

HG Infra Engineering Limited (HGIEL) is one of the leading players in the infrastructure of roads & highways space with an execution track record of over 19 years. Harendra Singh is a second-generation entrepreneur and the current Chairman & Managing Director of HG Infra. He entered the Company soon with his father, Hodal Singh, an industry stalwart with over 44 years of experience in the construction space. He, with the guidance of Hodal Singh, is the driving force behind the Company and its accomplishments. Over the years, the Company transformed from a small subcontractor in Rajasthan to a national prime contractor with a pan-India presence spread across Rajasthan, Telangana, Andhra Pradesh, Haryana, Uttar Pradesh, Maharashtra and other states such as Arunachal Pradesh and Uttarakhand.

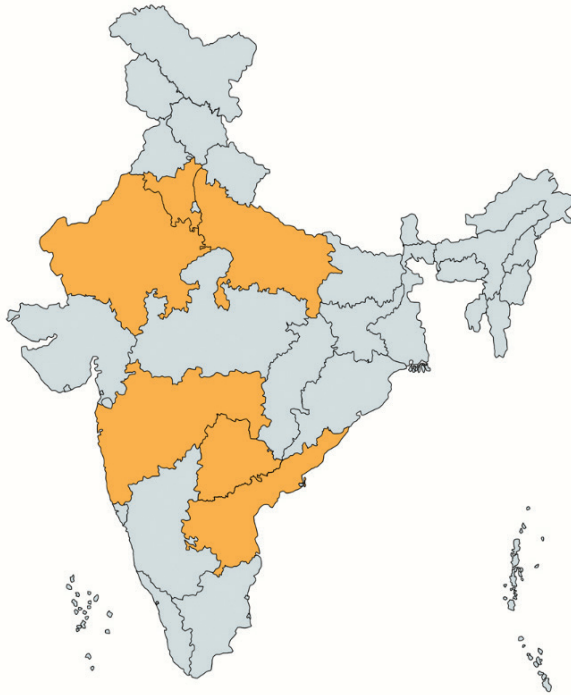


HGIEL

On Road to Prosperity

HG Infra's core strategy is focused on quality and timely execution with strong discipline in bidding for new selective orders. The Company will continue to maintain this philosophy without compromising on its profit margin.





Order Book (FY 2020-21)

Rajasthan 10 Projects

Maharashtra 7 Projects

Haryana 4 Projects

Telangana 3 Projects

Uttar Pradesh 1 Project

Andhra Pradesh 1 Project

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

(Note- Apart from this, HG Infra has recently won a new EPC project in Delhi in the month of July 2021, for a project cost of ₹13,931 Mn)

The Company provides EPC (engineering, procurement and construction) services on a fixed-sum turnkey basis, HAM (Hybrid Annuity Model), and undertakes civil construction and related infrastructure projects. The Company has built a robust business model built around complete integration, a large fleet of in-house equipment and skilled human resources.

His orientation to build partnerships with strategic clients and to establish long-term alliances has helped HGIEL to successfully deliver key capital projects. The entire team has maintained the highest standards of quality, performance, world-class safety standards, and reliability which have remained the core to the Company's driving principles.



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HARENDRA SINGH

Chairman & Managing Director, HGIEL

Transformation and milestones

"We set our roots as a small subcontractor in 2003, where we undertook road works and other civil construction for our clients, majorly in Rajasthan," shares Harendra Singh. After taking over the Company, he transformed the entity by leading efforts and developments in its people, processes, and technology. Over the years, the Company expanded its business to roads and highways across India as a prime contractor bidding independent contracts with the NHAI, MoRTH, other private players and State Governments. The Company is also diversifying its business and clientele network by bidding in Airport sector, Railway sector and water sector.

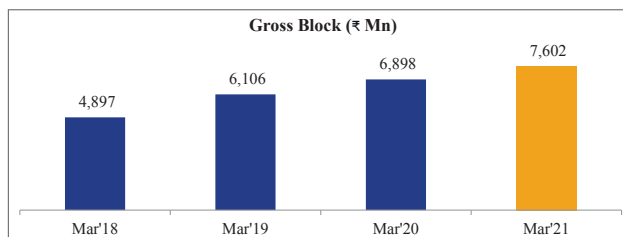
Harendra Singh said, "During the second phase of our growth, we gained experience. We're constantly learning from our experience and upskilling our employees which gives us an edge to execute projects within quality standards and timelines". During this time, the Company continuously invested in a broad base of all types of construction assets, including Crusher, Batching Plant, Sand Washing Plant, Paver, Grader, Excavator, Loader, Compactor, DG Sets, Transit Mixer, Tippers, and so on.

This proprietary ownership had earned HG Infra the trust of marquee clientele and enabled them to achieve robust and growing revenue and order book. Post the successful IPO in March 2018, today, HG Infra stands as a leading developer of road projects undertaking EPC and HAM bids as a prime contractor and developer while maintaining strong discipline in order selection and strict cost controls. "We forayed into HAM projects as India is increasingly pushing a public-private partnership model, and we are extensively looking at project opportunities that can be monetised and deliver a healthy IRR upon completion," says Harendra Singh.

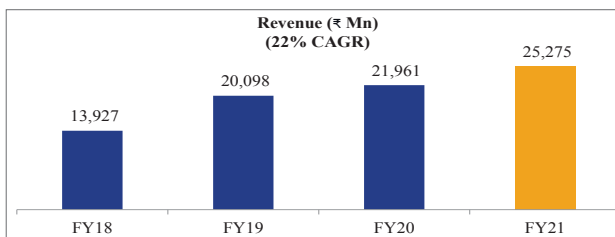
Leading through performance

His acumen, foresightedness and strict cost discipline have helped the company tide over multiple industry headwinds over the years. "The 2020 year gone by has been a testament to the fortitude of the company with multiple challenges from raw material, supply chain and labour disruptions affecting the sector during the nationwide lockdowns," tells Harendra Singh. Despite the challenges, HG Infra reported one of its strongest performances in recent years. With their relentless focus on project site execution, processes and cost optimizations, the Company recovered the deficit from the initial quarters to the end of the year surpassing the prior year's performance and recording revenue of ₹25,275 Mn.

"We have successfully maintained our growth, sustained the profits in the last year and strengthened our balance sheet" says Harendra Singh. HG Infra today maintains a highly



(HG Infra has invested over ₹2,705 Mn in plant and machinery in the last three years with an in-house fleet of modern construction equipment totalling 1800+ for large scale execution)



(HG Infra has exponentially grown in the last decade from revenues of ₹2,872 Mn in FY12 to ₹25,275 Mn in FY21. The past three years despite industry challenges has further cemented the company's position as a leading infrastructure developer while sustaining a growth rate of 22% year on year)

deleverage balance sheet with improvements in debt/equity and working capital management. During 2020-21, the Company also bagged four new orders with a total value of ₹19,333 Mn and ended the year with the order book standing at ₹70,400 Mn. In July 2021, the company bagged another order with a total value of ₹13,931 Mn.

Infrastructure outlook

“We believe opportunities are aplenty in the sector, and 2021-22 would be a turning point for this new decade. The Government’s strong focus on infrastructure development, urbanisation and pan-India connectivity will propel infrastructure spending and awarding activity” says Harendra Singh. The strong sectoral opportunities and a gradual expansion pan India are expected to drive growth for the Company in the coming years.

Besides this, the allocation of additional funds to the infrastructure sector as announced by the Central Government in Budget 2021 has further reiterated their commitment to transforming the industry.

“Leveraging our existing capabilities, we plan to continue to look at opportunities beyond road in sectors like railways, metro, water supply, and airports to further diversify our order book,” says Harendra Singh. India’s infrastructure plans in these sectors are well defined, and there is a lot of project scope available. Towards this, the Company has further strengthened the business development team with senior resources who have vast experience in these sectors and strive to target an additional 10% of the total order book to come from these new sectors.

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Strategy going ahead

Harendra Singh says, “Our focus is on quality and timely execution with strong discipline in bidding for new selective orders, it has been the core strategy over time, and we will continue to maintain this philosophy without compromising on our profit margin.” HG Infra also plans to look at selective ongoing HAM projects and free their equity by monetising these ongoing projects as they get completed. Maintaining their financial position through strict cost controls, improving profitability, deleveraging the balance sheet and working capital management and cash generation will continue to solidify and strengthen their position in the market.

He remains optimistic for the journey ahead with a comfortable order book position, strong revenue visibility, strong balance sheet position and a controlled working capital cycle. The Company’s continuing focus on enhancing efficiencies and maintaining a strict discipline in costs and processes will help drive the Company’s growth for the coming years.

EPC World

