**7,665.12**	**4,703.93**

An analysis by maturities is provided in Liquidity risk note above.

2. Sensitivity

Profit or loss is sensitive to higher / lower interest expense as a result of changes in interest rates. A 20 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates. With all other variables held constant, the Group's profit before tax will be impacted by a change in interest rate as follows:

(Amount in Rs. Millions)

Particulars	Increase / (Decrease in profit before tax	
	Year ended March 31, 2021	Year ended March 31, 2020
Increase in interest rate by 20 basis points (20 bps)	(15.16)	(5.36)
Decrease in interest rate by 20 basis points (20 bps)	15.16	5.36

Note 37 - Capital Management

(a) Risk Management

For the purpose of the Group's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Group and borrowings.

The Group aims to manage its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to our shareholders. The capital structure of the Group is based on management's judgement of the appropriate balance of key elements in order to meet its strategic and day-to day needs. We consider the amount of capital in proportion to risk and manage the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets.

The Group's aim is to translate profitable growth to superior cash generation through efficient capital management. The Group's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditors and market confidence and to sustain future development and growth of its business. The Group will take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

Notes to the Consolidated financial statements

as at and for the year ended March 31, 2021

Note 37 - Capital Management (Cntd..)

(Amount in Rs. Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
Net debt	6,245.07	4,974.85
Total equity	10,625.67	8,262.66
Net debt to equity ratio	**59%**	**60%**

The net debt to equity ratio for the current year decreased from 60% to 59% following the repayment of term loan and internal accrual of Profit.

(b) Dividends

(Amount in Rs. Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
(i) Equity shares		
Final dividend for the year ended March 31, 2020 of Rs. NIL (March 31, 2019 - Rs. 00.50) per fully paid share	-	(32.60)
DDT on final dividend	-	(6.70)
(ii) Dividends not recognised at the end of the reporting period		
In addition to the above dividends, since year end the directors have recommended the payment of a final dividend of Rs. 0.80 per fully paid equity share (March 31, 2020 Rs. Nil).	52.14	-

Note 38 - Segment Reporting

The Holding Company's managing director who is identified as the chief operating decision maker of the Group, examines the performance of the business and allocates funds on the basis of a single reportable segment i.e. 'EPC business'. The Group has no other reportable segment. The Group does not have any reportable geographical segment as it caters to the needs of only the domestic market.

Accordingly, the segment revenue, segment results, total carrying amount of segment assets and segment liability, total cost incurred to acquire segment assets and total amount of charge for depreciation during the period, is as reflected in the Financial Statements as of and for the financial year ended March 31, 2021.

Non-current assets excluding financial assets, deferred tax assets amounts to Rs. 5,033.77 Millions (March 31, 2020 Rs. 5,040.22 Millions) are located entirely in India.

Information relating to major customers

Revenue of approximately Rs. 21,533.58 Millions (for the year ended March 31, 2020 - Rs. 19,468.55 Millions) was derived from external customers, which individually accounted for more than 10% of the total revenue.

Note 39 - Net Debt Reconciliation

(Amount in Rs. Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
Cash and cash equivalents	1,441.43	245.75
Current borrowings	(1,322.13)	(1,912.15)
Current maturities of long term borrowings	(772.59)	(1,122.58)
Interest accrued but not due	(9.75)	(19.26)
Non current borrowings	(5,570.40)	(2,129.55)
Lease liabilities	(11.63)	(37.05)
Net Debt	**(6,245.07)**	**(4,974.84)**

Notes to the Consolidated financial statements

as at and for the year ended March 31, 2021

Note 39 - Net Debt Reconciliation (Cntd..)

Particulars	Other assets	LIABILITIES FROM FINANCING ACTIVITIES				Total
	Cash and bank balances	Lease liabilities	Non-current borrowings	Current borrowings*	Interest accrued	
Net debt as at April 1, 2019	**31.17**	**-**	**(593.23)**	**(3,210.56)**	**(12.44)**	**(3,785.06)**
Cash flows	214.58	(37.05)	(1,536.32)	175.83	-	(1,182.96)
Interest expense	-	-	-	-	378.81	378.81
Interest paid	-	-	-	-	(385.63)	(385.63)
Net debt as at March 31, 2020	**245.75**	**(37.05)**	**(2,129.55)**	**(3,034.73)**	**(19.26)**	**(4,974.84)**
Cash flows	1,195.68	25.42	(3,440.85)	940.01	-	(1,279.75)
Interest expense	-	-	-	-	(615.77)	(615.77)
Interest paid	-	-	-	-	625.28	625.28
Net debt as at 31 March 2021	**1,441.43**	**(11.63)**	**(5,570.40)**	**(2,094.72)**	**(9.75)**	**(6,245.07)**

* Includes current maturities of long term borrowings, cash credit facility, Payable under MSMED trade receivable discounting system (TReDS) and loan taken from directors.

Note 40 - Related Party transactions

I Name of related parties and nature of relationship:

Other Related Parties with whom transactions have taken place during the year

C) Key Management Personnel

Mr. Vijendra Singh	- Whole Time Director
Mr. Harendra Singh	- Chairman and Managing Director
Mr. Ashok Kumar Thakur	- Non-Executive Independent Director
Mrs. Pooja Hemant Goyal	- Non-Executive Independent Director
Mr. Onkar Singh	- Non-Executive Independent Director
Mr. Dinesh Kumar Goyal	- Non-Executive Director (w.e.f January 25, 2019 - June 23, 2020) and Executive Director (w.e.f June 24, 2020)
Mrs. Ankita Mehra	- Company Secretary

D) Relatives of Key Management Personnel

Mr. Girishpal Singh	- Brother of Mr. Harendra Singh
Mr. Vaibhav Choudhary	- Son of Mr. Girishpal Singh
Mr. Navneet Choudhary	- Son of Mr. Vijendra Singh
Mr. Hodal Singh	- Father of Mr. Harendra Singh
Mr. Rohit Choudhary	- Son of Mr. Girishpal Singh
Ms. Ridhima Choudhary	- Daughter of Mr. Harendra Singh

E) Enterprises over which key management personnel and their relatives are able to exercise significant influence

HG Traders
H.G. Infra Toll Ways Private Limited
Mahadev Stone Crusher
HG Foundation
TPL – HGIEPL JV

Notes to the Consolidated financial statements

as at and for the year ended March 31, 2021

Note 40 - Related Party transactions (Cntd..)

II Transactions with related parties

A) Key Management personnel compensation

(Amount in Rs. Millions)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Short-term employee benefits*	41.79	36.36
Director's sitting fees	2.45	2.06
Total compensation	**44.24**	**38.42**

*Compensation exclude provision for gratuity and compensated absences since these are based on actuarial valuation on an overall company basis.

B) Transactions during the year

(Amount in Rs. Millions)

Particulars	For the Year ended March 31, 2021	For the Year ended March 31, 2020
Sale of material		
Mahadev Stone Crusher	18.79	10.43
Expenses incurred on behalf of		
Mr. Hodal Singh	4.09	-
Contract Revenue		
HGIEPL - TPL JV	274.98	1,464.02
Sales of Fixed assets		
Mahadev Stone Crusher	-	13.50
Contract Expenses		
H.G. Infra Tollways Private Limited	197.56	148.48
Mahadev Stone Crusher	45.47	20.19
HG Traders	4.14	1.23
Rent Paid for Office		
Mr. Hodal Singh	0.74	0.14
Mr. Girishpal Singh	0.43	0.40
Sitting Fees		
Mr. Onkar Singh	0.94	0.79
Ms. Pooja Hemant Goyal	0.47	0.37
Mr. Ashok Kumar Thakur	0.59	0.45
Mr. Girish Pal Singh	0.14	0.20
Mr. Harendra Singh	0.23	0.18
Mr. Vijendra Singh	0.08	0.07
Remuneration paid		

Notes to the Consolidated financial statements

as at and for the year ended March 31, 2021

Note 40 - Related Party transactions (Cntd..)

(Amount in Rs. Millions)

Particulars	For the Year ended March 31, 2021	For the Year ended March 31, 2020
Key management personnel:		
Mr. Vijendra Singh*	12.25	12.00
Mr. Harendra Singh*	22.05	21.60
Mr. Dinesh Kumar Goyal*	3.18	-
Mr. Girish Pal Singh*	1.15	-
Mr. Rajeev Mishra*	2.53	2.24
Mrs. Ankita Mehra*	0.63	0.52
* Gratuity is not included, as it is provided on overall basis based on actuarial valuation.		
Remuneration to relatives of KMP		
Mr. Vaibhav Choudhary*	8.58	8.40
Mr. Rohit Choudhary*	0.44	0.84
Mr. Navneet Choudhary*	2.94	-

(Amount in Rs. Millions)

Particulars	For the Year ended March 31, 2021	For the Year ended March 31, 2020
Legal and professional fees		
Ms. Ridhima Choudhary	1.20	0.78
Mr. Dinesh Kumar Goyal	0.28	1.20
Corporate social responsibility expenditure		
HG Foundation	11.05	-
Guarantees given on behalf of Group		
Mr. Vijendra Singh	3,880.00	3,175.00
Mr. Harendra Singh	3,880.00	3,175.00
Insurance premium paid towards keyman term policy taken by Holding Company		
Mr. Vijendra Singh	2.76	5.41
Mr. Harendra Singh	2.73	5.34
Mr. Vaibhav Choudhary	2.58	5.05
Loans taken from Key management personnel / directors:		
Mr. Vijendra Singh	18.98	70.46
Mr. Harendra Singh	106.69	208.10
Repayment of Loan to Key management personnel / directors:		
Mr. Vijendra Singh	137.30	243.51
Mr. Harendra Singh	448.72	217.94

Notes to the Consolidated financial statements

as at and for the year ended March 31, 2021

Note 40 - Related Party transactions (Cntd..)

C Outstanding balances

(Amount in Rs. Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
Current borrowings		
Key management personnel / directors:		
Mr. Vijendra Singh	-	118.32
Mr. Harendra Singh	-	342.03
Other Current Liabilities		
Employee benefits payable		
Mr. Vaibhav Choudhary	0.39	0.75
Mr. Vijendra Singh	0.57	-
Mr. Girish Pal Singh	1.90	0.02
Mr. Navneet Choudhary	0.16	0.16
Mr. Rajeev Mishra	0.20	0.04
Mrs. Ankita Mehra	0.04	-

(Amount in Rs. Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
Trade Receivables		
HGIEPL - TPL JV	126.03	285.65
Advance to Contractor		
Mahadev Stone Crusher	-	0.99
Other receivable		
Mr. Hodal Singh	4.72	-
Trade Payable		
Mr. Dinesh Kumar Goyal	-	0.10
Ms. Ridhima Choudhary	0.35	0.16
HG Traders	2.03	1.44
Mahadev Stone Crusher	1.21	-
H.G. Infra Tollways Private Limited	9.68	6.39
Advance from customers (Contract liability)		
HGIEPL - TPL JV	-	22.83
Sitting fees payable		
Mr. Onkar Singh	-	0.06
Ms. Pooja Hemant Goyal	-	0.03
Mr. Ashok Kumar Thakur	-	0.03
Mr. Harendra Singh	-	0.04
Mr. Girish Pal Singh	-	0.03
Guarantees given on behalf of Group		
Mr. Vijendra Singh	14,354.41	10,474.41
Mr. Harendra Singh	14,354.41	10,474.41
Mr. Girish Pal Singh	1,974.41	1,974.41
Mr. Hodal Singh	1,014.88	1,014.88

Notes to the Consolidated financial statements

as at and for the year ended March 31, 2021

Note 40 - Related Party transactions (Cntd..)

D) Terms and conditions

All Related Party Transactions entered during the year were in ordinary course of the business and are on arm's length basis.

All outstanding balances are unsecured and repayable in cash.

There is no loss allowance has been recognised during the year in respect of receivable due from related parties.

Note 41 - Employee benefit obligations

(Amount in Rs. Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
Compensated Absences	13.31	5.82
Gratuity	24.87	10.14
Total	**38.18**	**15.96**

(i) Compensated Absences

"The employees of the Holding Company are entitled to compensated absences as per the policy of the Group. Based on past experience, the Group does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months. The following amounts reflect leave that is not expected to be taken or paid within the next 12 months."

(Amount in Rs. Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
Current leave obligations not expected to be settled within the next 12 months	13.31	5.82

(ii) Post employment obligations

(a) Defined Contribution Plans:

Provident fund

Employers' contribution to employees' pension scheme 1995

Employers' contribution to Employee State Insurance Corporation (ESIC)

The provident fund and pension scheme are operated by regional provident fund commissioner. Under the scheme, the Group is required to contribute a specified percentage of payroll cost to the retirement benefit schemes to fund the benefits.

The Group has recognised the following amounts in the Statement of Profit and Loss for the year:

(Amount in Rs. Millions)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Contribution to Provident Fund	13.17	15.89
Contribution to E.S.I.C	5.38	6.88
Contribution to Pension Fund	16.78	21.07
Contribution to Gratuity	11.39	17.91
	46.72	**61.75**

(b) Defined Benefit Plans:

Gratuity

The Group provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. Contributions are made to a gratuity based upon actuarial valuation done at the year end of every financial year using "Projected Unit Credit" method. The charge on account of provision for gratuity has been included in Employee Benefits Expense in the Statement of Profit and Loss except remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in other comprehensive income.

Notes to the Consolidated financial statements

as at and for the year ended March 31, 2021

Note 41 - Employee benefit obligations (Cntd..)

The amounts recognised in the Balance Sheet and the movements in the net defined benefit obligation over the year are as follows:

(Amount in Rs. Millions)

Particulars	Present Value of Obligation	Fair Value of plan Assets	Net Amount
As on April 1, 2019 (A)	39.69	8.38	31.31
Current service cost	15.87	-	15.87
Past service cost	-	-	-
Interest expense	2.93	0.89	2.04
Total Amount Recognised in profit and loss (B)	**18.80**	**0.89**	**17.91**
Remeasurements			
Assets, excluding amount included in interest expense/(income)	-	(0.42)	0.42
(Gain)/loss from change in demographic assumptions	8.08	-	8.08
(Gain)/loss from change in financial assumptions	(9.78)	-	(9.78)
Experience (gains)/losses	(6.80)	-	(6.80)
Total amount recognised in other comprehensive income (C)	**(8.50)**	**(0.42)**	**(8.08)**
Employer contributions (D)	-	30.96	(30.96)
Benefit payments (E)	(1.13)	(1.09)	(0.04)
Balance as on March 31, 2020 (A+B+C+D+E)	**48.86**	**38.72**	**10.14**

(Amount in Rs. Millions)

Particulars	Present Value of Obligation	Fair Value of plan Assets	Net Amount
As on April 1, 2020 (A)	**48.86**	**38.72**	**10.14**
Current service cost	11.10	-	11.10
Past service cost	-	-	-
Interest expense	2.28	2.00	0.28
Total Amount Recognised in profit and loss (B)	**13.38**	**2.00**	**11.38**
Remeasurements			
Assets, excluding amount included in interest expense/(income)	-	(0.10)	0.10
(Gain)/loss from change in demographic assumptions	2.20	-	2.20
(Gain)/loss from change in financial assumptions	(3.01)	-	(3.01)
Experience (gains)/losses	5.43	-	5.43
Total amount recognised in other comprehensive income (C)	**4.62**	**(0.10)**	**4.72**
Employer contributions (D)	-	1.37	(1.37)
Benefit payments (E)	(1.13)	(1.13)	-
Balance as on March 31, 2021 (A+B+C+D+E)	**65.73**	**40.86**	**24.87**

Notes to the Consolidated financial statements

as at and for the year ended March 31, 2021

Note 41 - Employee benefit obligations (Cntd..)

The significant actuarial assumptions were as follows:

(Amount in Rs. Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
Discount rate (per annum)	4.45%	5.45%
Salary growth rate	10.00%	12.68%
Expected average remaining working lives of employees	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2012-14)

Sensitivity Analysis

The sensitivity of the defined benefit obligation to increase and decrease in the weighted principal assumptions by 0.50% is as below:

Particulars	Year ended March 31, 2021		Year ended March 31, 2020	
	Discount	Salary escalation	Discount	Salary escalation
Impact of increase in 50 BPS on DBO	-1.53%	1.43%	-1.50%	1.44%
Impact of Decrease in 50 BPS on DBO	1.58%	-1.41%	1.54%	-1.41%

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the Balance Sheet. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

(iii) The major categories of plans assets are as follows:

The plan asset for the funded gratuity plan is administered by Life Insurance Corporation of India ('LIC') as per the investment pattern stipulated for Pension and Group Schemes fund by Insurance Regulatory and Development Authority regulations i.e. 100% of plan assets are invested in insurer managed fund. Quoted price of the same is not available in active market.

(iv) Risk Exposure

Through its defined benefit plans, the Company is exposed to a number of risks, the most significant of which are detailed below:

Asset volatility : The plan liabilities are calculated using a discount rate set with reference to bond yields; if plan assets underperform this yield, this will create a deficit. 100% of the plan asset investments is in insurer managed funds. These are subject to interest rate risk and the fund manages interest rate risk with derivatives to minimise risk to an acceptable level.

Salary Inflation Risk : Higher than expected increases in salary will increase the defined benefit obligation.

Interest-Rate Risk : The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.

(v) Defined Benefit Liability and Employer Contributions

The company considers that the contribution rates set at the last valuation date are sufficient to eliminate the deficit over the agreed period and that regular contributions, which are based on service costs, will not increase significantly.

Expected contributions to post-employment benefit plans for the year ending March 31, 2021 are Rs. 10 Million (Year ending March 31, 2020 Rs. 10 Million)

The weighted average duration of the defined benefit obligation is 3.06 years (March 31, 2020: 3.06 years). The expected maturity analysis of undiscounted gratuity is as follows:

Notes to the Consolidated financial statements

as at and for the year ended March 31, 2021

Note 41 - Employee benefit obligations (Cntd..)

Maturity Analysis of the Projected Benefit Obligations - Gratuity

(Amount in Rs. Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
1st Following Year	17.52	14.16
2nd Following Year	16.57	10.34
3rd Following Year	12.59	10.18
4th Following Year	9.38	7.59
5th following year	6.24	5.29
Sum of 6th to 10th Following Year	13.90	10.59

Note 42 - Assets pledged as security

The carrying amounts of assets pledged as security for current and non-current borrowings are as follows:

(Amount in Rs. Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
Current		
Financial Assets		
Floating Charge		
Trade Receivables	5,858.13	6,881.86
Receivable under service concession aggrement with National Highway Authority of India (NHAI)	3,300.94	2,241.93
Deposits with government authorities	11.84	0.16
Goods and Services Tax (GST) recoverable	840.47	426.44
Cash and cash equivalents	41.95	5.93
Non-financial assets		
Inventories	1,680.08	1,055.30
Total Current Assets pledged as Security	**11,733.41**	**10,611.62**
Non-Current		
Plant and machinery	2,175.27	3,542.42
Building	140.61	88.04
Vehicles	82.97	106.10
Other financial assets		
Receivable under service concession aggrement with National Highway Authority of India (NHAI)	4,082.02	920.19
Income tax asset	153.56	57.13
Total Non-Current assets pledged as Security	**6,634.43**	**4,713.88**
Total Assets pledged as Security	**18,367.84**	**15,325.50**

Note: Amount of assets pledged are gross carrying values and post elimination of intra-group balances.

Notes to the Consolidated financial statements

as at and for the year ended March 31, 2021

Note 43 - Contingent Liabilities

(Amount in Rs. Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
(a) The company has a contingent claims liability against which, the company has taken a Insurance policy against third party liability.	44.79	40.55

(b) The Group has evaluated the impact of the Supreme Court (SC) judgement dated February 28, 2019 in case of "Vivekananda Vidyamandir And Others Vs The Regional Provident Fund Commissioner (II) West Bengal" and the related circular (Circular No. C-I/1(33)2019/Vivekananda Vidya Mandir/284) dated March 20, 2019 issued by the Employees' Provident Fund Organisation in relation to non-exclusion of certain allowances from the definition of "basic wages" of the relevant employees for the purposes of determining contribution to provident fund under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952. In the assessment of the management which is supported by legal advice, the Company believes that the aforesaid judgement does not have material impact on the Company. The Company will continue to monitor and evaluate its position based on future events and developments.

Note 44 - Disclosure of operating leases under Ind AS 17

The Group rents out its equipment on operating lease basis. All the arrangements are cancellable and are generally ranging in the period of 1 months to 6 months. There are no contingent rents recognised as income in the period.

Amounts recognised in the Standalone Statement of Profit and Loss

(Amount in Rs. Millions)

Particulars	Ref Note No.	For the Year ended March 31, 2021	For the Year ended March 31, 2020
Equipment given on hire	27	5.98	6.32

Note 45 - Commitments

(a) Capital commitments

Capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:

(Amount in Rs. Millions)

Description	As at March 31, 2021	As at March 31, 2020
Property, plant and equipment [(net of capital advance amounts to Rs. 26.96 Million) (March 31, 2020 Rs 27.37 Million)]	179.59	49.63

(b) Other commitments

(Amount in Rs. Millions)

Description	As at March 31, 2021	As at March 31, 2020
Guarantees given to lenders of subsidiary Companies	11,408.10	9,208.10

Footnote :

The guarantees given to lenders of subsidiaries are unlikely to be called, as subsidiaries are in a position to service principal and interest, covered by such guarantees.

Note 46

The holding company has been legally advised that outstanding loan aggregating to Rs. 43.90 Million (as at March 31, 2020 , Rs. 68.25 Million) made towards financing the subsidiary do not come under the preview of Section 186 of companies Act, 2013 as the Group is in the business of construing and developing infrastructure facilities.

Notes to the Consolidated financial statements

as at and for the year ended March 31, 2021

Note 47 - Earnings per share

(Amount in Rs. Millions)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Profit for the year (Amount in Rs. Millions)	2,366.54	1,666.11
Weighted average number of equity shares outstanding (number)	6,51,71,111	6,51,71,111
Earning per Share (basic and diluted)	36.31	25.57
Nominal value per equity share	10	10

Note 48 - Additional information as required by paragraph 2 of the general instructions for preparation of consolidated financial statements to schedule III to the companies Act, 2013

Name of the entity	% Holding	Net Assets, i.e., total assets minus total liabilities		Share of profit or loss		Share in other comprehensive income		Share in Total Comprehensive Income	
		"As % of Consolidated net assets"	Amount	As % of Consolidated profit or loss	Amount	As % of Consolidated other comprehensive income	Amount	As % of Consolidated total comprehensive income	Amount
Parent : H.G. Infra Engineering Limited		72.49%	7,702.81	89.08%	2,108.00	100.00%	(3.53)	89.06%	2,104.47
Subsidiaries :									
1) Gurgaon Sohna Highway Private Limited	100%	7.72%	820.32	5.17%	122.29	0.00%	-	5.18%	122.29
2) HG Ateli Narnaul Highway Private Limited	100%	10.36%	1,100.60	3.62%	85.63	0.00%	-	3.62%	85.63
3) HG Rewari Ateli Highway Private Limited	100%	5.46%	579.74	1.99%	46.98	0.00%	-	1.99%	46.98
4) HG Rewari Bypass Private Limited	100%	3.92%	416.77	0.13%	3.07	0.00%	-	0.13%	3.07
Jointly Controlled operations									
1) HGIEPL – Ranjit JV	30%	0.03%	3.56	0.00%	(0.01)	0.00%	-	0.00%	(0.01)
2) HGIEPL – MGCPL JV	30%	0.00%	-	0.00%	-	0.00%	-	0.00%	-
3) HGIEPL – RPS JV	51%	0.02%	1.87	0.02%	0.58	0.00%	-	0.02%	0.58
Total		**100.00%**	**10,625.67**	**100.00%**	**2,366.54**	**100.00%**	**(3.53)**	**100.00%**	**2,363.01**

Notes to the Consolidated financial statements

as at and for the year ended March 31, 2021

Note 49 - Revenue from contracts with customers

Note 49.1 - Disaggregation of revenue from contracts with customers

The Group has determined the categories for disaggregation of revenue considering the types / nature of contracts. The Company recognises revenue from following types construction contracts, sale of services and sale of goods point in time and overtime as below:

(Amount in Rs. Millions)

As on March 31, 2021	Construction Contracts	Sale of Services (Maintenance Contract)	Sale of Goods (Sale of Aggregates)	Total
Revenue from external customers	25,438.67	239.23	-	25,677.90
Timing of revenue recognition				
- At a point in time	-	239.23	-	239.23
- Over time	25,438.67	-	-	25,438.67
	25,438.67	**239.23**	**-**	**25,677.90**

(Amount in Rs. Millions)

As on March 31, 2020	Construction Contracts	Sale of Services (Maintenance Contract)	Sale of Goods (Sale of Aggregates)	Total
Revenue from external customers	21,967.86	167.72	-	22,135.58
Timing of revenue recognition				
- At a point in time	-	167.72	-	167.72
- Over time	21,967.86	-	-	21,967.86
	21,967.86	**167.72**	**-**	**22,135.58**

The Company recognised revenue amounting to Rs. 1,898.89 Million (as at March 31, 2020 Rs. 664.48 Million) in the current reporting period that was included in the contract liability balance of previous year (Refer note 15 (a)) .

Note 49.2 - Unsatisfied performance obligations

The aggregate amount of transaction price allocated to performance obligations that are unsatisfied as at the end of reporting period is Rs. 76,768 Million (as at March 31, 2020 Rs. 70,049.70 Million) . On Construction Contracts (Road Projects and Pipeline contracts) have a life cycle of 2-3 years and other businesses performance obligations are met over a period of one or less than one year. Management expects that around 30% -35% of the transaction price allocated to unsatisfied contracts as of March 31, 2021 will be recognised as revenue during next reporting period depending upon the progress on each contracts.

The remaining amount is expected to be recognised in next year.

The amount disclosed above does not include variable consideration.

Note 49.3 - There are no reconciliation items between revenue from contracts with customers and revenue recognised with contract price.

Notes to the Consolidated financial statements

as at and for the year ended March 31, 2021

Note 50 - Assessment of the financial impact of the outbreak of Coronavirus (Covid-19)

"The Group has road projects majorly in states like Rajasthan, Haryana, Maharashtra, Uttar Pradesh and Telangana. On accounts of second wave of Covid 19, most of the states have declared lock down but have allowed infrastructure activity to be continued. The Management and the Board of Directors have evaluated the impact of the pandemic on its business operations. The Group currently has a strong order book in excess of Rs. 76,768 Million, leading to a clear visibility of revenue over the next 18-24 months. Collection from customers have been normal during the lockdown period enabling the Group to meet all its liabilities (including employee payables) in a timely manner and without availing any moratorium as announced by the Reserve Bank of India. The Group has adequate unutilized fund-based credit facilities available, to take care of any urgent requirement of funds. The Group through the lockdown period and even subsequently has been able to maintain adequate control of its assets and there have been no significant changes to its control environment during the period. Based on the above assessment, the Group strongly believes that there is no material impact of Covid 19 on these financial results. The Group has also made a detailed assessment of its liquidity position for the next 12 months from the balance sheet date. Further, there is no material impact foreseen on revenue and operating cash flow of the Group. Accordingly, the pandemic is not likely to have a significant impact on the future operations, its profitability and recoverability of the carrying value of its assets, as at March 31, 2021 and on its control environment. The Group will continue to closely monitor material changes to future economic conditions, if any, as and when they arise."

Note 51 - Receivable under service concession aggrement with National Highway Authority of India

Disclosure pursuant to Para 6 and 6A of appendix D of Ind AS 115 for Service Concession Agreements

(Amount in Rs. Millions)

Nature of Entity	Description of the Arrangement	Significant Terms of the Arrangement	Financial Assets as at March 31, 2021	Financial Assets as at March 31, 2020
Gurgaon Sohna Highway Private Limited	The Company is formed as a special purpose vehicle (SPV) to implementing a road project envisaging Six Laning and Strengthening of new NH-248A from existing km 11.682 to existing km 24.400 in the State of Haryana Package-2 (Design Ch. km 9.282 to km 22.000) under NHDP Phase IV on Hybrid Annuity Model (HAM) in state of Haryana, which shall be partly financed by the concessionaire who shall recover its investment and costs through annuity payments and operation and maintaince payment to be made by the authority, in accordance with the terms and conditions set forth in this concession agreement entered into.	"Period of Concession: 2019-2036 Remuneration: 40% during construction period and balance 60% in biannual annuity in 15 years as per concession agreement Investment grant from concession grantor: No Infrastructure return at the end of concession period: Yes Investment and renewal obligation: Nil Re-pricing dates: No Basis upon which re-pricing or re-negotiation is determined: NA Premium payable to granter: Nil bid project cost (BPC): Rs. 6,060.00 Millions Adjusted BPC: Rs. 6,532.20 Millions Operations and Maintenance (O&M) Payment: Rs. 40.00 Millions per year Bonus: If commercial operational date (COD) achieved on or more than 30 (thirty) days prior to the schedule commercial operational date (SCOD), bonus will be equal to 0.5% (Zero point five per cent) of 60 % (Sixty per cent) of the bid project cost (BPC) for the first 30 (thirty) days by which COD shall precede the SCOD and thereafter the said bonus shall be calculated on the pro-rata basis for each day preceding the said 30 (thirty) days period. Termination: Default made as specified in concession agreement (CA) except caused by force measure event, by concessionaire not cured in 60 days and by authority not cured in 90 days, contract will be terminated."	2,544.35	1,838.63

Notes to the Consolidated financial statements

as at and for the year ended March 31, 2021

Note 51 - Receivable under service concession aggrement with National Highway Authority of India (Cntd..)

(Amount in Rs. Millions)

Nature of Entity	Description of the Arrangement	Significant Terms of the Arrangement	Financial Assets as at March 31, 2021	Financial Assets as at March 31, 2020
HG Ateli Narnaul Highway Private Limited	The Company is formed as a special purpose vehicle (SPV) for constructing a road project of proposed Narnaul Bypass (design length 24.0 KM) & Ateli Mandi to Narnaul section of NH-11 from KM 43.445 to KM 56.900 (design length 14.0 KM) as an economic corridor & fidder route Pkg-II on Hybrid Annuity mode (HAM) in state of Haryana, which shall be partly financed by the concessionaire who shall recover its investment and costs through annuity payments and O&M payment to be made by the authority, in accordance with the terms and conditions set forth in this concession agreement entered into.	"Period of Concession: 2020-2037 Remuneration: 40% during construction period and balance 60% in biannual annuity in 15 years as per concession agreement Investment grant from concession grantor: No Infrastructure return at the end of concession period: Yes Investment and renewal obligation: Nil Re-pricing dates: No Basis upon which re-pricing or re-negotiation is determined: NA Premium payable to granter: Nil BPC: Rs. 9,521.10 Millions Adjusted BPC: Rs. 10,246.60 Millions O&M Payment: Rs. 50.00 Millions per year Bonus: If COD achieved on or more than 30 (thirty) days prior to the SCOD, bonus will be equal to 0.5% (Zero point five per cent) of 60 % (Sixty per cent) of the BPC for the first 30 (thirty) days by which COD shall precede the SCOD and thereafter the said bonus shall be calculated on the pro-rata basis for each day preceding the said 30 (thirty) days period. Termination: Default made as specified in CA except caused by force measure event, by concessionaire not cured in 60 days and by authority not cured in 90 days, contract will be terminated."	2,724.54	974.25

Notes to the Consolidated financial statements

as at and for the year ended March 31, 2021

Note 51 - Receivable under service concession aggrement with National Highway Authority of India (Cntd..)

(Amount in Rs. Millions)

Nature of Entity	Description of the Arrangement	Significant Terms of the Arrangement	Financial Assets as at March 31, 2021	Financial Assets as at March 31, 2020
HG Rewari Ateli Highway Private Limited	The Company is formed as a special purpose vehicle (SPV) for upgradation of a road project of four lane of Rewari - Ateli Mandi section of NH-11 from KM 11.780 at Rewari to Ex. KM 43.445 near Ateli Mandi (designed length 30.45 KM) as feeder route Pkg-III on Hybrid Annuity mode (HAM) in state of Haryana, which shall be partly financed by the concessionaire who shall recover its investment and costs through annuity payments and O&M payment to be made by the authority, in accordance with the terms and conditions set forth in this concession agreement entered into.	"Period of Concession: 2020-2037 Remuneration: 40% during construction period and balance 60% in biannual annuity in 15 years as per concession agreement Investment grant from concession grantor: No Infrastructure return at the end of concession period: Yes Investment and renewal obligation: Nil Re-pricing dates: No Basis upon which re-pricing or re-negotiation is determined: NA Premium payable to granter: Nil BPC: Rs. 5,800.00 Millions Adjusted BPC: 6,262.60 Millions O&M Payment: 60.00 Millions per year Bonus: If COD achieved on or more than 30 (thirty) days prior to the SCOD, bonus will be equal to 0.5% (Zero point five per cent) of 60 % (Sixty per cent) of the BPC for the first 30 (thirty) days by which COD shall precede the SCOD and thereafter the said bonus shall be calculated on the pro-rata basis for each day preceding the said 30 (thirty) days period. Termination: Default made as specified in CA except caused by force measure event, by concessionaire not cured in 60 days and by authority not cured in 90 days, contract will be terminated."	1,470.45	349.24
HG Rewari Bypass Private Limited	The Company is formed as a special purpose vehicle (SPV) for Construction of proposed Rewari Bypass (Design length 14.4 km) as Feeder Route in the state of Haryana on Hybrid Annuity Mode (HAM), which shall be partly financed by the concessionaire who shall recover its investment and costs through annuity payments and O&M payment to be made by the authority, in accordance with the terms and conditions set forth in this concession agreement entered into.	"Period of Concession: 2021-2038 Remuneration: 40% during construction period and balance 60% in biannual annuity in 15 years as per concession agreement Investment grant from concession grantor: No Infrastructure return at the end of concession period: Yes Investment and renewal obligation: Nil Re-pricing dates: No Basis upon which re-pricing or re-negotiation is determined: NA Premium payable to granter: Nil BPC: 5,220.20 Millions Adjusted BPC: 5,466.20 Millions O&M Payment: 30 Millions per year Bonus: If COD achieved on or more than 30 (thirty) days prior to the SCOD, bonus will be equal to 0.5% (Zero point five per cent) of 60 % (Sixty per cent) of the BPC for the first 30 (thirty) days by which COD shall precede the SCOD and thereafter the said bonus shall be calculated on the pro-rata basis for each day preceding the said 30 (thirty) days period. Termination: Default made as specified in CA except caused by force measure event, by concessionaire not cured in 60 days and by authority not cured in 90 days, contract will be terminated."	643.62	-

Notes to the Consolidated financial statements

as at and for the year ended March 31, 2021

Note 52 - Disclosure of operating leases under Ind AS 17

Leases as lessee

The Holding Company has obtained premises (office, residential and Camp) and machineries taken on lease. The terms of lease include terms of renewals, increase in rent in future period, terms of cancellation, etc. The agreements are executed for a period of 1 months to 36 months with a renewable clause and also provide for termination at will by either party giving a prior notice of 1 to 3 months at any time during the lease term.

Amounts recognised in the Standalone Statement of Profit and Loss

(Amount in Rs. Millions)

Particulars	Ref Note No.	As at March 31, 2021	As at March 31, 2020
Civil construction costs	**29**		
Hire charges for machinery and others		255.09	286.24
Other expenses	33		
Lease rent		33.42	33.77
Total Expense		**288.51**	**320.02**

Note 53 - Intra-group turnover and profits on DBFOT construction contracts to be included in consolidated financial statements

"Design, Build, Finance, Operate and Transfer (DBFOT) contracts on hybrid annuity method are governed by Service Concession Agreements with government authorities (grantor). Under these agreements, the operator does not own the road, but gets the "right to receive annuity" against the construction services rendered. Since the construction revenue earned by the operator is considered as exchanged with the grantor against the right to receive annuity, revenue is recognised at fair value of construction services rendered and profit from such contracts is considered as realised. Accordingly, HAM contracts awarded to subsidiary companies (SPV's), where work is subcontracted to the Holding Company, the intra group transactions on HAM contracts and the profits arising thereon are taken as realised and not eliminated for consolidation under Ind AS 110, Consolidated financial statement."

Note 54 - Prior year figures have been regrouped, wherever necessary.

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration No. 304026E / E-300009

Nitin Khatri
Partner
Membership Number: 110282

For Shridhar & Associates
Firm Registration Number: 134427W

Abhishek Pachlangia
Partner
Membership Number: 120593

Place: Mumbai
Date : May 12, 2021

For and on behalf of the Board of Directors
H. G. Infra Engineering Limited
CIN: L45201RJ2003PLC018049

Harendra Singh
Chairman and Managing Director
DIN: 00402458

Rajeev Mishra
Chief Financial Officer

Place: Jaipur
Date : May 12, 2021

Ankita Mehra
Company Secretary
Membership No: A33288

H. G. Infra Engineering Limited
CIN: L45201RJ2003PLC018049
Registered Office: 14, Panchwati Colony, Ratanada, Jodhpur, Rajasthan-342001, Tel: 0291-2515327
Corporate Office: III Floor, Sheel Mohar Plaza, A-1, Tilak Marg, C- Scheme, Jaipur, Rajasthan-302001
Tel.: 0141 4106040-41; Fax: 0141 4106044
Email: cs@hginfra.com; Website: www.hginfra.com

NOTICE

NOTICE is hereby given that the **19th Annual General Meeting** of the members of **H.G. Infra Engineering Limited** will be held on Monday, September 06, 2021 at 2:00 P.M. IST through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM"), to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt:

   a. Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2021 and the Reports of Board of Directors and Auditors thereon; and

   b. Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2021 and the Report of Auditors thereon.

2. To declare a final dividend of Rs. 0.80 (Rupees Eighty Paisa Only) per equity share of Rs.10 each for the Financial Year 2020-21.

3. To appoint a Director in place of Mr. Dinesh Kumar Goyal (DIN:02576453), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

4. To approve the re-appointment of Mr. Harendra Singh (DIN: 00402458) as Managing Director of the Company for a second term of five consecutive years and, if thought fit, to pass the following Resolution as an Ordinary Resolution:

   "RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 and any other applicable provisions, if any, read along with Schedule V of the Companies Act, 2013 ('Act') and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time, the consent of the Members be and is hereby accorded to the re-appointment and terms of remuneration of Mr. Harendra Singh (DIN: 00402458) as Managing Director ('MD') of the Company for a period of five consecutive years commencing from May 15, 2022 to May 14, 2027, liable to retire by rotation, upon the terms and conditions set out in the statement annexed to the Notice convening this Meeting, including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during his said tenure within the overall limits of Section 197 of the Act, with liberty to the Board of Directors (including its Committee thereof) to alter and vary the terms and conditions of the said re-appointment and terms of remuneration as it may deem fit and in such manner as may be agreed to between the Board and MD.

   RESOLVED FURTHER THAT the Board of Directors (including its Committee thereof) be and is hereby authorised to do all such acts, deeds and matters and things as, in its absolute discretion, it may consider necessary, expedient and desirable to give effect to this resolution."

5. To approve the re-appointment of Mr. Vijendra Singh (DIN: 01688452) as Whole-time Director of the Company for a second term of five consecutive years and, if thought fit, to pass the following Resolution as an Ordinary Resolution:

   "RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 and any other applicable provisions, if any, read along with Schedule V of the Companies Act, 2013 ('Act') and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time, the consent of the Members be and is hereby accorded to the re-appointment and terms of remuneration of Mr. Vijendra Singh (DIN: 01688452) as Whole-time Director ('WTD') of the Company for a period of five consecutive years commencing from May 15, 2022 to May 14, 2027, liable to retire by rotation, upon the terms and conditions set out in the statement annexed to the Notice convening this Meeting, including the remuneration to be paid in the event

of loss or inadequacy of profits in any financial year during his said tenure within the overall limits of Section 197 of the Act, with liberty to the Board of Directors (including its Committee thereof) to alter and vary the terms and conditions of the said re-appointment and terms of remuneration as it may deem fit and in such manner as may be agreed to between the Board and WTD.

RESOLVED FURTHER THAT the Board of Directors (including its Committee thereof) be and is hereby authorised to do all such acts, deeds and matters and things as, in its absolute discretion, it may consider necessary, expedient and desirable to give effect to this resolution."

6. To approve the re-appointment of Mr. Ashok Kumar Thakur (DIN: 07573726) as an Independent Director of the Company for a second term of five consecutive years and, if thought fit, to pass the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) and/or re-enactment(s) thereof for the time being in force), Mr. Ashok Kumar Thakur who was appointed as an Independent Director and who holds office upto May 14, 2022 and being eligible, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of five consecutive years commencing from May 15, 2022 till May 14, 2027.

RESOLVED FURTHER THAT the Board of Directors and/or the Company Secretary, be and are hereby authorized to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution".

7. To approve the capital raising by way of issuance of equity shares and/or equity linked securities and, if thought fit, to pass the following resolution as a Special Resolution:

"RESOLVED THAT in supersession of the resolution passed by the Members at their meeting held on September 25, 2020 and pursuant to Sections 23, 41, 42, 62(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 and the applicable rules made thereunder (including the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Companies (Share Capital and Debentures) Rules, 2014), including any amendment(s), statutory modification(s), or re-enactment(s) thereof for the time being in force and in accordance with the provisions of the memorandum of association and articles of association of the Company, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended **("SEBI ICDR Regulations")**, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended **("SEBI Listing Regulations")** and the Foreign Exchange Management Act, 1999 and the regulations made thereunder including the Foreign Exchange Management (Non-debt Instruments) Rules, 2019, the Consolidated FDI Policy issued by the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry Government of India from time to time, each as amended, the Depository Receipts Scheme, 2014, the listing agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited where the equity shares of face value of Rs.10 each of the Company are listed **("Stock Exchanges")**, and such equity shares, (the **"Equity Shares"**), and other applicable statutes, laws, regulations, rules, notifications or circulars or guidelines promulgated or issued from time to time by the Ministry of Finance, Ministry of Corporate Affairs (**"MCA"**), Reserve Bank of India (**"RBI"**), Securities and Exchange Board of India (**"SEBI"**), Stock Exchanges, Registrar of Companies, Jaipur (**"RoC"**), the Government of India (**"GOI"**) and such other governmental/ statutory/regulatory authorities in India or abroad, and subject to all approvals, permissions, consents, and/or sanctions as may be necessary or required from SEBI, the Stock Exchanges, RBI, MCA, GOI, RoC, or any other concerned governmental/ statutory/regulatory authority in India or abroad, and subject to such terms, conditions, or modifications as may be prescribed or imposed while granting such approvals, permissions, consents, and/or sanctions by any of the aforesaid authorities, which may be agreed to by the Board of Directors of the Company (**"Board",** which term shall include any committee which the Board of Directors may have constituted or may hereinafter constitute to exercise its powers, including the powers conferred by this resolution), the approval of the Members of the Company be and is hereby accorded to the Board and the Board be and is hereby authorised on behalf of the Company, to create, offer, issue, and allot such number of Equity Shares, and/or securities convertible into Equity Shares at the option of the Company and/ or the holders of such securities, and/ or securities linked to Equity Shares, and/or any other instrument or securities representing Equity Shares and/ or convertible securities linked to Equity Shares (all of which are hereinafter collectively referred to as **"Securities"**) (including with provisions for reservations on firm and/or competitive basis, or such part of issue and for such categories of persons as may be permitted) through one or more of the permissible modes including but not limited to private placement, follow-on public offering (**"FPO"**), preferential issue, qualified institutions placement (**"QIP"**), or a combination thereof, to any eligible investors in Indian Rupees or its equivalent of any other foreign currencies by all eligible investors, including, resident and/or non-resident/foreign investors (whether institutions and/or incorporated bodies and/ or trusts or otherwise)/foreign portfolio investors/mutual funds/ pension funds/venture capital funds/ banks/alternate investment funds/Indian and/or multilateral financial institutions, insurance companies and any other category of persons or entities who/

which are authorised to invest in Securities of the Company as per extant regulations/guidelines or any combination of the above as may be deemed appropriate by the Board in its absolute discretion (whether or not such investors are Members of the Company, to all or any of them, jointly and/or severally), for cash, in one or more tranches, for an aggregate amount of up to **Rs. 3,000 million (Rupees three thousand million)** (inclusive of such discount or premium to market price or prices permitted under applicable law), on such other terms and conditions as may be mentioned in the prospectus and/or offer document and/ or placement document and/or private placement offer letter (along with the application form) and/ or such other documents/ writings/ circulars/ memoranda to be issued by the Company in respect of the proposed issue, as permitted under applicable laws and regulations, in such manner, and on such terms and conditions as may be deemed appropriate by the Board in its absolute discretion, considering the prevailing market conditions and/or other relevant factors, and wherever necessary, in consultation with the book running lead managers and/or other advisors appointed by the Company and the terms of the issuance as may be permitted by SEBI, the Stock Exchanges, RBI, MCA, GOI, RoC, or any other concerned governmental/statutory/regulatory authority in India or abroad, together with any amendments and modifications thereto (**"Issue"**).

RESOLVED FURTHER THAT in the event the Issue is undertaken by way of a QIP, following provisions of the SEBI ICDR Regulations shall apply:

(i) the allotment of Securities shall only be made to qualified institutional buyers (**"QIBs"**) as defined under Regulation 2(1) (ss) of SEBI ICDR Regulations;

(ii) the allotment of the Securities shall be completed within 365 days from the date of passing of the special resolution or such other time as may be allowed under the Companies Act, 2013 and/or SEBI ICDR Regulations, from time to time;

(iii) the **"relevant date"** for the purposes of pricing of the Securities to be issued and allotted in the proposed QIP shall be the date of the meeting in which the Board or a duly authorised committee decides to open the proposed QIP or in case of issuance of convertible securities, the date of the meeting in which the Board or a duly authorized committee of the Board decides to open the issue of the convertible securities or the date on which the holders of such convertible securities become entitled to apply for the equity shares as provided under the SEBI ICDR Regulations;

(iv) no single allottee shall be allotted more than 50% of the QIP size and the minimum number of allottees shall be in accordance with the SEBI ICDR Regulations. It is clarified that QIBs belonging to the same group or who are under same control shall be deemed to be a single allottee;

(v) the Securities (excluding warrants) shall be allotted on fully paid up basis;

(vi) the Securities allotted shall not be eligible for sale by the allottee for a period of one year from the date of allotment, except on a recognized stock exchange, or except as may be permitted from time to time;

(vii) the Company shall not undertake any subsequent QIP until the expiry of two weeks from the date of the QIP to be undertaken pursuant to the special resolution passed at this meeting.

RESOLVED FURTHER THAT in case the issue is made pursuant to QIP, it shall be made at such price that is not less than the price determined in accordance with the pricing formula provided under Regulation 176(1) of the SEBI ICDR Regulations (**"Floor Price"**), and the price determined for the QIP shall be subject to appropriate adjustments as per the provisions of the SEBI ICDR Regulations, as may be applicable. However, pursuant to the proviso under Regulation 176(1) of SEBI ICDR Regulations, the Board, at its absolute discretion, may offer a discount, of not more than 5% or such other percentage as may be permitted under applicable law on the Floor Price;

RESOLVED FURTHER THAT without prejudice to the generality of the above, subject to applicable laws and subject to approval, consents, permissions, if any, of any governmental body, authority or regulatory institution including any conditions as may be prescribed in granting such approval or permissions by such governmental authority or regulatory institution, the aforesaid Securities may have such features and attributes or any terms or combination of terms that provide for the tradability and free transferability thereof in accordance with the prevailing practices in the capital markets including but not limited to the terms and conditions for issue of additional Securities and the Board or a committee thereof subject to applicable laws, regulations and guidelines be and is hereby authorized in its absolute discretion in such manner as it may deem fit, to dispose of such Securities that are not subscribed.

RESOLVED FURTHER THAT in pursuance of the aforesaid resolution, the Securities to be created, offered, issued, and allotted shall be subject to the provisions of the memorandum and articles of association of the Company and any Equity Shares that may be created, offered, issued and allotted under the Issue or allotted upon conversion of the equity linked instruments issued by the Company shall rank pari-passu in all respects with the existing Equity Shares of the Company.

RESOLVED FURTHER THAT the issue and allotment of securities, if any, made to NRIs, FPIs and/or other eligible foreign investors pursuant to this resolution shall be subject to the approval of the RBI under the Foreign Exchange Management Act, 1999 as may be applicable but within the overall limits as set forth thereunder.

RESOLVED FURTHER THAT the approval of the Members of the Company be and is hereby accorded to the Board and the Board be and is hereby authorized to issue and allot such number of Equity Shares as may be required to be issued and allotted under the Issue or to be allotted upon conversion of any Securities or as

may be necessary in accordance with the terms of the Issue.

RESOLVED FURTHER THAT the approval of the Members of the Company be and is hereby accorded to the Board to open one or more bank accounts in the name of the Company, as may be required, subject to requisite approvals, if any, and to give such instructions including closure thereof as may be required and deemed appropriate by the Board.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, approval of the Members of the Company be and is hereby accorded to the Board and the Board be and is hereby authorized on behalf of the Company to do such acts, deeds, matters and take all steps as may be necessary including without limitation, for determining the terms and conditions of the Issue including among other things, the date of opening and closing of the Issue, the class of investors to whom the Securities are to be issued, determination of the number of Securities, tranches, issue price, finalisation and approval of offer document, placement document, preliminary or final, interest rate, listing, premium/discount, permitted under applicable law (now or hereafter), conversion of Securities, if any, redemption, allotment of Securities, listing of securities at Stock Exchanges and to sign and execute all deeds, documents, undertakings, agreements, papers, declarations and writings as may be required in this regard including without limitation, the private placement offer letter (along with the application form), information memorandum, disclosure documents, the placement document or the offer document, placement agreement, escrow agreement and any other documents as may be required, approve and finalise the bid cum application form and confirmation of allocation notes, seek any consents and approvals as may be required, provide such declarations, affidavits, certificates, consents and/ or authorities as required from time to time, finalize utilisation of the proceeds of the Issue, give instructions or directions and/or settle all questions, difficulties or doubts that may arise at any stage from time to time, and give effect to such modifications, changes, variations, alterations, deletions, additions as regards the terms and conditions as may be required by the SEBI, the MCA, the book running lead manager(s), or other authorities or intermediaries involved in or concerned with the Issue and as the Board may in its absolute discretion deem fit and proper in the best interest of the Company without being required to seek any further consent or approval of the Members or otherwise, and that all or any of the powers conferred on the Company and the Board pursuant to this resolution may be exercised to that end and intend that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution, and all actions taken by the Board or any committee constituted by the Board to exercise its powers, in connection with any matter(s) referred to or contemplated in any of the foregoing resolutions be and are hereby approved, ratified and confirmed in all respects.

RESOLVED FURTHER THAT the approval of the Members of the Company be and is hereby accorded to the Board and the Board be and is hereby authorized to approve, finalise, execute, ratify, and/or amend/ modify agreements and documents, including any power of attorney, agreements, contracts, memoranda, documents, etc. in connection with the appointment of any intermediaries and/or advisors (including for marketing, obtaining in-principle approvals, listing, trading and appointment of book running lead managers, underwriters, guarantors, depositories, custodians, legal counsel, bankers, trustees, stabilizing agents, advisors, registrars and all such agencies as may be involved or concerned with the Issue) and to remunerate them by way of commission, brokerage, fees, costs, charges and other expenses in connection therewith.

RESOLVED FURTHER THAT subject to applicable law, the approval of the Members of the Company be and is hereby accorded to the Board and the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any Director(s), committee(s), executive(s), officer(s) or representatives(s) of the Company or to any other person to do all such acts, deeds, matters and things and also to execute such documents, writings etc., as may be necessary to give effect to this resolution.

RESOLVED FURTHER THAT a copy of the above resolution, certified to be true by any of the Directors of the Company or the Company Secretary of the Company, signed physically or by digital means, be forwarded to the authorities concerned for necessary action."

8. To ratify the remuneration payable to Cost Auditors of the Company for the financial year ending March 31, 2022 and, if thought fit, to pass the following Resolution as an Ordinary Resolution:

   "RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and the Companies (Cost Records and Audit) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the remuneration payable to M/s. Rajendra Singh Bhati & Co., Cost Accountants (Firm Registration No. 101983), appointed by the Board of Directors as Cost Auditors of the Company to conduct the audit of the cost records of the Company for the financial year ending March 31, 2022, amounting to Rs. 1,50,000/- (Rupees One Lakh Fifty Thousand only) as also the payment of taxes, as applicable and reimbursement of out-of-pocket expenses incurred in connection with the aforesaid audit, be and is hereby ratified."

By order of the Board of Directors
For **H.G. Infra Engineering Limited**

Ankita Mehra
Company Secretary and
Compliance Officer
M. No. A33288
Jaipur, August 04, 2021

Registered Office:
14, Panchwati Colony, Ratanada,
Jodhpur,
Rajasthan - 342001
CIN-L45201RJ2003PLC018049
Tel.: +91 0291 2515327
E-mail: cs@hginfra.com
Website: www.hginfra.com

Notes:

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (hereinafter referred to as the "Act") in respect of the Special Business to be transacted at the 19th Annual General Meeting (hereinafter referred to as "AGM") as set out under Item Nos. 4 to 8 above and the relevant details of the Directors proposed to be appointed/re-appointed at the AGM, as set out at Item Nos. 3 to 6, as required by Regulations 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "Listing Regulations") and as required under Secretarial Standard-2 on General Meetings issued by the Institute of Company Secretaries of India, is annexed hereto. The Board of Directors (hereinafter referred to as "Board") have considered and decided to include the Item Nos. 4 to 8 given above as Special Business in the AGM, as they are unavoidable in nature.

2. In view of the outbreak of the COVID-19 pandemic and in compliance with applicable provisions of the Act and the Rules made thereunder, provisions of the Listing Regulations read with General Circular Nos. 14/2020, 17/2020, 20/2020 and 02/2021 dated April 08, 2020, April 13, 2020, May 05, 2020 and January13, 2021, respectively, and all other applicable circulars issued by the Ministry of Corporate Affairs ("MCA Circulars") and Circular Nos. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 and SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 issued by the Securities and Exchange Board of India ("SEBI Circulars"), the AGM of the Company is being conducted through Video Conferencing ("VC") /Other Audio Visual Means ("OAVM") facility, which does not require physical presence of Members at a common venue. The deemed venue for the AGM shall be Registered Office of the Company.

   Link Intime India Private Limited, Registrar & Transfer Agent of the Company, ("RTA" or "Link Intime") shall be providing facility for voting through remote e-voting, participation in the AGM through VC/OAVM facility and e-voting during the AGM. The procedure for participating in the meeting through VC/OAVM is explained in note no. 22 below.

3. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

4. As the AGM shall be conducted through VC / OAVM, the facility for appointment of Proxy by the Members is not available for this AGM and hence the Proxy Form and Attendance Slip including Route Map are not annexed to this Notice.

5. Institutional / Corporate Members (i.e. other than individuals/ HUF, NRI, etc.) are requested to send a scanned copy (PDF/JPEG format) of the Board Resolution or governing body Resolution/ Authorisation etc., authorising its representatives to attend and vote at the AGM, pursuant to Section 113 of the Act, to the Scrutinizer at aroracs2@gmail.com with a copy marked to the Company at cs@hginfra.com and its RTA at enotices@linkintime.co.in

6. Institutional Members are encouraged to attend and vote at the AGM through VC / OAVM. In case any Institutional Members, facing issues for participating in AGM can write to cs@hginfra.com

7. **Documents open for inspection:**

   i) All the documents referred to in the accompanying notice and the statement pursuant to Section 102(1) of the Act shall be available for inspection through electronic mode without any fee by the members from the date of circulation of this Notice up to the date of AGM. Members are requested to write to the Company on cs@hginfra.com for inspection of said documents; and

   ii) The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act and the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act and relevant documents referred to in this Notice of AGM and explanatory statement, will be available electronically for inspection by the members during the AGM, upon login to https://instameet.linkintime.co.in

8. The Company's Registrar and Transfer Agent for its Share Registry Work (Physical and Electronic) is Link Intime India Private Limited ('RTA' or 'Link Intime') having their office at Noble Heights, 1st Floor, Plot No NH-2, LSC, C-1, Block Near Savitri Market, Janakpuri, New Delhi-110058.

9. Except Mr. Dinesh Kumar Goyal and his relatives, none of the other Directors, Key Managerial Personnel and their relatives, are interested or concerned, financially or otherwise, in the Ordinary Business set out at Item No. 3 of this Notice.

10. **IEPF:** The MCA had notified provisions relating to unpaid / unclaimed dividend under Sections 124 and 125 of Companies Act, 2013 and Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016. As per these Rules, dividends which are not encashed / claimed by the shareholder for a period of seven consecutive years shall be transferred to the Investor Education and Protection Fund (IEPF) Authority. The IEPF Rules mandate the companies to transfer the shares of shareholders whose dividends remain unpaid / unclaimed for a period of seven consecutive years to the demat account of IEPF Authority. Hence, the Company urges all the shareholders to encash / claim their respective dividend during the prescribed period. The details of the unpaid / unclaimed dividends lying with the Company are also available on the Company's website at http://hginfra.com/investors-relation.html#open and the details for financial year 2017-19 and 2018-19 have also been uploaded on the website of the IEPF Authority and the same can be accessed through the link (www.iepf.gov.in). During the financial year 2020-21, the Company was not liable to transfer any unclaimed dividends and corresponding shares thereto to IEPF.

11. **Nomination:** Members holding shares in single name are advised to avail the facility of nomination in respect of shares held by them pursuant to the provisions of Section 72 of the Companies Act, 2013. Members holding shares in physical form desiring to avail this facility may send their nomination in the prescribed Form No. SH-13 duly filled in to Link Intime. Members can download the said form from website of the Company. Members holding shares in electronic mode may contact their respective Depository Participants for availing this facility.

12. As per Regulation 40 of the Listing Regulations, securities of listed companies can only be transferred in dematerialized form, with effect from 1st April, 2019, except in case of request of transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, Members holding shares in physical form are urged for converting their holding to demat form.

13. **Electronic dispatch of Annual Report and process for registration of email id for obtaining copy of Annual Report:** In compliance with the aforementioned MCA and SEBI Circulars, electronic copy of Annual Report of the Company for the Financial Year 2020-21 along with the Notice of the AGM, Financial Statements and other Statutory Reports is being sent only through electronic mode to those Members whose email addresses are registered with the Company/Registrar and Share Transfer Agent ('RTA')/Depository Participants ('DPs'). Members may note that the Notice and Annual Report 2020-21 will also be available on the Company's website at www.hginfra.com, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com, respectively, and on the website of Link Intime India Private Limited www.linkintime.co.in. Members can attend and participate in the AGM through VC/OAVM facility only.

    Process for registration of email ID:

    In case the shareholder has not registered his/her/their email address with the Company/its RTA/Depositories, the following instructions to be followed:

    (i) Kindly log in to the website of our RTA, Link Intime India Private Ltd., www.linkintime.co.in under Investor Services > Email Registration- fill in the details and upload the required documents and submit. OR

    (ii) In the case of Shares held in Demat mode: The shareholder may please contact the Depository Participant ("DP") and register the email address and bank account details in the demat account as per the process followed and advised by the DP.

    In case of any queries / difficulties in registering the e-mail address, Members may write to cs@hginfra.com

14. Members seeking any information with regard to any matter to be placed at the AGM, are requested to write to the Company at cs@hginfra.com

15. Members are requested to:

    i) intimate to Link Intime, changes, if any, in their registered addresses at an early date, in case of Shares held in physical form;

    ii) intimate to the respective Depository Participant, changes, if any, in their registered addresses at an early date, in case of Shares held in dematerialised form;

    iii) quote their folio numbers/Client ID/DP ID in all correspondence; and

    iv) consolidate their holdings into one folio in case they hold Shares under multiple folios in the identical order of names.

16. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Accordingly, members holding shares in electronic form are requested to submit their PAN to the Depository Participants with whom they maintain their demat accounts. Members holding shares in physical form should submit their PAN to the Company/RTA.

17. **Scrutiniser:** The Board of Directors of the Company has appointed Mr. Deepak Arora, Partner, M/s. Deepak Arora & Associates, Practicing Company Secretaries (Membership No. F5104, COP: 3641), as the Scrutinizer for conducting the voting process in a fair & transparent manner.

18. **Submission of questions / queries prior to AGM:**

    (i) As the AGM is being conducted through VC / OAVM, for the smooth conduct of proceedings of the AGM, Members are encouraged to express their views / send their queries in advance mentioning their name demat account number / folio number, email id, mobile number at cs@hginfra.com. Questions / queries received by the Company till 5:00 p.m. on Friday, September 03, 2021 shall only be considered and responded during the AGM.

    (ii) Members can also post their questions during AGM through the "Question/Suggestion" option, which is available in the VC/OAVM Facility.

    (iii) Members who would like to express their views or ask questions during the AGM may register themselves as a speaker as per instructions explained in note no. 23 below.

    (iv) The Company reserves the right to restrict the number of questions and number of speakers, as appropriate for smooth conduct of the AGM.

    (v) Members intending to require information about accounts of the company and any other information are requested to inform the Company at least seven days in advance of the meeting.

19. **General Information:**

(i) The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, August 31, 2021 to Monday, September 06, 2021 (both days inclusive), for the purpose of the AGM and to determine the Members eligible to receive the final dividend for the financial year ended March 31, 2021.

(ii) The Members, whose names appear in the Register of Members / list of Beneficial Owners as on Monday, August 30, 2021, i.e. the date prior to the commencement of book closure, being the cut-off date, are entitled to vote on the Resolutions set forth in this Notice through remote e-Voting and/or e-voting during the AGM. A person who is not a member as on the cut-off date should treat this Notice of AGM for information purpose only. Any person, who acquires shares of the Company and becomes Member of the Company after the Company sends the Notice of the AGM and holds shares as on the said cut-off date may cast their vote as per instructions explained in note nos. 21 and 24 below.

(iii) The voting rights of members shall be in proportion to their shares of the paid-up equity share capital in the Company as on the cut-off date i.e. Monday, August 30, 2021 . Members are eligible to cast vote only if they are holding shares as on that date.

(iv) The remote e-Voting period commences on Friday, September 03, 2021 at 9.00 a.m. and will end on Sunday, September 05, 2021 at 5.00 p.m. During this period, Members holding shares either in physical form or in dematerialized form, as on cut-off date i.e. Monday, August 30, 2021, may cast their vote electronically. The e-Voting module shall be disabled by Link Intime for voting thereafter.

(v) Members have the option to cast their vote on any of the resolutions using the remote e-Voting facility either during the period commencing September 03, 2021 to September 05, 2021 or e-Voting during the AGM. Members who have cast their votes by remote e-Voting prior to the AGM may also attend/ participate in the Meeting through VC/OAVM but they shall not be entitled to cast their vote again. However, Members who have voted on some of the resolutions during the said voting period are also eligible to vote on the remaining resolutions during the AGM.

(vi) In case of joint holders attending the AGM, only such joint holder who is higher in the order of names will be entitled to vote at the AGM.

(vii) Members may note that the VC/OAVM Facility, provided by Link Intime, allows participation of at least 1,000 Members on a first come- first-served basis. The large shareholders (i.e. shareholders holding 2% or more shareholding), promoters, institutional investors, directors, key managerial personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, auditors, etc. can attend the AGM without any restriction on account of first-come-first-served principle.

(viii) For convenience of the Members and proper conduct of AGM, Members can login and join at least 15 (fifteen) minutes before the time scheduled for the AGM and shall be kept open throughout the proceedings of AGM.

(ix) The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of electronic voting for all those members who are present at the AGM but have not cast their votes by availing the remote e-Voting facility.

(x) The results shall be declared within two working days from conclusion of the AGM. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company at www.hginfra.com and on the website of Link Intime India Private Limited at https://instavote.linkintime.co.in, immediately after the declaration of results by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited and National Stock Exchange of India Limited.

(xi) Members holding shares in physical form are requested to advise any change of address immediately to the Company's Registrar and Share Transfer Agent. Members holding shares in electronic form must send the advice about change in address to their respective Depository Participant only and not to the Company or the Company's Registrar and Share Transfer Agent.

20. **Dividend:**

(i) The Board of Directors has recommended a Final Dividend of Rs. 0.80/- per Equity Share of Rs. 10/- each for the financial year ended March 31, 2021, subject to the approval of the Shareholders at the AGM. Pursuant to the provisions of Section 123 of the Companies Act, 2013, the payment of final dividend on Equity Shares, upon declaration by the Shareholders at the AGM, will be made on or before Tuesday, October 05, 2021, to those members whose names appear in the Register of Members/list of Beneficial Owners as on Monday, August 30, 2021, i.e. the date prior to the commencement of book closure, being the cut-off date.

(ii) Members holding shares in electronic form are hereby informed that bank particulars registered with their respective Depository Participants (DP), with whom they maintain their demat accounts, will be used by the Company for payment of dividend.

(iii) Members holding shares in physical/electronic form are

required to submit their bank account details, if not already registered or if it has changed, as mandated by SEBI.

(iv) Shareholders holding shares in dematerialized mode are requested to register complete bank account details with the Depository Participant(s) and shareholders holding shares in physical mode shall send a duly signed request letter to Link Intime mentioning the name, folio no., bank details, self-attested PAN card and original cancelled cheque leaf. In case of absence of name of the first shareholder on the original cancelled cheque or initials on the cheque, bank attested copy of first page of the Bank Passbook/Statement of Account along with the original cancelled cheque shall be provided. The Company or its RTA cannot act on any request received directly from the Members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the respective Depository Participant of the Members.

(v) In case the Company is unable to pay the dividend to any shareholder by the electronic mode, due to non-availability of the details of the bank account, the Company shall dispatch the dividend warrant/ cheque to such shareholder by post.

(vi) Members may note that the Income-tax Act, 1961, (the 'IT Act') as amended by the Finance Act, 2020, mandates that dividend paid or distributed by a company on or after April 1, 2020 shall be taxable in the hands of members. The Company shall therefore be required to deduct tax at source ('TDS') at the time of making the payment of final dividend. The TDS rate would vary depending on the residential status of the shareholder and the documents submitted and duly accepted by the Company.

(vii) **All the relevant information relating to the aforementioned dividend and the draft of the relevant documents to be submitted by shareholders can be accessed from the Company's website at http://hginfra.com/investors-relation.html#btn-annual**

Shareholders are requested to submit the relevant documents as applicable to each category of shareholder on the portal of Link Intime India Pvt. Ltd., Registrar and Share Transfer Agent of the Company at https://linkintime.co.in/formsreg/submission-of-form-15g-15h.html on or before Monday, September 06, 2021.

Please note that the Company will not accept any declaration/document on any email address. Kindly use the RTA portal link as provided above to upload declaration/documents.

(viii) The final dividend will be paid by Company after deducting the TDS as follows:

Resident Shareholder

For Resident Members, TDS is required to be deducted at the rate of 10% under Section 194 of the IT Act provided valid PAN is registered by the Members. If the valid PAN is not registered, the TDS is required to be deducted at the rate of 20% as per Section 206AA of the IT Act.

However, no tax shall be deducted on the dividend payable to a resident individual if the total dividend to be received by them during Financial Year 2021-22 does not exceed Rs 5,000.

Further, there would be no TDS in the cases where the Members provide valid Form 15G (for an individual who age is less than 60 years, with no tax liability on total income and income not exceeding maximum amount which is not chargeable to tax) or Form 15H (for individual above the age of 60 years with no tax liability on total income).

Resident shareholders may also submit any other document as prescribed under the IT Act to claim a lower / nil withholding tax. PAN is mandatory for members providing Form 15G / 15H or any other document as mentioned above.

NIL / lower tax shall be deducted on the dividend payable to following resident Members on submission of self-declaration as listed below:

a) Insurance companies: Self-declaration by Member qualifying as Insurer as per Section 2(7A) of the Insurance Act, 1938 along with self-attested copy of PAN card and registration/ exemption certificate;

b) Mutual Funds: Self-declaration by Mutual Fund Member eligible for exemption under Section 10(23D) of the IT Act along with self-attested copies of PAN card and registration documents;

c) Alternative Investment Fund (AIF) established in India: Self-declaration that the Member is eligible for exemption under Section 10(23FBA) of the IT Act along with the copy of self-attested registration documents and PAN card.

d) New Pension System Trust: Self-declaration along with the self-attested copy of documentary evidence supporting the exemption and self-attested copy of PAN card.

e) Other Members: Self-declaration along with self-attested copy of documentary evidence supporting the exemption and self-attested copy of PAN card.

f) Members who have provided a valid certificate issued under Section 197 of the IT Act for lower / nil rate of deduction or an exemption certificate issued by the income tax authorities along with Declaration.

Non-Resident Shareholder

In case of non-resident shareholders, being Foreign Portfolio Investors (FPIs)/ Foreign Institutional Investors (FIIs), tax shall be deducted at source at the rate of 20% (plus applicable surcharge and cess) as per section 196D of the IT Act. However, as per Section 90 read with section 196D of the IT Act, non-resident shareholders have the option to be governed by the provisions of the Double Tax Avoidance Agreement ("DTAA"), read with Multilateral Instrument ("MLI") between India and the country of tax residence of the member, if they are more beneficial to them. For this purpose, i.e. to avail the benefits under the DTAA read with MLI, FPIs/ FIIs will have to provide the following:

- Self-attested copy of PAN card allotted by the Indian income tax authorities or details as prescribed under rule 37BC of Income-tax Rules, 1962 in case PAN is not available.
- Copy of Tax Residency Certificate (in English language) for financial year 2021-22 obtained from the revenue authorities of the country of tax residence.
- Self-declaration in Form 10F.
- Self-declaration for FY 2021-22 (covering the period from 01 April 2021 to 31 March 2022) on shareholder's letterhead, primarily (not exclusive list) covering the following:
    - Shareholder is eligible to claim the benefit of respective tax treaty
    - Shareholder receiving the dividend income is the beneficial owner of such income
    - Dividend income is not attributable/effectively connected to any Permanent Establishment (PE) or Fixed Base in India.

Further, there would be no WHT in case dividend income would be received by Sovereign Wealth funds, Pension funds or subsidiary of Abu Dhabi Investment Authority (ADIA) as prescribed under section 10(23FE) of the IT Act. This is subject to the receipt of self-declaration containing that shareholder is satisfying the conditions of section 10(23FE).

In case of other non-resident shareholders (i.e. other than FIIs and FPIs), tax would be deducted at source at the rate of 20% (plus applicable surcharge and cess) as per section 195 of the IT Act or as per the rate as given in the DTAA, read with MLI between India and the country of tax residence of the member, whichever is more beneficial for shareholder. For the purpose of availing the tax rate as provided under the DTAA read with MLI, non-resident shareholders will have to provide the documents as mentioned above for FPIs/ FIIs.

(ix) The information relating to deduction of TDS on dividend by Company as mentioned above is only for easy reference of the shareholders. Shareholders are requested to visit the website of the Company at http://hginfra.com/investors-relation.html#btn-annual wherein we have provided complete information relating to TDS on dividend along with the draft of the relevant documents to be submitted by the shareholders.

(x) Incomplete and/or unsigned forms and declarations will not be considered by the Company. Any communication on the tax determination/ deduction received post Monday, September 06, 2021 (IST) shall not be considered. All communications/ queries in this respect should be addressed to our RTA, Link Intime to its email address at delhi@linkintime.co.in

(xi) Company will arrange to email a soft copy of the TDS Certificate at the shareholders registered email ID post payment of the said Final Dividend.

Further, shareholders will also be able to see the credit of TDS in Form 26AS, which can be downloaded from their e-filing account at https://incometaxindiaefiling.gov.in.

(xii) It may be further noted that in case the tax on dividend is deducted at a higher rate in absence of receipt of the aforementioned details/documents, there would still be an option available with the shareholder to file the return of income and claim an appropriate refund, if eligible. No claim shall lie against the Company for such taxes deducted.

21. **Voting through electronic means:**

In compliance with provisions of Section 108 of the Act, Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of the Listing Regulations (including any statutory modification(s) and/or re-enactment(s) thereof for the time being in force), the Company is pleased to provide the facility to Members to exercise their right to vote on the resolutions proposed to be passed at AGM by electronic means. For this purpose, the Company has entered into an agreement with Link Intime India Private Limited, Registrar & Transfer Agent of the Company, for facilitating voting through electronic means, as the authorized agency. The facility for voting through remote e-voting, participation in the AGM through VC/ OAVM facility and e-voting during the AGM will be provided by Link Intime.

The details of the process and manner for remote e-Voting are explained herein below:

Remote e-Voting Instructions for shareholders post change in the Login mechanism for Individual shareholders holding securities in demat mode, pursuant to SEBI circular dated December 9, 2020:

Pursuant to SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode can vote through their demat account maintained with Depositories and Depository Participants only post 9th June, 2021.

Shareholders are advised to update their mobile number and email Id in their demat accounts to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode/ physical mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	• If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. • After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. • If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp • Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
Individual Shareholders holding securities in demat mode with CDSL	• Existing user of who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. • After successful login of Easi / Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL, KARVY, LINK NTIME, CDSL. Click on e-Voting service provider name to cast your vote. • If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi./Registration/EasiRegistration • Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP where the E-Voting is in progress.
Individual Shareholders (holding securities in demat mode) & login through their depository participants	• You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. • Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Type of shareholders	Login Method
Individual Shareholders holding securities in Physical mode & e-voting service Provider is LINKINTIME.	1. Open the internet browser and launch the URL: https://instavote.linkintime.co.in ► Click on "Sign Up" under 'SHARE HOLDER' tab and register with your following details: - **A. User ID:** Shareholders/ members holding shares in physical form shall provide Event No. + Folio Number registered with the Company. **B. PAN:** Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable. **C. DOB/DOI:** Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP / Company - in DD/MM/YYYY format) **D. Bank Account Number:** Enter your Bank Account Number (last four digits), as recorded with your DP/ Company. • Shareholders/ members holding shares in **physical form** but have not recorded 'C' and 'D', shall provide their Folio number in 'D' above ► Set the password of your choice (The password should contain minimum 8 characters, at least one special Character (@!#$&*), at least one numeral, at least one alphabet and at least one capital letter). ► Click "confirm" (Your password is now generated). 2. Click on 'Login' under **'SHARE HOLDER'** tab. 3. Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on **'Submit'.** 4. After successful login, you will be able to see the notification for e-voting. Select **'View'** icon. 5. E-voting page will appear. 6. Refer the Resolution description and cast your vote by selecting your desired option **'Favour / Against'** (If you wish to view the entire Resolution details, click on the **'View Resolution'** file link). 7. After selecting the desired option i.e. Favour / Against, click on **'Submit'.** A confirmation box will be displayed. If you wish to confirm your vote, click on **'Yes',** else to change your vote, click on 'No' and accordingly modify your vote.

Institutional shareholders:

Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on the e-voting system of Link Intime at https://instavote.linkintime.co.in and register themselves as 'Custodian / Mutual Fund / Corporate Body'. They are also required to upload a scanned certified true copy of the board resolution / authority letter/power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the 'Custodian / Mutual Fund / Corporate Body' login for the Scrutinizer to verify the same.

Individual Shareholders holding securities in Physical mode & e-voting service Provider is LINKINTIME, have forgotten the password:

- Click on 'Login' under 'SHARE HOLDER' tab and further Click 'forgot password?'
- Enter User ID, select Mode and Enter Image Verification (CAPTCHA) Code and Click on 'Submit'.
  - In case shareholders/ members is having valid email address, Password will be sent to his / her registered e-mail address.
  - Shareholders/ members can set the password of his/her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. as mentioned above.
  - The password should contain minimum 8 characters, at least one special character (@!#$&*), at least one numeral, at least one alphabet and at least one capital letter.

Individual Shareholders holding securities in demat mode with NSDL/ CDSL have forgotten the password:

Shareholders/ members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned depository/ depository participants website.

- It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- For shareholders/ members holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.
- During the voting period, shareholders/ members can login any number of time till they have voted on the resolution(s) for a particular "Event"

Helpdesk for Individual Shareholders holding securities in demat mode:

In case shareholders/ members holding securities in demat mode have any technical issues related to login through Depository i.e. NSDL/ CDSL, they may contact the respective helpdesk given below:

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 22-23058542-43.

Helpdesk for Individual Shareholders holding securities in physical mode/ Institutional shareholders & e-voting service Provider is LINKINTIME:

In case shareholders/ members holding securities in physical mode/ Institutional shareholders have any queries regarding e-voting, they may refer the **Frequently Asked Questions ('FAQs')** and **InstaVote e-Voting manual** available at https://instavote.linkintime.co.in, under **Help** section or send an email to enotices@linkintime.co.in or contact on: - Tel: 022 –4918 6000.

22. **Process and manner for attending the Annual General Meeting through InstaMeet:**

Open the internet browser and launch the URL: https://instameet.linkintime.co.in

- ► Select the **"Company"** and **'Event Date'** and register with your following details: -

A. Demat Account No. or Folio No: Enter your 16 digit Demat Account No. or Folio No
- Shareholders/ members holding shares in CDSL demat account shall provide 16 Digit Beneficiary ID
- Shareholders/ members holding shares in NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID
- Shareholders/ members holding shares in physical form shall provide Folio Number registered with the Company

B. PAN: Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.

C. Mobile No.: Enter your mobile number.

D. Email ID: Enter your email id, as recorded with your DP/ Company.

- ► Click "Go to Meeting" (You are now registered for InstaMeet and your attendance is marked for the meeting).

23. **Instructions for Shareholders/ Members to Speak during the Annual General Meeting through Insta Meet:**

i) Shareholders who would like to speak during the meeting must register their request 3 days in advance with the company on the cs@hginfra.com.

ii) Shareholders will get confirmation on first cum first basis.

iii) Shareholders will receive "speaking serial number" once they mark attendance for the meeting.

iv) Other shareholder may ask questions to the panellist, via active chat-board during the AGM.

v) Please remember speaking serial number and start your conversation with panellist by switching on video mode and audio of your device.

Shareholders are requested to speak only when moderator of the meeting/ management will announce the name and serial number for speaking.

24. **Instructions for Shareholders/ Members to Vote during the Annual General Meeting through InstaMeet:**

Once the electronic voting is activated by the scrutinizer/ moderator during the meeting, shareholders/ members who have not exercised their vote through the remote e-voting can cast the vote as under:

i) On the Shareholders VC page, click on the link for e-Voting "Cast your vote"

ii) Enter your 16 digit Demat Account No. / Folio No. and OTP (received on the registered mobile number/ registered email Id) received during registration for InstaMEET and click on 'Submit'.

iii) After successful login, you will see "Resolution Description" and against the same the option "Favour/ Against" for voting.

iv) Cast your vote by selecting appropriate option i.e. "Favour/ Against" as desired. Enter the number of shares (which represents no. of votes) as on the cut-off date under 'Favour/ Against'.

v) After selecting the appropriate option i.e. Favour/Against as desired and you have decided to vote, click on "Save". A confirmation box will be displayed. If you wish to confirm your vote, click on "Confirm", else to change your vote, click on "Back" and accordingly modify your vote.

vi) Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

Note: Shareholders/ Members, who will be present in the AGM through InstaMeet facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting facility during the meeting. Shareholders/ Members who have voted through Remote e-Voting prior to the AGM will be eligible to attend/ participate in the AGM through InstaMeet. However,

they will not be eligible to vote again during the meeting.

Shareholders/ Members are encouraged to join the AGM through Tablets/ Laptops connected through broadband for better experience.

Shareholders/ Members are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.

Please note that Shareholders/ Members connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspot may experience Audio/Visual loss due to fluctuation in their network. It is therefore recommended to use stable Wi-FI or LAN connection to mitigate any kind of aforesaid glitches.

In case shareholders/ members have any queries regarding login/ e-voting, they may send an email to instameet@linkintime.co.in or contact on: - Tel: 022-49186175.

EXPLANATORY STATEMENT

(Pursuant to Section 102(1) of the Companies Act, 2013)

The following Statement sets out all material facts relating to Special Business mentioned in the Notice:

Item No. 4

Mr. Harendra Singh was appointed as the Managing Director of the Company for a period of five years effective May 15, 2017 till May 14, 2022, liable to retire by rotation, and the said appointment was approved by the Shareholders at the Extra Ordinary General Meeting held on May 15, 2017.

Based on the recommendation of the Nomination and Remuneration Committee ('NRC'), the Board of Director of the Company ('Board') on August 04, 2021, accorded its approval to the re-appointment and terms of remuneration of Mr. Harendra Singh, as Managing Director ('MD') of the Company, liable to retire by rotation, for a further period of five years effective from May 15, 2022 up to May 14, 2027, subject to approval of the Shareholders.

The Board, while re-appointing Mr. Harendra Singh as Managing Director of the Company, considered his background, experience and contributions to the Company.

Mr. Harendra Singh is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013. He has also confirmed that he is not debarred from holding the office of director by virtue of any order by SEBI or any other authority. Mr. Harendra Singh is committed to devote enough time that is required by the Company in order to fulfil his fiduciary responsibility towards the various stakeholders.

Mr. Harendra Singh, aged 54 years, has been associated with the Company since its incorporation. He holds a bachelor's degree in Engineering (Civil) from Jodhpur University and has garnered more than 27 years of experience in the construction industry. He is actively involved in overall supervision & conduct of business of the Company.

Mr. Harendra Singh also holds the position of Chairman of Risk Management Committee and also a Member of Audit Committee, Corporate Social Responsibility Committee and Stakeholders Relationship Committee of the Company.

The main terms and conditions relating to the re-appointment and terms of remuneration of Mr. Harendra Singh as Managing Director are as follows:

(1) Period of Appointment

For a period of five years commencing from May 15, 2022 to May 14, 2027

(2) Remuneration

(a) Basic Salary:

Rs. 2,25,00,000/- (Rupees Two Crore Twenty-Five Lakh Only) per annum.

The annual increment which will be effective April 1, each year, will be decided by the Board based on the recommendations of the NRC. The recommendation of NRC will be based on Company performance and individual performance.

(b) Benefits, Perquisites & Allowances:

In addition to the aforesaid Basic Salary, the Managing Director would be paid Rs. 75,00,000 (Rupees Seventy-Five Lakh Only) per annum on account of other allowances & perquisites like special allowance, etc. as per the rules of the Company. However, the following shall not be included in the aforesaid perquisite limit:

i) Rent free accommodation owned / leased / rented by the Company, or Housing Allowance in lieu thereof.

ii) Mediclaim Insurance Policy, Personal Accident Insurance Policy, Group Life Insurance Policy, Directors and Officers Insurance Policy, Key Personal Life Insurance Policy and other Insurance Policy(ies) as per the rules of the Company.

iii) Gratuity as per the applicable laws and rules of the Company.

iv) Use of chauffeur driven Company cars for official purpose and telecommunication facilities at residence (including telephone, mobile, internet and other communication facilities).

v) Reimbursement of entertainment expenses incurred in the course of business of the Company.

vi) Long service award as per the rules of the Company.

vii) Membership of two clubs, fees for which will be paid by the Company.

viii) Leave Travel Concession (LTC) as per applicable laws.

Subject to overall statutory ceiling on remuneration, the Managing Director may be given any other allowances, benefits and perquisites as the Board of Directors (which includes any Committee thereof) may from time to time decide.

Perquisites shall be evaluated as per Income Tax Rules, wherever applicable and in absence of any such rule, perquisites shall be evaluated at actual cost.

The total remuneration and perquisites / benefits contemplated above, including contribution towards PF, gratuity fund, etc. payable to all the Managing / Whole-time Director(s) of the Company shall not exceed the limits specified under Section 197 and other applicable provisions of the Companies Act, 2013 read with Schedule V to the said Act or any modifications or re-enactment for the time being in force.

(c) Overall remuneration:

The aggregate of salary, allowances, perquisites and performance bonus, if any, in any one financial year shall not exceed the limits prescribed under Section 197 and other applicable provisions of the Companies Act, 2013 read with Schedule V to the said Act or any modifications or re-enactment for the time being in force.

(d) Minimum remuneration:

In the event of loss or inadequacy of profits in any financial year during the currency of tenure of service of the Managing Director, the payment of salary, performance incentives, perquisites and other allowances shall be governed by the limits prescribed under Section II of Part II of Schedule V of the Companies Act, 2013 as may for the time being be in force.

(3) MD shall also be entitled to be paid / reimbursed by the Company all costs, charges & expenses as may be reasonably incurred by him for the purpose of or on behalf of the Company.

(4) Nature of Duties:

MD shall devote his whole time and attention to the business of the Company and perform such duties and functions as would commensurate with his position as the Managing Director of the Company and as may be entrusted to him by the Board from time to time and communicated to him and exercise such powers as may be assigned to him, subject to superintendence, control and directions of the Board in connection with and in the best interests of the business of the Company and the business of one or more of its associated companies and/or subsidiaries including performing duties as assigned to MD from time to time by serving on the boards of such associated companies and/or subsidiaries or any other Executive body or any committee of such a company.

(5) Other Terms of Appointment:

(a) During the currency of his tenure, MD shall not directly or indirectly engage himself in any other employment, business or occupation of whatsoever nature. However, he may with the prior approval of the Board of Directors, hold Directorship in other companies and/or provide services to other group companies.

(b) The terms & conditions of appointment and the payment of remuneration to MD may be varied, altered, increased, enhanced or widened from time to time by the Board as it may in its discretion deem fit and in accordance with the provisions of the Companies Act, 2013 or any amendments made hereafter in this regard.

(c) The appointment may be terminated earlier, without any cause, by either Party by giving to the other Party six months' notice of such termination or the Company paying six months' remuneration which shall be limited to provision of Salary, Benefits, Perquisites, Allowances and any pro-rated Bonus/Performance Linked Incentive/ Commission (paid at the discretion of the Board), in lieu of such notice.

(d) The employment of the MD may be terminated by the Company without notice or payment in lieu of notice if the MD is found guilty of any gross negligence, default or misconduct in connection with or affecting the business of the Company or any subsidiary or associated company to which he is required by the Agreement to render services.

(e) In the event the MD is not in a position to discharge his official duties due to any physical or mental incapacity, the Board shall be entitled to terminate his contract on such terms as the Board may consider appropriate in the circumstances.

(f) All Personnel Policies of the Company and the related rules which are applicable to other employees of the Company shall also be applicable to the MD unless specifically provided otherwise.

(g) If at any time the MD ceases to be a Director of the Company, for any reason whatsoever, he shall cease to be the MD and this Agreement with the Company shall stand terminated forthwith.

The above may be treated as a written memorandum setting out the terms & conditions of appointment of Mr. Harendra Singh under Section 190 of the Act.

Relevant details relating to re- appointment of Mr. Harendra Singh as Managing director, including his profile, as required by the Act, Listing Regulations and Secretarial Standards issued by ICSI are provided in the "Annexure" to the Notice.

In compliance with the provisions of Section 196, 197, 203 and other applicable provisions of the Act, read with Schedule V to the Act as amended, and based on the recommendation of the Board and the NRC, approval of the Members is sought for the re-appointment and terms of remuneration of Mr. Harendra Singh as Managing Director as set out above.

Except Mr. Vijendra Singh, brother of Mr. Harendra Singh and Mr. Harendra Singh, to whom the resolution relates and their relatives, none of the Directors, Key managerial personnel of the Company and their relatives are in any way, concerned or interested, financially or otherwise, in this Resolution, except to the extent of their respective shareholding, if any, in the Company.

The Board recommends the Ordinary Resolution set out at item no. 4 of the Notice for approval by the Members.

Item No. 5

Mr. Vijendra Singh was appointed as the Whole-time Director of the Company for a period of five years effective May 15, 2017 till May 14, 2022, liable to retire by rotation, and the said appointment was approved by the Shareholders at the Extra Ordinary General Meeting held on May 15, 2017.

Based on the recommendation of the Nomination and Remuneration Committee, the Board on August 04, 2021, accorded its approval to the re-appointment and terms of remuneration of Mr. Vijendra Singh, as Whole-time Director ('WTD') of the Company, liable to retire by rotation, for a further period of five years effective from May 15, 2022 up to May 14, 2027, subject to approval of the Shareholders.

The Board, while re-appointing Mr. Vijendra Singh as Whole-time Director of the Company, considered his background, experience and contributions to the Company.

Mr. Vijendra Singh is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013. He has also confirmed that he is not debarred from holding the office of director by virtue of any order by SEBI or any other authority. Mr. Vijendra Singh is committed to devote enough time that is required by the Company in order to fulfil his fiduciary responsibility towards the various stakeholders.

Mr. Vijendra Singh, aged 56 years, has been associated with the Company since its incorporation. After garnering a basic education, he amassed more than 29 years of experience in the construction industry. He is responsible for the overall functioning of the Company.

Mr. Vijendra Singh also holds the position of Chairman of Corporate Social Responsibility Committee and also a Member of Risk Management Committee and Stakeholders Relationship Committee of the Company.

The main terms and conditions relating to the re-appointment and terms of remuneration of Mr. Vijendra Singh as Whole-time Director are as follows:

(1) Period of Appointment

For a period of five years commencing from May 15, 2022 to May 14, 2027

(2) Remuneration

(a) Basic Salary:

Rs. 1,12,50,000/- (Rupees One Crore Twelve Lakh Fifty Thousand Only) per annum.

The annual increment which will be effective April 1, each year, will be decided by the Board based on the recommendations of the NRC. The recommendation of NRC will be based on Company performance and individual performance.

(b) Benefits, Perquisites & Allowances:

In addition to the aforesaid Basic Salary, the Whole-time Director would be paid Rs. 37,50,000/- (Rupees Thirty-Seven Lakh Fifty Thousand Only) per annum on account of other allowances & perquisites like special allowances etc., as per the rules of the Company. However, the following shall not be included in the aforesaid perquisite limit:

i) Rent free accommodation owned / leased / rented by the Company, or Housing Allowance in lieu thereof.

ii) Mediclaim Insurance Policy, Personal Accident Insurance Policy, Group Life Insurance Policy, Directors & Officers Insurance Policy, Key Personal Life Insurance Policy and other Insurance Policy(ies) as per the rules of the Company.

iii) Gratuity as per the applicable laws and rules of the Company.

iv) Use of chauffeur driven company cars for official purpose and telecommunication facilities at residence (including telephone, mobile, internet and other communication facilities).

v) Reimbursement of entertainment expenses incurred in the course of business of the Company.

vi) Long service award as per the rules of the Company.

vii) Membership of two clubs, fees for which will be paid by the Company.

viii) Leave Travel Concession (LTC) as per applicable laws.

Subject to overall statutory ceiling on remuneration, the Whole-time Director may be given any other allowances, benefits and perquisites as the Board of Directors (which includes any Committee thereof) may from time to time decide.

Perquisites shall be evaluated as per Income Tax Rules, wherever applicable and in absence of any such rule, perquisites shall be evaluated at actual cost.

The total remuneration and perquisites / benefits contemplated above, including contribution towards PF, gratuity fund, etc. payable to all the Managing / Whole-time Director(s) of the Company shall not exceed the limits specified under Section 197 and other applicable provisions of the Companies Act, 2013 read with Schedule V to the said Act or any modifications or re-enactment for the time being in force.

(c) Overall remuneration:

The aggregate of salary, allowances, perquisites and bonus, if any, in any one financial year shall not exceed the limits prescribed under Section 197 and other applicable provisions of the Companies Act, 2013 read with Schedule V to the said Act or any modifications or re-enactment for the time being in force.

(d) Minimum remuneration:

In the event of loss or inadequacy of profits in any financial year during the currency of tenure of service of the Whole-time Director, the payment of salary, perquisites and other allowances shall be governed by the limits prescribed under Section II of Part II of Schedule V of the Companies Act, 2013 as may for the time being be in force.

(3) WTD shall also be entitled to be paid / reimbursed by the Company all costs, charges & expenses as may be reasonably incurred by him for the purpose of or on behalf of the Company.

(4) Nature of Duties:

WTD shall devote his whole time and attention to the business of the Company and perform such duties and functions as would commensurate with his position as the Whole-time Director of the Company and as may be entrusted to him by the Board from time to time and communicated to him and exercise such powers as may be assigned to him, subject to superintendence, control and directions of the Board in connection with and in the best interests of the business of the Company and the business of one or more of its associated companies and/or subsidiaries including performing duties as assigned to WTD from time to time by serving on the boards of such associated companies and/or subsidiaries or any other Executive body or any committee of such a company.

(5) Other Terms of Appointment:

(a) During the currency of his tenure, WTD shall not directly or indirectly engage himself in any other employment, business or occupation of whatsoever nature. However, he may with the prior approval of the Board of Directors, hold Directorship in other companies and/or provide services to other group companies.

(b) The terms & conditions of appointment and the payment of remuneration to WTD may be varied, altered, increased, enhanced or widened from time to time by the Board as it may in its discretion deem fit and in accordance with the provisions of the Companies Act, 2013 or any amendments made hereafter in this regard.

(c) The appointment may be terminated earlier, without any cause, by either Party by giving to the other Party six months' notice of such termination or the Company paying six months' remuneration which shall be limited to provision of Salary, Benefits, Perquisites, Allowances and any pro-rated Bonus/Performance Linked Incentive/Commission (paid at the discretion of the Board), in lieu of such notice.

(d) The employment of the WTD may be terminated by the Company without notice or payment in lieu of notice if the WTD is found guilty of any gross negligence, default or misconduct in connection with or affecting the business of the Company or any subsidiary or associated company to which he is required by the Agreement to render services.

(e) In the event the WTD is not in a position to discharge his official duties due to any physical or mental incapacity, the Board shall be entitled to terminate his contract on such terms as the Board may consider appropriate in the circumstances.

(f) All Personnel Policies of the Company and the related rules which are applicable to other employees of the Company shall also be applicable to the WTD unless specifically provided otherwise.

(g) If at any time the WTD ceases to be a Director of the Company, for any reason whatsoever, he shall cease to be the WTD and this Agreement with the Company shall stand terminated forthwith.

The above may be treated as a written memorandum setting out the terms & conditions of appointment of Mr. Vijendra Singh under Section 190 of the Act.

Relevant details relating to re- appointment of Mr. Vijendra Singh as Whole-time director, including his profile, as required by the Act, Listing Regulations and Secretarial Standards issued by ICSI are provided in the "Annexure" to the Notice.

In compliance with the provisions of Section 196, 197, 203 and other applicable provisions of the Act, read with Schedule V to the Act as amended, and based on the recommendation of the Board and the NRC, approval of the Members is sought for the re-appointment and terms of remuneration of Mr. Vijendra Singh as Whole-time Director as set out above.

Except Mr. Harendra Singh, brother of Mr. Vijendra Singh and Mr. Vijendra Singh, to whom the resolution relates and their relatives, none of the Directors, Key managerial personnel of the Company and their relatives are in any way, concerned or interested, financially or otherwise, in this Resolution, except to the extent of their respective shareholding, if any, in the Company.

The Board recommends the Ordinary Resolution set out at item no. 5 of the Notice for approval by the Members.

Item No. 6

The Members of the Company had, at the Extra Ordinary General Meeting held on 15th May, 2017, approved the appointment of Mr. Ashok Kumar Thakur (DIN: 07573726) as an Independent Director of the Company for a period of 5 (five) consecutive years commencing from May 15, 2017 till May 14, 2022.

The Board of Directors of the Company at their meeting held on August 04, 2021, based on the outcome of performance evaluation, recommendations of the Nomination and Remuneration Committee, and experience and significant contributions made by Mr. Ashok Kumar Thakur, has recommended his re-appointment as an Independent Director, for a second term of 5 (five) consecutive years commencing from May 15, 2022 to May 14, 2027.

Pursuant to Section 149 and other applicable provisions of the Companies Act, 2013, approval of Members with special resolution is required for the re-appointment of Independent Directors.

In the opinion of the Nomination and Remuneration Committee and the Board of Directors of the Company, considering the experience of Mr. Ashok Kumar Thakur and the immense value to the Board and the Company, the re- appointment of Mr. Ashok Kumar Thakur for a second term of 5 (five) consecutive years from May 15, 2022 to May 14, 2027 would be in the interest of the Company and its shareholders.

Relevant details relating to re- appointment and continuation of Directorship of Mr. Ashok Kumar Thakur, including his profile, as required by the Act, Listing Regulations and Secretarial Standards issued by ICSI are provided in the "Annexure" to the Notice.

Mr. Ashok Kumar Thakur is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has consented to act as an Independent Director of the Company. He has also confirmed that he is not debarred from holding the office of director by virtue of any order by SEBI or any other authority.

The Company has also received declarations from Mr. Ashok Kumar Thakur that he meets the criteria of independence as prescribed under Section 149 of the Act and Regulation 16 of the Listing Regulations. In the opinion of the Board, Mr. Ashok Kumar Thakur fulfil the conditions for re-appointment as Independent Director as specified in the Act and Listing Regulations and is independent of the management.

Except Mr. Ashok Kumar Thakur and his relatives, none of the Directors, Key managerial personnel of the Company and their relatives are in any way, concerned or interested, financially or otherwise, in this Resolution, except to the extent of their respective shareholding, if any, in the Company.

The Board recommends the Special Resolution set out at item no. 6 of the Notice for approval by the Members.

Item No.7

The Board of Directors at its meeting held on August 25, 2020, inter alia, approved for the Company to raise funds for an amount aggregating up to Rs. 2,000 million (Rupees Two thousand million) by way of issuance of equity shares and/or any other instruments or securities representing either equity shares and/or convertible securities linked to equity shares, through one or more permissible mode(s) including but not limited to a private placement, preferential issue, qualified institutions placement (**"QIP"**), follow-on public offering (**"FPO"**) or a combination thereof. Subsequently, Members of the Company at their meeting held on September 25, 2020, passed a special resolution approving the aforesaid fundraising activity.

In supersession of the aforesaid resolution passed by the Board, the Board of Directors at its meeting held on August 04, 2021, approved raising of funds by way of issuance of equity shares and/or any other instruments or securities representing either equity shares and/or convertible securities linked to equity shares for an amount aggregating up to **Rs. 3,000 million (Rupees three thousand million)**, through one or more permissible mode(s) including but not limited to a private placement, preferential issue, qualified institutions placement (**"QIP"**), follow-on public offering (**"FPO"**) or a combination thereof, as may be considered appropriate, subject to shareholders' approval and statutory / regulatory and other approvals as may be required.

Our Company intends to use the proceeds from the Issue, towards the growth of our business including investment, supporting operational activities for existing or future projects of our Company, capital expenditure, repayment of debts and general corporate purposes.

Therefore, in supersession of the Special Resolution passed by the Members at their meeting held on September 25, 2020 and in order to fulfil the aforesaid objects of the Company, it is hereby proposed to have an enabling approval for raising funds for an amount up to **Rs. 3,000 million (Rupees three thousand million)** in one or more tranches, on such terms and conditions as it may deem fit, by way of issuance of Equity Shares, and/or securities convertible into Equity Shares at the option of the Company and/ or the holders of such securities, and/ or securities linked to Equity Shares, and/or any other instrument or securities representing Equity Shares and/ or convertible securities linked to Equity Shares (**"Securities"**) through any permissible mode or combination of, including but not limited to a preferential issue, qualified institutions placement, private placement, and/or follow-on public offering. The issue of Securities may be consummated in one or more tranches at such time or times at such price and to such classes of investors as the Board (including any duly authorized committee thereof) may in its absolute discretion decide, having due regard to the prevailing market conditions and any other relevant factors and wherever necessary, in consultation with lead manager(s) and other agencies that may be appointed, subject to the SEBI ICDR Regulations, Companies Act, 2013 and other applicable guidelines, notifications, rules and regulations.

The Board (including any duly authorized committee thereof) may in their discretion adopt any one or more of the mechanisms prescribed above to meet its objectives as stated in the aforesaid paragraphs without the need for fresh approval from the Members of the Company. The proposed issue of capital is subject to the applicable regulations issued by the Securities and Exchange Board of India, the Stock Exchanges, RBI, MCA, GOI, RoC, to the extent applicable, and any other government/statutory/regulatory approvals as may be required in this regard in India or abroad.

In case the Issue is made through a qualified institutions placement: (i) the allotment of Securities shall only be made to qualified institutional buyers as defined under Regulation 2(1)(ss) of SEBI ICDR Regulations ("QIBs"); (ii) the allotment of the Securities shall be completed within 365 days from the date of passing of the special resolution or such other time as may be allowed under the Companies Act, 2013 and/or SEBI ICDR Regulations, from time to time; (iii) the "relevant date" for the purposes of pricing of the Securities to be issued and allotted in the proposed QIP shall be the date of the meeting in which the Board or a duly authorised committee decides to open the proposed QIP; or in case of issuance of convertible securities, the date of the meeting in which the Board or a duly authorized committee of the Board decides to open the issue of the convertible securities or the date on which the holders of such convertible securities become entitled to apply for the equity shares as provided under the SEBI ICDR Regulations; (iv) no single allottee shall be allotted more than 50% of the QIP size and the minimum number of allottees shall be in accordance with the SEBI ICDR Regulations. It is clarified that qualified institutional buyers belonging to the same group or who are under same control shall be deemed to be a single allottee; (v) the Securities (excluding warrants) shall be allotted on fully paid up basis; (vi) the Securities allotted shall not be eligible for sale by the allottee for a period of one year from the date of allotment, except on a recognized stock exchange, or except

as may be permitted from time to time; (vii) The Company shall not undertake any subsequent QIP until the expiry of two weeks from the date of the QIP to be undertaken pursuant to the special resolution passed at this meeting.

The Special Resolution also seeks to give the Board powers to issue Securities in one or more tranche/s, at such time or times, at such price or prices and to such person(s) including institutions, incorporated bodies and/ or individuals or otherwise as the Board in its absolute discretion deem fit. The detailed terms and conditions for the issue(s)/offering(s) will be determined by the Board or its committee in its sole discretion in consultation with the advisors, lead managers, underwriters and such other authority or authorities as may be necessary considering the prevailing market conditions and in accordance with the applicable provisions of law and other relevant factors.

Further, Section 62(1)(a) of the Act provides, inter alia, that when it is proposed to increase the issued capital of a company by allotment of further equity shares, such further equity shares shall be offered to the existing Members of such company in the manner laid down therein unless the Members by way of a special resolution decide otherwise. Since the Special Resolution proposed in the business of the Notice may result in the issue of Equity Shares of the Company to persons other than existing Members of the Company, approval of the Members is also being sought pursuant to the provisions of Section 62(1)(c) and other applicable provisions of the Act as well as applicable rules notified by the Ministry of Corporate Affairs and in terms of the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In terms of Rule 14(2) of the Companies (Prospectus and Allotment of Securities) Rules, 2014, a company can make a private placement of its securities under the Act, only after receipt of prior approval of its Members by way of a Special Resolution. Consent of the Members would therefore be necessary pursuant to the provisions of Sections 42 and 62(1)(c) of the Act, read with applicable provisions of the SEBI ICDR Regulations and the SEBI Listing Regulations, for issuance of Securities. The Equity Shares allotted pursuant to the issue shall rank in all respects pari passu with the existing Equity Shares of the Company

The Equity Shares to be allotted would be listed on the stock exchanges. The offer/issue/allotment would be subject to the availability of the regulatory approvals, if any. The conversion of Securities held by foreign investors into Equity Shares would be subject to the applicable foreign investment cap and relevant foreign exchange regulations. As and when the Board does take a decision on matters on which it has the discretion, necessary disclosures will be made to the stock exchanges as may be required under the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Directors and Key Managerial Personnel of the Company and relatives thereof may be deemed to be concerned or interested in the passing of resolution to the extent of securities issued/allotted to them or to the companies in which they are directors or members. Save as aforesaid, none of the Directors, Key Managerial Personnel or their relatives are, in any way, concerned or interested, financially or otherwise, in this resolution.

The Board, therefore, recommends the Special Resolution set out at item no. 7 of the Notice for approval by the Members.

This Notice does not constitute an offer or invitation or solicitation of an offer of securities to the public within or outside India. Nothing in this Notice constitutes an offer of securities for sale or solicitation in any jurisdiction in which such offer or solicitation is not authorized or where it is unlawful to do so.

This Notice is not an offer of securities for sale in the United States. Any securities referred to herein have not been and will not be registered under the United States Securities Act of 1933, as amended (the **"Securities Act"**) or any United States state securities laws, and may not be offered or sold in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in accordance with any applicable United States state securities laws. There is no intention to register any securities referred to herein in the United States or to make a public offering of the securities in the United States.

Item No. 8.

The Board of Directors has, on the recommendation of the Audit Committee, approved the appointment and remuneration of M/s Rajendra Singh Bhati & Co., Cost Accountants (Firm Registration No. 101983), as the Cost Auditor to conduct the audit of the cost records of the Company for the financial year ending March 31, 2022. In terms of the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and Companies (Cost Records and Audit) Rules, 2014, the remuneration payable to the Cost Auditor is required to be approved by the Members of the Company. Accordingly, consent of the Members is sought for the remuneration payable to the Cost Auditors.

None of the Directors, Key managerial personnel of the Company and their relatives are in any way, concerned or interested, financially or otherwise, in this Resolution, except to the extent of their respective shareholding, if any, in the Company.

The Board recommends the Ordinary Resolution set out at item no. 8 of the Notice for approval by the Members.

By order of the Board of Directors

For **H.G. Infra Engineering Limited**

Registered Office:
14, Panchwati Colony, Ratanada,
Jodhpur, Rajasthan - 342001
CIN-L45201RJ2003PLC018049
Tel.: +91 0291 2515327
E-mail:cs@hginfra.com
Website: www.hginfra.com

Ankita Mehra
Company Secretary and
Compliance Officer
M. No. A33288
Jaipur, August 04, 2021

DETAILS OF DIRECTORS RETIRING BY ROTATION / SEEKING APPOINTMENT / RE-APPOINTMENT AT THE AGM

ANNEXURE TO ITEM NOS. 03 AND 04 OF THE NOTICE

Name of Director(s)	Mr. Dinesh Kumar Goyal	Mr. Harendra Singh
Age (Years)	67	54
Qualifications	Ph.D. from Birla Institute of Tech. & Science, Pilani; M.Sc. from London School of Economics; M.Sc. (I) from IIT Delhi; and an Eisenhower Fellow	Bachelor's degree in engineering (Civil) from Jodhpur University
Experience	Mr. Dinesh Kumar Goyal, IAS, retired as Additional Chief Secretary to Govt. of Rajasthan in 2013. He has 39 years of experience at top level in various departments including Finance, Energy, Public Works, Roads & Highway. Mines, Industries, Urban Development, and Labour. After retirementfrom IAS, he has been Adviser to Solar Energy Corp. of India; Senior Consultant for the World Bank funded Road Sector Project,and Advisor to Hindustan Zinc Limited.	Mr. Harendra Singh has been on the Board of Company since its incorporation. He has over 27 years of experience in construction Industry.
Expertise in specific functional areas	Vast experience in business advisory, strategy and consulting.	Vast experience in all functions of the Company.
Date of First Appointment on the Board	May 23, 2018	January 21, 2003
Shareholding in the Company as on March 31, 2021	1055 Equity Shares of face value of Rs. 10 each	100 Equity Shares of face value of Rs. 10 each
Terms and Conditions of Re-Appointment	Executive Director, liable to retire by rotation	Executive Director, liable to retire by rotation
Details of Remuneration last drawn (FY 2020-21)	Rs. 31,76,916/-	Rs. 2,20,50,000/-
Details of proposed remuneration	Rs. 44,50,000/-	Rs. 3,00,00,000/-
Relationship with other Director/ Key Managerial Personnel	Not related to any Director or Key Managerial Personnel	Brother of Mr. Vijendra Singh
Number of meetings of the Board attended during the financial year 2020-21	5 of 5	5 of 5
Chairperson/ Members of the Statutory Committee (s) of Board of Directors of the Company as on date	• Member, Corporate Social Responsibility Committee	• Chairperson, Risk Management Committee • Member, Audit Committee • Member, Corporate Social Responsibility Committee • Member, Stakeholder Relationship Committee
Directorship of other Board as on March 31, 2021 excluding Directorship in Private and Section 8 Companies.	SPML Infra Limited	Nil

Name of Director(s)	Mr. Dinesh Kumar Goyal	Mr. Harendra Singh
Chairperson/ Members of the Statutory Committee (s) of Board of Directors of other companies as on March 31, 2021 excluding Directorship in Private and Section 8 Companies	**SPML Infra Limited** • Member, Audit Committee • Member, Nomination and Remuneration Committee • Member, Stakeholder Relationship Committee • Member, Corporate Social Responsibility Committee	Nil

ANNEXURE TO ITEM NOS. 05 AND 06 OF THE NOTICE

Name of Director(s)	Mr. Vijendra Singh	Mr. Ashok Kumar Thakur
Age (Years)	56	67
Qualifications	Basic Education	Master's degree in commerce from Lucknow University
Experience (including expertise in specific functional area)/ brief Resume	Mr. Vijendra Singh has been on the Board of Company since its incorporation. He over 29 years of experience in construction Industry.	Mr. Ashok Kumar Thakur has over 39 years of experience in the banking industry. He has held various positions at Union Bank of India, including general manager (HR) at Corporate Office, general manager (Kolkata zone) and deputy general manager (regional head) at Kolkata and Chandigarh. He has also been chairman at the Rewa Siddhi Gramin Bank.
Expertise in specific functional areas	Vast experience in all functions of the Company.	Vast experience in banking industry and HR matters.
Date of First Appointment on the Board	January 21, 2003	May 15, 2017
Shareholding in the Company as on March 31, 2021	100 Equity Shares of face value of Rs. 10 each	Nil
Terms and Conditions of Appointment/ Re-Appointment	Executive Director, liable to retire by rotation	Independent Director, not liable to retire by rotation
Details of Remuneration last drawn (FY 2020-21)	Rs. 1,22,50,000/-	Rs. 4,50,000/-
Details of proposed remuneration	Rs. 1,50,00,000/-	Sitting fees as may be approved by the Board of Directors in accordance with applicable provisions of law.
Relationship with other Director/ Key Managerial Personnel	Brother of Mr. Harendra Singh	Not related to any Director or Key Managerial Personnel
Number of meetings of the Board attended during the financial year 2020-21	5 of 5	5 of 5
Chairperson/ Members of the Statutory Committee (s) of Board of Directors of the Company as on date	• Chairperson, Corporate Social Responsibility Committee • Member, Stakeholder Relationship Committee • Member, Risk Management Committee	• Chairperson, Audit Committee • Member, Nomination and Remuneration Committee • Member, Risk Management Committee

Name of Director(s)	Mr. Vijendra Singh	Mr. Ashok Kumar Thakur
Directorship of other Board as on March 31, 2021 excluding Directorship in Private and Section 8 Companies.	Nil	• Navkar Corporation Limited • Choice International Limited
Chairperson/ Members of the Statutory Committee (s) of Board of Directors of other companies as on March 31, 2021 excluding Directorship in Private and Section 8 Companies	Nil	**Choice International Limited** • Chairperson, Audit Committee • Chairperson, Nomination and Remuneration Committee **Navkar Corporation Limited** • Chairperson, Audit Committee • Member, Nomination and Remuneration Committee

Notes

H.G. Infra Engineering Limited

Registered office:

14, Panchwati Colony

Ratanada, Jodhpur-342001 (Raj.)

P: 0291-2515327

E: cs@hginfra.com

W: hginfra.com

Corporate office:

III Floor, Sheel Mohar Plaza, A-1, Tilak Marg,
C-Scheme, Jaipur- 302001(Raj.)

P: 0141-4106040 | F: 0141-4106044

E: cs@hginfra.com

W: hginfra.com

www.advacommunique.com