STURDY. STRATEGIC. STEADY.

HIGHWAYS

ROADS

BRIDGES

H.G. Infra Engineering Limited

ANNUAL REPORT
2019-20

Contents

Forward-looking statements / Cautionary statement

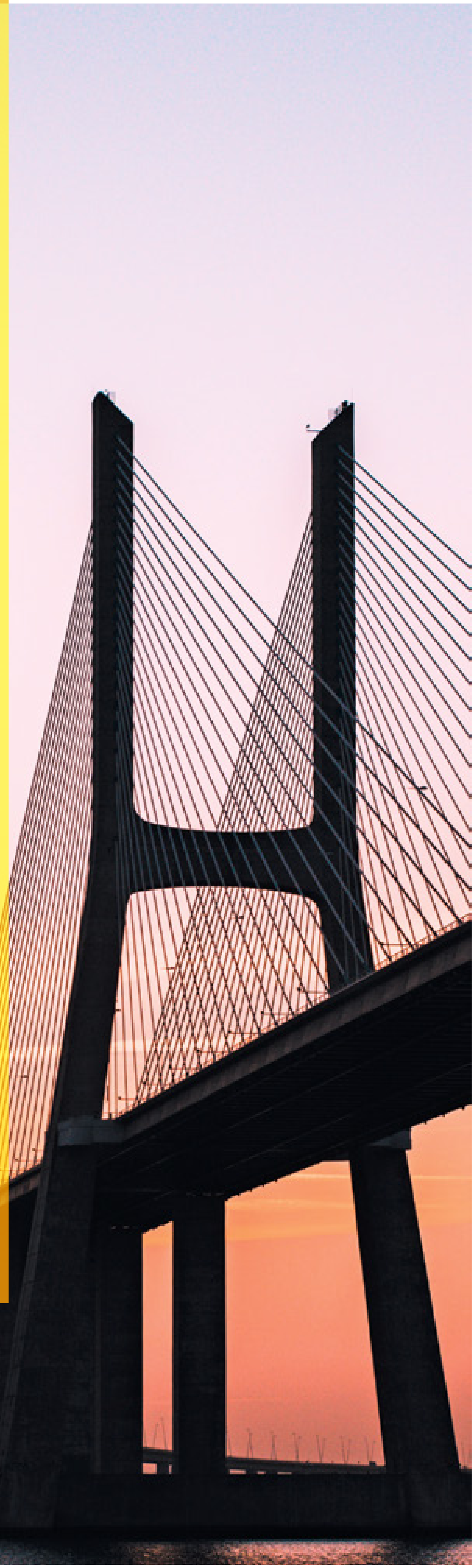
In this annual report, we have disclosed forward looking information to enable investors comprehend our prospects and take informed investment decisions. This report and other statements – written and oral – that we periodically produce/ publish, may contain forward-looking statements that set out anticipated 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.

For more information log on to
www.hginfra.com

The aspiration to soar above the others, set new benchmarks and secure our future, stems from our desire to identify and explore opportunities.

And H.G. Infra Engineering remains strategically poised to foster a disciplined approach to fulfil these aspirations. With a focus on margins and a strong balance sheet, we have showcased an unrelenting pursuit for steady growth.

In our bid to improve efficiencies, we readily invest in cutting-edge technology, display the courage to steer clear of projects that fail to ensure profitability and prioritize a culture of urgency to sustain a healthy momentum - in a challenging and competitive environment. Validating our strong commitment to derive unmatched value for the Company and its stakeholders, we continue to tread ahead on a sturdy, strategic and steady path to progress.



HG Infra at a glance

HG Infra is one of India's leading road infrastructure development companies, providing integrated design, engineering, procurement and construction services, for nearly two decades.

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 contribute significantly in growth of this sector.

MISSION

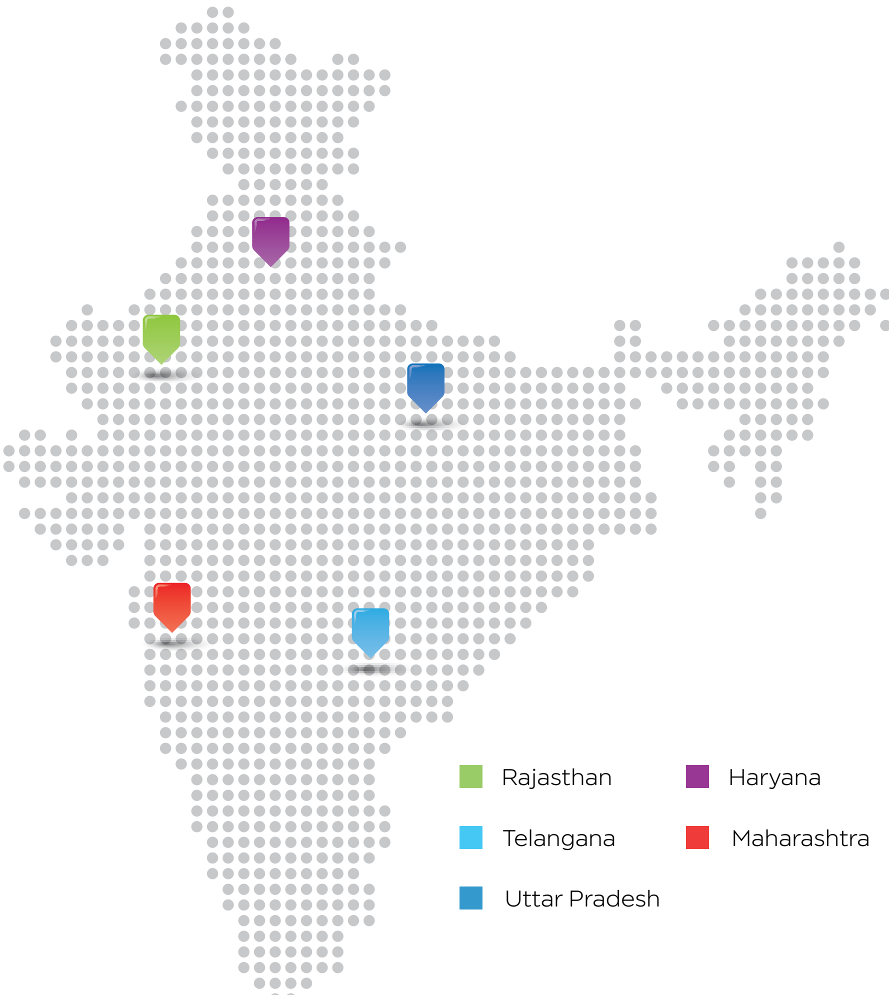
- To create the world-class assets and infrastructure to provide the platform for faster & consistent growth for India to become world's economic power.
- To earn the trust and confidence of all customers and stakeholders, exceeding their expectations and make the company a respected household name.
- 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.

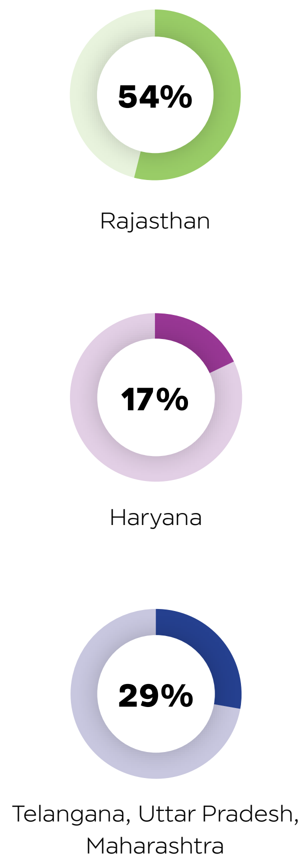
VALUES

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.

GEOGRAPHICAL PRESENCE ACROSS INDIA

Headquartered in Jaipur, Rajasthan, the Company has project experience in eight Indian states and active projects in five states. Of the total order book outstanding as on 31st march 2020, **54%** were in Rajasthan, **17%** in Haryana and **29%** in the states of Telangana, Uttar Pradesh and Maharashtra.





VERTICALS OF OUR PRESENCE

Operational areas	Civil construction in the following focus areas
Road infrastructure	Construction of roads, bridges, and highways
Water distribution	Design, construction, supply, installation and commissioning of civil engineering works for water pipeline projects

Excelling over the years

YESTERDAY		TODAY
We started as an subcontractor, dedicated to address the nation's need for modern road infrastructure. **2015 (as on 31.03.2015)**		We are a leading road infrastructure developer with a pan India presence. **2020 (as on 31.03.2020)**
2	States of our presence	8
49%	Revenue from sub-contracting	~26%
₹500 million	Average ticket size	₹1,800 million
₹3,317 million	Revenue	₹21,961 million
₹2,500 million	EPC pre-qualification	₹17,500 million
₹1,489 million	Gross block	₹6,898 million
₹10,677 million	Order book	₹71,082 million
600+	Employee strength	2,300+

INITIATIVES UNDERTAKEN OVER THE LAST FEW YEARS TO STRENGTHEN THE COMPANY

Strategic efforts	Effect
Build a robust order book keeping margins and overall project efficiency in mind	Grew order book at a CAGR of 46% over the last five years (ending at 31st March 2020). The Company closed FY20 with an order book of ₹ 71,028 million. EBITDA margins have been consistently maintained at 15-16%
Focus on the adoption of technical capabilities and project execution capabilities	Invested in cutting-edge technologies such as real-time project monitoring, supply chain management, and SAP, which helped in enhancing process efficiency while saving time and costs
Focus on strengthening Balance Sheet through timely execution and strict cost controls along with efficient working capital management and cash flow generation	Deleveraged Balance Sheet by regularly repaying debt. Debt-equity ratio as on 31st March 2020 stood at 0.45 compared to 0.75 as on 31st March 2018. Delivered consistent financial performance by growing revenue at a CAGR of 45.94% over the past five years

RECOGNITION AND REWARDS

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 14001:2015

Measuring our Steady Performance

ALL FIGURES ARE ON STANDALONE BASIS

Net Sales (₹ million)

FY18	13,927
FY19	20,098
FY20	21,961

EBITDA (₹ million)

FY18	2,081
FY19	3,032
FY20	3,424

PAT (₹ million)

FY18	842
FY19	1,236
FY20	1,657

EBITDA Margin (%)

FY18	14.9
FY19	15.1
FY20	15.6

PAT Margin (%)

FY18	6.1
FY19	6.1
FY20	7.5

Earnings Per Share (₹)

FY18	15.39
FY19	18.96
FY20	25.43

Book Value Per Share (₹)

FY18	82.98
FY19	101.15
FY20	126.07

Debt to Equity

FY18	0.75
FY19	0.58
FY20	0.45

Working Capital (Days of Turnover Equivalent)

FY18	41
FY19	46
FY20	52

ROCE (%)

FY18	32
FY19	32
FY20	28

Revenue Growth

9.3%

Over 2018-19

EBIDTA Growth

12.93%

Over 2018-19

Profit After Tax Growth

34.06%

Over 2018-19

ROCE = EBIT/Total Assets – Current Liabilities
Debt to Equity = Total debt/Shareholders Equity
Debtor days = Average Trade Receivables (excl. retention money) /Revenue From Operations
Inventory Days = Average Inventory / Cost of Materials
Creditors Days = Average Trade Payables / (Cost of Materials + Contract & Site Expenses
Net working capital days = Debtor days + Inventory days – Creditor days

Building a Sturdy Business

At HG Infra, we aim to further strengthen our business model, by focusing on projects with viable margins that push our capabilities. The foresight to build an in-house asset base not only helped avoid rental and interest cost for hired equipment, but also delivered significant positive impact on the margins.

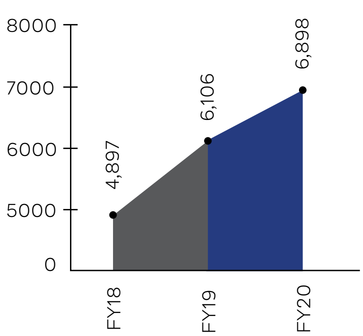
OUR MODEL TO DRIVE MARGINS

Building a strong asset base

In-house fleet of modern construction equipment, namely:

- **Crushers**
- **Compactors**
- **Graders**
- **Loaders**
- **Pavers**
- **Mixers**
- **Dumpers**
- **Excavators**
- **Rollers**
- **Sprayers**
- **Compressors**
- **Tractors**
- **Hot Mix Plant**
- **Boom Placer**
- **Sand Wash Plant**
- **Batching Plant**

Gross Block (₹ million)



Increasing scale and profitability

16%
3-year CAGR in Revenues

18%
3-year CAGR in EBITDA

25%
3-year CAGR in PAT

16%
3-year CAGR in Order Book

4
Major projects completed in FY 2019-20

33
Projects under execution

₹71,028 million
Order book as on March 31, 2020

1900+
Total equipment base

₹6,898 million
Gross block as on March 31, 2020

12.1%
3-year CAGR in Gross block

Our long-term cultural strategy

We are in a people-powered business. So, we firmly believe that our success is largely based on our people resource.

Our 2300+ colleagues are fundamental to delivering high-quality projects. Over the years, we have built a process which continuously enhances our employee proposition to ensure we have an engaged, high performing, and fulfilled workforce that truly reflects the DNA of the Company. We enrich our people through progressive training, by aligning their professional aspirations with their personal needs, and by recognising and rewarding their achievements.

2,300 +

Full time employees

₹1,113.8 million

Employee benefit expenses

OUR RESPONSE TO COVID-19

Aligned to our people philosophy, at HG Infra, we emphasised that the safety and wellness of our people is our priority even as the spread of the Covid-19 pandemic disrupted lives and businesses alike in India and in the world.

Some of the major initiatives undertaken are –

- All officers and employees (including outsourced employees) of HGIEL are asked to use 'Aarogya Setu' App, wear masks & follow social distancing guidelines
- Daily monitoring of body temperature
- Sanitization using disinfectant liquid with spray machines is undertaken for living accommodation as well as other premises such as offices, store houses, labs, plants & workshops
- Supervisors and project heads have been appointed at all locations to ensure adherence to safety & social distancing norms
- To improve safety outsiders/locals are not allowed to interact with site workers
- Establishment of Isolation & Quarantine facility for suspected cases
- Display of nearest COVID-19 Testing and Treatment Facility at prominent places
- Only on duty government personnel are allowed after ensuring all safety and sanitisation measures
- Material procured is disinfected
- Separate parking area is designated for all vehicles
- Availability of protective and sanitisation Items
- Medical professionals have been appointed to check and enforce hygienic measures

Our strategy to deliver long-term value

HG Infra's strategy is to maintain strong financials by tapping opportunities in core road sector and in other infra sectors.

Tap opportunities in core road sector

- Continued focus on EPC projects with selective HAM projects
- For large scale execution we invested ₹6,800+ million (Gross block) in plant and equipments
- We have built a strong team of skilled and highly skilled workers for execution and management

Maintaining strong financials

- Focus projects with desired level of EBITDA margins/ IRRs
- Maintain and improve profitability ratios through timely execution and strict control
- Deleverage balance sheet
- Continued focus on working capital management and cash flow generation

Look at opportunities beyond Road in other infra sectors

- Expand our service offerings to new business verticals

Railways: projects involving civil part of the track laying

Water Infra: Water supply projects involving laying water pipeline for last mile connectivity

Airports: Construction of runways, taxiways, etc

Chairman and Managing Director's review

> We would like to see the year under review as a watershed in our existence, as it helped us realise the true potential of a good team.

Dear Shareholders,

I hope you and your families are keeping safe during these challenging times. We hope that this situation normalizes soon, and we all come out stronger. The FY 2019-20 turned out to be a difficult year for businesses across sectors as the year was fraught with many challenges for the global as well domestic economy. For the first time in more than a decade, the Indian economy recorded a sub-5% growth. The infrastructure sector saw project delays for a multitude of reasons during the year and further the outbreak of COVID-19 has created disruptions in our day to day activities. Despite these turbulent times, FY 2019-20 was yet another year where we rose above the challenges and recorded profitable growth.

INFRASTRUCTURE – INDIA'S CORE

During the year, tendering and awarding of projects of NHAI has been subdued, due to lower government spending, delays in land acquisition and delays in granting of appointment dates. Furthermore, the ordering activity during the end of the year had come to a halt on account of the nationwide lockdown due to the outbreak of COVID-19.

The Central Government has implemented several measures in order to improve support for the infrastructure sector and provided relief in view of the prevailing situation, such as enabling three to six months' extension of the project period in existing contracts, releasing due payments within the stipulated timeframe, releasing pro rata bank guarantees till the project work is completed, allowing moratorium period for the repayment of loans and deferment of interest payments and reduction in interest rates, among others.

Road infrastructure has always been a key economic priority and will continue to be so in a post COVID world to ensure progress and revive India's growth phase. To give further benefits and encourage construction, the Government has introduced several initiatives, such as the National Infrastructure Pipeline, an investment plan with an outlay of ₹111 Lakh Crores, of which road sector constitutes around ₹20 Lakh Crores, the Bharatmala Pariyojana Phase 1 with an outlay of ₹5 Lakh Crores that will bridge critical infrastructure gaps and boost highway development, among others. These initiatives are expected to significantly increase awarding activity in the months to follow.

OUR PERFORMANCE – FY20

At no time in our recent past was the effectiveness of our long-term approach more visible than during the year under review. Amidst a turbulent economic environment, we reported revenue of ₹21,961 million in FY20, a growth of 9.3% over the previous year. I'd like to mention here that we had initially provided a guidance of ₹25,000 million for this financial year, however, we fell short of achieving this target due to the following reasons – an extended monsoon season which caused delays at project sites, the Supreme Court ban on construction activities in the Delhi – National Capital Region, and lastly the lockdown disruptions

> We navigated successfully through difficult waters in a year that implemented immense change.

in the last 2 weeks of March 2020, due to the pandemic. We reported a 12.9% growth at the EBIDTA level to reach ₹3,424 million, while the EBIDTA margin grew and continued to remain robust at 15%+. We were also able to improve PAT and PAT margin – PAT grew from of ₹1,236 million to ₹1,657 million and PAT Margin improved from 6.1% to 7.5%. Thanks to our timely project completion competence, we bagged 4 major projects during the year with a total value of ₹36,110.3 million and ended the year with order book of ₹71,028 million.

OUR PEOPLE - OUR STRENGTH

Our employees are our greatest asset and the cornerstone of our business. If there is one reason why HG Infra has evolved consistently over the years to emerge as one of India's leading road infrastructure development companies, is because of our people. Over the years, we have created an inclusive workplace where all employees are valued and empowered to take decisions to drive growth. It is this philosophy which is helping us successfully navigate these turbulent times. The team – across offices, sites, on-ground – continued to show support despite the posed by the pandemic. It is because of our team, we have been able to withstand and still deliver projects in a timely manner, while maintaining our quality.

Health and safety of our employees remains our top priority. We have adapted to the changing environment very quickly and have put measures in place to ensure uninterrupted project delivery while ensuring safety of our team. Staying true to our people culture, we continued to support our employees in every possible way across our different offices and sites. We provided salaries on time, with no job loss, while also ensuring that all our vendors were paid as per schedule.

INVESTING IN TECHNOLOGY

Another factor which helped us sail through these tough times was our investment in technology. Over the last couple of years, we have implemented SAP across offices and project sites. We were quickly able to adopt remote working while managing projects and contracts with agility. Going forward, we will continue to invest in our IT infrastructure to increase efficiency and optimize project schedules.

OUR LONG-TERM GROWTH STRATEGY

To emerge as a stronger business entity, we have embarked and adopted new strategies during the year. We will primarily follow a disciplined approach in selecting projects with a focus on attractive margins. We will continue to enhance our project execution capabilities in order to complete and monetize projects quicker, thus strengthening our cash flows. We will continue to strengthen financial capabilities and net worth with the objective to enhance our project bidding capacity. And in line with our core philosophy, we will continue making investments in professionals and skilled manpower to strengthen our team.

THE WAY FORWARD

At HG Infra, we would like to see the year under review as a watershed in our existence, as it helped us realise the true potential of a good team. Our many achievements in FY20 owe much to our strong and engaging people culture. Going ahead, we would like to think that as the external environment became increasingly challenging, we would continue to look within to strengthen our fundamentals and competitive advantage, the benefits of which shall progressively accrue. With our people culture remaining at the core of what we do, today we are more confident than ever of building on this foundation to make growth from this point appreciable, profitable and sustainable, strengthening value in the hands of all our stakeholders. Together, we navigated successfully through difficult waters in a year that implemented immense change. I would like to take this opportunity to thank and show my gratitude for all our employees for their dedication 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

01

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 in 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 26 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.

As on March 31, 2020, Mr. Harendra Singh held 1,43,97,633 equity shares of the Company.

02

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 28 years of experience in the construction industry. He was appointed as a Whole Time Director on Board for a period of five years with effect from May 15, 2017

As on March 31, 2020, Mr. Vijendra Singh held 1,17,74,937 equity shares of the Company.

03

Mr. Dinesh Kumar Goyal
Non-Executive Director

Mr. Dinesh Kumar Goyal, IAS, retired as Additional Chief Secretary to Govt. of Rajasthan in 2013. He has 38 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 w.e.f 23.05.2018. 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.

As on March 31, 2020, Mr. Dinesh Kumar Goyal held 1000 equity shares of the Company.

Note-After the closure of financial year the designation of Mr. Dinesh Kumar Goyal has been changed from Non-Executive to Executive Director.

04

Mr. Ashok Kumar Thakur
Independent Director

With a master's degree in commerce from Lucknow University, Mr. Ashok Kumar Thakur has over 38 years of experience in the banking industry. He has been an Independent Director on the Board of Company 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.

As on March 31, 2020, Mr. Ashok Kumar Thakur did not hold any shares of the Company.

05

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. After that She was associated with the law firm N.V. Vechalekar & Co. in Mumbai. She is having more than 10 years of experience in the legal industry and as a legal practitioner. She has been appointed on the Board of Company with effect from May 15, 2017.

As on March 31, 2020, Mrs. Pooja Hemant Goyal did not hold any shares of the Company.

06

Mr. Onkar Singh
Independent Director

A retired Indian Administrative Service (IAS) officer, Mr. Onkar Singh joined our Board on September 8, 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 hold degree of M.PHIL. He has over 21 years of experience in 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.

As on March 31, 2020, Mr. Onkar Singh did not hold any shares of the Company.

Corporate Information

BOARD OF DIRECTORS

Mr. Harendra Singh
Chairman & Managing Director
DIN-00402458

Mr. Vijendra Singh
Whole Time Director
DIN-01688452

Mr. Dinesh Kumar Goyal*
Non-Executive Director
DIN-02576453

Mr. Ashok Kumar Thakur
Independent Director
DIN-07573726

Mrs. Pooja Hemant Goyal
Independent Director
DIN-07813296

Mr. Onkar Singh
Independent Director
DIN-07853887

COMMITTEES OF THE BOARD

AUDIT COMMITTEE

Mr. Ashok Kumar Thakur
Chairman

Mr. Onkar Singh
Member

Mr. Harendra Singh
Member

NOMINATION & REMUNERATION COMMITTEE

Mrs. Pooja Hemant Goyal
Chairperson

Mr. Ashok Kumar Thakur
Member

Mr. Dinesh Kumar Goyal
Member

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Mr. Harendra Singh
Chairman

Mr. Vijendra Singh
Member

Mr. Onkar Singh
Member

STAKEHOLDER RELATIONSHIP COMMITTEE

Mr. Onkar Singh
Chairman

Mr. Harendra Singh
Member

Mr. Vijendra Singh
Member

CHIEF FINANCIAL OFFICER

Mr. Rajeev Mishra

COMPANY SECRETARY & COMPLIANCE OFFICER

Mrs. Ankita Mehra

AUDITORS

STATUTORY AUDITORS

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

SECRETARIAL AUDITORS

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

COST AUDITORS

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

INTERNAL AUDITORS

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

REGISTERED OFFICE

CIN: L45201RJ2003PLC018049

14, Panchwati Colony, Ratanada
Jodhpur Rajsthan-342001
Tel: 0291-2515327
Email ID-cs@hginfra.com

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 FOR EQUITY SHARES

Link Intime India Private Limited
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

BANKERS

HDFC Bank Limited

ICICI Bank Limited

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 Ltd.

Note - *The designation of Mr. Dinesh Kumar Goyal has been changed from Non-Executive to Executive Director w.e.f June 24, 2020

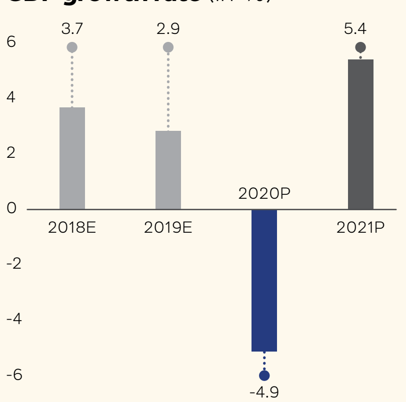
Management Discussion & Analysis

Global Economic Overview

The global economy faced multiple headwinds, registering an estimated growth rate of 2.9%[1] in CY 2019, its slowest pace since the global financial crisis. The subdued growth of the economy was a consequence of rising trade barriers, elevated uncertainty surrounding trade and geopolitics, idiosyncratic factors causing macroeconomic strain in several emerging market economies, and structural factors, such as low productivity growth and aging demographics in advanced economies. Intense social unrest in several countries posed new challenges, as did natural disasters such as hurricanes, droughts and bushfires that brought about economic as well as environmental challenges.

The global economy is projected to contract by 4.9% in CY 2020, according to IMF. This contraction is primarily led by the outbreak of Covid-19. The pandemic is inflicting high and rising human costs worldwide, and the necessary protection measures are severely impacting economic activity across the globe. The risks for even more severe outcomes, however, are substantial. Although, announced and implemented policy actions incorporated by economies across the globe will help to support incomes in the near term, particularly those well-targeted on affected firms and households. Low interest rates should help cushion demand, although the impact of recent and projected changes in policy interest rates on activity is likely to be modest in the advanced economies. With these measures in place the global economy is expected to revive and grow by 5.4% in CY 2021.

GDP growth rate (in %)



[Source: IMF]
(E: Estimated and P: Projected)

Indian Economic Overview

Indian economy is the 5th largest economy in the world, in terms of GDP. The economy is estimated to have grown by around 4.2%[1] in FY 2019-20, registering a decline in comparison to the previous year. This decline was primarily driven by a mix of both internal as well as external factors such as synchronised global slowdown, plummeting domestic automobile sales, flattening of core sector growth, and declining investment in construction and infrastructure. Other factors such as credit crisis due to drying up of lending to non-banking financial institutions throughout CY 2019, deceleration in consumption and as well as a contraction in exports, with reduced demand for imports has led to this slow growth.

The economy is further expected to experience slowdown and is projected to contract by 4.5%[1] in FY 2020-21. The slowdown has been caused by the recent outbreak of Covid-19, which led to an economy wide lockdown to contain the spread of the virus and has posed a challenge as well as altered the outlook of the Indian economy. However, the government of India and the RBI are continuously working in tandem to revive the economy to address the demand side contraction in the economy and all efforts are being made to enhance rural incomes. Fiscal as well as monetary measures have been introduced and are expected to decelerate this slowdown and will help the economy grow in the future. With these measures in place, the economy is expected to register a growth of 6%[1] in FY 2021-22.

Indian Road Infrastructure Overview

The Indian road network consists of National Highways, State Highways, Expressways, Major District Roads and Village Roads. It is globally

[1]IMF World Economic Outlook June 2020

the 2nd largest network spanning 5.8 million kilometres. National Highways account for 2% of the total road network and carry over 40% of the total traffic, while State Highways account for 3% of the total road network in India. Around 65% of all goods in the country are transported through roads, while 90% of the total passenger traffic uses road networks to commute. Going forward, the Government is committed to build quality roads and highways in the country[2].

India's road infrastructure has seen consistent improvement in the last few years. Connectivity has improved significantly, and rapid development of road transportation has gained prominence in recent times. Roads provide better access to services, offer ease of transportation and freedom of movement to people. A reliable and swift road network in the country also plays an important role in influencing economic development. Roads and highway constructions were initially undertaken under the Public Private Partnership (PPP) model, but, initiatives like Hybrid Annuity Model (HAM), Build Operate Transfer (BOT) and BOT (Annuity) have attracted high participation and investment from various players.

Roads and Highways are essential for rapid economic growth. The pace at which roads have been constructed has grown significantly from 17 km per day in 2015-16 to 29.7 km per day in 2018-19. The pace has taken a hit for the current year, FY 2019-20 with roads constructed at an estimated 26 km per day, however, the aim is to take it up to 40 km per day by 2025.

The road sector experienced a slowdown in FY 2019-20 owing to an overall economic slowdown and weakening of the government's fiscal health. Other factors such as the weakening of financing sentiment, slow acquisition of land because of legal hurdles and a sharp rise in land acquisition costs, exerted pressure on the central budget and added fuel to the slowdown.

NHAI has accomplished construction of 3,979 km of national highways in the FY 2019-20. This is the highest ever highway construction achieved in a financial year by NHAI.

However, the authority stopped short of meeting its target of 4500 km for the current fiscal, which effectively translates into 12.32 km per day as against the accomplishment of 10.9 km per day. In order to accelerate the pace of construction, large number of initiatives have been taken to revive the stalled projects and expedite completion of new projects.

The initiatives include streamlining of land acquisition and acquisition of major portion of land prior to invitation of bids, award of projects after adequate project preparation in terms of land acquisition, clearances etc, disposal of cases in respect of Change of Scope (CoS) and Extension of Time (EoT) in a time bound manner and procedure for approval of General Arrangement Drawing for ROBs simplified and made online.

Budget Highlights

The Government proposed to allocate ₹ 1.7 trillion to improve connectivity via road, rail, air and waterways. A total of 12 lots of highway bundles are set to be monetised by 2024 as indicated in the budget speech.

The government plans to monetise at least 12 highway bundles of over 6,000km before 2024. To accelerate construction activity, the roads ministry will focus on development of 2,500km of access control highways, 9,000km of economic corridors, 2,000km of coastal and land port roads, and 2,000km of strategic highways.

Further, the Delhi-Mumbai Expressway and two other packages are scheduled to be completed by 2023, while the Chennai-Bengaluru Expressway will also be started.

(₹ in lakh crore)

Investment in Road sector	2017-18	2018-19	2019-20	2020-21
Total Budgetary Support	0.6	0.76	0.83	0.91

[Source: MoRTH)

[2]Ministry of Road Transport and Highways and Invest India.

The Ministry of Road Transport and Highways saw an increase of 10% in its budgetary allocation, but a large chunk of it is through monetisation of national highways by the NHAI.

The total budget allocation has gone up from ₹83,015 crore in FY20 to ₹91,823 crore for FY 2020-2021.

Of this hike of ₹8,808 crore, as much as ₹5,809 crore is through investment in NHAI met from monetisation of national highways. The balance allocation is for road works. NHAI has been allowed to raise ₹65,000 crore externally in FY21, ₹10,000 crore less than FY20.

Government Initiatives

At present, the sector needs to prioritize construction, maintenance, and capacity augmentation of huge road networks, focusing on multimodal transport integration and road safety. Effective policy implementation will help to solve a lot of issues troubling the sector.

National Infrastructure Pipeline (NIP) (FY2020-2025): The Government of India introduced National Infrastructure Pipeline with an aim to enhance infrastructure in identified sectors for a period of five years from FY 2020-25. The plan will help the country to reach the $5 trillion economy mark, as infrastructure is one of the core drivers for economic growth. Additionally, investment in infrastructure energises demand in other sectors and will lead to increased fund flows to various industries besides creating valuable assets. The total infrastructure investment outlay is projected to be ₹102 lakh crore. Of the total, sectors such as Energy (24%), Roads (18%), Urban (17%), and Railways (12%) amount to over 70% of the projected capital expenditure and the remaining 28% will be used for Rural, Agricultural and Food processing infrastructure[2]. As per the pipeline, enhanced road connectivity to remote areas and trunk connectivity through expressways, major economic corridors, strategic areas and tourist destinations will be the focus areas under Road sector. Along with that, extensive charging and on road traction infrastructure for electric vehicles will also be on focus.

Sector	Capital expenditure	Value (₹ in Lakh crore)
Roads	19%	19.38
Railways	13%	13.26
Airports	1%	1.02
Others	67%	68.3
Total	100%	102

Bharatmala Pariyojana Programme: The programme was launched by GoI and it aims to optimize the productivity of freight and passenger movement by bridging critical infrastructure gaps, seeking to increase the number of districts with national highway linkages from 300 to 550.

A total of 65,000 km of roads and highways are to be constructed under Bharatmala Pariyojana. A total length of 34,800 km road projects have been proposed with an estimated outlay of ₹5.35 trillion (US$ 74.15 billion), under Bharatmala Pariyojana Phase-I. The National Highways Authority of India (NHAI) will only consider projects that require minimal land acquisition and have already finalized highway contracts worth ₹3 trillion (US$ 42.92 billion) under the scheme.

(SARDP-NE): The Special Accelerated Road Development Programme for the North Eastern region (SARDP-NE) is aimed at developing road connectivity between remote areas in the North East with state capitals and district headquarters. Implementation of the road development programme would facilitate connectivity of 88 district headquarters in the North Eastern states to their nearest National Highways by roads that will have a minimum of 2-lanes. The GoI plans to invest ₹1.45 lakh crore towards road infrastructure in the North-East between 2018 and 2020.

Company Overview

HG Infra commenced operations in 2003 as a Private Limited Company and have come a long way to establish itself as a reputed road infrastructure company. The Company predominantly engages in road construction activities and is looking to expand beyond road to other avenues. HG Infra is majorly an Engineering Procurement Construction (EPC) player with selective focus on Hybrid Annuity Model (HAM) projects. The company has a varied client base including government and private entities. The Company delivers excellence through enhanced sustainability and strives to maintain a balance to create a better tomorrow.

Key Strengths of the Company

The Company through its many years of experience have developed niche skills and have converted them into strengths which help them to stay ahead of competition.

Some of their key strengths include:

Processes: The Company has an integrated business model with

[2]Ministry of Road Transport and Highways and Invest India.

minimal subcontracting, ensuring efficiency and cost optimization. This helps the Company to track ongoing and completed projects on a real-time basis, allowing the Company to deploy resources accordingly. This helps the company to main profitability through timely execution and strict cost controls

Technology: The Company is tech savvy and has modern equipment to efficiently complete and execute deliveries on time. It also has a fleet of advanced construction equipment to carry out large scale projects. This has helped the Company to eliminate delays and cost over-runs. The Company implemented SAP in FY 2018-19 and is in the process of installing GPS tracking devices on their equipment for performance measurement and improvement.

People: With the expansion of business and increase in work orders, the Company has recruited skilled and semi-skilled professionals to carry out various projects. The Company also provides proper training and skill development facilities for employees to carry out projects with utmost efficiency.

Results of Operations

Financial Highlights

Revenue from operations: Revenue during the year stood at ₹2,196 Cr, increased by 9.3% as compared to ₹2,010 Cr in FY2018-19.

EBITDA during the year stood at ₹342 Cr, increased by 13% as compared to ₹303 Cr in FY2018-19.

Profit before tax: The Company registered a profit before tax of ₹228 Cr compared to ₹190 Cr in the previous year.

Profit after tax: The Company registered a profit after tax of ₹166 Cr compared to ₹124 Cr in the previous year

Financial Ratios

Particulars (Standalone)	2019-2020	2018-2019
EBITDA/ Turnover (%)	15.60%	15.10%
Debt equity ratio (x)	0.45	0.58
Return on equity (%)	20%	19%
Earnings per share (₹)	25.43	18.96
Book value per share (₹)	126.07	101.15

Risk Management

HG Infra prioritizes and manages risks identified through its risk management process and facilitates risk identification, assessment, and profiling along with its treatment, monitoring and review. Here are some key risks faced by the company:

Manpower Risk: With increasing competition, newer players may adopt an aggressive approach to meet critical manpower requirements. It may result in poaching of experienced personnel from reputed companies. To mitigate this risk, the Company is building strength by training its employees and making necessary arrangements for promotion of employees on a performance-based criterion.

Unforeseen Risk: An unexpected and unforeseen pandemic like Covid-19, which has caused business disruptions and caused loss of lives across the world, may disrupt business in the near short-term, raising doubts on business sustainability.

Incidents like Covid-19 are completely unexpected and highly impossible risks to mitigate. The loss of lives across the world have been more worrying than the loss of business. However, we feel that our continued focus on building and maintaining robust business model, healthy balance sheet and a strong order book will help ensure business sustainability.

Competition Risk: The Company is also affected by increasing market competition. As project bidding becomes more competitive, the company is highly selective when choosing bids to ensure desired margins and returns are not affected.

Liquidity Risk: Given the industry dynamics, this sector carries relatively higher debt levels. Under adverse market conditions, this could inhibit the Company to raise more funds at competitive rates. The Company is therefore exploring innovative means to finance/refinance projects, including refinancing through Loans & Bonds. The Company also keeps a close eye on Working Capital requirement, allowing the business to run successfully.

Human Resource Management

The Company prioritizes its employees as precious assets that help HG Infra to accomplish goals and realize objectives. It recognizes and appreciates their hard work, dedication, and contribution to make the company a better place to work. With multiple opportunities for skill development and training, employees are encouraged to grow professionally within the ambit of the company. Further, the Company is committed to provide equal opportunities at all levels, create safe and healthy workplaces, and ensure protection of human health as well as the environment.

Internal Controls and their adequacy

The Company has adequate internal control system running throughout the organisation. Internal processes of the Company commensurate with our nature of business. The Company has appointed internal auditor who audits the adequacy and effectiveness of the internal control system as laid down by the management and suggests improvements as required. The audit committee periodically reviews the audit plans, internal audit reports and adequacy of internal controls and risk management.

Cautionary Statement

Statements in the management's discussion and analysis report describing the Company's projection, estimates, expectations, or predictions may be 'forward-looking statements' within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that would make a difference to the Company's operations include demand-supply conditions, raw material prices, change in governmental regulations, tax regimes, economic developments within the country and other factors such as litigation and labour negotiations.

Board's Report

Dear Shareholders/Members,

Your Directors have pleasure in presenting the 18th 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 for the Financial Year ended March 31, 2020 (the "Financial Year"). The consolidated performance of the Company and its subsidiaries has been referred to wherever required.

FINANCIAL RESULTS

The Financial Performance (standalone and consolidated) of the Company for the financial year ended on March 31, 2020 is as follows-:

(Amount in ₹ Millions)

Particulars	Standalone		Consolidated	
	31.03.2020	31.03.2019	31.03.2020	31.03.2019
Gross Revenue	22,097.95	20,213.63	2,2307.21	20,259.48
Total expenses	19,817.42	18,311.18	19,969.30	18,343.98
Profit / (loss) before tax	2,280.53	1,902.45	2,309.37	1,944.04
Tax expenses				
Current tax	624.39	689.26	634.30	693.06
Deferred tax	(1.08)	(22.49)	8.96	(22.45)
Total Tax Expense	623.31	666.77	643.26	670.61
Profit After Tax	1,657.22	1,235.68	1,666.11	1,273.43
Other comprehensive income Items that will not be reclassified to profit or loss (Net of Taxes)	6.05	(12.96)	6.05	(12.96)
Total Comprehensive Income for the year	**1,663.27**	**1,222.72**	**1,672.16**	**1,260.47**

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 amounted to ₹ 21,961.42 Million as against ₹ 20,098.32 Million in the previous year. The Net Profit before Tax amounted to ₹ 2,280.53 Million as against 1902.45 Million in the previous year. The Net Profit for the year amounted to 1,657.22 Million against ₹ 1235.68 Million reported in the previous year and total comprehensive income for the year amounted to ₹ 1,663.27 Million as against ₹ 1,222.72 Million in the previous year.

At Consolidate level, the Revenue from Operations increased amounted to ₹ 22,170.68 Million as against ₹ 20,144.95 Million in the previous year. The Net Profit before Tax amounted to ₹ 2,309.37 Million as against ₹ 1944.04 Million in the previous year. The Net Profit for the year amounted to ₹ 1,666.11 Million against ₹ 1,273.43 Million reported in the previous year and total comprehensive income for the year amounted to ₹ 1,672.16 Million as against ₹ 1,260.47 Million in the previous year.

Consolidated Financial Statements

The Audited Consolidated Financial Statements for the Financial Year ended March 31, 2020, presented by the Company include the financial statements of its subsidiary companies, associates and joint ventures. 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.

INFORMATION ABOUT HOLDING/SUBSIDIARIES / JOINT VENTURE/ ASSOCIATE COMPANY:

During the year under review, two new Companies have been incorporated as wholly owned subsidiaries of the Company. The details are as below:

S. No.	Name of Wholly owned subsidiary	Date of Incorporation
1.	H.G. Ateli Narnaul Highway Private Limited	04.04.2019
2.	H.G. Rewari Ateli Highway Private Limited	08.04.2019

As on March 31, 2020, your Company has three (3) wholly owned subsidiaries, 3 (three) Joint Ventures and 1 (one) Associate within the meaning of Section 2(6) of the Companies Act, 2013 (the "Act").

During the financial year 2019-20, HGIEPL-COLOSSAL (JV) got dissolved via dissolution agreement dated May 27, 2019.

After the financial year end, the Company has also incorporated "H.G. Rewari Bypass Private Limited", a Special Purpose Vehicle Company as its wholly owned Subsidiary on May 1, 2020.

After the financial year end, pursuant to Regulation 16(1)(c) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations" or "SEBI (LODR) Regulations") Gurgaon Sohna Highway Private Limited has been considered as material subsidiary of the Company. 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 does not have any material subsidiary as on March 31, 2020.

During the year under review, the Board of Directors ("Board") also reviewed the affairs of the subsidiaries. Pursuant to the provisions of Section 129(3) of the Companies Act, 2013, 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 position of the Subsidiary/Associates/Joint Ventures, in the prescribed format AOC-1, pursuant to Section 129(3) of the Companies Act, 2013 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 our website: https://www.hginfra.com/investors-relation.html#btn-quart. Further, the financial statements of the subsidiaries have also been placed on our website: http://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 and involved in the business of 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 ₹ 3,295.17 Million against ₹ 274.47 Million reported in previous year and earned Net Profit after Tax of ₹ 32.02 Million against 9.97 Million reported in previous year.

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

HGRAHPL has been incorporated as Special Purpose Vehicle for domiciling a project allotted by National Highways Authority of India and involved in the business of "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 year under review, HGRAHPL has achieved Total Income of ₹ 801.56 Million and earned Net Profit after Tax of ₹ 1.26 Million.

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

HGANHPL has been incorporated as Special Purpose Vehicle for domiciling a project allotted by National Highways Authority of India 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 Pkg-II in the State of Haryana on Hybrid Annuity Mode."

During the year under review, HGANHPL has achieved Total Income of ₹ 974.25 Million and earned Net Profit after Tax of ₹ 4.09 Million.

BUSINESS OVERVIEW

During the Financial Year your Company won multiple big-ticket size orders, as mentioned below:

- ₹ 1258.11 Cr project involving Eight Lane Carriageway of Delhi Vadodara Pkg-9 from NHAI on EPC mode.
- EPC project of Delhi Vadodara Pkg-8 from NHAI valued at ₹ 880.11 cr.
- ₹ 950.79 Cr Mancherial-Repallewada EPC project from Adani Road Transport Limited.
- HAM project from NHAI at Rewari Bypass in the state of Haryana valued at ₹ 522.02 Cr.

Taking all these projects into count and considering the additional work, the total order inflow for the financial year 2019-20 was ₹ 4,071.73 Cr. Out of the total order received during the year ended March 31, 2020, one order was HAM Contract amounting to ₹ 522.02 Cr. (EPC value is ₹ 432 Cr.) and the remaining EPC contracts was for ₹ 3089.01 Cr.

Order book as on March 31, 2020 stood at ₹ 7,102.8 crore out of the total order book, 71% are government contracts and 29% are from private clients.

Major projects completed in FY20

Balotra-Sanderao: - MoRTH EPC project of Up-gradation to two lane with paved shoulders for Balotra-Sanderao via Jalore section of NH-325 in Rajasthan Value – ₹ 1,133 million.

Manoharpur-Dausa: - NHAI's EPC project of Two-laning with paved shoulders of Manoharpur and Dausa on NH 11A in Rajasthan Value – ₹ 1,982 million

Uncha–Nagla: - NHAI's EPC project of Widening, strengthening and 2- laning of Uncha-Nagla- Khanuawa-Roppas- Dholpur section of NH-123 in Rajasthan Value – ₹ 2,611 million

Tonk-Sawai Madhopur: - NHAI's EPC project of Two-laning with paved shoulders of Tonk –Sawai-Madhopur section of NH-116 in Rajasthan Value – ₹ 2,161 million.

H.G. Infra Engineering Limited is ranked at 494 place in the list of top 500 entities as determined by the National Stock Exchange of India Limited on the basis of market capitalization, as at the end of the immediate previous financial year i.e FY2019-20.

GLOBAL PANDEMIC – COVID-19

The recent outbreak of Covid-19 has not only caused economic slowdown across the globe, but also resulted in closure of non-essential services and prolonged lockdown scenarios. The company promptly responded to this global pandemic and ensured well-being of its employees and stakeholders.

COVID-19 is significantly impacting business operation of the companies, by way of unavailability of personnel, closure / lockdown of production facilities etc. The construction work of the Company was impacted due to the shutdown of project sites and offices following the lockdown imposed by State/Central Government w.e.f. March 23, 2020 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 Management and the Board of Directors have evaluated the impact of the pandemic on its business operations and based on the said assessment, the Company strongly believes that there is no material impact of Covid 19 on the financial statements 2019-20. Management believes that it has considered all the known impacts arising from COVID 19 pandemic in the preparation of the financial statements 2019-20. However, the impact assessment of COVID 19 is a continuing process given the uncertainties associated with its nature and duration. Management will continue to monitor any material changes to future economic conditions and the impact thereof on the Company, if any. The eventual outcome of the impact of the COVID 19 pandemic on the Company's business may be different from that estimated as on the date of approval of this Board Report.

Your company contributed towards the community and the nation by extending its support for major relief funds including contribution of Rs. 1.50 crores to the 'Rajasthan Chief Minister Covid-19 Relief Fund' to support the government in its relief and rehabilitation measures towards the COVID-19 pandemic. The management and employees of the Company also committeed to contribute a minimum of one-day's salary to the PM-CARES Fund.

In addition to the aforesaid financial contribution, your Company also extended its support to Corona Warriors and Needy/underprivileged Sections of society by distribution of food/meals, gloves, masks, sanitisers, PPE kits, etc. during this unprecedented crisis.

Through these initiatives, your Company has not only provided support to the Government agencies but has reached out to a large section of the poor and vulnerable by providing immediate support.

YEARS AHEAD AND PROSPECTUS

Your Company currently has a strong order book in excess of ₹ 71,000 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 gives good visibility towards a sustainable and profitable growth going forward. Continuous thrust on using latest technologies and better processes would ensure further improvement of margins going forward.

DIVIDEND

The Board of directors has not recommended any dividend for financial year 2019-20, with the view to conserve the resources of company. There was no interim dividend declared during reporting period. During financial year 2019-20, the Company paid a dividend of ₹ 0.50/- per equity share on face value of ₹ 10/- each for financial year 2018-19 in accordance with the provisions of Companies Act, 2013 and Listing Regulations.

The Dividend Distribution Policy of the Company is annexed herewith and marked as **Annexure II** to this Report and the same is put up on the Company's website and can be accessed at. http://www.hginfra.com/investors-relation.html#btn-gover.

TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND

In compliance of Section 124 and 125 of the Companies Act, 2013 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 (IEPF).

During the financial year 2019-20, the Company was not liable to transfer any unclaimed dividends and corresponding shares thereto to IEPF. Company has also uploaded the details of unclaimed dividend amount lying with the Unpaid Dividend Account on its website and can be viewed at http://www.hginfra.com/investors-relation.html#open and the details for FY 2017-18 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

There was no amount proposed to be transferred to the Reserves for the year under review. The Total other Equity (including securities premium reserves and retained earnings) as on March 31, 2020 is ₹ 7,610.95 million (on Consolidate Basis) as against the Paid- up Capital of ₹ 651.71 million.

DEPOSITS

During the year ended March 31, 2020, 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 2019-20.

Pursuant to Section 134(5) of the Companies Act, 2013, the Board, to the best of its knowledge and ability, confirm 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. They 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. They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

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

v. They have laid down internal financial controls for the Company and such internal financial controls are adequate and operating effectively; and

vi. They 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 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 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 Each).

During the financial year 2019-20, there is no change in the capital structure of the Company.

Utilization of the Initial Public Offering (IPO) Proceeds (FY2019-20)

The status of utilization of the proceeds of the IPO and division thereon are as under-

Particular	Amount (Rupees in Crores)
Gross proceeds of the issue	300.00
Less-Issue related expenses	22.25
Net proceeds of the Issue	277.75
Less- Utilization of IPO proceeds up-to September 30, 2019	277.75
Funds to be utilized (remain invested in Bank Fixed deposits and current account)	Nil

As per the Monitoring Agency Report of the quarter ended September 30, 2019, the entire fund received from IPO has been utilized. The Company also submitted disclosure of Monitoring Agency Report to the Stock Exchanges on November 8, 2019.

Further, there was no deviation/variation in the utilization of proceeds of the IPO as mentioned in the objects stated in the Prospectus dated March 05, 2018 in terms of Regulation 32(1) of the Listing Regulations.

As the entire fund received from IPO had been utilized till September 30, 2019, there was no unutilized IPO proceeds as on March 31, 2020.

EXTRACT OF ANNUAL RETURN

The extract of the Annual Return as on March 31, 2020, in the prescribed form MGT-9, form part of this report and as set out in **Annexure III**.

In accordance with the provisions of Section 134(3) read with Section 92 (3) of the Companies Act, 2013, the extract of the Annual Return is available on website of the Company at http://www.hginfra.com/investors-relation.html#btn-annual.

BOARD OF DIRECTORS

The members of the Company's Board 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 meetings. 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.

During the year under review, there was no change in composition of the Board of Directors.

NUMBER OF MEETINGS OF BOARD

During the year under review, four Board meetings were convened and duly held. The intervening gap between the said meetings were in accordance with the provisions of the Companies Act, 2013, relevant Rules made thereunder, Secretarial Standard-I Issued by Institute of Company Secretaries of India and provisions of Listing Regulations. The dates of Board meetings and details of attendance of each director has been disclosed in the Corporate Governance Report forming part of this report as **Annexure IV**.

Committees of the Board

The Board Committees constitution is in acquiescence of provisions of the Companies Act, 2013, the relevant rules made thereunder, Listing Regulations and the Articles of Association of the Company. The details of the Board Committees of the Company are disclosed in the Corporate Governance Report forming part of this report as **Annexure IV**.

Meeting of Independent Directors

Your Company conducted a separate meeting of Independent Directors on November 8, 2019 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. No sitting fees was paid to the Independent Directors for participating in the said meeting.

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 Companies Act, 2013 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 operating functions 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 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 firm 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 of 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.

DECLARATION BY INDEPENDENT DIRECTOR'S UNDER SUB SECTION (6) OF SECTION 149

INDEPENDENT DIRECTOR

Your Company having three (3) Independent Directors which are in accordance with the requirement of Listing Regulation as well as under the Companies Act, 2013.

The Company has received necessary declaration from all the three Independent Directors to the effect that they meet the criteria of independence as provided under Section 149(6) of the Companies Act, 2013 and Regulation 16(b) of SEBI (LODR) Regulations and they have also confirmed that they are being registered themselves for including their name in the databank of persons offering to become Independent Directors.

In the opinion of the Board, they fulfil the conditions specified in the Companies Act, 2013 and the Rules made thereunder 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 Companies Act, 2013.

WOMEN DIRECTOR

In terms of the provisions of Section 149 of the Companies Act, 2013 and Regulation 17 of Listing Regulations. Regulations, 2015. Your Company has complied with the requirement of having at least one-Woman Independent Director on the Board of the Company i.e. Ms. 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 Director and the Board are explained in the Corporate Governance Report.

FAMILIARIZATION PROGRAM FOR INDEPENDENT DIRECTOR

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 environment to 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 familiarisation programmes conducted during FY2019-20 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 Companies Act, 2013, and Regulation 19 of the SEBI (LODR) 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 functional and industry expertise.

- Positive Attributes - Apart from the duties of Directors as prescribed in the Companies Act, 2013 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 Companies Act, 2013, 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 Companies Act, 2013 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. The above evaluations were then discussed in the board meeting that followed the meeting of the Independent directors and NRC, at which the performance of the board, its committees and individual directors was also discussed. 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 2018-19, which is accessed through http://www.hginfra.com/pdf/Annual%20Report%202018-2019.pdf

CREDIT RATING

HGIEL financial prudence is reflected in the 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. For details of credit rating, please refer to the Corporate Governance Report, which is a part of this report.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company has established Vigil Mechanism/Whistle Blower Policy in accordance with the provisions of Section 177 (10) of the Companies Act, 2013 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 Policy/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 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 Nominations & Remuneration for Directors, Key Managerial Personnel, Senior Management and Other Employees, which, inter-alia, lays down the criteria for identifying the persons who are qualified to be appointed as Directors and/or Senior Management Personnel of the Company, along with the criteria for determination of remuneration of Directors, KMPs, Senior Management and other employees and their evaluation and includes other matters, as prescribed under the provisions of Section 178 of the Companies Act, 2013 and SEBI (LODR) Regulations, is available on our website, at http://www.hginfra.com/investors-relation.html#btn-gover.

The details of the policy are explained in the Corporate Governance Report.

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

Details of Remuneration paid to all the Directors during the Financial Year 2019-20 is more particularly defined in extract of Annual Report i.e. MGT-9 attached to this Report as "**Annexure III**"

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 NRC makes recommendations to the Board in regard to appointment of new Directors and Key Managerial Personnel ("KMP") and senior management. 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 related party transactions entered into during the financial year 2019-20 were on an arm's length basis and in the ordinary course of business. There were 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 Companies Act, 2013 are disclosed in Form **AOC-2** as **Annexure V** and forms part of this Annual Report.

A list of all related party transactions was 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 Companies Act, 2013 and Listing Regulations. The Board has also framed a policy on related party transactions and the same is available on the Company's website at http://www.hginfra.com/investors-relation.html#btn-gover.

CORPORATE SOCIAL RESPONSIBILITY

In accordance with the requirements of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, your Company has constituted a CSR Committee, which comprises of Mr. Harendra Singh, Chairman, Mr. Vijendra Singh and Mr. Onkar Singh as its members.

As a part of its initiatives under "Corporate Social Responsibility" the Company has framed 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, Promoting art and culture, Disaster Response, etc. The Company's CSR Policy is available on our website, http://www.hginfra.com/investors-relation.html#btn-gover. The annual report on our CSR activities is appended as **Annexure VI** to the Board's 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 organisational structure for managing and reporting on risks.

In terms of Regulation 21 of the SEBI (LODR) 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 IV**.

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 SEBI (LODR) Regulations, the Board adopted a Risk Management Policy.

The Risk Management Policy, 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. 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 its objectives. Further, it is embedded across all the major functions and revolves around the goals and objectives of the organisation.

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.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUTGO

The information required to be disclosed pursuant to Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014, the particulars of technology absorption and foreign exchange earnings and outgo is provided as under:

PARTICULARS	REMARKS
A) CONSERVATION OF ENERGY: the steps taken or impact on conservation of energy; the steps taken by the Company for utilizing alternate sources of energy; the capital investment on energy conservation equipments	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. • Use of Solar Power for plant operations wherever feasibility is there; • Use of grid power in place of diesel generating sets for plant operations; • Upgradation of fleet to transform to new technology machines.
B) TECHNOLOGY ABSORPTION:	
the efforts made towards technology absorption;	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.
the benefits derived like product improvement, cost reduction, product development or import substitution;	Streamlined and standard process that lead to uniformity in results, reduced waiting time and Reduction in cost of operations of equipment.
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; (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; Not applicable since 5 years period is over	Nil

PARTICULARS	REMARKS
the expenditure incurred on Research and Development	Nil
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	Inflow: Nil Outflow: ₹ 24,87,105/-

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 SEBI (LODR) Regulations regarding Corporate Governance. A report on the Corporate Governance practices along with a certificate from practicing Company Secretary of mandatory requirements thereof, the report which forming an integral part of Annual Report and is annexed to this report as a **Annexure IV**.

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 the Annual Report.

BUSINESS RESPONSIBILITY REPORT

Pursuant to regulation 34(2)(f) of 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 from environment, social and governance perspective in the format prescribed under SEBI Circular No. CIR/CFD/CMD/10/2015 and the same is forming the part of Annual Report as **Annexure VII.**

Audit Committee

The Audit Committee of the Board has been constituted in terms of Listing Regulations and Section 177 of the Companies Act, 2013. The constitution and other relevant details of the Audit Committee are given in the Corporate Governance Report. All the recommendations made by the Audit Committee were accepted by the Board of Directors.

AUDITOR'S OF THE COMPANY

Statutory Auditor & their Report

At the 15th Annual General Meeting held on Friday, September 08, 2017, the Shareholders had approved the appointment of M/s. Price Waterhouse & Co Chartered Accountants LLP (FRN 304026E/E300009) as the Statutory Auditors for a period of 5 years commencing from the conclusion of the 15th Annual General Meeting until the conclusion of the 20th Annual General Meeting to be held in the year 2022, subject to ratification by the Shareholders every year, if so required under law. Pursuant to the recent amendment to Section 139 of the Companies Act, 2013 effective May 7, 2018, ratification by Shareholders every year for the appointment of the Statutory Auditors is no longer required and accordingly the Notice of ensuing Annual General Meeting does not include the proposal for seeking Shareholders approval for ratification of Statutory Auditors appointment.

The Statutory Auditors of the Company have submitted Auditors' Report on the Financial Statements (standalone and consolidated) of the Company for the Financial Year ended March 31, 2020 and mentioned in its report that the Company is generally regular in depositing undisputed statutory dues in respect of income tax and goods and service tax, though there has been slight delay in few cases and is regular in depositing undisputed statutory dues in respect of professional tax, provident fund, Employees' state insurance 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 Auditor & Secretarial Audit Report

In terms of Section 204 of the Companies Act, 2013, 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 of the Company.

The Secretarial Audit was carried out by M/s. ATCS & Associates, a firm of Company Secretaries in Practice for the Financial Year 2019-20.

The Report given by the Secretarial Auditors is annexed as **Annexure VIII (i)** and forms an integral part of this Board's Report. There has been no qualification, reservation or adverse remark or disclaimer in their Report except the following:

The Company has submitted the Monitoring Agency Report dated May 24, 2019 to stock exchange(s) on which its equity shares are listed on May 24, 2019 (beyond 45 days from the end of March, 2019 quarter).

Reply by Board:

Due to administrative reason it's got delay and further it is inform you that all IPO proceeds had been utilized and related reports had been submitted to Stock Exchanges. Hence, there will be no requirement to submit any report in this regard.

Annual Secretarial Compliance Report

The Company has undertaken an audit for the Financial Year 2019-20 for all applicable compliances as per Securities and Exchange Board of India Regulations and Circulars /Guidelines issued thereunder. The Annual Secretarial Compliance Report issued by M/s. ATCS & Associates, a firm of Company Secretaries in Practice, has been submitted to the Stock Exchanges and is annexed at **Annexure VIII (ii)** to this Board's Report.

Cost Auditor

The Board had appointed M/s. Rajendra Singh Bhati & Co, Cost Accountants (FRN101983), as Cost Auditor for conducting the audit of cost records of the Company for the Financial Year 2019-20.

The Board, on the recommendation of the Audit Committee, has re-appointed M/s. Rajendra Singh Bhati & Co, Cost Accountants (FRN101983), Jodhpur (Raj.) as Cost Auditors of the Company for conducting the audit of cost records for the Financial year 2020-21. under Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014. As required under the Companies Act, 2013, a resolution seeking member's approval for the remuneration payable to the Cost Auditor forms part of the Notice convening the Annual General for their ratification.

In accordance with the provisions of Section 148(1) of the Companies Act, 2013, read with the Companies (Cost Records and Audit) Rules, 2014, the Company has maintained cost accounts and records.

Internal Auditor

The Board had appointed M/s. Tibrewal Chand & Co., Chartered Accountants (Firm Registration Number 311047E), as Internal Auditors for conducting the internal audit for the Financial Year 2019-20.

M/s. Tibrewal Chand & Co., Chartered Accountants, have been re-appointed as Internal Auditors of the Company for the Financial Year 2020-21. The reports of the Internal Auditors are reviewed by the Audit Committee from time to time. The observations and suggestions of the Internal Auditors are reviewed and necessary corrective/ preventive actions are taken in consultation with the Audit Committee.

Reporting of Fraud by Auditors

During the Financial year 2019-20, the Auditors has not reported any instances of frauds committed in the Company by its Officers or Employees to the Audit Committee under section 143(12) of the Companies Act, 2013.

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

As per Section 186(11) of the Companies Act, 2013, except Section 186(1), nothing contained in section 186 of the Companies Act, 2013 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 Companies Act, 2013.

However, the details of loans, guarantees, and investments as required by the provisions of Section 186 of the Companies Act, 2013 and the rules made there under are set out in the Notes to the Standalone Financial Statements of the Company.

INVESTOR GRIEVANCE REDRESSAL

All shares of the Company are in dematerialized form. Link Intime India Private Limited has been appointed and it has been acting as the Registrar and Share Transfer Agent of the Company for carrying out shares transfer and other ancillary work related thereto. 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.

Ms. Ankita Mehra, Company Secretary of the Company is the Compliance Officer for the purpose of the SEBI (LODR) Regulations.

During the year under review, there were no Investor Complaints received and Investor Complaints were pending as at March 31, 2020.

RECONCILIATION OF SHARE CAPITAL AUDIT REPORT

As stipulated by SEBI, a Practicing Company Secretary has carried out the Reconciliation of Share Capital Audit to reconcile the total admitted capital with NSDL and CDSL, total issued and listed capital. The audit is carried every quarter and report thereon is submitted to the Stock Exchanges and placed before the board in the subsequent meeting. The audit confirms 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 SEBI (LODR) Regulations, a declaration to this effect signed by Mr. Harendra Singh, Chairman and Managing Director of the Company has been received 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, 2020 as attached with this Report. The Code in accordance with the requirements of SEBI (LODR) Regulations has been posted on the Company's website 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 2019-20, penalty was imposed on the Company of ₹ 10,000/- in a Compounding order (NWR)/441/Sec.63/587/2019/6934 dated - 18.03.2020 passed by Regional Director, Ahmedabad, Gujarat against an application filled by the Company U/S 441 of the Companies Act, 2013 for Compounding of offence under Section 63(d) of the Companies Act, 2013.

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 Companies Act 2013, read with the Companies (Acceptance of Deposits) Rules, 2014. There are no outstanding deposits as on March 31, 2020.

Further, during the period Company has accepted loan/borrowing from its Director and they have given declaration that the amount given from their owned funds only and does not falls under the definition of deposits.

The details of monies accepted are as under:-

Name of Director	Amount Taken (₹ in Million)
Mr. Harendra Singh	208.10
Mr. Vijendra Singh	70.46

INTERNAL COMPLAINTS 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 an Policy on Prevention of Sexual Harassment at Workplace. All employees (permanent, contractual, temporary , trainees, etc) 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.

Pursuant to the requirements of Section 22 of Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act 2013 read with Rules thereunder, 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 of 31st March, 2020.

The following is a summary of Sexual Harassment complaints received and disposed off during the financial year 2019-20:

No. of Complaints received	:	NIL
No. of Complaints disposed off	:	NIL

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

In accordance with Section 178 and other applicable provisions of the Companies Act, 2013 read with the Rule 6 of the Companies (Meeting of Boards and its Powers) Rules, 2014 issued thereunder and Regulation 19 of the SEBI (LODR) Regulations, the Board formulated the Nomination and Remuneration Policy of your Company on the recommendations of the Nomination and Remuneration Committee.

The salient aspects covered in the Nomination and Remuneration Policy, covering the policy on appointment and remuneration of Directors and other matters have been outlined in the Corporate Governance Report which forms part of this Report.

The Managing Director and Whole-time Directors of your Company do not receive remuneration from any of the subsidiaries of your Company. The information required under Section 197 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of Directors/ employees of your Company is set out in **Annexure IX.**

DIRECTOR AND KEY MANAGERIAL PERSONNEL

The Board of the Company comprises of six Directors, consisting of three Independent Directors (including one Women Director), one Non-Executive & Non-Independent Director, one Whole Time Director and one Managing Director as on March 31, 2020 who brings in a wide range of skills and experience to the Board. Further, during the Financial Year 2019-20, there is no change in the Directors and Key Managerial Personnel of the Company.

The composition of Board of the Company as on March 31, 2020 are as under:

Name of Director	Designation	DIN
Mr. Harendra Singh	Managing Director	00402458
Mr. Vijendra Singh	Whole Time Director	01688452
Mr. Ashok Kumar Thakur	Independent Director	07573726
Mrs. Pooja Hemant Goyal	Independent Director	07813296
Mr. Onkar Singh	Independent Director	07853887
Mr. Dinesh Kumar Goyal	Non-Executive Director*	02576453

*After the closure of financial year 2019-20, the designation of Mr. Dinesh Kumar Goyal has been changed from Non-Executive to Executive Director w.e.f. 24.06.2020.

Retirement by Rotation-

In accordance with the provisions of Section 152 of the Companies Act. 2013 and as per the Article of Association of the Company, Mr. Vijendra Singh (DIN 01688452) Whole Time Director of the Company is liable to retire by rotation at the ensuing 18th Annual General Meeting of the Company. Mr. Vijendra Singh, being eligible offers himself for re-appointment.

The brief profile of Mr. Vijendra Singh and other relevant details are given in the Notice of AGM.

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

COMMITTEES OF THE BOARD

The Company has the following seven (7) Board level 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, recommendations made by above committees were accepted by the Board.

The details with respect to the composition, terms of reference, number of meetings held, etc. of these committees are given in the report on Corporate Governance which forms the part of this Report.

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 upcoming 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.

HEALTH, SAFETY AND ENVIRONMENT PROTECTION

Company's Health and Safety Policy commits to comply with applicable legal and other requirements connected with occupational Health, Safety and Environment matters and provide a healthy and safe work environment to all employees of the Company.

HUMAN RESOURCE DEVELOPMENT

The Company has been continuously working upon the augmentation of EHS (Environment, Health and Safety) standard of the organization, we are committed and determined to provide best in industry internal infrastructure and facilities for all our employees working in harsh environment to develop the nation's infrastructure. Standardization pay range, continuous monitoring on team and individual performances, R&R for continuous motivation are some of the key efforts made by us in financial year 2019-20.

Through our construction projects, we are providing skill development and employment to the young manpower residing in nearby rural areas.

With the sincere efforts and hard work of all the employees we are able to walk closer to our Vision "To become the most admired and trusted infrastructure company, by delivering highest standards of infrastructure and setting new benchmarks."

SECRETARIAL STANDARDS

The Company has complied with applicable Secretarial Standards issued by the Institute of Company Secretaries of India on Board and General Meetings.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

During the Financial Year 2019-20, your Company was awarded by new Hybrid Annuity Mode (HAM) project "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 (HAM)" by National Highways Authority of India. For domiciling of the said Project "H. G. Rewari Bypass Private Limited" was incorporated on May 1, 2020 as a Special Purpose Vehicle Company, a wholly owned subsidiary of your Company.

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 at https://www.hginfra.com/investors-relation.html#btn-gover.

INDUSTRIAL RELATIONS

Our business is dependent on construction 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 Joint ventures, 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 Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, form part of this Report and is annexed as **Annexure IX** to Board's Report. The statement containing particulars of employees as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(2) and Rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, forms part of this Report and is attached as **Annexure IX** to the Board's Report.

GENERAL 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. 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.

5. Voting rights which are not directly exercised by the employees in respect of shares for the subscription/ purchase of which loan was given by the Company (as there is no scheme pursuant to which such persons can beneficially hold shares as envisaged under Section 67(3) of the Companies Act, 2013).

APPRECIATION

Your Directors thank the 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, financial institutions 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-24.06.2020

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 Million)

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 Pvt. Ltd.	--	524.50	41.99	2197.23	1630.74	3.34	3295.17	46.59	14.57	32.02	--	100%
2.	H.G. Ateli Narnaul Highway Pvt. Ltd.	--	1.50	4.09	1122.69	1117.10	--	974.25	7.42	3.33	4.09	--	100%
3.	H.G. Rewari Ateli Highway Pvt. Ltd.	--	382.25	1.26	927.41	543.90	--	801.56	3.29	2.03	1.26	--	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 Joint Ventures

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

(₹ in Million)

Sr. No.	Name of Associates / Joint Ventures	Latest audited Balance Sheet Date	Date on which the Associate or Join Venture was associated	Shares of Associate/ Joint Ventures held by the company on the year end: No., Amount of Investment in Associate/ Joint Venture, Extent of Holding%	Description of how there is significant influence	Reason why the associate/ Joint Venture 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)	31.03.2020	31/05/2013	51%	Holding more than 20%	NA	1.24	1. (0.18) 2. (0.17)
2	HGIEPL-COLOSSAL (JV)	31.03.2020	10/01/2014	70%	Holding more than 20%	NA	0.87	1. (0.00) 2. (0.00)
3	HGIEPL- RANJIT BUILCON (JV)	31.03.2020	27/04/2015	30%	Holding more than 20%	NA	3.57	1. 0.02 2. 0.05
4	TPL-HGIEPL (Associate)	31.03.2020	11/11/2016	26%	Holding more than 20%	-	-	-
5	HGIEPL- MGCPL (JV)	31.03.2020	24/09/2015	30%	Holding more than 20%	NA	1.92	1. 0.59 2. 1.39

1. Names of associates or joint ventures which are yet to commence operations: Not Applicable
2. Names of associates or joint ventures which have been liquidated or sold during the year: During the financial year, HGIEPL-COLOSSAL (JV) got dissolved via dissolution agreement dated May 27, 2019.

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

Place-Jaipur	**Harendra Singh**	**Rajeev Mishra**	**Ankita Mehra**
Date- 24.06.2020	Chairman & Managing Director	Chief Financial Officer	Company Secretary
	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 five hundred 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 NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on the Financial Year ended on March 31, 2020

(Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014)

I. REGISTRATION & OTHER DETAILS:

1 CIN	L45201RJ2003PLC018049
2 Registration Date	Januray 21, 2003
3 Name of the Company	H.G. INFRA ENGINEERING LIMITED
4 Category/Sub-category of the Company	Company Limited by Shares Public Non Government Company
5 Address of the Registered office & contact details	14, PANCHWATI COLONY, RATANADA, JODHPUR - 342001, Rajasthan Telephone: 0291-2000307 FAX: 0291-2515321 E-mail: cs@hginfra.com Website, if any : www.hginfra.com
6 Whether listed company	Yes
7 Name, Address & contact details of the Registrar & Transfer Agent, if any.	Link Intime India Private Limited Noble Heights, 1st Floor Plot No. NH 2, LSC, C-1 Block, Near Savitri Market, Janakpuri, New Delhi-110058 Telephone: 011-49411000 Fax Number: 011-4141 0591 Email Address: priyadarshan.waila@linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(All the business activities contributing 10 % or more of the total turnover of the company)

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Construction of Roads, Highways and Bridges	45203	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

SN	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Gurgaon Sohna Highway Private Limited 14, PANCHWATI COLONY, RATANADA JODHPUR Jodhpur RJ 342001 IN	U45400RJ2018PTC060833	Wholly owned Subsidiary	100	2(87)
2	H.G. Ateli Narnaul Highway Private Limited* 14, PANCHWATI COLONY, RATANADA JODHPUR Jodhpur RJ 342001 IN	U45500RJ2019PTC064538	Wholly owned Subsidiary	100	2(87)
3	H.G. Rewari Ateli Highway Private Limited** 14, PANCHWATI COLONY, RATANADA JODHPUR Jodhpur RJ 342001 IN	U45400RJ2019PTC064546	Wholly owned Subsidiary	100	2(87)

Notes:

*Date of Incorporation-April 04, 2019

**Date of Incorporation-April 08, 2019

IV. SHARE HOLDING PATTERN

(Equity share capital breakup as percentage of total equity)

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	48,060,005	-	48,060,005	73.74	48,217,964	-	48,217,964	73.99	0.24
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub Total (A) (1)	**48,060,005**	**-**	**48,060,005**	**73.74**	**48,217,964**	**-**	**48,217,964**	**73.99**	**0.24**
(2) Foreign									
a) NRI Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Any other	-	-	-	-	-	-	-	-	-
Sub Total (A) (2)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
TOTAL (A)	**48,060,005**	**-**	**48,060,005**	**73.74**	**48,217,964**	**-**	**48,217,964**	**73.99**	**0.24**
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	10,549,539		10,549,539	16.19	11,339,318		11,339,318	17.40	1.21
b) FI / Banks	86069	-	86,069	0.13	106,202		106,202	0.16	0.03
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-		-	-	-	-
f) Insurance Companies	-	-	-	-	1,670,630	-	1,670,630	2.56	2.56
g) Foreign Portfolio Investors/ Foreign Institutional Investors	1,019,959		1,019,959	1.57	275,135		275,135	0.42	(1.14)
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify) Alternate Investment Fund	-	-	-	-	525,000	-	525,000	0.81	0.81
Sub-total (B)(1):-	**11,655,567**	**-**	**11,655,567**	**17.88**	**13,916,285**	**-**	**13,916,285**	**21.35**	**3.47**
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	2,390,511	-	2,390,511	3.67	1,294,850	-	1,294,850	1.99	(1.68)
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	1,321,543	-	1,321,543	2.03	1,298,405	-	1,298,405	1.99	(0.04)
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	318,429	-	318,429	0.49	194,798	-	194,798	0.30	(0.19)
c) Others NBFC Registered with RBI	759,931	-	759,931	1.17	-	-	-	-	(1.17)
Hindu Undivided Family	94,639	-	94,639	0.15	90,969	-	90,969	0.14	(0.01)
Non Resident Indians	135,141	-	135,141	0.21	123820	-	123,820	0.19	(0.02)
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals			-	-			-	-	-
Clearing Members	435,345	-	435,345	0.67	34020	-	34,020	0.05	(0.62)
Trusts	-	-	-	-	-	-	-	-	-
Foreign Bodies - D R	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	**5,455,539**	**-**	**5,455,539**	**8.37**	**3,036,862**	**-**	**3,036,862**	**4.66**	**(3.71)**
Total Public (B)	**17,111,106**	**-**	**17,111,106**	**26.26**	**16,953,147**	**-**	**16,953,147**	**26.01**	**(0.24)**
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	**65,171,111**	**-**	**65,171,111**	**100**	**65,171,111**	**-**	**65,171,111**	**100**	

(ii) Shareholding of Promoter

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	HODAL SINGH	6,173,076	9.47	-	6,173,076	9.47	-	-
2	GIRISHPAL SINGH	12,418,058	19.05	-	12,511,932	19.20	-	0.14
3	VIJENDRA SINGH	11,723,600	17.99	-	11,741,568	18.02	-	0.03
4	HARENDRA SINGH	14,351,516	22.02	-	14,397,633	22.09	-	0.07
5	POONAM SINGH	466,875	0.72	-	466,875	0.72	-	-
6	NISHA SINGH	826,875	1.27	-	826,875	1.27	-	-
7	VAIBHAV CHOUDHARY	1,350,005	2.07	-	1,350,005	2.07	-	-
8	HARENDRA SINGH-HUF	750,000	1.15	-	750,000	1.15	-	-
	TOTAL	**48,060,005**	**73.74**	**-**	**48,217,964**	**73.99**	**-**	**0.24**

Notes:
Percentage calculated on the paid up share capital (6,51,71,111 Shares) as at the beginning and end of the year.

(iii) Change in Promoters' Shareholding

SN	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	**HODAL SINGH**						
	At the beginning of the year			6,173,076	9.47	6,173,076	9.47
	Changes during the year			-	-	-	-
				No Change	-		-
				-	-	-	-
	At the end of the year			**6,173,076.00**	**9.47**	**6,173,076**	**9.47**
2	**GIRISH PAL SINGH**						
	At the beginning of the year			12,418,058	19.05	12,418,058	19.05
	Changes during the year Acquisition of Shares	26-08-2019	Market Purchase	3,054	0.00	12,421,112	19.06
		27-08-2019	Market Purchase	21,830	0.03	12,442,942	19.09
		28-08-2019	Market Purchase	26,984	0.04	12,469,926	19.13
		29-08-2019	Market Purchase	3,510	0.01	12,473,436	19.14
		30-08-2019	Market Purchase	5,041	0.01	12,478,477	19.15
		12-09-2019	Market Purchase	4,589	0.01	12,483,066	19.15
		13-09-2019	Market Purchase	1,987	0.00	12,485,053	19.16
		16-09-2019	Market Purchase	7,010	0.01	12,492,063	19.17
		17-09-2019	Market Purchase	4,422	0.01	12,496,485	19.17
		18-09-2019	Market Purchase	4,048	0.01	12,500,533	19.18
		19-09-2019	Market Purchase	4,000	0.01	12,504,533	19.19
		20-09-2019	Market Purchase	3,368	0.01	12,507,901	19.19
		23-09-2019	Market Purchase	4,001	0.01	12,511,902	19.20
		25-03-2019	Market Purchase	30	0.00	12,511,932	19.20
	At the end of the year			**12,511,932**	**19.20**	**12,511,932**	**19.20**
3	**VIJENDRA SINGH**						
	At the beginning of the year			11,723,600	17.99	11,723,600	17.99
	Changes during the year Acquisition of Shares	24/3/2020	Market Purchase	2,868	0.00	11,726,468	17.99
		25/3/2020	Market Purchase	3,970	0.01	11,730,438	18.00
		26/3/2020	Market Purchase	6,502	0.01	11,736,940	18.01
		27/3/2020	Market Purchase	4,628	0.01	11,741,568	18.02
	At the end of the year			**11,741,568**	**18.02**	**11,741,568**	**18.02**

SN	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
4	**HARENDRA SINGH**						
	At the beginning of the year			14,351,516	22.02	14,351,516	22.02
	Changes during the year Acquisition of Shares	22/8/2019	Market Purchase	2,000	0.00	14,353,516	22.02
		23/8/2019	Market Purchase	2,500	0.00	14,356,016	22.03
		27/8/2019	Market Purchase	250	0.00	14,356,266	22.03
		11/3/2020	Market Purchase	32	0.00	14,356,298	22.03
		12/3/2020	Market Purchase	10,869	0.02	14,367,167	22.05
		13/3/2020	Market Purchase	11,074	0.02	14,378,241	22.06
		16/3/2020	Market Purchase	2,530	0.00	14,380,771	22.07
		17/3/2020	Market Purchase	1,200	0.00	14,381,971	22.07
		18/3/2020	Market Purchase	6,550	0.01	14,388,521	22.08
		19/3/2020	Market Purchase	2,301	0.00	14,390,822	22.08
		20/3/2020	Market Purchase	2,311	0.00	14,393,133	22.09
		23/3/2020	Market Purchase	4,500	0.01	14,397,633	22.09
				-	-	-	-
	At the end of the year			**14,397,633**	**22.09**	**14,397,633**	**22.09**
5	**POONAM SINGH**						
	At the beginning of the year			466,875	0.72	466,875	0.72
	Changes during the year			-	-	-	-
				No Change	-		-
				-	-	-	-
	At the end of the year			**466,875**	**0.72**	**466,875**	**0.72**
6	**NISHA SINGH**						
	At the beginning of the year			826,875	1.27	826,875	1.27
	Changes during the year			-	-	-	-
				No Change	-		-
				-	-	-	-
	At the end of the year			**826,875**	**1.27**	**826,875**	**1.27**
7	**VAIBHAV CHOUDHARY**						
	At the beginning of the year			1,350,005	2.07	1,350,005	2.07
	Changes during the year			-	-	-	-
				No Change			
				-	-	-	-
	At the end of the year			**1,350,005**	**2.07**	**1,350,005**	**2.07**
8	**HARENDRA SINGH-HUF**						
	At the beginning of the year			750,000.00	1.15	750,000	1.15
	Changes during the year			-	-	-	-
				No Change	-		-
				-	-	-	-
	At the end of the year			**750,000**	**1.15**	**750,000**	**1.15**

NOTE:

1. During FY 2019-20 Promoters (Mr. Harendra Singh, Mr. Vijendra Singh and Mr. Girishpal Singh) had purchased the Equity Shares from open Market through stock exchanges.
2. Percentage calculated on the paid up share capital (6,51,71,111 Shares) as at the beginning and end of the year.
3. 33,919 equity shares acquired by the Promoter & Promoter Group on March 30, 2020 and March 31, 2020 are not included in this shareholding pattern as the same were not credited in their demat accounts on March 31, 2020 as T+2 is the settlement cycle for equity.

   The details of aforesaid acquisitions are mentioned below:

   a) On March 30, 2020, 1764 equity shares, 250 equity shares and 300 equity shares were acquired by Mr. Vijendra Singh, Mr. Girishpal Singh and Mr. Hodal Singh, respectively; and

   b) On March 31, 2020, 31605 equity shares were acquired by Mr. Vijendra Singh.

(iv) Shareholding Pattern of top ten Shareholders

(Other than Directors, Promoters and Holders of GDRs and ADRs):

SN	For each of the Top 10 shareholders	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	**L & T Mutual Fund Trustee Limited-L&T Emerging Business Fund**						
	At the beginning of the year			**4,144,355**	**6.36%**	**4,144,355**	**6.36%**
	Changes during the year	26-04-2019	Transfer	85,444	0.13%	4,229,799	6.49%
	Changes during the year	24-05-2019	Transfer	(14,095)	-0.02%	4,215,704	6.47%
	Changes during the year	05-07-2019	Transfer	20,168	0.03%	4,235,872	6.50%
	Changes during the year	12-07-2019	Transfer	4,832	0.01%	4,240,704	6.51%
	Changes during the year	25-10-2019	Transfer	(92,588)	-0.14%	4,148,116	6.36%
	Changes during the year	01-11-2019	Transfer	(100,000)	-0.15%	4,048,116	6.21%
	At the end of the year			**4,048,116**	**6.21%**	**4,048,116**	**6.21%**
2	**Reliance Capital Trustee Co Ltd-A/c Nippon India Small Cap Fund**						
	At the beginning of the year			**3,567,589**	**5.47%**	**3,567,589**	**5.47%**
	Changes during the year	13-09-2019	Transfer	(10,847)	-0.02%	3,556,742	5.46%
	Changes during the year	20-09-2019	Transfer	(6,821)	-0.01%	3,549,921	5.45%
	Changes during the year	27-09-2019	Transfer	(119,634)	-0.18%	3,430,287	5.26%
	Changes during the year	30-09-2019	Transfer	(84,953)	-0.13%	3,345,334	5.13%
	Changes during the year	25-10-2019	Transfer	200,000	0.31%	3,545,334	5.44%
	Changes during the year	08-11-2019	Transfer	10,000	0.02%	3,555,334	5.46%
	At the end of the year			**3,555,334**	**5.46%**	**3,555,334**	**5.46%**
3	**Aditya Birla Sun Life Insurance Company Limited**						
	At the beginning of the year			**1,163,671**	**1.79%**	**1,163,671**	**1.79%**
	Changes during the year	23-08-2019	Transfer	103,520	0.16%	1,267,191	1.94%
	Changes during the year	30-08-2019	Transfer	7,411	0.01%	1,274,602	1.96%
	Changes during the year	06-09-2019	Transfer	70,600	0.11%	1,345,202	2.06%
	Changes during the year	27-09-2019	Transfer	541,710	0.83%	1,886,912	2.90%
	Changes during the year	22-11-2019	Transfer	20,498	0.03%	1,907,410	2.93%
	Changes during the year	17-01-2020	Transfer	(27,533)	-0.04%	1,879,877	2.88%
	Changes during the year	24-01-2020	Transfer	(127,980)	-0.20%	1,751,897	2.69%
	Changes during the year	31-01-2020	Transfer	(81,267)	-0.12%	1,670,630	2.56%
	At the end of the year			**1,670,630**	**2.56%**	**1,670,630**	**2.56%**
4	**DSP INDIA T.I.G.E.R. FUND**						
	At the beginning of the year			**638,493**	**0.98%**	**638,493**	**0.98%**
	Changes during the year	24 -05- 2019	Transfer	(8,125)	-0.01%	630,368	0.97%
	Changes during the year	30-08-2019	Transfer	(1,980)	0.00%	628,388	0.96%
	Changes during the year	17-01-2020	Transfer	21,541	0.03%	649,929	1.00%
	Changes during the year	31-01-2020	Transfer	57,788	0.09%	707,717	1.09%
	Changes during the year	06-03-2020	Transfer	(2,201)	0.00%	705,516	1.08%
	At the end of the year			**705,516**	**1.08%**	**705,516**	**1.08%**
5	**IDFC Infrastructure Fund**						
	At the beginning of the year			**642,296**	**0.99%**	**642,296**	**0.99%**
	Changes during the year	28.02.2020	Transfer	1,019	0.00%	643,315	0.99%
	At the end of the year			**643,315**	**0.99%**	**643,315**	**0.99%**
6	**Invesco Trustee Private Limited A/C Invesco India SmallCap Fund**						
	At the beginning of the year			**33,066**	**0.05%**	**33,066**	**0.05%**
	Changes during the year	13-09-2019	Transfer	6,048	0.01%	39,114	0.06%
	Changes during the year	27-09-2019	Transfer	29,390	0.05%	68,504	0.11%
	Changes during the year	04-10-2019	Transfer	168,249	0.26%	236,753	0.36%
	Changes during the year	11-10-2019	Transfer	223,417	0.34%	460,170	0.71%
	Changes during the year	15-11-2019	Transfer	7,137	0.01%	467,307	0.72%
	Changes during the year	22-11-2019	Transfer	7,518	0.01%	474,825	0.73%
	Changes during the year	29-11-2019	Transfer	27,801	0.04%	502,626	0.77%
	Changes during the year	17-01-2020	Transfer	(14,089)	-0.02%	488,537	0.75%

SN	For each of the Top 10 shareholders	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
	Changes during the year	24-01-2020	Transfer	36,242	0.06%	524,779	0.81%
	Changes during the year	31-01-2020	Transfer	33,704	0.05%	558,483	0.86%
	Changes during the year	07-02-2020	Transfer	2,848	0.00%	561,331	0.86%
	Changes during the year	06-03-2020	Transfer	24,942	0.04%	586,273	0.90%
	Changes during the year	13-03-2020	Transfer	39,999	0.06%	626,272	0.96%
	Changes during the year	20-03-2020	Transfer	5,434	0.01%	631,706	0.97%
	Changes during the year	31-03-2020	Transfer	3,709	0.01%	635,415	0.97%
	At the end of the year			**635,415**	**0.97%**	**635,415**	**0.97%**
7	**Aditya Birla Sun Life Trustee Private Limited A/c Aditya Birla Sun Life Infrastructure Fund**						
	At the beginning of the year			**482,115**	**0.74%**	**482,115**	**0.74%**
	Changes during the year	27-09-2019	Transfer	75,000	0.12%	557,115	0.85%
	Changes during the year	25-10-2019	Transfer	75,000	0.12%	632,115	0.97%
	At the end of the year			**632,115**	**0.97%**	**632,115**	**0.97%**
8	**Abakkus Emerging Opportunities Fund-1**						
	At the beginning of the year			**-**	**0.00%**	**-**	**0.00%**
	Change during the Year	05-07-2019	Transfer	42,000	0.06%	42,000	0.06%
	Change during the Year	19-07-2019	Transfer	1,773	0.00%	43,773	0.07%
	Change during the Year	26-07-2019	Transfer	16,227	0.02%	60,000	0.09%
	Change during the Year	02-08-2019	Transfer	23,365	0.04%	83,365	0.13%
	Change during the Year	16-08-2019	Transfer	26,000	0.04%	109,365	0.17%
	Change during the Year	25-10-2019	Transfer	200,635	0.31%	310,000	0.48%
	Change during the Year	01-11-2019	Transfer	100,000	0.15%	410,000	0.63%
	Change during the Year	03-01-2020	Transfer	20,000	0.03%	430,000	0.66%
	Change during the Year	17-01-2020	Transfer	20,000	0.03%	450,000	0.69%
	Change during the Year	24-01-2020	Transfer	50,000	0.08%	500,000	0.77%
	Changes during the year	31-01-2020	Transfer	25,000	0.04%	525,000	0.81%
	At the end of the year			**525,000**	**0.81%**	**525,000**	**0.81%**
9	**Smeaton Developers Private Limited**						
	At the beginning of the year			**500,000**	**0.76%**	**500,000**	**0.76%**
	At the end of the year			**500,000**	**0.76%**	**500,000**	**0.77%**
10	**Kotak InfraStructure & Economic Reform Fund**						
	At the beginning of the year			**400,000**	**0.61%**	**400,000**	**0.61%**
	Changes during the year	26/7/2019	Transfer	1,583	0.00%	401,583	0.62%
	Changes during the year	22-11-2019	Transfer	(1,583)	0.00%	400,000	0.61%
	Changes during the year	07-02-2020	Transfer	4,077	0.01%	404,077	0.62%
	At the end of the year			**404,077**	**0.62%**	**404,077**	**0.62%**

Notes:
Percentage calculated on the paid up share capital (6,51,71,111 Shares) as at the beginning and end of the year.

(v) Shareholding of Directors and Key Managerial Personnel

SN	Shareholding of each Directors and each Key Managerial Personnel	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	**Mr. VIJENDRA SINGH**						
	At the beginning of the year			**11,723,600**	**17.99**	**11,723,600**	**17.99**
	Changes during the year Acquision of Shares	24/3/2020	Market Purchase	2,868	0.00	11,726,468	17.99
		25/3/2020	Market Purchase	3,970	0.01	11,730,438	18.00
		26/3/2020	Market Purchase	6,502	0.01	11,736,940	18.01
		27/3/2020	Market Purchase	4,628	0.01	11,741,568	18.02
	At the end of the year			**11,741,568**	**18.02**	**11,741,568**	**18.02**

SN	Shareholding of each Directors and each Key Managerial Personnel	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
2	**Mr. HARENDRA SINGH**						
	At the beginning of the year			**14,351,516**	**22.02**	**14,351,516**	**22.02**
	Changes during the year Acquisition of Shares	22/8/2019	Market Purchase	2,000	0.00	14,353,516	22.02
		23/8/2019	Market Purchase	2,500	0.00	14,356,016	22.03
		27/8/2019	Market Purchase	250	0.00	14,356,266	22.03
		11/3/2020	Market Purchase	32	0.00	14,356,298	22.03
		12/3/2020	Market Purchase	10,869	0.02	14,367,167	22.04
		13/3/2020	Market Purchase	11,074	0.02	14,378,241	22.06
		16/3/2020	Market Purchase	2,530	0.00	14,380,771	22.06
		17/3/2020	Market Purchase	1,200	0.00	14,381,971	22.07
		18/3/2020	Market Purchase	6,550	0.01	14,388,521	22.08
		19/3/2020	Market Purchase	2,301	0.00	14,390,822	22.08
		20/3/2020	Market Purchase	2,311	0.00	14,393,133	22.08
		23/3/2020	Market Purchase	4,500	0.01	14,397,633	22.09
	At the end of the year			**14,397,633**	**22.02**	**14,397,633**	**22.09**
3	**Mr. DINESH KUMAR GOYAL**						
	At the beginning of the year			**1,000**	**0.00**	**1,000**	**0.00**
	Changes during the year			No Change			
	At the end of the year			**1,000**	**0.00**	**1,000**	**0.00**
4	**Mr. RAJEEV MISHRA**						
	At the beginning of the year			**55**	**0.00**	**55**	**0.00**
	Changes during the year Sold			55	0.00	-	NIL
	At the end of the year			**0**	**0.00**	**0**	**0.00**

Notes:

1. Percentage calculated on the paid up share capital (6,51,71,111 Shares) as at the beginning and end of the year.
2. KMP as defined under section 2(51) of the Companies Act, 2013
3. KMP as defined under IND AS 24, Related Party Disclosure, appointed by the Board.
4. The Following Directors and KMP did not hold shares during Fiscal 2020:

a) Mr. Ashok Kumar Thakur - Independent Director
b) Ms. Pooja Hemant Goyal - Independent Director
c) Mr. Onkar Singh - Independent Director
d) Ms. Ankita Mehra - Company Secretary

V. INDEBTEDNESS

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

(₹ in Lakh)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	31,597.71	-	-	31,597.71
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**31,597.71**	**-**	**-**	**31,597.71**
Change in Indebtedness during the financial year				
* Addition	26,907.36	20,318.56	-	47,225.93
* Reduction	(33,647.07)	13,029.56		(20,617.51)
Net Change	**(6,739.71)**	**33,348.12**	**-**	**26,608.42**
Indebtedness at the end of the financial year				
i) Principal Amount	24,858.00	33,348.12	-	58,206.12
ii) Interest due but not paid	-		-	-
iii) Interest accrued but not due	-		-	-
Total (i+ii+iii)	**24,858.00**	**33,348.12**	**-**	**58,206.12**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(₹ in Lakh)

SN	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		Harendra Singh	Vijendra Singh	
		Managing Director	Whole Time Director	
1	Gross salary	216.00	120.00	336.00
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-
		-	-	
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	- others, specify	-	-	-
5	Others, (Bonus)	-	-	-
	Total (A)	**216.00**	**120.00**	**336.00**
	Ceiling as per the Companies Act, 2013	Managerial Remuneration is within the limit of 10% of the net profit of the Company i.e. ₹ 1,657.22 lakhs, calculated as per Section 198 of the Companies Act, 2013.		

B. Remuneration to other Directors

(₹ in Lakh)

SN.	Particulars of Remuneration	Name of Directors				Total Amount
		Mr. Ashok Kumar Thakur	Mrs. Pooja Hemant Goyal	Mr. Onkar Singh	Mr.Dinesh Kumar Goyal	
1	Independent Directors					
	Fee for attending board committee meetings	4.50	3.70	5.10	-	13.30
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (1)	**4.50**	**3.70**	**5.10**	**-**	**13.30**
2	Other Non-Executive Directors					-
	Fee for attending board committee meetings	-	-	-	-	-
	Commission	-	-	-	-	-
	Others, please specify (Professional Fees)	-	-	-	12.00	12.00
	Total (2)	**-**	**-**	**-**	**12.00**	**12.00**
	Total (B)=(1+2)	**4.50**	**3.70**	**5.10**	**12.00**	**25.30**
	Ceiling as per the Companies Act, 2013	Being 1% of the net profit of the Company i.e. ₹ 165.72 lakhs, calculated as per Section 198 of the Companies Act, 2013				
	Total Managerial Remuneration					**361.40**
	Overall Ceiling as per the Companies Act, 2013	Total Managerial Remuneration is within the overall limit of 11% of the net profit of the Company i.e. ₹ 1,822.94 lakhs, calculated as per Section 198 of the Companies Act, 2013				

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

(₹ in Lakh)

SN.	Particulars of Remuneration	Name of Key Managerial Personnel		Total Amount
		Rajeev Mishra CFO	Ankita Mehra CS	
1	Gross salary	22.36	5.16	27.52
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission			
	- as % of profit			-
	- others, specify			-
5	Others, please specify (Bonus)			
	Total	**22.36**	**5.16**	**27.52**

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES

Type	Section of the Companies Act, 2013	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	Section 63 of the Companies Act, 2013	Petition was filed under Section 441 read with section 63 of the Companies Act, 2013 for compounding of offence.	Compounding Fees amounting to ₹ 10,000/-	Regional Director, Northern Western Region, Ahmedabad, Gujarat	NA
B. DIRECTORS					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	Section 63 of the Companies Act, 2013	Petition was filed under Section 441 read with section 63 of the Companies Act, 2013 for compounding of offence.	Compounding Fees amounting to ₹ 5,000/- each on Mr. Harenrda Singh, Managing Director and Mr. Vijendra Singh, Whole Time Director	Regional Director, Northern Western Region, Ahmedabad, Gujarat	NA

Type	Section of the Companies Act, 2013	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
C. OTHER OFFICERS IN DEFAULT					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	Section 63 of the Companies Act, 2013	Petition was filed under Section 441 read with section 63 of the Companies Act, 2013 for compounding of offence.	Compounding Fees amounting to ₹ 5,000/- each on Mr. Rajeev Mishra, Chief Financial Officer and Ms. Ankita Mehra, Company Secretary & Compliance Officer	Regional Director, Northern Western Region, Ahmedabad, Gujarat	NA

For and on behalf of Board
for **H.G. INFRA ENGINEERING LIMITED**

Harendra Singh
Chairman & Managing Director
(DIN: 00402458)

Date: 24.06.2020
Place: Jaipur

Annexure IV 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 ('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 behavior. 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.

Your Company follows Good corporate governance practice which means that the process of disclosure and transparency are followed so as to provide regulators and shareholders as well as the general public with precise and accurate information about the financial, operational and other aspects 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 ('Listing Regulations') and the report contains the details of Corporate Governance systems and processes at HGIEL.

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 6 (Six) Committees, as on March 31, 2020, to discharge its responsibilities in an effective manner. HGIEL'S Company Secretary acts as the Secretary to all the Committees of the Board. The Chairman and

Managing Director (CMD) and the Whole-time Director 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.

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 management 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 https://www.hginfra.com/investors-relation.html#btn-gover

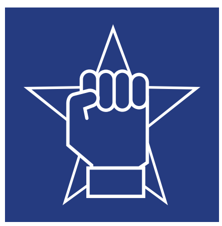
BUSINESS RESPONSIBILITY REPORT

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

OUR ETHOS

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.

Trust



Passion

Quality

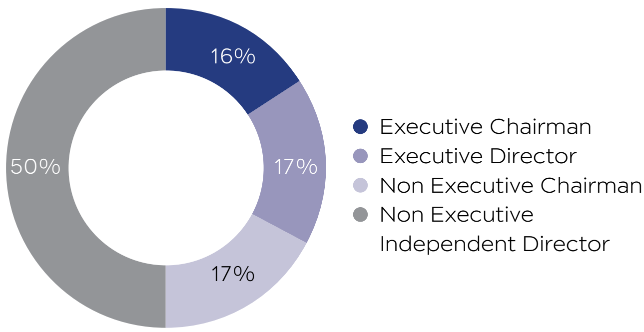
Size and Composition of the Board

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, 2020, our Board compromised of six members, consisting of one executive chairman (promoter), one executive director (promoter), one non-executive director 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 Directors constitute half of the Board Strength. The Board periodically evaluates the need for change in its size and composition.

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

Size and Composition of the Board



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.

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

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 year ended March 31, 2020, 4 (Four) Board Meetings were held. The maximum time gap between any two consecutive meetings did not exceed one hundred and twenty days.

Frequency of and quorum etc. at these meetings were in conformity with the provisions of the Companies Act, 2013, Regulation 17 of the Listing Regulations and Secretarial Standard (SS-1) issued by the Institute of Company Secretaries of India (ICSI).

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 Meeting				% of attendance
		09.08.2019	24.05.2019	09.08.2019	08.11.2019	27.01.2020	
Mr. Harendra Singh (Promoter, Chairman & Managing Director) DIN: 00402458	Executive Director	√	√	√	√	√	100%

Name of Director	Category	AGM	Board Meeting				% of attendance
		09.08.2019	24.05.2019	09.08.2019	08.11.2019	27.01.2020	
Mr. Vijendra Singh DIN: 01688452 (Promoter and Whole-time Director)	Executive Director	√	√	√	√	√	100%
Mr. Dinesh Kumar Goyal* DIN-02576453	Non -Executive Non-Independent	√	√	√	√	√	100%
Mr. Ashok Kumar Thakur DIN: 07573726	Non – Executive Independent Director	√	√	√	√	√	100%
Mr. Onkar Singh DIN: 07853887	Non – Executive Independent Director	√	√	√	√	√	100%
Mrs. Pooja Hemant Goyal DIN: 07813296	Non – Executive Independent Director	√	√	√	√	√	100%

√ Attended in Person

NOTES-

1. 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 Companies Act, 2013.
2. *After the closure of financial year 2019-20 the designation of Mr. Dinesh Kumar Goyal has been changed from Non-Executive to Executive Director w.e.f. 24.06.2020

Details of Committee Chairmanship and Committee memberships held by the directors as on March 31, 2020 are as under:

Name of the Director	Designation	Age	No. of directorships in other Listed Companies*	No. of other Board Committees of which Member/Chairperson**	
				Member	Chairperson
Mr. Harendra Singh	Chairman & Managing Director	53	0	0	0
Mr. Vijendra Singh	Whole-time Director	55	0	0	0
Mr. Dinesh Kumar Goyal	Non- Executive Non-Independent Director	66	2	2	0
Mr. Ashok Kumar Thakur	Independent Director	66	2	0	3
Mr. Onkar Singh	Independent Director	64	0	0	0
Mrs. Pooja Hemant Goyal	Independent Director	42	1	2	0

* Excludes directorship in HGIEL. Also excludes directorship in private companies, foreign companies, companies incorporated under Section 8 of the Companies Act, 2013 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 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.

Details of Directorship in Other Listed Entities

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

Disclosure of relationship between Director inter-se

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

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.

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 & Remuneration Committee, as required in the context of the Company's business for it to function effectively:

Definition of qualification, 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.

Definition of qualification, expertise and attributes	
Board service and Corporate Governance	Service on a Company's 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
Mr. Harendra Singh	√	√	√	√	√	√	√
Mr. Vijendra Singh	√	√	√	-	-	√	-
Mr. Dinesh Kumar Goyal	√	-	-	√	-	√	√
Mr. Ashok Kumar Thakur	-	-	-	√	-	√	√
Mrs. Pooja Hemant Goyal	-	-	-	-	√	√	-
Mr. 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 the Companies Act, 2013 and the Listing Regulations. The Independent Directors have also confirmed that they are being registered themselves for including their name in the databank of persons offering to become Independent Directors.

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 fulfill the conditions of independence specified in the Listing Regulations and the Companies Act, 2013 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.

Familiarization Programme for Independent Directors

The familiarization programme for the Independent Directors of the Company, pursuant to Regulation 25(7) of the Listing Regulations, 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 insights 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.

Detailed Reasons for the Resignation of Independent Director

During the Financial year 2019-20, No Independent Director of the Company resigned from the post of Directorship.

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 2019-20, the Board has accepted the recommendations of Committees on matters where such a recommendation is mandatorily required. There have been no instances where such recommendations have not been considered.

The composition and terms of reference of the Committees are in line with the provisions of the Listing Regulations, Companies Act, 2013 and the Rules issued thereunder.

Details of the Committees of the Board, as on March 31, 2020, and other related information are as follows:

BOARD AND COMMITTEE COMPOSITION							
Name of Directors	**Board**	**Audit Committee**	**Nomination & Remuneration Committee***	**Stakeholder Relationship Committee**	**Corporate Social Responsibility Committee**	**Finance Committee**	**Management Committee**
Mr. Harendra Singh	**√**	√	-	√	**√**	**√**	**√**
Mr. Vijendra Singh	√	-	-	√	√	√	√
Mr. Dinesh Kumar Goyal	√	-	√	-	-	√	√
Mr. Ashok Kumar Thakur	√	**√**	√	-	-	-	-
Ms. Pooja Hemant Goyal	√	-	**√**	-	-	-	-
Mr. Onkar Singh	√	√	-	**√**	√	-	-
Total no. of members	6	3	3	3	3	3	3

√ Chairperson √ Member

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

As on the date of this Report, the Company has following mandatory and non-mandatory Committees of the Board:

AUDIT COMMITTEE:

The Audit Committee met 4 (four) times during the financial year 2019-20. The meetings were held on May 24, 2019, August 9, 2019, November 8, 2019 and January 27, 2020.

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 2019-20 are detailed below:

Sr. No.	DIN	Name	Nature of membership	Number of meeting 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%

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

Objective:

The Audit Committee has been constituted as per Section 177 of the Companies Act, 2013 and the guidelines set out in 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, secretarial auditors and the Company's risk management policies. The Committee reviews the pending litigation cases against the Company as well as show cause notices received from various authorities. The Audit Committee also reviews the periodic internal 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 Companies Act, 2013;

   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;

xii. reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

xiii. 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;

xiv. discussion with internal auditors of any significant findings and follow up there on;

xv. 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;

xvi. 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;

xvii. 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;

xviii. to review the functioning of the whistle blower mechanism;

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

xx. 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;

xxi. 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

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

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

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

d) Internal audit reports relating to internal control weaknesses;

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

f) statement of deviations:

(i) 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.

(ii) 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 Nomination and Remuneration Committee met 2 (two) times during the financial year 2019-20. The meetings were held on May 24, 2019 and January 27, 2020.

The composition of the Nomination and Remuneration 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 2019-20 are detailed below:

Sr. No.	DIN	Name	Nature of membership	Number of meeting attended	% of attendance
1	07813296	Pooja Hemant Goyal	Chairman[(1)]	2 of 2	100%
2	07573726	Ashok Kumar Thakur	Member	2 of 2	100%
3	07853887	Onkar Singh	Chairman[(2)]	2 of 2	100%
4	02576453	Dinesh Kumar Goyal	Member[(3)]	-	-

[(1)] *Appointed as chairman of the committee w.e.f. 27.01.2020 (change in designation from member to chairman)*
[(2)] *Ceased to be a member of the committee w.e.f. 27.01.2020*
[(3)] *Appointed as a Member of Committee w.e.f. 27.01.2020*

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

Note: The nomination & remuneration committee has been further re-constituted on June 24, 2020 with composition; Pooja Hemant Goyal (Chairperson), Ashok Kumar Thakur (Member) and Onkar Singh (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 self-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 at the beginning of the year.

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. The Committees' role is to recommend the appointment, remuneration, etc. of Directors, Key Managerial Personnel and Senior Management Staff, to fix the criteria for appointment of Directors, KMPs & senior management staff and also to evaluate the performance.

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

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

ii. formulation of criteria for evaluation of independent directors and the Board;

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 their appointment and removal;

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

vi. recommend to the board, all remuneration, in whatever form, payable to senior management.

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 provides certain parameters like attendance, acquaintance with business, communicate inter se board member, effective participation, domain knowledge, compliance with code of conduct, vision and strategy, which is in compliance with applicable laws, regulations and guidelines.

Remuneration Policy and Remuneration to Directors in Fiscal 2019-20

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

The Policy describes various aspects and guiding factors in determining the remuneration of Directors, Key Managerial Personnel and 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 & Whole-time Director and others by way of Salary, perquisites and allowances. Salary is paid within the range as approved by the Shareholders and as per the Companies Act, 2013. The Board approves all the revisions in salary, perquisites and allowances subject to the overall ceiling prescribed by Section 197 and 198 of the Companies Act, 2013. 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 2019-20. The Non-Executive Non-Independent director has been paid for rendering professional services. The Company 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 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 2019-20along with their respective shareholdings in your Company:

(Amount in ₹ Millions)

Name of Director	Salary	Sitting fees	Bonus	Stock option	Others	Total Remuneration	No. of Equity Shares held as on 31st March, 2020
Executive Director (Managing Director/ Whole Time director)							
Mr. Harendra Singh	21.60	-	-	-	-	21.60	1,43,97,633
Mr. Vijendra Singh	12.00	-	-	-	-	12.00	1,17,74,937
Non-Executive Non-Independent Director							
Mr. Dinesh Kumar Goyal	-	-	-	-	1.20*	1.20	1000
Non-Executive Independent							
Mr. Ashok Kumar Thakur	-	0.45	-	-	-	0.45	0
Mr. Onkar Singh	-	0.51	-	-	-	0.51	0
Ms. Pooja Hemat Goyal	-	0.37	-	-	-	0.37	0

** Mr. Dinesh Kumar Goyal has been paid for rendering professional services.*

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

STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholder Relationship Committee met 1 (one) time during the financial year 2019-20. The meeting was held on November 8, 2019.

The composition of the Stakeholder 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 2019-20 are detailed below:

Sr. No.	DIN	Name	Nature of membership	Number of meeting 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%

**Mr. Onkar Singh is Non-Executive Director of the Company.*

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

Objective:

In compliance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 18 of the Listing Regulations, the Board has constituted the Stakeholders Relationship Committee.

The Committee is empowered to consider and resolve the grievances of security/stakeholders of the Company. The Chairperson of the Committee is required to attend general meetings of the Company.

The Committee composition and terms of reference are in compliance with the provisions of Companies Act, 2013 and Regulation 20 of the Listing Regulations.

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 Stakeholder 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 2019-20 as on 31st March, 2020 are as under:

Number of shareholders complaints received	Number of shareholders complaints resolved	Number of pending complaints
0	0	0

CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

The Corporate Social Responsibility Committee met 1 (one) time during the financial year 2019-20. The meeting was held on May 24, 2019.

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 2019-20 are detailed below:

Sr. No.	DIN	Name	Nature of membership	Number of meeting 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%

Objective

Your Company has a Corporate Social Responsibility (CSR) Committee in compliance with the provisions of Section 135 of the Companies Act, 2013. 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 Corporate Social Responsibility 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 as specified in Schedule VII to the Companies Act, 2013;

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

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 projects/ programs/ activities proposed to be undertaken by the Company or the end use of the amount spent by it towards CSR activities;

v ensure overall governance and compliance to the CSR Policy;

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

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

RISK MANAGEMENT COMMITTEE

Your Company is included in the list of top 500 entities as determined by the National Stock Exchange of India Limited on the basis of market capitalization (calculated as on March 31, 2020).

Accordingly, the Company has constituted the Risk Management Committee in its Board meeting held on June 24, 2020 in terms of Regulation 21 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The composition of the Risk Management Committee of the Board of Directors of the Company is detailed below:

Sr. No	Name	Nature of membership	Designation
1	Harendra Singh	Chairman	Managing Director
2	Vijendra Singh	Member	Whole Time Director
3	Dinesh Kumar Goyal	Member	Executive Director
4	Kailash Chandra Gupta	Member	AVP-Contracts
5	Satish Kumar Sharma	Member	AVP- Supply Chain Management

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 terms of reference of the Risk Management Committee, among other things, includes the following:

i) framing a risk management policy;

ii) identify Company's risk appetite set for various elements of risk;

iii) review the risk management practices and structures and recommend changes to ensure their adequacy including but not limited to cyber security and related risks;

iv) approve and review the risk treatment plans put in place by management;

v) ensure adequacy of risk management practices in the Company; and

vi) 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.

FINANCE COMMITTEE

The Finance Committee met 11 (eleven) times during the financial year 2019-20. The meetings were held on May 24, 2019, June 20, 2019, July 29, 2019, September 12, 2019, September 27, 2019, October 30, 2019, November 14, 2019, December 06, 2019, December 20, 2019, January 20, 2020 and February19, 2020.

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 2019-20 are detailed below:

Sr. No.	DIN	Name	Nature of membership	Number of meeting 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 Companies Act, 2013.

MANAGEMENT COMMITTEE

The Management Committee met 9 (nine) times during the financial year 2019-20. The meetings were held on May 13, 2019, June 20, 2019, July 27, 2019, September 02, 2019, October 30, 2019, December 06, 2019, January 20, 2020, February 14, 2020 and February 28, 2020.

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 2019-20 are detailed below:

Sr. No.	DIN	Name	Nature of membership	Number of meeting attended	% of attendance
1	00402458	Harendra Singh	Chairman	9 of 9	100%
2	01688452	Vijendra Singh	Member	9 of 9	100%
3	02576453	Dinesh Kumar Goyal	Member	9 of 9	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 the Companies Act, 2013 and Regulation 27 of the Listing Regulations, a separate meeting of Independent Directors of the Company was held on November 8, 2019 wherein Independent Directors 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.

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 Director 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 Director: 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)

Financial Year(s)	Date	Time	Venue	No. of Special resolutions passed at the AGM
2016-17	September 08, 2017	3:00 PM	14, Panchwati Colony, Ratanada Jodhpur-342001Rajasthan	03
2017-18	September 10, 2018	10.00 AM	Hotel Radisson, Gaurav Path Road, 8, Residency RD, Jodhpur, Rajasthan 342001	07
2018-19	August 09, 2019	10.00 AM	Hotel Radisson, Gaurav Path Road, 8, Residency RD, Jodhpur, Rajasthan 342001	01

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

Financial Year(s)	Date
2016-17 September 08, 2017	• Approval for Raising Money through further Issue of Securities and offer for sale by certain existing shareholders • Approval for increase in FPI Limits • Approval for increase in NRI Limits
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	• Rescinding of resolution passed at the previous Annual General Meeting w.r.t. change in registered office of the Company

No EGM was held and No Special Resolution was passed through Postal Ballot during financial year 2019-20. 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 Listing Regulations. Such timely disclosures indicate the good corporate governance practices of the Company. For this purposes, it provides multiple channels of communications through dissemination of information on the on-line portal of the Stock Exchanges, Press Releases, the Annual Reports and by placing relevant information on its website.

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/ Nafa Nuksan.

In compliance with Regulation 46 of the Listing Regulations, a separate dedicated section under '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 Report, Quarterly/Half yearly/ Nine-months and Annual financial results along with the applicable policies of the Company. The Company's official news releases and presentations made to the institutional 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.

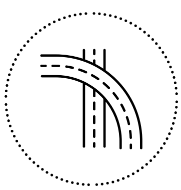
The Company also conducts calls/meetings with investors immediately after declaration of financial results to brief them on the performance of the Company. These calls are attended by the Managing Director & CFO of the Company.

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 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 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.

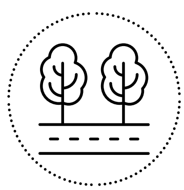
NEAPS is a web-based application designed by NSE for corporates. BSE Listing is a web-based application designed by BSE for corporates. All periodical compliance filings, inter alia, shareholding pattern, Corporate Governance Report, corporate announcements, amongst others, are in accordance with the Listing Regulations filed electronically including all information required to be disclosed under Regulation 30 read with Part 'A' and Part 'B' of 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

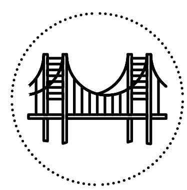
We began our journey in 2003 as H.G. Infra Engineering Private Limited (HGIEPL) an infrastructure company promoted by Shri Hodal Singh, a stalwart with more than 40 years of experience in the construction sector. We made our debut with a primary focus on:



Highways



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. We made an Initial Public Offering in March, 2018 and were listed to BSE Limited (BSE) and National Stock Exchange of India Limited (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, we are 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). We have invested in a broad base of construction equipment assets, including crushers, compactors, graders, loaders, pavers, mixers, dumpers, excavators, rollers, sprayers, compressors and tractors. This ownership has earned us the trust of marquee clientele and enabled us 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

18thAnnual General Meeting:

Pursuant to Circular issued by Ministry of Corporate Affairs ('MCA') dated 5th May, 2020 read together with MCA General Circular Nos. 14/2020 & 17/2020 dated 8th April, 2020 and 13th April, 2020 respectively, and SEBI's Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May, 2020, companies are allowed to conduct their AGM through video conferencing (VC) or other audio visual means (OAVM) for the calendar year 2020. Accordingly, your Company will be conducting the AGM through VC/OAVM facility.

Date & Time: Friday September 25, 2020 at 2:00 p.m. through VC/OAVM

E-Voting Dates: Tuesday, September 22, 2020 @9:00 a.m. to Thursday September 24, 2020 to 5:00 p.m.

Financial Year: 1st April to 31st March

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

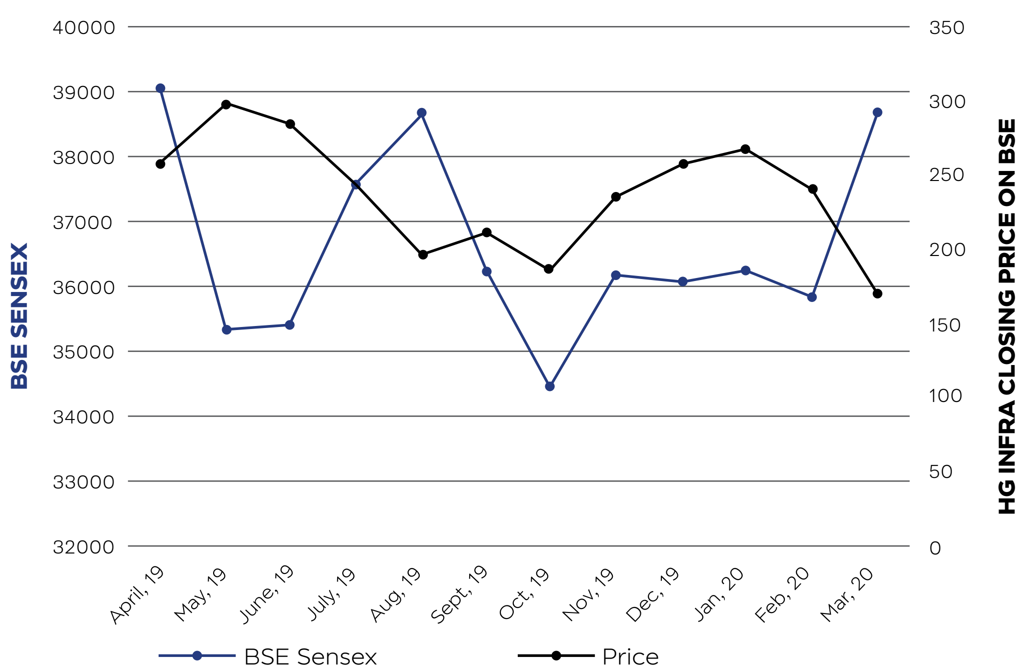
ISIN for Depositories INE926X01010

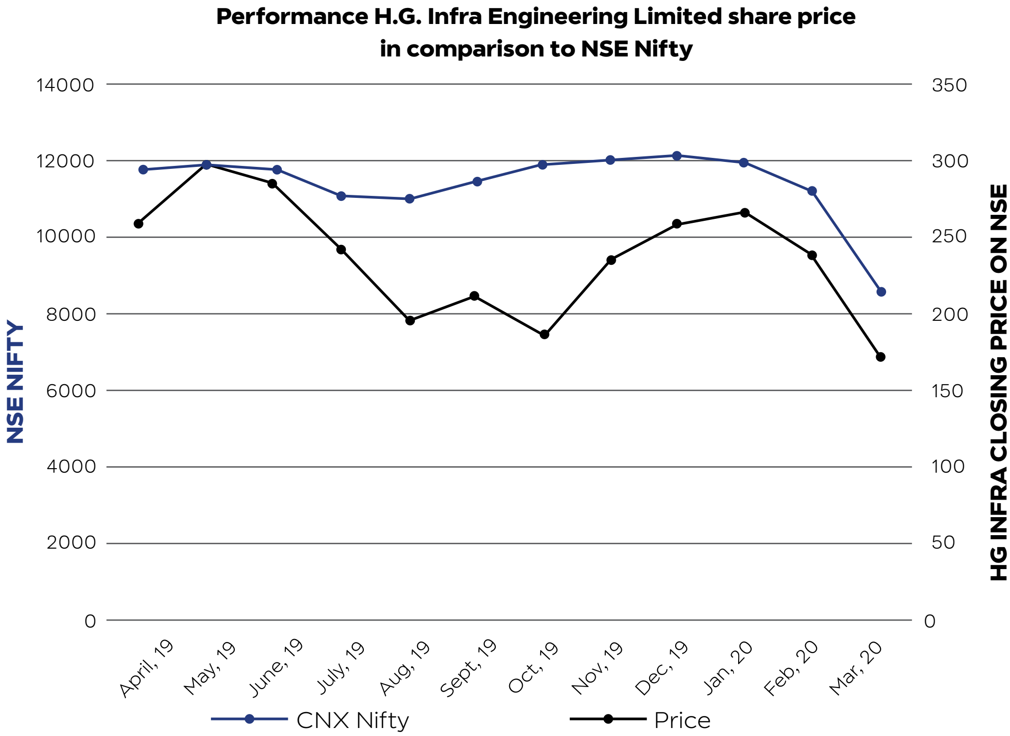
The Company has paid listing fees to BSE and NSE for the financial year ended March 31, 2020.

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, 2020 (based on month end closing price):

Performance H.G. Infra Engineering Limited share price in comparison to BSE Sensex





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, 2020 are as follows:

MONTH	BSE		NSE	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April	287.25	257.00	287.90	256.60
May	307.00	235.55	307.85	235.25
June	304.90	260.30	305.00	260.00
July	302.00	216.70	303.30	216.00
August	243.30	185.10	245.50	182.35
September	221.00	182.25	220.95	185.10
October	222.00	181.30	220.70	181.75
November	271.20	182.00	270.70	180.00
December	269.00	212.00	269.80	211.35
January	294.95	250.00	294.90	252.05
February	277.10	228.00	277.00	227.15
March	242.00	135.00	244.15	126.35

Sources: BSE and NSE Website

Registrar & Share Transfer Agent and Share Transfer System

M/S. LINK INTIME INDIA PVT. LTD. 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 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.

The Company obtains from a Company Secretary in practice, half yearly certificate of compliance with the share transfer formalities as required under Regulation 40(9) of the Listing Regulations and files a copy of the certificate with the Stock Exchanges.

Distribution of Shareholding

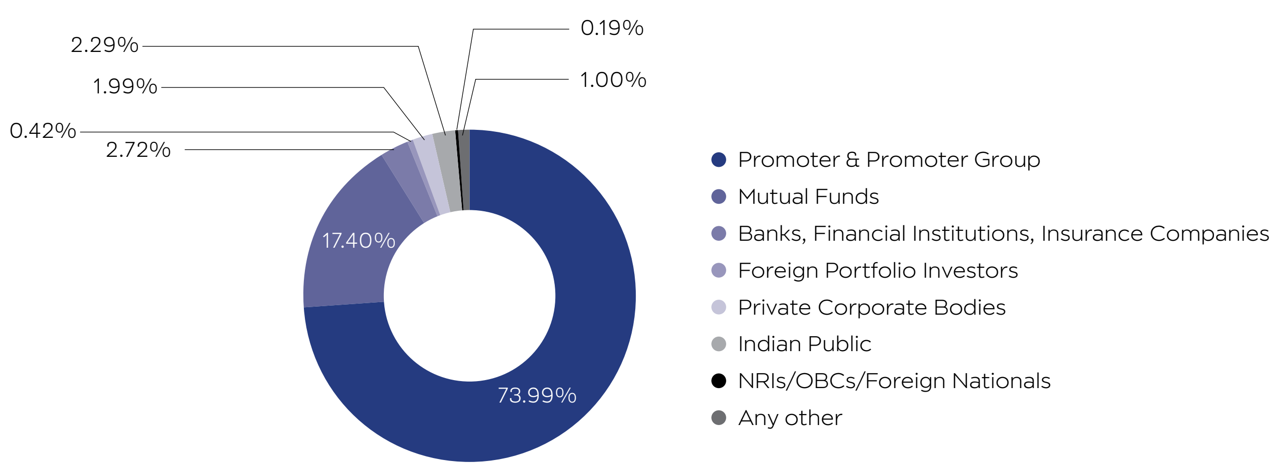
Distribution of shareholding of shares of the Company as on March 31,2020 is as follows:

No. of equity Shares held	No. of Shareholders	No. of Shares held	% of Equity Capital
1- 500	15000	958284	1.4704
501-1000	201	157031	0.2410
1001-5000	140	291216	0.4468
5001-10000	15	105471	0.1618
10001 & Above	57	63659109	97.6800
TOTAL	**15,413**	**6,51,71,111**	**100%**

Shareholding Pattern as on March 31, 2020

Sr. No	Category of Shareholder(s)	Number of Shares held	Shareholding (%)
1	Promoters & Promoter group	4,82,17,964	73.99
2	Mutual Funds	1,13,39,318	17.40
3	Banks, Financial Institutions, Insurance Companies (Central/State Govt. Institutions, Non-Government Institutions	17,76,832	2.72
4	Foreign Portfolio Investors	2,75,135	0.42
5	Private Corporate Bodies	12,94,850	1.99
6	Indian Public	14,93,203	2.29
7	NRIs/OCBs /Foreign Nationals	1,23,820	0.19
8	Any other	6,49,989	1.00
	TOTAL	**65,171,111**	**100**

Category-wise Shareholding (%) as on March 31, 2020



Dematerialization of Shares and Liquidity

HGIEL Shares are tradable in the electronic form only. 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, 2020, 100% shareholding of the Company is in dematerialized form.

Break up of shares as on March 31, 2020 is as follows:

Category	No. of Shareholders	Shareholders (%)	No. of Shares held	Voting Strength (%)
Physical	--	--	--	--
Electronic	15413	100%	65171111	100%
Total	**15413**	**100%**	**65171111**	**100%**

The market lot of the Share of your Company is one Share and the shares of the Company are frequently traded on both the Stock Exchanges.

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 31st March, 2020.

Commodity Price Risk and commodity hedging activities

Presently, the Company is not dealing in commodities and commodity hedging activities.

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:

Sr. No	Place	State	Mode
1	Gurgaon Sohna	Haryana	HAM
2	Banar Kuchera	Rajasthan	EPC
3	Bhawi - Pipar	Rajasthan	EPC
4	Jodhpur -Marwar Junction	Rajasthan	EPC
5	Kundal to Jhadol	Rajasthan	EPC
6	Sunel 20/0 to 35/775	Rajasthan	BOQ
7	Tonk (Gammon)	Rajasthan	BOQ
8	Chittorgarh Udaipur (TPL)	Rajasthan	BOQ
9	Gulabpura-Chittorgarh (IRB)	Rajasthan	BOQ
10	Delhi Vadodara Pkg-04	Rajasthan	EPC
11	Delhi-Vadodara Pkg-08	Rajasthan	EPC
12	Delhi-Vadodara Pkg-09	Rajasthan	EPC
13	Nandgaon-Morshi Pkg-1	Maharashtra	EPC
14	Morshi-Wardhariver Pkg-2	Maharashtra	EPC
15	Katol-Warud (60-100) Pkg-3	Maharashtra	EPC
16	Morshi-Achalpur Pkg-4	Maharashtra	EPC
17	Bhandara-Ghotitok (166-205) P-5	Maharashtra	EPC
18	Amdi-Saoner (226-265) P-6	Maharashtra	EPC

Sr. No	Place	State	Mode
19	Kolde-Prakasha-Khetia P-7	Maharashtra	EPC
20	Hapur Moradabad	Uttar Pradesh	BOQ
21	Rewari Ateli Mandi	Haryana	HAM
22	Narnaul Bypass*	Haryana	HAM
23	Rewari-Bypass	Haryana	HAM
24	Macherial-Repallewada	Telangana	EPC
25	MES Project -Jodhpur	Rajasthan	BOQ
26	MES Project- Jaisalmer	Rajasthan	BOQ
27	MES Project- Jalipa Barmer	Rajasthan	BOQ

* Plant established after closing of Financial Year

Address for Correspondence

Registrar and Share Transfer Agent

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

M/s. Link Intime India Pvt. Ltd

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
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

HGIEL financial discipline and prudence is reflected in the credit rating ascribed by rating agencies. The Table below depicts the Credit Rating profile:

Instrument	Rating Agency	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.

Rating Definition:

ICRA A- : Instruments with this rating are considered to have adequate degree of safety regarding timely servicing of financial obligations. Such instruments carry low credit risk. This rating is one notch lower than rating ICRA A.

ICRA A: Instruments with this rating are considered to have adequate degree of safety regarding timely servicing of financial obligations. Such instruments carry low credit risk.

ICRA A1: Instruments with this rating are considered to have very strong degree of safety regarding timely payment of financial obligation. Such instruments carry lowest credit risk.

ICRA A2+: Instruments with this rating are considered to have strong degree of safety regarding timely payment of financial obligations. Such instruments carry low credit risk.

OTHER DISCLOSURES

Details of Non-Compliance

Your Company has complied with the requirements of regulatory authorities. During the last three years, there were no instances of non-compliance by the Company and no penalty or strictures were imposed on the Company by the Stock Exchanges or SEBI or any statutory authority, on any matter related to the capital markets.

Establishment of vigil mechanism and whistle blower policy

The Company has established Vigil Mechanism/Whistle Blower Policy in accordance with the provisions of the Companies Act, 2013 and the Listing Regulations.

The Vigil Mechanism/Whistle Blower Policy aims to provide a channel to the Directors and employees to report genuine concerns about unethical behavior, 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 behavior. 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 vigil mechanism provides for adequate safeguards against victimisation of persons who use such mechanism and also provides for direct access to the Chairperson of the Audit Committee.

Any incidents that are reported are investigated and suitable action is taken in line with the Whistle Blower Policy.

No personnel were denied access to the Audit Committee of the Company with regards to the above.

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.

Web link where policy for determining 'material' subsidiaries is disclosed

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

Disclosure of commodity price risks and commodity hedging activities

The Company is not dealing in commodities and hence disclosure relating to commodity price risks and commodity hedging activities is not applicable

Disclosure with respect to Demat suspense account/ unclaimed suspense account

All the corporate benefit against shares like bonus shares, split, dividend etc, would also be transferred to Unclaimed Suspense Account of the Company. The voting rights on shares lying in unclaimed suspense account shall remain frozen till the rightful owner claims the shares.

Presently, the Company does not have any unclaimed corporate benefits.

Details of utilization of funds raised through Preferential Allotment or Qualified Institutions placements as specified under Regulation 32 (7A) of Listing Regulations

During the year under review, the Company has not raised funds through preferential allotment or Qualified Institutional Placement.

A certificate from a Company Secretary in practice that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Board/ Ministry of Corporate Affairs or any such Statutory Authority

In compliance with Regulation 34 of the Listing Regulations, a Certificate from Practicing Company Secretaries on its compliances forms an integral part of this Annual Report.

Recommendation of any Committee of the Board which is mandatorily required

During the year under review, all the recommendation of the Committees were accepted by the Board.

Details of total fees paid to Statutory Auditors of the Company

Total fees of ₹ 69,85,754 (Rupees sixty nine lakh eighty five thousand seven hundred fifty four only) for financial year 2019-20, for all services, was paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/ network entity of which the statutory auditor 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 2019-20, no complaint was received/disposed by the Company under the policy and no complaint was pending as of 31st March, 2020.

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

Non Compliance of Any Requirement of Corporate Governance Report with Reasons Thereof

The Company has complied all mandatory requirements of Corporate Governance Report.

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

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

i **The Board:** Not Applicable since the Company has an Executive Chairperson.

ii **Shareholders Rights:** Presently the company is not sending half yearly communication.

iii **Modified opinion(s) in the Audit Report:** It is always the company's endeavor to present unqualified financial statements. There are no audit modified opinions in the company's financial statement for the year under review.

iv **Reporting of Internal Auditor:** The Internal Auditor is directly reporting to Audit Committee.

Disclosures of the Compliance with Corporate Governance Requirements

The Company has complied with the requirements specified in Regulation 17 to 27 and Clauses (b) to (i) of sub – regulation (2) of Regulation 46 of the Listing Regulations.

Code of Conduct for Prevention 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 (SEBI Insider Trading Regulations). In accordance with the SEBI Insider Trading Regulations, the Company has established systems and procedures to prohibit insider trading activities..

The code aims to ensure monitoring, timely reporting and adequate disclosure of price sensitive information by the promoters, Directors, Key Managerial Personnel and connected/designated persons of the Company.

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 https://www.hginfra.com/investors-relation.html#btn-gover

Related Party Transaction

The Company has entered into certain transactions with its Promoters, Directors and the Management in the ordinary course of business. These transactions do not have any potential conflict with the interests of the Company at large. The Company has complied with the mandatory requirements of Listing Regulation as also the requirements of Accounting Standards and the Companies Act, 2013 in this regard.

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

CEO/CFO Certification

As required under Regulation 17 of the Listing Regulations, the MD/CFO certificate for the financial year 2019-20 signed by Mr. Harendra Singh, Managing Director and Mr. Rajeev Mishra, CFO is annexed to this Report.

Compliance Certificate on Corporate Governance

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

Declaration

All the members of the Board and Senior Management Personnel of the Company have affirmed due observation of the code of the conduct, framed pursuant to Regulation 26(3) of Listing Regulations, so far as it is applicable to them and there is no non-compliance thereof during the year ended March 31, 2020.

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

HARENDRA SINGH
(Chairman & Managing Director)
DIN: 00402458

Place: Jaipur
Date: 24.06.2020

MD/ CFO 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. INFRA ENGINEERING LIMITED ("the Company") to the best of our knowledge and belief certify that:

a) We have reviewed the financial statements and cash flow statement for the year ended March 31, 2020 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 present a true and fair view of the Company's 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, 2020 are fraudulent, illegal or violative of the Company's code of conduct.

c) We are responsible for establishing and maintaining internal controls for financial reporting and 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 internal controls, if any, of which we are aware and the steps that we have taken or propose to take to rectify these deficiencies.

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

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

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

HARENDRA SINGH
(Chairman & Managing Director)
DIN: 00402458

RAJEEV MISHRA
(Chief Financial Officer)

Place: Jaipur
Date: 24.06.2020

DECLARATION OF CODE OF CONDUCT

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

I hereby declare that all the Directors and Senior Management Personnel of the Company have affirmed compliance with the Company's code of conduct of Board of Directors and Senior Management for the year ended March 31, 2020.

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

HARENDRA SINGH
(Chairman & Managing Director)
DIN: 00402458

Place: Jaipur
Date: 24.06.2020

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 (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, 2020, 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

CS Deepak Arora
Partner
FCS 5104 | C P No.: 3641
UDIN NO. F005104B000433171

Place: Jaipur
Date: 09th Day of July, 2020

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, 2020, 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, 2020.

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

CS Deepak Arora
Partner
FCS 5104 | C P No.: 3641
UDIN NO. F005104B000433279

Place: Jaipur
Date: 09th Day of July, 2020

Annexure V to Board's Report

FORM AOC -2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act, 2013 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, 2020, 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, if any	Date(s) of Approval by the Board	Amount received/ paid as advance, if any
1	Gurgaon Sohna Highway Pvt. Ltd (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: -** ₹ 5150 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 i.e. HGIEL make available to the H.G infra Engineering Limited, 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: H.G. Infra Engineering Limited shall complete work/achieve Commercial Operation Date (COD) within the time period as permitted in concession agreement.	Not Applicable	515

(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, if any	Date(s) of Approval by the Board	Amount received/ paid as advance, if any
2	H.G. Rewari Ateli Highway Pvt. Ltd. (HGRAHPL) A Wholly owned Subsidiary Company	Engineering Procurement Construction (EPC) contract with HGRAHPL	With effect from January 17, 2020 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 :-** January 17, 2020 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:-** ₹ 4880 Million (Rupees Four Thousand Eight Hundred and Eighty Million only) is exclusive of price escalation if any. **Mobilisation advance:** HGRAHPL shall at the request of EPC contractor i.e HGIEL make available to the H.G infra Engineering Limited, 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 H.G infra Engineering Limited 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:** H.G. Infra Engineering Limited shall complete work/achieve Commercial Operation Date (COD) within the time period as permitted in concession agreement .	Not Applicable	488
3	H.G. Ateli Narnaul Highway Pvt. Ltd. (HGANHPL) A Wholly owned Subsidiary Company	Engineering Procurement Construction (EPC) contract with HGANHPL	With effect from January 17, 2020 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 :-** January 17, 2020 **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:- ₹ 8010 Million (Rupees Eight Thousand Ten Million only) is exclusive of price escalation if any.	Not Applicable	-

(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, if any	Date(s) of Approval by the Board	Amount received/ paid as advance, if any
				Mobilisation advance: HGANHPL shall at the request of EPC contractor i.e. HGIEL make available to the H.G infra Engineering Limited, 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:- HGANHPL shall transfer the 25% of bonus received from NHAI to H.G infra Engineering Limited 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:** H.G. Infra Engineering Limited shall complete work/achieve Commercial Operation Date (COD) within the time period as permitted in concession agreement .		

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
H.G. Infra Engineering Limited

HARENDRA SINGH
(Chairman & Managing Director)
DIN: 00402458

Place: Jaipur
Date: 24.06.2020

Annexure VI to Board's Report

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES (FY 2019-20)

[Pursuant to Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014]

1. **A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or Programs**

The Company's programs are guided by Corporate Social Responsibility Policy ('CSR Policy') duly approved by the 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 Corporate Social Responsibility (CSR) Policy of the Company is available at https://www.hginfra.com/investors-relation.html#btn-gover

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 focus areas of engagement which are as under:

(a) Hunger, Poverty, Malnutrition and Health: Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation and making available safe drinking water.

(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, scholarships for deserving children, conducting education programs and supporting parents and teachers to provide holistic learning environment for children at school, livelihood enhancement projects, etc.

(c) Rural Development Projects: Strengthening rural areas by improving accessibility, housing, 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 and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund setup by the Central Government for rejuvenation of river Ganga.

(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.

(g) Disaster Response: Supporting disaster management, including relief, rehabilitation and reconstruction activities.

CSR may include any other areas/ activities falling within the Schedule VII of the Companies Act, 2013 (and amendments thereto) from time to time. All CSR Initiatives/projects/programs/activities are and will continue to fall under the purview of schedule VII of the Companies Act, 2013.

2. **The Composition of the CSR Committee**

The present composition of the Committee is as follows:

Name of Director	Designation
Mr. Harendra Singh	Chairman
Mr. Vijendra Singh	Member
Mr. Onkar Singh	Member

3. **Average net profit of the Company for last three financial years:** ₹ 1,30,79,32,832/-
4. **Prescribed CSR expenditure (two percent of the amount as in item 3 above):** ₹ 2,61,58,657/-
5. **Details of CSR spent during the financial year:**

   a) Total amount to be spent for the financial year 2019-20: ₹ 2,90,52,825/- (₹ 2,61,58,657/- + ₹ 28,94,168/- being amount unspent of FY 2018-19)

   b) Amount spent during the financial year: ₹ 1,41,71,384/-

   c) Amount unspent for the financial year: ₹ 1,48,81,441/-

   d) Manner in which the amount spent during financial year is detailed below:

1	2	3	4	5	6	7	8
Sr. No	**CSR Project or Activities Identified**	**Sector in which the projects is covered**	**Projects or programs- (1) Local area or others (2) Specify the State and District where Projects or Programs were undertaken**	**Amount outlay (budget) project or programs wise (In ₹)**	**Amount Spent on the projects or programs Sub-heads: (1) Direct Expenditure on projects or Programs (2) Overheads (In ₹)**	**Cumulative expenditure upto the reporting period (In ₹)**	**Amount spent: Direct or through *implementing agency**
1.	Promoting Health Care/ Promoting Education/ Rural development/ Environment sustainability & Animal Welfare/ Promoting art and culture/ Soldier Welfare/ Disaster Response	Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation and making available safe drinking water/Promotion of Education/ Rural development Projects/Ensuring environmental sustainability and Animal Welfare/ Protection of National Heritage, art and culture/ Measure for the benefit of armed force veterans/ Disaster Management	Rajasthan, Maharashtra, Uttar Pradesh and Haryana	2,90,52,825/-	1,41,71,384/-	1,41,71,384/-	Directly and through Implementing agency
Total				**2,90,52,825/-**	**1,41,71,384/-**	**1,41,71,384/-**	

*Implementing agency for Promoting Health Care: Rajasthan Voluntary Health Association

6. **In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount**

   The Company was actively working in the direction of finalisation of certain quality projects under CSR in the field of health and education. The unfortunate onslaught of Covid-19, which became evident in the month of January 2020, was a genuine cause for contribution towards eradication of Covid-19 by joining hands with state Government of Rajasthan. Accordingly, the Company had utilized the fund of ₹ 1.50 crore, during the financial year 2019-20, as contribution to the 'Rajasthan Chief Minister Covid-19 Relief Fund' to support the government in its relief and rehabilitation measures towards the COVID-19 pandemic. However, Ministry of Corporate Affairs (MCA) vide general circular No. 15/2020 dated April 10, 2020 has clarified that 'Chief Minister's Relief Fund' or 'State Relief Fund for COVID-19' is not included in Schedule VII of the Companies Act, 2013 and therefore any contribution to such funds shall not qualify as admissible CSR expenditure. Hence, the unspent amount of ₹ 1,48,81,441/- be carried forward and be spent in the financial year 2020-21 on ongoing CSR projects of the Company in pursuant of the Corporate Social Responsibility Policy of the Company. In the event of any favourable circular or clarification or other decision, in future, which provides inclusion of contribution to 'Chief Minister's Relief Fund' or 'State Relief Fund for COVID-19' under CSR Expenditure, the Company will consider the said contribution of Rs. 1.50 Cr. Under CSR Expenditure and the amount to be spent for CSR activities will be adjusted accordingly.

7. **A responsibility statement of the CSR Committee**

   The CSR Committee hereby confirms that the implementation and monitoring of the CSR Policy is in compliance with the CSR objectives and policy of the Company.

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

Harendra Singh
Chairman & Managing Director
DIN: 00402458

Place: Jaipur
Date: 24.06.2020

Annexure VII to Board's Report

BUSINESS RESPONSIBILITY REPORT

In accordance with Regulation 34(2)(f) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, this Business Responsibility Report (BRR) has been prepared and is in alignment with the National Voluntary Guidelines on Social, Environmental & Economic Responsibilities of Business (NVGs) released by the Ministry of Corporate Affairs, Government of India. 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
ID			cs@hginfra.com
Financial Year reported			April 1, 2019 to March 31, 2020
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) ('SPV') 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.
Number of locations where business activity is undertaken by the Company i. Number of International Locations (Provide details of major 5) ii. Number of National Locations			Nil The Company has built an extensive reach of 8 locations across length and breadth of the country. 1. Rajasthan 2. Haryana 3. Uttar Pradesh 4. Maharashtra 5. Uttarakhand 6. Arunachal Pradesh 7. Telangana 8. Goa
Markets served by the Company			Local, State and National

Section B: Financial details of the Company

Disclosure	Information
Paid up Capital	₹ 651.71 Millions
Total Turnover	₹ 21,961.42 Millions
Total profit after taxes	₹ 1,657.22 Millions
Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	Please refer Annexure VI to the Board's Report.
List of activities in which Corporate Social Responsibility (CSR) expenditure has been incurred	Please refer Annexure VI to the Board's Report.

Section C: Other details

Disclosure	Information
Does the Company have any Subsidiary Company/ Companies?	Yes, the Company has 3 wholly owned subsidiary companies (SPVs) as on March 31, 2020- a. Gurgaon Sohna Highway Private Limited b. H.G. Ateli Narnaul Highway Private Limited c. H.G. Rewari Ateli Highway Private Limited After the closure of financial year 2019-20, the company has incorporated a wholly owned subsidiary (SPV) on 01.05.2020 i.e. 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)	No
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 NVGs) BR Policy/Policies

Principle 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?	The Policies conform to statutory provisions and are compliant of respective principles of NVGs.								
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.								

(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

Annually

(b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

This is the first Business Responsibility Report of the Company and the Company proposes to publish BR annually as part of the Annual Report. The reports can be accessed at www.hginfra.com

Section E- Principle wise Performance

Principle 1

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, JVs 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?	Nil

Principle 2

Sr. no	Disclosure	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.
22	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?	Engineering design- a. Cut length of steel is used in Projects b. Waste plastic is used in bituminous work for saving of bitumen c. Use of LED fixtures at all the new projects is compulsory as per the client requirement 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, Bitumen etc. For remaining major goods used in construction such as Aggregate, sand, boulder etc. along with all other general consumables & other material, we procure locally. 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.

Sr. no	Disclosure	Information
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, 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 & 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%).	Yes, we are highly committed to reduce wastes & make efficient use of raw material during construction activities.

Principle 3

Sr. no	Disclosure	Information
3.1	Please indicate the Total number of employees	2348
3.2	Please indicate the Total number of employees hired on temporary/contractual/casual basis	1458
3.3	Please indicate the Number of permanent women employees	23
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 in the last financial year and pending, as on the end of the financial year.	Refer table below
3.8	What percentage of your under mentioned employees were given safety & skill up gradation training in the last year?	
	(a) Permanent Employees	100%
	(b) Permanent Women Employees	100%
	(c) Casual/Temporary/Contractual Employees	100%
	(d) Employees with Disabilities	NA

Point -3.7

No	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
1	Child labour/forced labour/involuntary labour	Nil	Nil
2	Sexual harassment	Nil	Nil
3	Discriminatory employment	Nil	Nil

Principle 4

Sr. no	Disclosure	Information
4.1	Has the company mapped its internal and external stakeholders?	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 always been sensitive to the needs of 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, rural development etc., to engage beneficiaries and stakeholders.

Principle 5

Sr. no	Disclosure	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, JVs 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

Sr. no	Disclosure	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 and directly/indirectly extends to group companies, JVs and subsidiary companies.
6.2	Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.	The Company is committed to take all precautions for safeguarding the environment and to comply with all legal requirements.
6.3	Does the company identify and assess potential environmental risks? Y/N	The Company has impact analysis system for the particular projects according to the geographical condition of environment.
6.4	Does the company have any project related to Clean Development Mechanism? Also, if Yes, whether any environmental compliance report is filed?	The Company ensures re-use policy for the waste generating at projects and for the global environment aspect we have used the plastic waste during the bituminous work.

Sr. no	Disclosure	Information
6.5	Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.	The Company has adopted solar energy system at its base camp situated in Pali district of Rajasthan and for renewable energy Company has adopted the sedimentation systems near the major plants for reuse of the waste water.
6.6	Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?	Yes, within the permissible limits
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

Sr. no	Disclosure	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: 1. Federation of Indian Chambers of Commerce & Industry 2. National Highway 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

Sr. no	Disclosure	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/Schedule VII of 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 VI** 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

Sr. no	Disclosure	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.	Nil
9.4	Did your company carry out any consumer survey/ consumer satisfaction trends?	Not Applicable

Annexure VIII(i) to Board's Report

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st March, 2020
[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, 2020 ('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, 2020 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 (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

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

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

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

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

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

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

(h) 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

(i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

(vi) 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 except to the extent as mentioned below:-

i. The Company has submitted the Monitoring Agency Report to stock exchange(s) on which its equity shares are listed after the expiry of 45 days from the end of March, 2019 quarter as prescribed in Regulation 16(4) Securities and Exchange Board of India (Issue of Capital And Disclosure Requirements) Regulations, 2009.

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. The changes in the composition of the Board of Directors that 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 areas under.:-

During the audit period the Company has incorporated following special purpose vehicle (wholly owned subsidiary) solely for the purpose of domiciling the project given by the government (NHAI) to the Holding Company:

a) H.G. REWARI ATELI HIGHWAY PRIVATE LIMITED incorporated on 08.04.2019

b) H.G. ATELI NARNAUL HIGHWAY PRIVATE LIMITED incorporated on 04.04.2019

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

CS Deepak Arora
Partner
FCS 5104 | C P No.: 3641
UDIN NO. F005104B000370150

Place: Jaipur
Date: 23rd Day of June, 2020

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

CS Deepak Arora
Partner
FCS 5104 | C P No.: 3641
UDIN NO. F005104B000370150

Place: Jaipur
Date: 23rd Day of June, 2020

Annexure VIII(ii) to Board's Report

Secretarial compliance report of **H.G. INFRA ENGINEERING LIMITED**
For the year ended **31ST MARCH, 2020**
[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,

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, 2020** 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, 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 (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.)

e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

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

g) 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)

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

i) Other regulations as applicable 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 d u e 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
1.	Regulation 16(4) Securities and Exchange Board of India (Issue Of Capital And Disclosure Requirements) Regulations, 2009.	The Company has submitted the Monitoring Agency Report to stock exchanges on which its equity shares are listed beyond 45 days from the end of March, 2019 quarter.	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).

b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunder insofar 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 to stock exchange(s) on which its equity shares are listed after the expiry of 45 days from the end of March, 2018 quarter (i.e., 23rd Day of May, 2018).	31st March, 2019	The Company had taken necessary steps to ensure timely compliance of monitoring agency report in future and submission to the stock exchanges within time.	The Company has submitted the Monitoring Agency Report dated 24.05.2019 to stock exchanges on 24.05.2019 (beyond 45 days from the end of March, 2019 quarter).

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

CS Deepak Arora
Partner
FCS 5104 | C P No.: 3641
UDIN NO. F005104B000370238

Place: Jaipur
Date: 23rd Day of June, 2020

Annexure IX 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 2019-20 and ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year 2019-20 are as under:

Sr. No	Name of Director/KMP	Designation	Remuneration of Director/ KMP for the Financial Year 2019-20 (in ₹)	Ratio of Remuneration to MRE (Median Remuneration of Employee)	% increase / (decrease) in Remuneration
01.	Mr. Harendra Singh	Managing Director	2,16,00,000/-	97.30	0.00
02.	Mr. Vijendra Singh	Whole Time Director	1,20,00,000/-	54.05	0.00
03.	Mr. Rajeev Mishra	Chief Financial Officer	22,36,332/-	NA	9.30%
04.	Ms. Ankita Mehra	Company Secretary	5,16,000/-	NA	17.81%

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 ₹ 2,22,000/- 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 increase in the median remuneration of employees in the Financial Year:

   In the Financial Year, there was an increase of 31.56% in the median remuneration of employees.

   As the Company is working in Infrastructure sector and major employees of the Company are in unskilled category i.e. Labour and Driver etc. 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 2348 as on March 31, 2020

   As a strategic move and improve the excellence & focus of the engineers & Managerial category staff, Company had stopped hiring of W cadre staff in Company Roll rather outsourcing them from Manpower Service providers, which helped in the less turn around time and availability of ground force.

5. There is decrease of 6.36% in total gross salary of employees other than the managerial personnel during the financial year as compared to previous year due to non hiring of cadre employees on direct payroll, while 11.65% decrease in total gross salary of managerial personnel during the financial year as compared to previous year due to change in Managerial Personnel in year 2019-20, has resulted in the decrease in overall paid salary by 11.65%, however due to increment of 2019-20, the average salary per Managerial Personnel increased by 8%.

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, 2020:

Sr. No	Employee Name	Designation, nature of Employment	Educational Qualification	Age (years)	Experience (Years)	Date of joining	Remuneration Paid	Previous Employer	Relation with Director or manager if any
01.	Mr. Harendra Singh	Managing Director	BE (Civil)	53	26	21.01.2003	2,16,00,000/-	-	Brother of Mr. Vijendra Singh- Director
02.	Mr. Vijendra Singh	Whole Time Director	Basic Education	55	28	21.01.2003	1,20,00,000/-	-	Brother of Mr. Harendra Singh- Managing Director
03.	Mr. Avadhesh Pratap Misra	President	M. Tech (Geo Tech)	55	32	01.07.2019	40,20,000/-	Uchit Expressway Pvt Ltd (Tril)	NO
04.	Mr. Vaibhav Choudhary	Project Controller	MBA	33	14	01.04.2009	84,00,000/-	-	Son of Mr. Girishpal Singh - Promoter
05.	Mr. Sanjay Bafna	Senior Vice President	CA	52	29	24.02.2020	8,50,862/-	Gateway Terminal Pvt. Ltd.	NO
06.	Mr. Sudhir Jain	Assistant Vice President	BE (Civil)	57	31	06.09.2014	43,44,792/-	L&T IDPL	NO
07.	Mr. Abhay Madhukar Paratakr	Assistant Vice President	BE (Civil)	52	28	29.01.2018	40,20,000/-	IL & FS	NO
08.	Mr. Subba Reddy Basireddy	Assistant Vice President	M. Tech (Civil)	48	25	09.12.2019	12,34,839/-	Welspun Enterprises Ltd	NO
09.	Mr. Vinod Kumar Agrawal	Assistant Vice President	ICWA & M. Com	53	33	03.12.2016	38,85,920/-	Kalpatru Group	NO
10.	Mr. C.P. Kasture	Vice President	BE (Civil)	62	41	15.05.2017	38,40,000/-	Sunil Hitech Engineers Ltd	NO

NOTE:

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. Except Mr. Harendra Singh, Managing Director, Mr. Vijendra Singh, Whole Time Director and Mr. Vaibhav Choudhary son of Mr. Girishpal Singh, one of the Promoter holds more than 2% paid up capital of the Company i.e. 22.09%, 18.02% and 2.07% respectively and further no other employee of the Company hold such percentage of equity shares within the meaning 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 to be discussed & 5(2)(iii) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

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 comprise the balance sheet as at March 31, 2020, 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 in which are incorporated 4 jointly controlled operations as referred to in Note 48 in the 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, 2020, and profit, 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.

Emphasis of Matter

4. We draw attention to note 50 to the standalone financial statements, which describes the management's assessment of the financial impact of the outbreak of Coronavirus (Covid-19) pandemic situation, for which a definitive assessment of the impact in the subsequent period is dependent upon the circumstances as they evolve.

   Our opinion is not modified in respect of this matter.

Key audit matters

5. 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 49 of the standalone financial statements) Contract revenue amounting to Rs. 21,793.70 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, except where this would not be representative of the stage of completion. 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 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 implications and related disclosures in the financial statements. Based on the procedures performed above, we considered manner of estimation of contract cost and recognition of revenue to be reasonable.
Valuation of accounts receivable and 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 and contract assets is a significant item in the Company's standalone financial statements amounting to INR 11,849.23 Million as of March 31, 2020 and provisions 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 (whereof new provisions amounted to INR 145.00 Million for financial year 2019-20).	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. • For material balances, the basis of provision was discussed with the audit committee.

Key audit matter	How our audit addressed the key audit matter
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. 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 standalone 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.	• 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

6. 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, Directors' Report, Corporate Governance Report and Other Information included in 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

7. 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.

8. 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

9. 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.

10. 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.

11. 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.

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 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

14. We did not audit the standalone financial statements of 4 jointly controlled operations included in the standalone financial statements of the Company, which constitute total assets of Rs. 69.10 Million and net assets of Rs 8.60 Million as at March 31, 2020, total revenue of Rs. 88.10 Million, net profit of Rs. 0.43 Million crore and net cash flows amounting to Rs 0.12 Million for the year ended then ended. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion on the standalone financial statements (including other information) to the extent they have been derived from such standalone financial statements is based solely on the report of such other auditors.

    Our opinion is not modified in respect of this matter.

Report on other legal and regulatory requirements

15. 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.

16. 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, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 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, 2020 for which there were no material foreseeable losses. The Company did not have any derivative contracts as at March 31, 2020.

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, 2020.

17. 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 LLP
Firm Registration Number: 304026E/E-300009

Nitin Khatri
Partner
Membership Number: 110282
UDIN: 20110282AAAACN6692

Place: Mumbai
Date: June 24, 2020

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 standalone financial statements for the year ended March 31, 2020

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, 2020 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 4 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 standalone financial statements were operating effectively as at March 31, 2020, 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. Also refer paragraph 4 of the main audit report.

For Price Waterhouse & Co Chartered Accountant LLP
Firm Registration Number: 304026E/E-300009

Nitin Khatri
Partner
Membership Number: 110282
UDIN: 20110282AAAACN6692

Place: Mumbai
Date: June 24, 2020

Annexure B to Independent Auditors' Report

Referred to in paragraph 15 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, 2020

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 46 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 and goods and service tax, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues in respect of professional tax, provident fund, Employees' state insurance, as applicable, with the appropriate authorities. Also refer note 44(b) to the standalone financial statements regarding management's assessment on certain matters relating to provident fund.

Further, for the period March 1, 2020 to March 31, 2020, the company has paid Goods and Service Tax and filed Form GSTR 3B (after the due date but) within the timelines allowed by Central Board of Indirect Taxes and Customs under the Notification No. 35/2020 – Central Tax dated 3rd April, 2020 on fulfilment of conditions specified therein.

(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, and duty of excise or value added tax or goods and service tax which have not been deposited on account of any dispute. The particulars of dues of income tax as at March 31, 2020 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs.)	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax	8,150,000	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 initial public offer and term loans have been applied for the purposes for which they were obtained.

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 17 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 (Refer note 46).

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 LLP
Firm Registration Number: 304026E/E-300009

Nitin Khatri
Partner
Membership Number: 110282
UDIN: 20110282AAAACN6692

Place: Mumbai
Date: June 24, 2020

Standalone Balance Sheet

as at March 31,2020

(Amount in Rs. Millions)

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
ASSETS			
Non-current assets			
Property, plant and equipment	3 (a)	4,758.41	4,584.83
Right-of-use assets	3 (b)	33.72	-
Capital work-in-progress	3 (a)	111.37	-
Intangible assets	4	32.20	34.09
Financial assets			
i. Investment	5	908.25	200.00
ii. Trade receivables	6	32.81	29.70
iii. Other financial assets	7	197.14	119.63
Deferred tax assets (Net)	35 (b)	86.91	83.79
Non-current tax assets	35 (e)	9.31	11.01
Other non-current assets	8	44.74	78.21
Total non-current assets		**6,214.86**	**5,141.26**
Current assets			
Inventories	9	1,055.30	1,160.97
Financial assets			
i. Trade receivables	10	8,077.87	6,213.97
ii. Cash and cash equivalents	11	239.82	30.99
iii. Bank balances other than (ii) above	12	904.59	971.26
iv. Loans	13	74.40	12.91
v. Other financial assets	14	109.60	130.00
Contract assets	15 (a)	3,508.31	1,595.51
Other current assets	16	500.16	424.03
Total current assets		**14,470.05**	**10,539.64**
Total assets		**20,684.91**	**15,680.90**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	17	651.71	651.71
Other equity			
Reserves and surplus	18	7,564.33	5,940.35
Total equity		**8,216.04**	**6,592.06**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
i. Borrowings	19	640.32	593.13
ii. Lease liabilities	3 (b)	6.88	-
iii. Trade Payables	20	788.66	533.09
Employee benefit obligations	21	13.56	41.75
Total non-current liabilities		**1,449.42**	**1,167.97**
Current liabilities			
Financial liabilities			
i. Borrowings	22	1,912.15	1,823.42
ii. Trade payables			
(a) total outstanding dues of micro and small enterprises	23	100.86	56.65
(b) total outstanding dues other than (ii) (a) above	23	5,336.07	3,404.14
iii. Lease liabilities	3 (b)	30.17	-
iv. Other financial liabilities	24	1,260.67	1,435.58
Contract liabilities	15 (b)	2,088.56	872.55
Employee benefit obligations	25	71.65	121.04
Current tax liabilities	35 (d)	47.67	154.72
Other current liabilities	26	171.65	52.78
Total current liabilities		**11,019.45**	**7,920.87**
Total liabilities		**12,468.87**	**9,088.84**
Total equity and liabilities		**20,684.91**	**15,680.90**

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

Place: Mumbai
Date: June 24, 2020

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

Ankita Mehra
Company Secretary
Membership No: A33288

Place: Jaipur
Date: June 24, 2020

Standalone Statement of Profit and Loss

for the year ended March 31, 2020

(Amount in Rs. Millions)

Particulars	Note No.	Year ended March 31, 2020	Year ended March 31, 2019
Revenue from operations	27	21,961.42	20,098.32
Other income	28	136.53	115.31
Total income		**22,097.95**	**20,213.63**
Expenses			
Cost of materials consumed	29	8,926.41	8,919.31
Contract and site expenses	30	8,137.15	6,665.36
Employee benefits expense	31	1,113.80	1,191.06
Finance costs	32	523.57	490.29
Depreciation and amortisation expense	33	756.26	754.54
Other expenses	34	360.23	290.62
Total expenses		**19,817.42**	**18,311.18**
Profit before tax		**2,280.53**	**1,902.45**
Income tax expense			
- Current tax	35 (a)	624.39	689.26
- Deferred tax	35 (a)	(1.08)	(22.49)
Total tax expense		**623.31**	**666.77**
Profit after tax		**1,657.22**	**1,235.68**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurements of post-employment benefit obligations		8.08	(19.92)
Income tax relating to these items		(2.03)	6.96
Other comprehensive income for the year		**6.05**	**(12.96)**
Total comprehensive income for the year		**1,663.27**	**1,222.72**
Earnings per equity share of Rs.10 each	47		
Basic earnings per share (Amount in Rs.)		25.43	18.96
Diluted earnings per share (Amount in Rs.)		25.43	18.96

The above standalone statement of profit and loss 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

Place: Mumbai
Date: June 24, 2020

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

Ankita Mehra
Company Secretary
Membership No: A33288

Place: Jaipur
Date: June 24, 2020

Standalone Cash Flow Statement

for the year ended March 31, 2020

(Amount in Rs. Millions)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
A) Cash flow from operating activities		
Profit before tax	2,280.53	1,902.45
Adjustments for:		
Depreciation and amortisation expense	756.26	754.54
Interest Income from financial assets at amortised cost	(66.76)	(91.81)
Loss allowances on trade receivable	145.00	85.24
Net (gain)/ loss on disposal of property, plant and equipment	4.51	(0.10)
Finance costs	523.57	490.29
Operating Profit before Working Capital Changes	**3,643.11**	**3,140.61**
Changes in working capital:		
(Increase) in trade receivables	(2,012.01)	(1,986.09)
(Increase) / decrease in inventories	105.67	(93.44)
Decrease in other current financial assets	-	2,032.82
(Increase) in contract assets	(1,912.80)	(1,595.51)
(Increase) in other current assets	(76.13)	(54.59)
(Increase) in other non current financial assets	(24.67)	(12.25)
Decrease in other current financial assets	20.40	-
Decrease in other non current assets	46.88	13.17
Increase in trade payables	2,231.72	712.60
Increase in contract liabilities	1,216.01	872.55
(Decrease) in other current financial liabilities	(5.00)	(29.07)
Increase / (decrease) in other current liabilities	118.87	(1,618.99)
Increase / (decrease) in employee benefit obligations	(71.52)	56.50
Cash generated from operations	**3,280.53**	**1,438.30**
Income taxes paid (Net of refunds)	(731.78)	(577.55)
Net cash generated from Operating Activities	**2,548.75**	**860.75**
B) Cash Flow From Investing Activities		
Investment in a subsidiary	(708.25)	(200.00)
Payment for property, plant and equipment	(1,030.61)	(1,288.35)
Sale of property, plant and equipment	99.37	6.37
Fixed deposits (placed) / redemption of fixed deposits (Net)	13.82	1,288.62
Interest received	66.76	91.81
Loans given (net)	(61.49)	(10.33)
Net Cash used in Investing Activities	**(1,620.40)**	**(111.87)**

Standalone Cash Flow Statement

for the year ended March 31, 2020

(Amount in Rs. Millions)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
C) Cash Flow From Financing Activities		
Proceeds from Long Term Borrowings	1,967.29	2,479.72
(Repayment) of Long Term Borrowings	(2,184.66)	(2,795.84)
Proceeds from Short term Borrowings (Net)	271.62	250.31
(Repayment) of Loans taken from Directors	(461.45)	(871.65)
Loans taken from Directors	278.56	683.03
Dividend paid to Company's shareholders (including dividend distribution tax of Rs. 6.70 million)	(39.29)	(39.29)
Principal elements of lease payments	(20.10)	-
Finance cost paid	(531.49)	(488.35)
Net Cash used in from Financing Activities	**(719.52)**	**(782.07)**
Net increase in cash and cash equivalents	**208.83**	**(33.19)**
Cash and Cash Equivalents as at the beginning of the year	30.99	64.18
Cash and cash equivalents at the end of the year	**239.82**	**30.99**
Reconciliation of Cash and cash equivalents as per the cash flow statement		
Cash and cash equivalents comprise of the following:		
Cash on hand	3.78	3.24
Bank Balance on current account	236.04	27.75
Total	**239.82**	**30.99**

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

Place: Mumbai
Date: June 24, 2020

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

Ankita Mehra
Company Secretary
Membership No: A33288

Place: Jaipur
Date: June 24, 2020

Standalone statement of changes in equity

for the year ended March 31, 2020

A. Equity share capital

(Amount in Rs. Millions)

Particulars	Amount
As at March 31, 2018	651.71
Changes in equity share capital	-
As at March 31, 2019	**651.71**
Changes in equity share capital	-
As at March 31, 2020	**651.71**

B. Other equity

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, 2018	2,694.47	2,062.45	4,756.92
Profit for the year	-	1,235.68	1,235.68
Items that will not be reclassified to profit or loss			
Add: Remeasurements of post-employment benefit obligations	-	(19.92)	(19.92)
Less: Income tax relating to these items	-	6.96	6.96
Total comprehensive income for the year	**-**	**1,222.72**	**1,222.72**
Less: Dividend Paid	-	(32.59)	(32.59)
Less: Dividend distribution tax	-	(6.70)	(6.70)
As at March 31, 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**

For Price Waterhouse & Co Chartered Accountants LLP

Firm Registration No. 304026E / E-300009

Nitin Khatri
Partner
Membership Number: 110282

Place: Mumbai
Date: June 24, 2020

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

Ankita Mehra
Company Secretary
Membership No: A33288

Place: Jaipur
Date: June 24, 2020

Notes to the Standalone Financial statements

as of and for the year ended March 31, 2020

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 June 24, 2020.

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

(iii) New and amended standards adopted by the Company

The Company has applied the following standards and amendments for the first time for their annual reporting period commencing April 1, 2019:

- Ind AS 116, Leases
- Uncertainty over Income Tax Treatment – Appendix C to Ind AS 12 , Income Taxes
- Plan Amendment , Curtailment or settlement – Amendments to Ind AS 19, Employee Benefits
- Amendment to Ind AS 12, Income Taxes
- Amendment to Ind AS 23, Borrowing costs

The Company had to change its accounting policies as a result of adopting Ind AS 116. This is disclosed in note 51. The other amendments 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 48.

Notes to the Standalone Financial statements

as of and for the year ended March 31, 2020

(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)
- Sale of products (Revenue from sale of processed aggregates)

(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 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.

Notes to the Standalone Financial statements

as of and for the year ended March 31, 2020

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) Sale of products (Revenue from sale of processed aggregates)

Revenue from sale of products is recognised upon satisfaction of performance obligations, i.e. at a point of time, which occurs when the control is transferred to the customer.

(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. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Notes to the Standalone Financial statements

as of and for the year ended March 31, 2020

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

Till March 31, 2019

As a lessee

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

With effective from April 1, 2019:

As a lessee

From 1 April 2019, 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.

Notes to the Standalone Financial statements

as of and for the year ended March 31, 2020

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.

(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.

Notes to the Standalone Financial statements
as of and for the year ended March 31, 2020

(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 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:

- amortized cost

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. The Company classifies its debt instrument in only one category as below;

- **Amortized Cost:** Assets that are held for collection of 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 finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains / (losses). Impairment losses are presented as separate line item in the statement of profit and loss.

Impairment of Financial Assets

The Company assesses on a forward looking basis the expected credit losses associated with its 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 only, the Company applies the simplified approach required by Ind AS 109, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Notes to the Standalone Financial statements

as of and for the year ended March 31, 2020

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.

Income Recognition

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).

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).

Notes to the Standalone Financial statements

as of and for the year ended March 31, 2020

(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.

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)).

Notes to the Standalone Financial statements

as of and for the year ended March 31, 2020

(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.

Notes to the Standalone Financial statements

as of and for the year ended March 31, 2020

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.

Notes to the Standalone Financial statements

as of and for the year ended March 31, 2020

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.

(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.

Notes to the Standalone Financial statements

as of and for the year ended March 31, 2020

Note 2: Critical estimates and judgements

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 judgement in applying the Company'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 financial statements.

The areas involving critical estimates or judgements 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 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 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 49

(e) Physical verification of project material

The project material comprises of aggregates, sand, GSB, boulder, etc. The Company relies on in-house experts to perform volumetric surveys to estimate the quantity stockpiled for these inventory types. Survey quantity results, which are reported in cubic metres, are converted to tonnages using density factors. The density factors used are based on the Company's internal laboratory testing that occurred during the year and (where available) to prior year density factors for the same project material. Given the nature of the inventory, the density factors do not usually vary significantly year on year. There were no significant changes in these factors in the current year or other factors which would require a change.

(f) Impairment of trade receivables – Refer note 1(k) and 6,10, and 37(i)

Notes to the Standalone Financial statements

as at and for the year ended March 31, 2020

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, 2019								
Gross carrying amount								
Opening gross carrying amount	**125.63**	**113.47**	**4,407.15**	**117.25**	**20.21**	**113.41**	**4,897.12**	**-**
Additions	7.83	50.32	1,113.22	24.96	9.65	21.83	1,227.81	-
Disposals	-	(2.77)	(14.75)	(1.20)	-	-	(18.72)	-
Closing gross carrying amount	**133.46**	**161.02**	**5,505.62**	**141.01**	**29.86**	**135.24**	**6,106.21**	**-**
Accumulated depreciation								
Opening accumulated depreciation	**-**	**7.47**	**710.31**	**35.57**	**8.01**	**21.48**	**782.84**	**-**
Depreciation charge during the year	-	2.31	701.60	28.71	6.48	11.89	750.99	-
Disposals	-	(0.25)	(11.17)	(1.03)	-	-	(12.45)	-
Closing accumulated depreciation	**-**	**9.53**	**1,400.74**	**63.25**	**14.49**	**33.37**	**1,521.38**	**-**
Net carrying amount as on March 31, 2019	**133.46**	**151.49**	**4,104.88**	**77.76**	**15.37**	**101.87**	**4,584.83**	**-**
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**	**-**
Additions	-	-	939.92	49.94	6.55	7.50	1,003.91	111.37
Disposals	-	-	(212.07)	-	-	-	(212.07)	-
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**

Notes:

1) Refer capital commitments Note 45 (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, 2020

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, 2020	As at March 31, 2019
Right- of use- assets		
Land	16.36	-
Building	5.20	-
Plant and machinery	12.16	-
	33.72	**-**

(Amount in Rs. Millions)

Particulars	As at March 31, 2020	As at March 31, 2019
Lease Liabilities		
Current	30.17	-
Non -current	6.88	-
	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, 2020	Year ended March 31, 2019
Depreciation of right-of-use assets		
Land	12.16	-
Building	6.41	-
Plant and machinery	4.86	-
	23.43	**-**

(Amount in Rs. Millions)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Finance cost		
Interest and finance charges on lease liabilities	2.95	-
Other expenses		
Lease rent	33.77	-
	36.72	**-**

The total cash outflow for the leases for the year ended 31 March, 2020 was in Rs. 23.05 Million.

Notes to the Standalone Financial statements

as of and for the year ended March 31, 2020

Note 4 - Intangible assets

(Amount in Rs. Millions)

Particulars	Amount
Year ended March 31, 2019	
Gross Carrying Amount	
Opening Gross Carrying Amount	**6.87**
Additions	32.90
Disposals	-
Closing Gross Carrying Amount	**39.77**
Accumulated amortisation	
Opening Accumulated amortisation	**2.13**
Amortisation Charge for the year	3.55
Disposals	-
Closing Accumulated amortisation	**5.68**
Net Carrying Amount as on March 31, 2019	**34.09**
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 Depreciation	**12.06**
Net Carrying Amount as on March 31, 2020	**32.20**

Note 5 - Investment

(Amount in Rs. Millions)

Particulars	As at March 31, 2020	As at March 31, 2019
Non current investment		
Investment in equity instruments (Fully paid-up)		
Investments in subsidiary (unquoted Investments - cost) *		
52,450,000 (March 31, 2019 : 20,000,000) equity shares of Gurgaon Sohna Highway Private Limited	524.50	200.00
38,225,000 (March 31, 2019 : Nil) equity shares of HG Rewari Ateli Highway Private Limited	382.25	-
150,000 (March 31, 2019 : Nil) equity shares of HG Ateli Narnaul Highway Private Limited	1.50	-
	908.25	**200.00**
*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, 2020 the company has 3 SPV's as above.		
Aggregate amount of unquoted investments	**908.25**	**200.00**

Notes to the Standalone Financial statements

as of and for the year ended March 31, 2020

Note 6 - Trade receivables

(Amount in Rs. Millions)

Particulars	As at March 31, 2020	As at March 31, 2019
Non current trade receivables		
Trade receivables from contract with customers	57.54	49.43
Less: Loss allowance (Refer note 37(i))	(24.73)	(19.73)
	32.81	**29.70**

Note: Non Current trade receivables represent long term retentions related to construction contracts.

Break-up of security details:

(Amount in Rs. Millions)

Particulars	As at March 31, 2020	As at March 31, 2019
Trade receivables considered good – Secured	-	-
Trade receivables considered good – Unsecured	32.81	29.70
Trade receivables which have significant increase in credit risk	24.73	19.73
Trade receivables – credit impaired	-	-
Total	**57.54**	**49.43**
Less: Loss allowance	(24.73)	(19.73)
	32.81	**29.70**

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, 2020	As at March 31, 2019
Other non current financial assets		
Margin money deposits	142.88	90.04
Security deposits	20.43	16.30
Deposits with government authorities	33.83	13.29
	197.14	**119.63**

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, 2020	As at March 31, 2019
Advances to related parties (Refer note 41)	0.99	7.89
Capital advances	27.37	13.95
Advances other than capital advances		
Balances with government authorities	16.38	56.37
	44.74	**78.21**

Notes to the Standalone Financial statements

as of and for the year ended March 31, 2020

Note 9 - Inventories

(Amount in Rs. Millions)

Particulars	As at March 31, 2020	As at March 31, 2019
Project materials [(including material in transit amounts to Rs. 24.99 Million) (March 31, 2019 Rs 38.75 Million)]	852.86	984.45
Stores and Spares	202.44	176.52
	1,055.30	**1,160.97**

Note 10 - Trade receivables

(Amount in Rs. Millions)

Particulars	As at March 31, 2020	As at March 31, 2019
Trade receivables from contract with customers	6,757.91	5,553.40
Trade receivables from contract with customers - related parties (Refer note 41)	1,514.47	715.08
Less: Loss allowance (Refer note 37(i))	(194.51)	(54.51)
	8,077.87	**6,213.97**

Note: Trade receivables include retentions of Rs. 1,836.73 Million (March 31, 2019 Rs. 1,461.50 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, 2020	As at March 31, 2019
Trade receivables considered good – Secured	-	-
Trade receivables considered good – Unsecured	8,077.87	6,213.97
Trade receivables which have significant increase in credit risk	194.51	54.51
Trade receivables – credit impaired	-	-
Total	**8,272.38**	**6,268.48**
Less: Loss allowance	(194.51)	(54.51)
	8,077.87	**6,213.97**

Refer Note 37 (i) for movement of loss allowance and credit risk.

Notes to the Standalone Financial statements

as of and for the year ended March 31, 2020

Note 11 - Cash and cash equivalents

(Amount in Rs. Millions)

Particulars	As at March 31, 2020	As at March 31, 2019
Balances with banks		
- In current accounts	236.04	27.75
Cash on hand	3.78	3.24
	239.82	**30.99**

Note 12 - Bank balances other than cash and cash equivalents

(Amount in Rs. Millions)

Particulars	As at March 31, 2020	As at March 31, 2019
Margin money deposit	904.59	704.96
Fixed deposits of IPO proceeds pending utilisation (Refer note 17(f)(2))	-	266.30
	904.59	**971.26**

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, 2020	As at March 31, 2019
Loan to Subsidiary (Refer note 41 and 46)	68.25	8.70
Loan to employees	6.15	4.21
	74.40	**12.91**

Break-up of security details:

(Amount in Rs. Millions)

Particulars	As at March 31, 2020	As at March 31, 2019
Loan considered good – Secured	-	-
Loan considered good – Unsecured	74.40	12.91
Loan which have significant increase in credit risk	-	-
Loan – credit impaired	-	-
Total	**74.40**	**12.91**
Less: Loss allowance	-	-
	74.40	**12.91**

Notes to the Standalone Financial statements

as of and for the year ended March 31, 2020

Note 14 - Other Financial Assets

(Amount in Rs. Millions)

Particulars	As at March 31, 2020	As at March 31, 2019
Capital advance refund receivable	109.60	130.00
	109.60	**130.00**

Note 15 (a) - Contract assets

(Amount in Rs. Millions)

Particulars	As at March 31, 2020	As at March 31, 2019
Contract assets	3,519.31	1,606.51
Less: Loss allowance (Refer note 37(i))	(11.00)	(11.00)
	3,508.31	**1,595.51**

Note 15 (b) - Contract liabilities

(Amount in Rs. Millions)

Particulars	As at March 31, 2020	As at March 31, 2019
Contract liabilities (Refer note 49)	2,088.56	872.55
	2,088.56	**872.55**

Note: Contract liabilities include interest accrued but not due of Rs. 2.52 Million (March 31, 2019 Rs. 2.52 Million)on mobilisation advances taken by the company.

Significant changes in contract assets and liabilities

Contract assets have increased as the Company has completed work 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, 2020	As at March 31, 2019
Advances to suppliers	39.37	55.01
Advance to sub contractor	1.29	15.44
Other advances		
Prepayments	124.92	104.19
Advance to employees	1.92	2.67
Goods and Services Tax (GST) recoverable	332.66	246.72
	500.16	**424.03**

Notes to the Standalone Financial statements

as of and for the year ended March 31, 2020

Note 17 - Equity share capital

(Amount in Rs. Millions)

Particulars	As at March 31, 2020	As at March 31, 2019
Authorised :		
80,000,000 (March 31, 2019 : 80,000,000) Equity Shares of Rs. 10 each	800.00	800.00
Issued		
65,171,111 (March 31, 2019 : 65,171,111) Equity Shares of Rs. 10 each	651.71	651.71
Subscribed and Paid up		
65,171,111 (March 31, 2019 : 65,171,111) Equity Shares of Rs. 10 each	651.71	651.71
	651.71	**651.71**

(a) Movement in equity share capital

(Amount in Rs. Millions)

Particulars	FY 2019-20		FY 2018-19	
	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	61,73,076	9.47%
(As at March 31, 2019)	(61,73,076)	(9.47%)
Shri Girishpal Singh	1,25,11,932	19.20%
(As at March 31, 2019)	(1,24,18,058)	(19.05%)
Shri Vijendra Singh	1,17,41,568	18.02%
(As at March 31, 2019)	(1,17,23,600)	(17.99%)
Shri Harendra Singh	1,43,97,633	22.09%
(As at March 31, 2019)	(1,43,51,516)	(22.02%)
L&T Mutual Fund Trustee Limited	40,48,116	6.21%
(As at March 31, 2019)	(41,44,355)	(6.36%)
Reliance Capital Trustee Co. Ltd	35,55,334	5.46%
(As at March 31, 2019)	(35,67,589)	(5.47%)

Notes to the Standalone Financial statements

as of and for the year ended March 31, 2020

Note 17 - Equity share capital (Contd..)

(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.

(f) The Company has completed the Initial Public offering (IPO) of fresh issue of 1,11,11,111 equity shares of Rs. 10 each at an issue price of Rs. 270 per share. The equity shares of the Company were listed on Bombay Stock Exchange (BSE) and National Stock Exchange (NSE) w.e.f. March 9, 2018.

Utilisation of funds received though Initial Public Offering (IPO) is as follows:

(Amount in Rs. Millions)

Particulars	FY 2019-20 Amount	FY 2018-19 Amount
Issue proceeds	4,620.00	4,620.00
Less: offer for sale	1,620.00	1,620.00
Net proceeds from IPO (net of amount payable to shareholders under offer for sale)	3,000.00	3,000.00
Less: Transaction cost arising on share issue	194.42	194.42
Net proceeds from IPO	2,805.58	2,805.58
Less: Amount utilised as per the objects of the issue as per prospectus (Note 1 below)	2,805.58	2,539.73
Funds to be utilised (Note 2 below)	-	265.85

Notes:

1) The amount utilised as per the objects of the issue as per prospectus of Rs. 2,663.25 (March 31, 2019 : Rs. 2,397.40 Million) recorded in the books is net of GST credit amounting to Rs. 142.33 (March 31, 2019 : Rs. 114.29 Million) availed on such expenditure. The same is utilised for the payment of GST and is considered in " Amount utilised as per the objects of the issue as per prospectus.

2) The balance unutilised amounts have been parked in fixed deposits amounting to Rs. NIL (March 31, 2019 : Rs. 266.30 Million) and current account balances amounting to Rs. NIL (March 31, 2019 Rs. 0.18 Million), which have been disclosed in Note 11 and 12.

Note 18 - Other Equity

(Amount in Rs. Millions)

Particulars		As at March 31, 2020	As at March 31, 2019
Reserves and surplus			
Securities premium		2,694.47	2,694.47
Retained earnings		4,869.86	3,245.88
		7,564.33	**5,940.35**
a) Securities premium			
Opening balance		2,694.47	2,694.47
Closing balance	**(a)**	**2,694.47**	**2,694.47**

Notes to the Standalone Financial statements

as of and for the year ended March 31, 2020

Note 18 - Other Equity (Contd..)

(Amount in Rs. Millions)

Particulars		As at March 31, 2020	As at March 31, 2019
b) Retained Earnings			
Opening balance		3,245.88	2,062.45
Net profit for the year		1,657.22	1,235.68
Less: Dividend paid		(32.59)	(32.59)
Less: Dividend distribution tax		(6.70)	(6.70)
Items of other comprehensive income recognised directly in retained earnings			
- Remeasurements of post-employment benefit obligations, net of tax		6.05	(12.96)
Closing balance	**(b)**	**4,869.86**	**3,245.88**
Total other equity	**(a+b)**	**7,564.33**	**5,940.35**

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, 2020	As at March 31, 2019
Non current borrowings		
Secured :		
Term loans		
Banks (Refer note 19.1)	339.14	426.82
Financial institutions (Refer note 19.1)	277.03	155.87
Vehicle loan		
Banks (Refer note 19.1)	20.91	10.19
Financial institutions (Refer note 19.1)	3.24	0.25
	640.32	**593.13**

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, 2020

Note 19 - Borrowings (contd..)

Secured - Term Loan from banks

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, 2020	March 31, 2019	March 31, 2020	March 31, 2019			March 31, 2020	March 31, 2019
1	Secured - term loan from banks	463	529	886.27	1,097.78	6.18% to 11.75%	Monthly	Feb. 17 to Feb. 23	Aug 16 to Dec 21
2	Secured - term loan from financial institution	365	365	830.33	850.17	7.05% to 11.00%	Monthly	April 17 to Nov 22	June 16 to March 22
3	Vehicles loans - from bank	84	75	41.77	31.35	6.78% to 9.50%	Monthly	Oct 16 to Feb 23	Aug 15 to Feb 22
4	Vehicles loans - from financial institution	2	1	4.53	0.97	8.63% to 8.75%	Monthly	Aug 17 to Nov 23	Aug 17 to July 20

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, 2020	As at March 31, 2019
Non-current trade payable		
(a) Trade payables: micro and small enterprises	-	-
(b) Trade payables: others	788.66	533.09
(c) Trade payables to related parties	-	-
	788.66	**533.09**

Note: Trade Payables represents amount retained as per the terms of contract.

Note 21 - Employee benefit obligations

(Amount in Rs. Millions)

Particulars	As at March 31, 2020	As at March 31, 2019
Non current employee benefit obligations		
Gratuity (Refer note 42)	10.14	31.31
Leave obligations (Refer note 42)	3.42	10.44
	13.56	**41.75**

Notes to the Standalone Financial statements

as of and for the year ended March 31, 2020

Note 22 - Borrowings

(Amount in Rs. Millions)

Particulars	As at March 31, 2020	As at March 31, 2019
Current borrowings		
Loans repayable on demand		
Secured		
Cash credit facility*	722.90	1,180.18
Unsecured		
Loans from directors (Refer note 41)**	460.35	643.24
Payable under MSMED trade receivable discounting system (TReDS)	728.90	-
	1,912.15	**1,823.42**

***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.

Note 23 - Trade payables

(Amount in Rs. Millions)

Particulars	As at March 31, 2020	As at March 31, 2019
Trade payables		
(a) Trade payables: micro and small enterprises	100.86	56.65
(b) Trade payables: others	5,327.98	3,404.04
(c) Trade payables to related parties (Refer note 41)	8.09	0.10
	5,436.93	**3,460.79**

Note: Trade Payable represent amount retained as per the terms of contract.

Notes to the Standalone Financial statements

as of and for the year ended March 31, 2020

Note 23 - Trade payables (Contd..)

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, 2020	As at March 31, 2019
(a) The principal amount remaining unpaid to supplier as at the end of accounting year	97.21	53.00
(b) The interest due thereon remaining unpaid to supplier as at the end of accounting year.	-	2.76
(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.	-	0.89
(e) The amount of interest accrued during the year and remaining unpaid at the end of the accounting year	-	3.65
(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	-

Note 24 - Other financial liabilities

(Amount in Rs. Millions)

Particulars	As at March 31, 2020	As at March 31, 2019
Other current financial liabilities		
Secured		
Current maturities of long-term debts		
Term loans		
Banks (Refer note 19.1)*	547.13	670.96
Financial institutions (Refer note 19.1)*	553.30	694.30
Vehicle loan		
Banks (Refer note 19.1)*	20.86	21.16
Financial institutions (Refer note 19.1)*	1.29	0.72
Interest accrued but not due	4.52	12.44
Capital creditors	133.56	30.99
Other payables	0.01	5.01
	1,260.67	**1,435.58**

*Refer note 43 for Assets pledged as security

Notes to the Standalone Financial statements

as of and for the year ended March 31, 2020

Note 25 - Employee benefit obligations

(Amount in Rs. Millions)

Particulars	As at March 31, 2020	As at March 31, 2019
Short term employee benefit obligations		
Employee benefits payable	69.25	118.48
Leave obligations (Refer note 42)	2.40	2.56
	71.65	**121.04**

Note 26 - Other current liabilities

(Amount in Rs. Millions)

Particulars	As at March 31, 2020	As at March 31, 2019
Payroll taxes	6.43	7.40
Statutory tax payables	144.29	33.44
Advance received for sale of goods	1.06	-
Advance received for sale of property, plant and equipments	19.41	9.56
Excess contribution from JV partner	0.46	2.38
	171.65	**52.78**

Note 27 - Revenue from operations

(Amount in Rs. Millions)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Revenue from contracts with customers		
Construction contracts (Refer note 49.1)	21,793.70	19,961.95
Sale of products (Revenue from sale of processed aggregates) (Refer note 49.1)	-	8.86
Sale of Services (Operation and Maintenance contracts) (Refer note 49.1)	167.72	127.51
	21,961.42	**20,098.32**

Note 28 - Other income

(Amount in Rs. Millions)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Interest income from financial assets at amortised cost	66.76	91.81
Miscellaneous income	74.28	23.40
Net gain/(loss) on disposal of property, plant and equipment	(4.51)	0.10
	136.53	**115.31**

Notes to the Standalone Financial statements

as of and for the year ended March 31, 2020

Note 29 - Cost of materials consumed

(Amount in Rs. Millions)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Construction Material, Stores and Spares		
Opening Stock at the beginning of the year	1,160.97	1,067.53
Add: Purchases	8,820.74	9,012.75
Less: Closing Stock at the end of the year	(1,055.30)	(1,160.97)
	8,926.41	**8,919.31**

Note 30 - Contract and site expenses

(Amount in Rs. Millions)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Sub contracting expenses	7,010.29	5,466.82
Indirect taxes (Work Contract Tax, Labour Cess and Road Tax Expenses etc.)	201.16	254.04
Insurance expenses	42.39	26.03
Contract labour charges	89.74	151.98
Hire charges for machinery and others	286.24	399.60
Site and other direct expenses	367.84	263.14
Repairs and Maintenance - plant and machinery	89.57	43.80
Technical consultancy	49.92	59.95
	8,137.15	**6,665.36**

Note 31 - Employee benefit expenses

(Amount in Rs. Millions)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Salaries, wages and bonus	887.63	978.70
Contribution to provident and other funds (Refer note 42)	61.69	36.56
Staff welfare expenses	164.48	175.80
	1,113.80	**1,191.06**

Note 32 - Finance costs

(Amount in Rs. Millions)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Interest on :		
Term loan	166.88	193.50
Working capital loan	167.87	137.13
Other borrowing cost	115.76	126.64
Bank charges	34.72	25.22
Interest and finance charges on lease liabilities	2.95	-
Interest on late payment of Income tax	35.39	7.80
	523.57	**490.29**

Notes to the Standalone Financial statements

as of and for the year ended March 31, 2020

Note 33 - Depreciation and amortisation expense

(Amount in Rs. Millions)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Depreciation of property, plant and equipment (Refer note 3(a))	726.45	750.99
Depreciation of right-of-use assets (Refer note 3(b))	23.43	-
Amortisation of intangible assets (Refer note 4)	6.38	3.55
	756.26	**754.54**

Note 34 - Other expenses

(Amount in Rs. Millions)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Repairs and maintenance - others	22.85	16.26
Rates and taxes	14.26	18.13
Sitting fees	1.33	1.00
Lease rent (Refer note 51 and 3 (b))	33.77	23.24
Payment to auditors (Refer note (a) below)	6.64	5.73
Advertisement and business promotion	11.56	16.22
Travelling and conveyance	22.30	21.88
Corporate social responsibility expenditure (Refer note (b) below)	14.17	13.34
Legal and professional fees	27.17	38.63
Electricity expenses	9.87	17.34
Printing and stationery	9.36	10.61
Loss allowances (Refer note 37 (i))	145.00	85.24
Telephone and communication	9.05	11.79
Net foreign exchange differences	2.92	0.14
Miscellaneous expenses	29.98	11.07
	360.23	**290.62**

(a) Payment to auditors

(Amount in Rs. Millions)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Audit Fees	4.51	4.53
Certification fees	1.29	0.98
Reimbursements of expenses	0.84	0.22
Total payments to auditors	**6.64**	**5.73**

(b) Corporate social responsibility expenditure

(Amount in Rs. Millions)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Amount required to be spent as per Section 135 of the Act	26.16	16.24
Amount spent during the year on		
(i) Construction/acquisition of an asset	-	-
(ii) On purposes other than (i) above	14.17	13.34

Notes to the Standalone Financial statements

as of and for the year ended March 31, 2020

Note 35 - Taxation

35 (a) - Income tax expense

(Amount in Rs. Millions)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Current tax		
Current tax on profits for the year	625.19	683.67
Adjustment for current tax of prior periods	(0.80)	5.59
Total current tax expense	**624.39**	**689.26**
Deferred tax		
(Increase) in deferred tax assets	(6.78)	(21.86)
Increase / (decrease) in deferred tax liabilities	5.70	(0.63)
Total deferred tax expense / (benefit)	**(1.08)**	**(22.49)**
Income tax expense	**623.31**	**666.77**

Other comprehensive income

(Amount in Rs. Millions)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Deferred tax on other comprehensive income	(2.03)	6.96
	(2.03)	**6.96**

35 (b) - Deferred tax assets (net)

The balance comprises temporary differences attributable to:

(Amount in Rs. Millions)

Particulars	As at March 31, 2020	As at March 31, 2019
Disallowance under Section 43B of Income Tax Act, 1961	4.02	15.48
Loss Allowance for trade receivable	57.95	29.79
Disallowances section 40(a)(ia) of Income Tax Act, 1961	3.65	-
Expenditure on initial public offer (IPO)	19.58	40.76
Indexation on land	3.43	3.11
Deferred tax assets arising on lease liabilities	9.33	-
Total deferred tax assets	**97.96**	**89.14**
Timing difference between balance as per Income Tax Act, 1961 and book balance for fixed assets	(11.05)	(5.35)
Total deferred tax liabilities	**(11.05)**	**(5.35)**
Net deferred tax assets	**86.91**	**83.79**

Notes to the Standalone Financial statements

as of and for the year ended March 31, 2020

Note 35 - Taxation (Contd..)

Movement in deferred tax assets

(Amount in Rs. Millions)

Particulars	As at April 1, 2018	(Charged)/ credited to profit and loss	(Charged)/ credited to OCI	Year ended March 31, 2019
Disallowance under section 43B of Income Tax Act, 1961	4.39	18.05	(6.96)	15.48
Loss allowance for trade receivable	-	29.79	-	29.79
Disallowance under section 40(a)(ia) of Income Tax Act, 1961	5.81	(5.81)	-	-
Expenses on issue of Initial Public Offer (IPO)	54.35	(13.59)	-	40.76
Indexation on land	2.73	0.38	-	3.11
Total deferred tax assets	**67.28**	**28.82**	**(6.96)**	**89.14**

(Amount in Rs. Millions)

Particulars	As at April 1, 2019	(Charged)/ credited to profit and loss	(Charged)/ credited to OCI	Year ended March 31, 2019
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**

Movement in deferred tax liabilities

(Amount in Rs. Millions)

Particulars	As at April 1, 2018	(Charged)/ credited to profit and loss	(Charged)/ credited to OCI	Year ended March 31, 2019
Timing difference between balance as per Income Tax Act, 1961 and book balance for fixed assets	5.98	(0.63)	-	5.35
Total deferred tax liabilities	**5.98**	**(0.63)**	**-**	**5.35**

Notes to the Standalone Financial statements

as of and for the year ended March 31, 2020

Note 35 - Taxation (Contd..)

(Amount in Rs. Millions)

Particulars	As at April 1, 2019	(Charged)/ credited to profit and loss	(Charged)/ credited to OCI	Year ended March 31, 2019
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**

35 (c) - Reconciliation of tax expense and accounting profit multiplied by statutory tax rates

(Amount in Rs. Millions)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Profit before income tax expense	**2,280.53**	**1,902.45**
Statutory tax rate applicable to the Company	25.17%	34.94%
Tax expense at applicable tax rate	**573.96**	**664.79**
Tax effects of amounts which are not deductible (taxable) in calculating taxable income:		
Corporate social responsibility expenditure	3.57	4.66
Donation	4.22	0.30
Interest on late payment of income tax	9.09	1.99
Profit of jointly controlled operations	0.28	1.36
Indexation on land	(0.33)	(0.39)
Deduction for Section 80JJAA as per Income tax Act, 1961	-	(13.14)
Interest payable to micro and small enterprises	-	1.27
Adjustment for current tax of prior period	(0.80)	5.59
Effect of change in tax rates	32.10	(0.23)
Others	1.22	0.57
Income tax expense	**623.31**	**666.77**

35 (d) - Current tax liabilities

(Amount in Rs. Millions)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Opening Balance	154.72	47.75
Add: Additional income tax provision	626.94	682.31
Add: Income tax adjustment for earlier years	(0.80)	-
Less: Income tax paid	(733.19)	(575.34)
Closing balance	**47.67**	**154.72**

Notes to the Standalone Financial statements

as of and for the year ended March 31, 2020

Note 35 - Taxation (Contd..)

35 (e) - Income tax asset

(Amount in Rs. Millions)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Opening Balance	11.01	15.75
Add: Advance tax paid/ (refund received)	(1.42)	2.21
Less: Income tax adjustment for earlier years	-	(5.59)
Less: Income tax provision created during the year	(0.28)	(1.36)
Closing balance	**9.31**	**11.01**

Note 36 - Fair Value Measurements

(i) Financial instruments by category

(Amount in Rs. Millions)

Particulars	As at March 31, 2020	As at March 31, 2019
Financial assets - Amortised cost		
Trade receivables	8,110.68	6,243.67
Cash and cash equivalents	239.82	30.99
Bank balances other than cash and cash equivalents	904.59	971.26
Loans	74.40	12.91
Capital advance refund receivable	109.60	130.00
Margin money deposits	142.88	90.04
Security deposits	20.43	16.30
Deposits with government authorities	33.83	13.29
Total financial assets	**9,636.23**	**7,508.46**
Financial liabilities - Amortised cost		
Borrowings	3,675.05	3,803.69
Trade payables	6,225.59	3,993.88
Interest accrued	4.52	12.44
Capital creditors	133.56	30.99
Other payables	0.01	5.01
Lease liability	37.05	-
Total financial liabilities	**10,075.78**	**7,846.01**

(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, 2020

Note 36 - Fair Value Measurements (Contd..)

(iii) Fair value of financial instruments measured at amortised cost - Level 3

(Amount in Rs. Millions)

Particulars	As at March 31, 2020		As at March 31, 2019	
	Carrying value	Fair value	Carrying value	Fair value
Financial assets				
Margin Money deposits	142.88	141.93	90.04	89.46
Total financial assets	**142.88**	**141.93**	**90.04**	**89.46**
Financial liabilities				
Borrowings	640.32	645.73	593.13	585.95
Lease Liability	37.05	34.08	-	-
Total financial liabilities	**677.37**	**679.81**	**593.13**	**585.95**

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 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.

Notes to the Standalone Financial statements

as of and for the year ended March 31, 2020

Note 37 - Financial Risk Management (Contd..)

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, 2020	Year ended March 31, 2019
Revenue from government promoted agencies	71%	76%
Revenue from private corporates	29%	24%
	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, 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

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, 2020	As at March 31, 2019
Opening balance	**85.24**	**-**
Changes in loss allowances		
Additions	145.00	85.24
Bad debts written off	-	-
Closing Balance	**230.24**	**85.24**

Maturity analysis of trade receivable including contract assets

(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 form certain trade receivables

The Company has long outstanding dues including contract assets amounting to Rs. 717.77 Million (as at March 31, 2019 Rs. 773.90 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, 2019 Rs. 85.24 Million) towards the said balances.

Notes to the Standalone Financial statements

as of and for the year ended March 31, 2020

Note 37 - Financial Risk Management (Contd..)

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 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 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.

(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 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.

Maturities of financial liabilities

The table summarises the maturity profile of company's financial liabilities based on contractual undiscounted payments:

(Amount in Rs. Millions)

Ageing	Less than 1 year	1-3 Years	Total
As at March 31, 2020			
Borrowings	2,578.90	640.32	3,219.22
Interest payable	117.35	65.78	183.13
Loan from Directors	460.35	-	460.35
Trade payables	5,436.94	788.66	6,225.60
Capital creditors	133.56	-	133.56
Other payables	0.01	-	0.01
Lease liabilities	30.17	6.88	37.05
	8,757.28	**1,501.64**	**10,258.92**
As at March 31, 2019			
Borrowings	2,579.76	593.13	3,172.89
Interest payable	147.96	119.41	267.37
Loan from Directors	643.24	-	643.24
Trade payables	3,460.79	533.09	3,993.88
Capital creditors	30.99	-	30.99
Other payables	5.01	-	5.01
Lease liabilities	-	-	-
	6,867.75	**1,245.63**	**8,113.38**

(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.

Notes to the Standalone Financial statements

as of and for the year ended March 31, 2020

Note 37 - Financial Risk Management (Contd..)

(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, 2020 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, 2020	As at March 31, 2019
Variable rate borrowings	722.90	1,180.18
Fixed rate borrowings	2,491.80	1,980.27
Total borrowings	**3,214.70**	**3,160.45**

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, 2020	Year ended March 31, 2019
Increase in interest rate by 20 basis points (20 bps)	(2.38)	(2.69)
Decrease in interest rate by 20 basis points (20 bps)	2.38	2.69

Notes to the Standalone Financial statements

as of and for the year ended March 31, 2020

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, 2020	As at March 31, 2019
Net debt	3,476.80	3,785.14
Total equity	8,216.04	6,592.06
Net debt to equity ratio	**42%**	**57%**

The net debt to equity ratio for the current year decreased from 57% to 42% following the repayment of term loan and internal accrual of Profit.

(b) Dividends

(Amount in Rs. Millions)

Particulars	As at March 31, 2020	As at March 31, 2019
(i) Equity shares		
Final dividend for the year ended March 31, 2019 of Rs. 00.50 (March 31, 2018 - Rs. 00.50) per fully paid share	(32.59)	(32.59)
DDT on final dividend	(6.70)	(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. NIL per fully paid equity share (March 31, 2019 Rs. 0.50).	-	(32.59)
DDT on proposed dividend	-	(6.70)

Notes to the Standalone Financial statements

as of and for the year ended March 31, 2020

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, 2020.

Non-current assets excluding financial assets, deferred tax assets amounts to Rs. 4,989.75 Millions (March 31, 2019 Rs. 4,837.50 Millions) are located entirely in India.

Information relating to major customers

Revenue of approximately Rs. 11,700.32 Millions (for the year ended March 31, 2019 - Rs. 13,088.33 Millions) was derived from external customers, which individually accounted for more than 10% of the total revenue.

Note 40 - Net Debt Reconciliation

(Amount in Rs. Millions)

Particulars	As at March 31, 2020	As at March 31, 2019
Cash and cash equivalents	239.82	30.99
Current borrowings	(1,912.15)	(1,823.42)
Current maturities of long term borrowings	(1,122.58)	(1,387.14)
Interest accrued but not due	(4.52)	(12.44)
Non current borrowings	(640.32)	(593.13)
Lease liabilities	(37.05)	-
Net Debt	**(3,476.80)**	**(3,785.14)**

(Amount in Rs. Millions)

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, 2018	**64.18**	**-**	**(1,246.98)**	**(2,811.14)**	**(10.50)**	**(4,004.44)**
Cash flows	(33.19)	-	653.85	(399.42)	-	221.24
Interest expense	-	-	-	-	(330.52)	(330.52)
Interest paid	-	-	-	-	328.58	328.58
Net debt as at March 31, 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 31 March 2020	**239.82**	**(37.05)**	**(640.32)**	**(3,034.73)**	**(4.52)**	**(3,476.80)**

* 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, 2020

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 (w.e.f. April 6, 2018)

HG Ateli Narnaul Highway Private Limited (w.e.f. April 4, 2019)

HG Rewari Ateli Highway Private Limited (w.e.f. April 8, 2019)

B) Associate

TPL – HGIEPL JV

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 May 23, 2018 - January 24, 2019) and Non-Executive Director (w.e.f January 25, 2019)

Mr. Rajeev Mishra - Chief Financial Officer

Mrs. Ankita Mehra - Company Secretary

Mr. Girishpal Singh - Non-Executive Director (uptill May 23, 2018)

D) Relatives of Key Management Personnel

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

E) Enterprises over which key management personnel and their relatives are able to exercise significant influence

HG Traders

High Grade Infra Projects Private Limited

H.G. Infra Toll Ways Private Limited *

Mahadev Stone Crusher *

Notes to the Standalone Financial statements

as of and for the year ended March 31, 2020

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, 2020	Year ended March 31, 2019
Short-term employee benefits	36.36	38.79
Director's sitting fees	1.33	1.00
Total compensation	**37.69**	**39.79**

*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	Year ended March 31, 2020	Year ended March 31, 2019
Sale of material		
Mahadev Stone Crusher	10.43	9.04
Contract Revenue		
HGIEPL - TPL JV	1,464.02	3,025.04
Gurgaon Sohna Highway Private Limited	3,128.62	227.85
HG Ateli Narnaul Highway Private Limited	954.34	-
HG Rewari Ateli Highway Private Limited	778.78	-
Sales of Fixed assets		
Gurgaon Sohna Highway Private Limited	-	3.33
Mahadev Stone Crusher	13.50	-
Contract Expenses		
H.G. Infra Tollways Private Limited	148.48	105.39
High grade Infra projects Private Limited	-	48.59
Mahadev Stone Crusher	20.19	0.48
HG Traders	1.23	-
Rent Paid for Office		
Mr. Hodal Singh	0.14	0.13
Mr. Girishpal Singh	0.40	0.40
Sitting Fees		
Mr. Girishpal Singh	-	0.08
Mr. Onkar Singh	0.51	0.37
Ms. Pooja Hemant Goyal	0.37	0.22
Mr. Ashok Kumar Thakur	0.45	0.33

Notes to the Standalone Financial statements

as of and for the year ended March 31, 2020

Note 41 - Related Party transactions (Contd..)

(Amount in Rs. Millions)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Remuneration paid		
Key management personnel:		
Mr. Vijendra Singh*	12.00	12.00
Mr. Harendra Singh*	21.60	21.60
Mr. Dinesh Kumar Goyal	-	2.70
Mr. Rajeev Mishra	2.24	2.05
Mrs. Ankita Mehra	0.52	0.44
*Gratuity is not included, as it is provided on overall basis based on actuarial valuation.		
Remuneration to relatives of KMP		
Mr. Vaibhav Choudhary	8.40	8.40
Mr. Rohit Choudhary	0.84	0.84
Legal and professional fees		
Ms. Ridhima Choudhary	0.78	0.60
Mr. Dinesh Kumar Goyal	1.20	0.22
Insurance premium paid towards keyman term policy taken by Company		
Mr. Vijendra Singh	5.41	5.41
Mr. Harendra Singh	5.34	5.34
Mr. Vaibhav Choudhary	5.05	5.05
Loans given		
Gurgaon Sohna Highway Private Limited	75.48	33.68
HG Ateli Narnaul Highway Private Limited	40.52	-
HG Rewari Ateli Highway Private Limited	28.26	-
Advance from customers received (Contract liability)		
Gurgaon Sohna Highway Private Limited	515.00	-
HG Rewari Ateli Highway Private Limited	488.00	-
Loans repayment		
Gurgaon Sohna Highway Private Limited	84.18	28.31
HG Ateli Narnaul Highway Private Limited	0.21	-
HG Rewari Ateli Highway Private Limited	0.32	-
Advance from customers repayment (Contract liability)		
Gurgaon Sohna Highway Private Limited	442.62	-
Loans taken from Key management personnel / directors:		
Mr. Vijendra Singh	70.46	160.00
Mr. Harendra Singh	208.10	523.03
Repayment of Loan to Key management personnel / directors:		
Mr. Girishpal Singh	-	190.88
Mr. Vijendra Singh	243.51	162.13
Mr. Harendra Singh	217.94	518.64
Repayment of Other current liabilities		
Mr. Girishpal Singh	-	4.33
Mr. Harendra Singh	-	4.33
Mr. Hodal Singh	-	12.99
Mr. Virendra Singh	-	4.33

Notes to the Standalone Financial statements
as of and for the year ended March 31, 2020

Note 41 - Related Party transactions (Contd..)

C) Outstanding balances

(Amount in Rs. Millions)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Current borrowings		
Key management personnel / directors:		
Mr. Vijendra Singh	118.32	291.37
Mr. Harendra Singh	342.03	351.87
Other Current Liabilities		
Employee benefits payable		
Mr. Vaibhav Choudhary	0.75	0.45
Mr. Vijendra Singh	-	0.60
Mr. Harendra Singh	-	0.90
Mr. Rohit Choudhary	0.02	0.02
Mr. Rajeev Mishra	0.16	0.03
Mrs. Ankita Mehra	0.04	0.03
Trade Receivables		
HGIEPL - TPL JV	285.65	646.76
Gurgaon Sohna Highway Private Limited	104.46	68.32
HG Ateli Narnaul Highway Private Limited	1,049.77	-
HG Rewari Ateli Highway Private Limited	74.59	-
Advance to Contractor		
H.G. Infra Tollways Private Limited	-	7.89
Mahadev Stone Crusher	0.99	-
Loans		
Gurgaon Sohna Highway Private Limited	-	8.70
HG Ateli Narnaul Highway Private Limited	40.31	-
HG Rewari Ateli Highway Private Limited	27.94	-
Trade Payable		
High grade Infra projects Private Limited	-	0.01
Mr. Dinesh Kumar Goyal	0.10	0.09
Ms. Ridhima Choudhary	0.16	-
HG Traders	1.44	-
H.G. Infra Tollways Private Limited	6.39	-
Advance from customers		
HGIEPL - TPL JV	22.83	-
Gurgaon Sohna Highway Private Limited	72.38	-
HG Rewari Ateli Highway Private Limited	488.00	-
Contract liabilities		
HGIEPL - TPL JV	-	254.73
Sitting fees payable		
Mr. Onkar Singh	0.03	-
Ms. Pooja Hemant Goyal	0.03	-
Mr. Ashok Kumar Thakur	0.03	-

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, 2020

Note 42 - Employee benefit obligations

(Amount in Rs. Millions)

Particulars	As at March 31, 2020	As at March 31, 2019
Compensated Absences	5.82	13.00
Gratuity	10.14	31.31
Total	**15.96**	**44.31**

(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, 2020	As at March 31, 2019
Current leave obligations not expected to be settled within the next 12 months	3.42	10.44

(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, 2020	Year ended March 31, 2019
Contribution to Provident Fund	15.85	10.56
Contribution to E.S.I.C	6.88	7.71
Contribution to Pension Fund	21.05	14.41
Contribution to Gratuity	17.91	3.88
	61.69	**36.56**

Notes to the Standalone Financial statements

as of and for the year ended March 31, 2020

Note 42 - Employee benefit obligations (contd..)

(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.

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, 2018 (A)	19.76	9.03	10.73
Current service cost	3.49	-	3.49
Past service cost	-	-	-
Interest expense	0.96	0.57	0.39
Total Amount Recognised in profit and loss (B)	**4.45**	**0.57**	**3.88**
Remeasurements			
Assets, excluding amount included in interest expense/(income)	-	(0.84)	0.84
(Gain)/loss from change in demographic assumptions	(11.21)	-	(11.21)
(Gain)/loss from change in financial assumptions	23.02	-	23.02
Experience (gains)/losses	4.05	-	4.05
Total amount recognised in other comprehensive income (C)	**15.86**	**(0.84)**	**16.70**
Employer contributions **(D)**	-	-	-
Benefit payments **(E)**	(0.38)	(0.38)	-
Balance as on March 31, 2019 (A+B+C+D+E)	**39.69**	**8.38**	**31.31**

(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**

Notes to the Standalone Financial statements
as of and for the year ended March 31, 2020

Note 42 - Employee benefit obligations (contd..)

(Amount in Rs. Millions)

Particulars	Present Value of Obligation	Fair Value of plan Assets	Net Amount
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**

The significant actuarial assumptions were as follows:

(Amount in Rs. Millions)

Particulars	As at March 31, 2020	As at March 31, 2019
Discount rate (per annum)	5.45%	7.65%
Salary growth rate	12.68%	8.43%
Expected average remaining working lives of employees	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2006-08)

Sensitivity Analysis

The sensitivity of the defined benefit obligation to increase and decrease in the weighted principal assumptions by 0.50% is as below:

(Amount in Rs. Millions)

Particulars	Year ended March 31, 2020		Year ended March 31, 2019	
	Discount	Salary escalation	Discount	Salary escalation
Impact of increase in 50 BPS on DBO	(1.50%)	1.44	(4.30%)	4.31
Impact of Decrease in 50 BPS on DBO	1.54%	(1.41)	4.63%	(4.08)

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.

Notes to the Standalone Financial statements

as of and for the year ended March 31, 2020

Note 42 - Employee benefit obligations (contd..)

(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.

Expected contributions to post-employment benefit plans for the year ending March 31, 2020 are Rs. 10 Million (Year ending March 31, 2019 Rs. 10 Million)

The weighted average duration of the defined benefit obligation is 3.06 years (March 31, 2019: 8.91 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, 2020	As at March 31, 2019
1st Following Year	14.16	2.81
2nd Following Year	10.34	3.33
3rd Following Year	10.18	2.89
4th Following Year	7.59	5.48
5th following year	5.29	4.50
Sum of 6th to 10th Following Year	10.59	75.95

Notes to the Standalone Financial statements

as of and for the year ended March 31, 2020

Note 43 - 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, 2020	As at March 31, 2019
Current		
Financial Assets		
Floating Charge		
Trade Receivables	8,110.68	6,243.67
Non-financial assets		
Inventories	1,055.30	1,160.97
Total Current Assets pledged as Security	**9,165.98**	**7,404.64**
Non-Current		
Plant and machinery	3,542.42	5,330.80
Building	88.04	88.04
Vehicles	106.10	128.71
Total Non-Current assets pledged as Security	**3,736.56**	**5,547.55**
Total Assets pledged as Security	**12,902.54**	**12,952.19**

Note: Amount of assets pledged are gross carrying values.

Note 44 - Contingent Liabilities

(Amount in Rs. Millions)

Particulars	As at March 31, 2020	As at March 31, 2019
(a) The company has a contingent claims liability against which, the company has taken a Insurance policy against third party liability.	40.55	32.49

(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 - 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, 2020	As at March 31, 2019
Property, plant and equipment [(net of capital advance amounts to Rs. 27.37 Million) (March 31, 2019 Rs. 13.95 Million)]	49.63	56.49

Notes to the Standalone Financial statements

as of and for the year ended March 31, 2020

Note 46

The holding company has been legally advised that outstanding loan aggregating to Rs. 68.25 Million (as at March 31, 2019 , Rs. 8.70 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.

Note 47 - Earnings per share

(Amount in Rs. Millions)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Profit for the year (Amount in Rs. Millions)	1,657.22	1,235.68
Weighted average number of equity shares outstanding (number)	6,51,71,111	6,51,71,111
Earning per Share (basic and diluted)	25.43	18.96
Nominal value per equity share	10	10

Note 48 - Interests in other entities

Details of the Company's interests in other entities are as under:

(Amount in Rs. Millions)

Particulars	Place of business / Country of incorporation	Ownership Interests		Principal activities
		As at March 31, 2020	As at March 31, 2019	
Joint controlled operations				
HGIEPL – Colossal JV	India	70%	70%	Road construction
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. 88.10 Million (for the year ended March 31, 2019 Rs. 751.35 Million), total expenditure (including tax) Rs. 87.67 Million (for the year ended March 31, 2019 Rs. 746.66 Million), total assets as at March 31, 2020 Rs. 69.10 Million (as at March 31, 2019 Rs. 50.13 Million) and total liabilities as at March 31, 2020 Rs. 60.50 Million (as at March 31, 2019 Rs. 34.89 Million)

Notes to the Standalone Financial statements

as of and for the year ended March 31, 2020

Note 49 - Revenue from contracts with customers

Refer note 1(f) for accounting policy on revenue recognition.

Note 49.1 - 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, 2020	Construction Contracts	Sale of Services (Maintenance Contract)	Sale of Goods (Sale of Aggregates)	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**

(Amount in Rs. Millions)

As on March 31, 2019	Construction Contracts	Sale of Services (Maintenance Contract)	Sale of Goods (Sale of Aggregates)	Total
Revenue from external customers	19,961.95	127.51	8.86	20,098.32
Timing of revenue recognition				
- At a point in time	-	127.51	8.86	136.37
- Over time	19,961.95	-	-	19,961.95
	19,961.95	**127.51**	**8.86**	**20,098.32**

The Company recognised revenue amounting to Rs. 664.48 Million (as at March 31, 2019 Rs. 1,555.57 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. 67,279.98 Million (as at March 31, 2019 Rs. 55,893.19 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, 2020 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 Standalone Financial statements

as of and for the year ended March 31, 2020

Note 50 - Assessment of the financial impact of the outbreak of Coronavirus (Covid-19)

The construction work of the Company was impacted due to the shutdown of project sites and offices following the lockdown imposed in India from March 25, 2020 on all the locations due to COVID-19. The Company has subsequently commenced its operations starting from April 24, 2020, in line with the directives from the National Highway Authority of India (NHAI) and Ministry of Road Transport and Highways (MORTH). 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. 71,000 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 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 cashflow of the Company. Further, the timely steps announced by the Government of India, allowing extension of contract delivery period up to six months, additional Liquidity through relief given by NHAI, MORTH and additional investment in infrastructure projects, will enable the Company to further consolidate its position.

Management believes that it has considered all the known impacts arising from COVID 19 pandemic in the preparation of the standalone financial statements. However, the impact assessment of COVID 19 is a continuing process given the uncertainties associated with its nature and duration. Management will continue to monitor any material changes to future economic conditions and the impact thereof on the Company, if any. The eventual outcome of the impact of the COVID 19 pandemic on the Company's business may be different from that estimated as on the date of approval of these standalone financial statements.

Note 51 - Change in accounting policy

This note explains the impact of the adoption of Ind AS 116, Leases on the Company's financial statements.

Impact on the financial statements – lessee accounting

As indicated in note 1(h) above, the Company has adopted Ind AS 116 modified retrospectively from 1 April 2019, but has not restated comparatives for year ended 31 March 2019, as permitted under the specific transition provisions in the standard. The reclassifications and the adjustments arising from the new leasing rules are therefore recognised in the opening balance sheet on 1 April 2019. The new accounting policies are disclosed in note 1(h).

On adoption of Ind AS 116, the Company recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of Ind AS 17, Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 April 2019. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 April 2019 was 9.75%.

i) Practical expedients applied

In applying Ind AS 116 for the first time, the Company has used the following practical expedients permitted by the standard:

- applying a single discount rate to a portfolio of leases with reasonably similar characteristics
- relying on previous assessments on whether leases are onerous as an alternative to performing an impairment review
- there were no onerous contracts as at 1 April 2019

Notes to the Standalone Financial statements

as of and for the year ended March 31, 2020

Note 51 - Change in accounting policy (Contd..)

- excluding initial direct costs for the measurement of the right-of-use asset at the date of initial application, and
- using hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

The company has also elected not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date the Company relied on its assessment made applying Ind AS 17 and Appendix C to Ind AS 17, Determining whether an Arrangement contains a Lease.

ii) Measurement of lease liabilities

(Amount in Rs. Millions)

Operating lease commitments as at 31 March 2019	86.91
Discounted using the lessee's incremental borrowing rate at the date of initial application	82.31
(Less): Short-term leases not recognised as a liability	(25.31)
Lease liability recognised as at 1 April 2019 of which are:	57.00
Current lease liabilities	22.49
Non-current lease liabilities	34.51

iii) Measurement of right-of-use assets

The associated right-of-use assets for property leases were measured on a retrospective basis as if the new rules had always been applied.

iv) Adjustments recognised in the balance sheet on 1 April 2019

The change in accounting policy affected the following items in the balance sheet on 1 April 2019:

Right-of-use assets – increase by Rs. 57.00 Million

Lease liabilities – increase by Rs. 57.00 Million

The net impact on retained earnings on 1 April 2019 was NIL.

52. 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

Place: Mumbai
Date: June 24, 2020

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

Ankita Mehra
Company Secretary
Membership No: A33288

Place: Jaipur
Date: June 24, 2020

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 4 jointly controlled operations, (hereinafter referred to as the 'Holding Company"), and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group") and its associate (refer Note 48 to the attached consolidated financial statements), which comprise the consolidated Balance Sheet as at March 31, 2020, 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 and its associate as at March 31, 2020, 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, its associates and jointly controlled entities 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 15 and 16 of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

4. We draw attention to note 50 to the consolidated financial statements, which describes the management's assessment of the financial impact of the outbreak of Coronavirus (Covid-19) pandemic situation, for which a definitive assessment of the impact in the subsequent period is dependent upon the circumstances as they evolve.

   Our opinion is not modified in respect of this matter.

Key audit matters

5. 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), 27 and 49 of the consolidated financial statements)** Contract revenue amounting to Rs. 21,793.70 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, except where this would not be representative of the stage of completion. 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. 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 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 implications and related disclosures in the financial statements. Based on the procedures performed above, we considered manner of estimation of contract cost and recognition of revenue to be reasonable.
Valuation of accounts receivable and 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 and contract assets is a significant item in the Holding company's standalone financial statements amounting to Rs. 11,849.23 Million as of March 31, 2020 and provisions 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 Rs. 230.24 million (whereof new provisions amounted to Rs. 145.00 Million for financial year 2019-20).	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. • For material balances, the basis of provision was discussed with the audit committee.

Key audit matter	How our audit addressed the key audit matter
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.	• 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

6. 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 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

7. 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 including its associates 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 and of its associates 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.

8. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associate are responsible for assessing the ability of the Group and of its associate 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.

9. The respective Board of Directors of the companies included in the Group and of its associates are responsible for overseeing the financial reporting process of the Group and of its associate.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

10. 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.

11. 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 and its associate 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 and its associate 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 and its associate 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.

12. 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.

13. 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.

14. 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 Matter

15. We did not audit the financial results of 4 jointly controlled operations included in the standalone financial results of the Holding Company whose financial results reflect total assets of Rs. 69.10 million and net assets of Rs. 8.60 million as at March 31, 2020 and total revenue of Rs. 88.19 Million and Rs. 3.64 Million, net profit/ (loss) after tax of Rs. 0.43 Million, total comprehensive income of Rs. 0.43 Million and cash flows (net) amounting to Rs. 0.12 Million for the year then ended on March 31, 2020, as considered in the respective standalone audited financial statements of the entities included in the 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.

16. We did not audit the three subsidiaries included in the consolidated financial statements; whose financial statements reflect total assets of Rs. 4,247.35 million and net assets of Rs. 955.63 million as at March 31, 2020, total revenue of Rs. 5,070.99 million, total net profit after tax of Rs. 37.41 million, total comprehensive income of Rs. 57.32 million and cash flows (net) of Rs. 5.75 million for the year ended March 31, 2020, 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

17. 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 by the Holding Company and its subsidiaries included in the group and an associate incorporated in India including relevant records 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, 2020 taken on record by the Board of Directors of the H.G. Infra Engineering Limited and the reports of the statutory auditors of its subsidiary Companies incorporated in India, none of the directors of the Holding company, and its subsidiary are disqualified as on March 31, 2020 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 Holding Company and its subsidiary company incorporated in India 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 as at March 31, 2020 on the consolidated financial position of the Group and its associates. Refer Note 44 to the consolidated financial statements.

ii. The Company assesses periodically the foreseeable losses on all its long term contracts. As at end year under report there was no such foreseeable losses. The Holding Company, its subsidiaries and its associate did not have any derivative contracts as at March 31, 2020.

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, 2020.

(h) 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 LLP
Firm Registration Number: 304026E/E-300009

Nitin Khatri
Partner
Membership Number: 110282
UDIN: 20110282AAAACM7910

Place: Mumbai
Date: June 24, 2020

Annexure A to Independent Auditors' Report

Referred to in paragraph 17(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, 2020

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, 2020, 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 4 jointly controlled operations and 1 associate.

Management's Responsibility for Internal Financial Controls

2. The respective Board of Directors of the Holding company and its subsidiary company, 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.

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") 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, issufficient 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 company, 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, 2020, 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. Also refer paragraph 4 of the main audit report.

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 three 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 LLP
Firm Registration Number: 304026E/E-300009

Nitin Khatri
Partner

Place: Mumbai
Date: June 24, 2020

Membership Number: 110282
UDIN: 20110282AAAACM7910

Consolidated balance sheet as at March 31,2020

(Amount in Rs. Millions)

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
ASSETS			
Non-current assets			
Property, plant and equipment	3 (a)	4,761.00	4,587.56
Right-of-use assets	3 (b)	33.72	-
Capital work-in-progress	3 (a)	111.37	-
Intangible assets	4	32.20	34.09
Financial assets			
i. Investment	5	-	28.54
ii. Trade receivables	6	32.81	29.70
iii. Other financial assets	7	1,117.42	119.63
Deferred tax assets (Net)	35(b)	86.91	83.74
Non-current tax assets	35(e)	57.18	11.01
Other non-current assets	8	44.74	78.21
Total non-current assets		**6,277.35**	**4,972.48**
Current assets			
Inventories	9	1,055.30	1,160.97
Financial assets			
i. Trade receivables	10	6,849.05	6,145.65
ii. Cash and cash equivalents	11	245.75	31.17
iii. Bank balances other than (ii) above	12	904.59	971.26
iv. Loans	13	6.21	4.21
v. Other financial assets	14	2,351.53	387.98
Contract assets	15 (a)	3,508.31	1,595.51
Other current assets	16	967.71	456.98
Total current assets		**15,888.45**	**10,753.73**
Total assets		**22,165.80**	**15,726.21**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	17	651.71	651.71
Other equity			
Reserves and surplus	18	7,610.95	5,978.10
Total equity		**8,262.66**	**6,629.81**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
i. Borrowings	19	2,129.55	593.23
ii. Lease liabilities	3 (b)	6.88	-
iii. Trade Payables	20	788.66	533.09
Deferred tax liabilities	35(b)	10.08	-
Employee benefit obligations	21	13.56	41.75
Total non-current liabilities		**2,948.73**	**1,168.07**
Current liabilities			
Financial liabilities			
i. Borrowings	22	1,912.15	1,823.42
ii. Trade payables			
(a) total outstanding dues of micro and small enterprises	23	100.86	56.65
(b) total outstanding dues other than (ii) (a) above	23	5,336.07	3,404.91
iii. Lease liabilities	3 (b)	30.17	-
iv. Other financial liabilities	24	1,290.17	1,435.58
Contract liabilities	15 (b)	1,959.66	872.55
Employee benefit obligations	25	72.34	121.45
Current tax liabilities	35(d)	47.67	158.15
Other current liabilities	26	205.32	55.62
Total current liabilities		**10,954.41**	**7,928.33**
Total liabilities		**13,903.14**	**9,096.40**
Total equity and liabilities		**22,165.80**	**15,726.21**

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

Place: Mumbai
Date: June 24, 2020

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

Ankita Mehra
Company Secretary
Membership No: A33288

Place: Jaipur
Date: June 24, 2020

Consolidated statement of profit and loss for the year ended March 31, 2020

(Amount in Rs. Millions)

Particulars	Note No.	Year ended March 31, 2020	Year ended March 31, 2019
Revenue from operations	27	22,170.68	20,144.95
Other income	28	136.53	114.53
Total income		**22,307.21**	**20,259.48**
Expenses			
Cost of materials consumed	29	8,926.41	8,919.31
Contract and site expenses	30	8,157.78	6,665.54
Employee benefits expense	31	1,122.74	1,194.19
Finance costs	32	597.70	490.31
Depreciation and amortisation expense	33	756.39	754.54
Other expenses	34	408.28	320.09
Total expenses		**19,969.30**	**18,343.98**
Profit before tax		**2,337.91**	**1,915.50**
Share of Profit/(Loss) of associate		(28.54)	28.54
Profit after Share of Profit of associate and before tax		**2,309.37**	**1,944.04**
Income tax expense			
- Current tax	35(a)	634.30	693.06
- Deferred tax	35(a)	8.96	(22.45)
Total tax expense		**643.26**	**670.61**
Profit after tax		**1,666.11**	**1,273.43**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurements of post-employment benefit obligations		8.08	(19.92)
Income tax relating to these items		(2.03)	6.96
Other comprehensive income for the year		**6.05**	**(12.96)**
Total comprehensive income for the year		**1,672.16**	**1,260.47**
Earnings per equity share of ₹10 each	47		
Basic earnings per share (Amount in Rs.)		25.57	19.54
Diluted earnings per share (Amount in Rs.)		25.57	19.54

The above consolidated statement of profit and loss 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

Place: Mumbai
Date: June 24, 2020

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

Ankita Mehra
Company Secretary
Membership No: A33288

Place: Jaipur
Date: June 24, 2020

Consolidated Cash Flow Statement for the year ended March 31, 2020

(Amount in Rs. Millions)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
A) Cash flow from operating activities		
Profit before tax	2,337.91	1,915.50
Adjustments for:		
Depreciation and amortisation expense	756.39	754.54
Interest Income from financial assets at amortised cost	(66.76)	(91.81)
Loss allowances on trade receivable	145.00	85.24
Net loss on disposal of property, plant and equipment	4.51	0.68
Finance costs	597.70	490.31
Operating Profit before Working Capital Changes	**3,774.75**	**3,154.46**
Changes in working capital:		
(Increase) in trade receivables	(756.51)	(1,917.77)
(Increase) / decrease in inventories	105.67	(93.44)
(Increase) / decrease in other current financial assets	(3,770.44)	1,774.84
(Increase) in contract assets	(1,912.80)	(1,595.51)
(Increase) in other current assets	(76.13)	(87.54)
(Increase) in other non current financial assets	(24.67)	(12.25)
Decrease in other current financial assets	20.40	-
Decrease in other non current assets	47.88	13.17
Increase in trade payables	2,135.94	713.37
Increase in contract liabilities	1,087.12	872.55
Increase / (decrease) in other current financial liabilities	471.35	(29.07)
Increase / (decrease) in other current liabilities	118.87	(1,616.15)
Increase / (decrease) in employee benefit obligations	(71.52)	56.92
Cash generated from operations	**1,149.91**	**1,233.58**
Income taxes paid (Net of refunds)	(792.96)	(577.91)
Net cash generated from Operating Activities	**356.95**	**655.67**
B) Cash Flow From Investing Activities		
Payment for property, plant and equipment	(1,031.61)	(1,288.56)
Sale of property, plant and equipment	99.37	3.07
Fixed deposits (placed) / redemption of fixed deposits (Net)	13.82	1,288.62
Interest received	66.76	91.81
Loans given (net)	(1.94)	(1.63)
Net Cash used in Investing Activities	**(853.60)**	**93.31**

Consolidated Cash Flow Statement for the year ended March 31, 2020

(Amount in Rs. Millions)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
C) Cash Flow From Financing Activities		
Proceeds from of Long Term Borrowings	3,456.41	2,479.72
(Repayment) of Long Term Borrowings	(2,184.66)	(2,795.84)
Proceeds from Short term Borrowings (Net)	271.62	250.31
(Repayment) of Loans taken from Directors	(461.45)	(871.65)
Loans taken from Directors	278.56	683.03
Dividend paid to Company's shareholders (including dividend distribution tax of Rs. 6.70 million)	(39.29)	(39.29)
Principal elements of lease payments	(20.10)	-
Finance cost paid	(589.86)	(488.37)
Net Cash generated from Financing Activities	**711.23**	**(781.99)**
Net increase in cash and cash equivalents	**214.58**	**(33.01)**
Cash and Cash Equivalents as at the beginning of the year	31.17	64.18
Cash and cash equivalents at the end of the year	**245.75**	**31.17**
Reconciliation of Cash and cash equivalents as per the cash flow statement		
Cash and cash equivalents comprise of the following:		
Cash on hand	3.78	3.24
Bank Balance on current account	241.97	27.93
Total	**245.75**	**31.17**

The above consolidated 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

Place: Mumbai
Date: June 24, 2020

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

Ankita Mehra
Company Secretary
Membership No: A33288

Place: Jaipur
Date: June 24, 2020

Consolidated statement of changes in equity for the year ended March 31, 2020

A. Equity share capital

(Amount in Rs. Millions)

Particulars	Amount
As at March 31, 2018	**651.71**
Changes in equity share capital	-
As at March 31, 2019	**651.71**
Changes in equity share capital	-
As at March 31, 2020	**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, 2018	**2,694.47**	**2,062.45**	**4,756.92**
Profit for the year	-	1,273.43	1,273.43
Items that will not be reclassified to profit or loss			
Add: Remeasurements of post-employment benefit obligations	-	(19.92)	(19.92)
Less: Income tax relating to these items	-	6.96	6.96
Total comprehensive income for the year	**-**	**1,260.47**	**1,260.47**
Less: Dividend Paid	-	(32.59)	(32.59)
Less: Dividend distribution tax	-	(6.70)	(6.70)
As at March 31, 2019	**2,694.47**	**3,283.63**	**5,978.10**
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**

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration No. 304026E / E-300009

Nitin Khatri
Partner
Membership Number: 110282

Place: Mumbai
Date: June 24, 2020

For and on behalf of the Board of Directors
H. G. Infra Engineering Limited
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Harendra Singh
Chairman and Managing Director
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Chief Financial Officer

Ankita Mehra
Company Secretary
Membership No: A33288

Place: Jaipur
Date: June 24, 2020

Notes to the Consolidated financial statements

as of and for the year ended March 31, 2020

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 4 jointly controlled operations consolidated on proportionate basis), 3 Subsidiaries and an associate 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 June 24, 2020. 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, 2020 the company has 3 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 standards and amendments for the first time for their annual reporting period commencing April 1, 2019:

- Ind AS 116, Leases
- Long term Interest in associate and joint ventures arrangement
- Amendment to IND AS 28 Investment in associates and joint venture
- Uncertainty over Income Tax Treatment – Appendix C to Ind AS 12 , Income Taxes
- Plan Amendment , Curtailment or settlement – Amendments to Ind AS 19, Employee Benefits
- Amendment to Ind AS 103, Business combinations and IND AS 111, Joint arrangement
- Amendment to Ind AS 12, Income Taxes
- Amendment to Ind AS 23, Borrowing costs

Notes to the Consolidated financial statements

as of and for the year ended March 31, 2020

The Group had to change its accounting policies as a result of adopting Ind AS 116. This is disclosed in note 51. The other amendments 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 acquisition method of accounting is used to account for business combinations by the group.

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. 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) Associates

Associates are all entities over which the group has significant influence but not control or joint control. This is generally the case where the group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting (see (iv) below), after initially being recognised at cost. Details of the associate are set out in note 48.

(iii) Joint control 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 joint operations are set out in note 48.

(iv) 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.

Notes to the Consolidated financial statements

as of and for the year ended March 31, 2020

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 39 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 Group operates (`the functional currency'). The consolidated financial statements are presented in Indian rupee, which is Group's 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)
- Sale of products (Revenue from sale of processed aggregates)

(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.

Notes to the Consolidated financial statements
as of and for the year ended March 31, 2020

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 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

The Group through its subsidiary builds infrastructure assets under public-to-private Service Concession Arrangement (SCA) on Design - Build - Operate - Transfer (DBOT) contracts on hybrid annuity basis which contains three streams of revenue - construction, operation and maintenance and finance income for periods specified in the SCA. Under the SCA, where the Subsidiary has acquired contractual rights to receive specified determinable amounts, such rights are recognised and classified as "Financial Assets", even though payments are contingent on the subsidiary ensuring that the infrastructure meets the specified quality or efficiency requirements. Such financial assets are classified as "Receivables against Service Concession Arrangements".

Consideration for various services (i.e. construction or upgrade services, operation and maintenance services, etc.) under the SCA is allocated on the basis of costs actually incurred or the estimates of cost of services to be delivered.

Notes to the Consolidated financial statements

as of and for the year ended March 31, 2020

Revenue from financial assets is recognised in the Consolidated Statement of Profit and Loss as interest, finance income calculated using the effective interest method from the year in which construction activities are started. Revenue from operating and maintenance services and from overlay services is recognised in the period in which such services are rendered.

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) Sale of products (Revenue from sale of processed aggregates.)

Revenue from sale of products is recognised upon satisfaction of performance obligations, i.e. at a point of time, which occurs when the control is transferred to the customer

(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. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

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.

Notes to the Consolidated financial statements

as of and for the year ended March 31, 2020

(h) Leases

Till March 31, 2019

As a lessee

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the group are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

With effective from April 1, 2019:

As a lessee

From 1 April 2019, 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 group, 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 Group:

- 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 group, 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.

Notes to the Consolidated financial statements
as of and for the year ended March 31, 2020

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.

(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 at amortized cost.

Notes to the Consolidated financial statements

as of and for the year ended March 31, 2020

The classification depends on the Group'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 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:

- amortized cost

Debt instruments

Subsequent measurement of debt instruments depends on the Group business model for managing the asset and the cash flow characteristics of the asset. The Group classifies its debt instrument in only one category as below;

- **Amortized Cost:** Assets that are held for collection of 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 finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains / (losses). Impairment losses are presented as separate line item in the statement of profit and loss.

Impairment of Financial Assets

The Group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 37(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.

Notes to the Consolidated financial statements

as of and for the year ended March 31, 2020

Income Recognition

Interest income

Interest income from financial assets at fair value through profit or loss is disclosed as interest income within 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).

Dividends

Dividends are received from financial assets at fair value through profit or loss and at FVOCI. Dividends are recognised as other income in profit or loss when the right to receive payment is established. This applies even if they are paid out of pre-acquisition profits, unless the dividend clearly represents a recovery of part of the cost of the investment.

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

Notes to the Consolidated financial statements

as of and for the year ended March 31, 2020

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 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 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.

Notes to the Consolidated financial statements

as of and for the year ended March 31, 2020

Amortisation methods and periods

The Group 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 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.

Notes to the Consolidated financial statements

as of and for the year ended March 31, 2020

(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.

Notes to the Consolidated financial statements

as of and for the year ended March 31, 2020

(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.

(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.

Notes to the Consolidated financial statements

as of and for the year ended March 31, 2020

(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 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 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 49

(e) Physical verification of project material

The project material comprises of aggregates, sand, GSB, boulder, etc. The Group relies on in-house experts to perform volumetric surveys to estimate the quantity stockpiled for these inventory types. Survey quantity results, which are reported in cubic metres, are converted to tonnages using density factors. The density factors used are based on the Group's internal laboratory testing that occurred during the year and (where available) to prior year density factors for the same project material. Given the nature of the inventory, the density factors do not usually vary significantly year on year. There were no significant changes in these factors in the current year or other factors which would require a change.

(f) Impairment of trade receivables – Refer note 1(k),6, 10 and 37(i)

Notes to the Consolidated financial statements

as of and for the year ended March 31, 2020

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, 2019								
Gross carrying amount								
Opening gross carrying amount	**125.63**	**113.47**	**4,407.15**	**117.25**	**20.21**	**113.41**	**4,897.12**	**-**
Additions	7.83	50.53	1,113.22	24.96	9.65	21.83	1,228.02	-
Disposals	-	-	(14.75)	(1.20)	-	-	(15.95)	-
Closing gross carrying amount	**133.46**	**164.00**	**5,505.62**	**141.01**	**29.86**	**135.24**	**6,109.19**	**-**
Accumulated depreciation								
Opening accumulated depreciation	**-**	**7.47**	**710.31**	**35.57**	**8.01**	**21.48**	**782.84**	**-**
Depreciation charge during the year	-	2.31	701.60	28.71	6.48	11.89	750.99	-
Disposals	-	-	(11.17)	(1.03)	-	-	(12.20)	-
Closing accumulated depreciation	**-**	**9.78**	**1,400.74**	**63.25**	**14.49**	**33.37**	**1,521.63**	**-**
Net carrying amount as on March 31, 2019	**133.46**	**154.22**	**4,104.88**	**77.76**	**15.37**	**101.87**	**4,587.56**	**-**
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**	**-**
Additions	-	-	939.92	49.94	6.55	7.50	1,003.91	111.37
Disposals	-	-	(212.07)	-	-	-	(212.07)	-
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**

Notes:

1) Refer Capital commitments Note 45 (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 Consolidated financial statements

as of and for the year ended March 31, 2020

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, 2020	As at March 31, 2019
Right- of use- assets		
Land	16.36	-
Building	5.20	-
Plant and machinery	12.16	-
Total right- of use- assets	**33.72**	**-**

(Amount in Rs. Millions)

Particulars	As at March 31, 2020	As at March 31, 2019
Lease Liabilities		
Current	30.17	-
Non -current	6.88	-
Total lease liabilities	**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, 2020	Year ended March 31, 2019
Depreciation charge of right-of-use assets		
Land	12.16	-
Building	6.41	-
Plant and machinery	4.85	-
Total depreciation charge of right-of-use assets	**23.42**	**-**

(Amount in Rs. Millions)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Interest expenses (included in finance costs)	2.95	-
Expenses relating to short-term leases (including in other expenses) (Refer note 34)	33.77	-
Total	**36.72**	**-**

The total cash outflow for the leases for the year ended 31 March, 2020 was in Rs. 23.05 Million.

Notes to the Consolidated financial statements
as of and for the year ended March 31, 2020

Note 4 - Intangible assets

(Amount in Rs. Millions)

Software License	Amount
Year ended March 31, 2019	
Gross Carrying Amount	
Opening Gross Carrying Amount	**6.87**
Additions	32.90
Disposals	-
Closing Gross Carrying Amount	**39.77**
Accumulated amortisation	
Opening Accumulated amortisation	**2.13**
Amortisation Charge for the year	3.55
Disposals	-
Closing Accumulated amortisation	**5.68**
Net Carrying Amount as on March 31, 2019	**34.09**
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 Depreciation	**12.06**
Net Carrying Amount as on March 31, 2020	**32.20**

Note 5 - Investment

(Amount in Rs. Millions)

Particulars	As at March 31, 2020	As at March 31, 2019
Non current investment		
Investments in associate		
TPL-HGIEPL Joint Venture	-	28.54
	-	**28.54**

Note 6 - Trade receivables

(Amount in Rs. Millions)

Particulars	As at March 31, 2020	As at March 31, 2019
Non current trade receivables		
Trade receivables from contract with customers	57.54	49.43
Less: Loss allowance (Refer note 37 (i))	(24.73)	(19.73)
	32.81	**29.70**

Note: Non Current trade receivables represent long term retentions related to construction contracts.

Notes to the Consolidated financial statements

as of and for the year ended March 31, 2020

Break-up of security details:

(Amount in Rs. Millions)

Particulars	As at March 31, 2020	As at March 31, 2019
Trade receivables considered good – Secured	-	-
Trade receivables considered good – Unsecured	32.81	29.70
Trade receivables which have significant increase in credit risk	24.73	19.73
Trade receivables – credit impaired	-	-
Total	**57.54**	**49.43**
Less: Loss allowance	(24.73)	(19.73)
	32.81	**29.70**

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, 2020	As at March 31, 2019
Other non current financial assets		
Receivable under service concession agreement with National Highway Authority of India (NHAI) (Refer note 52)	920.19	-
Margin money deposits	142.88	90.04
Security deposits	20.43	16.30
Deposits with government authorities	33.92	13.29
	1,117.42	**119.63**

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, 2020	As at March 31, 2019
Advances to related parties (Refer note 41)	0.99	7.89
Capital advances	27.37	13.95
Advances other than capital advances		
Balances with government authorities	16.38	56.37
	44.74	**78.21**

Note 9 - Inventories

(Amount in Rs. Millions)

Particulars	As at March 31, 2020	As at March 31, 2019
Project materials [(including material in transit amounts to Rs. 24.99 Million) (March 31, 2019 Rs. 38.75 Million)]	852.86	984.45
Stores and Spares	202.44	176.52
	1,055.30	**1,160.97**

Notes to the Consolidated financial statements

as of and for the year ended March 31, 2020

Note 10 - Trade receivables

(Amount in Rs. Millions)

Particulars	As at March 31, 2020	As at March 31, 2019
Trade receivables from contract with customers	6,757.91	5,553.40
Trade receivables from contract with customers - related parties (Refer note 41)	285.65	646.76
Less: Loss allowance (Refer note 37 (i))	(194.51)	(54.51)
	6,849.05	**6,145.65**

Note: Trade receivables include retentions of Rs. 1,639.40 Million (March 31, 2019 Rs. 1,461.50 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, 2020	As at March 31, 2019
Trade receivables considered good – Secured	-	-
Trade receivables considered good – Unsecured	6,849.05	6,145.65
Trade receivables which have significant increase in credit risk	194.51	54.51
Trade receivables – credit impaired	-	-
Total	**7,043.56**	**6,200.16**
Less: Loss allowance	(194.51)	(54.51)
	6,849.05	**6,145.65**

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, 2020	As at March 31, 2019
Balances with banks		
- In current accounts	241.97	27.93
Cash on hand	3.78	3.24
	245.75	**31.17**

Notes to the Consolidated financial statements

as of and for the year ended March 31, 2020

Note 12 - Bank balances other than cash and cash equivalents

(Amount in Rs. Millions)

Particulars	As at March 31, 2020	As at March 31, 2019
Margin money deposit	904.59	704.96
Fixed deposits of IPO proceeds pending utilisation (Refer note 17(f)(2))	-	266.30
	904.59	**971.26**

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, 2020	As at March 31, 2019
Loan to employees	6.21	4.21
	6.21	**4.21**

Break-up of security details:

(Amount in Rs. Millions)

Particulars	As at March 31, 2020	As at March 31, 2019
Loan considered good – Secured	-	-
Loan considered good – Unsecured	6.21	4.21
Loan which have significant increase in credit risk	-	-
Loan – credit impaired	-	-
Total	**6.21**	**4.21**
Less: Loss allowance	-	-
	6.21	**4.21**

Note 14 - Other Financial Assets

(Amount in Rs. Millions)

Particulars	As at March 31, 2020	As at March 31, 2019
Receivable under service concession aggrement with National Highway Authority of India (NHAI) (Refer note 52)	2,241.93	257.92
Capital advance refund receivable	109.60	130.00
Other receivable	-	0.06
	2,351.53	**387.98**

Notes to the Consolidated financial statements

as of and for the year ended March 31, 2020

Note 15 (a) - Contract assets

(Amount in Rs. Millions)

Particulars	As at March 31, 2020	As at March 31, 2019
Contract assets	3,519.31	1,606.51
Less: Loss allowance (Refer note 37 (i))	(11.00)	(11.00)
	3,508.31	**1,595.51**

Note 15 (b) - Contract liabilities

(Amount in Rs. Millions)

Particulars	As at March 31, 2020	As at March 31, 2019
Contract liabilities (Refer note 49)	1,959.66	872.55
	1,959.66	**872.55**

Note: Contract liabilities include interest accrued but not due of Rs. 2.52 Million (March 31, 2019 Rs. 2.52 Million) on mobilisation advances taken by the company.

Significant changes in contract assets and liabilities

Contract assets have increased as the Company has completed work 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 liability 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, 2020	As at March 31, 2019
Advances to suppliers	39.37	55.01
Advance to sub contractor	1.29	15.44
Other advances	-	
Prepayments	166.02	106.45
Advance to employees	1.92	2.67
Goods and Services Tax (GST) recoverable	759.11	277.41
	967.71	**456.98**

Note 17 - Equity share capital

(Amount in Rs. Millions)

Particulars	As at March 31, 2020	As at March 31, 2019
Authorised :		
80,000,000 (March 31, 2019 : 80,000,000) Equity Shares of Rs. 10 each	800.00	800.00
Issued		
65,171,111 (March 31, 2019 : 65,171,111) Equity Shares of Rs. 10 each	651.71	651.71
Subscribed and Paid up		
65,171,111 (March 31, 2019 : 65,171,111) Equity Shares of Rs. 10 each	651.71	651.71
	651.71	**651.71**

Notes to the Consolidated financial statements

as of and for the year ended March 31, 2020

(a) Movement in equity share capital

(Amount in Rs. Millions)

Particulars	FY 2019-20		FY 2018-19	
	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	61,73,076	9.47%
(As at March 31, 2019)	(61,73,076)	(9.47%)
Shri Girishpal Singh	1,25,11,932	19.20%
(As at March 31, 2019)	(1,24,18,058)	(19.05%)
Shri Vijendra Singh	1,17,41,568	18.02%
(As at March 31, 2019)	(1,17,23,600)	(17.99%)
Shri Harendra Singh	1,43,97,633	22.09%
(As at March 31, 2019)	(1,43,51,516)	(22.02%)
L&T Mutual Fund Trustee Limited	40,48,116	6.21%
(As at March 31, 2019)	(41,44,355)	(6.36%)
Reliance Capital Trustee Co. Ltd	35,55,334	5.46%
(As at March 31, 2019)	(35,67,589)	(5.47%)

(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.

(f) The Company has completed the Initial Public offering (IPO) of fresh issue of 1,11,11,111 equity shares of Rs. 10 each at an issue price of Rs. 270 per share. The equity shares of the Company were listed on Bombay Stock Exchange (BSE) and National Stock Exchange (NSE) w.e.f. March 9, 2018

Notes to the Consolidated financial statements

as of and for the year ended March 31, 2020

Note 17 - Equity share capital (Contd..)

Utilisation of funds received though Initial Public Offering (IPO) is as follows:

(Amount in Rs. Millions)

Particulars	FY 2019-20 Amount	FY 2018-19 Amount
Issue proceeds	4,620.00	4,620.00
Less: offer for sale	1,620.00	1,620.00
Net proceeds from IPO (net of amount payable to shareholders under offer for sale)	3,000.00	3,000.00
Less: Transaction cost arising on share issue	194.42	194.42
Net proceeds from IPO	2,805.58	2,805.58
Less: Amount utilised as per the objects of the issue as per prospectus (Note 1 below)	2,805.58	2,539.73
Funds to be utilised (Note 2 below)	-	265.85

Notes:

1) The amount utilised as per the objects of the issue as per prospectus of Rs. 2,663.25 (March 31, 2019 : Rs. 2,397.40 Million) recorded in the books is net of GST credit amounting to Rs. 142.33 (March 31, 2019 : Rs. 114.29 Million) availed on such expenditure. The same is utilised for the payment of GST and is considered in " Amount utilised as per the objects of the issue as per prospectus.

2) The balance unutilised amounts have been parked in fixed deposits amounting to Rs. NIL (March 31, 2019 : Rs. 266.30 Million) and current account balances amounting to Rs. NIL (March 31, 2019 Rs. 0.18 Million), which have been disclosed in Note 11 and 12.

Note 18 - Other Equity

(Amount in Rs. Millions)

Particulars		As at March 31, 2020	As at March 31, 2019
Securities premium		2,694.47	2,694.47
Retained earnings		4,916.48	3,283.63
		7,610.95	**5,978.10**
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		3,283.63	2,062.45
Net profit for the year		1,666.11	1,273.43
Less: Dividend Paid		(32.60)	(32.59)
Less: Dividend distribution tax		(6.71)	(6.70)
Items of other comprehensive income recognised directly in retained earnings			
- Remeasurements of post-employment benefit obligations, net of tax		6.05	(12.96)
Closing balance	**(b)**	**4,916.48**	**3,283.63**
Total other equity	**(a+b)**	**7,610.95**	**5,978.10**

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.

Notes to the Consolidated financial statements
as of and for the year ended March 31, 2020

Note 19 - Borrowings

(Amount in Rs. Millions)

Particulars	As at March 31, 2020	As at March 31, 2019
Non current borrowings		
Secured :		
Term Loans		
Banks (Refer note 19.1)	483.42	426.92
Financial Institutions (Refer note 19.1)	1,621.98	155.87
Vehicle Loan		
Banks (Refer note 19.1)	20.91	10.19
Financial Institutions (Refer note 19.1)	3.24	0.25
	2,129.55	**593.23**

Refer note 37 (ii) for liquidity risk management and Refer note 43 for Assets pledged as security

Secured - Term Loan from banks

19.1 The details of rate of interest and repayment term loans are as under :

S. No.	Particulars	Number of loans outstanding as at		Amount outstanding as at (Amount in ₹ Millions)		Interest range % per annum	Frequency of installments	Installments commencing from - to	
		March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019			March 31, 2020	March 31, 2019
1	Secured - Term Loan from banks	463	529	886.28	1,097.88	6.18% to 11.75%	Monthly	Feb. 17 to Feb. 23	Aug 16 to Dec 21
2	Secured - Term Loan from Financial Institution	365	365	830.34	850.17	7.05% to 11%	Monthly	April 17 to Nov. 22	June 16 to March 22
3	Vehicles loans - From Bank	84	75	41.77	31.35	6.78% to 9.50%	Monthly	Oct 16 to Feb 23	Aug 15 to Feb 22
4	Vehicles loans - From Financial Institution	2	1	4.53	0.97	8.63% to 8.75%	Monthly	Aug 17 to Nov 23	Aug 17 to July 20
5	Term loan from financial institutions *	2	0	1,344.95	-	11%	Half yearly	Dec 21 to July 35	-
6	Term loan from financial institutions **	1	0	144.27	-	9.85%	Half yearly	Aug 22 to Jan. 36	-

* Loan will be repaid in 26 unequal half yearly instalments in accordance with the Amortisation Schedule set forth in Schedule IV of the Loan Agreement post the moratorium period after COD. Repayment will start from Dec-2021.

** Loan will be repaid in 26 structured half yearly instalments in accordance with the Amortisation Schedule set forth in Schedule V of the Loan Agreement post the moratorium period after COD. Repayment will start from Aug-2022.

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.

Notes to the Consolidated financial statements

as of and for the year ended March 31, 2020

Note 20 - Trade payable

(Amount in Rs. Millions)

Particulars	As at March 31, 2020	As at March 31, 2019
Non current trade payable		
(a) Trade payables: micro and small enterprises	-	-
(b) Trade payables: others	788.66	533.09
(c) Trade payables to related parties (Refer note 41)	-	-
	788.66	**533.09**

Note: Trade Payables represents amount retained as per the terms of contract.

Note 21 - Employee benefit obligations

(Amount in Rs. Millions)

Particulars	As at March 31, 2020	As at March 31, 2019
Non current employee benefit obligations		
Gratuity (Refer note 42)	10.14	31.31
Leave obligations (Refer note 42)	3.42	10.44
	13.56	**41.75**

Note 22 - Borrowings

(Amount in Rs. Millions)

Particulars	As at March 31, 2020	As at March 31, 2019
Current borrowings		
Loans repayable on demand		
Secured		
Cash credit facility*	722.90	1,180.18
Unsecured		
Loans from directors (Refer note 41)**	460.35	643.24
Payable under MSMED trade receivable discounting system (TReDS)	728.90	-
	1,912.15	**1,823.42**

***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 Consolidated financial statements
as of and for the year ended March 31, 2020

Note 23 - Trade payables

(Amount in Rs. Millions)

Particulars	As at March 31, 2020	As at March 31, 2019
Trade payables (including acceptance)		
(a) Trade payables: micro and small enterprises	100.86	56.65
(b) Trade payables: others	5,327.98	3,404.81
(c) Trade payables to related parties (Refer note 41)	8.09	0.10
	5,436.93	**3,461.56**

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, 2020	As at March 31, 2019
(a) The principal amount remaining unpaid to supplier as at the end of accounting year	97.21	53.00
(b) The interest due thereon remaining unpaid to supplier as at the end of accounting year.	-	2.76
(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.	-	0.89
(e) The amount of interest accrued during the year and remaining unpaid at the end of the accounting year	-	3.65
(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	-

Note 24 - Other financial liabilities

(Amount in Rs. Millions)

Particulars	As at March 31, 2020	As at March 31, 2019
Other current financial liabilities		
Secured		
Current maturities of long-term debts		
Term Loans		
Banks (Refer note 19.1)*	547.13	670.96
Financial Institutions (Refer note 19.1)*	553.30	694.30

Notes to the Consolidated financial statements

as of and for the year ended March 31, 2020

Note 24 - Other financial liabilities (Contd..)

(Amount in Rs. Millions)

Particulars	As at March 31, 2020	As at March 31, 2019
Vehicle Loan		
Banks (Refer note 19.1)*	20.86	21.16
Financial Institutions (Refer note 19.1)*	1.29	0.72
Interest accrued but not due	19.26	12.44
Capital creditors	133.56	30.99
Other payables	14.77	5.01
	1,290.17	**1,435.58**

*Refer note 43 for Assets pledged as security

Note 25 - Employee benefit obligations

(Amount in Rs. Millions)

Particulars	As at March 31, 2020	As at March 31, 2019
Short term employee benefit obligations		
Employee benefits payable	69.94	118.89
Leave obligations (Refer note 42)	2.40	2.56
	72.34	**121.45**

Note 26 - Other current liabilities

(Amount in Rs. Millions)

Particulars	As at March 31, 2020	As at March 31, 2019
Payroll taxes	6.44	7.40
Statutory tax payables	177.95	35.38
Advance received for sale of goods	1.06	-
Advance received for sale of property, plant and equipments	19.41	9.56
Excess Contribution from JV Partner	0.46	2.38
Other payables	-	0.90
	205.32	**55.62**

Note 27 - Revenue from operations

(Amount in Rs. Millions)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Revenue from contracts with customers		
Construction contracts (Refer note 49.1)	21,967.86	20,008.58
Sale of products (Revenue from sale of processed aggregates) (Refer note 49.1)	-	8.86
Sale of Services (Operation and Maintenance contracts) (Refer note 49.1)	167.72	127.51
Other operating revenue		
Interest Income due to unwinding of Annuity amount	35.10	-
	22,170.68	**20,144.95**

Notes to the Consolidated financial statements

as of and for the year ended March 31, 2020

Note 28 - Other income

(Amount in Rs. Millions)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Interest income from financial assets at amortised cost	66.76	91.81
Miscellaneous income	74.28	23.40
Net (loss) on disposal of property, plant and equipment	(4.51)	(0.68)
	136.53	**114.53**

Note 29 - Cost of materials consumed

(Amount in Rs. Millions)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Construction Material, Stores and Spares		
Opening Stock at the beginning of the year	1,160.97	1,067.53
Add: Purchases	8,820.74	9,012.75
Less: Closing Stock at the end of the year	(1,055.30)	(1,160.97)
	8,926.41	**8,919.31**

Note 30 - Contract and site expenses

(Amount in Rs. Millions)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Sub contracting expenses	7,010.29	5,466.82
Indirect Taxes (Work Contract Tax, Labour Cess and Road Tax Expenses etc.)	216.84	254.22
Insurance expenses	47.34	26.03
Contract labour charges	89.74	151.98
Hire charges for machinery and others	286.24	399.60
Site and other direct expenses	367.84	263.14
Repairs and Maintenance - Plant and machinery	89.57	43.80
Technical consultancy	49.92	59.95
	8,157.78	**6,665.54**

Note 31 - Employee benefit expenses

(Amount in Rs. Millions)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Salaries, wages and bonus	896.51	981.83
Contribution to provident and other funds (Refer note 42)	61.75	36.56
Staff welfare expenses	164.48	175.80
	1,122.74	**1,194.19**

Notes to the Consolidated financial statements

as of and for the year ended March 31, 2020

Note 32 - Finance costs

(Amount in Rs. Millions)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Interest on :		
Term loan	210.94	193.50
Working capital loan	167.87	137.13
Other borrowing cost	131.47	126.66
Bank charges	49.08	25.22
Interest and finance charges on lease liabilities	2.95	-
Interest on late payment of Income Tax	35.39	7.80
	597.70	**490.31**

Note 33 - Depreciation and amortisation expense

(Amount in Rs. Millions)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Depreciation of property, plant and equipment (Refer note 3(a))	726.59	750.99
Depreciation of right-of-use assets (Refer note 3(b))	23.42	-
Amortisation of intangible assets (Refer note 4)	6.38	3.55
	756.39	**754.54**

Note 34 - Other expenses

(Amount in Rs. Millions)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Repairs and maintenance - others	22.85	16.26
Rates and taxes	14.26	18.13
Sitting fees	1.33	1.32
Lease rent (Refer note 51 and 3(b))	33.77	23.24
Payment to auditors(Refer note (a) below)	7.10	5.83
Advertisement and business promotion	11.56	16.22
Travelling and conveyance	22.30	21.88
Corporate social responsibility expenditure (Refer note (b) below)	14.17	13.34
Legal and professional fees	57.47	64.71
Electricity expenses	9.87	17.34
Printing and stationery	9.36	10.61
Loss allowances (Refer note 37 (i))	145.00	85.24
Telephone and communication	9.05	11.79
Net foreign exchange differences	2.92	0.14
Miscellaneous expenses	47.27	14.04
	408.28	**320.09**

Notes to the Consolidated financial statements

as of and for the year ended March 31, 2020

Note 34 - Other expenses (Contd..)

(a) Payment to auditors

(Amount in Rs. Millions)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Audit Fees	4.97	4.63
Certification fees	1.29	0.98
Reimbursements of expenses	0.84	0.22
Total payments to auditors	**7.10**	**5.83**

(b) Corporate social responsibility expenditure

(Amount in Rs. Millions)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Amount required to be spent as per Section 135 of the Act	26.16	16.24
Amount spent during the year on		
(i) Construction/acquisition of an asset	-	-
(ii) On purposes other than (i) above	14.17	13.34

Note 35 - Taxation

35 (a) - Income tax expense

(Amount in Rs. Millions)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Current tax		
Current tax on profits for the year	629.55	687.47
Adjustment for current tax of prior periods	4.75	5.59
Total current tax expense	**634.30**	**693.06**
Deferred tax		
(Increase) in deferred tax assets	(1.12)	(21.86)
(Decrease)/increase in deferred tax liabilities	10.08	(0.59)
Total deferred tax expense / (benefit)	**8.96**	**(22.45)**
Income tax expense	**643.26**	**670.61**

Other comprehensive income

(Amount in Rs. Millions)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Deferred tax on other comprehensive income	(2.03)	6.96
	(2.03)	**6.96**

Notes to the Consolidated financial statements

as of and for the year ended March 31, 2020

35 (b) - Deferred tax assets (net)

The balance comprises temporary differences attributable to:

(Amount in Rs. Millions)

Particulars	As at March 31, 2020	As at March 31, 2019
Disallowance under Section 43B of Income Tax Act, 1961	4.02	15.48
Loss Allowance for trade receivable	57.95	29.79
Disallowances section 40(a)(ia) of Income Tax Act, 1961	3.65	-
Expenditure on Initial Public Offer (IPO)	19.58	35.36
Others	1.71	3.11
Total deferred tax assets	**86.91**	**83.74**
Timing difference between balance as per Income Tax Act, 1961 and book balance for fixed assets	(10.08)	-
Total deferred tax liabilities	**(10.08)**	**-**

Movement in deferred tax assets

(Amount in Rs. Millions)

Particulars	As at April 1, 2018	(Charged)/ credited to profit and loss	(Charged)/ credited to OCI	Year ended March 31, 2019
Disallowance under section 43B of Income Tax Act, 1961	4.39	18.05	(6.96)	15.48
Loss allowance for trade receivable	-	29.79	-	29.79
Disallowance under section 40(a)(ia) of Income Tax Act, 1961	5.81	(5.81)	-	-
Expenses on issue of Initial Public Offer (IPO)	54.35	(18.99)	-	35.36
Indexation on land	2.73	0.38	-	3.11
Total deferred tax assets	**67.28**	**23.42**	**(6.96)**	**83.74**

(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	(13.49)	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
Other	3.11	(1.40)	-	1.71
Total deferred tax assets	**83.74**	**1.14**	**2.03**	**86.91**

Notes to the Consolidated financial statements

as of and for the year ended March 31, 2020

Note 35 - Taxation (Contd..)

Movement in deferred tax liabilities

(Amount in Rs. Millions)

Particulars	As at April 1, 2018	(Charged)/ credited to profit and loss	(Charged)/ credited 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**

35 (c) -Reconciliation of tax expense and accounting profit multiplied by statutory tax rates

(Amount in Rs. Millions)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Profit before income tax expense	**2,309.37**	**1,944.04**
Statutory tax rate applicable to the Company	25.17%	34.94%
Tax expense at applicable tax rate	**581.22**	**679.33**
Tax effects of amounts which are not deductible (taxable) in calculating taxable income:		
Corporate social responsibility expenditure	3.57	4.66
Donation	4.22	0.30
Interest on late payment of income tax	9.09	1.99
Share of Profit of associate	7.18	(9.97)
Profit of jointly controlled operations	0.28	1.36
Indexation on land	(0.33)	(0.39)
Deduction for Section 80JJAA as per Income tax Act, 1961	-	(13.14)
Interest payable to micro and small enterprises	-	1.27
Adjustment for current tax of prior period	4.75	5.59
Effect of change in tax rates	32.10	(0.23)
Others	1.18	(0.16)
Income tax expense	**643.26**	**670.61**

35 (d) - Current tax liabilities

(Amount in Rs. Millions)

Particulars	As at March 31, 2020	As at March 31, 2019
Opening Balance	158.15	47.75
Add: Additional income tax provision	634.30	686.10
Add: Income tax adjustment for earlier years	(0.80)	-
Less: Income tax paid	(743.98)	(575.70)
Closing balance	**47.67**	**158.15**

Notes to the Consolidated financial statements
as of and for the year ended March 31, 2020

Note 35 - Taxation (Contd..)

35 (e) - Income tax asset

(Amount in Rs. Millions)

Particulars	As at March 31, 2020	As at March 31, 2019
Opening Balance	11.01	15.75
Add: Advance tax paid/ (refund received)	48.98	2.21
Less: Income tax adjustment for earlier years	(5.55)	(5.59)
Less: Income tax provision created during the year	2.74	(1.36)
Closing balance	**57.18**	**11.01**

Note 36 - Fair Value Measurements

(i) Financial instruments by category

(Amount in Rs. Millions)

Particulars	As at March 31, 2020	As at March 31, 2019
Financial assets - Amortised cost		
Trade receivables	6,881.86	6,175.35
Cash and cash equivalents	245.75	31.17
Bank balances other than cash and cash equivalents	904.59	971.26
Loans	6.21	4.21
Capital advance refund receivable	109.60	130.00
Margin money deposits	142.88	90.04
Security deposits	20.43	16.30
Deposits with government authorities	33.92	13.29
Receivable under service concession agreement with national Highway Authority of India (NHAI)	3,162.12	257.92
Other receivable	-	0.06
Total financial assets	**11,507.36**	**7,689.60**
Financial liabilities - Amortised cost		
Borrowings	5,164.28	3,803.79
Trade payables	6,225.59	3,994.65
Interest accrued	19.26	12.44
Capital creditors	133.56	30.99
Other payables	14.77	5.01
Lease liability	37.05	-
Total financial liabilities	**11,594.51**	**7,846.88**

Notes to the Consolidated financial statements

as of and for the year ended March 31, 2020

Note 36 - Fair Value Measurements (Contd..)

(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.

(iii) Fair value of financial instruments measured at amortised cost - Level 3

(Amount in Rs. Millions)

Particulars	As at March 31, 2020		As at March 31, 2019	
	Carrying value	Fair value	Carrying value	Fair value
Financial assets				
Margin Money deposits	142.88	141.93	90.04	89.46
Total financial assets	**142.88**	**141.93**	**90.04**	**89.46**
Financial liabilities				
Borrowings	2,129.55	2164.31	593.23	585.95
Lease Liability	37.05	34.08	-	-
Total financial liabilities	**2,166.60**	**2,198.39**	**593.23**	**585.95**

The carrying amounts of short term loans, trade receivables, cash and cash equivalents, loans, bank balances other than cash and cash equivalents, security deposits, contract revenue, deposit with government authorities, other receivables, trade payables, current borrowings, current maturities of long term borrowings, interest accrued, capital creditors 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 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.

Notes to the Consolidated financial statements

as of and for the year ended March 31, 2020

Note 37 - Financial Risk Management (Contd..)

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, 2020	Year ended March 31, 2019
Revenue from government promoted agencies	74%	76%
Revenue from private corporates	26%	24%
	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, 2020	As at March 31, 2019
Opening balance	**85.24**	**-**
Changes in loss allowances		
Additions	145.00	85.24
Bad debts written off	-	-
Closing Balance	**230.24**	**85.24**

(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 Group has long outstanding dues amounting to Rs. 717.77 Million (as at March 31, 2019 Rs. 773.90 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 Group 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 ₹230.24 Million (for the year ended March 31, 2019 Rs. 85.24 Million) towards the said balances.

The Group 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 which according to the management is not justified

Notes to the Consolidated financial statements

as of and for the year ended March 31, 2020

Note 37 - Financial Risk Management (Contd..)

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 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.

Maturities of financial liabilities

The table summarises the maturity profile of Group's financial liabilities based on contractual undiscounted payments:

(Amount in Rs. Millions)

Ageing	Less than 1 year	1 - 3 Years	Total
As at March 31, 2020			
Borrowings	2,593.64	2,129.55	4,723.19
Interest payable	253.80	396.47	650.27
Loan from Directors	460.35	-	460.35
Trade payables	5,436.94	788.66	6,225.60
Capital creditors	133.56	-	133.56
Other payables	14.77		14.77
Lease Liabilities	30.17	6.88	37.05
	8,923.23	**3,321.56**	**12,244.79**
As at March 31, 2019			
Borrowings	2,579.76	593.23	3,172.99
Interest payable	147.96	119.41	267.37
Loan from Directors	643.24	-	643.24
Trade payables	3,461.56	533.09	3,994.65
Capital creditors	30.99	-	30.99
Other payables	5.01		5.01
	6,868.52	**1,245.73**	**8,114.25**

(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, 2020 there was no foreign currency exposure.

Notes to the Consolidated financial statements

as of and for the year ended March 31, 2020

Note 37 - Financial Risk Management (Contd..)

(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, 2020	As at March 31, 2019
Variable rate borrowings	2,212.13	1,180.18
Fixed rate borrowings	2,491.80	1,980.37
Total borrowings	**4,703.93**	**3,160.55**

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, 2020	Year ended March 31, 2019
Increase in interest rate by 20 basis points (20 bps)	(5.36)	(2.69)
Decrease in interest rate by 20 basis points (20 bps)	5.36	2.69

Note 38 - 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 Holding Company 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.

Notes to the Consolidated financial statements

as of and for the year ended March 31, 2020

Note 38 - Capital Management (Contd..)

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.

(Amount in Rs. Millions)

Particulars	As at March 31, 2020	As at March 31, 2019
Net debt	4,974.85	3,785.05
Total equity	8,262.66	6,629.81
Net debt to equity ratio	**60%**	**57%**

The net debt to equity ratio for the current year increased from 57% to 60% following the new loan taken in one of subsidiary partly set off by repayment of term loan and internal approval of profit.

(b) Dividends

(Amount in Rs. Millions)

Particulars	As at March 31, 2020	As at March 31, 2019
(i) Equity shares		
Final dividend for the year ended 31 March 2019 of Rs. 0.50 (31 March 2018 - Rs. 0.50) per fully paid share	(32.60)	(32.59)
DDT on final dividend	(6.71)	(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. NIL per fully paid equity share (31 March 2019 - Rs. 0.50).	-	(32.60)
DDT on proposed dividend	-	(6.71)

Note 39 - 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, 2020.

Non-current assets excluding financial assets, deferred tax assets amounts to Rs. 5,040.22 Millions (March 31, 2019 Rs. 4,837.50 Millions) which are located entirely in India.

Information relating to major customers

Revenue of approximately Rs. 16,963.30 Millions (for the year ended March 31, 2019 - Rs. 13,088.33 Millions) was derived from external customers, which individually accounted for more than 10% of the total revenue.

Notes to the Consolidated financial statements

as of and for the year ended March 31, 2020

Note 40 - Net Debt Reconciliation

(Amount in Rs. Millions)

Particulars	As at March 31, 2020	As at March 31, 2019
Cash and cash equivalents	245.75	31.17
Current borrowings	(1,912.15)	(1,823.42)
Current maturities of long term borrowings	(1,122.58)	(1,387.14)
Interest accured but not due	(19.26)	(12.44)
Non current borrowings	(2,129.55)	(593.23)
Lease liabilities	(37.05)	-
Net Debt	**(4,974.84)**	**(3,785.06)**

(Amount in Rs. Millions)

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, 2018	**64.18**	**-**	**(1,246.98)**	**(2,811.14)**	**(10.50)**	**(4,004.44)**
Cash flows	(33.01)	-	653.75	(399.42)	-	221.32
Interest expense	-	-	-	-	(330.52)	(330.52)
Interest paid	-	-	-	-	328.58	328.58
Net debt as at March 31, 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 31 March 2020	**245.75**	**(37.05)**	**(2,129.55)**	**(3,034.73)**	**(19.26)**	**(4,974.84)**

* Includes current maturities of long term borrowings, cash credit facility, Payable under MSMED trade receivable discounting system (TReDS) and loan taken from directors.

Note 41 - Related Party transactions

I Name of related parties and nature of relationship:

Related parties where control exits

A) Associate

TPL – HGIEPL JV

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

Notes to the Consolidated financial statements
as of and for the year ended March 31, 2020

Note 41 - Related Party transactions (Contd..)

Mr. Onkar Singh - Non-Executive Independent Director

Mr. Dinesh Kumar Goyal - Executive Director (w.e.f May 23, 2018 - January 24, 2019) and Non-Executive Director (w.e.f January 25, 2019)

Mr. Rajeev Mishra - Chief Financial Officer

Mrs. Ankita Mehra - Company Secretary

Mr. Girishpal Singh - Non-Executive Director (uptill May 23, 2018)

C) Relatives of Key Management Personnel

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

High Grade Infra Projects Private Limited

H.G. Infra Toll Ways Private Limited *

Mahadev Stone Crusher *

II Transactions with related parties

A) Key Management personnel compensation

(Amount in Rs. Millions)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Short-term employee benefits*	36.36	38.79
Director's sitting fees	2.06	1.32
Total compensation	**38.42**	**40.11**

*Compensation exclude provision for gratuity and compensated absences since these are based on actuarial valuation on an overall company basis.

Notes to the Consolidated financial statements

as of and for the year ended March 31, 2020

Note 41 - Related Party transactions (Contd..)

B) Transactions during the year

(Amount in Rs. Millions)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Sale of material		
Mahadev Stone crusher	10.43	9.04
Contract Revenue		
HGIEPL - TPL JV	1,464.02	3,025.04
Sales of Fixed assets		
Mahadev Stone crusher	13.50	-
Contract Expenses		
H.G. Infra Tollways Private Limited	148.48	105.39
High grade Infra projects Private Limited	-	48.59
Mahadev Stone crusher	20.19	0.48
HG Traders	1.23	-
Rent Paid for Office		
Mr. Hodal Singh	0.14	0.13
Mr. Girishpal Singh	0.40	0.40
Sitting Fees		
Mr. Harendra Singh	0.18	0.11
Mr. Vijendra Singh	0.07	-
Mr. Girishpal Singh	0.20	0.19
Mr. Onkar Singh	0.79	0.47
Ms. Pooja Hemant Goyal	0.37	0.22
Mr. Ashok Kumar Thakur	0.45	0.33
Remuneration paid		
Key management personnel:		
Mr. Vijendra Singh*	12.00	12.00
Mr. Harendra Singh*	21.60	21.60
Mr. Dinesh Kumar Goyal	-	2.70
Mr. Rajeev Mishra	2.24	2.05
Mrs. Ankita Mehra	0.52	0.44
* Gratuity is not included, as it is provided on overall basis based on actuarial valuation.		
Remuneration to relatives of KMP		
Mr. Vaibhav Choudhary	8.40	8.40
Mr. Rohit Choudhary	0.84	0.84
Legal and professional fees		
Ms. Ridhima Choudhary	0.78	0.60
Mr. Dinesh Kumar Goyal	1.20	0.22
Insurance premium paid towards keyman term policy taken by Holding Company		
Mr. Vijendra Singh	5.41	5.41
Mr. Harendra Singh	5.34	5.34
Mr. Vaibhav Choudhary	5.05	5.05
Loans taken from Key management personnel / directors:		
Mr. Vijendra Singh	70.46	160.00
Mr. Harendra Singh	208.10	523.03

Notes to the Consolidated financial statements

as of and for the year ended March 31, 2020

Note 41 - Related Party transactions (Contd..)

(Amount in Rs. Millions)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Repayment of Loan to Key management personnel / directors:		
Mr. Vijendra Singh	243.51	162.13
Mr. Harendra Singh	217.94	518.64
Mr. Girishpal Singh	-	190.88
Repayment of Other current liabilities		
Mr. Girishpal Singh	-	4.33
Mr. Harendra Singh	-	4.33
Mr. Hodal Singh	-	12.99
Mr. Virendra Singh	-	4.33

C) Outstanding balances

(Amount in Rs. Millions)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Current borrowings		
Key management personnel / directors:		
Mr. Vijendra Singh	118.32	291.37
Mr. Harendra Singh	342.03	351.87
Other Current Liabilities		
Employee benefits payable		
Mr. Vaibhav Choudhary	0.75	0.45
Mr. Vijendra Singh	-	0.60
Mr. Harendra Singh	-	0.90
Mr. Rohit Choudhary	0.02	0.02
Mr. Rajeev Mishra	0.16	0.03
Mrs. Ankita Mehra	0.04	0.03
Trade Receivables		
HGIEPL - TPL JV	285.65	646.76
Advance to Contractor		
H.G. Infra Tollways Private Limited	-	7.89
Mahadev Stone crusher	0.99	-
Trade Payable		
High grade Infra projects Private Limited	-	0.01
Mr. Dinesh Kumar Goyal	0.10	0.09
Ms. Ridhima Choudhary	0.16	-
HG Traders	1.44	-
H.G. Infra Tollways Private Limited	6.39	
Advance from customers (Contract liability)		
HGIEPL - TPL JV	22.83	-
Contract liabilities		
HGIEPL - TPL JV	-	254.73
Sitting fees payable		
Mr. Onkar Singh	0.06	0.09
Ms. Pooja Hemant Goyal	0.03	-
Mr. Ashok Kumar Thakur	0.03	-
Mr. Girishpal Singh	0.03	0.10
Mr. Harendra Singh	0.04	0.10

Notes to the Consolidated financial statements

as of and for the year ended March 31, 2020

Note 41 - Related Party transactions (Contd..)

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 balance are unsecured and repayble in cash.

There is no loss allowance has been recognised during the year in respect of receivable due from related parties.

Note 42 - Employee benefit obligations

(Amount in Rs. Millions)

Particulars	As at March 31, 2020	As at March 31, 2019
Compensated Absences	5.82	13.00
Gratuity	10.14	31.31
Total	**15.96**	**44.31**

(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, 2020	As at March 31, 2019
Current leave obligations not expected to be settled within the next 12 months	3.42	10.44

(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.

Notes to the Consolidated financial statements

as of and for the year ended March 31, 2020

Note 42 - Employee benefit obligations (Contd..)

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, 2020	Year ended March 31, 2019
Contribution to Provident Fund	15.89	10.56
Contribution to E.S.I.C	6.88	7.71
Contribution to Pension Fund	21.07	14.41
Contribution to Gratuity	17.91	3.88
	61.75	**36.56**

(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.

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, 2018 (A)	19.76	9.03	10.73
Current service cost	3.49	-	3.49
Past service cost	-	-	-
Interest expense	0.96	0.57	0.39
Total Amount Recognised in profit and loss (B)	**4.45**	**0.57**	**3.88**
Remeasurements			
Assets, excluding amount included in interest expense/(income)	-	(0.84)	0.84
(Gain)/loss from change in demographic assumptions	(11.21)	-	(11.21)
(Gain)/loss from change in financial assumptions	23.02	-	23.02
Experience (gains)/losses	4.05	-	4.05
Total amount recognised in other comprehensive income (C)	**15.86**	**(0.84)**	**16.70**
Employer contributions **(D)**	-	-	-
Benefit payments **(E)**	(0.38)	(0.38)	-
Balance as on March 31, 2019 (A+B+C+D+E)	**39.69**	**8.38**	**31.31**

Notes to the Consolidated financial statements

as of and for the year ended March 31, 2020

Note 42 - Employee benefit obligations (contd..)

(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**

The significant actuarial assumptions were as follows:

(Amount in Rs. Millions)

Particulars	As at March 31, 2020	As at March 31, 2019
Discount rate (per annum)	5.45%	7.65%
Salary growth rate	12.68%	8.43%
Expected average remaining working lives of employees	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2006-08)

Sensitivity Analysis

The sensitivity of the defined benefit obligation to increase and decrease in the weighted principal assumptions by 0.50% is as below:

(Amount in Rs. Millions)

Particulars	Year ended March 31, 2020		Year ended March 31, 2019	
	Discount	Salary escalation	Discount	Salary escalation
Impact of increase in 50 BPS on DBO	-1.50%	1.44	(4.30%)	4.31
Impact of Decrease in 50 BPS on DBO	1.54%	(1.41)	4.63%	(4.08)

Notes to the Consolidated financial statements
as of and for the year ended March 31, 2020

Note 42 - Employee benefit obligations (contd..)

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.

Expected contributions to post-employment benefit plans for the year ending March 31, 2020 are Rs. 10 Million (Year ending March 31, 2019 Rs. 10 Million)

The weighted average duration of the defined benefit obligation is 3.06 years (March 31, 2019: 8.91 years). The expected maturity analysis of undiscounted gratuity is as follows:

Notes to the Consolidated financial statements

as of and for the year ended March 31, 2020

Note 42 - Employee benefit obligations (contd..)

Maturity Analysis of the Projected Benefit Obligations - Gratuity

(Amount in Rs. Millions)

Particulars	As at March 31, 2020	As at March 31, 2019
1st Following Year	14.16	2.81
2nd Following Year	10.34	3.33
3rd Following Year	10.18	2.89
4th Following Year	7.59	5.48
5th following year	5.29	4.50
Sum of 6th to 10th Following Year	10.59	75.95

Note 43 - 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, 2020	As at March 31, 2019
Current		
Financial Assets		
Floating Charge		
Trade Receivables	6,881.86	6,243.67
Non-financial assets		
Inventories	1,055.30	1,160.97
Total Current Assets pledged as Security	**7,937.16**	**7,404.64**
Non-Current		
Plant and machinery	3,542.42	5,330.80
Building	88.04	88.04
Vehicles	106.10	128.71
Total Non-Current assets pledged as Security	**3,736.56**	**5,547.55**
Total Assets pledged as Security	**11,673.72**	**12,952.19**

Note: Amount of assets pledged are gross carrying values and post elimination of intra-group balances.

Note 44 - Contingent Liabilities

(Amount in Rs. Millions)

Description	As at March 31, 2020	As at March 31, 2019
(a) The group has a contingent claims liability against which, the Group has taken a Insurance policy against third party liability.	40.55	32.49

(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 Group believes that the aforesaid judgement does not have material impact on the Group. The Group will continue to monitor and evaluate its position based on future events and developments.

Notes to the Consolidated financial statements

as of and for the year ended March 31, 2020

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, 2020	As at March 31, 2019
Property, plant and equipment [(net of capital advance amounts to Rs. 27.37 Million) (March 31, 2019 Rs. 13.95 Million)]	49.63	56.49

Note 46

The holding company has been legally advised that outstanding loan aggregating to Rs. 68.25 Million (as at March 31, 2019 , Rs. 8.70 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.

Note 47 - Earnings per share

(Amount in Rs. Millions)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Profit for the year (Amount in Rs. Millions)	1,666.11	1,273.43
Weighted average number of equity shares outstanding (number)	6,51,71,111	6,51,71,111
Earning per Share (basic and diluted)	25.57	19.54
Nominal value per equity share	10	10

Notes to the Consolidated financial statements

as of and for the year ended March 31, 2020

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

(Amount in Rs. Millions)

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 net assets	Amount	As % of Consolidated other comprehensive income	Amount	As % of Consolidated total comprehensive income	Amount
Parent : H.G. Infra Engineering Limited		88.33%	7,298.43	99.44%	1,656.81	100.00%	6.05	99.44%	1,662.86
Subsidiaries :									
1) Gurgaon Sohna Highway Private Limited	100%	6.86%	566.49	1.92%	32.07	0.00%	-	1.92%	32.07
2) HG Ateli Narnaul Highway Private Limited	100%	0.07%	5.59	0.24%	4.08	0.00%	-	0.24%	4.08
3) HG Rewari Ateli Highway Private Limited	100%	4.64%	383.55	0.08%	1.26	0.00%	-	0.08%	1.26
Jointly Controlled operations									
1) HGIEPL – Colossal JV	70%	0.02%	1.87	0.00%	(0.00)	0.00%	-	0.00%	(0.00)
2) HGIEPL – Ranjit JV	30%	0.04%	3.57	0.00%	0.02	0.00%	-	0.00%	0.02
3) HGIEPL – MGCPL JV	30%	0.02%	1.92	0.04%	0.60	0.00%	-	0.04%	0.60
4) HGIEPL – RPS JV	51%	0.02%	1.24	-0.01%	(0.19)	0.00%	-	-0.01%	(0.19)
Associate									
1) TPL - HGEIPL JV	26%	0.00%	-	-1.71%	(28.54)	0.00%	-	-1.71%	(28.54)
Total		**100.00%**	**8,262.66**	**100.00%**	**1,666.11**	**100.00%**	**6.05**	**100.00%**	**1,672.16**

Notes to the Consolidated financial statements

as of and for the year ended March 31, 2020

Note 49 - Revenue from contracts with customers

Refer note 1(f) for accounting policy on revenue recognition.

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 Group 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, 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**

(Amount in Rs. Millions)

As on March 31, 2019	Construction Contracts	Sale of Services (Maintenance Contract)	Sale of Goods (Sale of Aggregates)	Total
Revenue from external customers	20,008.58	127.51	8.86	20,144.95
Timing of revenue recognition				
- At a point in time	-	127.51	8.86	136.37
- Over time	20,008.58	-	-	20,008.58
	20,008.58	**127.51**	**8.86**	**20,144.95**

The Group recognised revenue amounting to Rs. 664.48 Million (as at March 31, 2019 Rs. 1,555.57 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. 70,049.70 Million (as at March 31, 2019 Rs. 62,787.60 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, 2020 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 - 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 of and for the year ended March 31, 2020

Note 50 - Assessment of the financial impact of the outbreak of Coronavirus (Covid-19)

The construction work of the Group was impacted due to the shutdown of project sites and offices following the lockdown imposed in India from March 25, 2020 on all the locations due to COVID - 19. The Group has subsequently commenced its operations starting from April 24, 2020, in line with the directives from the National Highway Authority of India (NHAI) and Ministry of Road Transport and Highways (MORTH). 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. 71,000 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 statement. 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 cashflow of the Group. Further, the timely steps announced by the Government of India, allowing extension of contract delivery period up to six months, additional Liquidity through relief given by NHAI, MoRTH and additional investment in infrastructure projects, will enable the Group to further consolidate its position.

Management believes that it has considered all the known impacts arising from COVID - 19 pandemic in the preparation of the consolidated financial statements. However, the impact assessment of COVID - 19 is a continuing process given the uncertainties associated with its nature and duration. Management will continue to monitor any material changes to future economic conditions and the impact thereof on the Group, if any. The eventual outcome of the impact of the COVID - 19 pandemic on the Group's business may be different from that estimated as on the date of approval of these consolidated financial statements.

Note 51 - Change in accounting policy

This note explains the impact of the adoption of Ind AS 116, Leases on the Group's financial statements.

Impact on the financial statements – lessee accounting

As indicated in note 1(h) above, the Group has adopted Ind AS 116 retrospectively from 1 April 2019, but has not restated comparatives for year ended 31 March 2019, as permitted under the specific transition provisions in the standard. The reclassifications and the adjustments arising from the new leasing rules are therefore recognised in the opening balance sheet on 1 April 2019. The new accounting policies are disclosed in note 1(h).

On adoption of Ind AS 116, the Group recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of Ind AS 17, Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 April 2019. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 April 2019 was 9.75%.

i) Practical expedients applied

In applying Ind AS 116 for the first time, the Group has used the following practical expedients permitted by the standard:

- applying a single discount rate to a portfolio of leases with reasonably similar characteristics
- relying on previous assessments on whether leases are onerous as an alternative to performing an impairment review

Notes to the Consolidated financial statements

as of and for the year ended March 31, 2020

Note 51 - Change in accounting policy (Contd..)

- there were no onerous contracts as at 1 April 2019
- excluding initial direct costs for the measurement of the right-of-use asset at the date of initial application, and
- using hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

The Group has also elected not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date the Group relied on its assessment made applying Ind AS 17 and Appendix C to Ind AS 17, determining whether an arrangement contains a Lease.

ii) Measurement of lease liabilities

(Amount in Rs. Millions)

Operating lease commitments as at 31 March 2019	86.91
Discounted using the lessee's incremental borrowing rate at the date of initial application	82.31
(Less): Short-term leases not recognised as a liability	(25.31)
Lease liability recognised as at 1 April 2019 of which are:	57.00
Current lease liabilities	22.49
Non-current lease liabilities	34.51

iii) Measurement of right-of-use assets

The associated right-of-use assets for property leases were measured on a retrospective basis as if the new rules had always been applied.

iv) Adjustments recognised in the balance sheet on 1 April 2019

The change in accounting policy affected the following items in the balance sheet on 1 April 2019:

right-of-use assets – increase by Rs. 57.00 Million

lease liabilities – increase by Rs. 57.00 Million

The net impact on retained earnings on 1 April 2019 was NIL.

Notes to the Consolidated financial statements

as of and for the year ended March 31, 2020

Note 52 - Change in accounting policy

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, 2020	Financial Assets as at March 31, 2019
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 **BPC:** Rs. 6060.00 Millions **Adjusted BPC:** Rs. 6325.20 Millions **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.	1,838.63	257.90

Notes to the Consolidated financial statements

as of and for the year ended March 31, 2020

Note 52 - Change in accounting policy (Contd..)

(Amount in Rs. Millions)

Nature of Entity	Description of the Arrangement	Significant Terms of the Arrangement	Financial Assets as at March 31, 2020	Financial Assets as at March 31, 2019
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. 9521.10 Millions **Adjusted BPC:** Rs. 10054.80 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.	974.25	-

Notes to the Consolidated financial statements

as of and for the year ended March 31, 2020

Note 52 - Change in accounting policy (Contd..)

(Amount in Rs. Millions)

Nature of Entity	Description of the Arrangement	Significant Terms of the Arrangement	Financial Assets as at March 31, 2020	Financial Assets as at March 31, 2019
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. 5800.00 Millions **Adjusted BPC:** 6105.00 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.	349.24	-

Notes to the Consolidated financial statements

as of and for the year ended March 31, 2020

Note 53 - 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

Place: Mumbai
Date: June 24, 2020

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

Ankita Mehra
Company Secretary
Membership No: A33288

Place: Jaipur
Date: June 24, 2020

H.G. INFRA ENGINEERING LIMITED

CIN: L45201RJ2003PLC018049
Reg. Off.: 14, Panchwati Colony, Ratanada, Jodhpur-342001, Rajasthan
Phone: 0291-2515327 | Website: www.hginfra.com
Email: cs@hginfra.com

NOTICE

NOTICE is hereby given that the 18th Annual General Meeting of the members of **H.G. Infra Engineering Limited** will be held on **Friday, September 25, 2020 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, 2020 and the Reports of Board of Directors and Auditors thereon;

   B. Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2020 and the Report of Auditors thereon.

2. To appoint a Director in place of Mr. Vijendra Singh (DIN: 01688452), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

3. To approve the appointment of Mr. Dinesh Kumar Goyal (DIN: 02576453) as an Executive Director (Whole-Time Director) and in this regard, to consider and, if thought fit, to pass the following Resolution as an Ordinary Resolution:

   "**RESOLVED THAT** pursuant to the provisions of Sections 196, 197 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (the "Act") and rules made thereunder or any other law for the time being in force (including any statutory modification(s)or amendment thereto or re-enactment thereof for the time being in force), the relevant provisions of the Articles of Association of the Company, the consent of the members be and is hereby accorded to the appointment of Mr. Dinesh Kumar Goyal (DIN 02576453) as an executive director (whole-time director) of the Company for a period of 5 years with effect from June 24, 2020 and change in designation of Mr. Dinesh Kumar Goyal from Non-Executive Director to Executive Director.

   RESOLVED FURTHER THAT subject to the limits specified under Section 197 and Schedule V of the Act, remuneration payable to Mr. Dinesh Kumar Goyal shall be as under:

   1. Salary: ₹ 33,42,000/ - (Rupees Thirty Three Lakh Forty Two Thousand Only) per annum

   2. Perquisites: ₹ 6,78,000/- (Rupees Six Lakh Seventy Eight Thousand Only) per annum

RESOLVED FURTHER THAT

i. in the event of inadequacy or absence of profits in any financial year during the tenure of Mr. Dinesh Kumar Goyal, he will be entitled to the above remuneration (inclusive of allowances, perquisites and commission, if any) by way of minimum remuneration.

ii. subject to superintendence, control and direction of the Board of Directors of the Company, he shall perform such duties and functions as would commensurate with his position as the Executive Director of the Company and as may be delegated to him from time to time.

iii. he will be entitled to reimbursement of all expenses actually and properly incurred by him in the course of discharging official duties of the Company.

iv. the Company or he shall be entitled to terminate this appointment by giving three months advance notice in writing or such shorter notice as may be mutually agreed between him and the Company.

RESOLVED FURTHER THAT Mr. Dinesh Kumar Goyal, shall be liable to retire by rotation during his tenure as the Executive Director (Whole-Time Director) of the Company and shall not be paid any sitting fee for attending any meeting(s) of the Board of Directors or Committee(s) thereof.

RESOLVED FURTHER THAT the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee constituted by the Board) be and is hereby authorized to alter the aforesaid terms and conditions of appointment and remuneration of Mr. Dinesh Kumar Goyal, from time to time, in the best interests of the Company and as may be permissible.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

4. To appoint M/s. Shridhar & Associates, Chartered Accountants, as Joint Statutory Auditors of the Company and in this regard, to consider and, if thought fit, to pass the following Resolution as an Ordinary Resolution:

   "RESOLVED THAT pursuant to the provisions of Section 139 read with the Companies (Audit and Auditors) Rules, 2014 and other applicable provisions, if any, of the Companies Act, 2013, (including any statutory modification(s), amendments or re-enactments thereto for the time being in force), M/s. Shridhar & Associates, Chartered Accountants (Firm Registration Number 134427W), be and are hereby appointed as Joint Statutory Auditors of the Company, for a period of 5 years, to hold office from the conclusion of this Annual General meeting until the conclusion of the 23rd Annual General Meeting of the Company to be held for the financial year to be ended on March 31, 2025 on such remuneration (exclusive of applicable taxes and reimbursement of travelling and out of pocket expenses incurred in connection with the audit) as recommended by the Audit Committee and as may be mutually agreed between the Board of Directors of the Company and the Joint Statutory Auditors from time to time."

5. To authorize capital raising through issuance of equity shares and/or equity linked securities and in this regard, to consider, and if thought fit, to pass the following resolution as a Special Resolution:

   "RESOLVED THAT pursuant to Sections 23, 41, 42, 62 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 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 the stock exchanges where the equity shares of face value of ₹ 10 each of the Company are listed (**"Stock Exchanges"**), and such equity shares, (the **"Equity Shares"**), and other applicable laws, regulations, rules, notifications or circulars issued 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 ("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"**) 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"**) in accordance with the SEBI ICDR Regulations, or a combination thereof, to any eligible investors in Indian Rupees or its equivalent of any other foreign currencies (whether or not such investors are Members of the Company, to all or any of them, jointly or severally), for cash, in one or more tranches, for an aggregate amount of up to ₹ 2000 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 to be issued by the Company in respect of the Issue, as permitted under applicable laws and regulations, at such price, 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 subject to the provisions of the SEBI ICDR Regulations, in the event the Issue is undertaken by way of a QIP:

(i) the allotment of Securities shall only be to qualified institutional buyers as defined in the 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;

(iv) the Securities (excluding warrants) shall be allotted as fully paid up;

(v) the issuance and allotment of the Securities by way of the QIP shall be made at such price that is not less than the price determined in accordance with the pricing formula provided under Chapter VI 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, 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;

(vi) the Securities shall not be eligible to be sold 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.

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 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. All such Equity Shares shall rank pari-passu with the existing Equity Shares in all respects.

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, the determination of 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 Exchange(s) 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 by the Board 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 and agreements in connection with the appointment of any intermediaries and/or advisors (including for marketing, listing, trading and appointment of book running lead managers/legal counsel/bankers/advisors/registrars/and other intermediaries as required) and to pay any fees, commission, costs, charges and other expenses in connection therewith.

RESOLVED FURTHER THAT subject to applicable law, 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."

6. To ratify the remuneration of Cost Auditors for the financial year ending March 31, 2021 and, in this regard, to consider 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 (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 Number 101983), appointed by the Board of Directors as Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending March 31, 2021, amounting to ₹ 1,37,500/- (Rupees One Lakh Thirty Seven Thousand Five Hundred 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 25, 2020

Registered Office:
14, Panchwati Colony, Ratanada, Jodhpur, Rajasthan - 342001
CIN-L45201RJ2003PLC018049
Website: www.hginfra.com
E-mail:cs@hginfra.com
Tel.: +91 0291 2515327

Notes:

1. An Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 (hereinafter referred to as the "Act"), in respect of businesses to be transacted at the Annual General Meeting (hereinafter referred to as "AGM"), as set out under Item No(s). 3 to 6 above and the relevant details of the Directors proposed to be appointed/re-appointed at the Meeting 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 Standards – 2 on General Meetings issued by the Institute of Company Secretaries of India, is annexed hereto. The Board of Directors have considered and decided to include the Item Nos. 3 to 6 given above as Special Business in the forthcoming AGM, as they are unavoidable in nature.

2. In view of the Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its General Circular No. 20/2020 dated May 5, 2020 read with General Circular No. 14/2020 dated April 8, 2020 and General Circular No. 17/2020 dated April 13, 2020 and other applicable circulars issued by the Securities and Exchange Board of India (SEBI), permitted the holding of the AGM through Video Conferencing (VC) or Other Audio Visual Means (OAVM) during the calendar year 2020. In accordance with, the said circulars of MCA, SEBI and applicable provisions of the Act and Listing Regulations, the 18th AGM of the Company shall be conducted through VC/ OAVM Facility, which does not require physical presence of Members at a common venue. The deemed venue for the 18th AGM shall be the Registered Office of the Company.

   Link Intime India Private Limited, Registrar & Transfer Agent of the Company, ("LIIPL" or "Link Intime") shall be providing facility for voting through remote e-voting, for 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 to 24 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 Companies Act, 2013 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 having their office at Noble Heights, 1st Floor, Plot No NH-2, LSC, C-1, Block Near Savitri Market, Janakpuri, New Delhi-110058.

9. There is no record date for the purpose of Dividend as the same is not recommended by the Board of Directors for the financial year 2019-20.

10. Other than Mr. Vijendra Singh and Mr. Harendra Singh, Managing Director, being related to Mr. Vijendra Singh, none of the other Directors, Key Managerial Personnel or their relatives, are interested or concerned, financially or otherwise, in the Ordinary Business set out at Item No. 2 of this Notice. Mr. Vijendra Singh is also interested in the resolution to the extent of his shareholding in the Company.

Relatives of Mr. Vijendra Singh may be deemed to be interested in the said resolution, to the extent of their shareholding in the Company, if any.

11. **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 https://www.hginfra.com/investors-relation.html#btn-gover and the details for financial year 2017-18 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 2019-20, the Company was not liable to transfer any unclaimed dividends and corresponding shares thereto to IEPF.

12. **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 holding shares in electronic mode may contact their respective Depository Participants for availing this facility.

13. As per Regulation 40 of 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.

14. **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, Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Registrar and Share Transfer Agent/Depository Participant. Members may note that the Notice and Annual Report 2019-20 will also be available on the Company's website 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 https://instavote.linkintime.co.in. Members can attend and participate in the Annual General Meeting through VC/OAVM facility only.

15. **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

16. Members are requested to:

    i) intimate to Link Intime, changes, if any, in their registered addresses/email 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/ email 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.

17. 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/Link Intime.

18. **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.

19. **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 Tuesday, September 22, 2020 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.

20. **General Information:**

    (i) In accordance with, the General Circular No. 20/2020 dated 5th May, 2020 issued by MCA and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May, 2020 issued by SEBI, owing to the difficulties involved in dispatching of physical copies of the financial statements (including Report of Board of Directors, Auditor's report or other documents required to be attached therewith), such statements including the Notice of AGM are being sent in electronic mode to Members whose e-mail address is registered with the Company or the Depository Participant(s).

    (ii) The Members, whose names appear in the Register of Members / list of Beneficial Owners as on Friday, September 18, 2020 being the cut-off date, are entitled to vote on the Resolutions set forth in this Notice. 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 18th AGM by email and holds shares as on the cut-off date may cast their vote as per instructions explained in Note no. 21 and 24 below.

    (iii) Members may cast their votes on electronic voting system from any place (remote e-voting). The remote e-voting period will commence at 9.00 a.m. on Tuesday, September 22, 2020 and will end at 5.00 p.m. on Thursday, September 24, 2020.The remote e-Voting module will be disabled by Link Intime for voting thereafter. A member will not be allowed to vote again on any resolution on which vote has already been cast.

    (iv) 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. Friday, September 18, 2020. Members are eligible to cast vote only if they are holding shares as on that date.

    (v) In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote at the AGM.

    (vi) 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.

(vii) 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.

(viii) 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.

(ix) The results shall be declared not later than forty-eight (48) hours 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 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.

21. **Voting through electronic means:**

In compliance with provisions of Section 108 of the Companies Act, 2013, 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.

Members are requested to note that the Company is providing facility for remote e-voting and the business may be transacted through electronic voting system. It is hereby clarified that it is not mandatory for a Member to vote using the remote e-voting facility. A Member may avail of the facility at his/her/its discretion, as per the instructions provided herein:

Remote e-Voting Instructions for shareholders:

i) Open the internet browser and launch the URL: https://instavote.linkintime.co.in

Those who are first time users of LIIPL e-voting platform or holding shares in physical mode have to mandatorily generate their own Password, as under:

- Click on **"Sign Up"** under **'SHARE HOLDER'** tab and register with your following details: -

A. User ID: Enter your User ID

- 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** 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 **CDSL demat account shall provide either 'C' or 'D', above**
- Shareholders/ members holding shares in **NSDL demat account shall provide 'D', above**
- 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).

NOTE: If Shareholders/ members are holding shares in demat form and have registered on to e-Voting system of LIIPL: https://instavote.linkintime.co.in, and/or voted on an earlier event of any company then they can use their existing password to login.

ii) Click on 'Login' under **'SHARE HOLDER'** tab.

iii) Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on **'Submit'**.

iv) After successful login, you will be able to see the notification for e-voting. Select **'View'** icon.

v) E-voting page will appear.

vi) 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).

vii) 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.

viii) Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on the e-voting system of LIIPL 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.

If you have forgotten the password:

o Click on **'Login'** under **'SHARE HOLDER'** tab and further Click **'forgot password?'**

o 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.
- 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 the 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".

Shareholders/ members holding multiple folios/ demat account shall choose the voting process separately for each of the folios/demat account.

In case shareholders/ members 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:**

i) 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).

Please refer the instructions (annexure) for the software requirements and kindly ensure to install the same on the device which would be used to attend the meeting. Please read the instructions carefully and participate in the meeting. You may also call upon the InstaMeet Support Desk for any support on the dedicated number provided to you in the instruction/ InstaMEET website.

23. **Instructions for Shareholders/ Members to Speak during the Annual General Meeting through InstaMeet:**

1. Shareholders who would like to speak during the meeting must register their request 3 days in advance i.e. Tuesday, September 22, 2020, with the company at cs@hginfra.com.
2. Shareholders will get confirmation on first cum first basis.
3. Shareholders will receive "speaking serial number" once they mark attendance for the meeting.
4. Other shareholder may ask questions to the panellist, via active chat-board during the meeting.
5. 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:

1. On the Shareholders VC page, click on the link for e-Voting "Cast your vote"
2. 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'.
3. After successful login, you will see "Resolution Description" and against the same the option "Favour/ Against" for voting.
4. 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'.
5. 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.
6. 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 Annual General Meeting 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 Annual General Meeting will be eligible to attend/ participate in the Annual General Meeting through InstaMeet. However, they will not be eligible to vote again during the meeting.

Shareholders/ Members are encouraged to join the Meeting 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.

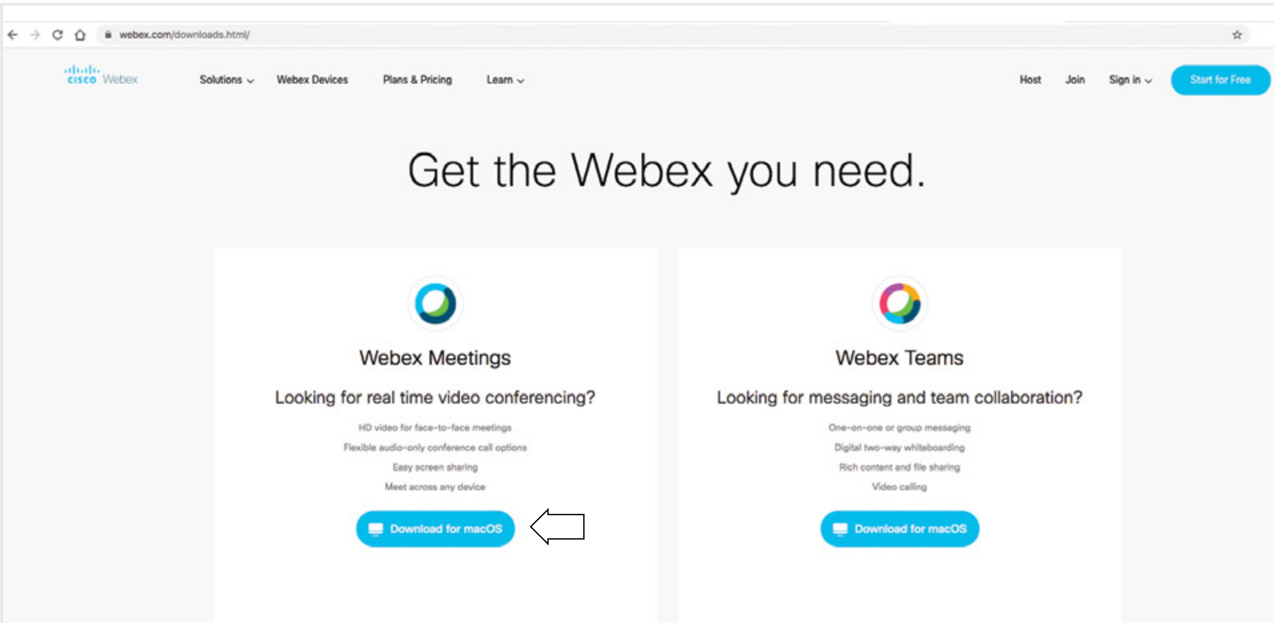
In case shareholders/ members have any queries regarding login/ e-voting, they may send an email to instameet@linkintime.co.in or contact on: - Tel: 022-49186175.

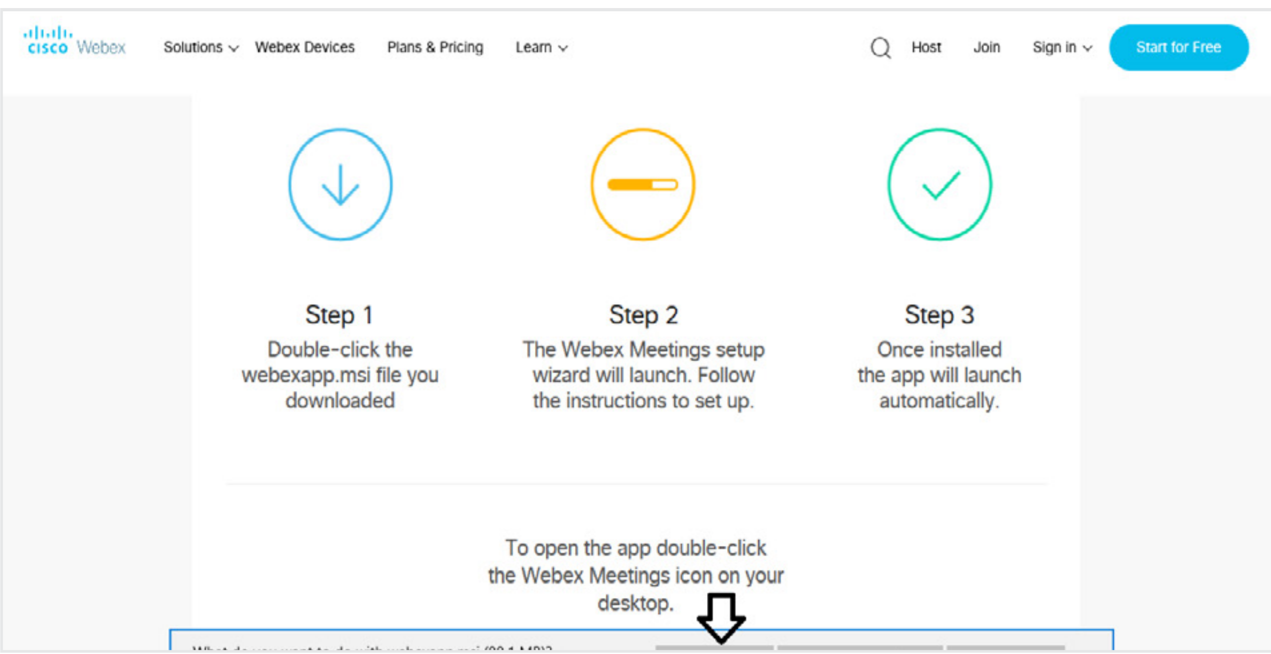
Annexure

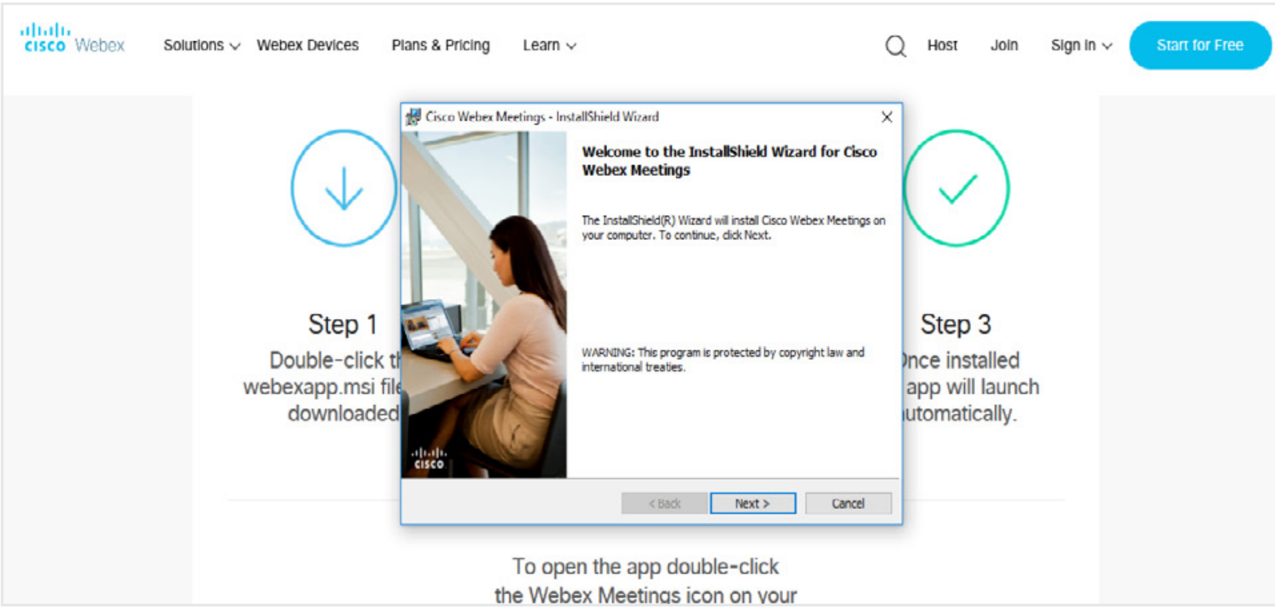
Guidelines to attend the AGM proceedings of Link Intime India Pvt. Ltd.: Insta MEET

For a smooth experience of viewing the AGM proceedings of Link Intime India Pvt. Ltd. InstaMEET, shareholders/ members who are registered as speakers for the event are requested to download and install the Webex application in advance by following the instructions as under:

a) Please download and install the Webex application by clicking on the link https://www.webex.com/downloads.html/






cisco Webex
Solutions
Webex Devices
Plans & Pricing
Learn
Host
Join
Sign in
Start for Free
Cisco Webex Meetings - InstallShield Wizard
Welcome to the InstallShield Wizard for Cisco Webex Meetings
The InstallShield(R) Wizard will install Cisco Webex Meetings on your computer. To continue, click Next.
WARNING: This program is protected by copyright law and international treaties.
< Back
Next >
Cancel
Step 1
Double-click t
webexapp.msi fil
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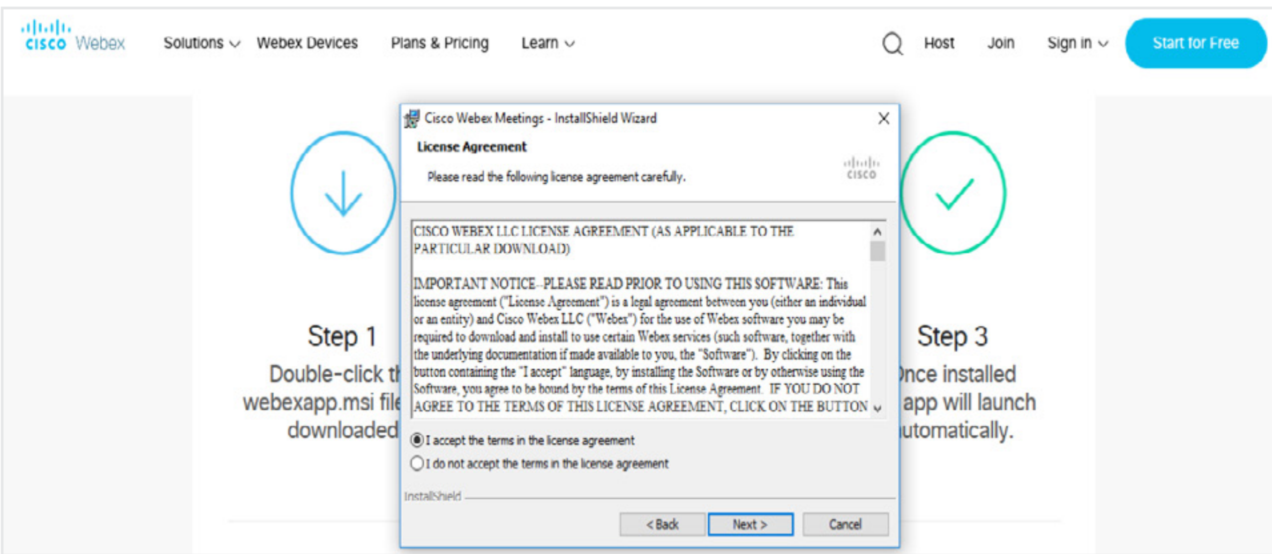
Step 3
nce installed
app will launch
utomatically.
To open the app double-click
the Webex Meetings icon on your


cisco Webex
Solutions
Webex Devices
Plans & Pricing
Learn
Host
Join
Sign in
Start for Free
Cisco Webex Meetings - InstallShield Wizard
License Agreement
Please read the following license agreement carefully.
CISCO WEBEX LLC LICENSE AGREEMENT (AS APPLICABLE TO THE PARTICULAR DOWNLOAD)
IMPORTANT NOTICE- PLEASE READ PRIOR TO USING THIS SOFTWARE: This license agreement ("License Agreement") is a legal agreement between you (either an individual or an entity) and Cisco Webex LLC ("Webex") for the use of Webex software you may be required to download and install to use certain Webex services (such software, together with the underlying documentation if made available to you, the "Software"). By clicking on the button containing the "I accept" language, by installing the Software or by otherwise using the Software, you agree to be bound by the terms of this License Agreement. IF YOU DO NOT AGREE TO THE TERMS OF THIS LICENSE AGREEMENT, CLICK ON THE BUTTON
I accept the terms in the license agreement
I do not accept the terms in the license agreement
InstallShield
< Back
Next >
Cancel
Step 1
Double-click t
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app will launch
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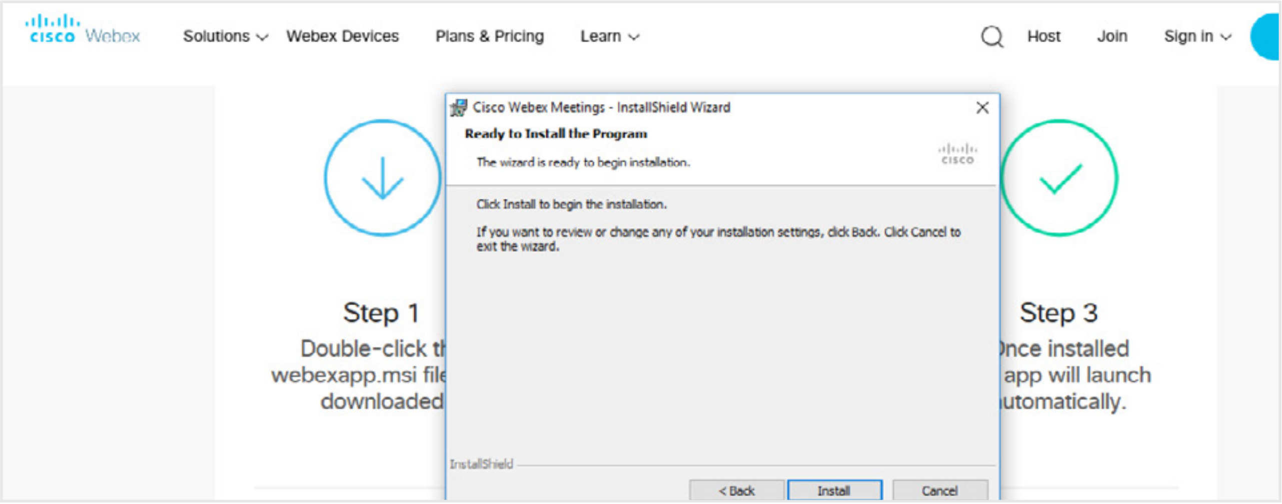
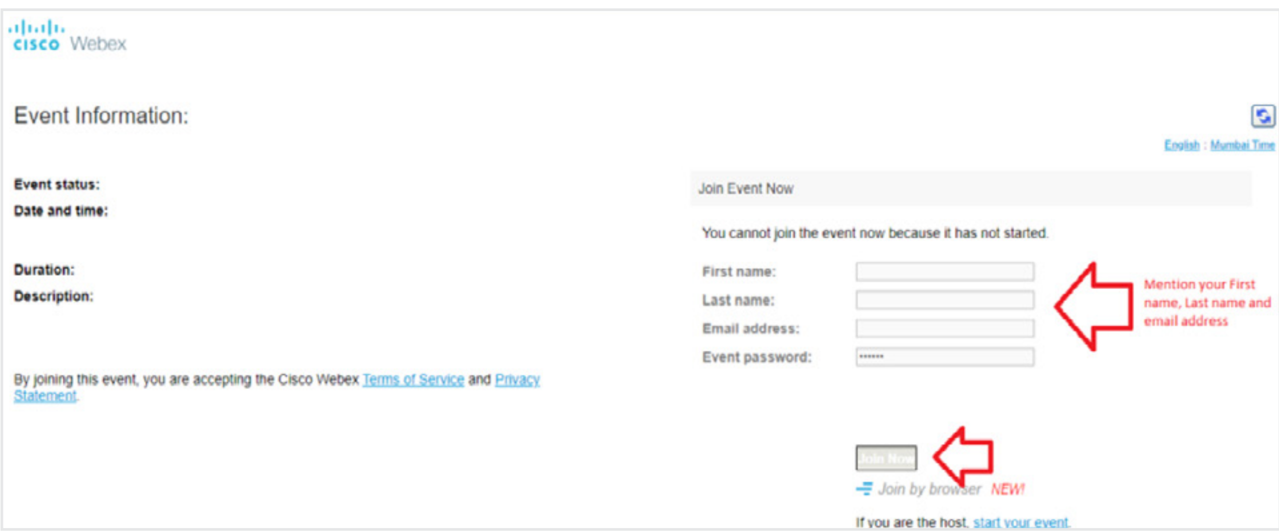


or

b) If you do not want to download and install the Webex application, you may join the meeting by following the process mentioned as under:

Step 1	Enter your First Name, Last Name and Email ID and click on Join Now.
1 (A)	If you have already installed the Webex application on your device, join the meeting by clicking on Join Now
1 (B)	If Webex application is not installed, a new page will appear giving you an option to either Add Webex to chrome or **Run a temporary application**. Click on **Run a temporary application**, an exe file will be downloaded. Click on this exe file to run the application and join the meeting by clicking on Join Now



EXPLANATORY STATEMENT

(Pursuant to Section 102(1) of the Companies Act, 2013)

The following Statement sets out all material facts relating to special businesses mentioned in the Notice:

Item No. 3

The Board of Directors, based on recommendations of the Nomination and Remuneration Committee, at its meeting held on June 24, 2020 has, subject to approval of members, appointed Mr. Dinesh Kumar Goyal as an Executive Director (Whole Time Director) of the Company (change in designation from Non-Executive Director to Executive Director) for a period of five (5) years with effect from June 24, 2020 on the terms and conditions as specified in the resolution seeking approval.

In the opinion of the Nomination & Remuneration Committee and Board of Directors of the Company, considering his seniority, role played by Mr. Dinesh Kumar Goyal towards the growth of this Company and to reap the benefits of his rich and varied experience, members' approval is sought for the appointment of and remuneration payable to Mr. Dinesh Kumar Goyal as an Executive Director (Whole Time Director) of the Company, in terms of the applicable provisions of the Companies Act, 2013 ("the Act").

Mr. Dinesh Kumar Goyal is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has consented to act as Executive Director of the Company.

Relevant details of Mr. Dinesh Kumar Goyal, including his profile, as required by the Act, Listing Regulations and Secretarial Standards issued by ICSI are provided in the "Annexure" to the Notice.

Other than Mr. Dinesh Kumar Goyal and his relatives, none of the Directors or Key Managerial Personnel or their relatives are concerned or interested, financially or otherwise, in this Resolution.

The Board recommends the Ordinary Resolution set out at Item No. 3 for the approval of Members.

Item No. 4

In accordance with the Companies Act, 2013 and on the recommendation of the Audit Committee and considering the progressive business and future needs of the company, the Board of Directors at its meeting held on August 14, 2020 have considered and recommended the appointment of M/s. Shridhar & Associates, Chartered Accountants (Firm Registration Number 134427W), as the Joint Statutory Auditors of the Company along with M/s Price Waterhouse & Co Chartered Accountants LLP (FRN 304026E/E-300009), the existing Statutory Auditors, for a period of 5 years, to hold office from the conclusion of this Annual General meeting until the conclusion of the 23rd Annual General Meeting of the Company to be held for the financial year to be ended on March 31, 2025.

The proposed remuneration to be paid to M/s Shridhar & Associates, Chartered Accountants for the financial year 2020-21 is ₹ 8.00 Lakh as also the payment of taxes, as applicable and reimbursement of travelling and out of pocket expenses incurred in connection with the audit.

M/s. Shridhar & Associates, Chartered Accountants, have conveyed their consent to be appointed as the Joint Statutory Auditors of the Company along with a confirmation that, their appointment, if made by the Members, would be within the limits prescribed under the Companies Act, 2013.

Brief Profile of M/s. Shridhar & Associates, Chartered Accountants:

Shridhar & Associates is a Chartered accountants firm with Headquarters in Mumbai. The team of Shridhar & Associates consists of distinguished Chartered Accountants, Corporate Financial Advisors and Tax Consultants having deep knowledge of auditing, accounting, finance, IT, Mergers Acquisitions, Restructuring, Revival and many more areas combined with years of experience in their respective professions. The firm also has 6 international joint ventures/ affiliates in 5 locations USA, UK, Mauritius, Dubai and Singapore.

None of the Directors or Key Managerial Personnel or their relatives, are concerned or interested, financially or otherwise, in this Resolution.

The Board recommends the Ordinary Resolution set out at Item No. 4 for the approval of Members.

Item No. 5

The object of the proposed issuance is to augment the Company's capital base and to strengthen its balance sheet, which would assist the Company in financing the business opportunities, which may arise pursuant to the increasing government focus on infrastructure sector in line with various announcements made by Government of India for spending on infrastructure sector in next five years.

Therefore, the Company proposes to have an enabling approval for raising of funds for an amount up to ₹ 2000 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, however, to the SEBI ICDR Regulations and other applicable guidelines, notifications, rules and regulations. The Board at its meeting held on Tuesday, August 25, 2020, subject to the approval of the Members and such other approvals as may be required, approved the Issue.

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, 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: (a) the allotment of the Securities shall be completed within a period of 365 days from passing this resolution or such other time as may be allowed under the SEBI ICDR Regulations from time to time; and (b) the pricing of the Securities that may be issued to qualified institutional buyers pursuant to a qualified institutions placement shall be determined by the Board in accordance with the regulations on pricing of securities prescribed under the SEBI ICDR Regulations. The resolution enables the Board to offer such discount as permitted under applicable law on the price determined pursuant to the SEBI ICDR Regulations. The Company may, in accordance with applicable law, offer a discount, of not more than 5% or such percentage as permitted under applicable law, on the floor price determined pursuant to the SEBI ICDR Regulations (not be less than the average of the weekly high and low of the closing prices of the equity shares quoted on a stock exchange during the two weeks preceding the 'Relevant Date', less a discount of not more than 5%). The 'Relevant Date' for this purpose would be the date when the Board or a duly authorized committee of the Board decides to open the qualified institutions placement for subscription, if Equity Shares are issued, 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 as provided under the SEBI ICDR Regulations.

The Special Resolution also seeks to give the Board powers to issue Securities in one or more tranche or tranches, 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.

The Equity Shares to be allotted would be listed on one or more 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.

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 Board, therefore, recommends the special resolution, as set out in item no. 5 of this Notice, for approval by the Members of the Company.

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.

Item No. 6

The Board of Directors of the Company, on the recommendation of the Audit Committee, approved the appointment and remuneration of M/s Rajendra Singh Bhati & Co., Cost Accountants (Firm Registration Number 101983), to conduct the audit of the cost records of the Company for the financial year ending March 31, 2021. In terms of the provisions of Section 148(3) 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 or Key Managerial Personnel or their relatives, are concerned or interested, financially or otherwise, in this Resolution.

The Board recommends the Ordinary Resolution set out at Item No. 6 for the approval of Members.

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 25, 2020

Registered Office:
14, Panchwati Colony, Ratanada, Jodhpur, Rajasthan - 342001
CIN-L45201RJ2003PLC018049
Website: www.hginfra.com
E-mail:cs@hginfra.com
Tel.: +91 0291 2515327

Annexure to the Notice

DETAILS OF DIRECTORS RETIRING BY ROTATION / SEEKING APPOINTMENT / RE-APPOINTMENT AT THE AGM

Name of the Director(s)	Mr. Vijendra Singh (DIN: 01688452)	Mr. Dinesh Kumar Goyal (DIN: 02576453)
Age (Years)	55	66
Qualifications	Basic Education	Ph.D & M.Sc.
Experience (including expertise in specific functional area) / Brief Resume	28 years of experience in the construction industry	Mr. Dinesh Kumar Goyal, IAS, retired as Additional Chief Secretary to Govt. of Rajasthan in 2013. He has 38 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. 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.
Terms and Conditions of Appointment/Re-appointment	Executive Director liable to retire by rotation	Executive Director liable to retire by rotation
Details of Remuneration last drawn (FY 2019-20)	₹ 1.20 Cr.	₹ 12.00 Lakh
Details of proposed remuneration	₹ 1.20 Cr. per annum	₹ 40.20 Lakh per annum
Date of first appointment on the Board	21.01.2003	23.05.2018
Shareholding in the Company as on March 31, 2020	1,17,41,568 equity shares of the face value of ₹ 10 each	1,000 equity shares of the face value of ₹ 10 each
Relationship with other Directors / Key Managerial Personnel	Brother of Mr. Harendra Singh, Chairman & Managing Director of the Company	Nil
Number of meetings of the Board attended during the financial year (2019-20)	4 of 4	4 of 4
Chairperson/ Membership of the Statutory Committee(s) of Board of Directors of the Company as on date	• Member of Corporate Social Responsibility Committee • Member of Stakeholder Relationship Committee	
Directorships of other Boards as on March 31, 2020 excluding Directorship in Private and Section 8 companies	Nil	• SPML Infra Limited • The Byke Hospitality Ltd.

Name of the Director(s)	Mr. Vijendra Singh (DIN: 01688452)	Mr. Dinesh Kumar Goyal (DIN: 02576453)
Membership / Chairmanship of Statutory Committees of other Boards as on March 31, 2020 excluding Directorship in Private and Section 8 companies	Nil	**SPML Infra Limited** • Member of Audit Committee • Member of Nomination and Remuneration Committee • Member of Stakeholder Relationship Committee • Member of Corporate Social Responsibility Committee

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 25, 2020

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14, Panchwati Colony, Ratanada, Jodhpur, Rajasthan - 342001
CIN-L45201RJ2003PLC018049
Website: www.hginfra.com
E-mail:cs@hginfra.com
Tel.: +91 0291 2515327

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