H.G. INFRA
ENGINEERING LIMITED

INVESTING IN SUSTAINABILITY

STRENGTHENING THE COMPANY THROUGH SUSTAINABLE PROCESSES, PRACTICES, INVESTMENTS AND CULTURE

ANNUAL REPORT 2017-18

FORWARD-LOOKING STATEMENT

IN THIS ANNUAL REPORT, WE HAVE DISCLOSED FORWARD-LOOKING INFORMATION TO ENABLE INVESTORS TO COMPREHEND OUR PROSPECTS AND TAKE INFORMED INVESTMENT DECISIONS. THIS REPORT AND OTHER STATEMENTS - WRITTEN AND ORAL - THAT WE PERIODICALLY MAKE, 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 WILL BE REALISED, ALTHOUGH WE BELIEVE WE HAVE BEEN PRUDENT IN OUR ASSUMPTIONS. THE ACHIEVEMENT OF RESULTS IS SUBJECT TO RISKS, UNCERTAINTIES AND EVEN INACCURATE ASSUMPTIONS. SHOULD KNOWN OR UNKNOWN RISKS OR UNCERTAINTIES MATERIALISE, OR SHOULD UNDERLYING ASSUMPTIONS PROVE INACCURATE, ACTUAL RESULTS COULD VARY MATERIALLY FROM THOSE ANTICIPATED, ESTIMATED OR PROJECTED. READERS SHOULD BEAR THIS IN MIND. WE UNDERTAKE NO OBLIGATION TO PUBLICLY UPDATE ANY FORWARD-LOOKING STATEMENTS, WHETHER AS A RESULT OF NEW INFORMATION, FUTURE EVENTS OR OTHERWISE.

15+
Number of years' track record in project execution

1,200+
Equipment bank (Number of items)

29
Projects under execution - 22 roads & highways (as on 31st March, 2018)

~2,900
Qualified and experienced employees

Performance of HG Infra Engineering Ltd. in numbers

1,393
Revenues (₹ in Cr), FY2017-18

208
EBITDA (₹ in Cr), FY2017-18

14.9
EBITDA margin (%), FY2017-18

84
PAT (₹ in Cr), FY2017-18

Contents

6
States where we have executed projects

4,600+
Order book (₹ in Cr) (unexecuted as on 31st March 2018)

6.1
PAT margin (%), FY2017-18

1,900+
Market capitalisation (₹ in Cr), 31st March 2018

The Indian road building sector is at an inflection point.
The sector addresses its largest ever road building opportunity from 2018 to 2022.

This opportunity is possibly one of the largest road building opportunities in the world today.

At H.G. Infra Engineering Limited, we are attractively placed to address this unprecedented reality.

Through a governance foundation, sizable order book, experienced management, efficient cost structure and an established culture of execution excellence.

Strengthening business sustainability.

NOTE: THE COMPANY H.G. INFRA ENGINEERING LIMITED HAS BEEN REFERRED TO AS H.G. INFRA IN THIS REPORT FOR REASONS OF BREVITY.

8 THINGS YOU NEED TO KNOW ABOUT H.G. INFRA ENGINEERING LIMITED

01 Background
H.G. Infra Engineering Limited (HGIEL) is primarily engaged in the construction of infrastructure projects like highways, roads and bridges. Over the years, the Company has evolved into one of the leading road infrastructure development companies in India. The Company also executes civil construction projects like extension and grading of runways, railways and land development. The Company diversified into water pipeline projects in the last few years, strengthening its positioning as a Company dedicated to the creation of robust national infrastructure.

02 Promoters
The Company was incorporated in 2003 by Mr. Hodal Singh, possessing more than 40 years of experience in the construction sector. H.G. Infra Engineering Limited is presently being stewarded by Harendra Singh Choudhary, son of Mr. Hodal Singh, possessing about 24 years of experience in the infrastructure development sector.

03 Presence
The Company enjoys a presence in six Indian states - Rajasthan, Haryana, Uttar Pradesh, Maharashtra, Uttarakhand and Arunachal Pradesh. Of the 29 projects under execution as on 31st March 2018, 19 are in Rajasthan, seven are in Maharashtra and the rest in Haryana, Andhra Pradesh, Uttar Pradesh and Uttarakhand.

04 Credentials
The Company addresses projects from NHAI and MoRTH as well as private players like Tata Projects and IRB. It is pre-qualified to bid independently on an annual basis for EPC bids by NHAI and MoRTH for contract values up to ₹1,120 cr based on its technical and financial capacity as on 31st March 2018. The Company is pre-qualified to the extent of Hybrid Annual Model projects of ₹1,680 cr, The Company is also registered as grade AA Class contractor with PWD, Rajasthan, and SS Category with Military Engineering Services (MES).

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

06 Equipment ownership
The Company reinforced its business model through the proprietary ownership of construction equipment. The Company had invested base of ~₹490 cr in owned assets as on 31st March 2018. Nearly ₹370 cr worth of equipments have been purchased in the last 2 years. The fleet of modern construction equipment (1,275 items) comprised crushers, compactors, graders, loaders, pavers, mixers, dumpers, excavators, rollers, sprayers, compressors and tractors.

07 Our people
The Company comprised 2,894 employees as on 31st March 2018. The proportion of skilled and high-skilled employees accounted for 89% of all employees at the close of 2017-18. The Company added 1,397 employees during the year under review. The number of employees have increased 3 times in the last 2 years (from ~1,000 as on 31st March 2016).

08 Order book
As of 31st March 2018, the Company had an order book of ₹4,607 cr (~3.3x FY18 revenues), comprising 29 projects (22 in the roads and highways sector). Nearly 75% of the order book comprised government companies. Nearly 85% of the order book comprised projects in Maharashtra and Rajasthan.

HOW WE HAVE GROWN OVER THE YEARS

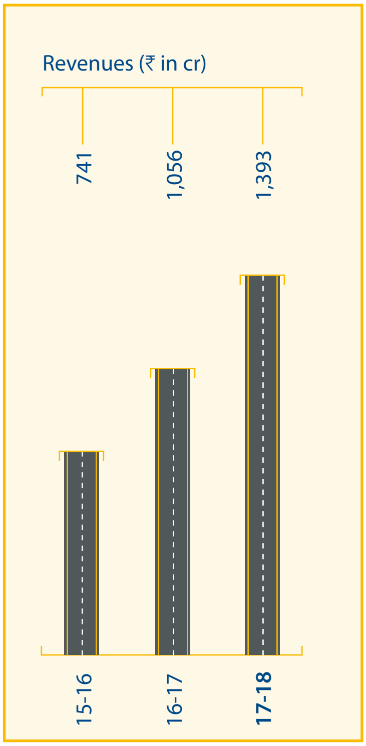
CY 2003 - 08
- Incorporated in 2003
- Executed first sub-contract work of embankment construction
- Commenced construction of a portion of the Yamuna Expressway – ~₹129 cr

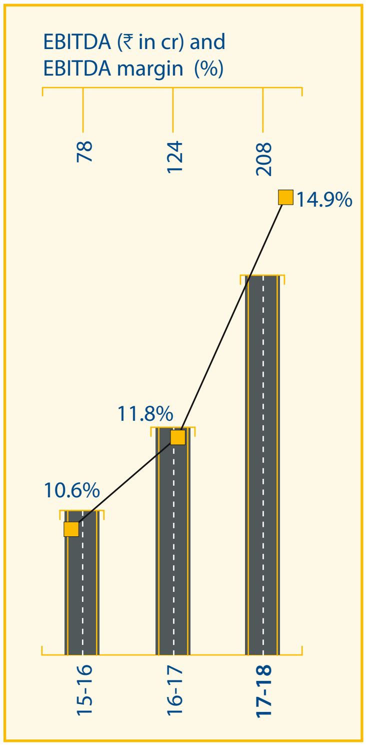
CY 2010 – 14
- Four-laning of 49 km on the Jaipur-Tonk-Deoli section on NH-12 – ~₹362.02 cr
- Four-laning of the Warora - Bamni section in Maharashtra for ~₹260 cr

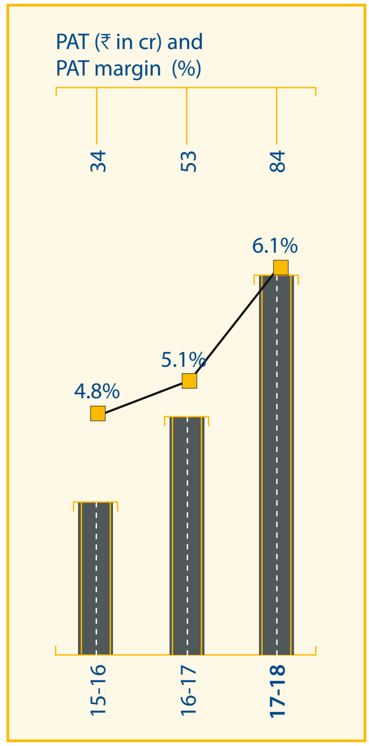
CY 2015 – 16
- Construction of four laning of NH-65 on the Kaithal- Rajasthan border for ~₹421 cr
- Executed second renewal coat on the pavement of six-lane Jaipur-₹145.11 Cr
- Two construction projects from NHAI for ~₹400 cr

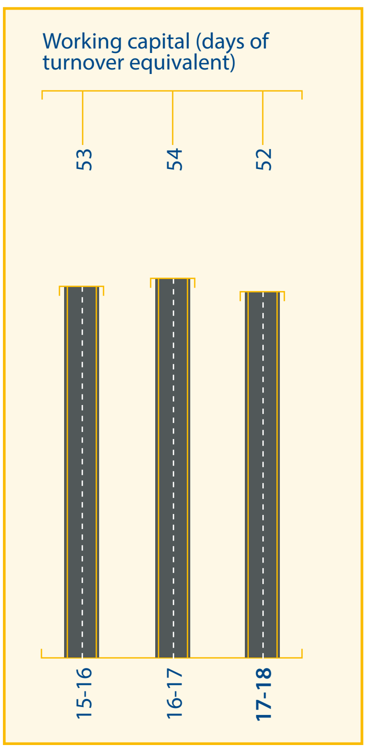
CY 2017 – 18
- Seven construction projects in Maharashtra by MoRTH for ~₹1,900 cr
- Won first Hybrid Annuity model project in Haryana for ~₹606 cr
- The Company got listed on National Stock Exchange and Bombay Stock Exchange

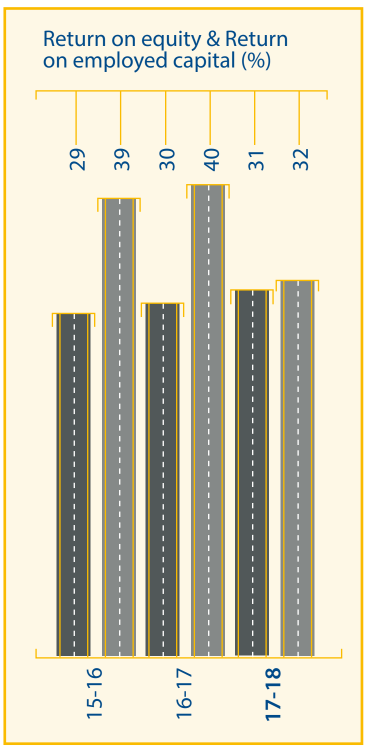
OUR PERFORMANCE
OVER THE YEARS

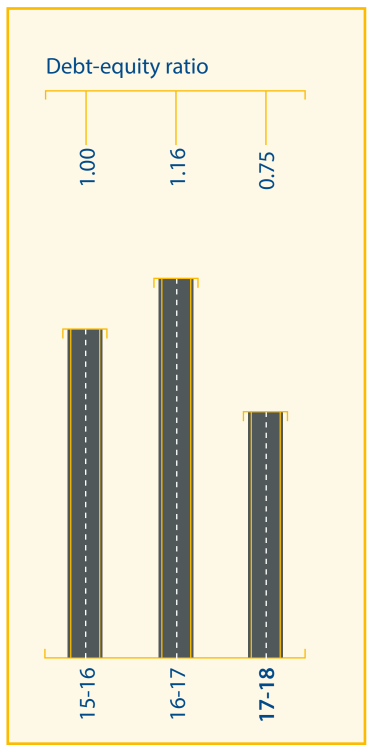












Return on capital employed (ROCE)
Return on equity (RoE)

(IPO proceeds are excluded from the ROCE & RoE for FY18)

CASE STUDY-01

INVESTING IN BUSINESS SUSTAINABILITY BY EMBRACING CHALLENGES

WHEN H.G. Infra embarked on a challenging project for Jaypee Associates on the Yamuna Expressway on 2008-09, a number of observers felt that the Company had over-extended itself.

The challenges were daunting.

The Company had never worked on an expressway before. This was the largest project in the Company's existence. This was the first time the Company was stepping out of Rajasthan. The project needed to be delivered with speed.

H.G. Infra responded with speed and sensitivity. The Company invested in people, equipment and processes. Project control was strengthened.

The Company completed the 16.93 km project on schedule.

The reward? The customer increased the scope of the Company's project from ₹77 cr to ₹130 cr.

CASE STUDY-02

INVESTING IN BUSINESS SUSTAINABILITY THROUGH DEPENDABILITY

IN 2010, when H.G. Infra was awarded a 63 km road building project between Jaipur and Deoli in Rajasthan by IRB, industry observers sat up and took notice.

The first four-laning project would test the Company. The bituminous nature of the project would take time. There was every possibility that the timeline would be missed.

H.G. Infra responded with a distinctive spirit. Sub-teams were created. A day-by-schedule was planned. Deviations from the plan were highlighted for immediate correction.

The result is that the Company completed the project on schedule.

The customer was so delighted that it raised the project allocation size of ₹257 cr to ₹364 cr.

Strengthening the Company's recall as a dependable partner.

CASE STUDY-03

INVESTING IN BUSINESS SUSTAINABILITY THROUGH ENVIRONMENT RESPONSIBILITY

WHEN H.G. Infra was awarded the 9km Agra Ring Road Project skirting the iconic Taj Mahal, the project was anything but ordinary.

For one, the Agra Development Authority project warranted the creation of an elevated roadway. Besides, the Company was required to take a number of environment -respecting precautions and make extensive provisions.

Besides, the Company had never worked on a project of this nature. However, it responded with safeguards, investments and protocols.

The ₹306 cr project was completed on schedule.

The client was pleased not just with the timely delivery but the fact that the vendor (H.G. Infra) had responded with corresponding responsibility and sensitivity that resulted in complete community acceptance.

CHAIRMAN'S OVERVIEW

THE COMPANY EXPECTS TO OUTPERFORM THE 20-25% ANNUAL GROWTH OF INDIA'S ROAD BUILDING SECTOR WITH PROJECTED ANNUAL REVENUE GROWTH IN EXCESS OF 30%

I AM PLEASED TO PRESENT THE FIRST ANNUAL REPORT OF THE COMPANY FOLLOWING ITS IPO IN 2017-18.

The Company reported its best-ever results during the financial year under review.

Revenues increased 32% to ₹1,393 cr, EBIDTA strengthened 68% to ₹208 cr and profit after tax increased 58% to ₹84 cr. The Company reported profitable growth; besides, the Company reported an increase in EBIDTA margin by 310 bps to 14.9% and a growth in Return on Equity by 100 bps to 31%, indicating a growing competitiveness.

Sectoral overview

The long-term optimism at H.G. Infra is largely derived from an unprecedented transformation in India's road building sector across the last few years.

The Indian government has made road building central to the growth of the country's infrastructure. This is being increasingly reflected in the announcement of the largest road building program in the history of the nation, a responsive industry-enabling environment and a focus on project completion over mere project announcement.

The result of these positive developments is that India's road building sector is faced with the biggest order book in its history, translating into multi-year revenue visibility. As India's road building sector grows faster than ever, a select group of serious long-term players are positioned to grow even faster, capitalising on their scalable foundation leading to business sustainability.

Inflection point at H.G. Infra

At H.G. Infra, we invested in our business across the last few years to emerge opportunity-ready.

We developed a strategic clarity that it would be better to report sustainable growth over lumpy and erratic performance.

We balanced our role as direct contractors and indirect sub-contractors with the objective to maximise our capacity utilisation and related profitability.

We selected to work with large and respected clients, strengthening our cash flows and timely payments

We selected to specialise in Rajasthan where we enjoyed economies of mobilisation, project management and cost management before we broadened our presence across other states.

We invested more than ₹370 cr over last two years in construction equipment ownership, making it possible to accelerate project progress and moderate costs.

We created a number of strategic business units within the Company, responsible for the business sustainability of their respective profit centres.

We recruited experienced personnel, trained them and oriented them around the H.G. Infra way of doing things.

We invested in SAP (to be live soon) that will make it possible to enhance planning accuracy, control concurrent projects management and take informed decisions.

We launched an IPO to mobilise resources that would help us with our high growth vision, while keeping moderate debt on our books.

Governance

One of the most decisive things that H.G. Infra embarked on in the last few years was the strengthening of its governance foundation.

At H.G. Infra, we believe that a sound governance framework graduates companies from one level to another, strengthening business sustainability. At our Company, we invested in a different way of doing business with the objective to enhance process predictability and credibility.

H.G. Infra appointed one of the Big Four accounting firms as auditors, strengthened its Board of Directors, invested in processes and protocols that replaced ad hoc and arbitrary management, created an ethical framework that extended across the organisation and strengthened engagement with the investing community.

We believe that this framework will empower H.G. Infra to outperform the sectoral growth average and, in doing so, address the diverse needs of stakeholders – employees, vendors, customers, shareholders and the community.

Outlook

The optimism in our business is derived from the ambitious road building programme announced by the Indian government. The Bharatmala project is possibly the largest single infrastructure project in the country's existence. The ₹5,35,000 cr project entails the building of more than 35000 km of highways and roads across the country by 2022. The historic project provides extensive opportunities for competent road building companies in India.

H.G. Infra is one of those companies to be attractively placed to capitalise on the sectoral revival. The Company possessed an unexecuted order book of ₹4,607 cr as on 31st March 2018, the largest in its existence. The order book has grown 3x in the last three years. The Company possesses robust revenue visibility around attractive profitability. Besides, we intend to bid directly for more projects or engage in profitable sub-contracting for other road building companies.

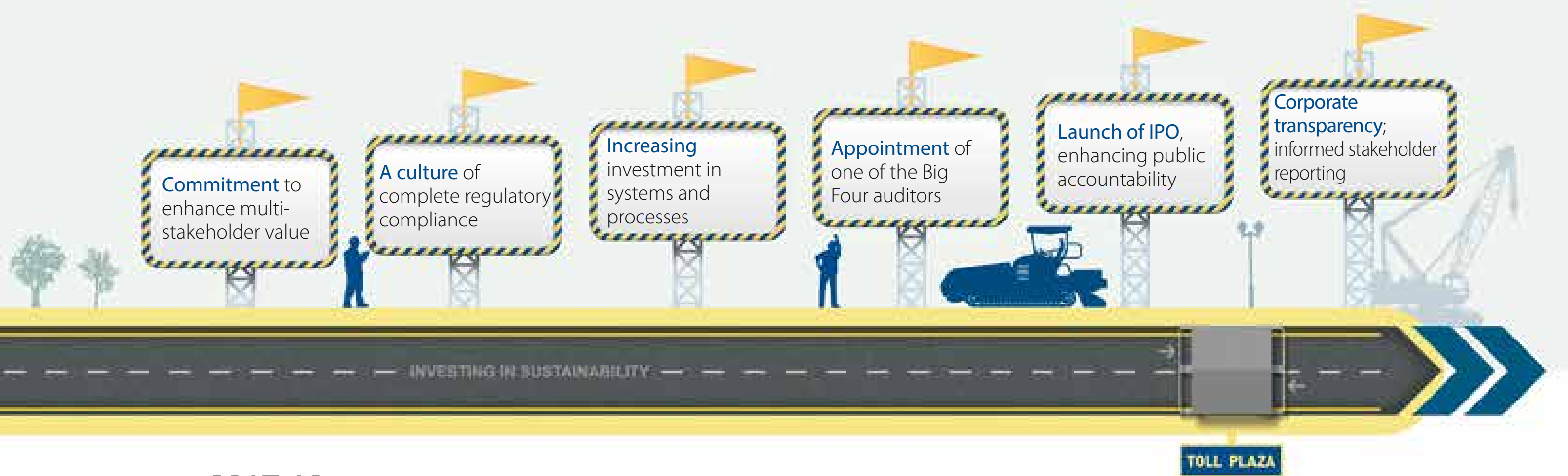
In view of these realities, the Company expects to outperform the 20-25% annual growth of India's road building with projected annual revenue growth in excess of 30% around mid-teen EBIDTA margins, ensuring profitable and sustainable growth across the foreseeable future.

Conclusion

At H.G. Infra, we commit to address our prospects with a culture of urgency and our projects with hands-on engagement. In doing so, we are optimistic of enhancing value for our growing family of stakeholders.

Harendra Singh
Managing Director

OUR GOVERNANCE FOUNDATION



HOW WE HAVE SELECTED TO DO BUSINESS: THE H.G. INFRA WAY

Sectoral landscape

National priority: There is a growing recognition that infrastructure investment will graduate India into the next league, strengthening economic growth and prosperity

Road building focus: Within infrastructure, there is a significant focus on road building as a national driver. This is reflected in unprecedented investments being made in road building projects.

Larger projects: The size of road building projects is getting larger. What used to be a project ticket size of a few hundred crores a few years ago has trebled, warranting larger investments by contracting companies (in people, equipment and Balance Sheet).

Timeliness focus: There is a stronger focus within India on not just project announcement but project progress/completion – with stipulated timelines and corresponding reward/penalties for deviations from agreed timelines.

Sectoral attrition: The road building sector has been marked by a number of companies with stressed Balance Sheets unable to qualify for attractive projects, creating an unprecedented opportunity for mid-sized companies like H.G. Infra to address the sectoral gap.

H.G. Infra's responsiveness

Business clarity: At H.G. Infra, we believe that we are in a business where not only is the quality important but also the speed with which we deliver. This puts a premium on our ability to complete projects on or before schedule

Project selection: The Company will work on projects contracted directly from the government or sub-contracted from road building companies based on their respective profitability. Revenues derived from direct contracts given by the government was 75% in FY18. These projects will be selected on the basis of their size, complexity, margins, funding and the credibility of the customer.

Segment presence: The Company largely addressed prospects from the road building industry in 2017-18 (90% of revenues). The Company expects to build a critical mass of road-building projects before extending into contiguous construction spaces (aviation, rail, water management and metro rail).

Pre-qualification: The Company will strengthen its pre-qualification credentials through timely projects completion. The Company was pre-qualified to bid for ₹1,680 cr of HAM projects and ₹1,120 cr of EPC contracts by the close of 2017-18.

EPC focus: The Company will continue to focus on the execution of EPC projects in the roads and highways sector

HAM focus: The Company would continue to look at HAM projects selectively. At any point, the proportion of HAM projects in the order book is not expected to exceed 25%.

Terrain presence: The Company will follow a clusterised approach, selecting to enter states with large long-term road building potential, followed by a deepening presence in those states, leveraging economies of experience, mobilisation and co-ordination. The Company's presence was spread across 6 states in 2017-18. The Company intends to explore prospects deeper in Gujarat, Punjab and Uttar Pradesh.

Execution excellence: The Company is singularly focused on a culture of excellence, marked by responsible bidding, comprehensive technical surveys and feasibility studies, timely mobilisation, scheduled construction, optimum quality reflecting in lower maintenance and repairs (resulting in higher operation and maintenance margins) leading to timely milestone-linked receivables from customers, creating a virtuous cycle of cash flows and profitability.

Holistic management: The ability to complete projects on schedule is derived from a holistic management of business variables – proprietary equipment ownership, clusterised geographic presence, adequate people recruitment, training and delegation as well investment in controls and processes.

Balance of interests: The Company is managed hands-on by the promoters with adequate delegation. The creation of strategic business units, treated as independent profit centres, has helped enhance ownership, responsibility and accountability, creating the next line of business leaders.

Equipment ownership: The Company invested around ₹370 cr in the proprietary ownership of construction equipment with the objective to accelerate project progress, rotate equipment more efficiently across construction sites and moderate rentals.

Debt perspective: The Company has selected to work with modest capital, re-investing accruals in business growth. The Company expects to repay debt through FY19, strengthening its gearing. The Company will aim to maintain a healthy debt-equity ratio, and will mobilise debt only to fund growth with attractive payback.

Governance: The Company selected to invest consciously in governance – whether it was through the enunciation of an ethical framework applicable to all employees, strengthening the Board of Directors, appointment of new auditors, strengthening processes, investing in cutting-edge information technology (SAP) and increasing operational transparency with stakeholders.

Value-creation: The Company is focused on enhancing stakeholder value, strengthening earnings in the hands of shareholders.

HOW WE HAVE STRENGTHENED OUR BUSINESS OVER THE YEARS

Employees

1,070 Number, 2016 › **2,894** Number, 2018

The Company strengthened its knowledge capital, empowering it to address more and larger projects

Equipment ownership

116 ₹ cr, 31st March 2016 › **490** ₹ cr, 31st March 2018

The Company invested in the proprietary ownership of construction equipment, strengthening project management

Number of customers

26 As on 31 March 2016 › **30** As on 31 March 2018

The Company addressed a larger number of customers, strengthening related economies

Concurrent projects addressed (₹200 cr+)

2 As on 31 March 2016 › **13** As on 31 March 2018

The Company addressed a larger number of projects, enhancing operational scale, revenues and profits

EPC pre-qualification capability

300 ₹ cr, 31 March 2016 › **1,120** ₹ cr, 31 March 2018

The Company strengthened its prequalification credentials, making it possible to bid for progressively larger projects

H.G. INFRA'S
CULTURE OF URGENCY

MANAGEMENT DISCUSSION AND ANALYSIS

Global economic overview

In 2017, a decade after the global economy collapsed, a revival manifested: ongoing Euro-zone growth, modest growth in Japan, late revival in China and improving realities in Russia and Brazil. The result was an estimated 3.7% global economic growth in 2017, some 60 bps higher than the previous year. Global growth forecasts for 2018 and 2019 were revised upward by 20 bps to 3.9%. (Source: WEO, IMF)

Indian economic overview

The Indian economy reported 6.7% growth in 2017-18, rising to 7.7% in the last quarter. The year under review was marked by structural reforms by the Government. After remaining in negative territory for a couple of years, export growth rebounded in 2016-17 and strengthened in 2017-18; foreign exchange reserves rose to US$ 426 billion as on April 2018. Further, World Bank projects India's economic growth to accelerate to 7.3% in 2018-19 and 7.5% in 2019-20. (Source: CSO, economic survey 2017-18, IMF, World Bank)

Indian infrastructure sector overview

India is arguably the most attractive infrastructure investment declination in the world given the government's focus, increased outlays and order announcement for infrastructure companies.

There is a basis for the increase in infrastructure spending in India: as on 31st March 2017, India's spending on this sector was 8% of GDP compared with China's spending of nearly 11% of its GDP on infrastructure (China's GDP being approximately five times India's GDP). This indicates the latent potential of the sector with the prospect of generating substantial year-on-year growth.

India's large infrastructure appetite indicates an infrastructure spending potential of ~ US$1.5 trillion in 10 years starting FY19. That related activity is beginning is evident: the sector witnessed 91 M&A deals worth US$5.4 billion in 2017. Correspondingly, the total capital outlay of the country's infrastructure sector increased 20.8% to ₹5.97 lakh cr during FY2018-19 from an estimated ₹4.94 lakh cr in FY2017-18, which reflects an unmistakable road building focus of the Indian Government. (Source: IBEF)

Roads and roadways

Roads and highways represent India's lifeline, the basis of its global competitiveness across sectors. India accounts for the second largest road network in the world (5.6 million kilometres). However, the proportion of highways in the country's road network is considerably lower than the share of cargo carried through it, warranting an immediate correction.

During 2017-18, NHAI awarded projects spanning 7,397 kilometres, while MoRTH awarded projects spanning 8,652 kilometres and NHIDCL awarded projects spanning 591 kilometres. As of April 2018, there were 1,529 PPP projects in India, of which 740 were related to roads, indicating the seriousness of the government's intent. During FY2017-18, 9,829 kilometres of national highways were constructed, a 20% growth over FY2016-17. The pace of highway construction touched 27 kilometres per day during FY2017-18, a growth of 20% over 22.5 kilometres per day in FY2016-17. The aggregate expenditure on new road projects in the last five years amounted to ₹6.55 lakh cr.

Outlook

India's national highway network is expected to cover 50,000 kilometres by 2019, with ~20,000 kilometres of works scheduled for completion over the next couple of years, the highest increment in that period of time. The Indian Government plans to develop a total of

66,117 kilometres of roads under different programmes such as NHDP, SARDP-NE and LWE. The Indian Government identified 2,000 kilometres of coastal roads for development to improve connectivity between ports and remote villages. The fact that only 24% of the national highway network in India is four-laned indicates a considerable increase in the scope for sustained road building.

Government initiatives

The government is addressing this growing national priority with corresponding urgency. The government intends to invest ₹7 lakh cr for the construction of new roads and highways over the next five years. This is expected to correct the national imbalance of road types and increase the length of National Highways to 200, 000 kilometres. Besides, the government intends to invest ~₹1 lakh cr between FY2017-18 and FY2019-20 under the aegis of the Pradhan Mantri Gram Sadak Yojana to strengthen the country's non-highway network as well.

(Source: IBEF, WEF, Ministry of Road Transport and Highways).

Budgetary allocation

The government's growing road building focus has translated into increased Budgetary allocations, moving to the centre stage its commitment to build this national infrastructure.

Between FY2008-09 and FY2018-19, the budgetary outlay for road transport and highways increased at a CAGR of 20.91%, higher than any other infrastructure segment.

This sustained investment translated into the largest national outlay for road construction, the length of proposed roads being more than twice the Earth's circumference (~40,000 kilometres).

The core of the government's road building initiative was the announcement of the landmark Bharatmala Pariyojana, entailing an investment of ₹5.35 lakh cr over a five-year period while envisaging the construction of 34,800 kilometres of roads. It is estimated that ₹1.57 lakh cr will be additionally spent on existing projects, increasing the total expenditure under the programme to ₹6.92 lakh million.

The government announced a planned outlay of ₹1.21 lakh cr for the road sector with ₹71,000 cr allocated for the development for national highways.

The Central Government allocated ₹649 billion to MoRTH during Union Budget 2017-18, an increase over the revised estimate of ₹524.47 billion for FY2016-17. The additional outlay will make it possible to construct 2,000 kilometres of coastally-connected roads, strengthening port connectivity and supply chain linkages that strengthen India's global competitiveness.

Besides, the government focused on enhancing rural connectivity through better roads, the basis of its economic buoyancy. India provided road connectivity to 85% of the 1,78,184 eligible rural habitations under the PMGSY scheme. The total length of roads constructed under the scheme during FY2017-18 stood at 47,447 kilometres. Going ahead, all villages are expected to be connected to roads by 2019 under PMGSY as against the previous target of 2022.

(Source: IBEF, Hindustan Times)

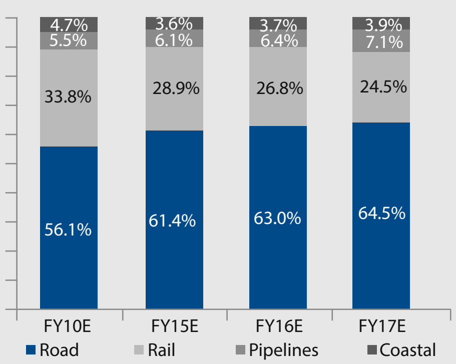
Hybrid Annuity Model (HAM)

The Indian Government, in 2016 introduced the Hybrid Annuity Model (HAM) to revive PPP (Public Private Partnership) in highway construction. It is a mix of BOT Annuity and EPC models where the government would be contributing 40% of the project cost in the first five years through annual payments (annuity). The remaining payment will be made on the basis of the assets created and the performance of the developer. Here, hybrid annuity means the first 40% payment is made as fixed amount in five equal installments whereas the remaining 60% is paid as variable annuity amount after the completion of the project depending upon the value of assets created. During FY2017-18, the National Highways Authority of India awarded around 3,396 kilometres of HAM projects valued around ₹76,500 cr compared to 2,434 kilometres and ₹36,300 cr during FY2016- 17.
(Source – indianeconomy)

The advantages of the Hybrid Annuity Model

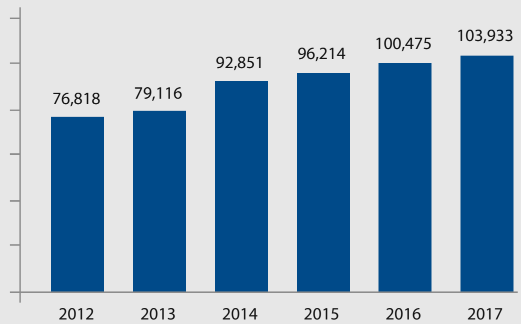
- The developer receives 40% funding from governmental bodies, reducing financing costs
- Lower upfront equity outlay
- Traffic based risks related to toll collection gets significantly reduced
- Provisions for inflation-adjusted project cost over time
- Result in speedy completion of projects
- Operation and maintenance (O&M) responsibilities are with the concessionaire with separate provisions for O&M payments

Share of roads in total freight movement – in BTKM terms



(Source: CRISIL Research)

National highways network (Length in km)



(Source: MoRTH). Year represents financial year

Financial review

Revenue from operations and other income
Revenue during the year stood at ₹1,393 cr, increased by 32% as compared to ₹1,056 cr in FY2016-17.

Profit before tax
The Company registered a profit before tax of ₹119 cr compared to ₹83 cr in the previous year.

Profit after tax
The Company registered a profit after tax of ₹84 cr compared to ₹53 cr in the previous year.

Key ratios

Particulars	2017-18	2016-17
EBIDTA/Turnover	14.9%	11.8%
EBIDTA/Net interest	2.0	1.6
Debt-equity ratio	0.75	1.16
Return on equity (%)	31	30
Earnings per share (₹)	15.39	9.88

Internal control systems 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.

RISK MANAGEMENT

01 Increasing cost of borrowings: Any rise in lending rates by banks and NBFCs could affect profitability.
Mitigation: The Company has leveraged cash flows to moderate debt; besides, it has leveraged the strength of its Balance Sheet to moderate borrowing costs. The combination is expected to strengthen interest cover and margins, setting into motion a virtuous cycle of accrual-driven growth.

02 Shortage of skilled labour: India faces a shortage of labour, impacting labour mobilisation, timely projects completion and construction costs.
Mitigation: The Company's strong ethical commitment, equitable treatment, workplace safety and labour amenities strengthened people attraction and retention. The Company employed 2,894 employees as of March 31, 2018 (88% skilled workers comprising qualified engineers and management professionals, and rest unskilled and semiskilled workers). The Company also strengthened worker training to equip them with necessary skills.

03 Delay in projects completion: Projects completion delays could increase costs, affect cash flows and the overall objective to de-leverage, affecting viability.
Mitigation: The Company invested in business-strengthening processes and practices directed to accelerate project progress. This competence comprised investments in proprietary equipment ownership, adequate professional employment, transformation of each project into a profit centre, investment in IT tools to control projects better and ongoing training. The Company received a bonus from the Chief Engineer, National Highways, PWD Lucknow for the early completion of widening and strengthening of a National Highway in Uttar Pradesh in 2014.

04 Liquidity risk: The business of road building warrants extensive investments in equipment and working capital, which in turn need to be funded through prudent cash flow management.
Mitigation: The Company has prioritised a culture of execution excellence, marked by timely projects completion. This in turn kickstarted timely receivables, robust cash flows, strong Balance Sheet, ability to mobilise debt with speed to fund equipment and the prudent use of cash flows to address overheads. The Company utilised its IPO proceeds to repay debt of ₹33.13 cr in FY18 out of ₹115 cr, strengthening its overall viability. Even as the Company grew revenues 32% during the year under review, gearing strengthened from 1.16 to 0.75 through 2017-18. As a matter of prudence, the Company selects to bid for projects in line with what its Balance Sheet can bear, strengthening business sustainability.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Harendra Singh
Chairman & Managing Director
DIN-00402458

Mr. Vijendra Singh
Whole Time Director
DIN-01688452

Mr. Ashok Kumar Thakur
Independent Director
DIN-07573726

Ms. Pooja Hemant Goyal
Independent Director
DIN-07813296

Mr. Onkar Singh
Independent Director
DIN-07853887

Mr.Dinesh Kumar Goyal
Executive Director
DIN-02576453

COMMIITEES OF BOARD OF DIRECTORS

AUDIT COMMITTEE
Mr. Ashok Kumar Thakur- Chairman
Mr. Harendra Singh- Member
Mr. Onkar Singh- Member

NOMINATION & REMUNERATION COMMITTEE
Mr. Onkar Singh- Chairman
Mr. Ashok Kumar Thakur- Member
Ms. Pooja Hemant 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 & COMPLAINCE OFFICER

Ankita Mehra

AUDITORS

Price Waterhouse & Co Chartered Accountatnts LLP
252, Veer Savarkar, Marg, Shivaji Park, Dadar, Mumbai- 400028

SECRETARIAL AUDITORS

MS. ATCS & ASSOCIATES
Company Secretaries
23 KA-4 | Jyoti Nagar | Near Vidhan Sabha | Jaipur-302005(Raj.)

COST AUDITORS

M/S Rajendra Singh Bhati & Co.
Hari Om Tower Manji Ka Hatha Paota, Jodhpur-342003 (Raj.)

BANKERS

Bank of Baroda
State bank of India
HDFC Bank
Indusind Bank
Oriental Bank of Commerce
Punjab National Bank
ICICI Bank
Yes Bank
Union bank of India
IDFC

REGISTERED OFFICE

14, Panchwati Colony,
Ratanada Jodhpur, Rajasthan-342001

CORPORATE OFFICE

III Floor, Sheel Mohar Plaza, A-1 Tilak Marg, C-Scheme,
Rajasthan ,Jaipur-302001

REGISTRAR & SHARE TRANSFER AGENT FOR EQUITY SHARES

Link Intime India Private Limited
C-101, 247 Park, L B S Marg,
Vikhroli West, Mumbai 400083(MH)

BOARD'S REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the 16th Annual Report on the business, operations and financial performance of the Company along with the Audited Financial Statements for the Financial Year ended 31st March, 2018.

1. FINANCIALS RESULTS:

The Financial Performance of the Company for the financial year ended on 31st March, 2018 is as follows-:

(Amount in ₹ Millions)

Particulars	Standalone		Consolidated	
	31.03.2018	31.03.2017	31.03.2018	31.03.2017
Gross Revenue	13973.91	10594.45	13973.91	10594.45
Total expenses	12786.31	9760.70	12786.31	9760.70
Profit / (loss) before tax	**1187.60**	**833.75**	**1187.60**	**833.75**
Tax expenses				
Current tax	383.74	311.71	383.74	311.71
Deferred tax	(38.78)	(12.13)	(38.78)	(12.13)
Total Tax Expense	**344.96**	**299.58**	**344.96**	**299.58**
Profit After Tax	**842.64**	**534.17**	**842.64**	**534.17**
Other comprehensive income Items that will not be reclassified to profit or loss (Net of Taxes)	(0.94)	(0.53)	(0.94)	(0.53)
Total Comprehensive Income for the year	**841.70**	**533.64**	**841.70**	**533.64**

The Consolidated Revenue from Operations amounted to ₹13,973.91 Mn as against ₹10594.45 Mn in the previous year, registering a growth of 32%. The Consolidated Operating Profit before Tax amounted to ₹1187.60 Mn as against ₹833.75 Mn in the previous year. The Consolidated Net Profit after Tax amounted to ₹842.64 Mn as against ₹534.17Mn in previous year and Total Comprehensive Income for the year amounted to ₹841.70 Mn against ₹533.64 Mn in previous year.

Previous year figures have been re-grouped and rearranged wherever considered necessary.

2. PERFORMANCE OVERVIEW:

During the year under review, your Company reported a top-line growth of 31.9% over the previous year. The Revenue from Operations amounted to ₹13973.91 Mn as against ₹10594.45 Mn in the previous year. The EBITDA amounted to ₹1187.60 Mn as against ₹833.75 Mn in the previous year. The Profit for the year amounted to ₹842.64 Mn against ₹534.17 Mn reported in the previous year.

Order inflow for FY-18 was ₹15,915.9 Mn and order book as on March 31st, 2018 stood at ₹46,071.7 Mn. Out of new orders received during the year, one order was in the Hybrid Annuity Mode in the state of Haryana worth ₹6,060.0 Mn, and rest all were EPC orders which includes three orders from state PWD Rajasthan (World Bank funded projects) worth ₹5,966.3 Mn, two orders from PWD Rajasthan under CRF scheme worth ₹765.4 Mn, two orders from MORTH-Rajasthan worth ₹3,004.2 Mn. Out of the total order book, 75% are government contracts and 25% are from private clients. In terms of state wise, break is as follows; 50% is from Rajasthan, followed by 35% in Maharashtra and 13% from Haryana and remaining from Uttarakhand, Uttar Pradesh and Arunachal Pradesh.

3. DIVIDEND:

Based on the Company's performance, the Directors are pleased to recommend for approval of the members a final dividend of ₹0.50 per share for FY18 taking the total dividend to ₹0.50 per share.

The final dividend on equity shares, if approved by the members, would involve a cash outflow of ₹32.59 Mn.

4. RESERVES:

The Company is not proposing to transfer any amount to the General Reserves of the Company out of the profits made during the year. The total Other Equity (including securities premium Reserves, General Reserves, Surplus in statement of profit and loss and other comprehensive income) as on March 31, 2018 is ₹4,756.92 Mn as against the Paid-up capital of ₹651.71 Mn.

5. DEPOSITS:

During the year ended March 31, 2018, the Company has not accepted deposits from the public falling within the ambit of Section 73 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.

6. DIRECTOR'S RESPONSIBILITY STATEMENT:

Pursuant to Section 134 of the Companies Act, 2013, the Directors hereby 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 had 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 had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

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

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

vi. The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

7. CONVERSION OF COMPANY FROM PRIVATE LIMITED TO PUBLIC LIMITED

During the financial year, the company has been converted from "Private Limited" to "Limited" and its name has been changes from "H.G. INFRA ENGINEERING PRIVATE LIMITED (PART IX) "to "H.G. INFRA ENGINEERING LIMITED (PART IX)" w.e.f. June 8, 2017.

8. SHARE CAPITAL AND INITIAL PUBLIC OFFERING AND OFFER FOR SALE:

a) Change in Capital Structure-

Authorised Capital:-

During the Financial year, The Company has increased its Authorized Share Capital from ₹20,00,00,000 (Rupees Twenty Crore only) divided into 2,00,00,000 (Two Crore) equity shares of ₹10 each to ₹80,00,00,000 (Rupees Eighty Crore only) divided into 8,00,00,000 (Eight Crore) equity shares of ₹10/- each in the Annual General Meeting held on 08th Day of September, 2017.

b) Issued/Subscribed/Paid up Capital:-

1. Bonus Issue:

During the Financial Year, The Shareholder's of the Company at its Meeting held on September 08, 2017, has approved the issue of bonus shares to the holders of the equity shares of the Company in the ratio of 2:1 (i.e.

2 (Two) Bonus Equity Share of ₹10/- for every 1 (One fully paid-up Equity Shares of ₹10/- each held) by capitalisation of its Reserves

2. Initial Public Offering (IPO)-

During the Financial Year 2017-18, your Company entered into the Securities Market through Initial Public Offering (IPO). The Public Issue comprised of Fresh Issue of 1,11,11,111 Equity shares of ₹10/- each at a premium of ₹260/- per share aggregating to ₹300 Crore and an Offer for sale by promoters Mr. Hodal Singh of 30,00,000 equity shares and Mr. Harendra Singh, Mr. Vijendra Singh & Mr. Girish Pal Singh of 10,00,000 Equity Shares each.

Equity Shares of the Company are listed at 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.

Further the status of the utilisation of the Proceeds of the IPO and division thereon are as under:-

Particulars	Amount 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 March 31,2018	112.91
Funds to be utilized (remain invested in bank fixed deposits & Current Account)	164.84

The Company has not deviated from the objects of the IPO as mentioned in the Prospectus with respect to the utilization of the proceeds from the IPO.

c) Change(s) in the Capital Structure of the Company:-

During the Financial year, the Company has increased its Paid-Up Capital from ₹18,02,00,000 (Rupees Eighteen Crore Two Lakh Only) to ₹54,06,00,000 (Rupees Fifty Four Crore Six Lakh Only) by issuance of 36,04,00,000 (Thirty six crore four lakh only) Equity Shares of ₹10/- each of same class as of existing by way of Bonus issue and further raised its Paid-Up Capital from ₹54,06,00,000 (Rupees Fifty Four Crore Six Lakh Only) to 65,17,11,110 (Rupees Sixty Five crore Seventeen Lakh Eleven Thousand One Hundred Ten only) by issuance of 11,111,111 fresh Equity shares of ₹10/- each at a premium of ₹260/- per share by way of Initial Public Offering (IPO).

d) Status of Shares

As the members are aware, the Company's shares are compulsorily tradable in electronic form. As on March 31, 2018, 100% of the Company's total paid up capital representing 65,17,11,11 shares are in dematerialized form.

9. LISTING OF EQUITY SHARES:

During the Financial Year 2017-18 Company have received the Trading Approval from Bombay Stock Exchange on March 8th, 2018 with Notice No 20180308-30 and National Stock Exchange of India on March 8th, 2018.Ref. No.: NSE/CML/37145.

STOCK CODE/SYMBOL-

The Company's equity shares are listed on the following Stock Exchanges:

Bombay Stock Exchange	Scrip Code-541019
National Stock Exchange	HGINFRA
ISIN Nos.	INE926X01010

Other:-The Company has paid listing fees, as applicable, to the respective Stock exchanges for the financial year 2017-2018&2018-2019 in respect of its listed securities.

10. EXTRACT OF ANNUAL RETURN:

An extract of Annual Return in Form MGT-9 as on 31st March, 2018 is attached as "ANNEXURE-I" to this Report.

11. INFORMATION ABOUT SUBSIDIARY/ JOINT VENTURE/ ASSOCIATE COMPANY

Our company has 5 Joint Venture as on March 31, 2018:

1. HGIEPL-RPS
2. HGIEPL-COLOSAL
3. HGIEPL-RANJIT BUILDCON
4. TPL-HGIEPL
5. HGIEPL-MGCPL

The company does not have any Subsidiary Company in the Financial Year 2017-2018. However, it has incorporated a wholly owned subsidiary on 6th Day of April, 2018 named as "GURGAON SOHNA HIGHWAY PRIVATE LIMITED". Gurgaon Sohna Highway Private Limited is incorporated for 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.

The Statement Pursuant to section 129(3) of the Act, related to Subssidiary / Joint Venture /Associate Company is attached in ANNEXURE-2 in Form AOC-1

12. COMPOSITION OF BOARD:

The 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 below:

Name of the Director	Category	Attendance at last AGM	No. of Board meetings attended	No. of directorships in other Public Limited Companies	No. of other Board Committees of which Member/Chairperson	
					Member	Chairperson
Mr. Harendra Singh DIN: 00402458	Executive/ Managing Director	Yes	17	-	3	1
Mr. Vijendra Singh DIN: 01688452	Executive/ Whole Time director	Yes	17	-	2	-
Mr. Girishpal Singh DIN: 00487476	Non-Executive Director	Yes	17	-	1	1
Mr. Ashok Kumar Thakur DIN: 07573726	Non-Executive Independent	No	15	2	2	1
Mr. Onkar Singh DIN: 07853887	Non-Executive Independent	No	9	-	3	1
Ms. Pooja Hemant Goyal DIN: 07813296	Non-Executive Independent	No	15	1	1	-

Note-

Mr. Vijendra Singh, (DIN: 01688452), Whole time Director of the Company whose period of office is liable to retire by rotation pursuant to provisions of Company Act, 2013 and as per Articles of Association of the Company retires by rotation at the ensuing AGM and being eligible offers himself for reappointment.

The notice convening the Annual General Meeting includes the proposal for the above appointments/re-appointment.

Thus, the Board of Directors of M/s H.G. Infra Engineering Limited is a balanced one with an optimum mix of Executive and Non-Executive Directors. They show active participation at the board and committee meetings, which enhances the transparency and adds value to their decision making. The Board of the Company is headed by a Executive Chairman. Chairman takes the strategic decisions, frames the policy guidelines and extends wholehearted support to Executive Directors, business heads and associates.

13. NUMBER OF BOARD MEETINGS:

The Board met Seventeen (17) times during the financial year. The meeting details are provided in the Corporate Governance Report that forms a part of this Annual Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013 and SEBI (LODR) Regulations, 2015.

14. 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 Board is of the opinion that the Company has sound Internal Financial Control commensurate with the nature and size of its business operations and operating effectively and no material weakness exists. The Company has a process in place to continuously monitor the same and identify gaps, if any, and implement new and/or improved controls wherever the effect of such gaps would have a material effect on the Company's operations. The Company has appointed independent audit firm as Internal Auditors to observe the Internal Control system. The Board of Directors of the Company have adopted various policies like Related Party Transactions Policy, Vigil Mechanism Policy, Policy to determine Material Subsidiaries and such other 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 of Directors 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.

The Company has identified and documented all key internal financial controls, which impact the financial statements. The financial controls are tested for operating effectiveness through on-going monitoring and review process of the management and independently by the Internal Auditors. In our view the Internal Financial Controls, affecting the financial statements are adequate and are operating effectively.

15. APPOINTMENT OF INDEPENDENT DIRECTORS IN THE BOARD AND DECLARATION UNDER SECTION 149(6):

During the Financial Year 2017-2018 the Company has appointed Mr. Ashok Kumar Thakur, Ms.Pooja Hemant Goyal as Independent Directors of the company in its Board Meeting held on May 10th, 2017 and Mr. Onkar Singh has appointed as an Independent Directors of the Company in its 15thAnnual General Meeting held on September 8th, 2017.

All the Independent Directors have given their declarations under section 149 (6) and section 149 (7) of the Companies Act, 2013 and the Rules made there under. In the opinion of the Board, the Independent Directors fulfil the conditions relating to their status as an Independent Director as specified in section 149 of the Companies Act, 2013 read with rules made there under as well as Regulation 16 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force).

16. FAMILIARIZATION PROGRAM FOR INDEPENDENT DIRECTOR:

The Company has framed a policy for Familiarization Programme for Independent Directors and the same is disclosed on the website of the Company i.e. www.hginfra.com.

17. FORMAL ANNUAL EVALUATION:

The Act and SEBI Regulations have mandated the need to ensure effectiveness of the Board governance and require a statement indicating the manner in which formal annual evaluation has been carried out by the Board of its own performance and that of its Committees and individual directors.

The Company has devised a Policy for performance evaluation of Independent Directors, Board, Committees and other individual Directors which includes criteria for performance evaluation of the non-executive directors and executive directors.

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17(10) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board carried out annual evaluation of its own performance, performance of its Committees, and evaluation of individual Directors including Independent Directors. The Independent Directors carried out an annual performance evaluation of non-independent Directors, the Board as a Whole and Chairperson of the Company. Nomination & Remuneration Committee of the Board of Director evaluated the performance of every Director. The performance is evaluated on the basis of number of Board and Committee meetings attended by individual Director, participation of director in the affairs of the company, duties performed by each Director, targets achieved by company during the year. The Board further discusses the areas where the performance is not up to the desired level.

18. CREDIT RATING:

During the period under review, the Company re-affirmed credit rating of ICRA Ltd. by a positive notch on June 25th, 2018. Details of revised rating captioned below:-

Type of Credit rating	Existing Rating	Revised Rating
Long term Rating	ICRA A-	ICRA A
Short term Rating	ICRA A2 +	ICRA A1

19. COMMITTEES OF THE BOARD:

Details of all the Committees including Audit Committee of Board of Directors along with their terms of reference, composition and meetings held during the year is provided in the Corporate Governance Report.

20. VIGIL MECHANISM / WHISTLE BLOWER POLICY:

The Board of Directors has formulated a Whistle Blower Policy/Vigil Mechanism which is in Compliance with the provisions of Section 177 (10) of the Companies Act, 2013.

The Company's Whistle Blower Policy/Vigil Mechanism encourages Directors and employees to bring to the Company's attention, instances of unethical behaviour, 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. The Policy provides that the Company investigates such incidents, when reported, in an impartial manner and takes appropriate action to ensure that requisite standards of professional and ethical conduct are always upheld. It is the Company's Policy to ensure that no employee is 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 employee has been denied access to the Committee. The Whistle-blower Policy is available on the Company's corporate website www.hginfra.com

21. REMUNERATION & NOMINATION POLICY:

The Board of Directors as per recommendations of the Nomination & Remuneration Committee has framed a policy which lays down a framework in relation to remuneration of Directors, Key Managerial Personnel and Senior Management of the Company. The policy lays down the criteria for selection and appointment of Board Members. The details of the policy are explained in the Corporate Governance Report.

22. CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES:

Your Company has formulated a policy on related party transactions which is also available on Company's website www.hginfra.com. This policy deals with the review and approval of related party transactions. The Board of Directors of the Company had approved the criteria for making the omnibus approval by the Audit Committee within the overall framework of the policy on related party transactions. Prior omnibus approval is obtained for related party transactions which are of repetitive nature and entered in the ordinary course of business and on an arm's length basis. All related party transactions are placed before the Audit Committee for review and approval.

All Related Party Transactions entered during the year were in Ordinary Course of the Business and on Arm's Length basis. Accordingly, the disclosure of Related Party Transactions as required under Section 134(3) (h) of the Companies Act, 2013 is disclosed in Form AOC-2 in "ANNEXURE-3"is annexed to this report. Members may refer to note no. 40 of the financial statements which sets out related party disclosures.

23. CORPORATE SOCIAL RESPONSIBILITY:

The Company is having in place a "Corporate Social Responsibility" (CSR) Committee. As part of its initiatives under CSR, the company has contributed funds for the schemes of rural development, environment safe drinking water Annual Welfare promotion of education and medical aid. The Company has also undertaken schemes in which the amount has been directly spent by the Company. The details about Committee composition and terms of reference of Committee are given in Corporate Governance Report and forms integral part of this report. A CSR Report on activities undertaken by the company and amount spent on them is attached as "ANNEXURE-4"

24. RISK MANAGEMENT:

In terms of regulation 17(9)(b) of the Listing Regulations, the Board of Directors adopted a Risk Management Policy of the Company .The focus of the Policy is to identify and assess the areas of risks that the Company may face from time to time and to deploy mitigation measures. This is done through periodic review meetings of the Risk Management Committee of the Board of Directors.

The main objective of the Risk Management Policy is to ensure that all current, future material risk exposures of the Company are identified, assessed, quantified and appropriately mitigated and managed. Accordingly, the Company has established a framework and process to monitor the exposures and to implement appropriate measures in a timely and effective manner.

25. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY:

INCORPORATION OF WHOLLY OWNED SUBSDIARY (GURGAON SOHNA HIGHWAY PRIVATE LIMITED):

After the closure of Financial year 2017-2018 Company have incorporated a Special Purpose Vehicle" Company for the purpose of domiciling a project allotted by National Highway Authority of India for "Six Laning and Strengthening of new NH-248 A 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 at Contract Price of ₹565.76 Crore, the Company incorporated in the state of Rajasthan, India as wholly owned subsidiary of the Company with name and style of "Gurgaon Sohna Highway Private Limited" approved by the Ministry of Corporate Affairs.

26. 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 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 operations of the Company are not energy intensive. However, the Company always focuses on conservation of energy, wherever possible.
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;	
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 efforts to develop new techniques continue unabated.
the benefits derived like product improvement, cost reduction, product development or import substitution;	Nil
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	NA
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	Nil (Inflow) 6722.35 $ (Outflow)

27. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

Management Discussion and Analysis Report for the year under review as stipulated under SEBI (LODR), Regulations, 2015 is presented in a separate section forming part of this Annual Report.

28. CORPORATE GOVERNANCE:

The Company adheres to the requirements set out by the Securities and Exchange Board of India's Corporate Governance practices and have implemented all the stipulations prescribed. The Company has implemented several best corporate governance practices.

The Corporate Governance Report which forms an integral part of this Report is set out as separate "ANNEXURE-5" together with the Certificate from the Practicing Company Secretaries of the Company regarding compliance with the requirements of Corporate Governance as stipulated in SEBI (LODR) Regulations, 2015.

29. AUDITOR'S OF THE COMPANY:

- STATUTORY AUDITOR

  M/s. Price Waterhouse & Co Chartered Accountants LLP (FRN 304026E/E300009) were appointed as Statutory Auditors of the Company at the Annual General Meeting (AGM) held on 8th September, 2017, for a term of five consecutive years.

  As per the provisions of Section 139 of the Companies Act, 2013, the appointment of Auditors is required to be ratified by Members at every Annual General Meeting.

  In accordance with the Companies Amendment Act, 2017, enforced on 7th May, 2018 by the Ministry of Corporate Affairs, the appointment of Statutory Auditors is not required to be ratified at every Annual General Meeting.

  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 31st March, 2018. The reports do not contain any reservation, qualification or adverse remark. 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 Act, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules,2014, the Audit Committee recommended and the Board of Directors has appointed M/s. ATCS & Associates, Company Secretaries as the Secretarial Auditors of the Company to conduct Secretarial Audit for the Financial Year 2017-2018.

  The Secretarial Audit was carried out by M/s. ATCS & Associates, a firm of Company Secretaries in Practice for the Financial Year 2017-2018. The Report given by the Secretarial Auditors is annexed as"ANNEXURE-6"and forms an integral part of this

Board's Report. There has been no qualification, reservation or adverse remark or disclaimer in their Report. During the year under review, the Secretarial Auditors had not reported any matter under Section143 (12) of the Act, therefore no detail is required to be disclosed under Section 134 (3)(ca) of the Act.

- COST AUDITOR

  The Company has re-appointed M/s. Rajendra Singh Bhati & Co, Cost Accountants (FRN- 101983), Jodhpur, as Cost Auditors of the Company for the financial year 2018-19. They have furnished a Certificate to the effect that their appointment, if made, would be in accordance with the provisions of Section 148 of the Companies Act, 2013 read with 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.

- INTERNAL AUDITOR

  Pursuant to provisions of Section 138 of the Companies Act, 2013 the Board on recommendation of the Audit Committee has appointed M/s. Tibrewal Chand & Co., Chartered Accountants as Internal Auditors to undertake the Internal Audit of the Company for the financial year 2018-19.

- REPORTING OF FRAUD BY AUDITORS

  For the Financial year 2017-2018, the Statutory 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

30. PARTICULARS OF LOANS GIVEN, INVESTMENTS MADE, GUARANTEES GIVEN AND SECURITIES PROVIDED:

Since the Company is an Construction Company, pursuant to the provisions of 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 a loan made, guarantee given and security provided by a company engaged in the business of providing infrastructure facilities. 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.

31. PROHIBITION OF INSIDER TRADING:

The Company has adopted a Code of conduct for prevention of Insider Trading ("the Code") in accordance with the SEBI(Prohibition of Insider Trading) Regulations, 2015 (The PIT Regulations).The Code is applicable to Promoters and Promoter's Group, all Directors and such Designated Employees who are expected to have access to unpublished price sensitive information relating to the Company and connected persons. The Company Secretary is the Compliance Officer for monitoring adherence to the said PIT Regulations. This Code is displayed on the Company's website http://www.hginfra.com/pdf/policy-prohibition-of-insider-trading2.pdf.

32. INVESTOR GRIEVANCE REDRESSAL:

As per regulation 13 of SEBI (Listing Obligation & disclosure Requirements), Regulations 2015 the number of complaints received and resolved to the satisfaction of investors during the year under review. There were no pending complaint or share transfer cases as on 31stMarch 2018, as per the certificate given by RTA.

33. RECONCILIATION OF SHARE CAPITAL AUDIT REPORT:

Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. This audit is carried out every quarter and the report thereon is submitted to the Stock Exchanges where the Company's shares are listed. The audit confirms that the total Listed and Paid-up Capital is in agreement with the aggregate of the total number of shares in dematerialised form (held with NSDL and CDSL) and total number of shares in physical form.

34. CODE OF CONDUCT:

Your Company is committed to conducting its business in accordance with the applicable laws, rules and regulations and highest standards of business ethics. In recognition thereof, the Board of Directors has implemented a Code of Conduct for adherence by the Directors, Senior Management Personnel and Employees of the Company. The Code of Conduct is dealing with ethical issues and also foster a culture of accountability and integrity. The Code in accordance with the requirements of SEBI (LODR) Regulations, 2015 has been posted on the Company's website www.hginfra.com. All the Board Members and Senior Management Personnel have confirmed compliance with the Code.

35. CONFLICT OF INTERESTS:

Each Director informs the Company on an annual basis about the Board and the Committee positions he 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.

36. SIGNIFICANT AND MATERIAL ORDERS PASSED BY REGULATORS OR COURTS:

Penalty imposed on the Company of ₹15000/- in a compounding order Dated-07.12.2017(NWR)/441/Section 215/304/2017/3349 passed by Regional Director Ahmedabad against an application filled by the Company U/S 441 of the Companies Act, 2013 for Compounding of offence under Section 215 of the Companies Act, 1956.

37. DISCLOSURE IN REFERENCE OF SUB RULE 1 CLAUSE (C) SUB CLAUSE (VIII) OF RULE 2 OF COMPANIES (ACCEPTANCE OF DEPOSITS) RULES2014:

During the period under review the 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 (₹)
Mr. Harendra Singh	38,43,00,000
Mr. Girishpal Singh	26,39,50,000
Mr. Vijendra Singh	31,40,00,000

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

The Company has zero tolerance for sexual harassment at workplace and has adopted a policy on prevention, prohibition and Redressal of sexual harassment at workplace in line with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules framed there under. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. During the Financial Year ended March 31, 2018, the Company has not received any Complaints pertaining to Sexual Harassment.

39. PARTICULARS OF EMPLOYEES:

The information required pursuant to Section 197(12) of the Companies Act, 2013, read with rules made there under as amended from time to time has been given as "ANNEXURE-7."

40. CHANGE IN DIRECTORS AND KEY MANAGERIAL PERSONNEL

Details of changes are mentioned below:

Name	Designation	Date of Change	Nature of Change
Mr. Vijendra Singh	Whole Time Director	10.05.2017	Change in Designation (from Director to Whole time Director)
Mr. Harendra Singh	Managing Director	10.05.2017	Change in Designation (from Director to Managing Director)
Mr.Girish Pal Singh	Non-Executive Director	10.05.2017	Change in Designation (from Executive to Non-Executive Director)
Mr. Hodal Singh	Director	17.05.2017	Resignation
Mr. Ashok Kumar Thakur	Independent Director	10.05.2017	Appointment
Ms. Pooja Hemant Goyal	Independent Director	10.05.2017	Appointment
Mr.Onkar Singh	Independent Director	08.09.2017	Appointment
Mr. Rajeev Mishra	Chief Financial Officer	10.05.2017	Appointment

Note:- After the Closure of financial Year 2017-2018 Mr.Girish Pal Singh, has resigned from the post of Directorship & Mr. Dinesh Kumar Goyal has appointed as an Executive Director of the Company in the Board Meeting held on May 23rd, 2018.

41. INSURANCE:

All the properties including buildings, plant and machinery and stocks have been adequately insured.

42. HEALTH, SAFETY AND ENVIRONMENT PROTECTION:

Environmental Sustainability is a Business imperative at the company. We are committed to providing a safe and healthy workplace to our employees, consultants and contractors and achieving high standards of environmental protection. Recognizing climate changes as major risk to our planet, we have integrated climate change actions into the Company strategy.

Our Health, Safety and Environmental Management System (HSEMS) help to provide a secure environment for our employees, assets and operations. The initiative also strives to keep employees, contractors and other well informed, trained and committed to our HSE process.

43. HUMAN RESOURCE DEVELOPMENT:

The Company recognizes that its employees are its principal assets and that it's continued growth is dependent upon the ability to attract and retain quality people. The Company also recognizes the importance of providing training and development opportunities to its people to enhance their skills and experiences, which in turn enables the company to achieve its business objectives. The morale of employees continued to remain high during the year contributing positively to the progress of the Company. However aspirations of employees in India remain to be high. This is a challenge as only growth can fulfil these aspirations and in today's market scenarios one has to perform extraordinarily to achieve growth.

The Company has always provided a congenial atmosphere for work to all sections of the society. Your Company is committed to respect universal human rights. To that end, the Company practices and seeks to work with business associates who believe and promote these standards. The Company is committed to provide equal opportunities at all levels, safe and healthy workplaces and protecting human health and environment. The Company provides opportunities to all its employees to improve their skills and capabilities. The Company's commitment extends to its neighbouring communities to improve their educational, cultural, economic and social well-being. Your Company is an equal opportunity employer and does not discriminate on the grounds of race, religion, nationality, ethnic origin, colour, gender, age, citizenship, sexual orientation, marital status or any disability not affecting the functional requirements of the position held.

44. SECRETARIAL STANDARDS

The company has complied with secretarial standards issued by the institute of company secretaries of India on board and general meetings.

45. GENERAL DISCLOSURES

The Board of Directors 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.

46. APPRECIATION:

Your Directors would like to express their appreciation for assistance and co-operation received from the Bankers, Central & State Government, Local Authorities, Clients, Vendors, Advisors, Consultants and Associates at all levels for their continued guidance and support. Your Directors also wish to place on record their deep sense of appreciation for their commitment, dedication and hard work put in by every member of the Company.

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

Harendra Singh
Managing Director
DIN-00402458

Vijendra Singh
Whole Time Director
DIN-01688452

Place: Jaipur
Date: 30.7.2018

Annexure 1 to Board's Report

EXTRACT OF ANNUAL RETURN IN FORM MGT-9

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

I. REGISTRATION AND OTHER DETAILS

i)	CIN	L45201RJ2003PLC018049
ii)	Registration Date	21-01-2003
iii)	Name of Company	H.G. INFRA ENGINEERING LIMITED (PART IX) "Erstwhile Known As H.G. INFRA ENGINEERING PRIVATE LIMITED (PART IX)"
iv)	**Category of the Company**	
	1. Public Company	✓
	2. Private Company	
	Sub Category of the Company	
	1. Government Company	
	2. Small Company	
	3. One Person Company	
	4. Subsidiary of Foreign Company	
	5. NSFC	
	6. Guarantee Company	
	7. Limited by shares	
	8. Unlimited Company	
	9. Company having shares capital	✓
	10 Company not having shares capital	
	11.Company Registered under Section 8	
v)	**Address of the Registered Office and Contact Details**	
	Company Name	H.G. INFRA ENGINEERING LIMITED (PART IX)
	Address	14, PANCHWATI COLONY RATANADA,
	Town/City	JODHPUR
	State	RAJASTHAN
	Pin Code	342001
	Country Name	India
	Country Code	IND
	Telephone with STD Area Code Number	0291-2000307, 0291-2515321,
	Fax Number	
	Email Address	cs@hginfra.com
	Website, if any	www.hginfra.com
	Name of the Police Station having jurisdiction where the Registered Office is Situated	Ratanada Police Station, Ratanad, Jodhpur (Raj)
vi)	**Whether shares listed on recognized Stock Exchange (s)**	**YES**
	Details of the Stock Exchange(s) where shares are listed:	
	Stock Exchange(s)	**Stock Code(s)**
	1. Bombay Stock Exchange	541019
	2. National Stock Exchnage	HGINFRA

vii)	Name and Address of Registrar & Transfer Agent (RTA)	
	RTA	Link Intime India Private Limited
	Address	44, Community Center 2nd Floor, Naraina Industrial Area ,Phase I, Near PVR, Naraina
	Town/City	New Delhi
	State	Delhi
	Pin Code	110028 I21
	Telephone with STD Area Code Number	011-4141 0592/93/94
	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 shall be stated :-

Sr. 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 -

[No. of Companies for which information is being filled]

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
NA	NA	NA	NA	NA	NA

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 [As on 01.04.2017]				No. of Shares held at the end of the year [As on 31-March-2018]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	-	1,80,20,000	1,80,20,000	100.00%	4,80,60,000	-	4,80,60,000	73.74%	-26.26%
b) Central Govt	-	-	-	0.00%	-	-	-	0.00%	0.00%
c) State Govt(s)	-	-	-	0.00%	-	-	-	0.00%	0.00%
d) Bodies Corp.	-	-	-	0.00%	-	-	-	0.00%	0.00%
e) Banks / FI	-	-	-	0.00%	-	-	-	0.00%	0.00%
f) Any other	-	-	-	0.00%	-	-	-	0.00%	0.00%
Sub Total (A) (1)	-	1,80,20,000	1,80,20,000	100.00%	4,80,60,000	-	4,80,60,000	73.74%	-26.26%
(2) Foreign									
a) NRI Individuals	-	-	-	0.00%	-	-	-	0.00%	0.00%
b) Other Individuals	-	-	-	0.00%	-	-	-	0.00%	0.00%
c) Bodies Corp.	-	-	-	0.00%	-	-	-	0.00%	0.00%
d) Any other	-	-	-	0.00%	-	-	-	0.00%	0.00%
Sub Total (A) (2)	-	-	-	0.00%	-	-	-	0.00%	0.00%
TOTAL (A)	-	1,80,20,000	1,80,20,000	100.00%	4,80,60,000	-	4,80,60,000	73.74%	-26.26%

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01.04.2017]				No. of Shares held at the end of the year [As on 31-March-2018]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	0.00%	1,12,06,820	-	1,12,06,820	17.20%	17.20%
b) Banks / FI	-	-	-	0.00%	-	-	-	0.00%	0.00%
c) Central Govt	-	-	-	0.00%	-	-	-	0.00%	0.00%
d) State Govt(s)	-	-	-	0.00%	-	-	-	0.00%	0.00%
e) Venture Capital Funds	-	-	-	0.00%	-	-	-	0.00%	0.00%
									0.00%
f) Insurance Companies	-	-	-	0.00%	-	-	-	0.00%	0.00%
g) FIIs	-	-	-	0.00%	14,833	-	14,833	0.02%	0.02%
h) Foreign Venture Capital Funds	-	-	-	0.00%	-	-	-	0.00%	0.00%
									0.00%
i) Others (specify)	-	-	-	0.00%	-	-	-	0.00%	0.00%
Sub-total (B)(1):-	**-**	**-**	**-**	**0.00%**	**1,12,21,653**	**-**	**1,12,21,653**	**17.22%**	**17.22%**
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	-	-	-	0.00%	35,22,819	-	35,22,819	5.41%	5.41%
ii) Overseas	-	-	-	0.00%	-	-	-	0.00%	0.00%
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹1 lakh	-	-	-	0.00%	14,12,941	-	14,12,941	2.17%	2.17%
									0.00%
									0.00%
									0.00%
ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh	-	-	-	0.00%	3,76,002	-	3,76,002	0.58%	0.58%
									0.00%
									0.00%
									0.00%
c) Others (specify)									0.00%
Hindu Undivided Family	-	-	-	0.00%	80,930	-	80,930	0.12%	0.12%
Non Resident Indians	-	-	-	0.00%	32,432	-	32,432	0.05%	0.05%
Overseas Corporate Bodies	-	-	-	0.00%	-	-	-	0.00%	0.00%
									0.00%
Foreign Nationals	-	-	-	0.00%	-	-	-	0.00%	0.00%
Clearing Members	-	-	-	0.00%	4,64,334	-	4,64,334	0.71%	0.71%
Trusts	-	-	-	0.00%	-	-	-	0.00%	0.00%
Foreign Bodies - D R	-	-	-	0.00%	-	-	-	0.00%	0.00%
Sub-total (B)(2):-	-	-	-	0.00%	58,89,458	-	58,89,458	9.04%	9.04%
Total Public (B)	-	-	-	0.00%	1,71,11,111	-	1,71,11,111	26.26%	26.26%
C. Shares held by Custodian for GDRs & ADRs	-	-	-	0.00%	-	-	-	0.00%	0.00%
									0.00%
									0.00%
Grand Total (A+B+C)	-	1,80,20,000	1,80,20,000	100.00%	6,51,71,111	-	6,51,71,111	100.00%	0.00%

(ii) Shareholding of Promoter

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding 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	30,57,692	16.97%	-	61,73,076	9.47%	0.00	-7.50%
2	GIRISHPAL SINGH	44,72,686	24.82%	-	1,24,18,058	19.05%	0.00	-5.77%
3	VIJENDRA SINGH	42,41,200	23.54%	-	1,17,23,600	17.99%	0.00	-5.55%
4	HARENDRA SINGH	51,17,172	28.40%	-	1,43,51,516	22.02%	0.00	-6.38%
5	POONAM SINGH	1,55,625	0.86%	-	4,66,875	0.72%	0.00	-0.15%
6	NISHA SINGH	2,75,625	1.53%	-	8,26,875	1.27%	0.00	-0.26%
7	VAIBHAV CHOUDHARY	4,50,000	2.50%	-	13,50,000	2.07%	0.00	-0.43%
8	HARENDRA SINGH-HUF	2,50,000	1.39%	-	7,50,000	1.15%	0.00	-0.24%
	TOTAL	**1,80,20,000**	**100.00%**	**-**	**4,80,60,000**	**73.74%**	**0.00**	**-26.26%**

NOTE: during the Financial Year 2017-18, Company has made an allotment of 1,11,11,11 Equity Shares by way of IPO

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year (01.04.2017 to 31.03.2018)	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	HODAL SINGH				
	At the beginning of the year	30,57,692	16.97%	30,57,692	16.97%
	Allotment of Bonus Issue of Shares on 11.09.2017	61,15,384	11.31%	91,73,076	16.97%
	Decrease in shareholding during the year due to sale of shares through offer for sale in IPO on 08.03.2018	(30,00,000)	-4.60%	61,73,076	9.47%
	At the end of the year	61,73,076	9.47%	61,73,076	9.47%
2	GIRISHPAL SINGH				
	At the beginning of the year	44,72,686	24.82%	44,72,686	24.82%
	Allotment of Bonus Issue of Shares on 11.09.2017	89,45,372	16.55%	1,34,18,058	24.82%
	Decrease in shareholding during the year due to sale of shares through offer for sale in IPO on 09.08.2016	(10,00,000)	-1.53%	1,24,18,058	19.05%
	At the end of the year	1,24,18,058	19.05%	1,24,18,058	19.05%
3	VIJENDRA SINGH				
	At the beginning of the year	42,41,200	23.54%	42,41,200	23.54%
	Allotment of Bonus Issue of Shares on 11.09.2017	84,82,400	15.69%	1,27,23,600	23.54%
	Decrease in shareholding during the year due to sale of shares through offer for sale in IPO on 09.08.2016	(10,00,000)	-1.53%	1,17,23,600	17.99%
	At the end of the year	1,17,23,600	17.99%	1,17,23,600	17.99%
4	HARENDRA SINGH				
	At the beginning of the year	51,17,172	28.40%	51,17,172	28.40%
	Allotment of Bonus Issue of Shares on 11.09.2017	1,02,34,344	18.93%	1,53,51,516	28.40%
	Decrease in shareholding during the year due to sale of shares through offer for sale in IPO on 09.08.2016	(10,00,000)	-1.53%	1,43,51,516	22.02%
	At the end of the year	1,43,51,516	22.02%	1,43,51,516	22.02%

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year (01.04.2017 to 31.03.2018)	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
5	POONAM SINGH				
	At the beginning of the year	1,55,625	0.86%	1,55,625	0.86%
	Allotment of Bonus Issue of Shares on 11.09.2017	3,11,250	0.58%	4,66,875	0.86%
	At the end of the year	4,66,875	0.86%	4,66,875	0.72%
6	NISHA SINGH				
	At the beginning of the year	2,75,625	1.53%	2,75,625	1.53%
	Allotment of Bonus Issue of Shares on 11.09.2017	5,51,250	1.02%	8,26,875	1.53%
	At the end of the year	8,26,875	1.53%	8,26,875	1.27%
7	VAIBHAV CHOUDHARY				
	At the beginning of the year	4,50,000	2.50%	4,50,000	2.50%
	Allotment of Bonus Issue of Shares on 11.09.2017	9,00,000	1.66%	13,50,000	2.50%
	At the end of the year	13,50,000	2.50%	13,50,000	2.07%
8	HARENDRA SINGH-HUF				
	At the beginning of the year	2,50,000	1.39%	2,50,000	1.39%
	Allotment of Bonus Issue of Shares on 11.09.2017	5,00,000	0.92%	7,50,000	1.39%
	At the end of the year	7,50,000	1.39%	7,50,000	1.15%

Note: There is change in the Promoter and Promoter Group Shareholding during the Financial Year 2017-18 due to : (as mentioned above)

< allotment of Bonus Issue of Shares i.e. 36040000 on 11th September, 2017

< sale of Shares in the Open Market ON FEBRUARY 16, 2018

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs & ADRs)

Sr. No.	Shareholder's Name	Shareholding		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1.	*L&T Mutual Fund Trustee Limited-L&T Emerging Businesses Fund				
	At the beginning of the year	NIL	NIL	NIL	NIL
	Changes During the Year-Date Increase/Decrease	Number of Share Transfer		Date of Share Transfer	
	Note: There is change in the Shareholding during the F.Y. 2017-18 due to transfer of shares	3222416		16.03.2018	
		444739		23.03.2018	
		15000		31.03.2018	
		Total Number of Shares Transfer: 3682155			
	At the end of the year	3682155	5.6%	3682155	5.6%

Sr. No.	Shareholder's Name	Shareholding		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
2	***Reliance Capital Trustee Co. Ltd-A/C Reliance Small Cap Fund**				
	At the beginning of the year	NIL	NIL	NIL	NIL
	Changes During the Year-Date Increase/Decrease	Number of Share Transfer		Date of Shares Transfer	
	Note: There is change in the Shareholding during the F.Y. 2017-18 due to transfer of shares	2053481		16.03.2018	
		189667		23.03.2018	
		Total Number of Shares Transfer: 2243148			
	At the end of the year	2243148	3.4%	2243148	3.4%
3	***Aditya Birla Sun Life Trustee Private Limited A/C Aditya Birla Sun Life Balanced Advantage Fund**				
	At the beginning of the year	NIL	NIL	NIL	NIL
	Changes During the Year-Date Increase/Decrease	Number of Share Transfer		Date of Shares Transfer	
	Note: There is change in the Shareholding during the F.Y. 2017-18 due to transfer of shares	1308023		16.03.2018	
	At the end of the year	1308023	2.0%	1308023	2.0%
4	***L&T Mutual Fund Trustee Ltd-L&T Mid Cap Fund**				
	At the beginning of the year	NIL	NIL	NIL	NIL
	Changes During the Year-Date Increase/Decrease Note: There is change in the Shareholding during the F.Y. 2017-18 due to allotment of Shares in IPO	850000	1.30%	850000	1.30%
	At the end of the year	850000	1.30%	850000	1.30%
5	***L&T Mutual Fund Trustee Ltd-L&T Infrastructure Fund**				
	At the beginning of the year	NIL	NIL	NIL	NIL
	Changes During the Year-Date Increase/Decrease Note: There is change in the Shareholding during the F.Y. 2017-18 due to allotment of Shares in IPO	823610	1.26%	823610	1.26%
	At the end of the year	823610	1.26%	823610	1.26%
6	***SBI Infrastructure Fund**				
	At the beginning of the year	NIL	NIL	NIL	NIL
	Changes During the Year-Date Increase/Decrease	Number of Share Transfer		Date of Shares Transfer	
	Note: There is change in the Shareholding during the F.Y. 2017-18 due to transfer of shares	799050		16.03.2018	
	At the end of the year	799050	1.2%	799050	1.2%
7	***Aditya Birla Sun Life Trustee Private Limited A/C Aditya Birla Sun Life Pure Value Fund**				
	At the beginning of the year	NIL	NIL	NIL	NIL
	Changes During the Year-Date Increase/Decrease Note: There is change in the Shareholding during the F.Y. 2017-18 due to allotment of Shares in IPO	649880	0.99%	649880	0.99%
	At the end of the year	649880	0.99%	649880	0.99%

Sr. No.	Shareholder's Name	Shareholding		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
8	*Aditya Birla Sun Life Trustee Private Limited A/C Aditya Birla Sun Life Balanced Advantage Fund				
	At the beginning of the year	NIL	NIL	NIL	NIL
	Changes During the Year-Date Increase/Decrease Note: There is change in the Shareholding during the F.Y. 2017-18 due to allotment of Shares in IPO	453028	0.69%	453028	0.69%
	At the end of the year	453028	0.69%	453028	0.69%
9	*Aditya Birla Sun Life Trustee Private Limited A/C Aditya Birla Sun Life Infrastructure Fund				
	At the beginning of the year	NIL	NIL	NIL	NIL
	Increase/Decrease Note: There is change in the Shareholding during the F.Y. 2017-18 due to allotment of Shares in IPO	205115	0.31%	205115	0.31%
	At the end of the year	205115	0.31%	205115	0.31%
10	*L&T Mutual Fund Trustee Ltd-L&T Equity Savings Fund				
	At the beginning of the year	NIL	NIL	NIL	NIL
	Changes During the Year-Date Increase/Decrease: Note: There is change in the Shareholding during the F.Y. 2017-18 due to allotment of Shares in IPO	14095	0.021%	14095	0.021%
	At the end of the year	14095	0.021%	14095	0.021%

(V) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	For Each of the Directors & KMP	Shareholding during the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1.	Mr. GRISHPAL SINGH				
	At the beginning of the year	4472686	24.82%	4472686	24.82%
	Increase/decrease in Shareholding during the year	Nature of Change		Number of Shares	Date of Change
	Note: There is change in the shareholding of Directors and KMP during the F.Y. 2017-18	Issue of Bonus Shares		8945372	11.09.2017
		Sale of Shares		(1000000)	16.02.2018
	At the end of the year	12418058	19.05%	12418,058	19.05%
2	Mr. VIJENDRA SINGH				
	At the beginning of the year	4241200	23.54%	4241200	23.54%
	Increase/decrease in Shareholding during the year	Nature of Change		Number of Shares	Date of Change
	Note: There is change in the shareholding of Directors and KMP during the F.Y. 2017-18	Issue of Bonus Shares		8482400	11.09.2017
		Sale of Shares		(1000000)	16.02.2018
	At the end of the year	11723600	17.99%	11723600	17.99%

Sr. No.	For Each of the Directors & KMP	Shareholding during the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
3	**Mr. HARENDRA SINGH**				
	At the beginning of the year	5117172	28.40%	5117172	28.40%
	Increase/decrease in Shareholding during the year	Nature of Change		Number of Shares	Date of Change
	Note: There is change in the shareholding of Directors and KMP during the F.Y. 2017-18	Issue of Bonus Shares		10234344	11.09.2017
		Sale of Shares		(1000000)	16.02.2018
	At the end of the year	14351516	22.02%	14351516	22.02%
4	**Mr. HOODAL SINGH**				
	At the beginning of the year	3057692	16.97%	3057692	16.97%
	Increase/decrease in Shareholding during the year	--	--	--	--
	Note: During the Financial Year Mr. Hodal Singh has been resigned from the post of directorship on 17th May, 2017				
	At the end of the year	NA	NA	NA	NA
5	**Mr. ASHOK KUMAR THAKUR**				
	At the beginning of the year	NA	NA	NA	NA
	Increase/decrease in Shareholding during the year	--	--	--	--
	At the end of the year	--	--	--	--
6	**Mrs. POOJA HEMANT GOYAL**				
	At the beginning of the year	NA	NA	NA	NA
	Increase/decrease in Shareholding during the year	--	--	--	--
	At the end of the year	--	--	--	--
7	**Mrs. ONKAR SINGH**				
	At the beginning of the year	NA	NA	NA	NA
	Increase/decrease in Shareholding during the year	--	--	--	--
	At the end of the year	--	--	--	--
8	**Mr. RAJEEV MISHRA**				
	At the beginning of the year	NA	NA	NA	NA
	Increase/decrease in Shareholding during the year	--	--	--	--
	At the end of the year	--	--	--	--

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

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i. Principal amount	1,96,09,33,408	3,09,088	-	1,96,12,42,496
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	-	-	-	-
TOTAL (I+II+III)	**1,96,09,33,408**	**3,09,088**	**-**	**1,96,12,42,496**
Change in Indebtedness during the Financial Year				
Addition	2,53,22,97,179	11,94,00,000	-	2,65,16,97,179
Reduction	1,28,48,57,612	10,18,68,220	-	1,38,67,25,832
NET CHANGE	**1,24,74,39,567**	**1,75,31,780**	**-**	**1,26,49,71,347**
Indebtedness at the end of the Financial Year	-	-		-
i. Principal amount	3,20,83,72,975	1,78,40,868	-	3,22,62,13,843
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	-	-	-	-
TOTAL (I+II+III)	**3,20,83,72,975**	**1,78,40,868**	**-**	**3,22,62,13,843**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
		Harendra Singh	Vijendra Singh	Hodal Singh	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2,16,00,000	1,20,00,000	14,50,000	3,50,50,000
	(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	-	-	18,80,000	18,80,000
	Total (A)	**2,16,00,000**	**1,20,00,000**	**33,30,000**	**3,69,30,000**
	Ceiling as per the Act (As per Part-II of Schedule V of the Companies Act, 2013)				

Ceiling as per the Act (As per Part-II of Schedule V of the Companies Act,2013)

B. Remuneration to other directors:

Sr. No.	Particulars of Remuneration	Name Other Directors				Total Amount
1	Independent Directors	Mr. Ashok Kumar Thakur	Ms. Pooja Hemant Goyal	Mr. Onkar Singh	-	
	(a) Fee for attending board committee meetings	4,60,000/-	4,00,000/-	3,40,000/-	-	12,00,000/-
	(b) Commission	-	-	-	-	
	(c) Others, please specify	-	-	-	-	
	Total (1)	**4,60,000/-**	**4,00,000/-**	**3,40,000/-**	-	**12,00,000/-**
2	**Other Non-Executive Directors**	*Mr. Girishpal Singh				
	(a) Fee for attending board committee meetings	4,20,000/-	-	-	-	4,20,000/-
	(b) Commission	-	-	-	-	-
	(c) Others, please specify*	-	-	-	-	
	Salary-20,00,000/- Retirement Benefit-40,40,000/-	60,40,000/-	-	-	-	60,40,000/-
	Total (2)	**64,60,000/-**	-	-	-	**64,60,000/-**
	Total (B)=(1+2)	**69,20,000/-**	**4,00,000/-**	**3,40,000 /-**	-	**76,60,000/-**
	Total Managerial Remuneration					
	Overall Ceiling as per the Act.	NA				

*Designation of Mr. Girishpal Singh has been changed from Executive to Non-Executive Director w.e.f. 10.05.2017.

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

S. No	Particulars of Remuneration	Managerial Personnel			Total
		CEO	Company Secretary	CFO	
1.	Gross Salary				
	(a) Salary as per the Provisions contained in section 17(1) of the Income Tax Act, 1961	--	3,18,000	--	3,18,000
	(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	-		-	-
	Total	--	3,18,000	--	3,18,000

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give details)
A. COMPANY					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	Section 215 of the Companies Act, 1956	The Company has compounded under section 441 of the Companies Act, 2013, commited under section 215 of the Companies Act, 1956	Order of Regional Director for payment of Compounding Fees amounting to ₹15,000/-	Regional Director	N/A
B. DIRECTORS					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	Section 215 of the Companies Act, 1956	The Company has compounded under section 441 of the Companies Act, 2013, committed under section 215 of the Companies Act, 1956	Order of Regional Director for payment of Compounding Fees amounting to ₹7500/- per director on two director i.e. 15,000/-	Regional Director	N/A
C. OTHER OFFICERS IN DEFAULT					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

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

Vijendra Singh
DIN: 01688452
Whole Time Director

Harendra Singh
DIN: 00402458
Managing Director

Date: 30.07.2018
Place: Jaipur

Annexure II to Board's Report

Form AOC-1 (ANNEXURE II)

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in ₹)

SL. NO.	PARTICULARS	SUBSIDIARY
1.	Sl. No.	N.A.
2.	Name of the subsidiary	N.A.
3.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	-
4.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	N.A.
5.	Share capital	-
6.	Reserves & surplus	-
7.	Total assets	-
8.	Total Liabilities	-
9.	Investments	-
10.	Turnover	-
11.	Profit before taxation	-
12.	Provision for taxation	-
13.	Profit after taxation	-
14.	Proposed Dividend	-
15.	% of shareholding	-

Notes:

The following information shall be furnished at the end of the statement:

1. Names of subsidiaries which are yet to commence operations: NIL
2. Names of subsidiaries which have been liquidated or sold during the year: NIL

Part "B": Associates and Joint Ventures

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

Relation	Joint Venture	Joint Venture	Joint Venture	Joint Venture	Joint Venture
Name of associates/Joint Ventures	HGIEPL-RPS (JV)	HGIEPL-COLOSAL (JV)	HGIEPL-RANJIT BUILCON	TPL- HGIEPL, Joint Venture	HGIEPL-MGCPL
1.Latest audited Balance Sheet Date	31/03/2018	31/03/2018	31/03/2018	31/03/2018	31/03/2018
Date on which the Associate or Join Venture was associated	31/05/2013	10/01/2014	27/04/2015	11/11/2016	24/09/2015
2. Shares of Associate/ Joint Ventures held by the Company on the year end	-	-	-	-	-
No.					
Amount of Investment in Associates/Joint Venture	13,49,791	12,86,154	17,72,746	No amount invested till 31/03/2018	39,36,982
Extend of Holding%	51%	70%	30%	26%	30%
3.Description of how there is significant influence	As Holding 51% and RPS Holding 49%	As Holding 70% and COLOSAL holding 30%	As Holding 30% and Ranjit Buildcon Holding 70%	As Holding 26% and TPL Holding 74%	As Holding 30% and MGCPL holding 70%
4.Reason why the associate/ joint venture is not consolidated	N.A.	N.A.	N.A.	N.A.	N.A.
5.Net worth attributable to shareholding as per latest audited Balance Sheet	13,49,791	12,86,154	17,72,746	N.A.	39,36,982
6.Profit/Loss for the year					
i. Considered in Consolidation	5,47,006	1,77,188	8,04,309	N.A.	28,53,084
ii. Not Considered in Consolidation	-	-	-	-	-

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

	Harendra Singh	**Rajeev Mishra**	**Ankita Mehra**
Date: 30.07.2018	DIN: 00402458	Chief Financial Officer	Company Secretary
Place: Jaipur	*Managing Director*		*M. No. – A33288*

Annexure III to Board's Report

PARTICULARS OF CONTRACT OR ARANGEMENT WITH RELATED PARTIES

FORM NO. AOC -2

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

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

1. Details of contracts or arrangements or transactions not at Arm's length basis.

   NOT APPLICABLE

2. Details of contracts or arrangements or transactions at Arm's length basis.

Name of related party and Nature of Relationship	Nature of Contract/ Arrangement/ Transactions	Duration of the Contract/ Arrangement/ Transactions	Monetary Value of Contract	Salient terms of the Contract or Arrangement or Transactions including the value, if any	Date(s) of Approval by the Board	Amount paid as advance, if any
H.G. Infra Tollway Private Limited (Associate Company) (Director Mr.Vaibhav Choudhary is a son of Director Interested)	Sale , Purchase, Job work of Supply of any goods or materials or availing or rendering of any services	One year From 01.04.2017 to 31.03.2018	4,08,86,809/-	Arm's Length Basis/ Prevailing Market Price	03.04.2017	-
M/s. H.G. Stone Crusher (Prop. Smt. Poonam Singh -Wife of Director)	Sale , Purchase, Job work of Supply of any goods or materials or availing or rendering of any services	One year From 01.04.2017 to 31.03.2018	51,76,400/-	Arm's Length Basis/ Prevailing Market Price	03.04.2017	-
M/s. H.G. Traders Prop. Girish pal Singh HUF-(Director Interested)	Sale , Purchase, Job work of Supply of any goods or materials or availing or rendering of any services	One year From 01.04.2017 to 31.03.2018	12,43,756/-	Arm's Length Basis/ Prevailing Market Price	03.04.2017	-
Mr.Vaibhav Choudhary (Son of Director)	Service (App. Of Related Party – Place of Profit	One year From 01.04.2017 to 31.03.2018	84,00,000	Arm's Length Basis/ Prevailing Market Price	03.04.2017	-
Mr.Rohit Choudhary (Son of Director)	Service (App. Of Related Party – Place of Profit	One year From 01.04.2017 to 31.03.2018	8,40,000	Arm's Length Basis/ Prevailing Market Price	03.04.2017	-
Mr.Hodal Singh (Father of Mr.Harendra Singh, Mr.Vijendra Singh and Mr.Girish Pal Singh)	Sale , Purchase, Job work of Supply of any goods or materials or availing or rendering of any services	One year From 01.04.2017 to 31.03.2018	1,26,525	Arm's Length Basis/ Prevailing Market Price	03.04.2017	-
Mr. Girish Pal Singh (Director of the Company)	Sale , Purchase, Job work of Supply of any goods or materials or availing or rendering of any services	One year From 01.04.2017 to 31.03.2018	2,16,000	Arm's Length Basis/ Prevailing Market Price	03.04.2017	-

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

Harendra Singh
DIN: 00402458
Managing Director

Vijendra Singh
DIN: 01688452
Whole Time Director

Date: 30.07.2018
Place: Jaipur

Annexure IV to Board's Report

ANNUAL REPORT ON CSR ACTIVITIES

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 Programme:**

   The Corporate Social Responsibility Policy ("Policy") of the Company is in line with the provisions of Section 135 of the Companies Act 2013 ("Act") read with Schedule VII to the Act and the Companies (Corporate Social Responsibility Policy) Rules, 2014 ("Rules").

   The Policy lays down the guiding principles that shall be applicable to the CSR projects / programme / activities of the Company.

   The Policy is primarily aimed at supporting the Company's consistent efforts to promote education, Health & Humanity, Environmental Sustainability, Drinking Water, etc

   Please refer to Corporate Social Responsibility Policy posted on the Company's website at www.hginfra.com

2. Objective of the Policy

   - lay down the broad guidelines for the Company to undertake its CSR projects/ programme / activities;
   - set up the approach of the Company towards the CSR initiatives;
   - define the CSR activities that the Company undertakes to carry out;
   - fix the timelines, monitoring and implementation mechanism with respect to CSR activities.

3. Proposed Projects and Programs

   The Company, as a part of CSR, provides infrastructure and other support to the schools for differently-abled children and MUKHYAMANTRI JAL SWAVLAMBAN ABHIYAN with Rajasthan Govt. for conserving water resources, Drinking Water Facilities in Govt Schools & Hospitals to enable them to be self-sufficient in life. The Company also continues to explore other areas prescribed in Schedule VII of the Act.

   The identification and finalization of projects / programme / activities is in conformity with Schedule VII of the Act. The summary of CSR Policy is available on Company Website at: http://www.hginfra.com/policies.html.

4. **The Composition of the CSR Committee as on 31st March, 2018.**

1.	Mr. Harendra Singh	-	Chairman
2.	Mr. Vijendra Singh	-	Member
3.	Mr. Onkar Singh	-	Member

5. **Average Net Profit of the Company for last three Financial Years:**

   ₹ 460,854,626.53

6. **Prescribed CSR Expenditure (2 (two) percent of the Amount as in item 5 above):** ₹92,17,092.53

7. Details of CSR spend during the Financial Year 2017-18.

   (a) Total amount to be spent for the financial year: ₹92,17,092.53

   (b) Amount spent for the Financial Year: ₹93,00,911.00

   (c) Amount unspent for the Financial Year: Nil

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

1	2	3	4	5	6	7	8
S. No.	CSR Project or Activity Identified	Sector in which the Project is Covered	Projects or Programmes- 1. Local area or other 2. Specify the State and District where Projects or Programmes were undertaken	Amount Outlay (Budget) Project or Programme wise (₹)	Amount Spent on the Projects or Programmes Sub-heads: 1. Direct Expenditure on projects or 2. Programmes Overheads (₹)	Cumulative Expenditure upto the reporting period (₹)	Amount Spent: Direct or through implementing agency
1.	Promotion of Education / Environment/ Safe Drinking water/ Old age Home/ Healthcare/ Animal welfare & Humanity	Promoting Education including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled / Promoting plantation/ Eradicating hunger, poverty and malnutrition and sanitation and making available safe drinking water/ setting up old age home, day care centers and such other facilities for senior citizens/ Animal welfare/ Health & Humanity & Activities to be undertaken by the company in accordance with Schedule VII of the Companies Act, 2013.	1. ENVIRONMENT- Project " Harit Uttsav"-(Plantation Work in Govt. School and Public Places). 2. WATER- Provided Drinking water facility- establishment of Water cooler with R. O. water purifier in Govt. Schools, Govt. Hospitals at Rajasthan and Maharashtra under project "NEER". 3.EDUCATION- Distribution of Stationary/School Uniform, Shoes, Bags, Green Board, Furniture etc –in Rural / Arban areas Govt. Schools in Rajasthan & Maharashtra under csr project "H.G. KI PATHSALA". (Distribution of Furniture in Kalwar/Kal Veliyo ki Dhani/ Bagdo Ki Dhani Government School. Distribution of School table and Bench set, Almirah, Chairs, Computer Set-Naya Sawera Sansthan, Govt. School Mandabhopawas Jhotwara, Govt. School Mandore choka Jodhpur, Board exam fees paid for -Govt. Sr. Sec. Girls School Jhotwara , Jaipur, Rajasthan) 4. HEALTH- Conducted Health Check Up Camp at Village Uniara, district Tonk, Rajasthan & help to poor people for treatment of critical diseases. 5. ANIMAL WELFARE-Renovation & Repair work of Arbuda Gowshala-Udaipur, Rajasthan to provide better shelter for animals. 6..OTHER WORK- Donation to Spandan Foundation-Mumbai, Sewa Bharti Sansthan-Jaipur, Utakarsh Star Mintra Mandal, Veer Tejaji Samaj Sewa Sansthan-Jodhpur and Distribution of Sweaters, uniform, stationary and Woolen Clothes in the government school and to the poor people and other Project/Activities related to Schedule VII of Companies Act, 2013	92,17,092.53	93,00,911.00	93,00,911.00	Directly and through Implementing agency
Total				92,17,092.53	93,00,911.00	93,00,911.00	

8. Reasons for not spending the full amount allocated for CSR activities: NIL

9. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR policy, is in compliance with CSR objectives and policy of the Company: The CSR Committee confirms that the activities carried out by the Company are in compliance with the CSR objectives and policy of the Company.

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

Harendra Singh
DIN: 00402458
Managing Director/Chairman of CSR Committee

Vijendra Singh
DIN: 01688452
Whole Time Director

Date: 30.07.2018
Place: Jaipur

Annexure V to the Directors' Report

CORPORATE GOVERNANCE REPORT

"Corporate Governance" refers to the way a corporation is governed. It is the technique by which companies are directed and managed. The Corporate Governance structure specifies the distribution of the role and responsibilities of different participants, such as, the Board, Committees, Key Managerial Personnel(KMPs), senior management staff, shareholders and other stakeholders in the organization. It also spells out the rules and procedures for decision making pertaining to corporate affairs. The Company adheres to Good Corporate Governance practices and constantly endeavors to improve by adopting emerging best practices.

In accordance with the SEBI (LODR) Regulations, 2015 (Listing Regulations) on Corporate Governance, the Report containing the details is as under:

1. STATEMENT ON COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

H.G. Infra Engineering Limited is committed to maintain high standards of Corporate Governance practices and adherence thereto, in letter and spirit, at all times, which goes beyond mere regulatory compliances. The Company is also committed to maintain the highest level of transparency, accountability and equity in all facets of its operations. It firmly believes that Corporate Governance is about the management and conduct of an organization based on ethical business principles and commitment to values and that the same is in force at all levels within the Company. The Corporate Governance model adopted by the Company consists of a set of rules and standards with the aim of establishing efficient and transparent operations, within the organization, to protect the rights and interests of the Company's shareholders and to enhance shareholders value while complying with the provisions of law in all dealings with Government, customers, suppliers, employees and other stakeholders. It is also intended to ensure attractive returns to all stakeholders of the business based on the premise that sound Corporate Governance is the pre -requisite to success, sustainable growth and long-term value creation.

The Company has complied with the provisions of the Code of Corporate Governance as per Regulation 27 of TheSecurities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.A report on the implementation of the provisions of the Corporate Governance is furnished hereunder:

2. BOARD OF DIRECTORS

Composition and Board Diversity

As on March 31, 2018 the structure of the Board of the Company maintained an optimum mix of Executive, Non-Executive and Independent Directors and the same is in conformity with the Listing Regulations. The Board's current strength is 6 members, who are eminent personalities from various walks of life having rich experience in the field of infrastructure marketing, finance, industry, business and management.

The 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 below:

Name of the Director	Category	Attendance at last AGM	No. of Board meetings attended	No. of directorships in other Public Limited Companies	No. of other Board Committees of which Member/Chairperson	
					Member	Chairperson
Mr.Harendra Singh DIN: 00402458	Executive/ Managing Director	Yes	17	-	3	1
Mr.Vijendra Singh DIN: 01688452	Executive/ Whole Time director	Yes	17	-	2	0
Mr.Hodal Singh DIN-02248417	Executive Director	Yes	3	-	1	0
Mr.Girish Pal Singh DIN: 00487476	Non-Executive Director	Yes	17	-	1	1
Mr. Ashok Kumar Thakur DIN: 07573726	Non-Executive Independent	No	15	2	2	1
Onkar Singh DIN: 07853887	Non-Executive Independent	No	9	-	3	1
Ms.PoojaHemantGoyal DIN: 07813296	Non-Executive Independent	No	15	1	1	-

Number of Board Meetings

Seventeen Board meetings were held during the year 2017-18 i.e. on 03.04.2017, 10.05.2017, 17.05.2017, 02.06.2017, 13.06.2017, 26.07.2017, 28.08.2017, 06.09.2017, 11.09.2017, 25.09.2017, 27.09.2017, 20.01.2018, 27.01.2018, 13.02.2018, 01.03.2018, 05.03.2018, 07.03.2018.

Frequency of and quorum etc. at these meetings were in conformity with the provisions of the Companies Act, 2013, Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015 and Secretarial Standard 1 issued by ICSI under Section 118 of Companies Act, 2013. All the Board members, KMPs and the senior management staff have affirmed compliance with the Code of Conduct during the year ended on 31st March, 2018.

Note:- During the Financial Year 2017-2018 Mr. Hodal Singh, Director of the Company has been resigned from the Post of Directorship on May 17,2017. During his tenure he was the member of Corporate Social Responsibility Committee.

Relationships between Directors inter-se

Except as detailed below, other Directors do not have any relationship with each other:

Sr. No.	Name of Director	Relationship
1	Mr. Hodal Singh (Director)	1. Mr. Harendra Singh-Son 2. Mr. Girish Pal Singh-Son 3. Mr. Vijendra Singh-Son
2	Mr. Harendra Singh (Managing Director)	1. Mr. Vijendra Singh-Brother 2. Mr. Girish Pal Singh- Brother
3.	Mr. Vijendra Singh (Whole Time Director)	1. Mr. Harendra Singh- Brother 2. Mr. Girish Pal Singh- Brother
4	Mr. Girish Pal Singh (Non-Executive Director)	1. Mr. Vijendra Singh-Brother 2. Mr. Harendra Singh- Brother

Shareholding of Non-Executive Independent Directors

None of the Non-Executive Independent Directors hold Equity Shares of the Company in their own name.

FamiliarizationProgramme for Independent Directors

The Company has framed a policy for Familiarization Programme for Independent Directors and the same is disclosed on the website of the Company i.e. www.hginfra.com

A. Board Procedure

The members of the Board are provided with the requisite information as per provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015 well before the Board meetings.

The Board considers all the matters which are statutorily required to be considered by it. In addition, following issues are also discussed at the meetings of the Board:

- Annual operating and capital expenditure budgets and periodical review thereof.
- Investment/expansion/modernization/diversification plans of the Company.
- Overall strategy and business plans.
- Approval of quarterly/half-yearly/annual results (after review by Audit Committee)
- Compliance with statutory/regulatory requirements and review of major pending legal cases.
- Show cause, demand, prosecution and penalty notices which are materially important.
- Non-compliance of any regulatory, statutory or listing requirement and obligations to shareholders such as non-payment of dividend, delay in share transfer, etc.
- Sale of investments, subsidiaries and assets, of material nature, which are not in normal course of business.
- Major accounting practices, provisions and write-offs/write backs.
- Transactions pertaining to acquisition/disposal of fixed assets, and related parties.
- Review of working of various Committees of the Board.
- Periodical review of various Policies and compliance thereof.
- Appointment of the Statutory and Internal Auditors
- Issues regarding mergers and amalgamations, joint ventures, collaborations, etc. with any other Company/entity.
- General industrial environment and developments related to Infra industry, in particular.

All the Directors, who are members/chairpersons of the various committees of listed companies, are within the limits prescribed under Regulation 26 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Directors have intimated, from time to time, about their directorship/membership of committees in other companies.

COMMITTEES OF THE BOARD

To focus effectively on the issues and ensure expedient resolution of the diverse matters, the Board has constituted a set of Committees of Independent Directors with specific terms of reference / scope. The committee operates as empowered agents of the Board. The inputs and details required for the decision is provided by the operating managers.

The Minutes of the Meeting of all Committees of the Board are placed before the Board for discussions / noting. Details of the Committees of the Board and other related information are as follows:

The Board has constituted the following Committees:-

A. Audit Committee

B. Nomination & Remuneration Committee

C. Stakeholders' Relationship Committee

D. Corporate Social Responsibility Committee

E. IPO Committee

F. Finance Committee

G. Management Committee

Currently, there are four Mandatory Committees of the Board viz. Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee and Corporate Social Responsibility Committee, appointed by the Board, which focus on specific areas and take informed decisions within their delegated authority. The Committees also make specific recommendations to the Board on various matters within their terms of reference from time-to-time. Matters requiring the Board's attention/approval are generally placed before the Board by the respective Committee's Chairman. The role and composition of these Committees, the number of meetings held during the financial year and the related attendance there-at are explained in the following paragraphs.

3. 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 Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015. 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.

Minutes of meetings of the Audit Committee are circulated to members of the Committee for approval within the time limit prescribed under law and reported to the Board in the next meeting.

TERMS OF REFERENCE OF AUDIT COMMITTEE:-

Terms of reference of the Audit Committee, inter alia, include

i) Recommendation for appointment, remuneration and terms of appointment of Auditors of the Company.

ii) Review and monitoring the Auditors' independence and performance as also the effectiveness of audit process.

iii) Recommend the payment to statutory auditors for any other services rendered by them;

iv) Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.

v) Reviewing, with the management, the annual financial statements and auditors' report thereon before submission to the Board for approval.

vi) Approval and for any subsequent modification of transactions of the Company with related parties.

vii) Scrutiny of inter-corporate loans and investments.

viii) Valuation of undertakings or assets of the Company, wherever necessary.

ix) Review and Evaluation of internal financial controls and risk management systems.

x) Monitoring the end use of funds raised through public offers and related matters.

xi) The Audit Committee is authorized to call comments of the Auditors about the internal control system, the scope of the Audit, observations of Auditors and review of financial statements. It has the power to investigate into any matter covered by its terms of reference and/or, referred to it by the Board

xi) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems including internal financial controls.

xii) Establish and implement the Vigil Mechanism for Directors and employees to report their genuine concerns.

xiii) Overseeing of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, adequate and credible;

xiv) Review the functioning of the Whistle Blower Mechanism;

xv) Approval of appointment of Key Management Personnel after assessing the qualifications, experience and background, etc. of the candidate;

xvi) Carrying out any other function as mentioned in the terms of reference of the audit committee.

COMPOSITION:

COMPOSITION: AS ON 31ST MARCH, 2018

Name of Director	Category of Director	Designation of Director
Mr. Ashok Kumar Thakur	Non-Executive Independent Director	Chairman
Mr.Onkar Singh	Non-Executive Independent Director	Member
Mr. Harendra Singh	Executive Director	Member

MEETINGS & ATTENDANCE

Five meetings of the Committee were held during the year 2017-18 i.e. on 28th August, 2017, 6th September, 2017,25th September, 2017,20th January, 2018 and 27th January, 2018.Meetings were attending by all the members of the committee.

The frequency of and quorum, etc. at these meetings were in conformity with the provisions of the Companies Act, 2013, Regulation 18 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015 and Secretarial Standard 1 issued by ICSI under Section 118 of Companies Act, 2013.

ATTENDANCE

The attendance of the members at these meetings were as under:

Name of the Member	Meetings held (No.)	Meetings attended (No.)	No of Meeting Entitled
Mr.Harendra Singh	5	5	5
Mr.Ashok Kumar Thakur	5	5	5
Ms. Pooja Hemant Goyal	5	2	2
Mr.Onkar Singh	5	3	3

Note- There is a change management of Audit Committee-

a. Mrs. Pooja Hemant Goyal Ceased to be member of Audit Committee w.e.f September 11th, 2017

b. Appointment of Mr. Onkar Singh as member of Audit Committee September 11th, 2017

Members of the Audit Committee have requisite financial and management expertise and hold /have held senior positions in reputed organizations.At the invitation of the Committee, the Chief Financial Officer in-charge of finance function and Company Secretary, who also acts as the Secretary to the Committee, attend the meetings along-with representatives of various departments to give answer/clarify the specific queries, points, if any, raised by Statutory Auditors at the meetings and generally assist the Committee in its deliberations.

4. NOMINATION AND REMUNERATION COMMITTEE

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 Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. 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 FOR THE NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee shall be responsible for, among other things, as may be required by the stock exchanges from time to time, 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 Board diversity;

iv. The Nomination and Remuneration Committee, while formulating the above policy, should ensure that:-

v. the level and composition of remuneration be reasonable and sufficient to attract, retain and motivate directors of the quality required to run our Company successfully;

vi. relationship of remuneration to performance is clear and meets appropriate performance benchmarks;

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

viii. 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 and shall carry out evaluation of every director's performance (including independent director).

ix. Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of directors

COMPOSITION:

COMPOSITION: AS ON 31ST MARCH, 2018

Name of Director	Category of Director	Designation of Director
Mr. Onkar Singh	Non-Executive Independent Director	Chairman
Mr. Ashok Kumar Thakur	Non-Executive Independent Director	Member
Ms. Pooja Hemant Goyal	Non-Executive Independent Director	Member

MEETINGS

During the year 2017-18, Twomeetings of the Committee were held on 27.09.2017, 20.01.2018

ATTENDANCE

The attendance of the members at the meeting was as under:-

Name of the Member	Meetings held (No.)	Meetings attended (No.)	No of Meeting Entitled
Mr. Onkar Singh	2	2	2
Mr. Ashok Kumar Thakur	2	2	2
Ms. Pooja Hemant Goyal	2	2	2

Note- There is a change in constitution of NRC Committee

- Mr. Girishpal Singh cease to be the member of Nomination & Remuneration w.e.f September 11th, 2017 and appointment of Ms. Pooja Hemant Goyal in the same meeting.

Performance evaluation criteria for independent directors

The Nomination and Remuneration Committee has devised a 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, benchmark established by global peers etc. which is in compliance with applicable laws, regulations and guidelines.

5. REMUNERATION OF DIRECTORS

The Company pays remuneration to its Executive Director-Managing Director & Whole-time Director and othersby way of Salary, perquisites and allowances. Salary is paid within the range as approved by the Shareholders and as per 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. The Non-Executive Independent Directors have not been paid any remuneration except sitting fees during the financial year 2017-18.

Given below are the details of remuneration paid to Directors during the financial year 2017-18:

Name of Director	Designation	Salary	Sitting fees	Others	Total Remuneration
Mr.Harendra Singh	Managing Director (Executive)	2,16,00,000/-	-	-	2,16,00,000/-
Mr. Vijendra Singh	Whole Time director (Executive)	1,20,00,000/-	-	-	1,20,00,000/-
Mr. GirishPal Singh*	Non Executive Director	20,00,000/-	4,20,000/-	40,40,000/-	64,60,000/-
Mr. Hodal Singh*	Executive Director	14,50,000/-	-	18,80,000/-	33,30,000/-
Mr. Onkar Singh	Non-Executive Independent	-	3,40,000/-	-	3,40,000/-
Mr. Ashok Kumar Thakur	Non-Executive Independent	-	4,60,000/-	-	4,60,000
Ms. Pooja Hemat Goyal	Non-Executive Independent	-	4,00,000/-	-	4,00,000/-

*Mr. Hodal Singh had resigned from the post of directorship w.e.f. 17.05.2017

*Designation of Mr. Girish Pal Singh has been changed from Executive to Non-Executive Director w.e.f. 10.05.2017

6. STAKEHOLDERS RELATIONSHIP COMMITTEE

Number of shareholders' complaints received so far	Number not solved to the satisfaction of shareholders	Number of pending complaints.
Nil	Nil	Nil

OBJECTIVE

In compliance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 18 of The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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.

COMPOSITION:

COMPOSITION: AS ON 31ST MARCH, 2018

Name of Director	Category of Director	Designation of Director
Mr. Girish Pal Singh	Non-Executive Director	Chairman
Mr. Harendra Singh	Executive Director	Member
Mr. Vijendra Singh	Executive Director	Member

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

Note- There is a change in constitution of Stakeholder relationship Committee.

- Due to Resignation of Mr. Girish Pal Singh from directorship the Committee was re-constituted on May 23rd, 2018 and Mr. Onkar Singh Non-Executive Independent Director is appointed as Chairman in Place of Mr. Girish pal Singh

MEETINGS

As per SEBI LODR regulations, 2015 the listed entity is required to hold meeting of Stakeholders Relationship Committee in every quarter. Equity shares of the Company are listed at BSE Limited (BSE) and National Stock Exchange of India Limited (NSE)on 9th, March 2018 thereforetherewas no requirement to hold such meeting in the year 2017-2018.

7. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

OBJECTIVE

The Company has a Corporate Social Responsibility (CSR) Committee in compliance with the provisions of Section 135 of the Companies Act, 2013. The terms of reference, inter-alia includes formulation of the CSR policy and to indicate the activities to be undertaken, recommend spending under CSR, monitoring of CSR policy and to perform functions as defined and covered under the Companies Act, 2013.

COMPOSITION:

COMPOSITION: AS ON 31ST MARCH, 2018

Name of Director	Category of Director	Designation of Director
Mr. Harendra Singh	Executive Director	Chairman
Mr. Vijendra Singh	Executive Director	Member
Mr. Onkar Singh	Non-Executive Independent Director	Member

Note- There is a change in constitution of Corporate Social Responsibility Committee Meeting

- ➢ Due to resignation of Mr. Hodal Singh from the post of Directorship in the Board Meeting held on May 17th, 2017 and Mr. Ashok Kumar Thakur Independent director of the Company became member in same meeting.
- ➢ Further Mr. Ashok Kumar Thakur Resigned from the post of member from CSR Committee and Mr. Onkar Singh Independent Director became member of the Committee in Board Meeting held on September 11th, 2017.

MEETINGS

During the year 2017-18, one meetings of Corporate Social Responsibility Committee was held on06th September, 2017.

ATTENDANCE

The attendance of the members at the meeting was as under:-

Name of the Member	Meetings held (No.)	Meetings attended (No.)	No of Meeting Entitled
Mr. Harendra Singh	1	1	1
Mr. Vijendra Singh	1	1	1
Mr. Ashok Kumar Thakur	1	1	1

8. IPO COMMITTEE

OBJECTIVE

The committee was constituted with the purpose of taking all decisions and to approve, negotiate, finalize and carry out all activities relating to the IPO, as it may, in its absolute discretion, deem fit and proper in the best interest of the Company, without requiring any further approval of the shareholders or the Board.

COMPOSITION:

COMPOSITION: AS ON 31ST MARCH, 2018

Name of Director	Category of Director	Designation of Director
Mr. Vijendra Singh	Executive Director	Chairman
Mr. Harendra Singh	Executive Director	Member
Mr. Onkar Singh	Non-Executive Independent Director	Member

MEETINGS

During the year 2017-18, four meetings of IPO Committee were held on 02.02.2018, 15.02.2018, 23.02.2018 and 07.03.2018.

ATTENDANCE

The attendance of the members at the meeting was as under:-

Name of the Member	Meetings held (No.)	Meetings attended (No.)	No of Meeting Entitled
Mr. Vijendra Singh	4	4	4
Mr. Harendra Singh	4	4	4
Mr. Onkar Singh	4	4	4

Note- The committee has been dissolved with effect from 23.05.2018.

9. FINANCE COMMITTEE

OBJECTIVE

The Purpose of the Committee is to advise the Board of Directors on matter 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 borrowings in accordance with applicable provisions of the Companies Act, 2013.

COMPOSITION:

COMPOSITION: AS ON 31ST MARCH, 2018

Name of Director	Category of Director	Designation of Director
Mr. Harendra Singh	Executive Director	Chairman
Mr. Vijendra Singh	Executive Director	Member
Mr. Girish Pal Singh	Non-Executive Director	Member

MEETING

During the year 2017-18, five meetings of Finance Committee were held on 14.06.2017, 12.09.2017, 9.10.2017, 27.11.2017 and 21.02.2018.

ATTENDANCE

The attendance of the members at the meeting was as under:-

Name of the Member	Meetings held (No.)	Meetings attended (No.)	No of Meeting Entitled
Mr.Harendra Singh	5	5	5
Mr.Vijendra Singh	5	5	5
Mr.. Girish Pal Singh	5	5	5

Note: There is a change in constitution of Finance Committee.

Due to Resignation of Mr. Girish Pal Singh from directorship the Committee was re-constituted on May 23rd, 2018 and Mr. Dinesh Kumar Goyal Appointed as a member of the committee in place of Mr. Girish Pal Singh.

10. MANAGMENT COMMITTEE

OJECTIVE

The Purpose of the Committee is to advise the Board of Directors on matter relating to Bidding of Tender, Execution of Agreements and entire day to day business activities of the Company.

i. Execution & Signing of all agreements, undertakings, applications, returns, papers, receipts and all documents in connection with bidding projects related to the National Highway Authority of India, Ministry of Road Transport and Highway, Public Works Department and other Government and Private Authority.

ii. Execution & Signing of all documents related to Joint Ventures

iii. Registration with Statutory Authority.

iv. Execution & Signing of Documents in case of Opening, Transfer & Closing of Current/Saving account.

v. Availing Internet Banking Services/Cash Management Services/ Mobile Banking and any other services from Bank as required by the Company.

vi. Authorization for Legal matters.

vii. Any other matter related to day to day Business operations of the Company with the following Directors

COMPOSITION:

COMPOSITION: AS ON 31ST MARCH, 2018

Name of Director	Category of Director	Designation of Director
Mr. Harendra Singh	Executive Director	Chairman
Mr. Vijendra Singh	Executive Director	Member
Mr. Girish Pal Singh	Non-Executive Director	Member

MEETING

During the year 2017-18, one meeting of Management Committee was held on 21.03.2018

ATTENDANCE

The attendance of the members at the meeting was as under:-

Name of the Member	Meetings held (No.)	Meetings attended (No.)	No of Meeting Entitled
Mr.Harendra Singh	1	1	1
Mr.Vijendra Singh	1	1	1
Mr.. Girish Pal Singh	1	1	1

Note-There is a change in constitution of Stakeholder relationship Committee.

Due to Resignation of Mr. Girish Pal Singh from directorship, the Committee was re-constituted on May 23rd, 2018 and Mr. Dinesh Kumar Goyal Appointed as a member of the committee in place of Mr. Girish Pal Singh.

11. MEETING OF INDEPENDENT DIRECTORS

As required under the provisions of Companies Act, 2013 and Regulation 27 of The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate meeting of Independent Directors of the Company was held on 29th September 2017 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.

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.

12. GENERAL BODY MEETINGS

Location and time, where last 3 AGM's held:

The last three Annual General Meetings were held as under:

Financial Year	Date	Time	Venue
2014-15	30th September, 2015	11:00 A.M	14, Panchwati Colony, Ratanada, Jodhpur-342001 Rajasthan
2015-16	30thSeptember, 2016	11:00 AM	14, Panchwati Colony, Ratanada, Jodhpur-342001 Rajasthan
2016-17	8thSeptember, 2017	3:00 PM	14, Panchwati Colony, Ratanada, Jodhpur-342001 Rajasthan

Whether any Special Resolution passed in previous 3 AGM's:

DETAILS OF SPECIAL RESOLUTIONS

Financial Year	Particulars of Special Resolutions passed in the AGM
2014-15 30th September, 2015	No Special Resolution passed
2015-16 30th September, 2016	Adoption of New Set of Articles of Association as per Companies Act, 2013
2016-17 8th September, 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

EXTRA ORDINARY GENERAL MEETING

Details of Extra Ordinary General Meeting held during the Financial Year 2017-18

Financial Year	Date	Time	Venue
2017-18	1st April, 2017	11.00 A.M	14, Panchwati Colony, Ratanada, Jodhpur-342001 Rajasthan
	15thMay 2017	11.00 A.M	14, Panchwati Colony, Ratanada, Jodhpur-342001 Rajasthan
	25thJanuary, 2018	11.00 A.M	14, Panchwati Colony, Ratanada, Jodhpur-342001 Rajasthan

During the year, no business was transacted passed through Postal Ballot.

The Company has proposed to pass the following Resolution(s) which are required to pass through Postal Ballot mentioned below:

1. To make investments, give loans, guarantees and provide securities under Section 186 of the Companies Act,2013:-

2. Creation of Mortgage and Charge on the Assets of the Company

3. Change in Registered Office of the Company with in the State

Note: In accordance with the Companies Amendment Act, 2017, enforced on 9th Feb, 2018 by the Ministry of Corporate Affairs, any item of business required to be transacted by means of postal ballot under clause (a) of section 110, may be transacted at a general meeting by a company which is required to provide the facility to members to vote by electronic means under section 108, in the manner provided in that section

So, the Company is not required to pass the above Resolution (s) through Postal Ballot because the Company has already provided the facility of E-voting (Electronic Voting) means as per Section 108 of the Companies Act, 2013

13. MEANS OF COMMUNICATION

- Annual report containing financial statements (Standalone and Consolidated), Board's Report, Management Discussion & Analysis (MD&A) Report, Auditor's Report and other information are circulated to members and others who are entitled to it.
- Financial results are published in leading local and national newspapers such as Danik Navjyoti Hindi Language Business Readers of (Rajasthan) (Jodhpur, Rajasthan), and Business Standards English Language (all editions).
- All important information relating to the Company and its performance including the financial results and shareholding pattern are displayed on the Company's website www.hginfra.com. The website also displays all official press releases issued by the Company.
- The Company puts all price sensitive information into the public domain by way of intimating the same to stock exchanges i.e. BSE Ltd. and National Stock Exchange of India Ltd., immediately. The same is also displayed on the Company's website.
- In case of any problem/query, shareholders may write to Company Secretary/Asst.Company Secretary at cs@hginfra.com
- The Company has made timely Investors and other presentations to analysts.

14. GENERAL SHAREHOLDER INFORMATION

- **Annual General Meeting: Date, Time & Venue**

ANNUAL GENERAL MEETING	16TH ANNUAL GENERAL MEETING
DAY & DATE	MONDAY 10TH SEPTEMBER 2018
TIME	10.00 A.M.
VENUE	Hotel Radisson, Gaurav Path Road, 8, Residency RD, Jodhpur, Rajasthan 342001 India

- **Financial Year:** 2018-2019
- **Dividend Payment Date:** on or after September 14, 2018
- **Listing on Stock Exchange:**

BSE LIMITED (BSE) PhirojeJeejeebhoy Towers, Dalal Street, Mumbai- 400 001 SCRIP Code: 541019
National Stock Exchange of India Ltd (NSE) "ExchangePlaza", Plot no. C-1, G Block, Bandra-Kurla Complex,Bandra (E), Mumbai- 400 051 SYMBOL: HGINFRA ISIN:INE926X01010

- **In case the securities are suspended from trading, the Director'sReport shall explain the reason thereof:** Not Applicable
- **Payment of Listing Fees:**
  Annual listing fee for the financial year 2018-19 has been paid by the Company to BSE and NSE.
- **Payment of Depository Fees:**
  Annual Custody / Issuer fee for the year 2018-19 has been paid by the Company to Central Depository Services Limited (CDSL) and National Securities Depository Limited (NSDL)
- **Registrar & Share Transfer Agent:**
  M/s. Link Intime India Pvt. Ltd
  44, Community Center 2nd Floor, Naraina Industrial Area,
  Phase I, Near PVR, Naraina New Delhi-110028
  Tel: 011-4141 0592/93/94
  Fax: 011-4141 0591
  E-mail:delhi@linkintime.co.in
  Website: www.linkintime.co.in
- **Dematerialization of Shares and Liquidity**
  Since the Company's shares are traded in the dematerialized form on the Stock Exchanges, bulk of the transfers take place in the electronic form only.
- **Share Transfer System**
  Share Transfer Requests are received at the registered office of the Company as well as directly at RTAs office. RTA does the verification and processing of documents. In order to comply with the requirements of SEBI (LODR) Regulations, 2015 to effect transfer of shares within 15 days, the RTA has been authorised to process, approve and effect transfer of shares on behalf of the Company at fortnightly intervals. The share certificates duly endorsed for transfer are returned to shareholders within stipulated time of 30 days..

  M/s. Link Intime India Pvt. Ltd 44, Community Center 2nd Floor, Naraina Industrial Area, Phase I, Near PVR, Naraina New Delhi-110028 is RTA, for effecting transfers of shares held in both the demat as well as physical form. The Board of Directors at the time of entering into Tri-Party agreement with RTA, has delegated powers of share transfer/transmission/split etc. to RTA which shall be periodically placed before Board for its approval in its every meeting. Physical transfers are effected within fifteen days. The Board has designated the Company Secretary as the Compliance Officer. 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 Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and files a copy of the certificate with the Stock Exchanges.

- **Distribution of Shareholding:**

Shareholding Pattern as on March, 31st 2018

Sr. No.	Category	Number of Shares held	Shareholding (%)
1.	Promoters & promoter group	4,80,60,000	73.74%
2.	Mutual Funds	1,12,06,820	17.20%
3.	Banks, Financial Institutions, Insurance Companies (Central/State Govt. Institutions, Non-Government Institutions	NIL	NIL
4.	Foreign Portfolio Investors	14,833	0.02%
5.	Private Corporate Bodies	35,22,819	5.41%
6.	Indian Public	17,88,943	2.75%
7.	NRIs/OCBs /Foreign Nationals	32,432	0.05%
8.	Any other	5,45,264	0.83%
	TOTAL	**6,51,71,111**	**100%**

Distribution of Shareholding as on March, 31st 2018

No. of equity Shares held	No. of Shareholders	No. of Shares held	% of Equity Capital
1- 500	21885	12,55,463	1.9264
501-1000	106	83,964	0.1288
1001-5000	105	1,34,553	0.3476
5001-10000	17	1,34,553	0.2065
10001 & Above	70	6,34,70,582	97.3907
TOTAL	**22183**	**6,51,71,111**	**100%**

- Dematerialization of Shares and Liquidity:

As on 31st, March 2018 100% shareholding of the Company is in dematerialized form in compliance with Regulation 31(2) of the Listing Regulations.

Category	No. of Shareholders	Shareholders (%)	No. of Shares held	Voting Strength (%)
Physical	--	--	--	--
Electronic	22502	100%	65171111	100%
Total	**22502**	**100%**	**65171111**	**100%**

- **Outstanding GDR's /ADR's / Warrants or any Convertible instruments, conversion date and likely impact on equity**:Not Applicable

- **Commodity Price Risk and commodity hedging activities:**Presently, the Company is not dealing in commoditiesand commodity hedging activities.

- Address for Correspondence:

  Registered Office-

  14, Panchwati Colony,Ratanada, Jodhpur-342001, Rajasthan

Corporate Office-

III Floor Sheel Mohar Plaza, A-1 TilakMarg, C-Scheme, Jaipur-302001, Rajasthan

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

44 CommunityCenter, 2nd Floor, Naraina Industrial Area, Phase I, Near PVR, Naraina, New Delhi – 110028

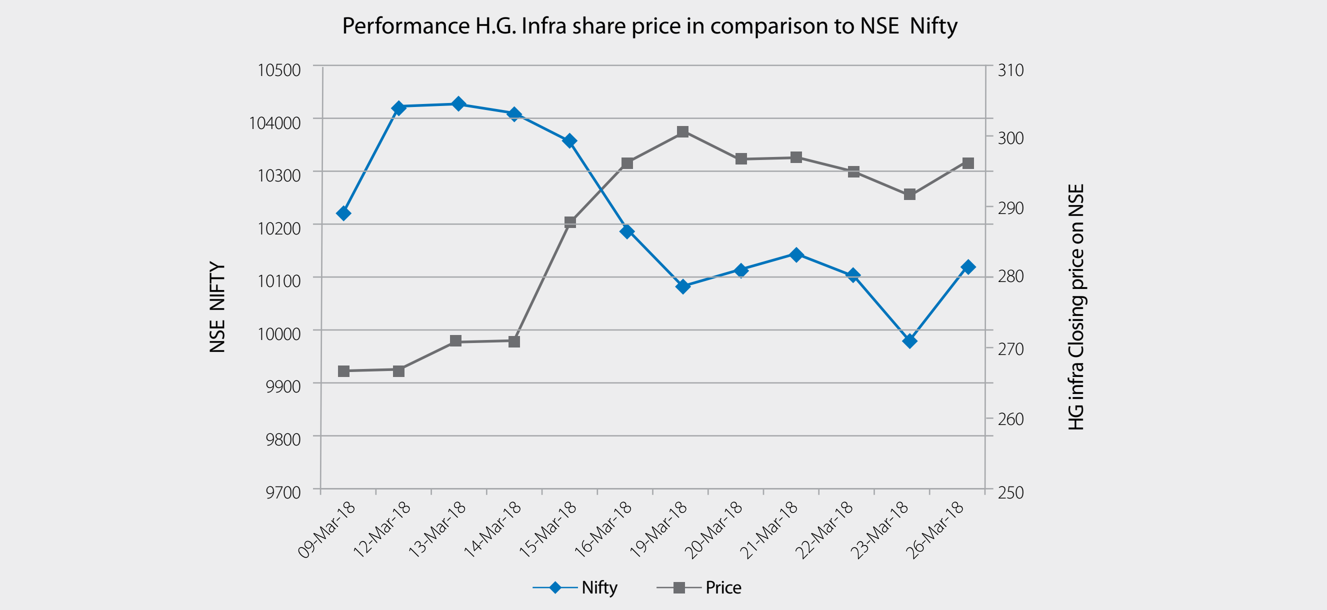
- **Green Initiative in Corporate Governance:**

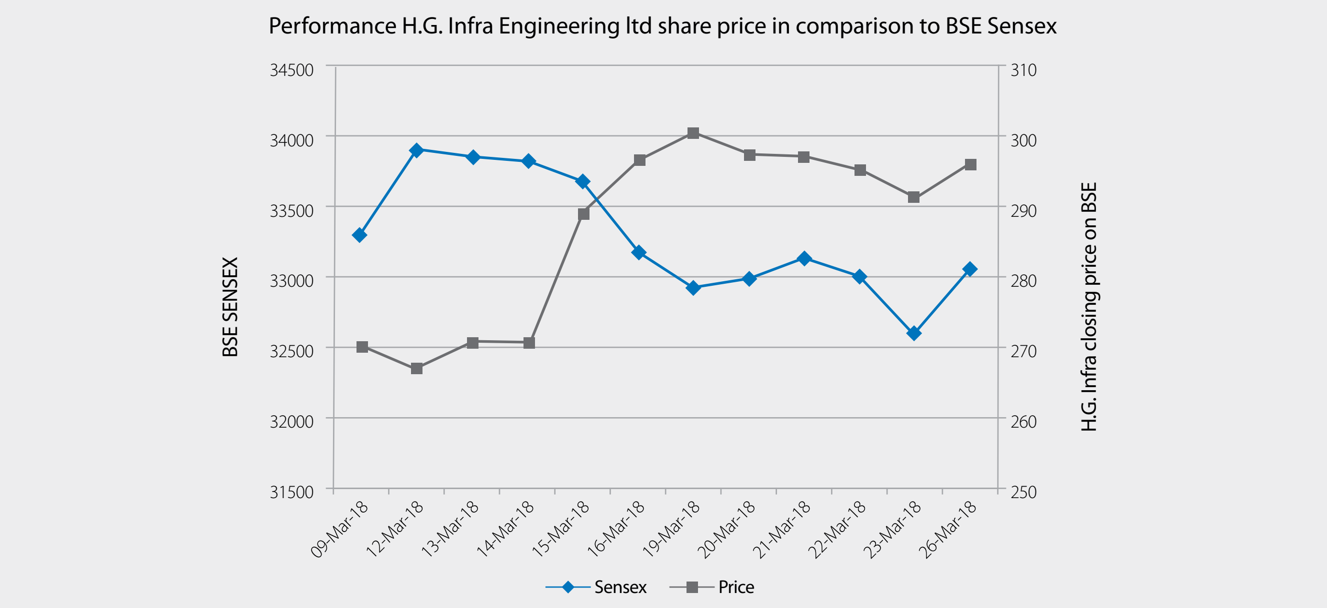
  As per the MCA Circular Nos. 17/2011 dated April 21, 2011 & 18/2011 dated April 29, 2011, Ministry of Corporate Affairs has undertaken a Green Initiative in Corporate Governance whereby the shareholders desirous of receiving notices, documents and other communication from the Company through electronic mode, can register their e-mail addresses with the Company.

  As a responsible citizen, your Company strongly urges our shareholders to support the Green Initiative by giving positive consent by registering/updating your email addresses with your respective Depository Participants or the Registrar and Transfer Agents of the Company, M/s LINK INTIME INDIA PRIVATE LIMITED for the purpose of receiving soft copies of various communications including the Annual Report.

- **Stock Market Price Data:**

  Details of share price from 9th March, 2018 to 31st March, 2018 high/low market prices of the Company's equity shares traded on BSE Limited, Mumbai and National Stock Exchange of India Ltd., Mumbai, during the last financial year are as follows:





• Performance of Company's Shares in comparison to BSE & NSE:

DAYS	BSE LIMITED		NATIONAL STOCK EXCHANGE OF INDIA LTD.	
Date	High	Low	High	Low
09-03-2018	276	252.6	276	252.6
10-03-2018	270.05	270.05	267.75	267.75
11-03-2018	270.05	270.05	267.75	267.75
12-03-2018	271	262	271	261.7
13-03-2018	276	263.7	277.2	264
14-03-2018	277	270	277.1	270.5
15-03-2018	294.25	271.25	293.7	272.15
16-03-2018	304	291.9	304	291
17-03-2018	296.65	296.65	296.35	296.35
18-03-2018	296.65	296.65	296.35	296.35
19-03-2018	311	298.65	311	298.15
20-03-2018	305.5	297.15	305	296.95
21-03-2018	304	296.05	304	297
22-03-2018	301.8	293.7	301.9	291.1
23-03-2018	295	277.02	294.8	276.65
24-03-2018	291.45	291.45	292.2	292.2
25-03-2018	291.45	291.45	292.2	292.2
26-03-2018	298.4	292.55	299.65	292.55
27-03-2018	300.65	295.5	301	296
28-03-2018	301.9	295	303	295
29-03-2018	301.9	301.9	300.5	300.5
30-03-2018	301.9	301.9	300.5	300.5
31-03-2018	301.9	301.9	300.5	300.5

• Site Location

	PLACE	STATE
1	Uncha-Nagla-Khanuawa-Roppas-Dholpur section of NH-123	Rajasthan/ Uttar Pradesh
2	Sitarganj-Tanakpur section of NH-125	Uttarakhand
3	Tonk – Swaimadhopur section of NH-116	Rajasthan
4	Manoharpur to Dausa Section of NH 11A (New NH-148)	Rajasthan
5	Amravati-Nandgaon-Morshi-Warud-Pandhurna National Highway	Maharashtra
6	Bhandara - Khat -Ramtek -Mansar - Mauli - Nayakund -Parseoni - Saoner to Jont NH 547 E	Maharashtra
7	Nagpur-Katol-Warud	Maharashtra
8	Bhandara – Khat –Ramtek –Mansar – Mauli – Nayakund –Parseoni – Saoner	Maharashtra
9	Amravati-Nandgaon-Morshi-Warud-Pandhurna	Maharashtra
10	Morshi-Chandurbazar-Achalpur	Maharashtra
11	Khetia	Rajasthan
12	Balotra	Rajasthan
13	Kaithal	Rajasthan
14	Bhilwara (Gulabpura-Chittor)	Rajasthan
15	Tonk-Wpl	Rajasthan
16	Chaksu-Wpl	Rajasthan
17	Chittorgarh-Udaipur	Rajasthan
18	Raipur (Jhalawar)	Rajasthan
19	Rawatbhatta	Rajasthan
20	Jaisalmer	Rajasthan
21	Barmer	Rajasthan
22	Sunel (Jhalawar)	Rajasthan
23	Babatpur – Varanasi	Uttar Pradesh
24	Changlang District Boundary to Khonsa section	Arunachal Pradesh
25	Kundal - Jadol	Rajasthan
26	Bhawi - Khimsar	Rajasthan
27	Jodhpur - Jojawar	Rajasthan
28	Banar - Kuchera	Rajasthan
29	Gurgaon - Sohna	Haryana

15. OTHER DISCLOSURES:

- **Disclosure on materially significant related party transactions that may have potential conflict with the interests of Company at large.**

  The Company has entered into certain transactions with its Promoters, Directors and the Management related parties in the ordinary course of business as approved by the Audit Committee and Board these transactions do not have any potential conflict with the interests of the Company at large.

- **Details of non-compliance by the Company, penalties, and strictures imposed on the Company by Stock Exchanges or The Securities and Exchange Board of India, or any other statutory authority, on any matter related with the capital market.**

  Penalty imposed on the Company of ₹15000/- in a compounding order Dated-07.12.2017(NWR)/441/Section 215/304/2017/3349 passed by Regional Director Ahmedabad against an application filled by the Company U/S 441 of the Companies Act, 2013 for Compounding of offence under Section 215 of the Companies Act, 1956.

- **Details of establishment of vigil mechanism whistle blower policy, and affirmation that no personnel has been denied access to the audit committee.**

  Pursuant to Section 177(9) and (10) of the Companies Act, 2013, and Regulation 22 of SEBI (LODR) Regulations, 2015, the Company has a Whistle Blower policy for establishing a vigil mechanism for Directors and employees. The policy has been hosted on the website of the Company at http://www.hginfra.com/policies-pdfs.html. We affirm that no personnel has been denied access to the Audit Committee.

WHISTLE BLOWER POLICY

In compliance of Section 177 of the Companies Act, 2013, the Company has formulated Vigil Mechanism/Whistle Blower Policy that 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. The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations and in order to maintain these standards, the Company encourages its employees who have genuine concerns about suspected misconduct to come forward and express these concerns without fear of punishment or unfair treatment. The mechanism provides for adequate safeguards against victimization of Directors and employees to avail of the mechanism and also provide for direct access to the Vigilance Officer. This neither releases employee from their duty of confidentiality in the course of their work nor can it be used as a route for raising malicious or unfounded allegations about a personal situation.

- **Details of compliance with mandatory requirements and adoption of non-mandatory requirements:**

  The Company has complied with all mandatory requirements of Regulation 34(3) read with Schedule V of the Listing Regulations.

- **Web link where policy for determining 'material' subsidiaries is disclosed.**

  The policy has been hosted on the website of the Company at http://www.hginfra.com/policies-pdfs.html.

- **Web link where policy on dealing with related party transactions.**

  The policy has been hosted on the website of the Company at http://www.hginfra.com/policies-pdfs.html.

- **Disclosure of commodity price risks and commodity hedging activities.**

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

16. NON COMPLIANCE OF ANY REQUIREMENT OF CORPORATE GOVERNANCE REPORT OF SUB-PARAS (2) TO (10) OF PARA C OF CORPORATE GOVERNANCE REPORT OF SCHEDULE V ANNUAL REPORT OF LISTING REGULATIONS:

NONE

17. DETAILS OF COMPLIANCE WITH MANDATORY REQUIREMENTS AND ADOPTION OF THE NON-MANDATORY REQUIREMENTS-

The Company has complied with all mandatory requirements of Listing Regulations 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 endeavour to present unqualified financial statements. There are no audit modified opinions in the company's financial statement for the year under review.

iv. **Separate posts of Chairperson and CEO:** The Company does not have separate posts for Chairperson/CEO and Managing Director.

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

18. DISCLOSURES OF THE COMPLIANCE WITH CORPORATEGOVERNANCE REQUIREMENTS SPECIFIED IN REGULATION17 TO 27 AND CLAUSES (B) TO (I) OF SUB-REGULATION (2)OF REGULATION 46 SHALL BE MADE IN THE SECTION ONCORPORATE GOVERNANCE OF THE ANNUAL REPORT:

Company has complied with the Corporate Governance Requirements specified in Regulation 17 to 27 and in accordance with Regulation 46(2) of Listing Regulations required information has been hosted on the Company's website www.hginfra.com

19. CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING:

The Company has adopted a Code of Conduct to regulate, monitor and report trading by insiders under the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015. This Code of Conduct also includes code for practices and Procedures for fair disclosure of unpublished price sensitive information and has been made available on the Company's website at www.hginfra.com

20. RELATED PARTY TRANSACTION:

The Company has entered into certain transactions with its Promoters, Directors and the Management related parties in the ordinary course of business as approved by the shareholders; 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 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015 as also with the requirements of Accounting Standard and Companies Act, 2013.

21. MD and CFO CERTIFICATION:

As required under Regulation 17(8) of Listing Regulations, a Certificate duly signed by Mr. Harendra Singh, Managing directorand Mr. Rajeev Mishra Chief Financial Officer has been obtained. The Certificate is annexed to this Report.

22. CERTIFICATE ON COMPLIANCE WITH THE REGULATION OF CORPORATE GOVERNANCE:

The Company has obtained a Certificate from Practicing Company Secretary of the Company regarding compliance with the provisions relating to the corporate governance laid down in the Listing Regulations. The Certificate is annexed to the 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 with Stock Exchange is so far as it is applicable to them and there is no non-compliance thereof during the year ended March 31, 2018.

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

Harendra Singh
Managing Director
Din-00402458

MD / CFO CERTIFICATION

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 ("the Company") to the best of our knowledge and belief certify that:

1. We have reviewed the Financial Statements and the Cash Flow Statement for the year ended 31st March, 2018 and that to the best of our knowledge and belief, we state that;
   - These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading, and
   - These statements present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
2. We further state that, to the best of our knowledge and belief, no transactions entered into by the Company during the year, are fraudulent, illegal of the Company's Code of Conduct.
3. We are responsible for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the 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.
4. We have indicated to the Auditors and the Audit Committee:
   a) Significant changes, if any, in internal control over financial reporting during the year;
   b) Significant changes, if any, in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
   c) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system or financial reporting.

FOR H.G. INFRA ENGINEERING LIMITED

		HARENDRA SINGH
Date: 30.07.2018	RAJEEV MISHRA	DIN-00402458
Place: Jaipur	*(Chief Financial Officer)*	*(Managing Director)*

DECLARATION OF CODE OF CONDUCT

This is to confirm that the company has adopted a code of conduct for its Board of Directors and Senior Management Personnel. This Code is available at the Company's Registered Office.

This is to confirm that the company has adopted a code of conduct for its Board of Directors and Senior Management Personnel. This Code is available at the Company's Registered Office.

For the purposes of this declaration, Senior Management Personnel means the Personnel who are members of the core management team, including persons in the cadre of functional heads and above but excluding Board of Directors as on March 31, 2018.

FOR H.G. INFRA ENGINEERING LIMITED

HARENDRA SINGH
DIN-00402458
(Managing Director)

Date: 30.07.2018
Place: Jaipur

CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members
H.G. INFRA ENGINEERING LIMITED (PART IX)
[Erstwhile known as H.G. INFRA ENGINEERING PRIVATE LIMITED (PART IX)]
14, Panchwati Colony, Ratanada, Jodhpur-342001 (Raj.).

We have examined the compliance conditions of Corporate Governance by **H.G. INFRA ENGINEERING LIMITED (PART IX)** [Erstwhile known as H.G. INFRA ENGINEERING PRIVATE LIMITED (PART IX)] (hereinafter called "the Company"), for the financial year ended 31st March, 2018, as stipulated in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ["SEBI (LODR) Regulations, 2015"] and the Uniform Listing Agreement entered between the Company and Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the 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 knowledge and according to the explanations given to us, we certify that the Company has complied with the conditions of applicable Corporate Governance as stipulated in the above mentioned SEBI (LODR) Regulations, 2015 and the Uniform Listing Agreement from 09th March, 2018 (date on which the equity shares are listed with stock exchanges) to 31st March, 2018.

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

for ATCS & ASSOCIATES
COMPANY SECRETARIES

DEEPAK ARORA
(Partner)
FCS No. 5104
COP No. 3641

Place: Jaipur
Date: 30.07.2018

Annexure VI to Board's Report

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st March, 2018

[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)
[Erstwhile known as H.G. INFRA ENGINEERING PRIVATE 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) [Erstwhile known as H.G. INFRA ENGINEERING PRIVATE 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, 2018 ('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, 2018 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 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 financial year company has converted from private to public and also got listed on BSE Limited and National Stock Exchange of India Limited w.e.f 09th March 2018.

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

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and Woman Director. 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 there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with labour laws and other applicable laws, rules, regulations and guidelines.

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

i. The Company got converted into Public Limited Company w.e.f. 08th Day of June, 2017.

ii. The Company has listed to BSE & NSE on 9th March, 2018 with the Initial Public Offer (IPO) of 17,111,111 Equity Shares of face value ₹10/- each and premium of ₹260/- consisting of fresh issue of 11,111,111 Equity Shares and offer for sale of 6,000,000 Equity Shares by certain Shareholders.

   Further, the company has listed its total number of Equity Shares (including existing promoter's shareholding and IPO) 65,171,111 to Bombay Stock Exchange & National Stock Exchange.

iii. During the audit period the Company has obtained shareholder's approval in the General Meeting for the following items:

   a) Altered Memorandum and Articles of Association of the Company

   b) Increase in Authorised Capital of the Company from ₹20,00,00,000/- (Rupees Twenty Crores only) to ₹80,00,00,000/- (Rupees Eighty Crores only) by creation of additional 6,00,00,000 equity shares of ₹10 /- each.

   c) Approval for Issue and Allotment of 36,040,000 Equity Shares of ₹10/- each to the Existing Shareholder through Bonus Issue.

   d) As per the provision of Foreign Exchange Management Act, 1999 (FEMA), members have consented to permit Foreign Portfolio Investors (FPIs) shall acquire and make investment up to an aggregate limit of 49% (Forty nine percent) of the paid-up equity share capital of the Company and Non Resident Indians (NRIs) shall acquire and make investment up to an aggregate limit of 24% (Twenty Four percent) of the paid-up equity share capital of the Company

   e) Inter corporate Loans and Investment in excess of limit prescribed under Section 186 of the Act not exceeding ₹2000 crore (Rupees Two Thousand Crore Only)

   f) Increase in borrowing limits under Section 180 (1) (c) of the Companies Act, 2013 not exceeding ₹2000 crore (Rupees Two Thousand Crore Only)

   G) Approval of Scheme of Loan to Managing Director and Whole Time Director.

for ATCS & ASSOCIATES
COMPANY SECRETARIES

DEEPAK ARORA
PARTNER

PLACE : JAIPUR — FCS No. 5104
DATE: 21.07.2018 — COP No. 3641

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

Annexure A

To,

The Members,

H.G. INFRA ENGINEERING LIMITED (PART IX)

[Erstwhile known as H.G. INFRA ENGINEERING PRIVATE 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

DEEPAK ARORA

PARTNER

PLACE : JAIPUR

FCS No. 5104

DATE: 21.07.2018

COP No. 3641

Annexure VII to Board's Report

PARTICULAR OF EMPLOYEES

(A) Information as per Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

1. Ratio of Remuneration of Directors to Median Remuneration of employee

Name	Designation	Ratio of Remuneration to MRE[1] (Median Remuneration of Employee)	% increase /(decrease) in remuneration [2]
Mr. Harendra Singh	Managing Director	221.54	-
Mr. Vijendra Singh	Whole Time Director	123.08	-
Mr. Hodal Singh	Executive Director	14.87	*(83.33)
Mr. Girish Pal Singh	Non-Executive Director	20.51	*(83.33)

*Decrease in remuneration -due to Resignation of Mr. Hodal Singh and Change in Designation of Mr. Girishpal Singh Executive to Non-Executive

2. The percentage increase in gross remuneration of Company Secretary was 16.48% during the year. The increase in gross remuneration of Chief Financial Officer is not applicable as he was appointed w.e.f. 10.05.2017.
3. The median remuneration of employees was- 97500 as on 31st March, 2018 and 99500 as on 31st March, 2017.
4. The number of permanent employees on the rolls of company – 2803 as on 31st March, 2018
5. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration – Average increase in the remuneration of all employees excluding KMPs-102.68%

   – Average decrease in the remuneration of KMPs: 28.24%

   Justification: There was increase of 102.68% in the remuneration of non-managerial employees due to increase in order book and execution of staff and there was decrease in the remuneration of managerial staff (KMP) of 28.24% due to resignation / change in designation of Directors in the Financial Year 2017-18
6. Affirmation that the remuneration is as per the remuneration policy of the Company - Yes.

(B) Information as per Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

a)- Employed throughout the financial year 2017-2018 and in receipt of remuneration of ₹102 Lakhs-

S.N	Name of the Employee	Designation of the Employee	Remuneration received	Nature of Employment	Qualification & Experience of the Employee	Date of Commencement of Employees	Age of Such Employees	Previous employer	Relation with Director or Manager if any	% of Shareholding
1.	Mr. Harendra Singh	Managing Director	2,16,00,000	Permanent	B-E Civil	21.03.2003	52	NA	Brother-Mr. Vijendra Singh	22.02%
2.	Mr. Vijendra Singh	Whole Time Director	1,20,00,000	Permanent	Basic	21.03.2003	53	NA	Brother-Mr. Harendra Singh	17.99%

b)-Employees employed for part of the year and in receipt of ₹8.5 Lakhs or more a month.

None of the employee was in receipt of remuneration amounting to ₹8.5 Lakhs per month or more for part of the year.

c)-There are no Employees employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, inthe 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 or along with his spouse and dependent children, not less than two percent of the equity shares of the company.

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

To The Members of
H.G. Infra Engineering Limited

Report on the Standalone Indian Accounting Standards (Ind AS) Financial Statements

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, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information, in which are incorporated 4 jointly controlled operations as referred to in Note 47 in the standalone financial statements.

Management's Responsibility for the Standalone Ind AS Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements to give a true and fair view of the financial position, financial performance (including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) 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, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

4. We have taken into account the provisions of the Act and the Rules made thereunder including the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

5. We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, and its total comprehensive income (comprising of profit and other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Other Matters

9. We did not audit the financial statements of 4 jointly controlled operations included in the standalone financial statements of the Company, which constitute total assets of ₹15.92 crore and net assets of ₹14.80 crore as at March 31, 2018, total revenue of ₹94.67 crore, net profit of ₹0.44 Crore for the year then ended.

These financial statements have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion on the standalone financial statements insofar as it relates to the amounts and disclosures included in respect of these jointly controlled operations is based solely on the reports of the other auditors.

10. The transition date opening balance sheet as at April 1, 2016 included in these standalone Ind AS financial statements, is based on the previously issued statutory financial statements for the year ended March 31, 2016 prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended) which were audited by the predecessor auditor who expressed an unmodified opinion vide reports dated July 26, 2016. The adjustments to those financial statements for the differences in accounting principles adopted by the Company on transition to the Ind AS have been audited by us.

11. The financial information of the Company for the year ended March 31, 2017 included in these standalone Ind AS financial statements, are based on the previously issued statutory financial statements for the year ended March 31, 2017 prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended) which were audited by us, on which we expressed an unmodified opinion dated August 28, 2017. The adjustments to those financial statements for the differences in accounting principles adopted by the Company on transition to the Ind AS have been audited by us.

    Our opinion on the standalone Ind AS financial statements and our report on Other Legal and Regulatory requirements below is not qualified in respect of these matters.

Report on Other Legal and Regulatory Requirements

12. As required by the Companies (Auditor's Report) Order, 2016, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act ("the Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order.

13. 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 and report of other auditors.

    (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of accounts of the Company and jointly controlled operations.

    (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian 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, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 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 its jointly controlled operations 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 Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:

        i. The Company has disclosed the impact, if any, of pending litigations as at March 31, 2018 on its financial position in its standalone Ind AS financial statements – Refer Note 43;

        ii. The Company assesses periodically the foreseeable losses on all its long-term contracts. As at end of the year under report, there were no such foreseeable losses. The Company did not have any derivative contracts as at the date of Balance Sheet;

        iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2018.

        iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company and jointly controlled operations for the year ended March 31, 2018.

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

Priyanshu Gundana
Partner
Membership Number:109553

Place: Jaipur
Date: May 23, 2018

Annexure A to Independent Auditors' Report

Referred to in paragraph 13(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, 2018

Report on the Internal Financial Controls with reference to standalone (Ind AS) 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 standalone financial statements of H.G Infra Engineering Limited ("the Company") as of March 31, 2018 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 over financial reporting is not applicable to 4 jointlly 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 standalone 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 standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone 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 standalone financial statements

6. A company's internal financial controls with reference to standalone 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 standalone financial statements.

Inherent Limitations of Internal Financial Controls with reference to standalone 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, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Priyanshu Gundana
Partner
Membership Number:109553

Place: Jaipur
Date: May 23, 2018

Annexure B to Independent Auditors' Report

Referred to in paragraph 12 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, 2018

1. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.

   (b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.

   (c) The title deeds of immovable properties, as disclosed in Note 3 on fixed assets to the financial statements, are held in the name of the Company.

2. 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.

3. 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.

4. The Company has not granted any loans or made any investments, or provided any guarantees or security to the parties covered under Section 185 and 186. Therefore, the provisions of Clause 3(iv) of the said Order are not applicable to the Company.

5. 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.

6. 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.

7. (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 provident fund, value added tax cess, employees' state insurance and professional tax though there has been a slight delay in a few cases, and in case of income-tax and goods and service tax (with effect from July 1, 2017), have not been regularly deposited with the appropriate authorities and there have been delays in number of cases as explained in note 48 of the standalone financial statements.

   (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income-tax, 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.

8. 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 or Government as at the balance sheet date.

9. In our opinion, and according to the information and explanations given to us, the moneys raised by way of initial public offer (IPO) and term loans have been applied for the purposes for which they were obtained except in case of IPO funds amounting to ₹1,647.27 Million pending utilisation, the amounts have been parked in fixed deposits and current account with bank.

10. 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.

11. 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.

12. 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.

13. 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.

14. 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.

15. 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.

16. 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

Priyanshu Gundana
Partner
Membership Number:109553

Place: Jaipur
Date: May 23, 2018

STANDALONE BALANCE SHEET AS AT MARCH 31, 2018

(Amount in ₹ Millions)

Particulars	Note	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
ASSETS				
Non-current assets				
Property, plant and equipment	3	4,114.28	2,041.34	1,160.85
Capital work-in-progress	3	85.73	6.86	48.34
Intangible assets	4	4.74	2.48	0.83
Financial assets				
i. Trade receivables	5	48.54	28.66	5.60
ii. Other financial assets	6	142.13	67.53	78.22
Deferred tax assets	34(b)	61.30	22.52	10.40
Income Tax assets	34(f)	15.75	15.61	16.04
Other non-current assets	7	185.92	145.39	173.33
Total non-current assets		4,658.39	2,330.39	1,493.61
Current assets				
Inventories	8	1,067.53	492.04	435.32
Financial assets				
i. Trade receivables	9	4,294.28	1,809.19	1,385.27
ii. Cash and cash equivalents	10	64.18	170.31	43.51
iii. Bank balances other than (ii) above	11	2,225.13	312.33	225.38
iv. Loans	12	-	7.33	39.00
v. Other financial assets	13	2,032.82	290.90	185.76
Other current assets	14	502.02	309.00	186.19
Total current assets		10,185.96	3,391.10	2,500.43
Total assets		14,844.35	5,721.49	3,994.04
EQUITY AND LIABILITIES				
Equity				
Equity share capital	15	651.71	180.20	180.20
Other equity	16	4,756.92	1,581.15	1,047.51
Total equity		5,408.63	1,761.35	1,227.71
LIABILITIES				
Non-current liabilities				
Financial liabilities				
i. Borrowings	17	1,246.98	634.78	284.47
ii. Trade Payable	18	487.85	295.37	88.45
Employee benefit obligations	19	0.73	-	1.04
Total non-current liabilities		1,735.56	930.15	373.96
Current liabilities				
Financial liabilities				
i. Borrowings	20	1,761.73	932.89	589.87
ii. Trade payables	21	2,793.43	869.47	613.82
iii. Other financial liabilities	22	1,332.89	509.72	367.90
Employee benefit obligations	23	92.60	47.01	40.63
Other current liabilities	24	1,671.76	595.44	770.92
Current tax liabilities	34(e)	47.75	75.46	9.23
Total current liabilities		7,700.16	3,029.99	2,392.37
Total liabilities		9,435.72	3,960.14	2,766.33
Total equity and liabilities		14,844.35	5,721.49	3,994.04

The accompanying notes are an integral part of these financial statements.
As per our report of even date.

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

Priyanshu Gundana
Partner
Membership Number: 109553

Place: Jaipur
Date: May 23, 2018

For and on behalf of the Board of Directors
H. G. Infra Engineering Limited
CIN: L45201RJ2003PLC018049

Harendra Singh
Chairman and Managing Director
DIN: 00402458

Ankita Mehra
Company Secretary
Membership No: A33288

Rajeev Mishra
Chief Financial Officer

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018

(Amount in ₹ Millions)

Particulars	Note	Year ended March 31, 2018	Year ended March 31, 2017
Revenue			
Revenue from operations	25	13,927.25	10,560.28
Other income	26	55.76	36.89
Other (losses)	27	(9.10)	(2.72)
Total income		13,973.91	10,594.45
Expenses			
Cost of materials consumed	28	5,462.38	4,088.67
Contract and site expenses	29	5,474.70	4,715.78
Employee benefits expense	30	761.44	407.92
Finance costs	31	400.59	188.76
Depreciation and amortisation expense	32	539.17	256.02
Other expenses	33	148.03	103.55
Total expenses		12,786.31	9,760.70
Profit before tax		1,187.60	833.75
Income tax expense			
- Current tax	34(a)	383.74	311.71
- Deferred tax	34(a)	(38.78)	(12.13)
Total tax expense		344.96	299.58
Profit after tax		842.64	534.17
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurements of net defined benefit obligations, net of tax		(0.94)	(0.53)
Other comprehensive income for the year		(0.94)	(0.53)
Total comprehensive income for the year		841.70	533.64
Earnings per equity share of ₹10 each	46		
Basic earnings per share (Amount in ₹)		15.39	9.88
Diluted earnings per share (Amount in ₹)		15.39	9.88

The accompanying notes are an integral part of these financial statements.

As per our report of even date.

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

Priyanshu Gundana
Partner
Membership Number: 109553

Place: Jaipur
Date: May 23, 2018

For and on behalf of the Board of Directors
H. G. Infra Engineering Limited
CIN: L45201RJ2003PLC018049

Harendra Singh
Chairman and Managing Director
DIN: 00402458

Ankita Mehra
Company Secretary
Membership No: A33288

Rajeev Mishra
Chief Financial Officer

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018

(Amount in ₹ Millions)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
A. Cash flow from operating activities		
Profit before taxation	1,187.60	833.75
Adjustments for:		
Depreciation and amortisation expense	539.17	256.02
Interest Income	(37.73)	(24.07)
Fixed assets written off	-	0.07
Provision for doubtful debts	-	20.66
Net loss on sale / disposal of fixed assets	1.32	2.72
Net Exchange differences (loss)	7.78	-
Finance costs	400.59	188.76
Item routed through other comprehensive income	(1.45)	(0.81)
Operating Profit before Working Capital Changes	**2,097.28**	**1,277.10**
Changes in working capital:		
(Increase) in trade receivables	(2,504.97)	(467.64)
(Increase) in inventories	(575.49)	(56.72)
(Increase) in other current financial assets	(1,741.92)	(105.14)
(Increase) in other current assets	(203.14)	(112.69)
(Increase) in other non current financial assets	(10.54)	(0.62)
Decrease in other Non current assets	11.76	18.72
Increase in trade payables	2,116.44	462.57
Increase in Other current financial liabilities	14.45	11.57
(Decrease) / increase in other current liabilities	1,076.32	(175.46)
Increase in Employee Benefit Obligations	46.32	5.34
(Decrease) in current loans	7.33	31.67
Cash generated from operations	**333.84**	**888.70**
Taxes paid (Net of refunds)	(411.59)	(244.77)
Net cash generated from / (used in) Operating Activities	**(77.75)**	**643.93**
B. Cash Flow From Investing Activities		
Purchase of fixed assets	(2,584.51)	(1,151.13)
Sale of fixed assets	61.64	65.45
Fixed deposits placed / redemption of fixed deposits (Net)	(1,976.86)	(75.64)
Interest Received	37.73	24.07
Net Cash (used in) Investing Activities	**(4,462.00)**	**(1,137.25)**

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018

(Amount in ₹ Millions)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
C. Cash Flow From Financing Activities		
Proceeds from / (Repayment) of Borrowings (Net)	2,021.50	809.45
Proceeds from Issue of Shares	3,000.00	-
Share Issue Costs	(194.42)	-
Finance cost paid	(393.46)	(189.33)
Net Cash generated from Financing Activities	4,433.62	620.12
Net increase in cash and cash equivalents	(106.13)	126.80
Cash and Cash Equivalents as at the beginning of the year	170.31	43.51
Cash and cash equivalents at the end of the year	64.18	170.31
Reconciliation of Cash and cash equivalents as per the cash flow statement		
Cash and cash equivalents comprise of the following:		
Cash on hand	4.82	4.53
Bank Balance on current account	59.36	165.78
Total	64.18	170.31

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

Priyanshu Gundana
Partner
Membership Number: 109553

Place: Jaipur
Date: May 23, 2018

For and on behalf of the Board of Directors
H. G. Infra Engineering Limited
CIN: L45201RJ2003PLC018049

Harendra Singh
Chairman and Managing Director
DIN: 00402458

Ankita Mehra
Company Secretary
Membership No: A33288

Rajeev Mishra
Chief Financial Officer

STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2018

A. Equity share capital

(Amount in ₹ Millions)

Particulars	Amount
As at April 1, 2016	180.20
Changes in equity share capital	-
As at March 31, 2017	180.20
Changes in equity share capital (Refer Note 15(e) and 15(h)	471.51
As at March 31, 2018	651.71

B. Other equity

(Amount in ₹ Millions)

Particulars	Attributable to owners of HG Infra Engineering Limited		
	Reserves and surplus		Total other equity
	Securities premium reserve	Retained earnings	
As at April 1, 2016	-	1,047.51	1,047.51
Profit for the year	-	534.17	534.17
Other comprehensive income	-	(0.53)	(0.53)
Total comprehensive income for the year	-	533.64	533.64
As at March 31, 2017	-	1,581.15	1,581.15
Profit for the year	-	842.64	842.64
Other comprehensive income	-	(0.94)	(0.94)
Total comprehensive income for the year	-	841.70	2,422.85
Issue of equity shares (Initial public offering - net) net of transaction costs - (Refer Note 15(h))	2,694.47	-	2,694.47
Less: Bonus share issue (Refer Note 15(e))	-	(360.40)	(360.40)
As at March 31, 2018	2,694.47	2,062.45	4,756.92

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

Priyanshu Gundana
Partner
Membership Number: 109553

Place: Jaipur
Date: May 23, 2018

For and on behalf of the Board of Directors
H. G. Infra Engineering Limited
CIN: L45201RJ2003PLC018049

Harendra Singh
Chairman and Managing Director
DIN: 00402458

Ankita Mehra
Company Secretary
Membership No: A33288

Rajeev Mishra
Chief Financial Officer

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 (Refer note 15(h)). Its registered office is at 14, Panchwati Colony, Ratanada, Jodhpur – 342001, Rajasthan, India.

The Company is engaged in Engineering, Procurement and Construction (EPC), Maintenance of roads, bridges, flyovers and other infrastructure contract works.

These financial statements were authorized to be issued by the board of directors on May 23, 2018.

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.

The financial statements up to year ended March 31, 2016 were prepared in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP).

These financial statements are the first financial statements of the Company under Ind AS. Refer Note 49 for an explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows.

(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;
- Assets held for sale – Measured at fair value less cost to sell; and
- defined benefit plans - plan assets measured at fair value

(iii) Application of new and revised Ind AS

a. **Appendix B to Ind AS 21, Foreign currency transactions and advance consideration:**

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment will come into force from April 1, 2018.

b. **Ind AS 115 - Revenue from Contract with Customers:**

On March 28, 2018, MCA has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The standard permits two possible methods of transition:

• Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8- Accounting Policies, Changes in Accounting Estimates and Errors.

• Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach).The effective date for adoption of Ind AS 115 is financial periods beginning on or after April 1, 2018.

The Company is in process of evaluating the impact on adoption of the above changes.

(b) Joint control operation

The Company recognizes 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 47.

(c) 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 38 for segment information.

(d) Foreign currency translation

(i) Functional and presentation currency

Items included in the 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.

(e) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are inclusive of excise duty and net of returns, trade allowances, rebates, value added taxes, goods and service tax and amounts collected on behalf of third parties.

The Company recognizes revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the company’s activities as described below.

(i) Construction contracts

For EPC and construction contracts, contract prices are either fixed or subject to price escalation clauses.

When the outcome of a construction contract can be estimated reliably and it is probable that the contract will be profitable, contract revenue is recognized over the period of the contract by reference to the stage of completion. Contract costs are recognized as expenses by reference to the stage of completion of the contract activity at the end of the reporting period. The stage of completion is measured by reference to the contract costs incurred up to the end of the reporting period as a percentage of total estimated costs for each contract. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognized as an expense immediately.

Contract revenue earned in excess of billing has been reflected as unbilled revenue and billing in excess of contract revenue has been reflected as unearned revenue.

Modifications to contracts involving technical aspects / inputs are based on management assessment. Amounts due in respect of price escalation claims and/or variation in contract work are recognized as revenue only if the contract allows for such claims or variations and/or there is evidence that the customer has accepted it and are capable of being reliably measured.

The estimates of contract cost and the revenue thereon are reviewed periodically by management and the cumulative effect of any changes in estimates in proportion to the cumulative revenue is recognized in the period in which such changes are determined.

(ii) Operation and maintenance contracts

Revenue from maintenance contracts is recognized as and when the service are rendered. For fixed-price contracts, revenue is recognized based on the actual service provided till the end of the reporting period as a proportion of the total services to be provided.

(iii) Revenue from sale of processed aggregates.

The Company recognizes net revenue from sale of goods when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity, the significant risk and reward of ownership has passed onto the customer per the terms of the respective sales orders, the recovery of the cost can be estimated reliably and there is no continuing managerial involvement with the product.

(iv) Insurance claims

Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect ultimate collection.

(v) Other income

All other income is accounted on accrual basis when no significant uncertainty exist regarding the amount that will be received.

(f) 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.

(i) Current income tax

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. The provision for current tax is made at the rate of tax as applicable for the income of the previous year as defined under the Income tax Act, 1961.

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.

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 realize the asset and settle the liability simultaneously.

(ii) Deferred tax

Deferred tax is recognized using the Balance Sheet approach on temporary differences at the reporting date arising between the tax bases of assets and liabilities and their carrying amounts as per financial statements as at the reporting date.

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 realized or the deferred income tax liability is settled.

Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, depreciation carry-forwards and unused tax credits could be utilized.

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

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 and deferred tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

(g) Leases

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.

(h) 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.

(i) 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.

(j) Trade receivables

Trade receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment.

(k) 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 FIFO method.

Cost of work-in-progress comprises of raw material, direct labour, other direct costs and an appropriate proportion of variable and fixed overhead expenditure. Cost is determined using FIFO 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.

(l) Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognized for any initial or subsequent write-down of the asset to fair value less costs to sell. A gain is recognized for any subsequent increases in fair value less costs to sell of an asset, but not in excess of any cumulative impairment loss previously recognized. A gain or loss not previously recognized by the date of the sale of the non-current asset is recognized at the date of de-recognition.

Non-current assets are not depreciated or amortized while they are classified as held for sale.

Non-current assets classified as held for sale are presented separately from the other assets in the balance sheet.

(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 to be measured subsequently at fair value (either through other comprehensive income, or through the Statement of Profit or Loss), and
- those measured at amortized cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

Initial recognition and measurement

Financial assets are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through Statement of Profit or Loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed of in the Statement of Profit or Loss.

Subsequent measurement

After initial recognition, financial assets are measured at:

- fair value (either through other comprehensive income or through profit or loss), or
- amortized cost

Debt instruments

Debt instruments are subsequently measured at amortized cost, fair value through other comprehensive income ('FVOCI') or fair value through profit or loss ('FVTPL') till de-recognition on the basis of (i) the entity's business model for managing the financial assets and (ii) the contractual cash flow characteristics of the financial asset. The company classifies its debt instruments into three measurement categories:

- **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 amortized cost. A gain or loss on a debt investment that is subsequently measured at amortized cost is recognized in the Statement of Profit and Loss when the asset is derecognized or impaired. Interest income from these financial assets is included in other income using the effective interest rate method.

- **Fair Value through Other Comprehensive Income (FVOCI):** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses, which are recognized in the Statement of Profit and Loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

- **Fair Value through Profit or Loss (FVTPL):** Assets that do not meet the criteria for amortized cost or FVOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss is recognized in profit or loss in the period in which it arises. Interest income from these financial assets are recognized in the Statement of profit and loss.

Equity instruments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments, which are held for trading, are classified as at FVTPL. For all other equity instruments, the Company decides to classify the same as at either fair value through other comprehensive income (FVTOCI) or FVTPL.

The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in other comprehensive income (OCI). There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of such investments.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

Impairment of Financial Assets

The Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- financial assets that are debt instruments, and are measured at amortized cost e.g. loans, deposits, and bank balance.
- trade receivables.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables, which do not contain a significant financing component.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

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 debt instruments is recognized using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset.

Financial Liabilities:

Initial recognition and measurement

Financial liabilities are initially measured at its fair value plus or minus, in the case of a financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the issue/origination of the financial liability.

Subsequent Measurement

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held- for- trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in statement of profit and loss. Other 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.

(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**

Land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less accumulated depreciation and impairment. Historical Cost comprises of the purchase price including import duties and non-refundable taxes and directly attributable expenses incurred to bring the asset to the location and condition necessary for it to be capable of being operated in the manner intended by management.

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 recognized as at April 1, 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Depreciation methods, rates and residual value

Depreciation is provided on a pro-rata basis on the written down value method 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:

Building	30 years
Plant and machinery	15 years
Computers	3 years
Furniture and fixtures	10 years
Vehicles	8 years

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).

(p) Intangible assets

Intangible assets are stated at acquisition cost, net of accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortized on a written down value basis over their estimated useful lives.

Transition to Ind AS

On transition to Ind AS, the company has elected to continue with the carrying value of its intangible assets recognized as at April 1, 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the intangible assets.

The management estimates the useful lives for the intangible asset as follows:

Software License	6 years

The amortization period and the amortization method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly.

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).

(q) Trade and other payables

These amounts represent liabilities for goods and services provided to the company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method.

(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. 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).

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) Borrowing cost

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

(t) Provisions and contingent liabilities

Provisions

Provisions are recognized when there is 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 there is a reliable estimate of the amount of the obligation.

If the effect of the time value of money is material, 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 recognized as interest expense.

Contingent liabilities

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company, or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

(u) Employee benefits

(i) Short term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(ii) Other long term employee benefit obligations

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation.

Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognized in profit or loss. The obligations are presented as current liabilities in the balance sheet if the company does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

(iii) Post-employment obligations

The company operates the following post-employment schemes.

- Defined benefit plan i.e. gratuity
- Defined contribution plans such as provident fund, superannuation etc.

Gratuity obligations

The liability or asset recognized in the balance sheet in respect of defined benefit gratuity plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income.

They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss as past service cost.

Defined contribution plans

The company pays contribution to defined contribution schemes such as provident fund, superannuation 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.

(v) 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.

(w) 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.

(x) 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.

(y) Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest million as per the requirement of Schedule III, unless otherwise stated.

Note 2: Critical estimates and judgements

Preparation of the financial statements requires use of accounting estimates which, by definition, will seldom equal the actual results. 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(i) 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 (2006-08) Ultimate. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for the respective countries. Refer note 41 for key actuarial assumptions.

(c) Estimation of fair value of level 3 financial instruments

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The 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 35 on fair value measurements where the assumptions and methods to perform the same are stated.

(d) Revenue recognition

The Company uses the 'percentage-of-completion method' to determine the appropriate amount to recognise in a given period. The stage of completion is measured by reference to the contract costs incurred up to the end of the reporting period as a percentage of total estimated costs for each contract. Costs incurred in the year in connection with future activity on a contract are excluded from contract costs in determining the stage of completion.

(e) Classification of joint arrangements

The agreements in relation to the joint ventures of the company require unanimous consent from all parties for all relevant activities. The two partners have direct rights to the assets of the partnership and are jointly and severally liable for the liabilities incurred by the partnership. This entity is therefore classified as a joint operation and the company recognises its direct right to the jointly held assets, liabilities, revenues and expenses.

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

FINANCIAL STATEMENTS as of and for the year ended March 31, 2018

Note 3 - Property, plant and equipment

(Amount in ₹ Millions)

Particulars	Land	Building	Plant and Machinery	Vehicles	Computers	Furnitures and fixtures	Total
Year ended March 31, 2017							
Gross Carrying Amount							
Deemed Cost as at April 1, 2016	40.98	19.54	1,064.15	26.03	1.87	8.28	1,160.85
Additions	-	81.31	1,057.08	25.09	3.40	47.52	1,214.41
Disposals	-	-	(70.07)	(0.78)	-	-	(70.86)
Transfer to assets held for sale	(10.18)	-	-	-	-	-	(10.18)
Closing Gross Carrying Amount	30.80	100.85	2,051.16	50.34	5.27	55.80	2,294.22
Accumulated Depreciation							
Depreciation Charge during the year	-	2.54	235.53	10.56	1.87	5.05	255.55
Disposals	-	-	(2.65)	(0.02)	-	-	(2.67)
Closing Accumulated Depreciation	-	2.54	232.88	10.54	1.87	5.05	252.88
Net Carrying Amount as on March 31, 2017	30.80	98.31	1,818.28	39.80	3.40	50.75	2,041.34
Year ended March 31, 2018							
Gross Carrying Amount							
Opening Gross Carrying Amount	30.80	100.85	2,051.16	50.34	5.27	55.80	2,294.22
Additions	94.83	12.62	2,416.39	66.91	14.94	57.61	2,663.30
Disposals	-	-	(60.40)	-	-	-	(60.40)
Closing Gross Carrying Amount	125.63	113.47	4,407.15	117.25	20.21	113.41	4,897.12
Accumulated Depreciation							
Opening Accumulated Depreciation	-	2.54	232.88	10.54	1.87	5.05	252.88
Depreciation charge during the year	-	4.93	484.98	25.03	6.14	16.43	537.51
Disposals	-	-	(7.55)	-	-	-	(7.55)
Closing Accumulated Depreciation	-	7.48	710.32	35.57	8.01	21.48	782.84
Net Carrying Amount as on March 31, 2018	125.63	106.00	3,696.83	81.68	12.20	91.93	4,114.28

Notes:

1) Refer Capital commitments Note 44 for disclosure of contractual commitment for acquisition of property, plant and equipment.

2) Refer Note 42 for information on property, plant and equipment hypothecated and mortgaged as security by the Company.

3) Capital work-in-progress mainly comprises of Plant and Machinery

Capital work in progress

Balance as at April 1, 2016	48.34
Balance as at March 31, 2017	6.86
Balance as at March 31, 2018	85.73

Note 4 - Intangible assets

(Amount in ₹ Millions)

Software License	Amount
Year ended March 31, 2017	
Gross Carrying Amount	
Deemed Cost as at April 1, 2016	0.83
Additions	2.12
Disposals	-
Closing Gross Carrying Amount	2.95
Accumulated amortisation	
Amortisation Charge during the year	0.47
Disposals	-
Closing Accumulated amortisation	0.47
Net Carrying Amount as on March 31, 2017	2.48
Year ended March 31, 2018	
Gross Carrying Amount	
Opening Gross Carrying Amount	2.95
Additions	3.92
Disposals	-
Closing Gross Carrying Amount	6.87
Accumulated amortisation	
Opening Accumulated amortisation	0.47
Amortisation charge during the year	1.66
Disposals	-
Closing Accumulated Depreciation	2.13
Net Carrying Amount as on March 31, 2018	4.74

Note 5 - Non current trade receivables

(Amount in ₹ Millions)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Trade receivables	48.54	28.66	5.60
Total	48.54	28.66	5.60

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

Note 6 - Other non-current financial assets

(Amount in ₹ Millions)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Margin Money deposits	124.79	60.73	72.04
Security deposits	16.46	5.06	4.45
Deposits with government authorities	0.88	1.74	1.73
Total	142.13	67.53	78.22

Note: Margin money deposits represent fixed deposits made by the Company against Bank guarantee.

Note 7 - Other non-current assets

(Amount in ₹ Millions)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Capital advances	108.49	56.20	65.42
Advances other than capital advances			
- Balances with government authorities	77.43	89.19	107.91
Total	185.92	145.39	173.33

Note 8 - Inventories

(Amount in ₹ Millions)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Stores and Spares	107.06	56.16	24.51
Project materials (including material in transit amounts to ₹12.07 Million) (March 31, 2017 ₹15.43 Million ; April 1, 2016 ₹ Nil).	960.47	435.88	410.81
Total	1,067.53	492.04	435.32

Note 9 - Trade receivables

(Amount in ₹ Millions)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Trade receivables	4,148.13	1,829.85	1,385.27
Receivables from related parties (note 40)	146.16	-	-
Less: Provision for doubtful debts	-	(20.66)	-
Total	4,294.28	1,809.19	1,385.27

Note: Trade receivables include retentions of ₹1,508.96 Million (March 31, 2017 – ₹681.36 Million and April 1, 2016 - ₹458.63 Million) related to construction contracts.

Break-up of trade receivables:

Unsecured, considered good	4,294.28	1,809.19	1,385.27
Unsecured, considered doubtful	-	20.66	-
Less: Provision for doubtful debts	-	(20.66)	-
Total	4,294.28	1,809.19	1,385.27

Refer Note 36 (i) for movement of provision for doubtful debts and credit risk.

Note 10 - Cash and cash equivalents

(Amount in ₹ Millions)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Bank balances			
- In current accounts	59.36	165.78	36.14
Cash on hand	4.82	4.53	7.37
Total	64.18	170.31	43.51

Note 11 - Bank balances other than cash and cash equivalents

(Amount in ₹ Millions)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Margin money deposit	632.90	312.33	225.38
Fixed deposits of IPO proceeds pending utilisation (Refer note 15(h))	1,592.23	-	-
Total	2,225.13	312.33	225.38

Note: Margin money deposit represent fixed deposits made by the Company against Bank guarantee.

Note 12 - Current loans

(Amount in ₹ Millions)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Unsecured, considered good			
Loans to related parties (note 40)	-	7.33	39.00
Total	-	7.33	39.00

Note: Loans to related parties include loan given to Company amounting to ₹ Nil (March 31, 2017 ₹1.05 Million and April 1, 2016 ₹ Nil), in which a Director of the Company is a Director.

Note 13 - Other financial assets

(Amount in ₹ Millions)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Unbilled revenue in respect of unfinished contracts (Refer note 45)	2,009.72	286.90	185.10
Other receivable	23.10	4.00	0.66
Total	2,032.82	290.90	185.76

Note 14 - Other current assets

(Amount in ₹ Millions)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Advances to related parties	-	-	6.32
Other advances			
Advance to vendors	142.36	127.90	39.90
Prepaid expenses	87.35	34.37	12.22
Advance to sub contractor	14.84	134.01	124.86
Advance to employees	2.83	2.60	2.88
Balances with government authorities	254.64	-	-
Others	-	10.12	-
Total	502.02	309.00	186.19

Note: Advances to related parties represent salary advances given to directors.

Note 15 - Share Capital

(Amount in ₹ Millions)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Authorised :			
80,000,000 (March 31, 2017 and April 1, 2016 : 20,000,000) Equity Shares of ₹10 each	800.00	200.00	200.00
Issued			
65,171,111 (March 31, 2017 and April 1, 2016 : 18,020,000) Equity Shares of ₹10 each	651.71	180.20	180.20
Subscribed and Paid up			
65,171,111 (March 31, 2017 and April 1, 2016 : 18,020,000) Equity Shares of ₹10 each	651.71	180.20	180.20
	651.71	180.20	180.20

(a) Reconciliation of Number of Shares

(Amount in ₹ Millions)

Particulars	FY 2017-18		FY 2016-17	
	Number of Shares	Amount	Number of Shares	Amount
Balance as at the beginning of the year	1,80,20,000	180.20	1,80,20,000	180.20
Add: Bonus Shares issued during the year (Refer note (e) below)	3,60,40,000	360.40	-	-
Add: Shares issued during the year(Refer note (h) below)	1,11,11,111	111.11	-	-
Balance as at the end of the year	6,51,71,111	651.71	1,80,20,000	180.20

(b) Rights, preferences and restrictions attached to shares

The Company has one class of equity shares having a par value of ₹10 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(c) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

(Amount in ₹ Millions)

Equity shares	Number of Shares	% holding
Shri Hodal Singh	61,73,076	9.47%
(As at March 31, 2017 and April 1, 2016)	(30,57,692)	(16.97%)
Shri Girishpal Singh	1,24,18,058	19.50%
(As at March 31, 2017 and April 1, 2016)	(44,72,686)	(24.82%)
Shri Vijendra Singh	1,17,23,600	17.99%
(As at March 31, 2017 and April 1, 2016)	(42,41,200)	(23.54%)
Shri Harendra Singh	1,43,51,516	22.02%
(As at March 31, 2017 and April 1, 2016)	(51,17,172)	(28.40%)

(d) The shareholders of the Company on September 8, 2017 approved for an increase in the Authorized Share Capital from ₹200 Million to ₹800 Million divided into 80,000,000 equity shares of ₹10 each by way of additional 60,000,000 equity shares of ₹10 each.

(e) Pursuant to the approval of the shareholders in their meeting held on September 8, 2017, the Company has issued and allotted 2 bonus equity shares of ₹10 each for every equity share of ₹10 each held by the members as on that date of the meeting and accordingly a sum of ₹360.40 Millions has been capitalized out of the Company's Surplus in Statement of Profit and Loss and transferred to the Share Capital Account towards issue of fully paid up bonus shares. Consequently, paid up Capital of the Company has increased by ₹360.40 Million and the balance in the Surplus in Statement of Profit and Loss has been reduced by an equivalent amount.

(f) There are no shares allotted as fully paid up pursuant to contracts without being received in cash since incorporation.

(g) 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.

(h) The Company has completed the Initial Public offering (IPO) of fresh issue of 1,11,11,111 equity shares of ₹10 each at an issue price of ₹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 ₹ Millions)

Particulars	Amount
Issue proceeds	4,620.00
Less: offer for sale (Note 1 below)	1,620.00
Net proceeds from IPO (net of amount payable to shareholders under offer for sale)	3,000.00
Less: Transaction cost arising on share issue (Note 2 below)	194.42
Net proceeds from IPO	2,805.58
Less: Amount utilised as per the objects of the issue as per prospectus	1,158.31
Funds to be utilised (Note 3 below)	1,647.27

1) Out of total amount received towards offer for sale, an amount of ₹25.98 Million is pending to be paid to the shareholders which has been disclosed as "Payable to directors" under Note 22.

2) The transaction cost of ₹194.42 Million recorded in the books is net of GST credit amounting to ₹29.22 Million availed on such expenditure. The said expenditure has been adjusted from securities premium account. (Refer note 16) and is utilised for payment of Goods and Service Tax.

3) The balance unutilised amounts have been parked in fixed deposits amounting to ₹1,592.23 Million and current account balances amounting to ₹55.04 Million, which have been disclosed in Note 10 and 11.

Note 16 - Other Equity

(Amount in ₹ Millions)

Particulars		As at March 31, 2018	As at March 31, 2017
a) Securities premium			
Opening balance		-	-
Add: Premium on Initial public offering proceeds (Refer note 15 (h))		2,888.89	-
Less: Transaction costs arising on initial public offering (Refer note 15 (h))		194.42	-
Closing balance	(a)	2,694.47	-
b) Retained Earnings			
Opening balance		1,581.15	1,047.51
Add: Profit for the year		842.64	534.17
Less: Bonus Share (Refer note 15 (e))		360.40	-
Add: Other comprehensive income for the year		(0.94)	(0.53)
Closing balance	(b)	2,062.45	1,581.15
Total	(a+b)	4,756.92	1,581.15

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 17 - Non current borrowings

(Amount in ₹ Millions)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Secured :			
Term Loan			
Banks (Refer note 17.1)	611.18	313.21	135.13
Financial Institutions (Refer note 17.1)	607.20	307.25	106.85
Vehicle Loan			
Banks (Refer note 17.1)	0.97	14.32	7.85
Financial Institutions (Refer note 17.1)	27.63	-	0.99
Unsecured			
Term Loan			
Financial Institutions (Refer note 17.1)	-	-	33.65
Total	1,246.98	634.78	284.47

Refer note 36 for liquidity risk management

Secured - Term Loan from banks

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

(Amount in ₹ Millions)

Sl. No.	Particulars	Number of Loans outstanding as at			Amount outstanding as at			Interest Range % per annum	Balance Number of Installments as at			Frequency of Installments	Commencing From - To
		March 31, 2018	March 31, 2017	April 1, 2016	March 31, 2018	March 31, 2017	April 1, 2016		March 31, 2018	March 31, 2017	April 1, 2016		
1	Secured - Term Loan from banks	492	257	144	1,032.60	530.70	261.06	6.60% to 14.75%	1 to 40	1 to 36	2 to 36	Monthly	July 13 to July 21
2	Secured - Term Loan from Financial Institution	290	145	84	1,193.52	546.03	302.85	3.16% to 15.11%	1 to 37	1 to 41	3 to 32	Monthly	Sept 13 to April 21
3	Motor Car Vehicles loans - From Bank	77	34	15	25.12	25.70	14.24	7.74% to 10.51%	2 to 55	6 to 42	7 to 36	Monthly	Nov 13 to Oct 22
4	Motor Car Vehicles loans - From Financial Institution	1	1	2	28.29	0.99	2.36	8.63% to 10.25%	28	8	8 to 20	Monthly	Dec 13 to Jul 20
5	Unsecured - Term Loan from Financial Institution	2	1	4	17.86	0.31	56.79	13.5% to 18.99%	9 to 11	2	4 to 36	Monthly	Feb 15 to Feb 19

Secured Term Loans from Banks and Financial institution

a) All term loans 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 18 - Non-current Trade payable

(Amount in ₹ Millions)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Trade Payables	487.85	295.37	88.45
Total	487.85	295.37	88.45

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

Note 19 - Non current employee benefit obligations

(Amount in ₹ Millions)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Provision for employee benefits			
Provision for gratuity (Refer note 41)	0.73	-	1.04
Total	0.73	-	1.04

Note 20 - Current borrowings

(Amount in ₹ Millions)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Secured			
Working Capital loans repayable on demand from banks *	929.87	857.51	589.87
Unsecured			
Loan from Banks	-	50.69	-
From Directors and Shareholders** (refer note 40)	831.86	24.69	-
Total	1,761.73	932.89	589.87

* Working Capital Demand Loans and Cash Credit facilities availed from banks are secured by :

(I) Nature of Security

Cash Credit and Working Capital 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, work in progress, 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 promotors and promoters group.

e) Cash Credit Loans from all the bank are charged as uniform margin of 25% against all components of inventory.

f) Cash credit from all the banks are secured by entire book debts for the cover period upto 90 days.

** Loan from Directors and Shareholders is repayable on demand and is interest free.

Note 21 - Trade payables

(Amount in ₹ Millions)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(a) Total outstanding dues of micro enterprises and small enterprises	-	-	-
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	2,793.43	869.47	613.82
Total	2,793.43	869.47	613.82

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

Note 21 - Trade payables *(Contd.)*

Note - Dues from micro and small enterprises

Disclosure of amounts payable to vendors as defined under the "Micro, Small and Medium Enterprise Development Act, 2006" is based on the information available with the Company regarding the status of registration of such vendors under the said Act. There are no overdue principal amounts / interest payable amounts for delayed payments to such vendors at the Balance Sheet date. There are no delays in payment made to such suppliers during the year or for any earlier years and accordingly there is no interest paid or outstanding interest in this regard in respect of payments made during the year or brought forward from previous years.

Note 22 - Other current financial liabilities

(Amount in ₹ Millions)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Secured			
Current maturities of long-term borrowings			
Term Loan			
Banks (Refer note 17.1)	421.42	217.49	125.93
Financial Institutions (Refer note 17.1)	586.32	238.78	196.00
Vehicle Loan			
Banks (Refer note 17.1)	23.15	11.38	6.39
Financial Institutions (Refer note 17.1)	0.66	0.99	1.37
Unsecured			
Term Loan			
Financial Institutions (Refer note 17.1)	17.86	0.31	23.14
Interest accrued but not due on borrowings	10.50	3.37	3.94
Payable to directors (Refer note 40)	25.98	-	-
Creditors for capital expenditure	238.90	17.77	3.07
Other payables	8.10	19.63	8.06
Total	1,332.89	509.72	367.90

Note 23 - Short term employee benefit obligations

(Amount in ₹ Millions)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Employee benefits payable	80.76	37.23	31.48
Provision for employee benefits			
Provision for gratuity (Refer note 41)	10.00	9.03	8.67
Provision for compensated absences (Refer note 41)	1.84	0.75	0.48
Total	92.60	47.01	40.63

Note 24 - Other current liabilities

(Amount in ₹ Millions)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Advances from customers	1,555.57	376.85	588.21
Billing in excess of costs and earnings in respect to unfinished contracts (Refer note 45)	-	126.82	90.99
Advance received against capital goods	11.39	4.06	-
Excess Contribution from JV Partner	11.15	5.23	44.88
Statutory dues including provident fund and tax deducted at source	93.65	82.48	46.84
Total	1,671.76	595.44	770.92

Note: Advances from customers include interest accrued but not due of ₹37.06 million(March 31, 2017 ₹ Nil, April 1, 2016 ₹ Nil) on mobilisation Advances taken by the Company.

Note 25 - Revenue from operations

(Amount in ₹ Millions)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Contract revenue (refer note 45)	13,920.36	10,532.50
Other Operating Income	6.89	27.78
Total	13,927.25	10,560.28

Note 26 - Other income

(Amount in ₹ Millions)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Interest income on bank deposits	37.73	24.07
Miscellaneous income	18.03	12.82
Total	55.76	36.89

Note 27 - Other gains/(losses)

(Amount in ₹ Millions)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Sale of fixed assets (loss)	(1.32)	(2.72)
Net foreign exchange differences (loss)	(7.78)	-
Total	(9.10)	(2.72)

Note 28 - Cost of materials consumed

(Amount in ₹ Millions)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Construction Material, Stores and Spares		
Opening Stock	492.04	435.32
Add: Purchases	6,037.87	4,145.39
	6,529.91	4,580.71
Less: Closing Stock	1,067.53	492.04
Total	5,462.38	4,088.67

Note 29 - Contract and site expenses

(Amount in ₹ Millions)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Sub contracting expenses	4,735.47	4,060.71
Indirect Taxes (Work Contract Tax, Labour Cess and Road Tax Expenses etc.)	153.46	241.48
Insurance expenses	12.19	11.03
Contract expenses	98.15	180.08
Hire charges for machinery and others	226.80	136.77
Site and other direct expenses	135.17	43.24
Repairs and Maintenance - plant and machinery	22.07	18.03
Technical consultancy	49.19	17.07
Transport Charges	42.20	7.37
Total	5,474.70	4,715.78

Note 30 - Employee benefit expenses

(Amount in ₹ Millions)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Salaries, Wages and Bonus	607.75	345.37
Contribution to Provident and other funds (Refer note 41)	18.51	4.61
Gratuity (Refer note 41)	5.38	2.94
Compensated absences	1.10	0.26
Staff Welfare Expenses	128.70	54.74
Total	761.44	407.92

Note 31 - Net finance costs

(Amount in ₹ Millions)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Interest on :		
Term loan	176.30	64.13
Working capital loan	92.73	79.38
Other borrowing cost	107.80	30.13
Bank charges	3.86	0.89
Interest on late payment of statutory dues	19.90	14.23
Total	400.59	188.76

Note 32 - Depreciation and amortisation expense

(Amount in ₹ Millions)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Depreciation on property, plant and equipment (Refer note 3)	537.51	255.55
Amortisation on intangible assets (Refer note 4)	1.66	0.47
Total	539.17	256.02

Note 33 - Other expenses

(Amount in ₹ Millions)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Repairs and Maintenance - others	15.83	6.78
Rates and Taxes	10.41	5.98
Travelling expenses	8.70	7.28
Lease rent (Refer note 44)	12.80	6.46
Payment to auditors(Refer note (a) below)	7.89	2.45
Expenditure towards Corporate Social Responsibility (CSR) activities (Refer note (b) below)	9.31	12.42
Professional Fees	19.83	15.99
Printing and Stationery	10.13	3.52
Communication Expenses	9.23	5.62
Provision for doubtful debts	-	20.66
Miscellaneous Expenses	43.90	16.39
Total	148.03	103.55

(a) Payment to auditors

(Amount in ₹ Millions)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Audit Fees	6.94	2.45
Certification fees	0.47	-
Reimbursements of expenses	0.48	-
Total payments to auditors	7.89	2.45

In addition to above, the Company had paid an amount of ₹4.55 Million to auditors for Initial Public Offering (IPO) matters which are reduced from securities premium account as transaction cost arising on share issue.

(b) Corporate social responsibility expenditure

(Amount in ₹ Millions)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Amount required to be spent as per Section 135 of the Act	9.22	5.69
Amount spent during the year on		
(i) Construction/acquisition of an asset	-	-
(ii) On purposes other than (i) above	9.31	12.42

Note 34 - Taxation

34(a) - Income tax expense

(Amount in ₹ Millions)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Current tax		
Current tax on profits for the year	383.74	311.71
Total current tax expense	383.74	311.71
Deferred tax		
(Increase) in deferred tax assets	(40.13)	(7.98)
(Decrease)/increase in deferred tax liabilities	1.35	(4.15)
Total deferred tax (benefit)	(38.78)	(12.13)
Income tax expense	344.96	299.58

Note 34 - Taxation *(Contd.)*

34(b) - Deferred tax assets

The balance comprises temporary differences attributable to: (Amount in ₹ Millions)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Disallowance under section 43B of Income Tax Act, 1961	4.39	17.54	4.87
Provision for doubtful debts	-	7.15	-
Disallowances section 40a(i) of Income Tax Act, 1961	5.81	-	-
Expenditure on Initial Public Offer (IPO)	54.35	-	-
Indexation on land	2.73	2.46	2.15
Others	-	-	12.16
Total deferred tax assets	67.28	27.15	19.18
Timing difference between balance as per Income Tax Act, 1961 and book balance for fixed assets	(5.98)	(4.63)	(8.78)
Total deferred tax liablities	(5.98)	(4.63)	(8.78)
Net deferred tax assets	61.30	22.52	10.40

34(c) - Movement in deferred tax assets

(Amount in ₹ Millions)

Particulars	As at April 1, 2016	(Charged)/ credited to profit and loss	(Charged)/ credited to OCI	As at March 31, 2017
Disallowance under section 43B of Income Tax Act, 1961	4.87	12.39	0.28	17.54
Provision for doubtful debts	-	7.15	-	7.15
Indexation on land	2.15	0.31	-	2.46
Others	12.16	(12.16)	-	-
Total deferred tax assets	19.18	7.69	0.28	27.15

(Amount in ₹ Millions)

Particulars	Year ended March 31, 2017	(Charged)/ credited to profit and loss	(Charged)/ credited to OCI	Year ended March 31, 2018
Disallowance under section 43B of Income Tax Act, 1961	17.54	(13.66)	0.51	4.39
Provision for doubtful debts	7.15	(7.15)	-	-
Disallowance under section 40a(I) of Income Tax Act, 1961	-	5.81	-	5.81
Expenses on issue of Initial Public Offer (IPO)	-	54.35	-	54.35
Indexation on land	2.46	0.27	-	2.73
Total deferred tax assets	27.15	39.62	0.51	67.28

Movement in deferred tax liabilities

(Amount in ₹ Millions)

Particulars	As at April 1, 2016	(Charged)/ credited to profit and loss	(Charged)/ credited to OCI	As at March 31, 2017
Timing difference between balance as per Income Tax Act, 1961 and book balance for fixed assets	8.78	(4.15)	-	4.63
Total deferred tax liabilities	8.78	(4.15)	-	4.63

Note 34 - Taxation *(Contd.)*

(Amount in ₹ Millions)

Particulars	As at March 31, 2017	(Charged)/ credited to profit and loss	(Charged)/ credited to OCI	As at March 31, 2018
Timing difference between balance as per Income Tax Act, 1961 and book balance for fixed assets	4.63	1.35	-	5.98
Total deferred tax liabilities	**4.63**	**1.35**	**-**	**5.98**

34(d) - Reconciliation of tax expense and accounting profit multiplied by statutory tax rates

(Amount in ₹ Millions)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Profit for the year	**1,187.60**	**833.75**
Statutory tax rate applicable to the Company	34.61%	34.61%
Tax expense at applicable tax rate	**411.00**	**288.54**
Tax effects of amounts which are not deductible (taxable) in calculating taxable income:		
Corporate social responsibility expenditure	3.22	4.30
Donation	0.17	0.02
Interest on late payment of statutory dues	0.50	1.27
Profit of jointly controlled operations	(1.52)	(1.31)
Add: Tax expense of Jointly controlled operations	2.02	3.43
Indexation on land	(0.27)	-
Others	(2.36)	3.33
Tax effects of amounts which are not deductible in calculating taxable income but not routed through statement of profit and loss:		
Less: IPO expenses	(67.81)	-
Income tax expense	**344.96**	**299.58**

34(e) - Current tax liabilities

(Amount in ₹ Millions)

Particulars	As at March 31, 2018	As at March 31, 2017
Opening Balance	75.46	9.23
Add: Additional income tax provision	383.74	311.71
Less: Income tax paid	(411.45)	(245.48)
Closing balance	**47.75**	**75.46**

34(f) - Income tax asset

(Amount in ₹ Millions)

Particulars	As at March 31, 2018	As at March 31, 2017
Opening Balance	15.61	16.04
Add: Advance tax paid/ (refund received)	0.14	(0.71)
Less: Income tax provision net off	-	0.28
Closing balance	**15.75**	**15.61**

Note 35 - Fair Value Measurements

(i) Financial instruments by category (Amount in ₹ Millions)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Financial assets - Amortised cost			
Loans	-	7.33	39.00
Trade receivables	4,342.82	1,837.85	1,390.87
Cash and cash equivalents	64.18	170.31	43.51
Bank balances other than cash and cash equivalents	2,225.13	312.33	225.38
Margin money deposits	124.79	60.73	72.04
Security deposits	16.46	5.06	4.45
Deposits with government authorities	0.88	1.74	1.73
Unbilled revenue	2,009.72	286.90	185.10
Other receivables	23.10	4.00	0.66
Total financial assets	**8,807.08**	**2,686.25**	**1,962.74**
Financial liabilities - Amortised cost			
Borrowings	4,058.12	2,036.63	1,227.17
Trade payables	3,281.28	1,164.84	702.27
Interest accrued but not due on borrowings	10.50	3.37	3.94
Creditor for capital expenditure	238.90	17.77	3.07
Payable to director	25.98	-	-
Other payables	8.10	19.63	8.06
Total financial liabilities	**7,622.88**	**3,242.23**	**1,944.51**

(ii) Fair value hierarchy

This section explains the judgements 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) 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.

The fair values for Non current trade receivable, Non current trade payable, Non current borrowings and deposits with original maturity of more than 12 months are calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.

Note 35 - Fair Value Measurements *(Contd.)*

(iii) Fair value of financial instruments measured at amortised cost - Level 3 (Amount in ₹ Millions)

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	Carrying value	Fair value	Carrying value	Fair value	Carrying value	Fair value
Financial assets						
Margin Money deposits	124.79	124.43	60.73	61.01	72.04	72.23
Total financial assets	124.79	166.41	89.39	61.01	72.04	72.23
Financial liabilities						
Borrowings	1,246.98	1,256.16	634.78	637.63	284.47	286.85
Total financial liabilities	1,246.98	1,256.16	634.78	637.63	284.47	286.85

The carrying amounts of short term loans, trade receivables, cash and cash equivalents, 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 but not due on borrowings, creditors for capital expenditures and other payables are considered to be the same as their fair values, due to their short-term nature.

The fair values of non-current borrowings are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk.

Note 36 - 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, unbilled revenue, security deposits and cash and cash equivalents.

Credit risk on trade receivables and unbilled revenue is limited as the customers of the company mainly consists of the government promoted entities and private corporates having strong credit worthiness. The Company uses a provision matrix to compute the expected credit loss allowance for trade receivables and unbilled revenue. The provision matrix takes into account available external and internal credit risk factors such as credit ratings from credit rating agencies, financial condition, ageing of accounts receivable and the Company's historical experience for customers. Based on the above factors the management has assessed that the credit risk is low.

The following table gives details in respect of percentage of revenue generated from government promoted agencies and highly rated corporate:

(Amount in ₹ Millions)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Revenue from government promoted agencies	69%	73%
Revenue from private corporates	31%	27%
	100%	100%

Note 36 - Financial Risk Management *(Contd.)*

The movement in allowance for lifetime expected credit loss on trade receivables is as below:

(Amount in ₹ Millions)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Opening balance	20.66	-
Changes in loss allowances		
Additions	-	20.66
Bad debts written off	(20.66)	-
Closing Balance	-	20.66

Trade receivables also include security deposits (retentions) that are receivable from the customers on the expiry of the defect liability period. However the Company has an option to get the refund of the above trade receivables if performance bank guarantee is provided, therefore the credit risk is limited. Credit risk on cash and cash equivalents is limited as the Company generally invest in deposits with banks and financial institutions with high credit ratings.

(ii) Liquidity risk

Liquidity is defined 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 ₹ Millions)

Particulars	Less than 1 year	1 - 3 Years	Total
As at March 31, 2018			
Borrowings	2,821.64	1,246.98	4,068.62
Trade payables	2,793.43	487.85	3,281.28
Creditor for capital expenditure	238.90	-	238.90
Payable to director	25.98	-	25.98
Other payables	8.10	-	8.10
	5,888.05	1,734.83	7,622.88
As at March 31, 2017			
Borrowings	1,405.21	634.78	2,039.99
Trade payables	869.47	295.37	1,164.84
Creditor for capital expenditure	17.77	-	17.77
Other payables	19.63	-	19.63
	2,312.08	930.15	3,242.23
As at April 1, 2016			
Borrowings	946.64	284.47	1,231.11
Trade payables	613.82	88.45	702.27
Creditor for capital expenditure	3.07	-	3.07
Other payables	8.06	-	8.06
	1,571.59	372.92	1,944.51

Note 36 - Financial Risk Management *(Contd.)*

(iii) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate risk and currency risk. Financial instruments affected by market risk include borrowings and creditors for capital expenditures.

(a) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates is very less and relates primarily to the Company's creditors for capital expenditures. The Company's foreign currency risks are identified, measured and managed at periodic intervals in accordance with the Company's policies.

1. Foreign currency risk exposure

The Company's exposure to foreign currency risk at the end of the reporting periods, expressed in ₹ are as follows:

(Amount in ₹ Millions)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Financial liabilities			
Euro (In Millions)			
Creditors for capital expenditures	1.77	-	-
Exposure to foreign currency risk (liabilities)	1.77	-	-

2. Sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in Euro exchange rates with all other variables held constant.

(Amount in ₹ Millions)

Particulars	Change in Euro rate	Increase / (Decrease) in profit before tax	
		Year ended March 31, 2018	Year ended March 31, 2017
Increase in exchange rate	5%	(7.14)	-
decrease in exchange rate	5%	7.14	-

(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.

Note 36 - Financial Risk Management *(Contd.)*

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:

(a) Interest rate exposure (Amount in ₹ Millions)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Variable rate borrowings	929.87	908.20	589.87
Fixed rate borrowings	2,296.39	1,103.73	637.30
Total borrowings	**3,226.26**	**2,011.93**	**1,227.17**

An analysis by maturities is provided in Liquidity risk note above.

(b) 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 ₹ Millions)

Particulars	Increase / (Decrease) in profit before tax	
	Year ended March 31, 2018	Year ended March 31, 2017
Increase in interest rate by 20 basis points (20 bps)	(1.83)	(1.36)
Decrease in interest rate by 20 basis points (20 bps)	1.83	1.36

Note 37 - 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.

Note 38 - 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, 2018.

Non-current assets excluding financial assets, deferred tax assets amounts to ₹4,553.91 Millions (March 31, 2017 ₹2,196.08 Millions ; April 1, 2016 ₹1,408.06 Millions) which are located entirely in India.

Information relating to major customers

Revenue of approximately ₹9,724.60 Millions (for the year ended March 31, 2017 - ₹6,793.01 Millions) was derived from external customers which individually accounted for more than 10% of the total revenue.

Note 39 - Net Debt Reconciliation

(Amount in ₹ Millions)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Cash and cash equivalents	64.18	170.31	43.51
Current borrowings	(1,761.73)	(932.89)	(589.87)
Current maturities of long term borrowings	(1,049.41)	(468.95)	(352.83)
Interest accured but not due	(10.50)	(3.37)	(3.94)
Non current borrowings	(1,246.98)	(634.78)	(284.47)
Net Debt	(4,004.44)	(1,869.68)	(1,187.60)

(Amount in ₹ Millions)

Particulars	Assets	Liabilities from financing activities				
	Cash and cash equivalents	Current Borrowings	Current maturities of long term borrowings	Interest accured but not due	Non-Current Borrowings	Total
Net debt as at March 31, 2017	170.31	(932.89)	(468.95)	(3.37)	(634.78)	(1,869.68)
Cashflows	(106.13)	-	-	-	-	(106.13)
Borrowings taken	-	(1,761.73)	(706.02)	-	(2,579.34)	(5,047.09)
Long Term Borrowings classified as Current Maturity			(343.39)		1,049.41	706.02
Borrowings repaid	-	932.89	468.95	-	917.73	2,319.57
Interest expense recorded in profit and loss	-	-	-	(269.03)	-	(269.03)
Interest paid	-	-	-	261.90	-	261.90
Net debt as at March 31, 2018	64.18	(1,761.73)	(1,049.41)	(10.50)	(1,246.98)	(4,004.44)

Note 40 - Related Party transactions

I. **Name of related parties and nature of relationship:**

A) **Associate**

TPL – HGIEPL JV

B) **Key Management Personnel ***

Mr. Hodal Singh	- Director (till May 10, 2017)
Mr. Girishpal Singh	- Director (till May 10, 2017)
	- Non-Executive director (w.e.f. May 10, 2017)
Mr. Vijendra Singh	- Whole Time director
Mr. Harendra Singh	- Chairman and Managing Director
Mr. Ashok Kumar Thakur	- Independent director (w.e.f. May 15, 2017)
Ms. Pooja Hemant Goyal	- Independent director (w.e.f. May 15, 2017)
Mr. Onkar Singh	- Independent director (w.e.f. September 8, 2017)

C) **Relatives of Key Management Personnel ***

Mr. Vaibhav Choudhary	- Son of Mr. Girishpal Singh
Mrs. Poonam Singh	- Wife of Mr. Vijendra Singh
Mrs. Nisha Singh	- Wife of Mr. Harendra Singh
Mr. Hodal Singh	- Father of Mr. Harendra Singh
Mr. Rohit Choudhary	- Son of Mr.Girishpal Singh

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

HG Stone Crusher

Harendra Singh HUF

HG Traders

HG Luxury Hotels Private Limited

HG ADPL – VLPL JV

HG Foundation (Trust)

H.G. Infra Toll Ways Private Limited

* With whom transactions have occurred during the year

II **Transactions with related parties**

A) Key Management personnel compensation (Amount in ₹ Millions)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Short-term employee benefits	37.05	45.60
Post-employment benefits*	5.92	-
Director's siting fees	1.62	-
Total compensation	**44.59**	**45.60**

*Compensation exclude provision for gratuity and compensated absences since these are based on actuarial valuation on an overall company basis.

Note 40 - Related Party transactions *(Contd.)*

B) Transactions during the year		(Amount in ₹ Millions)
Particulars	**For the Year ended March 31, 2018**	**For the Year ended March 31, 2017**
Sale of material		
HG Traders	0.09	6.16
HG Stone Crusher	0.49	-
H.G. Infra Tollways Private Limited	0.87	-
Contract Revenue		
HGIEPL - TPL JV	567.42	-
Interest income		
HG Luxury Hotels Private Limited	-	1.17
HG ADPL – VLPL JV	-	6.94
Harendra Singh – HUF	0.01	0.04
Purchase of aggregate		
HG Traders	1.15	0.25
HG Stone Crusher	4.69	10.35
Corporate Social Responsibility expenses		
HG Foundation (trust)	-	1.19
Contract Expenses		
H.G. Infra Tollways Private Limited	40.89	-
Rent Paid for Office		
Mr. Hodal Singh	0.13	-
Mr. Girishpal Singh	0.24	-
Sitting Fees		
Mr. Girishpal Singh	0.42	-
Mr. Onkar Singh	0.34	-
Ms. Pooja Hemant Goyal	0.40	-
Mr. Ashok Kumar Thakur	0.46	-
Remuneration paid		
Key management personnel:		
Mr. Girishpal Singh	2.00	12.00
Mr. Vijendra Singh*	12.00	12.00
Mr. Harendra Singh*	21.60	21.60
Mr. Hodal Singh	1.45	8.70
* 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	-
Gratuity paid		
Mr. Hodal Singh	1.88	-
Mr. Girishpal Singh	4.04	-

Note 40 - Related Party transactions *(Contd.)*

B) Transactions during the year		(Amount in ₹ Millions)
Particulars	For the Year ended March 31, 2018	For the Year ended March 31, 2017
Insurance premium paid towards keyman term policy taken by Company		
Mr. Vijendra Singh	5.50	5.28
Mr. Harendra Singh	5.43	5.21
Mr. Vaibhav Choudhary	5.05	4.92
Loans and advances given		
HG Luxury Hotels Private Limited	5.00	24.00
HG ADPL – VLPL JV	-	37.90
Harendra Singh HUF	0.39	0.71
Loans and advances repayment		
HG Luxury Hotels Private Limited	5.00	24.00
HG ADPL – VLPL JV	-	76.90
Harendra Singh HUF	0.39	0.71
Loans taken from Key management personnel:		
Mr. Girishpal Singh	263.95	8.40
Mr. Vijendra Singh	314.00	13.50
Mr. Harendra Singh	384.30	14.85
Mr. Hodal Singh	-	5.20
Loans taken from Relatives of Key Management Personnel		
Mr. Vaibhav Choudhary	9.00	2.00
Mrs. Poonam Singh Choudhary	-	1.00
Mrs. Nisha Singh	-	2.50
Repayment of Loan to Key management personnel:		
Mr. Girishpal Singh	77.21	4.25
Mr. Vijendra Singh	25.20	8.80
Mr. Harendra Singh	42.86	8.81
Mr. Hodal Singh	-	0.90
Repayment of Loan taken from Relatives of Key Management Personnel		
Mr. Vaibhav Choudhary	11.00	-
Mrs. Poonam Singh Choudhary	1.00	-
Mrs. Nisha Singh	2.50	-
Mr. Hodal Singh	4.30	-

C) Outstanding balances			(Amount in ₹ Millions)
Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Current borrowings			
Key management personnel:			
Mr. Girishpal Singh	190.88	4.15	0.05
Mr. Vijendra Singh	293.50	4.70	0.19
Mr. Harendra Singh	347.48	6.04	1.34
Mr. Hodal Singh	-	4.30	-

Note 40 - Related Party transactions *(Contd.)*

C) Outstanding balances (Amount in ₹ Millions)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Relatives of Key Management Personnel			
Mr. Vaibhav Choudhary	-	2.00	-
Mrs. Poonam Singh Choudhary	-	1.00	-
Mrs. Nisha Singh	-	2.50	-
Other Current Liabilities			
Employee benefits payable			
Mr. Vaibhav Choudhary	1.44	0.05	-
Mr. Hodal Singh	-	0.03	-
Mr. Girishpal Singh	-	0.15	-
Mr. Vijendra Singh	1.21	0.03	-
Mr. Harendra Singh	3.18	0.07	-
Mr. Rohit Choudhary	0.02	-	-
Salary advance			
Mr. Vaibhav Choudhary	-	-	0.19
Mr. Hodal Singh	-	-	0.52
Mr. Girishpal Singh	-	-	3.06
Mr. Vijendra Singh	-	-	0.74
Mr. Harendra Singh	-	-	3.59
Trade Receivables			
HGIEPL - TPL JV	146.16	-	-
Other current liabilities			
HGIEPL - TPL JV	330.09	-	-
Mr. Girishpal Singh (Refer Note 15(h)(3))	4.33	-	-
Mr. Harendra Singh (Refer Note 15(h)(3))	4.33	-	-
Mr. Hodal Singh ((Refer Note 15(h)(3))	12.99	-	-
Mr. Virendra Singh (Refer Note 15(h)(3))	4.33	-	-
Current Loans			
HG Luxury Hotels Private Limited	-	1.05	-
HG ADPL - VLPL JV	-	6.24	39.00
Harendra Singh HUF	-	0.04	-
Trade Payables			
HG Traders	-	-	0.91
Sitting fees payable			
Mr. Onkar Singh	0.31	-	-
Ms. Pooja Hemant Goyal	0.16	-	-
Mr. Ashok Kumar Thakur	0.18	-	-

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.

Note 41 - Employee benefit obligations

(Amount in ₹ Millions)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Compensated Absences	1.84	0.75	0.48
Gratuity	10.73	9.03	9.71
Total	12.57	9.78	10.19

(i) Compensated Absences

The employees of the Company are entitled to compensated absences as per the policy of the Company.

The entire amount of the provision of is presented as current, since the Company does not have an unconditional right to defer settlement for the obligation. However, 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 ₹ Millions)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Current leave obligations not expected to be settled within the next 12 months	0.69	0.35

(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 ₹ Millions)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017	Year ended April 1, 2016
Contribution to Provident Fund	7.32	2.86	3.24
Contribution to E.S.I.C	1.91	0.10	0.06
Contribution to Pension Fund	9.28	1.65	1.54
	18.51	4.61	4.84

(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 the net interest expense on the net defined benefit liability which are recognised in other comprehensive income.

Note 41 - Employee benefit obligations *(Contd.)*

The amounts recognised in the Balance Sheet and the movements in the net defined benefit obligation over the year are as follows:

(Amount in ₹ Millions)

Particulars	Present Value of Obligation	Fair Value of plan Assets	Net Amount
As on April 1, 2016 (A)	9.71	-	9.71
Current service cost	2.37	-	2.37
Interest expense	0.57	-	0.57
Total amount recognised in Profit and Loss (B)	2.94	-	2.94
Remeasurements			
(Gain)/loss from change in financial assumptions	0.20	-	0.20
Experience (gains)/losses	0.61	-	0.61
Total amount recognised in other comprehensive income (C)	0.81	-	0.81
Employer contributions **(D)**	-	4.43	(4.43)
Benefit payments **(E)**	(0.56)	(0.56)	-
Balance as on March 31, 2017 (A+B+C+D+E)	12.90	3.87	9.03

(Amount in ₹ Millions)

Particulars	Present Value of Obligation	Fair Value of plan Assets	Net Amount
As on April 1, 2017 (A)	12.90	3.87	9.03
Current service cost	3.12	-	3.12
Past service cost	1.81	-	1.81
Interest expense	0.69	0.24	0.45
Total Amount Recognised in Profit and Loss (B)	5.62	0.24	5.38
Remeasurements			
Assets, excluding amount included in interest expense/(income)	-	(0.08)	0.08
(Gain)/loss from change in demographic assumptions / acturial gains / losses	(0.87)	-	(0.87)
(Gain)/loss from change in financial assumptions	0.19	-	0.19
Experience (gains)/losses	2.05	-	2.05
Total amount recognised in other comprehensive income (C)	1.37	(0.08)	1.45
Employer contributions **(D)**	-	5.13	(5.13)
Benefit payments **(E)**	(0.13)	(0.13)	-
Balance as on March 31, 2018 (A+B+C+D+E)	19.76	9.03	10.73

The significant actuarial assumptions were as follows:

(Amount in ₹ Millions)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Discount rate (per annum)	6.70%	6.85%	7.55%
Salary escalation rate	10.22%	9.74%	9.74%
Expected average remaining working lives of employees	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)

Note 41 - Employee benefit obligations *(Contd.)*

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 ₹ Millions)

Particulars	Year ended March 31, 2018		Year ended March 31, 2017	
	Discount	Salary escalation	Discount	Salary escalation
Impact of increase in 50 BPS on DBO	-0.90%	0.15	-1.09%	0.14
Impact of Decrease in 50 BPS on DBO	0.91%	(0.15)	1.12%	(0.14)

The above sensitivity analyses 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, 2019 are ₹10. Million (Year ending March 31, 2018 ₹5 Million)

Note 41 - Employee benefit obligations *(Contd.)*

The weighted average duration of the defined benefit obligation is 1.81 years (March 31, 2017 2.21 years). The expected maturity analysis of undiscounted gratuity is as follows:

Maturity Analysis of the Projected Benefit Obligations - Gratuity (Amount in ₹ Millions)

Particulars	As at March 31, 2018	As at March 31, 2017
1st Following Year	10.95	5.73
2nd Following Year	5.43	3.56
3rd Following Year	2.91	2.26
4th Following Year	1.57	1.53
5th following year	0.88	0.91
Sum of 6th to 10th Following Year	0.76	1.21

Note 42 - Assets pledged as security

The carrying amounts of assets pledged as security for current and non-current borrowings are follows:

(Amount in ₹ Millions)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Current			
Financial Assets			
Floating Charge			
Trade Receivables	4,201.72	1,764.45	1,381.09
Non-financial assets			
Inventories	1,067.49	488.93	432.76
Total Current Assets pledged as Security	5,269.21	2,253.37	1,813.85
Non-Current			
Plant and machinery	3,331.38	1,884.44	822.81
Building	88.04	-	-
Vehicles	86.64	46.39	25.50
Total Non-Current assets pledged as Security	3,506.06	1,930.83	848.31
Total Assets pledged as Security	8,775.28	4,184.20	2,662.16

Note: Amount of assets pledged are gross carrying values.

Note 43 - Contingent Liabilities

(Amount in ₹ Millions)

Description	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Claims against the company not acknowledged as debt	3.67	6.05	3.07

Note 44 - 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 ₹ Millions)

Description	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Property, plant and equipment	7.52	23.51	38.07

Note 44 - Commitments *(Contd.)*

(b) Non-cancellable operating leases

(i) As a lessee:

Operating Lease

The Company has significant operating lease arrangements for land obtained for setting up of camp for construction project offices. These lease arrangements range for a period between 12 months and 36 months, which are cancellable at the option of the Company. Most of the leases are renewable for further period on mutually agreeable terms and also include escalation clauses.

(Amount in ₹ Millions)

Description	For the Year ended March 31, 2018	For the Year ended March 31, 2017
With respect to all operating leases:		
Lease payments recognised in the Statement of Profit and Loss during the year	12.80	6.46

Note 45 - Disclosure in terms of IND AS 11 - Construction Contracts

(Amount in ₹ Millions)

Description	For the Year ended March 31, 2018	For the Year ended March 31, 2017
Contract revenue recognized during the year	13,920.36	10,532.50
Aggregate cost incurred and recognized profits (less recognized losses) upto the reporting date for contracts in progress	25,968.57	17,234.92
Amount of customer advances outstanding for contracts in process	1,555.57	376.85
Retention money due from customers for contracts in progress	564.93	579.36
Gross amount due from customers for contracts works as an asset (unbilled portion)	2,009.72	286.90
Gross amount due to customers for contract works as a liability	-	126.82

Note 46 - Earnings per share

(Amount in ₹ Millions)

Description	For the Year ended March 31, 2018	For the Year ended March 31, 2017
Profit for the year (Amount in ₹ Millions)	842.64	534.17
Weighted average number of equity shares outstanding (number)	5,47,60,152	5,40,60,000
Earning per Share (basic and diluted)	15.39	9.88
Nominal value per equity share	10	10

Note 47 : Interests in other entities

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

(Amount in ₹ Millions)

Particulars	Ownership Interests		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Joint controlled operations			
HGIEPL – Colossal JV	70%	70%	70%
HGIEPL – Ranjit JV	30%	30%	30%
HGIEPL – MGCPL JV	30%	30%	30%
HGIEPL – RPS JV	51%	51%	51%

The country of incorporation and principle place of above entities is in India.

Note 47 : Interests in other entities *(Contd.)*

Significant judgement: 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. Acordingly 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 ₹915.34 Million (for the year ended March 31, 2017 ₹846.11 Million), total expenditure (including tax) ₹910.96 Million (for the year ended March 31, 2017 ₹842.32 Million), total assets as at March 31, 2018 ₹308.61 Million (as at March 31, 2017 ₹400.63 Million and as at April 1, 2016 ₹235.51 Million) and total liabilities as at March 31, 2018 ₹166.52 Million (as at March 31, 2017 ₹330.66 Million and as at April 1, 2016 ₹234.41 Million)

Note 48 : Delay in payment of Statutory dues

During the year, there were delays in all monthly payments of GST to the authorities due to transitional challenges on account of changes in regulations and delay in receipt of invoices from suppliers, subcontractors due to which the final liability could not be determined as at due date of payments. Further, in case of income tax there have been delays in number of cases in monthly payments. As at the year end all outstanding dues with respect to income tax and GST alongwith interest, as applicable, has been paid. The management has put in place a process going forward to ensure timely deposit of GST and TDS.

Note 49 - First time adoption

These are the Company's first standalone financial statements prepared in accordance with Ind AS.

The accounting policies set out in Note 1 have been applied in preparing the financial statements for the year ended March 31, 2018, the comparative information presented in these financial statements for the year ended March 31, 2017 and in the preparation of an opening IND AS Balance Sheet at April 1, 2016 (the Company's date of transition). In preparing its opening Ind AS Balance Sheet, the company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act ("previous GAAP"). An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes.

A. Exemptions and exceptions availed

In preparing these Ind AS financial statements, the Company has availed certain optional exemptions and mandatory exceptions in accordance with Ind AS 101 from previous GAAP to Ind AS, as explained below. The resulting difference between the carrying values of the assets and liabilities in the financial statements as at the transition date under Ind AS and previous GAAP have been recognised directly in equity (retained earnings or another appropriate category of equity). This note explains the adjustments made by the Company in restating its previous GAAP financial statements as at April 1, 2016 and the financial statements as at and for the year ended March 31, 2017.

A.1 Ind AS optional exemptions

(a) Deemed cost for property plant and equipment, intangible assets and investment properties

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 'Intangible Assets' and investment properties covered by Ind AS 40 ' Investment Property'. Accordingly, the company has elected to measure all of its property, plant and equipment, intangible assets and investment properties at their previous GAAP carrying value.

Note 49 - First time adoption *(Contd.)*

A2. Ind AS mandatory exemptions

(a) Estimates

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. Ind AS estimates as at April 1, 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP:

• Impairment of financial assets based on expected credit loss model;

• Asset held for sale

(b) Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets (investment in debt instruments) on the basis of the facts and circumstances that exist at the date of transition to Ind AS. Consequently the Company has appplied the above assessment based on facts and circumstances exisiting on the transition date.

(c) Derecognition of Financial Assets and Financial Liabilities:

Ind AS 101 requires a first-time adopter to apply the de-recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first-time adopter to apply the de-recognition requirements provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions. The Company has elected to apply the de-recognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS .

B: Reconciliations between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following reconciliations provide the explanations and quantification of the differences arising from the transition from previous GAAP to Ind AS in accordance with Ind AS 101:

1. Reconciliation of Equity as at April 1, 2016 and March 31, 2017;

2. Reconciliation of Statement of Total Comprehensive Income for the year ended March 31 2017; and

3. The impact on cash flows from operating, investing and financing activities for the year March 31, 2017.

Reconciliation of total equity as at April 1, 2016 and March 31, 2017: (Amount in ₹ Millions)

Description	Notes to first time adoption	As at March 31, 2017	As at April 1, 2016
Total equity (shareholder's funds) as per previous GAAP		1,758.89	1,265.92
Adjustments:			
Prior period adjustments	4	-	(40.36)
Deferred tax on indexation of freehold land	2	2.46	2.15
Total adjustments		2.46	(38.21)
Total equity as per Ind AS		1,761.35	1,227.71

Note 49 - First time adoption *(Contd.)*

Reconciliation of total comprehensive income for the year ended 31 March 2017: (Amount in ₹ Millions)

Description	Notes to first time adoption	As at March 31, 2017
Profit after tax as per previous GAAP		492.97
Adjustments:		
Prior period adjustments	4	40.36
Remeasurement of post-employment benefit obligations (net of tax)	3	0.53
Deferred tax on indexation of freehold land	2	0.31
Total adjustments		41.20
Profit after tax as per Ind AS		534.17
Other comprehensive income		(0.53)
Total comprehensive income as per Ind AS		533.64

Reconciliation of cash flow statement for the year ended 31 March 2017: (Amount in ₹ Millions)

Description	Notes to first time adoption	As at March 31, 2017
Cash and cash equivalents as per previous GAAP		71.77
Adjustments:		
Accounting of Joint operations under Ind AS	1	98.54
Cash and cash equivalents for the purpose of statement of cash flows		170.31

Notes to first time adoption:

The following explains the material adjustments made while transition from previous accounting standards to Ind AS:

Note 1: Accounting for investments in Joint controlled operations

The management has assessed that investment in joint controlled entities are to be considered as joint operation. Under Ind AS, a joint operator shall account for the assets, liabilities, revenues and expenses relating to its interest in a joint operation in the standalone financial statements whereas under previous GAAP, the company only accounted for its share of profit or loss in the Jointly controlled operations in the standalone financial statements.

Note 2:-Deferred Tax on indexation of freehold land

Under previous GAAP, deferred tax accounting was done using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. Since Land is a non-depreciable asset, management is expecting that its carrying value will be recovered through sale only and the indexation benefit at the time of disposal will be available, accordingly deferred tax asset on the difference between carrying value and indexed value has been created. As a result of this change, the retained earnings has increased by ₹2.46 Million on March 31, 2017 and ₹2.15 million as on April 1, 2016 and a credit of ₹0.31 million has been accounted for in the statement of Profit and Loss for the year ended March 31, 2017.

Note 49 - First time adoption *(Contd.)*

Note 3: Remeasurements of post-employment benefit obligations

Under Ind AS, remeasurements i.e. acturial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of statement of profit and loss under the previous GAAP. Consequently, the profit for the year ended March 31, 2017 increased by ₹0.08 Million. There is no impact on the total equity and profit.

Note 4:- Prior period items

The company had recorded certain prior period items in the Statement of Profit or Loss for the year ended March 31, 2017. Under Ind AS, the impact of the said prior period items have been taken to retained earnings as at April 1, 2016 and accordingly it has been reversed in the Statement of Profit or Loss for the year ended March 31,2017.

Note 5:- Other Comprehensive Income

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' includes remeasurements of defined benefit plans and fair value gains or losses on FVOCI equity instruments. The concept of other comprehensive income did not exist under previous GAAP.

Note 6:- Retained Earnings:

Retained earnings as at April 1, 2016 has been adjusted consequent to the above Ind AS transition adjustments.

The accompanying notes are an integral part of these financial statements.

As per our report of even date.

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

Priyanshu Gundana
Partner
Membership Number: 109553

Place: Jaipur
Date: May 23, 2018

For and on behalf of the Board of Directors
H. G. Infra Engineering Limited
CIN: L45201RJ2003PLC018049

Harendra Singh
Chairman and Managing Director
DIN: 00402458

Ankita Mehra
Company Secretary
Membership No: A33288

Rajeev Mishra
Chief Financial Officer

INDEPENDENT AUDITORS' REPORT

To The Members of
H.G. Infra Engineering Limited

Report on the Consolidated Indian Accounting Standards (Ind AS) Financial Statements

1. We have audited the accompanying consolidated Ind AS financial statements of H.G. Infra Engineering Limited (hereinafter referred to as the "Company") in which are incorporated jointly controlled operations and an associate; (refer Note 1(b) to the attached consolidated financial statements), comprising of the consolidated Balance Sheet as at March 31, 2018, the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated Cash Flow Statement for the year then ended and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information prepared based on the relevant records (hereinafter referred to as "the Consolidated Ind AS Financial Statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

2. The Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated cash flows and changes in equity of the Company including its jointly controlled operations and its associate in accordance with accounting principles generally accepted in India including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act. The Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of consolidated Ind AS financial statements. The Board of Directors of the Company are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company, its jointly controlled operations and its associate respectively and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the 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, which has been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Company, as aforesaid.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act and the Rules made thereunder including the accounting standards and matters which are required to be included in the audit report.

4. We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS financial statements are free from material misstatement.

5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the consolidated Ind AS financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

6. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Opinion

7. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the consolidated state of affairs of the Company, its jointly controlled operations and its associate as at March 31, 2018, and their consolidated total comprehensive income (comprising of consolidated profit and consolidated other comprehensive income), their consolidated cash flows and consolidated changes in equity for the year ended on that date.

Other Matter

8. We did not audit the financial statements of 4 jointly controlled operations whose financial statements/ financial information reflect total assets of ₹15.92 crore and net assets of ₹14.80 crore as at March 31, 2018, total revenue of ₹94.67 crore, total comprehensive income (comprising of profit and other comprehensive income) of ₹0.44 crore and net cash outflows amounting to ₹98.01 Million for the year ended on that date, as considered in the consolidated Ind AS financial statements. The consolidated financial statements also included the Company's share of total comprehensive profit (comprising of profit and other comprehensive income) of ₹ Nil for the year ended March 31, 2018 as considered in the consolidated financial statement in respect of 1 associate, where financial statements have been not audited by us. 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 Ind AS financial statements insofar as it relates to the amounts and disclosures included in respect of jointly controlled operations and associate and our report in terms of sub-section (3) of Section 143 of the Act insofar as it relates to the aforesaid jointly controlled operations and associate is based solely on the reports of the other auditors.

9. The transition date opening balance sheet as at April 1, 2016 included in these consolidated Ind AS financial statements, is based on the previously issued consolidated financial statements for the year ended March 31, 2016 prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended) which were audited by the predecessor auditor who expressed an unmodified opinion vide reports dated July 26, 2016. The adjustments to those consolidated financial statements for the differences in accounting principles adopted by the Company on transition to the Ind AS have been audited by us.

10. The financial information of the Company for the year ended March 31, 2017 included in these consolidated Ind AS financial statements, are based on the previously issued statutory consolidated financial statements for the year ended March 31, 2017 prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended) which were audited by us, on which we expressed an unmodified opinion dated September 8, 2017. The adjustments to those consolidated financial statements for the differences in accounting principles adopted by the Company on transition to the Ind AS have been audited by us.

    Our opinion on the consolidated Ind AS 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 report of other auditors.

Report on Other Legal and Regulatory Requirements

11. As required by Section143(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 Ind AS financial statements.

    (b) In our opinion, proper books of account as required by law maintained by the Company, jointly controlled operations and its associate incorporated in India including relevant records relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and records of the Company and the reports of the other auditors.

    (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained by the Company, its jointly controlled operations and its associate incorporated in India including relevant records relating to the preparation of the consolidated Ind AS financial statements.

    (d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

(e) On the basis of the written representations received from the directors of the Company as on March 31, 2018 taken on record by the Board of Directors of the Company none of the directors is disqualified as on March 31, 2018 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, its jointly controlled operations and an associate, 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 Auditors' 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 consolidated Ind AS financial statements disclose the impact, if any, of pending litigations as at March 31, 2018 on the consolidated financial position of the Company and its jointly controlled operations and its associate – Refer Note 43 to the consolidated Ind AS financial statements.

   ii. The Company assesses periodically the foreseeable losses on all its long term contracts. At the end of the year under report there were no such foreseeable losses. The Company, its jointly controlled operations and its associate did not have any derivative contracts as at March 31, 2018.

   iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company, its jointly controlled operations and its associate during the year ended March 31, 2018.

   iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company, its jointly controlled operations and its associate for the year ended March 31, 2018.

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

Priyanshu Gundana
Partner
Membership Number:109553

Place: Jaipur
Date: May 23, 2018

Annexure A to Independent Auditors' Report

Referred to in paragraph 11(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, 2018

Report on the Internal Financial Controls 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, 2018, we have audited the internal financial controls over financial reporting of H.G. Infra Engineering Limited (hereinafter referred to as "Company"). Reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls over financial reporting is not applicable to 4 jointlly controlled operations and 1 associate.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") 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 over financial reporting 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 over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

6. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in

accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

8. In our opinion, the Company have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

9. Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements insofar as it relates to 4 jointly controlled operations and 1 associate is not applicable.

   Our opinion is not qualified in respect of this matter.

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

Priyanshu Gundana
Partner
Membership Number:109553

Place: Jaipur
Date: May 23, 2018

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2018

(Amount in ₹ Millions)

Particulars	Note	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
ASSETS				
Non-current assets				
Property, plant and equipment	3	4,114.28	2,041.34	1,160.85
Capital work-in-progress	3	85.73	6.86	48.34
Intangible assets	4	4.74	2.48	0.83
Financial assets				
i. Trade receivables	5	48.54	28.66	5.60
ii. Other financial assets	6	142.13	67.53	78.22
Deferred tax assets	34(b)	61.30	22.52	10.40
Income Tax assets	34(f)	15.75	15.61	16.04
Other non-current assets	7	185.92	145.39	173.33
Total non-current assets		4,658.39	2,330.39	1,493.61
Current assets				
Inventories	8	1,067.53	492.04	435.32
Financial assets				
i. Trade receivables	9	4,294.28	1,809.19	1,385.27
ii. Cash and cash equivalents	10	64.18	170.31	43.51
iii. Bank balances other than (ii) above	11	2,225.13	312.33	225.38
iv. Loans	12	-	7.33	39.00
v. Other financial assets	13	2,032.82	290.90	185.76
Other current assets	14	502.02	309.00	186.19
Total current assets		10,185.96	3,391.10	2,500.43
Total assets		14,844.35	5,721.49	3,994.04
EQUITY AND LIABILITIES				
Equity				
Equity share capital	15	651.71	180.20	180.20
Other equity	16	4,756.92	1,581.15	1,047.51
Total equity		5,408.63	1,761.35	1,227.71
LIABILITIES				
Non-current liabilities				
Financial liabilities				
i. Borrowings	17	1,246.98	634.78	284.47
ii. Trade Payable	18	487.85	295.37	88.45
Employee benefit obligations	19	0.73	-	1.04
Total non-current liabilities		1,735.56	930.15	373.96
Current liabilities				
Financial liabilities				
i. Borrowings	20	1,761.73	932.89	589.87
ii. Trade payables	21	2,793.43	869.47	613.82
iii. Other financial liabilities	22	1,332.89	509.72	367.90
Employee benefit obligations	23	92.60	47.01	40.63
Other current liabilities	24	1,671.76	595.44	770.92
Current tax liabilities	34(e)	47.75	75.46	9.23
Total current liabilities		7,700.16	3,029.99	2,392.37
Total liabilities		9,435.72	3,960.14	2,766.33
Total equity and liabilities		14,844.35	5,721.49	3,994.04

The accompanying notes are an integral part of these consolidated financial statements.
As per our report of even date.

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

Priyanshu Gundana
Partner
Membership Number: 109553

Place: Jaipur
Date: May 23, 2018

For and on behalf of the Board of Directors
H. G. Infra Engineering Limited
CIN: L45201RJ2003PLC018049

Harendra Singh
Chairman and Managing Director
DIN: 00402458

Ankita Mehra
Company Secretary
Membership No: A33288

Rajeev Mishra
Chief Financial Officer

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018

(Amount in ₹ Millions)

Particulars	Note	Year ended March 31, 2018	Year ended March 31, 2017
Revenue			
Revenue from operations	25	13,927.25	10,560.28
Other income	26	55.76	36.89
Other (losses)	27	(9.10)	(2.72)
Total income		13,973.91	10,594.45
Expenses			
Cost of materials consumed	28	5,462.38	4,088.67
Contract and site expenses	29	5,474.70	4,715.78
Employee benefits expense	30	761.44	407.92
Finance costs	31	400.59	188.76
Depreciation and amortisation expense	32	539.17	256.02
Other expenses	33	148.03	103.55
Total expenses		12,786.31	9,760.70
Profit before tax		1,187.60	833.75
Income tax expense			
- Current tax	34(a)	383.74	311.71
- Deferred tax	34(a)	(38.78)	(12.13)
Total tax expense		344.96	299.58
Profit after tax		842.64	534.17
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurements of net defined benefit obligations, net of tax		(0.94)	(0.53)
Other comprehensive income for the year		(0.94)	(0.53)
Total comprehensive income for the year		841.70	533.64
Earnings per equity share of ₹10 each	46		
Basic earnings per share (Amount in ₹)		15.39	9.88
Diluted earnings per share (Amount in ₹)		15.39	9.88

The accompanying notes are an integral part of these consolidated financial statements.

As per our report of even date.

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

Priyanshu Gundana
Partner
Membership Number: 109553

Place: Jaipur
Date: May 23, 2018

For and on behalf of the Board of Directors
H. G. Infra Engineering Limited
CIN: L45201RJ2003PLC018049

Harendra Singh
Chairman and Managing Director
DIN: 00402458

Ankita Mehra
Company Secretary
Membership No: A33288

Rajeev Mishra
Chief Financial Officer

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018

(Amount in ₹ Millions)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
A. Cash flow from operating activities		
Profit before taxation	1,187.60	833.75
Adjustments for:		
Depreciation and amortisation expense	539.17	256.02
Interest Income	(37.73)	(24.07)
Fixed assets written off	-	0.07
Provision for doubtful debts	-	20.66
Net loss on sale / disposal of fixed assets	1.32	2.72
Net Exchange differences (loss)	7.78	-
Finance costs	400.59	188.76
Item routed through other comprehensive income	(1.45)	(0.81)
Operating Profit before Working Capital Changes	**2,097.28**	**1,277.10**
Changes in working capital:		
(Increase) in trade receivables	(2,504.97)	(467.64)
(Increase) in inventories	(575.49)	(56.72)
(Increase) in other current financial assets	(1,741.92)	(105.14)
(Increase) in other current assets	(203.14)	(112.69)
(Increase) in other non current financial assets	(10.54)	(0.62)
Decrease in other Non current assets	11.76	18.72
Increase in trade payables	2,116.44	462.57
Increase in Other current financial liabilities	14.45	11.57
(Decrease) / increase in other current liabilities	1,076.32	(175.46)
Increase in Employee Benefit Obligations	46.32	5.34
(Decrease) in current loans	7.33	31.67
Cash generated from operations	**333.84**	**888.70**
Taxes paid (Net of refunds)	(411.59)	(244.77)
Net cash generated from / (used in) Operating Activities	**(77.75)**	**643.93**
B. Cash Flow From Investing Activities		
Purchase of fixed assets	(2,584.51)	(1,151.13)
Sale of fixed assets	61.64	65.45
Fixed deposits placed / redemption of fixed deposits (Net)	(1,976.86)	(75.64)
Interest Received	37.73	24.07
Net Cash (used in) Investing Activities	**(4,462.00)**	**(1,137.25)**

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018

(Amount in ₹ Millions)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
C. Cash Flow From Financing Activities		
Proceeds from / (Repayment) of Borrowings (Net)	2,021.50	809.45
Proceeds from Issue of Shares	3,000.00	-
Share Issue Costs	(194.42)	-
Finance cost paid	(393.46)	(189.33)
Net Cash generated from Financing Activities	**4,433.62**	**620.12**
Net increase in cash and cash equivalents	**(106.13)**	**126.80**
Cash and Cash Equivalents as at the beginning of the year	170.31	43.51
Cash and cash equivalents at the end of the year	**64.18**	**170.31**
Reconciliation of Cash and cash equivalents as per the cash flow statement		
Cash and cash equivalents comprise of the following:		
Cash on hand	4.82	4.53
Bank Balance on current account	59.36	165.78
Total	**64.18**	**170.31**

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

Priyanshu Gundana
Partner
Membership Number: 109553

Place: Jaipur
Date: May 23, 2018

For and on behalf of the Board of Directors
H. G. Infra Engineering Limited
CIN: L45201RJ2003PLC018049

Harendra Singh
Chairman and Managing Director
DIN: 00402458

Ankita Mehra
Company Secretary
Membership No: A33288

Rajeev Mishra
Chief Financial Officer

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2018

A. Equity share capital

(Amount in ₹ Millions)

Particulars	Amount
As at April 1, 2016	180.20
Changes in equity share capital	-
As at March 31, 2017	180.20
Changes in equity share capital (Refer Note 15(e) and 15(h)	471.51
As at March 31, 2018	651.71

B. Other equity

(Amount in ₹ Millions)

Particulars	Attributable to owners of HG Infra Engineering Limited		
	Reserves and surplus		Total other equity
	Securities premium reserve	Retained earnings	
As at April 1, 2016	-	1,047.51	1,047.51
Profit for the year	-	534.17	534.17
Other comprehensive income	-	(0.53)	(0.53)
Total comprehensive income for the year	-	533.64	533.64
As at March 31, 2017	-	1,581.15	1,581.15
Profit for the year	-	842.64	842.64
Other comprehensive income	-	(0.94)	(0.94)
Total comprehensive income for the year	-	841.70	2,422.85
Issue of equity shares (Initial public offering - net) Net of transaction costs - Refer Note 15(h))	2,694.47	-	2,694.47
Less: Bonus share issue (Refer Note 15(e))	-	(360.40)	(360.40)
As at March 31, 2018	2,694.47	2,062.45	4,756.92

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

Priyanshu Gundana
Partner
Membership Number: 109553

Place: Jaipur
Date: May 23, 2018

For and on behalf of the Board of Directors
H. G. Infra Engineering Limited
CIN: L45201RJ2003PLC018049

Harendra Singh
Chairman and Managing Director
DIN: 00402458

Ankita Mehra
Company Secretary
Membership No: A33288

Rajeev Mishra
Chief Financial Officer

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS as of and for the year ended March 31, 2018

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 (Refer note 15(h)). 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 consolidated financial statements were authorized to be issued by the board of directors on May 23, 2018.

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 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.

The consolidated financial statements up to year ended March 31, 2016 were prepared in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP).

These consolidated financial statements are the first consolidated financial statements of the Company under Ind AS. Refer Note 49 for an explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows.

(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 measure at fair value;
- Assets held for sale – Measured at fair value less cost to sell; and
- defined benefit plans - plan assets measured at fair value

(iii) Application of new and revised Ind AS

a. Appendix B to Ind AS 21, Foreign currency transactions and advance consideration:

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment will come into force from April 1, 2018.

b. Ind AS 115 - Revenue from Contract with Customers:

On March 28, 2018, MCA has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The standard permits two possible methods of transition:

• Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8- Accounting Policies, Changes in Accounting Estimates and Errors.

• Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach).The effective date for adoption of Ind AS 115 is financial periods beginning on or after April 1, 2018.

The Company is in process of evaluating the impact on adoption of the above changes.

(b) Principles of consolidation and equity accounting

(i) Joint control operation

The Company recognizes 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 47.

(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.

(c) 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 38 for segment information.

(d) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of the entity are measured using the currency of the primary economic environment in which the entity operates (`the functional currency'). The consolidated financial statements are presented in Indian rupee, which is 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.

(e) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are inclusive of excise duty and net of returns, trade allowances, rebates, value added taxes, goods and service tax and amounts collected on behalf of third parties.

The Company recognizes revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the company's activities as described below.

(i) Construction contracts

For EPC and construction contracts, contract prices are either fixed or subject to price escalation clauses.

When the outcome of a construction contract can be estimated reliably and it is probable that the contract will be profitable, contract revenue is recognized over the period of the contract by reference to the stage of completion. Contract costs are recognized as expenses by reference to the stage of completion of the contract activity at the end of the reporting period. The stage of completion is measured by reference to the contract costs incurred up to the end of the reporting period as a percentage of total estimated costs for each contract. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognized as an expense immediately.

Contract revenue earned in excess of billing has been reflected as unbilled revenue and billing in excess of contract revenue has been reflected as unearned revenue.

Modifications to contracts involving technical aspects / inputs are based on management assessment. Amounts due in respect of price escalation claims and/or variation in contract work are recognized as revenue only if the contract allows for such claims or variations and/or there is evidence that the customer has accepted it and are capable of being reliably measured.

The estimates of contract cost and the revenue thereon are reviewed periodically by management and the cumulative effect of any changes in estimates in proportion to the cumulative revenue is recognized in the period in which such changes are determined.

(ii) Operation and maintenance contracts

Revenue from maintenance contracts is recognized as and when the service are rendered. For fixed-price contracts, revenue is recognized based on the actual service provided till the end of the reporting period as a proportion of the total services to be provided.

(iii) Revenue from sale of processed aggregates.

The Company recognizes net revenue from sale of goods when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity, the significant risk and reward of ownership has passed onto the customer per the terms of the respective sales orders, the recovery of the cost can be estimated reliably and there is no continuing managerial involvement with the product.

(iv) Insurance claims

Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect ultimate collection.

(v) Other income

All other income is accounted on accrual basis when no significant uncertainty exist regarding the amount that will be received.

(f) 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.

(i) Current income tax

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. The provision for current tax is made at the rate of tax as applicable for the income of the previous year as defined under the Income tax Act, 1961.

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.

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 realize the asset and settle the liability simultaneously.

(ii) Deferred tax

Deferred tax is recognized using the Balance Sheet approach on temporary differences at the reporting date arising between the tax bases of assets and liabilities and their carrying amounts as per financial statements as at the reporting date.

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 realized or the deferred income tax liability is settled.

Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, depreciation carry-forwards and unused tax credits could be utilized.

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

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 and deferred tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

(g) Leases

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.

(h) 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.

(i) 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.

(j) Trade receivables

Trade receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment.

(k) 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 FIFO method.

Cost of work-in-progress comprises of raw material, direct labour, other direct costs and an appropriate proportion of variable and fixed overhead expenditure. Cost is determined using FIFO 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.

(l) Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognized for any initial or subsequent write-down of the asset to fair value less costs to sell. A gain is recognized for any subsequent increases in fair value less costs to sell of an asset, but not in excess of any cumulative impairment loss previously recognized. A gain or loss not previously recognized by the date of the sale of the non-current asset is recognized at the date of de-recognition.

Non-current assets are not depreciated or amortized while they are classified as held for sale.

Non-current assets classified as held for sale are presented separately from the other assets in the balance sheet.

(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 to be measured subsequently at fair value (either through other comprehensive income, or through the Statement of Profit or Loss), and
- those measured at amortized cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

Initial recognition and measurement

Financial assets are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through Statement of Profit or Loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed of in the Statement of Profit or Loss.

Subsequent measurement

After initial recognition, financial assets are measured at:

- fair value (either through other comprehensive income or through profit or loss), or
- amortized cost

Debt instruments

Debt instruments are subsequently measured at amortized cost, fair value through other comprehensive income ('FVOCI') or fair value through profit or loss ('FVTPL') till de-recognition on the basis of (i) the entity's business model for managing the financial assets and (ii) the contractual cash flow characteristics of the financial asset. The company classifies its debt instruments into three measurement categories:

- **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 amortized cost. A gain or loss on a debt investment that is subsequently measured at amortized cost is recognized in the Statement of Profit and Loss when the asset is derecognized or impaired. Interest income from these financial assets is included in other income using the effective interest rate method.
- **Fair Value through Other Comprehensive Income (FVOCI):** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses, which are recognized in the Statement of Profit and Loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

- **Fair Value through Profit or Loss (FVTPL):** Assets that do not meet the criteria for amortized cost or FVOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss is recognized in profit or loss in the period in which it arises. Interest income from these financial assets are recognized in the Statement of profit and loss.

Equity instruments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments, which are held for trading, are classified as at FVTPL. For all other equity instruments, the Company decides to classify the same as at either fair value through other comprehensive income (FVTOCI) or FVTPL.

The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in other comprehensive income (OCI). There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of such investments.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

Impairment of Financial Assets

The Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- financial assets that are debt instruments, and are measured at amortized cost e.g. loans, deposits, and bank balance.
- trade receivables.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables, which do not contain a significant financing component.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

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 debt instruments is recognized using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset.

Financial Liabilities:

Initial recognition and measurement

Financial liabilities are initially measured at its fair value plus or minus, in the case of a financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the issue/origination of the financial liability.

Subsequent Measurement

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held- for- trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in statement of profit and loss. Other 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.

(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**

Land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less accumulated depreciation and impairment. Historical Cost comprises of the purchase price including import duties and non-refundable taxes and directly attributable expenses incurred to bring the asset to the location and condition necessary for it to be capable of being operated in the manner intended by management.

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 recognized as at April 1, 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Depreciation methods, rates and residual value

Depreciation is provided on a pro-rata basis on the written down value method 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:

Building	30 years
Plant and machinery	15 years
Computers	3 years
Furniture and fixtures	10 years
Vehicles	8 years

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).

(p) Intangible assets

Intangible assets are stated at acquisition cost, net of accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortized on a written down value basis over their estimated useful lives.

Transition to Ind AS

On transition to Ind AS, the company has elected to continue with the carrying value of its intangible assets recognized as at April 1, 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the intangible assets.

The management estimates the useful lives for the intangible asset as follows:

Software License	6 years

The amortization period and the amortization method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly.

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).

(q) Trade and other payables

These amounts represent liabilities for goods and services provided to the company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method.

(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. 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).

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) Borrowing cost

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

(t) Provisions and contingent liabilities

Provisions

Provisions are recognized when there is 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 there is a reliable estimate of the amount of the obligation.

If the effect of the time value of money is material, 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 recognized as interest expense.

Contingent liabilities

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company, or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

(u) Employee benefits

(i) Short term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(ii) Other long term employee benefit obligations

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation.

Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognized in profit or loss. The obligations are presented as current liabilities in the balance sheet if the company does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

(iii) Post-employment obligations

The company operates the following post-employment schemes.

- Defined benefit plan i.e. gratuity
- Defined contribution plans such as provident fund, superannuation etc.

Gratuity obligations

The liability or asset recognized in the balance sheet in respect of defined benefit gratuity plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income.

They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss as past service cost.

Defined contribution plans

The company pays contribution to defined contribution schemes such as provident fund, superannuation 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.

(v) 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.

(w) 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.

(x) 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.

(y) Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest million as per the requirement of Schedule III, unless otherwise stated.

Note 2: Critical estimates and judgements

Preparation of the financial statements requires use of accounting estimates which, by definition, will seldom equal the actual results. 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(i) 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 (2006-08) Ultimate. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for the respective countries. Refer note 41 for key actuarial assumptions.

(c) Estimation of fair value of level 3 financial instruments

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The 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 35 on fair value measurements where the assumptions and methods to perform the same are stated.

(d) Revenue recognition

The Company uses the 'percentage-of-completion method' to determine the appropriate amount to recognise in a given period. The stage of completion is measured by reference to the contract costs incurred up to the end of the reporting period as a percentage of total estimated costs for each contract. Costs incurred in the year in connection with future activity on a contract are excluded from contract costs in determining the stage of completion.

(e) Classification of joint arrangements

The agreements in relation to the joint ventures of the company require unanimous consent from all parties for all relevant activities. The two partners have direct rights to the assets of the partnership and are jointly and severally liable for the liabilities incurred by the partnership. This entity is therefore classified as a joint operation and the company recognises its direct right to the jointly held assets, liabilities, revenues and expenses.

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

Note 3 - Property, plant and equipment

(Amount in ₹ Millions)

Particulars	Land	Building	Plant and Machinery	Vehicles	Computers	Furnitures and fixtures	Total
Year ended March 31, 2017							
Gross Carrying Amount							
Deemed Cost as at April 1, 2016	40.98	19.54	1,064.15	26.03	1.87	8.28	1,160.85
Additions	-	81.31	1,057.08	25.09	3.40	47.52	1,214.41
Disposals	-	-	(70.07)	(0.78)	-	-	(70.86)
Transfer to assets held for sale	(10.18)	-	-	-	-	-	(10.18)
Closing Gross Carrying Amount	30.80	100.85	2,051.16	50.34	5.27	55.80	2,294.22
Accumulated Depreciation							
Depreciation Charge during the year	-	2.54	235.53	10.56	1.87	5.05	255.55
Disposals	-	-	(2.65)	(0.02)	-	-	(2.67)
Closing Accumulated Depreciation	-	2.54	232.88	10.54	1.87	5.05	252.88
Net Carrying Amount as on March 31, 2017	30.80	98.31	1,818.28	39.80	3.40	50.75	2,041.34
Year ended March 31, 2018							
Gross Carrying Amount							
Opening Gross Carrying Amount	30.80	100.85	2,051.16	50.34	5.27	55.80	2,294.22
Additions	94.83	12.62	2,416.39	66.91	14.94	57.61	2,663.30
Disposals	-	-	(60.40)	-	-	-	(60.40)
Closing Gross Carrying Amount	125.63	113.47	4,407.15	117.25	20.21	113.41	4,897.12
Accumulated Depreciation							
Opening Accumulated Depreciation	-	2.54	232.88	10.54	1.87	5.05	252.88
Depreciation charge during the year	-	4.93	484.98	25.03	6.14	16.43	537.51
Disposals	-	-	(7.55)	-	-	-	(7.55)
Closing Accumulated Depreciation	-	7.48	710.32	35.57	8.01	21.48	782.84
Net Carrying Amount as on March 31, 2018	125.63	106.00	3,696.83	81.68	12.20	91.93	4,114.28

Notes:

1) Refer Capital commitments Note 44 for disclosure of contractual commitment for acquisition of property, plant and equipment.

2) Refer Note 42 for information on property, plant and equipment hypothecated and mortgaged as security by the Company.

3) Capital work-in-progress mainly comprises of Plant and Machinery

Capital work in progress	
Balance as at April 1, 2016	48.34
Balance as at March 31, 2017	6.86
Balance as at March 31, 2018	85.73

Note 4 - Intangible assets

(Amount in ₹ Millions)

Software License	Amount
Year ended March 31, 2017	
Gross Carrying Amount	
Deemed Cost as at April 1, 2016	0.83
Additions	2.12
Disposals	-
Closing Gross Carrying Amount	2.95
Accumulated amortisation	
Amortisation Charge during the year	0.47
Disposals	-
Closing Accumulated amortisation	0.47
Net Carrying Amount as on March 31, 2017	2.48
Year ended March 31, 2018	
Gross Carrying Amount	
Opening Gross Carrying Amount	2.95
Additions	3.92
Disposals	-
Closing Gross Carrying Amount	6.87
Accumulated amortisation	
Opening Accumulated amortisation	0.47
Amortisation charge during the year	1.66
Disposals	-
Closing Accumulated Depreciation	2.13
Net Carrying Amount as on March 31, 2018	4.74

Note 5 - Non current trade receivables

(Amount in ₹ Millions)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Trade receivables	48.54	28.66	5.60
Total	48.54	28.66	5.60

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

Note 6 - Other non-current financial assets

(Amount in ₹ Millions)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Margin Money deposits	124.79	60.73	72.04
Security deposits	16.46	5.06	4.45
Deposits with government authorities	0.88	1.74	1.73
Total	142.13	67.53	78.22

Note: Margin money deposits represent fixed deposits made by the Company against Bank guarantee.

Note 7 - Other non-current assets

(Amount in ₹ Millions)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Capital advances	108.49	56.20	65.42
Advances other than capital advances			
- Balances with government authorities	77.43	89.19	107.91
Total	185.92	145.39	173.33

Note 8 - Inventories

(Amount in ₹ Millions)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Stores and Spares	107.06	56.16	24.51
Project materials (including material in transit amounts to ₹12.07 Million) (March 31, 2017 ₹15.43 Million ; April 1, 2016 ₹ Nil).	960.47	435.88	410.81
Total	1,067.53	492.04	435.32

Note 9 - Trade receivables

(Amount in ₹ Millions)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Trade receivables	4,148.13	1,829.85	1,385.27
Receivables from related parties (note 40)	146.16	-	-
Less: Provision for doubtful debts	-	(20.66)	-
Total	4,294.28	1,809.19	1,385.27

Note: Trade receivables include retentions of ₹1,508.96 Million (March 31, 2017 – ₹681.36 Million and April 1, 2016 - ₹458.63 Million) related to construction contracts.

Break-up of trade receivables:

Unsecured, considered good	4,294.28	1,809.19	1,385.27
Unsecured, considered doubtful	-	20.66	-
Less: Provision for doubtful debts	-	(20.66)	-
Total	4,294.28	1,809.19	1,385.27

Refer Note 36 (i) for movement of provision for doubtful debts and credit risk.

Note 10 - Cash and cash equivalents

(Amount in ₹ Millions)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Bank balances			
- In current accounts	59.36	165.78	36.14
Cash on hand	4.82	4.53	7.37
Total	64.18	170.31	43.51

Note 11 - Bank balances other than cash and cash equivalents

(Amount in ₹ Millions)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Margin money deposit	632.90	312.33	225.38
Fixed deposits of IPO proceeds pending utilisation (Refer note 15(h))	1,592.23	-	-
Total	2,225.13	312.33	225.38

Note: Margin money deposit represent fixed deposits made by the Company against Bank guarantee.

Note 12 - Current loans

(Amount in ₹ Millions)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Unsecured, considered good			
Loans to related parties (note 40)	-	7.33	39.00
Total	-	7.33	39.00

Note: Loans to related parties include loan given to Company amounting to ₹ Nil (March 31, 2017 ₹1.05 Million and April 1, 2016 ₹ Nil), in which a Director of the Company is a Director.

Note 13 - Other financial assets

(Amount in ₹ Millions)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Unbilled revenue in respect of unfinished contracts (Refer note 45)	2,009.72	286.90	185.10
Other receivable	23.10	4.00	0.66
Total	2,032.82	290.90	185.76

Note 14 - Other current assets

(Amount in ₹ Millions)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Advances to related parties	-	-	6.32
Other advances			
Advance to vendors	142.36	127.90	39.90
Prepaid expenses	87.35	34.37	12.22
Advance to sub contractor	14.84	134.01	124.86
Advance to employees	2.83	2.60	2.88
Balances with government authorities	254.64	-	-
Others	-	10.12	-
Total	502.02	309.00	186.19

Note: Advances to related parties represent salary advances given to directors.

Note 15 - Share Capital

(Amount in ₹ Millions)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Authorised :			
80,000,000 (March 31, 2017 and April 1, 2016 : 20,000,000) Equity Shares of ₹10 each	800.00	200.00	200.00
Issued			
65,171,111 (March 31, 2017 and April 1, 2016 : 18,020,000) Equity Shares of ₹10 each	651.71	180.20	180.20
Subscribed and Paid up			
65,171,111 (March 31, 2017 and April 1, 2016 : 18,020,000) Equity Shares of ₹10 each	651.71	180.20	180.20
	651.71	180.20	180.20

Note 15 - Share Capital *(Contd.)*

(a) Reconciliation of Number of Shares (Amount in ₹ Millions)

Particulars	FY 2017-18		FY 2016-17	
	Number of Shares	Amount	Number of Shares	Amount
Balance as at the beginning of the year	1,80,20,000	180.20	1,80,20,000	180.20
Add: Bonus Shares issued during the year (Refer note (e) below)	3,60,40,000	360.40	-	-
Add: Shares issued during the year(Refer note (h) below)	1,11,11,111	111.11	-	-
Balance as at the end of the year	6,51,71,111	651.71	1,80,20,000	180.20

(b) Rights, preferences and restrictions attached to shares

The Company has one class of equity shares having a par value of ₹10 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(c) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company (Amount in ₹ Millions)

Equity shares	Number of Shares	% holding
Shri Hodal Singh	61,73,076	9.47%
(As at March 31, 2017 and April 1, 2016)	(30,57,692)	(16.97%)
Shri Girishpal Singh	1,24,18,058	19.05%
(As at March 31, 2017 and April 1, 2016)	(44,72,686)	(24.82%)
Shri Vijendra Singh	1,17,23,600	17.99%
(As at March 31, 2017 and April 1, 2016)	(42,41,200)	(23.54%)
Shri Harendra Singh	1,43,51,516	22.02%
(As at March 31, 2017 and April 1, 2016)	(51,17,172)	(28.40%)

(d) The shareholders of the Company on September 8, 2017 approved for an increase in the Authorized Share Capital from ₹200 Million to ₹800 Million divided into 80,000,000 equity shares of ₹10 each by way of additional 60,000,000 equity shares of ₹10 each.

(e) Pursuant to the approval of the shareholders in their meeting held on September 8, 2017, the Company has issued and allotted 2 bonus equity shares of ₹10 each for every equity share of ₹10 each held by the members as on that date of the meeting and accordingly a sum of ₹360.40 Millions has been capitalized out of the Company's Surplus in Statement of Profit and Loss and transferred to the Share Capital Account towards issue of fully paid up bonus shares. Consequently, paid up Capital of the Company has increased by ₹360.40 Million and the balance in the Surplus in Statement of Profit and Loss has been reduced by an equivalent amount.

(f) There are no shares allotted as fully paid up pursuant to contracts without being received in cash since incorporation.

(g) 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.

(h) The Company has completed the Initial Public offering (IPO) of fresh issue of 1,11,11,111 equity shares of ₹10 each at an issue price of ₹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 ₹ Millions)

Particulars	Amount
Issue proceeds	4,620.00
Less: offer for sale (Note 1 below)	1,620.00
Net proceeds from IPO (net of amount payable to shareholders under offer for sale)	3,000.00
Less: Transaction cost arising on share issue (Note 2 below)	194.42
Net proceeds from IPO	2,805.58

Note 15 - Share Capital *(Contd.)*

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

(Amount in ₹ Millions)

Particulars	Amount
Less: Amount utilised as per the objects of the issue as per prospectus	1,158.31
Funds to be utilised (Note 3 below)	1,647.27

1) Out of total amount received towards offer for sale, an amount of ₹25.98 Million is pending to be paid to the shareholders which has been disclosed as "Payable to directors" under Note 22.
2) The transaction cost of ₹194.42 Million recorded in the books is net of GST credit amounting to ₹29.22 Million availed on such expenditure. The said expenditure has been adjusted from securities premium account. (Refer note 16) and is utilised for payment of Goods and Service Tax.
3) The balance unutilised amounts have been parked in fixed deposits amounting to ₹1,592.23 Million and current account balances amounting to ₹55.04 Million, which have been disclosed in Note 10 and 11.

Note 16 - Other Equity

(Amount in ₹ Millions)

Particulars		As at March 31, 2018	As at March 31, 2017
a) Securities premium			
Opening balance		-	-
Add: Premium on Initial public offering proceeds (Refer note 15 (h))		2,888.89	-
Less: Transaction costs arising on initial public offering (Refer note 15 (h))		194.42	-
Closing balance	(a)	2,694.47	-
b) Retained Earnings			
Opening balance		1,581.15	1,047.51
Add: Profit for the year		842.64	534.17
Less: Bonus Share (Refer note 15 (e))		360.40	-
Add: Other comprehensive income for the year		(0.94)	(0.53)
Closing balance	(b)	2,062.45	1,581.15
Total	(a+b)	4,756.92	1,581.15

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 17 - Non current borrowings

(Amount in ₹ Millions)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Secured :			
Term Loan			
Banks (Refer note 17.1)	611.18	313.21	135.13
Financial Institutions (Refer note 17.1)	607.20	307.25	106.85
Vehicle Loan			
Banks (Refer note 17.1)	0.97	14.32	7.85
Financial Institutions (Refer note 17.1)	27.63	-	0.99
Unsecured			
Term Loan			
Financial Institutions (Refer note 17.1)	-	-	33.65
Total	1,246.98	634.78	284.47

Refer note 36 for liquidity risk management

Note 17 - Non current borrowings *(Contd.)*

Secured - Term Loan from banks

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

(Amount in ₹ Millions)

Sl. No.	Particulars	Number of Loans outstanding as at			Amount outstanding as at			Interest Range % per annum	Balance Number of Installments as at			Frequency of Installments	Commencing From - To
		March 31, 2018	March 31, 2017	April 1, 2016	March 31, 2018	March 31, 2017	April 1, 2016		March 31, 2018	March 31, 2017	April 1, 2016		
1	Secured - Term Loan from banks	492	257	144	1,032.60	530.70	261.06	6.60% to 14.75%	1 to 40	1 to 36	2 to 36	Monthly	July 13 to July 21
2	Secured - Term Loan from Financial Institution	290	145	84	1,193.52	546.03	302.85	3.16% to 15.11%	1 to 37	1 to 41	3 to 32	Monthly	Sept 13 to April 21
3	Motor Car Vehicles loans - From Bank	77	34	15	25.12	25.70	14.24	7.74% to 10.51%	2 to 55	6 to 42	7 to 36	Monthly	Nov 13 to Oct 22
4	Motor Car Vehicles loans - From Financial Institution	1	1	2	28.29	0.99	2.36	8.63% to 10.25%	28	8	8 to 20	Monthly	Dec 13 to Jul 20
5	Unsecured - Term Loan from Financial Institution	2	1	4	17.86	0.31	56.79	13.5% to 18.99%	9 to 11	2	4 to 36	Monthly	Feb 15 to Feb 19

Secured Term Loans from Banks and Financial institution

a) All term loans 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 18 - Non-current Trade payable

(Amount in ₹ Millions)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Trade Payables	487.85	295.37	88.45
Total	**487.85**	**295.37**	**88.45**

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

Note 19 - Non current employee benefit obligations

(Amount in ₹ Millions)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Provision for employee benefits			
Provision for gratuity (Refer note 41)	0.73	-	1.04
Total	**0.73**	**-**	**1.04**

Note 20 - Current borrowings

(Amount in ₹ Millions)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Secured			
Working Capital loans repayable on demand from banks *	929.87	857.51	589.87
Unsecured			
Loan from Banks	-	50.69	-
From Directors and Shareholders** (refer note 40)	831.86	24.69	-
Total	**1,761.73**	**932.89**	**589.87**

* Working Capital Demand Loans and Cash Credit facilities availed from banks are secured by :

(I) Nature of Security

Cash Credit and Working Capital 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, work in progress, 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 promotors and promoters group.

e) Cash Credit Loans from all the bank are charged as uniform margin of 25% against all components of inventory.

f) Cash credit from all the banks are secured by entire book debts for the cover period upto 90 days.

** From Directors and Shareholders is repayable on demand and is interest free.

Note 21 - Trade payables

(Amount in ₹ Millions)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(a) Total outstanding dues of micro enterprises and small enterprises	-	-	-
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	2,793.43	869.47	613.82
Total	2,793.43	869.47	613.82

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

Note - Dues from micro and small enterprises

Disclosure of amounts payable to vendors as defined under the "Micro, Small and Medium Enterprise Development Act, 2006" is based on the information available with the Company regarding the status of registration of such vendors under the said Act. There are no overdue principal amounts / interest payable amounts for delayed payments to such vendors at the Balance Sheet date. There are no delays in payment made to such suppliers during the year or for any earlier years and accordingly there is no interest paid or outstanding interest in this regard in respect of payments made during the year or brought forward from previous years.

Note 22 - Other current financial liabilities

(Amount in ₹ Millions)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Secured			
Current maturities of long-term borrowings			
Term Loan			
Banks (Refer note 17.1)	421.42	217.49	125.93
Financial Institutions (Refer note 17.1)	586.32	238.78	196.00
Vehicle Loan			
Banks (Refer note 17.1)	23.15	11.38	6.39
Financial Institutions (Refer note 17.1)	0.66	0.99	1.37
Unsecured			
Term Loan			
Financial Institutions (Refer note 17.1)	17.86	0.31	23.14
Interest accrued but not due on borrowings	10.50	3.37	3.94
Payable to directors (Refer note 40)	25.98	-	-
Creditors for capital expenditure	238.90	17.77	3.07
Other payables	8.10	19.63	8.06
Total	1,332.89	509.72	367.90

Note 23 - Short term employee benefit obligations

(Amount in ₹ Millions)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Employee benefits payable	80.76	37.23	31.48
Provision for employee benefits			
Provision for gratuity (Refer note 41)	10.00	9.03	8.67
Provision for compensated absences (Refer note 41)	1.84	0.75	0.48
Total	92.60	47.01	40.63

Note 24 - Other current liabilities

(Amount in ₹ Millions)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Advances from customers	1,555.57	376.85	588.21
Billing in excess of costs and earnings in respect to unfinished contracts (Refer note 45)	-	126.82	90.99
Advance received against capital goods	11.39	4.06	-
Excess Contribution from JV Partner	11.15	5.23	44.88
Statutory dues including provident fund and tax deducted at source	93.65	82.48	46.84
Total	**1,671.76**	**595.44**	**770.92**

Note: Advances from customers include interest accrued but not due of ₹37.06 Million (March 31, 2017 ₹ Nil , April 1, 2016 ₹ Nil) on mobilisation advances taken by the company.

Note 25 - Revenue from operations

(Amount in ₹ Millions)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Contract revenue (refer note 45)	13,920.36	10,532.50
Other Operating Income	6.89	27.78
Total	**13,927.25**	**10,560.28**

Note 26 - Other income

(Amount in ₹ Millions)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Interest income on bank deposits	37.73	24.07
Miscellaneous income	18.03	12.82
Total	**55.76**	**36.89**

Note 27 - Other gains/(losses)

(Amount in ₹ Millions)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Sale of fixed assets (loss)	(1.32)	(2.72)
Net foreign exchange differences (loss)	(7.78)	-
Total	**(9.10)**	**(2.72)**

Note 28 - Cost of materials consumed

(Amount in ₹ Millions)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Construction Material, Stores and Spares		
Opening Stock	492.04	435.32
Add: Purchases	6,037.87	4,145.39
	6,529.91	4,580.71
Less: Closing Stock	1,067.53	492.04
Total	**5,462.38**	**4,088.67**

Note 29 - Contract and site expenses

(Amount in ₹ Millions)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Sub contracting expenses	4,735.47	4,060.71
Indirect Taxes (Work Contract Tax, Labour Cess and Road Tax Expenses etc.)	153.46	241.48
Insurance expenses	12.19	11.03
Contract expenses	98.15	180.08
Hire charges for machinery and others	226.80	136.77
Site and other direct expenses	135.17	43.24
Repairs and Maintenance - plant and machinery	22.07	18.03
Technical consultancy	49.19	17.07
Transport Charges	42.20	7.37
Total	**5,474.70**	**4,715.78**

Note 30 - Employee benefit expenses

(Amount in ₹ Millions)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Salaries, Wages and Bonus	607.75	345.37
Contribution to Provident and other funds (Refer note 41)	18.51	4.61
Gratuity (Refer note 41)	5.38	2.94
Compensated absences	1.10	0.26
Staff Welfare Expenses	128.70	54.74
Total	**761.44**	**407.92**

Note 31 - Net finance costs

(Amount in ₹ Millions)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Interest on :		
Term loan	176.30	64.13
Working capital loan	92.73	79.38
Other borrowing cost	107.80	30.13
Bank charges	3.86	0.89
Interest on late payment of statutory dues	19.90	14.23
Total	**400.59**	**188.76**

Note 32 - Depreciation and amortisation expense

(Amount in ₹ Millions)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Depreciation on property, plant and equipment (Refer note 3)	537.51	255.55
Amortisation on intangible assets (Refer note 4)	1.66	0.47
Total	**539.17**	**256.02**

Note 33 - Other expenses

(Amount in ₹ Millions)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Repairs and Maintenance - others	15.83	6.78
Rates and Taxes	10.41	5.98
Travelling expenses	8.70	7.28
Lease rent (Refer note 44)	12.80	6.46
Payment to auditors(Refer note (a) below)	7.89	2.45
Expenditure towards Corporate Social Responsibility (CSR) activities (Refer note (b) below)	9.31	12.42
Professional Fees	19.83	15.99
Printing and Stationery	10.13	3.52
Communication Expenses	9.23	5.62
Provision for doubtful debts	-	20.66
Miscellaneous Expenses	43.90	16.39
Total	**148.03**	**103.55**

(a) Payment to auditors

(Amount in ₹ Millions)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Audit Fees	6.94	2.45
Certification fees	0.47	-
Reimbursements of expenses	0.48	-
Total payments to auditors	**7.89**	**2.45**

In addition to above, the Company had paid an amount of ₹4.55 Million to auditors for Initial Public Offering (IPO) matters which are reduced from securities premium account as transaction cost arising on share issue.

(b) Corporate social responsibility expenditure

(Amount in ₹ Millions)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Amount required to be spent as per Section 135 of the Act	9.22	5.69
Amount spent during the year on		
(i) Construction/acquisition of an asset	-	-
(ii) On purposes other than (i) above	9.31	12.42

Note 34 - Taxation

34(a) - Income tax expense

(Amount in ₹ Millions)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Current tax		
Current tax on profits for the year	383.74	311.71
Total current tax expense	**383.74**	**311.71**
Deferred tax		
(Increase) in deferred tax assets	(40.13)	(7.98)

Note 34 - Taxation *(Contd.)*

34(a) - Income tax expense

(Amount in ₹ Millions)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
(Decrease)/increase in deferred tax liabilities	1.35	(4.15)
Total deferred tax (benefit)	(38.78)	(12.13)
Income tax expense	344.96	299.58

34(b) - Deferred tax assets

The balance comprises temporary differences attributable to:

(Amount in ₹ Millions)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Disallowance under section 43B of Income Tax Act, 1961	4.39	17.54	4.87
Provision for doubtful debts	-	7.15	-
Disallowances section 40a(i) of Income Tax Act, 1961	5.81	-	-
Expenditure on Initial Public Offer (IPO)	54.35	-	-
Indexation on land	2.73	2.46	2.15
Others	-	-	12.16
Total deferred tax assets	67.28	27.15	19.18
Timing difference between balance as per Income Tax Act, 1961 and book balance for fixed assets	(5.98)	(4.63)	(8.78)
Total deferred tax liablities	(5.98)	(4.63)	(8.78)
Net deferred tax assets	61.30	22.52	10.40

34(c) - Movement in deferred tax assets

(Amount in ₹ Millions)

Particulars	As at April 1, 2016	(Charged)/ credited to profit and loss	(Charged)/ credited to OCI	As at March 31, 2017
Disallowance under section 43B of Income Tax Act, 1961	4.87	12.39	0.28	17.54
Provision for doubtful debts	-	7.15	-	7.15
Indexation on land	2.15	0.31	-	2.46
Others	12.16	(12.16)	-	-
Total deferred tax assets	19.18	7.69	0.28	27.15

(Amount in ₹ Millions)

Particulars	Year ended March 31, 2017	(Charged)/ credited to profit and loss	(Charged)/ credited to OCI	Year ended March 31, 2018
Disallowance under section 43B of Income Tax Act, 1961	17.54	(13.66)	0.51	4.39
Provision for doubtful debts	7.15	(7.15)	-	-
Disallowance under section 40a(I) of Income Tax Act, 1961	-	5.81	-	5.81
Expenses on issue of Initial Public Offer (IPO)	-	54.35	-	54.35
Indexation on land	2.46	0.27	-	2.73
Total deferred tax assets	27.15	39.62	0.51	67.28

Note 34 - Taxation *(Contd.)*

Movement in deferred tax liabilities (Amount in ₹ Millions)

Particulars	As at April 1, 2016	(Charged)/ credited to profit and loss	(Charged)/ credited to OCI	As at March 31, 2017
Timing difference between balance as per Income Tax Act, 1961 and book balance for fixed assets	8.78	(4.15)	-	4.63
Total deferred tax liabilities	**8.78**	**(4.15)**	**-**	**4.63**

(Amount in ₹ Millions)

Particulars	As at March 31, 2017	(Charged)/ credited to profit and loss	(Charged)/ credited to OCI	As at March 31, 2018
Timing difference between balance as per Income Tax Act, 1961 and book balance for fixed assets	4.63	1.35	-	5.98
Total deferred tax liabilities	**4.63**	**1.35**	**-**	**5.98**

34(d) - Reconciliation of tax expense and accounting profit multiplied by statutory tax rates (Amount in ₹ Millions)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Profit for the year	**1,187.60**	**833.75**
Statutory tax rate applicable to the Company	34.61%	34.61%
Tax expense at applicable tax rate	**411.00**	**288.54**
Tax effects of amounts which are not deductible (taxable) in calculating taxable income:		
Corporate social responsibility expenditure	3.22	4.30
Donation	0.17	0.02
Interest on late payment of statutory dues	0.50	1.27
Profit of jointly controlled operations	(1.52)	(1.31)
Add: Tax expense of Jointly controlled operations	2.02	3.43
Indexation on land	(0.27)	-
Others	(2.36)	3.33
Tax effects of amounts which are not deductible in calculating taxable income but not routed through statement of profit and loss:		
Less: IPO expenses	(67.81)	-
Income tax expense	**344.96**	**299.58**

34(e) - Current tax liabilities (Amount in ₹ Millions)

Particulars	As at March 31, 2018	As at March 31, 2017
Opening Balance	75.46	9.23
Add: Additional income tax provision	383.74	311.71
Less: Income tax paid	(411.45)	(245.48)
Closing balance	**47.75**	**75.46**

Note 34 - Taxation *(Contd.)*

34(f) - Income tax asset (Amount in ₹ Millions)

Particulars	As at March 31, 2018	As at March 31, 2017
Opening Balance	15.61	16.04
Add: Advance tax paid/ (refund received)	0.14	(0.71)
Less: Income tax provision net off	-	0.28
Closing balance	**15.75**	**15.61**

Note 35 - Fair Value Measurements

(i) Financial instruments by category (Amount in ₹ Millions)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Financial assets - Amortised cost			
Loans	-	7.33	39.00
Trade receivables	4,342.82	1,837.85	1,390.87
Cash and cash equivalents	64.18	170.31	43.51
Bank balances other than cash and cash equivalents	2,225.13	312.33	225.38
Margin money deposits	124.79	60.73	72.04
Security deposits	16.46	5.06	4.45
Deposits with government authorities	0.88	1.74	1.73
Unbilled revenue	2,009.72	286.90	185.10
Other receivables	23.10	4.00	0.66
Total financial assets	**8,807.08**	**2,686.25**	**1,962.74**
Financial liabilities - Amortised cost			
Borrowings	4,058.12	2,036.63	1,227.17
Trade payables	3,281.28	1,164.84	702.27
Interest accrued but not due on borrowings	10.50	3.37	3.94
Creditor for capital expenditure	238.90	17.77	3.07
Payable to director	25.98	-	-
Other payables	8.10	19.63	8.06
Total financial liabilities	**7,622.88**	**3,242.23**	**1,944.51**

(ii) Fair value hierarchy

This section explains the judgements 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 consolidated 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) 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.

The fair values for Non current trade receivable, Non current trade payable, Non current borrowings and deposits with original maturity of more than 12 months are calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.

Note 35 - Fair Value Measurements *(Contd.)*

(iii) Fair value of financial instruments measured at amortised cost - Level 3 (Amount in ₹ Millions)

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	Carrying value	Fair value	Carrying value	Fair value	Carrying value	Fair value
Financial assets						
Margin Money deposits	124.79	124.43	60.73	61.01	72.04	72.23
Total financial assets	124.79	166.41	89.39	61.01	72.04	72.23
Financial liabilities						
Borrowings	1,246.98	1,256.16	634.78	637.63	284.47	286.85
Total financial liabilities	1,246.98	1,256.16	634.78	637.63	284.47	286.85

The carrying amounts of short term loans, trade receivables, cash and cash equivalents, 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 but not due on borrowings, creditors for capital expenditures and other payables are considered to be the same as their fair values, due to their short-term nature.

The fair values of non-current borrowings are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk.

Note 36 - 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, unbilled revenue, security deposits and cash and cash equivalents.

Credit risk on trade receivables and unbilled revenue is limited as the customers of the company mainly consists of the government promoted entities and private corporates having strong credit worthiness. The Company uses a provision matrix to compute the expected credit loss allowance for trade receivables and unbilled revenue. The provision matrix takes into account available external and internal credit risk factors such as credit ratings from credit rating agencies, financial condition, ageing of accounts receivable and the Company's historical experience for customers. Based on the above factors the management has assessed that the credit risk is low.

The following table gives details in respect of percentage of revenue generated from government promoted agencies and highly rated corporate:

(Amount in ₹ Millions)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Revenue from government promoted agencies	69%	73%
Revenue from private corporates	31%	27%
	100%	100%

Note 36 - Financial Risk Management *(Contd.)*

The movement in allowance for lifetime expected credit loss on trade receivables is as below:

(Amount in ₹ Millions)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Opening balance	20.66	-
Changes in loss allowances		
Additions	-	20.66
Bad debts written off	(20.66)	-
Closing Balance	-	20.66

Trade receivables also include security deposits (retentions) that are receivable from the customers on the expiry of the defect liability period. However the Company has an option to get the refund of the above trade receivables if performance bank guarantee is provided, therefore the credit risk is limited. Credit risk on cash and cash equivalents is limited as the Company generally invest in deposits with banks and financial institutions with high credit ratings.

(ii) Liquidity risk

Liquidity is defined 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 ₹ Millions)

Particulars	Less than 1 year	1 - 3 Years	Total
As at March 31, 2018			
Borrowings	2,821.64	1,246.98	4,068.62
Trade payables	2,793.43	487.85	3,281.28
Creditor for capital expenditure	238.90	-	238.90
Payable to director	25.98	-	25.98
Other payables	8.10	-	8.10
	5,888.05	1,734.83	7,622.88
As at March 31, 2017			
Borrowings	1,405.21	634.78	2,039.99
Trade payables	869.47	295.37	1,164.84
Creditor for capital expenditure	17.77	-	17.77
Other payables	19.63	-	19.63
	2,312.08	930.15	3,242.23
As at April 1, 2016			
Borrowings	946.64	284.47	1,231.11
Trade payables	613.82	88.45	702.27
Creditor for capital expenditure	3.07	-	3.07
Other payables	8.06	-	8.06
	1,571.59	372.92	1,944.51

Note 36 - Financial Risk Management *(Contd.)*

(iii) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate risk and currency risk. Financial instruments affected by market risk include borrowings and creditors for capital expenditures.

(a) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates is very less and relates primarily to the Company's creditors for capital expenditures. The Company's foreign currency risks are identified, measured and managed at periodic intervals in accordance with the Company's policies.

1. Foreign currency risk exposure

The Company's exposure to foreign currency risk at the end of the reporting periods, expressed in ₹ are as follows:

(Amount in ₹ Millions)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Financial liabilities			
Euro (In Millions)			
Creditors for capital expenditures	1.77	-	-
Exposure to foreign currency risk (liabilities)	**1.77**	**-**	**-**

2. Sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in Euro exchange rates with all other variables held constant.

(Amount in ₹ Millions)

Particulars	Change in Euro rate	Increase / (Decrease) in profit before tax	
		Year ended March 31, 2018	Year ended March 31, 2017
Increase in exchange rate	5%	(7.14)	-
decrease in exchange rate	5%	7.14	-

(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.

Note 36 - Financial Risk Management *(Contd.)*

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:

(a) Interest rate exposure

(Amount in ₹ Millions)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Variable rate borrowings	929.87	908.20	589.87
Fixed rate borrowings	2,296.39	1,103.73	637.30
Total borrowings	3,226.26	2,011.93	1,227.17

An analysis by maturities is provided in Liquidity risk note above.

(b) 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 ₹ Millions)

Particulars	Increase / (Decrease) in profit before tax	
	Year ended March 31, 2018	Year ended March 31, 2017
Increase in interest rate by 20 basis points (20 bps)	(1.83)	(1.36)
Decrease in interest rate by 20 basis points (20 bps)	1.83	1.36

Note 37 - 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.

Note 38 - 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 consolidated financial statements as of and for the financial year ended March 31, 2018.

Non-current assets excluding financial assets, deferred tax assets amounts to ₹4,553.91 Millions (March 31, 2017 ₹2,196.08 Millions ; April 1, 2016 ₹1,408.06 Millions) which are located entirely in India.

Information relating to major customers

Revenue of approximately ₹9,724.60 Millions (for the year ended March 31, 2017 - ₹6,793.01 Millions) was derived from external customers which individually accounted for more than 10% of the total revenue.

Note 39 - Net Debt Reconciliation

(Amount in ₹ Millions)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Cash and cash equivalents	64.18	170.31	43.51
Current borrowings	(1,761.73)	(932.89)	(589.87)
Current maturities of long term borrowings	(1,049.41)	(468.95)	(352.83)
Interest accured but not due	(10.50)	(3.37)	(3.94)
Non current borrowings	(1,246.98)	(634.78)	(284.47)
Net Debt	(4,004.44)	(1,869.68)	(1,187.60)

(Amount in ₹ Millions)

Particulars	Assets	Liabilities from financing activities				
	Cash and cash equivalents	Current Borrowings	Current maturities of long term borrowings	Interest accured but not due	Non-Current Borrowings	Total
Net debt as at March 31, 2017	170.31	(932.89)	(468.95)	(3.37)	(634.78)	(1,869.68)
Cashflows	(106.13)	-	-	-	-	(106.13)
Borrowings taken	-	(1,761.73)	(706.02)	-	(2,579.34)	(5,047.09)
Long Term Borrowings classified as Current Maturity			(343.39)		1,049.41	706.02
Borrowings repaid	-	932.89	468.95	-	917.73	2,319.57
Interest expense recorded in profit and loss	-	-	-	(269.03)	-	(269.03)
Interest paid	-	-	-	261.90	-	261.90
Net debt as at March 31, 2018	64.18	(1,761.73)	(1,049.41)	(10.50)	(1,246.98)	(4,004.44)

Note 40 - Related Party transactions

I. Name of related parties and nature of relationship:

A) Associate

TPL – HGIEPL JV

B) Key Management Personnel *

Mr. Hodal Singh	- Director (till May 10, 2017)
Mr. Girishpal Singh	- Director (till May 10, 2017)
	- Non-Executive director (w.e.f. May 10, 2017)
Mr. Vijendra Singh	- Whole Time director
Mr. Harendra Singh	- Chairman and Managing Director
Mr. Ashok Kumar Thakur	- Independent director (w.e.f. May 15, 2017)
Ms. Pooja Hemant Goyal	- Independent director (w.e.f. May 15, 2017)
Mr. Onkar Singh	- Independent director (w.e.f. September 8, 2017)

C) Relatives of Key Management Personnel *

Mr. Vaibhav Choudhary	- Son of Mr. Girishpal Singh
Mrs. Poonam Singh	- Wife of Mr. Vijendra Singh
Mrs. Nisha Singh	- Wife of Mr. Harendra Singh
Mr. Hodal Singh	- Father of Mr. Harendra Singh
Mr. Rohit Choudhary	- Son of Mr.Girishpal Singh

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

HG Stone Crusher

Harendra Singh HUF

HG Traders

HG Luxury Hotels Private Limited

HG ADPL – VLPL JV

HG Foundation (Trust)

H.G. Infra Toll Ways Private Limited

* With whom transactions have occurred during the year

II Transactions with related parties

A) Key Management personnel compensation (Amount in ₹ Millions)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Short-term employee benefits	37.05	45.60
Post-employment benefits*	5.92	-
Director's siting fees	1.62	-
Total compensation	**44.59**	**45.60**

*Compensation exclude provision for gratuity and compensated absences since these are based on actuarial valuation on an overall company basis.

Note 40 - Related Party transactions *(Contd.)*

B) Transactions during the year		(Amount in ₹ Millions)
Particulars	**For the Year ended March 31, 2018**	**For the Year ended March 31, 2017**
Sale of material		
HG Traders	0.09	6.16
HG Stone Crusher	0.49	-
H.G. Infra Tollways Private Limited	0.87	-
Contract Revenue		
HGIEPL - TPL JV	567.42	-
Interest income		
HG Luxury Hotels Private Limited	-	1.17
HG ADPL – VLPL JV	-	6.94
Harendra Singh – HUF	0.01	0.04
Purchase of aggregate		
HG Traders	1.15	0.25
HG Stone Crusher	4.69	10.35
Corporate Social Responsibility expenses		
HG Foundation (trust)	-	1.19
Contract Expenses		
H.G. Infra Tollways Private Limited	40.89	-
Rent Paid for Office		
Mr. Hodal Singh	0.13	-
Mr. Girishpal Singh	0.24	-
Sitting Fees		
Mr. Girishpal Singh	0.42	-
Mr. Onkar Singh	0.34	-
Ms. Pooja Hemant Goyal	0.40	-
Mr. Ashok Kumar Thakur	0.46	-
Remuneration paid		
Key management personnel:		
Mr. Girishpal Singh	2.00	12.00
Mr. Vijendra Singh*	12.00	12.00
Mr. Harendra Singh*	21.60	21.60
Mr. Hodal Singh	1.45	8.70
* 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	-
Gratuity paid		
Mr. Hodal Singh	1.88	-
Mr. Girishpal Singh	4.04	-

Note 40 - Related Party transactions *(Contd.)*

B) Transactions during the year (Amount in ₹ Millions)

Particulars	For the Year ended March 31, 2018	For the Year ended March 31, 2017
Insurance premium paid towards keyman term policy taken by Company		
Mr. Vijendra Singh	5.50	5.28
Mr. Harendra Singh	5.43	5.21
Mr. Vaibhav Choudhary	5.05	4.92
Loans and advances given		
HG Luxury Hotels Private Limited	5.00	24.00
HG ADPL – VLPL JV	-	37.90
Harendra Singh HUF	0.39	0.71
Loans and advances repayment		
HG Luxury Hotels Private Limited	5.00	24.00
HG ADPL – VLPL JV	-	76.90
Harendra Singh HUF	0.39	0.71
Loans taken from Key management personnel:		
Mr. Girishpal Singh	263.95	8.40
Mr. Vijendra Singh	314.00	13.50
Mr. Harendra Singh	384.30	14.85
Mr. Hodal Singh	-	5.20
Loans taken from Relatives of Key Management Personnel		
Mr. Vaibhav Choudhary	9.00	2.00
Mrs. Poonam Singh	-	1.00
Mrs. Nisha Singh	-	2.50
Repayment of Loan to Key management personnel:		
Mr. Girishpal Singh	77.21	4.25
Mr. Vijendra Singh	25.20	8.80
Mr. Harendra Singh	42.86	8.81
Mr. Hodal Singh	-	0.90
Repayment of Loan taken from Relatives of Key Management Personnel		
Mr. Vaibhav Choudhary	11.00	-
Mrs. Poonam Singh	1.00	-
Mrs. Nisha Singh	2.50	-
Mr. Hodal Singh	4.30	-

C) Outstanding balances (Amount in ₹ Millions)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Current borrowings			
Key management personnel:			
Mr. Girishpal Singh	190.88	4.15	0.05
Mr. Vijendra Singh	293.50	4.70	0.19
Mr. Harendra Singh	347.48	6.04	1.34
Mr. Hodal Singh	-	4.30	-

Note 40 - Related Party transactions *(Contd.)*

C) Outstanding balances (Amount in ₹ Millions)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Relatives of Key Management Personnel			
Mr. Vaibhav Choudhary	-	2.00	-
Mrs. Poonam Singh Choudhary	-	1.00	-
Mrs. Nisha Singh	-	2.50	-
Other Current Liabilities			
Employee benefits payable			
Mr. Vaibhav Choudhary	1.44	0.05	-
Mr. Hodal Singh	-	0.03	-
Mr. Girishpal Singh	-	0.15	-
Mr. Vijendra Singh	1.21	0.03	-
Mr. Harendra Singh	3.18	0.07	-
Mr. Rohit Choudhary	0.02	-	-
Salary advance			
Mr. Vaibhav Choudhary	-	-	0.19
Mr. Hodal Singh	-	-	0.52
Mr. Girishpal Singh	-	-	3.06
Mr. Vijendra Singh	-	-	0.74
Mr. Harendra Singh	-	-	3.59
Trade Receivables			
HGIEPL - TPL JV	146.16	-	-
Other current liabilities			
HGIEPL - TPL JV	330.09	-	-
Mr. Girishpal Singh (Refer Note 15(h)(3))	4.33	-	-
Mr. Harendra Singh (Refer Note 15(h)(3))	4.33	-	-
Mr. Hodal Singh ((Refer Note 15(h)(3))	12.99	-	-
Mr. Virendra Singh (Refer Note 15(h)(3))	4.33	-	-
Current Loans			
HG Luxury Hotels Private Limited	-	1.05	-
HG ADPL - VLPL JV	-	6.24	39.00
Harendra Singh HUF	-	0.04	-
Trade Payables			
HG Traders	-	-	0.91
Sitting fees payable			
Mr. Onkar Singh	0.31	-	-
Ms. Pooja Hemant Goyal	0.16	-	-
Mr. Ashok Kumar Thakur	0.18	-	-

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.

Note 41 - Employee benefit obligations

(Amount in ₹ Millions)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Compensated Absences	1.84	0.75	0.48
Gratuity	10.73	9.03	9.71
Total	12.57	9.78	10.19

(i) Compensated Absences

The employees of the Company are entitled to compensated absences as per the policy of the Company.

The entire amount of the provision of is presented as current, since the Company does not have an unconditional right to defer settlement for the obligation. However, 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 ₹ Millions)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Current leave obligations not expected to be settled within the next 12 months	0.69	0.35

(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 ₹ Millions)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017	Year ended April 1, 2016
Contribution to Provident Fund	7.32	2.86	3.24
Contribution to E.S.I.C	1.91	0.10	0.06
Contribution to Pension Fund	9.28	1.65	1.54
	18.51	4.61	4.84

(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 the net interest expense on the net defined benefit liability which are recognised in other comprehensive income.

Note 41 - Employee benefit obligations *(Contd.)*

The amounts recognised in the Balance Sheet and the movements in the net defined benefit obligation over the year are as follows:

(Amount in ₹ Millions)

Particulars	Present Value of Obligation	Fair Value of plan Assets	Net Amount
As on April 1, 2016 (A)	9.71	-	9.71
Current service cost	2.37	-	2.37
Interest expense	0.57	-	0.57
Total amount recognised in Profit and Loss (B)	2.94	-	2.94
Remeasurements			
(Gain)/loss from change in financial assumptions	0.20	-	0.20
Experience (gains)/losses	0.61	-	0.61
Total amount recognised in other comprehensive income (C)	0.81	-	0.81
Employer contributions **(D)**	-	4.43	(4.43)
Benefit payments **(E)**	(0.56)	(0.56)	-
Balance as on March 31, 2017 (A+B+C+D+E)	12.90	3.87	9.03

(Amount in ₹ Millions)

Particulars	Present Value of Obligation	Fair Value of plan Assets	Net Amount
As on April 1, 2017 (A)	12.90	3.87	9.03
Current service cost	3.12	-	3.12
Past service cost	1.81	-	1.81
Interest expense	0.69	0.24	0.45
Total Amount Recognised in Profit and Loss (B)	5.62	0.24	5.38
Remeasurements			
Assets, excluding amount included in interest expense/(income)	-	(0.08)	0.08
(Gain)/loss from change in demographic assumptions / acturial gains / losses	(0.87)	-	(0.87)
(Gain)/loss from change in financial assumptions	0.19	-	0.19
Experience (gains)/losses	2.05	-	2.05
Total amount recognised in other comprehensive income (C)	1.37	(0.08)	1.45
Employer contributions **(D)**	-	5.13	(5.13)
Benefit payments **(E)**	(0.13)	(0.13)	-
Balance as on March 31, 2018 (A+B+C+D+E)	19.76	9.03	10.73

The significant actuarial assumptions were as follows:

(Amount in ₹ Millions)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Discount rate (per annum)	6.70%	6.85%	7.55%
Salary escalation rate	10.22%	9.74%	9.74%
Expected average remaining working lives of employees	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)

Note 41 - Employee benefit obligations *(Contd.)*

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 ₹ Millions)

Particulars	Year ended March 31, 2018		Year ended March 31, 2017	
	Discount	Salary escalation	Discount	Salary escalation
Impact of increase in 50 BPS on DBO	-0.90%	0.15	-1.09%	0.14
Impact of Decrease in 50 BPS on DBO	0.91%	(0.15)	1.12%	(0.14)

The above sensitivity analyses 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, 2019 are ₹10. Million (Year ending March 31, 2018 ₹5 Million)

Note 41 - Employee benefit obligations *(Contd.)*

The weighted average duration of the defined benefit obligation is 1.81 years (March 31, 2017 2.21 years). The expected maturity analysis of undiscounted gratuity is as follows:

Maturity Analysis of the Projected Benefit Obligations - Gratuity (Amount in ₹ Millions)

Particulars	As at March 31, 2018	As at March 31, 2017
1st Following Year	10.95	5.73
2nd Following Year	5.43	3.56
3rd Following Year	2.91	2.26
4th Following Year	1.57	1.53
5th following year	0.88	0.91
Sum of 6th to 10th Following Year	0.76	1.21

Note 42 - Assets pledged as security

The carrying amounts of assets pledged as security for current and non-current borrowings are follows:

(Amount in ₹ Millions)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Current			
Financial Assets			
Floating Charge			
Trade Receivables	4,201.72	1,764.45	1,381.09
Non-financial assets			
Inventories	1,067.49	488.93	432.76
Total Current Assets pledged as Security	5,269.21	2,253.37	1,813.85
Non-Current			
Plant and machinery	3,331.38	1,884.44	822.81
Building	88.04	-	-
Vehicles	86.64	46.39	25.50
Total Non-Current assets pledged as Security	3,506.06	1,930.83	848.31
Total Assets pledged as Security	8,775.28	4,184.20	2,662.16

Note: Amount of assets pledged are gross carrying values.

Note 43 - Contingent Liabilities

(Amount in ₹ Millions)

Description	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Claims against the company not acknowledged as debt	3.67	6.05	3.07

Note 44 - 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 ₹ Millions)

Description	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Property, plant and equipment	7.52	23.51	38.07

Note 44 - Commitments *(Contd.)*

(b) Non-cancellable operating leases

(i) As a lessee:

Operating Lease

The Company has significant operating lease arrangements for land obtained for setting up of camp for construction project offices. These lease arrangements range for a period between 12 months and 36 months, which are cancellable at the option of the Company. Most of the leases are renewable for further period on mutually agreeable terms and also include escalation clauses.

(Amount in ₹ Millions)

Description	For the Year ended March 31, 2018	For the Year ended March 31, 2017
With respect to all operating leases:		
Lease payments recognised in the Statement of Profit and Loss during the year	12.80	6.46

Note 45 - Disclosure in terms of IND AS 11 - Construction Contracts

(Amount in ₹ Millions)

Description	For the Year ended March 31, 2018	For the Year ended March 31, 2017
Contract revenue recognized during the year	13,920.36	10,532.50
Aggregate cost incurred and recognized profits (less recognized losses) upto the reporting date for contracts in progress	25,968.57	17,234.92
Amount of customer advances outstanding for contracts in process	1,555.57	376.85
Retention money due from customers for contracts in progress	564.93	579.36
Gross amount due from customers for contracts works as an asset (unbilled portion)	2,009.72	286.90
Gross amount due to customers for contract works as a liability	-	126.82

Note 46 - Earnings per share

(Amount in ₹ Millions)

Description	For the Year ended March 31, 2018	For the Year ended March 31, 2017
Profit for the year (Amount in ₹ Millions)	842.64	534.17
Weighted average number of equity shares outstanding (number)	5,47,60,152	5,40,60,000
Earning per Share (basic and diluted)	15.39	9.88
Nominal value per equity share	10	10

Note 47 : Interests in other entities

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

(Amount in ₹ Millions)

Particulars	Method of consolidation	Ownership Interests		
		As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Joint controlled operations				
HGIEPL – Colossal JV	Proportionate consolidation	70%	70%	70%
HGIEPL – Ranjit JV	Proportionate consolidation	30%	30%	30%
HGIEPL – MGCPL JV	Proportionate consolidation	30%	30%	30%
HGIEPL – RPS JV	Proportionate consolidation	51%	51%	51%
Associate				
TPL - HGIEPL JV*	Equity accounting	26%	26%	-

The country of incorporation and principle place of above entities is in India.

Significant judgement: 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. Acordingly 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 ₹915.34 Million (for the year ended March 31, 2017 ₹846.11 Million), total expenditure (including tax) ₹910.96 Million (for the year ended March 31, 2017 ₹842.32 Million), total assets as at March 31, 2018 ₹308.61 Million (as at March 31, 2017 ₹400.63 Million and as at April 1, 2016 ₹235.51 Million) and total liabilities as at March 31, 2018 ₹166.52 Million (as at March 31, 2017 ₹330.66 Million and as at April 1, 2016 ₹234.41 Million)

Financial impact of associate

The Company has share in only the profits of the associate. The associate has incurred losses during the year ended March 31, 2018 and March 31, 2017. Accordingly the company has not accounted for any share in losses or assets of the associate.

Note 48 : Delay in payment of Statutory dues

During the year, there were delays in all monthly payments of GST to the authorities due to transitional challenges on account of changes in regulations and delay in receipt of invoices from suppliers, subcontractors due to which the final liability could not be determined as at due date of payments. Further, in case of income tax there have been delays in number of cases in monthly payments. As at the year end all outstanding dues with respect to income tax and GST alongwith interest, as applicable, has been paid. The management has put in place a process going forward to ensure timely deposit of GST and TDS.

Note 49 - First time adoption

These are the Company's first consolidated financial statements prepared in accordance with Ind AS.

The accounting policies set out in Note 1 have been applied in preparing the consolidated financial statements for the year ended March 31, 2018, the comparative information presented in these consolidated financial statements for the year ended March 31, 2017 and in the preparation of an opening IND AS Balance Sheet at April 1, 2016 (the Company's date of transition). In preparing its opening Ind AS Balance Sheet, the company has adjusted the amounts reported previously in consolidated financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act ("previous GAAP"). An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes.

A. Exemptions and exceptions availed

In preparing these Ind AS consolidated financial statements, the Company has availed certain optional exemptions and mandatory exceptions in accordance with Ind AS 101 from previous GAAP to Ind AS, as explained below. The resulting difference between the carrying values of the assets and liabilities in the financial statements as at the transition date under Ind AS and previous GAAP have been recognised directly in equity (retained earnings or another appropriate category of equity). This note explains the adjustments made by the Company in restating its previous GAAP financial statements as at April 1, 2016 and the financial statements as at and for the year ended March 31, 2017.

A.1 Ind AS optional exemptions

(a) Deemed cost for property plant and equipment, intangible assets and investment properties

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the consolidated financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 'Intangible Assets' and investment properties covered by Ind AS 40 ' Investment Property'. Accordingly,

Note 49 - First time adoption *(Contd.)*

the company has elected to measure all of its property, plant and equipment, intangible assets and investment properties at their previous GAAP carrying value.

A2. Ind AS mandatory exemptions

(a) Estimates

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. Ind AS estimates as at April 1, 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP:

• Impairment of financial assets based on expected credit loss model;

• Asset held for sale

(b) Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets (investment in debt instruments) on the basis of the facts and circumstances that exist at the date of transition to Ind AS. Consequently the Company has appplied the above assessment based on facts and circumstances exisiting on the transition date.

(c) Derecognition of Financial Assets and Financial Liabilities:

Ind AS 101 requires a first-time adopter to apply the de-recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first-time adopter to apply the de-recognition requirements provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions. The Company has elected to apply the de-recognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS .

B: Reconciliations between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following reconciliations provide the explanations and quantification of the differences arising from the transition from previous GAAP to Ind AS in accordance with Ind AS 101:

1. Reconciliation of Equity as at April 1, 2016 and March 31, 2017;

2. Reconciliation of Statement of Total Comprehensive Income for the year ended March 31 2017; and

3. The impact on cash flows from operating, investing and financing activities for the year March 31, 2017.

Reconciliation of total equity as at April 1, 2016 and March 31, 2017: (Amount in ₹ Millions)

Description	Notes to first time adoption	As at March 31, 2017	As at April 1, 2016
Total equity (shareholder's funds) as per previous GAAP		1,758.89	1,265.92
Adjustments:			
Prior period adjustments	4	-	(40.36)
Deferred tax on indexation of freehold land	2	2.46	2.15
Total adjustments		**2.46**	**(38.21)**
Total equity as per Ind AS		**1,761.35**	**1,227.71**

Note 49 - First time adoption *(Contd.)*

Reconciliation of total comprehensive income for the year ended 31 March 2017:		(Amount in ₹ Millions)
Description	Notes to first time adoption	As at March 31, 2017
Profit after tax as per previous GAAP		492.97
Adjustments:		
Prior period adjustments	4	40.36
Remeasurement of post-employment benefit obligations (net of tax)	3	0.53
Deferred tax on indexation of freehold land	2	0.31
Total adjustments		**41.20**
Profit after tax as per Ind AS		**534.17**
Other comprehensive income		**(0.53)**
Total comprehensive income as per Ind AS		**533.64**

Reconciliation of cash flow statement for the year ended 31 March 2017:		(Amount in ₹ Millions)
Description	Notes to first time adoption	As at March 31, 2017
Cash and cash equivalents as per previous GAAP		71.77
Adjustments:		
Accounting of Joint operations under Ind AS	1	98.54
Cash and cash equivalents for the purpose of statement of cash flows		**170.31**

Notes to first time adoption:

The following explains the material adjustments made while transition from previous accounting standards to Ind AS:

Note 1: Accounting for investments in Joint controlled operations

The management has assessed that investment in joint controlled entities are to be considered as joint operation. Under Ind AS, a joint operator shall account for the assets, liabilities, revenues and expenses relating to its interest in a joint operation in the consolidated financial statements whereas under previous GAAP, the company only accounted for its share of profit or loss in the Jointly controlled operations in the consolidated financial statements.

Note 2:-Deferred Tax on indexation of freehold land

Under previous GAAP, deferred tax accounting was done using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. Since Land is a non-depreciable asset, management is expecting that its carrying value will be recovered through sale only and the indexation benefit at the time of disposal will be available, accordingly deferred tax asset on the difference between carrying value and indexed value has been created. As a result of this change, the retained earnings has increased by ₹2.46 Million on March 31, 2017 and ₹2.15 million as on April 1, 2016 and a credit of ₹0.31 million has been accounted for in the statement of Profit and Loss for the year ended March 31, 2017.

Note 3: Remeasurements of post-employment benefit obligations

Under Ind AS, remeasurements i.e. acturial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of statement of profit and loss under the previous GAAP. Consequently, the profit for the year ended March 31, 2017 increased by ₹0.08 Million. There is no impact on the total equity and profit.

Note 49 - First time adoption *(Contd.)*

Note 4:- Prior period items

The company had recorded certain prior period items in the Statement of Profit or Loss for the year ended March 31, 2017. Under Ind AS, the impact of the said prior period items have been taken to retained earnings as at April 1, 2016 and accordingly it has been reversed in the Statement of Profit or Loss for the year ended March 31,2017.

Note 5:- Other Comprehensive Income

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' includes remeasurements of defined benefit plans and fair value gains or losses on FVOCI equity instruments. The concept of other comprehensive income did not exist under previous GAAP.

Note 6:- Retained Earnings:

Retained earnings as at April 1, 2016 has been adjusted consequent to the above Ind AS transition adjustments.

The accompanying notes are an integral part of these consolidated financial statements.

As per our report of even date.

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

Priyanshu Gundana
Partner
Membership Number: 109553

Place: Jaipur
Date: May 23, 2018

For and on behalf of the Board of Directors
H. G. Infra Engineering Limited
CIN: L45201RJ2003PLC018049

Harendra Singh
Chairman and Managing Director
DIN: 00402458

Ankita Mehra
Company Secretary
Membership No: A33288

Rajeev Mishra
Chief Financial Officer

H.G. INFRA ENGINEERING LIMITED
CIN NO.: L45201RJ2003PLC018049
Reg. Off.: 14, Panchwati Colony Ratanada, Jodhpur-342001Rajasthan
Phone: 0291-2000 307 Website: www.hginfra.com
Email: cs@hginfra.com

NOTICE

NOTICE is hereby given that the 16th Annual General Meeting of the members of H.G. Infra Engineering Limited (Erstwhile Known as H.G. Infra Engineering Pvt. Ltd.) will be held on Monday 10th September, 2018 at 10:00 A.M. at Hotel Radisson, Gaurav Path Road, 8, Residency RD, Jodhpur, Rajasthan 342001 India to transact with or without modification(s)the following business:

ORDINARY BUSINESS:-

1. To receive, Consider and Adopt:-
   - the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2018, together with the Reports of the Board of Directors and the Auditors thereon;
   - the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2018, together with the Report of the Auditors thereon.
2. To declare a Final Dividend of ₹0.50/- per equity shares of the Company for the Financial Year 2017-18.
3. 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:-

4. **TO RATIFY THE PAYMENT OF REMUNERATION TO THE COST AUDITORS FOR THE FINANCIAL YEAR 2018-19 :-**

   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 and the Companies (Cost Records and Audit) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the payment of the remuneration of 1,25,000/- (Rupees One Lakh Twenty five Thousand) excluding out of pocket expenses to M/s. Rajendra Singh Bhati & Co, Cost Accountants (Registration No. 101983) who were appointed by the Board of Directors of the Company, as "Cost Auditors" to conduct the audit of the cost records maintained by the Company for Financial Year ending on 31st March, 2019, be and is hereby ratified.

   RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

5. **APPOINTMENT OF MR. DINESH KUMAR GOYAL AS DIRECTOR AND WHOLE TIME DIRECTOR:-**

   To consider and if thought fit, to pass, with or without modifications, the following resolution as an **Ordinary Resolution:**

   "RESOLVED THAT Mr. Dinesh Kumar Goyal (DIN-02576453), who was appointed as an Additional Director and Whole Time Director of the Company with effect from 23rd May 2018 by the Board of Directors and who holds office upto the date of this Annual General Meeting of the Company under Section 161(1) of the Companies Act, 2013 ("the Act") and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a Member under Section 160(1) of the Act proposing his candidature for the office of Director, be and is hereby appointed a Director of the Company, liable to retire by rotation.

   RESOLVED FURTHER THAT pursuant to the provisions of Sections 196, 197, 198 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and Rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force), the relevant provisions of the Articles of Association of the Company and all applicable guidelines issued by the Central Government from time to time and subject to such other approvals, as may be necessary, consent of the Members be and is hereby accorded to the appointment of Mr.Dinesh Kumar Goyal as a Whole-time Director of the Company designated as Executive Director for the period and upon the following terms and conditions including remuneration with further liberty to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee constituted / to be constituted by the Board) from time to time to alter the said terms and conditions of appointment and remuneration of Mr.Dinesh Kumar Goyal in the best interests of the Company and as may be permissible at law, viz.:

   Terms and Conditions:

   A. Period:

   5 years w.e.f. 23rd May, 2018 with the liberty to either party to terminate the appointment on three months' notice in writing to the other.

   B. Remuneration:

   i. Basic Salary: ₹1,50,000/- (Rupees One Lakh Fifty Thousand Only) per month with such increments as the Board may decide from time to time.

ii. Variable Pay: ₹35000 /-(Rupees Thirty Five Thousand) per month Performance linked Bonus on the achievement of targets, as decided by the Board from time to time.

C. **Perquisites:**

i. Housing: HRA ₹60,000 (Rupees Sixty Thousand Only) per month.

ii. Other Allowances / benefits, perquisites - any other allowances, benefits and perquisites as per the Rules applicable to the Senior Executives of the Company and / or which may become applicable in the future and / or any other allowance, perquisites as the Board may from time to time decide.

Mr. Dinesh Kumar Goyal shall be subject to retire by rotation during his tenure as the Whole-Time Director of the Company. So long as Mr. Dinesh Kumar Goyal functions as the Whole-Time Director, he shall not be paid any fees for attending the meetings of the Board or any Committee(s) thereof of the Company.

RESOLVED FURTHER THAT consent of the Members of the company be and is hereby accorded to the Board of Directors to modify, change, alter and/or increase the terms and conditions and remuneration of Mr. Dinesh Kumar Goyal as Whole Time Director of the company from time to time, as and when required.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds, matters and things as may be deemed necessary to give effect to the above resolution."

6. **TO MAKE INVESTMENTS, GIVE LOANS, GUARANTEES AND PROVIDE SECURITIES UNDER SECTION 186 OF THE COMPANIES ACT,2013:-**

To consider and if thought fit, to pass, with or without modifications, the following resolution as a **Special Resolution:**

"RESOLVED THAT in supersession of the earlier resolution passed by the Members in their meeting held on 25.01.2018 and pursuant to the provision of section 186and all other applicable provisions, if any, of the Companies Act, 2013 and Companies (Meeting of Board and its Powers) Rules, 2014, (including any Statutory modification or re-enactment thereof, for the time being in force),the consent of the members of the company be and is hereby accorded to the Board of Directors of the companyand/or Committee thereof (hereinafter referred to as "the Board") which term shall include any committee constituted by the Board or any person(s) authorized by the Board to exercise the power conferred on the Board by this resolution) to make loans or investments, in one or more trenches by subscription, purchase or otherwise in subsidiary(ies)/ anybody/ bodies Corporate in India or abroad (existing or which may be promoted/ incorporated), in any kind of securities, or by providing of guarantee or security in connection with a loan made by any other person to any subsidiary(ies)/ anybody/ Body corporate in India or abroad (existing or which may be promoted or incorporated) in excess of limit prescribed in section 186 of Companies Act, 2013 but subject to a maximum limit of ₹5000 Crore (Rupees Five Thousand Crore Only).

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds, matters and things as may be deemed necessary to give effect to the above resolution"

7. **POWER TO BORROW FUNDS UNDER SECTION 180(1)(c) OF THE COMPANIES ACT,2013:-**

To consider and if thought fit, to pass, with or without modifications, the following resolution as a **Special Resolution:-**

"RESOLVED THAT in supersession of the earlier resolution passed by the Members in their meeting held on 25.01.2018 and pursuant to the provisions of section 180(1)(c) and all other applicable provisions, if any, of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force),consent of the members of the company be and is hereby accorded to the Board of Directors and/or Committee thereof (hereinafter referred to as "the Board") of the Company to borrow any sum or sums of moneys from time to time notwithstanding that the money or moneys to be borrowed, together with the moneys already borrowed by the Company in the ordinary course of business, may exceed the aggregate of the paid up share capital and free reserves of the company, provided however that the total amount so borrowed by the Board of directors shall not exceed ₹5000.00 Crore (Rupees Five Thousand Crore only).

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds, matters and things as may be deemed necessary to give effect to the above resolution."

8. **CREATION OF MORTGAGE AND CHARGE ON THE ASSETS OF THE COMPANY:-**

To consider and if thought fit, to pass, with or without modifications, the following resolution as a **Special Resolution:-**

"RESOLVED THAT in pursuant to the provisions of section 180(1)(a) and other applicable provisions of the Companies Act, 2013, if any or any other law for the time being in force (including any statutory modification or amendment thereto or re-enactment thereof) and in terms of Articles of Association of the Company, the consent of the members of the company be and is hereby accorded to the Board of Directors and/or Committee thereof (hereinafter "the Board") to sell, lease, charge and/or mortgage or otherwise dispose off all or any of the immovable and movable property undertakings/assets of the company wheresoever situated, present & future, and the whole of the undertaking of the Company in favour of Banks/Financial Institution/NBFCs or otherwise to secure the repayment of the fund and/or non-fund based credit facilities availed or to be availed by the Company or its Holding/Subsidiary/ Associate Companies or otherwise for a sum of money which may exceed the aggregate of the paid-up capital and free reserves in the ordinary course of business but not exceeding ₹5,000/- Crores (Rupees Five Thousand Crores Only) at any point of time.

RESOLVED FURTHER THAT sale, lease, mortgage/charge created/ to be created and/or all agreements, documents executed /to be executed and all acts done in terms of the above resolution by and within the authority of the Board of Directors be and is hereby confirmed and ratified.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds, matters and things as may be deemed necessary to give effect to the above resolution."

9. PLACE OF KEEPING AND INSPECTION OF REGISTERS, RETURNS, ETC:-

To consider and if thought fit, to pass, with or without modification(s), the following as a **Special Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 94, other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any amendment thereto or enactment thereof for the time being in force), consent of the members of the Company be and is hereby accorded to keep the Register and Index of Members, correspondence with the Members, Register of payment of dividend, Unpaid dividend, Register for Directors Shareholding and all other documents relating thereto at the office of the Registrar and Share Transfer Agent of the Company for Equity Shares i.e. Link Intime India Private Limited at 44, Community Centre 2nd Floor, Naraina Industrial Area Phase 1, Near PVR Naraina New Delhi -110028orany other of its office or place within the New Delhi, instead of the Registered Office of the Company.

RESOLVED FURTHER THAT the Board of Directors or any Committee thereof of the Company be and are hereby authorised to do all such things and take all such actions as may be required from time to time for giving effect to the above resolution and matters related thereto."

10. TO APPROVE EMPLOYEES STOCK OPTION PLAN 2018:-

To consider and if thought fit, to pass, with or without modification(s), the following as a **Special Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 62 (1) (b) of the Companies Act, 2013("the Act") and the Companies (Share Capital and Debentures) Rules, 2014 and other applicable provisions, if any, of the Act, including any statutory modification(s) or re-enactment of the Act for the time being in force and in accordance with the provisions of the Memorandum and Articles of Association of the Company and the provisions of the Securities and Exchange Board Of India (Share Based Employee Benefits) Regulations, 2014 including any modifications thereof or supplements thereto ("the SEBI ESOS Regulations"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the SEBI LODR Regulations") and any other applicable laws for the time being in force and subject to such other consents, permissions, sanctions and approvals which may be agreed by the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include the Nomination and Remuneration Committee), consent of the Shareholders be and is hereby accorded to introduce and implement the HGIEL - Employees Stock Option Plan 2018 ("ESOP - 2018") the salient features of which are detailed in the Explanatory Statement to this Notice and to create, grant, offer, issue and allot at any time in one or more tranches to or for the benefit of such person(s) who are in the permanent employment of the Company, whether working in India or outside India, including Director of the Company, whether Whole-time director or not, but excluding Promoter, Promoter group and Independent Directors and such other persons as may from time to time be allowed to be eligible for the benefit under the provisions of applicable laws and Regulations prevailing from time to time (hereinafter collectively referred to as "Employees") selected on the basis of criteria decided by the Board under the ESOP - 2018, such number of stock options convertible into Equity Shares of the Company ("Options"), in one or more tranches, not exceeding 9,00,000 (Nine Lacs Only) equity shares of face value of ₹10 each, at such price and on such terms and conditions as may be fixed or determined by the Board in accordance with the ESOP - 2018, and all provisions of applicable laws.

RESOLVED FURTHER THAT the Scheme may also envisage provisions for providing financial assistance to the Eligible Employees to enable them to acquire, purchase or subscribe to the said Securities of the Company in accordance with the provisions of the Act/Regulations.

RESOLVED FURTHER THAT the Board be and is hereby authorized to issue and allot Equity Shares directly to the eligible Employees upon exercise of Options from time to time in accordance with the ESOP - 2018 and such equity shares shall rank pari-passu in all respects with the then existing equity shares of the Company.

RESOLVED FURTHER THAT the number of options that may be granted to any employee including any Director of the Company (other than Promoters of the Company, Independent Directors and Directors holding directly or indirectly more than 10% of the outstanding Equity Shares of the Company), in any financial year in an aggregate under ESOP – 2018 shall be lesser than 1% of the issued Equity Share Capital (excluding outstanding warrants and conversions) of the Company."

RESOLVED FURTHER THAT in case of any corporate action(s) such as rights issues, bonus issues, merger and sale of division or other re-organisation of capital structure of the Company, as applicable from time to time, if any additional equity shares are issued by the Company for the purpose of making a fair and reasonable adjustment to the Stock Options granted earlier, the above ceiling shall be deemed to be increased to the extent of such additional equity shares issued.

RESOLVED FURTHER THAT in case the equity shares of the Company are either sub-divided or consolidated, then the number of equity shares to be issued and allotted on exercise of Options granted under the ESOP - 2018 and the exercise price of Options granted under the ESOP - 2018 shall automatically stand augmented or reduced, as the case may be, in the same proportion as the present face value of ₹10 per equity share bears to their vised face value of the equity shares of the Company after such sub-division or consolidation, without affecting any other rights or obligations of the employees who have been granted Stock

Options under the ESOP - 2018.

RESOLVED FURTHER THAT without prejudice to the generality of the above the Board, which includes the Nomination and Remuneration Committee is authorised to formulate, evolve, decide upon and implement the ESOP - 2018, determine the detailed terms and conditions of the aforementioned ESOP - 2018 including but not limited to the quantum of the Options to be granted per employee, the number of Options to be granted in each tranche, the terms or combination of terms subject to which the said Options are to be granted, the exercise period, the vesting period, the vesting conditions, instances where such Stock Options shall lapse and to grant such number of Options, to such employees of the Company, at par or at such other price, at such time and on such terms and conditions as set out in the ESOP - 2018 and as the Board or the Nomination and Remuneration Committee may in its absolute discretion think fit.

RESOLVED FURTHER THAT the Nomination and Remuneration Committee be designated asthe Compensation Committee in accordance with Regulation 5(1) of the SEBI ESOS Regulations for the purposes of administration of ESOP - 2018.

RESOLVED FURTHER THAT the Board is hereby authorised to make any modifications, changes, variations, alterations or revisions in the ESOP - 2018 as it may deem fit, from time to time or to suspend, withdraw or revive the ESOP - 2018 from time to time, in conformity with applicable laws, provided such variations, modifications, alterations or revisions are not detrimental to the interests of the Employees.

RESOLVED FURTHER THAT the Board shall take necessary steps for listing of the Equity Shares allotted under the ESOP - 2018 on the Stock Exchanges, where the Shares of the Company are listed in accordance with the provisions of the SEBI ESOS Regulations, the SEBI LODR Regulations and other applicable laws and regulations.

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, expedient or proper and to settle all questions, difficulties or doubts that may arise in relation to formulation and implementation of the ESOP - 2018 at any stage including at the time of listing of the equity shares issued herein without requiring the Board to secure any further consent or approval of the Members of the Company to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this Resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any powers conferred herein to Nomination and Remuneration Committee or such other Committees, with power to sub-delegate to any Executives/Officers of the Company to do all such acts, deeds,matters and things as also to execute such documents, writings etc., as may be necessary in this regard"

11. **TO EXTEND APPROVAL OF EMPLOYEES STOCK OPTION PLAN 2018 TO THE EMPLOYEESOF SUBSIDIARY COMPANY (IES):-**

To consider and if thought fit, to pass, with or without modification(s), the following as a **Special Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 62 (1) (b) of the Companies Act,2013 ("the Act") and the Companies (Share Capital and Debentures) Rules, 2014 and other applicable provisions, if any, of the Act, the Securities and Exchange Board Of India (Share Based Employee Benefits) Regulations, 2014 including any modifications thereof or supplements thereto ("the SEBI ESOS Regulations"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the SEBI LODR Regulations") and any other applicable laws for the time being in force and subject to such other consents, permissions, sanctions and approvals as may be necessary and subject to such consents, permissions, sanctions and approvals which may be agreed to by the Board of Directors of the Company (hereinafter referred to as "the Board", which term shall be deemed to include any Committee including the Nomination and Remuneration Committee to exercise the powers conferred by this Resolution), consent and approval of the Members be and is hereby accorded to extend the benefits of HGIEL - Employees Stock Option Plan 2018 ("ESOP - 2018") proposed in the resolution number 10 above to such persons who are in the permanent employment of the subsidiary company(ies) (whether now or hereafter existing, whether incorporated in India or overseas as may be from time to time be allowed under the prevailing laws, rules and regulations and / or any amendments thereto from time to time), (hereinafter referred to as "Subsidiary Companies"), whether working in India or out of India and to the directors of the Subsidiary Companies, and to such other persons as may from time to time be allowed, under prevailing laws, rules and regulations, and/or amendments thereto from time to time, on such terms and conditions as may be decided by the Board, and selected on the basis of criteria prescribed by the Board, hereinafter referred to as "Subsidiary Companies Employees" at such price or prices in one or more tranches and on such terms and conditions, as may be fixed or determined by the Board in accordance with the ESOP – 2018.

RESOLVED FURTHER THAT for the purpose of creating, offering, issuing, allotting and listing of the Securities, the Board be authorized on behalf of the Company to make any modifications, changes, variations, alterations or revisions in the ESOP – 2018 from time to time or to suspend, withdraw, or revive ESOP – 2018 from time to time, provided such variations, modifications, alterations or revisions are not detrimental to the interests of the Employees.

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board be authorized to determine terms and conditions of issue of the Securities and do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary for such purpose and with power on behalf of the Company to settle any questions, difficulties or doubts that may arise in this regard without requiring to secure any further consent or approval of the Shareholders of the Company."

12. CHANGE IN REGISTERED OFFICE OF THE COMPANY WITH IN THE STATE:-

To consider and if thought fit, to pass, with or without modification(s), the following as a **Special Resolution:**

"RESOLVED THAT subject to the provisions of Sections 12 and 110 and other provisions of Companies Act, 2013, read with relevant rules applicable, if any, (including any statutory modification(s) or re-enactment thereof, for the time being in force), and subject to the approval of Statutory authorities including inter-alia or Ministry of Corporate Affairs and such other approvals, permissions and sanctions, if required, consent of the Members of the Company be and is hereby accorded for shifting of Registered Office of the Company from its present location at 14, Panchwati Colony Ratanada, Jodhpur - 342001 (Rajasthan) to III Floor, Sheel Mohar Plaza, A-1, Tilak Marg, C-Scheme, Jaipur-302001 (Rajasthan) under the jurisdiction of Ashok Nagar, police station, Jaipur, Rajasthan.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper, or desirable and to settle any question, difficulty, doubt that may arise in respect of the shifting of registered office aforesaid and further to do all such acts, deeds and things and to execute all documents and writings as may be necessary, proper, desirable or expedient to give effect to this resolution."

By order of the Board of Directors
For H.G. Infra Engineering Limited

Sd/-
Ankita Mehra
Company Secretary

Place: Jaipur
Date: 30.07.2018

Registered Office:
H.G. Infra Engineering Limited
14, Panchwati Colony, Ratanada
Jodhpur, Rajasthan, 342001-
Tel-0291-2000307, Fax-0291-2515321
Web: www.hginfra.com, email:-cs@hginfra.com
CIN-L45201RJ2003PLC018049

NOTES:-

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 relating to the Special Business to be transacted at the Annual General Meeting (AGM) is annexed hereto.

2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ALSO ENTITLED TO APPOINT A PROXY NEED NOT BE A MEMBER OF THE COMPANY. PURSUANT TO SECTION 105 OF THE COMPANIES ACT, 2013, A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL VALUE OF SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.

3. The instrument appointing proxy must reach the Registered Office of the Company not later than 48 hours before the time fixed for the meeting.

4. Corporate members intending to send their authorized representative to attend the meeting pursuant to Section 113 of Companies Act, 2013 are requested to send to the company a certified copy of the relevant Board resolution together with the specimen signature of their authorized representatives to attend and vote on their behalf at the meeting.

5. The Register of the members and share transfer books of the Company will remain closed from 4th September, 2018 to 10th September, 2018 (both days inclusive).

6. The Register of Directors and KMP and their shareholding and Register of contracts or arrangements in which Directors are interested maintained under Sections 170 and 189 of the Companies Act, 2013, respectively, will be available for inspection by the members at the AGM.

7. The copies of relevant documents are open for inspection at the Registered Office of the Company on all working days between 10.30 A.M. to 12.30 P.M. (IST) till the date of the 16th Annual General Meeting.

8. Payment of dividend, upon declaration by the shareholders at the forthcoming Annual General Meeting, will be made on or after 14th September, 2018 as under:-

    a) To all those beneficial owners holding shares in electronic form, as per the beneficial ownership data as may be made available to the Company by National Securities Depository Ltd. (NSDL) and the Central Depository Services (India) Limited (CDSL) as on 3rd September, 2018.

    b) To all those shareholders holding shares in physical form, after giving effect to all the valid share transfers lodged with the Company/ Registrar and ShareTransfer Agent before the closing hours on 3rd September, 2018.

c) Members holding shares in dematerialized form and desirous to change or correct the bank account details should send the same immediately to the concerned Depository Participant. Members are also requested to give MICR Code to the Depository Participant.

9. Members holding shares in demat form are hereby informed that bank particulars registered with their respective Depository Participants, with whom they maintain their demat accounts, will be used by the Company for the payment of dividend. The

Company or its Registrar cannot act on any request received directly from the Members holding shares in demat form for any change of bank particulars. Such changes are to be intimated only to the Depository Participants of the Members. Members holding shares in demat form are requested to intimate any change in their address and / or bank mandate immediately to their Depository Participants.

10. The Members holding shares in physical form are requested to intimate quoting their Folio Number and the change of address immediately to M/s Link Intime India Pvt. Ltd.(the registrar and transfer agent) 4 Community Centre, 2nd Floor, Naraina Industrial Area, Phase I, Near PVR, Naraina, New Delhi - 110028

11. The Members holding shares in demat form and have not registered their E-mail IDs with their Depository Participant are requested to register their e-mail address, to enable the Company to use the same for serving documents electronically. Shareholders holding shares in physical form shall provide their e-mail address to RTA.

12. Details as required in Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 ('Listing Regulations') in respect of the Directors seeking re-appointment at the AGM are provided at page no 16 of this Notice. Requisite declarations have been received from the Directors seeking re-appointment.

13. Members of the Company had approved the appointment of M/s. Price Waterhouse & Co Chartered Accountants LLP (FRN 304026E/E300009), as the Statutory Auditors at the Fifteenth Annual General Meeting of the Company which is valid till Twentieth Annual General Meeting of the Company. In accordance with the Companies Amendment Act, 2017, enforced on 7th May, 2018 by Ministry of Corporate Affairs, the appointment of Statutory Auditors is not required to be ratified at every AGM.

14. The Securities and Exchange Board of India has made it mandatory for all companies to use the bank account details furnished by the Depositories for payment of dividend through Electronic Clearing Service (ECS) to investors wherever ECS and bank details are available.

15. In the absence of ECS facilities, the Company will print the bank account details, if available, on the payment instrument for distribution of dividend. The Company will not entertain any direct request from Members holding shares in electronic mode for deletion of/change in such bank details.

16. Consolidate their holdings into one folio in case they hold Shares under multiple folios in the identical order of names.

17. Pursuant to Section 72 of Companies Act, 2013, shareholders holding shares in physical form may file nomination in form SH-13 with the Registrar &Share Transfer Agents of the Company. In respect of shares held in electronic /demat form the nomination form may be filed with respective depository participant.

18. Members desirous of obtaining any information required concerning the accounts of the company and any other information are requested to address their queries to the Company at least seven days in advance of the date of meeting.

19. The Securities and exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to depository participants with whom they maintain their accounts. Members holding shares in physical form have to submit their PAN number to Registrar and Share Transfer Agents of the company.

20. In accordance with rule 20 of the Companies (Management and Administration) amendment Rules, 2015 the Company has fixed 3rd September, 2018as the cut-off date to determine the eligibility to vote by electronic means or in the general meeting. A person, whose name is recorded in register of members or in the register of beneficiary owners maintained by depositories as on the cut-off date, i.e. 3rd September, 2018, shall be entitled to avail facility of e-voting as well as voting at the general meeting.

21. Members may note that the notice of the 16th Annual General meeting and Annual Report for the financial year 2017-18 will also be available on the Company website www.hginfra.com for their download. The physical copies of the aforesaid documents will also be available for inspection at registered office of the company for inspection during normal business hours on working days. Even after registering for e–communication, members are entitled to receive copy of above documents in physical form, upon making a request for the same at free of cost.

22. VOTING THROUGH ELECTRONIC MEANS

    In compliance with provisions of Section 108 of the Companies Act, 2013, the Company is pleased to provide members facility to exercise their right to vote at the 16th Annual General Meeting (AGM) by electronic means The members whose names appear in register of members as on September3rd,2018, the cut-off date, the date prior to the closure of commencement of book closure are entitled to vote on the resolutions set out in the notice. The remote e-voting period will commence at 9.00 A.M. on September 7th, 2018 and will end at 5.00 P.M. on September 9th, 2018. The e – voting module shall be disabled by LinkIn-time India Private Limited for voting thereafter. The facility for voting though electronic means system shall be made available at the meeting and the members attending the meeting who have not cast their vote by remote e-voting shall be able to vote at the meeting through 'insta' poll. The Company has appointed Mrs. Ira Baxi, Practicing Company Secretary to act as scrutinizer to scrutinize the insta poll and remote e- voting process in a fair and transparent manner.

    - Log-in to e-Voting website of Link Intime India Private Limited (LIIPL)

    1. Visit the e-voting system of LIIPL. Open web browser by typing the following URL: https://instavote.linkintime.co.in.
    2. Click on "Login" tab, available under 'Shareholders' section.
    3. Enter your User ID, password and image verification code (CAPTCHA) as shown on the screen and click on "SUBMIT".

4. Your User ID details are given below:
   a. Shareholders holding shares in demat account with NSDL: Your User ID is 8 Character DP ID followed by 8 Digit Client ID
   b. Shareholders holding shares in demat account with CDSL: Your User ID is 16 Digit Beneficiary ID
   c. Shareholders holding shares in Physical Form (i.e. Share Certificate): Your User ID is Event No + Folio Number registered with the Company
5. Your Password details are given below:
   If you are using e-Voting system of LIIPL: https://instavote.linkintime.co.in for the first time or if you are holding shares in physical form, you need to follow the steps given below:

   Click on "Sign Up" tab available under 'Shareholders' section register your details and set the password of your choice and confirm (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).

	For Shareholders holding shares in Demat Form or Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (applicable for both demat shareholders as well as physical shareholders). • Members who have not updated their PAN with depository Participant or in the company record are requested to use the sequence number which is printed on Ballot Form / Attendance Slip indicated in the PAN Field.
DOB/ DOI	Enter the DOB (Date of Birth)/ DOI as recorded with depository participant or in the company record for the said demat account or folio number in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio number. • Please enter the DOB/ DOI or Dividend Bank Details in order to register. If the above mentioned details are not recorded with the depository participants or company, please enter Folio number in the Dividend Bank Details field as mentioned in instruction (iv-c).

If you are holding shares in demat form and had registered on to e-Voting system of LIIPL: https://instavote.linkintime.co.in, and/or voted on an earlier voting of any company then you can use your existing password to login.

If Shareholders holding shares in Demat Form or Physical Form have forgotten password:

Enter User ID, select Mode and Enter Image Verification code (CAPTCHA). Click on "SUBMIT".

In case shareholder is having valid email address, Password will be sent to the shareholders registered e-mail address. Else, shareholder can set the password of his/her choice by providing the information about the particulars of the Security Question & Answer, PAN, DOB/ DOI, Dividend Bank Details etc. and confirm. (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)

NOTE: The password is to be used by demat shareholders for voting on the resolutions placed by the company in which they are a shareholder and eligible to vote, provided that the company opts for e-voting platform of LIIPL.

- For shareholders holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.
- It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

• Cast your vote electronically

6. After successful login, you will be able to see the notification for e-voting on the home page of INSTA Vote. Select/ View "Event No" of the company, you choose to vote.
7. On the voting page, you will see "Resolution Description" and against the same the option "Favour/ against" for voting.

   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'. You may also choose the option 'Abstain' and the shares held will not be counted under 'Favour/ Against'.
8. If you wish to view the entire Resolution details, click on the 'View Resolutions' File Link.
9. After selecting the appropriate option i.e. Favour/Against as desired and you have decided to vote, 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.
10. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.
11. You can also take the printout of the votes cast by you by clicking on "Print" option on the Voting page.

- General Guidelines for shareholders:
- Institutional shareholders (i.e. other than Individuals, HUF,NRI etc.) and Custodian are required to log on to e-Voting system of LIIPL: 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.

- During the voting period, shareholders can login any number of time till they have voted on the resolution(s) for a particular "Event".
- Shareholders holding multiple folios/demat account shall choose the voting process separately for each of the folios/demat account.
- In case the shareholders have any queries or issues regarding e-voting, please refer the Frequently Asked Questions ("FAQs") and Insta vote e-Voting manual available at https://instavote.linkintime.co.in, under Help section or write an email to enotices@linkintime.co.in or Call us :- Tel : 022 - 49186000.
- Mrs.Ira Baxi Practicing Company Secretary has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner. The scrutinizer shall within a period not exceeding three working days from the conclusion of the e-voting period unlock the votes in presence of two witnesses not in employment of the company make a scrutinizer's report of the votes casted in favour or against , if any, forthwith to the Chairman of the Company.
- The Scrutinizer shall after the conclusion of voting at the Annual General Meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than 48 hours of conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company www.hginfra 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.

Route Map

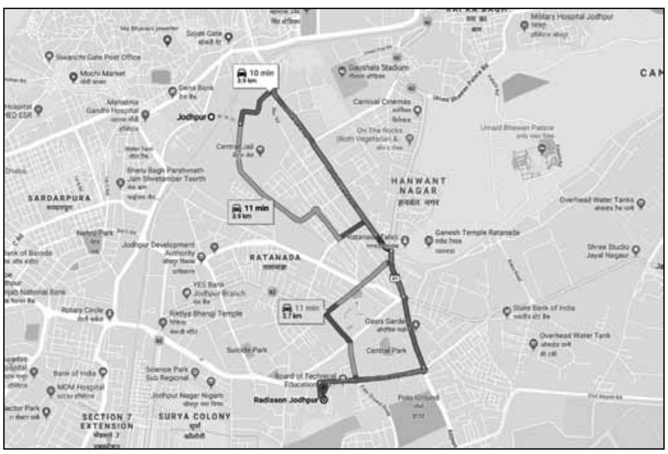
The complete particulars of the venue of the meeting including route map and prominent land mark for easy location are as given under:

Venue of the meeting: Hotel Radisson Gaurav Path Road, 8, Residency RD, Jodhpur, Rajasthan 342001

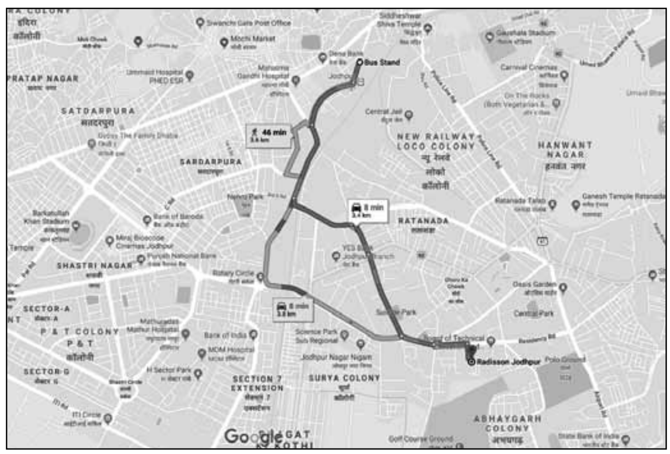
Landmark:

Route Map: The Mark indicates the venue of AGM.

From: Jodhpur Railway Station to Venue of AGM



From: Jodhpur Bus Stand to Venue of AGM



By order of the Board of Directors
For H.G. Infra Engineering Limited

Sd/-
Ankita Mehra
Company Secretary

Place: Jaipur
Date: 30.07.2018

Registered Office:
H.G. Infra Engineering Limited
14, Panchwati Colony, Ratanada, Jodhpur, Rajasthan, 342001-
Tel-0291-2000307, Fax-0291-2515321
Web: www.hginfra.com, email:-cs@hginfra.com
CIN-L45201RJ2003PLC018049

EXPLANATORY STATEMENT

(Pursuant to Section 102 of the Companies Act, 2013)

In conformity with the provisions of Section 102 of the Companies Act, 2013, the following Explanatory Statement sets out all material facts relating to Special Business mentioned in the accompanying Notice and should be taken as forming part of the Notice.

ITEM No.4

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of M/s Rajendra Singh Bhati & Co, Cost Accountants (Registration No. 101983), to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2019.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014 and the Companies (Cost Audit and Records) Rules 2014, the remuneration payable to the Cost Auditor has to be ratified by the shareholders of the Company.

Accordingly, consent of the members is sought, by passing an Ordinary Resolution as set out in Item No. 4 of the Notice, for ratification of the remuneration of 1,25,000/- payable to the Cost Auditor for the financial year ending 31st March, 2019.

None of the Directors or Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested, financially or otherwise, in the Resolution set out at Item No. 4 of the Notice. The Board recommends the Ordinary Resolution set out at Item No. 4 of the Notice for approval by the shareholders.

ITEM No.5

On the recommendation of the Nomination & Remuneration Committee, Mr. Dinesh Kumar Goyal was appointed as an Additional Director of the Company on May 23rd, 2018.in terms of Section 161(1) of the Companies Act, 2013. Further Mr. Dinesh Kumar Goyal was also appointed subject to the confirmation and approval by the members of the company in general meeting, as Whole Time Director designated as Executive Director for the period of 5 years with effect from 23rd May, 2018 in the same meeting in terms of section 196, 197 and other applicable provisions of the Companies Act, 2013 at the remuneration as provided in the resolution, to provide his professional services and expertise to the growth and benefits of the company.

Members are requested to note that as Additional Director, Mr. Dinesh Kumar Goyal holds office upto the date of this Annual General Meeting. The Company has received a notice in writing from the member along with deposit of requisite amount under Section 160 of the Companies Act, 2013, proposing his candidature for the office of Director of the Company.

The Board considers that his association would be of immense benefit to the Company and it is desirable to avail services of Mr. Dinesh Kumar Goyal as Executive Director. Accordingly the Board recommends the resolution in relation to appointment of Mr. Dinesh Kumar Goyal as a Director and further to approve his appointment as Whole Time Director designated as Executive Director, for the approval by the shareholders of the Company

Profile:

Mr. Dinesh Kumar Goyal is a retired IAS Officer. He has retired from the post of Additional Chief Secretary, Horticulture, Government of Rajasthan in 2013. He has more than 40 years' experience of working at top level position in different departments including Finance, Energy, Public Works, Road & Highway, Land Development, and Labour & Employment among others. He has a Ph.D. from Birla Institute of Technology & Science and M.Sc. from London School of Economics, UK. Presently Mr. Dinesh Kumar Goyal also holds the Directorship in SPML Infra Limited, The Byke Hospitality Limited & SP Institute of Workforce Development Private Limited.

Looking at his vast experience and valuable services rendered by him for the growth of the company, the Board of Directors of the Company at its meeting held on May 23, 2018, on the recommendation of Nomination and Remuneration Committee and subject to the approval of the members in the General Meeting, accorded their approval to appointment of Mr. Dinesh Kumar Goyal as a Whole-time Director of the Company w.e.f. May 23, 2018 on remuneration payable to him and other terms and conditions asset out in Item No.5 of the notice of Annual General Meeting

The proposed remuneration fulfils the conditions stipulated in Section 197, 198 and Schedule V of the Companies Act, 2013,hence approval of the Central Government is not required

Further, as stipulated under Secretarial Standard-2, a brief profile of Mr. Dinesh Kumar Goyal is given as under:-:-

BRIEF PROFILE	
Age	64 Year
Qualifications	Ph.D. and M.S.C
Experience	40 years' of accomplished experience in infrastructure industry such as roads, railways, irrigation projects etc.
Terms and Conditions of appointment	As Per Resolution
Details of remuneration	40,20,000/- Per Annum
Date of first appointment	23.05.2018
Shareholding in the Company	NA
Relationship with other director/Manager and other KMP	NA
Number of meetings attended from the date of appointment till the date of Notice of this EGM	NA
Directorships of other Board	SPML Infra Limited, The Byke Hospitality Limited SP Institute of Workforce Development Private Limited
Membership/Chairmanship of Committees of other Board	NIL

The resolution seeks the approval of members for the appointment of Mr.Dinesh Kumar Goyal as a Whole Time Director of the Company pursuant to applicable provisions of the Companies Act, 2013 and the Rules made thereunder and pursuant to SEBI (Listing Obligation & Disclosure Requirements), Regulation 2015. He is liable to retire by rotation.

The Board recommends the Ordinary resolution set forth for this matter for the approval of the members.

Except Mr. Dinesh Kumar Goyal, being the appointee, none of the Directors of the Company is concerned or interested in the said resolution except to the extent of their shareholding in the company.

ITEM NO-6

In terms of section 186 of the Companies Act, 2013 approval of the members of the company was obtained by the company in Extra Ordinary General Meeting of the members of the company held on 25.01.2018 authorizing to the Board to give any loan, guarantee or provide security in connection with a loan to any other body corporate or person and acquire securities by way of subscription, purchase or otherwise to any person or body corporate to the extent of Rupees Two Thousand Crore Only.

Members are requested to take note that as per provisions of section 186 of the Companies Act, 2013, the Board of directors of a Company could give any loan, guarantee or provide security in connection with a loan to any other body corporate or person and acquire securities by way of subscription, purchase or otherwise to any person or body corporate to the extent of sixty percent paid up share capital, free reserves and securities premium or one hundred per cent of its free reserves and securities premium account whichever is more and for giving any loan or providing guarantee and security in excess of limit specified above, the approval of the members of the company in Annual General Meeting by way of Special resolution has to be obtained.

Members are further requested to take note that company is engaged in the business of Infrastructure and Constructions and in relations to the business tenders and operations of the company, there has to be provided guarantee from time to time to perform the business contract(s).

Therefore for business and investment purpose of company, Company has to give loans and guarantee to the person(s) and make investments by acquiring securities by way of purchase or subscription or otherwise from time to time. So in this regard authority is proposed to be given to the Board of directors to give any loan or guarantee or providing security to body corporate or any other person and to invest funds to the limit of ₹5000.00 Crore (Rupees Five Thousand Crore only) and approval of the members of the company is sought in this general meeting

None of the directors, key managerial personnel and relatives of directors and/or key managerial personnel (as defined in the Companies Act, 2013) are concerned or interested in the proposed resolution, except in the ordinary course of business

ITEM NO-7

In terms of the provisions of Section 180(1)(c) of the Companies Act, 2013 read with applicable rules framed thereunder, the Board of Directors of the Company cannot, except with the consent of the Company in General Meeting, borrow moneys, apart from temporary loans obtained from the Company's bankers in the ordinary course of business, in excess of aggregate of the paid up capital and its free reserves (reserves not set apart for any specific purpose).The Members of the Company are requested to take note that at its Extra Ordinary General Meeting heldon25.01.2018, shareholders of the company had accorded their consent to the Board of directors of the company for borrowing any sum or sums of money outstanding at any point of time, not exceeding the sum of Rupees Two Thousand Crores (Rupees Two Thousand Crores only).

Considering the Company's future growth plans and requirements of additional funds for operation, modernization, it is proposed to increase the above borrowing limits from the existing ₹2000 crores to an amount not exceeding at any time a limit of ₹5,000 crores (Rupees Five Thousand Crores only).

The resolutions contained in item no. 7 of the accompanying Notice, accordingly, seek members' approval for increasing the borrowing limits and for authorizing the Board of Directors(including a Committee thereof authorized for the purpose)of the Company to complete all the formalities in connection with the increase in the borrowing limits.

None of the directors, key managerial personnel and relatives of directors and/or key managerial personnel (as defined in the Companies Act, 2013) are concerned or interested in the proposed resolution, except in the ordinary course of business. The Board recommends the resolutions set forth in the Item No. 7 of the Notice for approval of the Members.

ITEM NO-8

Pursuant to the provisions of Section 180(1)(a) and other applicable provisions of the Companies Act 2013, if any, the Company can dispose off its undertakings/property/ assets through sale or lease or provide security of its assets for repayment of loan or otherwise only with the approval of the shareholders accorded by way of a special resolution.

The Company intends to sell, lease, dispose off/create charge and/or mortgage all or any of the immovable and movable property of the Company whosesoever situated, present & future, and the whole of the undertaking of the Company in favour of any other person/Banks/ Financial institution/NBFCs or otherwise, to secure the repayment of the fund and/or non-fund based credit facilities availed or to be availed by the Company or its Holding/Subsidiary/Associate Companies or otherwise, for a sum of money not exceeding ₹5,000/- Crores (Rupees Five Thousand Crores Only).

The proposal outlined above is in the interest of the Company and the Board commends the resolution set out in the accompanying Notice.

None of the Director and Key Managerial Personnel of the Company is concerned or interested in the said resolution except to the extent of their shareholding, if any.

ITEM NO-9

As required under the provisions of Section 94 the Companies Act,2013, registers required to be kept and maintained by the Company under section 88 i.e., Register of Members, Register of Debenture holders, Register of any other security holders and their Indexes shall be kept at the registered office of the Company. However, these documents can be kept at any other place within the city, town or village in which the registered office is situated or any other place in India in which more than one-tenth of the total members entered in the Register of

Members reside, if approved by a Special Resolution passed at a General Meeting of the Company.

Approval of the Shareholders is required under Section 94(1) of the Companies Act, 2013 for keeping the Register of Members and Index of Members and other documents as stated in the resolution at the office of the Registrar and Transfer Agent ("RTA") of the Company for equity shares, Link Intime India Private Limited at 44, Community Centre 2nd Floor, Naraina Industrial Area Phase 1, Near PVR Naraina New Delhi -110028or its any other office or place within Mumbai, instead of the Registered office of the Company. The Board recommends the special resolution set out under Item No.9 of the Notice for approval by the shareholders.

None of the Directors and Key Managerial Personnel of the Company and their relatives are in any way concerned or interested, financially or otherwise in the special resolution set out under Item No. 9 of the Notice.

ITEM NO-10 & 11

Stock Options represent a reward system based on performance. They help companies attract, retain and motivate the best available talent. Stock Options also provide a company with an opportunity to optimise its personnel costs. This also provides an opportunity to employees to participate in the growth of the company, besides creating long term wealth in their hands.

Further, as the business environment is becoming increasingly competitive, it is important to attract and retain qualified, talented and competent personnel in the Company. Your Company believes in rewarding its Employees including employees of the Company/ Subsidiary Company (ies), if any, for their continuous hard work, dedication and support, which has led the Company and its Subsidiary Company (ies) on the growth path.

Keeping in line with the above, "HGIEL - Employees Stock Option Plan 2018" ('the Scheme') has been formulated by the Company and to be implemented by Nomination & Remuneration Committee constituted under Section 178 of the Companies Act, 2013 in accordance with the requirements of Securities and Exchange Board Of India (Share Based Employee Benefits) Regulations, 2014 ("SEBI ESOS Regulations") issued by SEBI and other applicable laws. The Scheme has been approved by the Board of Directors at their Meeting held on 30th July, 2018, subject to the approval of the members.

The Scheme will be operated and administered under the superintendence of the Company's Nomination and Remuneration Committee, which is a Committee of the Board of Directors, the majority of whose Members are Independent Directors. The Nomination and RemunerationCommittee will formulate the detailed terms and conditions of the Scheme including:

- Number of options to be granted to any Employee, and in the aggregate;
- Terms on which the options will vest;
- The conditions under which options vested in Employees may lapse in case of termination of Employees for misconduct;
- The exercise period within which an Employee should exercise the options, and lapsing of options on failure to exercise the options within the exercise period and determination of exercise price which may be different for different class/ classes of Employees falling in the same tranche of grant of Options issued under ESOP - 2018;
- The specified time period within which the Employee shall exercise the vested options in the event of termination or resignation of the Employee;
- The right of an Employee to exercise all the options vested in him at one time or at various points of time within the exercise period;
- The procedure for making a fair and reasonable adjustment to the number of options and to the exercise price in case of rights issues, bonus issues and other corporate actions;
- The grant, vesting and exercise of options in case of Employees who are on long leave; and
- Any other related or incidental matters.

Brief Description of the Scheme is given as under:

a) The total number of options to be granted

The total number of options that may, in the aggregate, be issued would be such number of options which shall entitle the option holders to acquire in one or more tranches up-to 9,00,000 (Nine Lacs Only) equity shares of ₹10 each (or such other adjusted figure for any bonus, stock splits or consolidations or other re-organisation of the capital structure of the Company as may be applicable from time to time).

SEBI ESOS Regulations require that in case of any corporate action(s) such as rights issues, bonus issues, merger and sale or division, and others, a fair and reasonable adjustment needs to be made to the Options granted. Accordingly, if any additional Equity Shares are issued by the Company to the Option grantees for making such fair and reasonable adjustment, the above ceiling Shares shall be deemed to be increased to the extent of such additional equity shares issued

Vested options lapsed due to non-exercise and/or unvested options that get cancelled due to resignation of Option grantees or otherwise, would be available for being re-granted at a future date. The Board is authorized to re-grant such lapsed / cancelled options as per the provisions of ESOP - 2018.

b) Identification of classes of employees entitled to participate and be beneficiaries in the Scheme

All permanent employees of the Company working in India or out of India and Directors (whether Managing/Whole time Director or not) and its Subsidiary Company(ies), (present or future) (excluding promoters and an employee who is a Promoter or a person belonging to the Promoter Group) and further excluding a director who either by himself or through his relative or through any Body Corporate, directly or indirectly holds more than 10% of the outstanding equity shares of the Company and excluding Independent Directors as may be decided by the Nomination and Remuneration Committee.

The class of Employees eligible for participating in the Scheme shall be determined on the basis of the grade, number of years' service, performance, role assigned to the employee and such other parameters as may be decided by the Nomination and Remuneration Committee in its sole discretion from time to time.

The options granted to an Employee will not be transferable to any person and shall not be pledged, hypothecated, mortgaged or otherwise alienated in any other manner.

c) Terms of the scheme:

(1) The Company shall not vary the terms of the schemes in any manner, which may be detrimental to the interests of the Option Grantees: Provided that the company shall be entitled to vary the terms of the schemes to meet any regulatory requirements.

(2) Subject to the proviso to sub-regulation (1), the company may by special resolution in a general meeting vary the terms of the schemes offered pursuant to an earlier resolution of the general body but not yet exercised by the employee provided such variation is not prejudicial to the interests of the Option Grantees.

(3) The notice for passing special resolution for variation of terms of the schemes shall disclose full details of the variation, the rationale therefore, and the details of the Option Grantees who are beneficiaries of such variation.

(4) The Company may re-price the options as the case may be which are not exercised, whether or not they have been vested if the terms of the grants were rendered unattractive due to fall in the price of the shares in the stock market; Provided that the company ensures that such re-pricing shall not be detrimental to the interest of the Option Grantees and approval of the shareholders in general meeting has been obtained for such re-pricing.

d) Transferability of Employee Stock Options:

(1) The Options granted to an employee shall not be transferable to any person and shall not be pledged, hypothecated, mortgaged or otherwise alienated in any manner. However, in the event of the death of the Option Grantee, the right to exercise all the Options granted to him till such date shall be vest in his legal heirs or nominees.

(2) In the event of resignation or termination of the Option Grantee, all the options which are granted and yet not vested as on that day shall lapse.

(3) In the event that an Option Grantee who has been granted benefits under a scheme is transferred or deputed to subsidiary company prior to vesting or exercise, the vesting and exercise as per the terms of grant shall continue in case of such transferred or deputed employee even after the transfer or deputation

a) Requirements of vesting and period of vesting

Vesting of options may commence after a period of not less than one year from the date of grant. The vesting may occur in one or more tranches, subject to the terms and conditions of vesting, as stipulated in the ESOP - 2018.

Following table shall be applicable in case of various scenarios (during employment) for vesting and exercising::

Sr. No.	Separations	Vested Options	Unvested Options
1	Resignation	All Vested Options as on date of submission of resignation may be exercised by the Option Grantee on or before his last working day with the Company.	All Unvested Options on the date of submission of resignation shall stand cancelled with effect from that date.
2	Termination (With or without cause)	All Vested Options which were not allotted at the time of such termination shall stand cancelled with effect from the date of such termination.	All Unvested Options on the date of such termination shall stand cancelled with effect from the termination date.
3	Retirement or early Retirement approved by the Company	All Vested Options as on date of retirement may be exercised by the Option Grantee within permitted exercise period.	All Unvested Options shall vest as per original vesting schedule and may be exercised by the Option Grantee within permitted exercise period.
4	Death	All Vested Options may be exercised by the Option Grantee's nominee or legal heir immediately after, but in no event later than 6 months from the date of Death.	All the Unvested Options as on the date of death shall vest immediately and may be exercised by the Option Grantee's nominee or legal heir/s within 6 months from the date of Death.
5	Permanent Disability	All Vested Options may be exercised by the Option Grantee or, if the Option Grantee is himself, unable to exercise due to such disability, the nominee or legal heir, immediately after, but in no event later than 6 monthsfrom the date of such disability.	All the Unvested Options as on the date of such Permanent Disability shall vest immediately and can be exercised by the Option Grantee or, if the Option Grantee is himself unable to exercise due to such incapacity, the nominee or legal heir immediately after, but in no event later than 6 months from the date of such disability.
6	Abandonment*	All the Vested Options shall stand cancelled.	All the Unvested Options shall stand cancelled.
7	Other reasons apart from those mentioned above	The Committee shall decide whether the Vested Options as on that date can be exercised by the Option Grantee or not, and such decision shall be final.	All Unvested Options on the date of separation shall stand cancelled with effect from that date.

*The Board/ Committee, at its sole discretion shall decide the date of cancellation of Option's and such decision shall be binding on all concerned.

f) **Maximum period within which the options shall be vested**

The maximum vesting period may extend up to 5 (five) years from the date of grant of options, unless otherwise decided by the Nomination and Remuneration Committee.

g) **Exercise price or pricing formula**

Exercise Price means the price at which the Option Grantee is entitled to acquire the equity shares pursuant to the options granted and vested in him/her under the Scheme.

The Exercise Price shall be equal to ₹10/- (Rupees Ten only) per option or any other price as may be decided by the Committee. In any case, the Exercise Price per Option shall not be less than the face value of shares and it may be different for different class/ classes of Employees falling in the same tranche of grant of Options issued under ESOP – 2018.

h) **Exercise period and process of exercise**

The Exercise period shall not be more than 5 years from the date of respective vesting of Options. The options granted may be exercised by the Grantee at one time or at various points of time within the exercise period as determined by the Committee from time to time.

The Vested options shall be exercisable by the employees by a written application (which will include making applications online using any ESOP administration software) to the Company expressing his/ her desire to exercise such options in such manner and on such format as may be prescribed by the Nomination and Remuneration Committee from time to time. The options shall lapse if not exercised within the specified exercise period. The options may also lapse, under certain circumstances even before the expiry of the specified exercise period.

Payment of the Exercise Price shall be made by a crossed cheque or a demand draft drawn in favour of the Company, or by any other payment methods prevalent in RBI recognized banking channels or in such other manner and subject to such procedures as the Board/Committee may decide.

i) **Appraisal Process for determining the eligibility of Employees to the Scheme.**

The appraisal process for determining the eligibility of the Employee will be specified by the Nomination and Remuneration Committee and will be based on criteria such as the grade of Employee, length of service, performance record, merit of the Employee, future potential contribution by the Employee and/or by any such criteria that may be determined by the Nomination and Remuneration Committee.

j) **Maximum number of options to be issued per Employee and in the aggregate**

The number of Options that may be granted to any specific employee of the Company or of its subsidiary Company under ESOP - 2018 shall not exceed the number of Shares equivalent to 1% of the Issued Share Capital of the Company.

k) **Certificate from auditors**

The Board of Directors shall at each annual general meeting place before the shareholders a certificate from the auditors of the company that the scheme(s) has been implemented in accordance with the prescribed regulations and in accordance with the resolution of the company in the general meeting.

l) **Whether the scheme is to be implemented and administered directly by the Company or through a trust**

The Scheme will be implemented directly by the Company under the guidance of the Nomination and Remuneration Committee of the Board.

m) **Whether scheme involves new issue of shares by the Company or Secondary acquisition by the trust**

The Scheme will involve only new issue of shares by the Company.

n) **Disclosure and accounting policies**

The Company shall conform to the accounting policies specified by Securities & Exchange Board of India as per the SEBI ESOS Regulations, amended from time to time and relevant Accounting Standard as may be prescribed by the Institute of Chartered Accountants of India (ICAI) from time to time.

o) **Method of Valuation**

The Company follows fair value method for computing the compensation cost, if any, for the options granted. The company will follow IFRS/ IND AS/ any other requirements for the same.

p) **Rights of the option holder**

The employee shall not have right to receive any dividend or to vote or in any manner enjoy the benefits of a shareholder in respect of option granted to him, till shares are allotted upon exercise of option.

q) **Consequence of failure to exercise option**

All unexercised options shall lapse if not exercised on or before the exercised period ends. The amount payable by the employee, if any, at the time of grant of option, -

(a) may be forfeited by the company if the option is not exercised by the employee within the exercise period; or

(b) may be refunded to the employee if the options are not vested due to non-fulfilment of conditions relating to vesting of option as per the Scheme.

r) **Other terms**

The Board or Nomination and Remuneration Committee shall have the absolute authority to vary, modify or alter the terms of the Scheme in accordance with the regulations and guidelines as prescribed by the Securities and Exchange Board of India or regulations that may be issued by any appropriate authority, from time to time, unless such variation, modification or alteration is detrimental to the interest of the Option Grantees.

The Board or Nomination and Remuneration Committee may, if it deems necessary, modify, change, vary, amend, suspend or terminate the ESOP - 2018, subject to compliance with the Applicable Laws and Regulations.

The shares may be allotted directly to the Option Grantees in accordance with the Scheme and such Scheme may also contain provisions for providing financial assistance to the Employees to enable the Employees to acquire or subscribe to the shares.

As the Scheme would entail further shares to be offered to persons other than existing Members of the Company, consent of the members is sought pursuant to the provisions of section 42 and 62 (1) (b) and all other applicable provisions, if any, of the Companies Act, 2013 and as per the requirement of Clause 6 of the SEBI ESOS Regulations.

None of the Directors and Key Managerial Personnel of the Company including their relatives are interested or concerned in the resolution No. [10], except to the extent of their shareholding entitlements, if any, under the ESOP Scheme.

Your Directors recommend the Resolution set out in ItemNo. [10] of the Notice for adoption by theShareholders as Special Resolution/s.

ITEM NO-12

The Company was incorporated under Companies Act, 1956 in the State of Rajasthan at Jodhpur City.

Considering the fact that the operational and business activities of the Company are undertaken from its Corporate Office situated in Jaipur City within the same state at Rajasthan, it is proposed that the Registered Office of the Company be shifted to the Corporate Office of the Company. Such a change would enable the Directors to guide the Company more effectively and efficiently and also result in operational convenience.

The registered/corporate offices of most leading corporates is located at Jaipur or another metro city. Post the shifting of the Registered Office of the Company from Jodhpur to Jaipur, the Annual General Meeting (AGM) can be held in the city of Jaipur where the majority of Directors and Shareholders of the Company are also based in Jaipur as compare to Jodhpur. If the Registered Office of the Company is situated in Jaipur, it will be easier for the Shareholders to attend the AGM of the Company.

In light of above and other administrative convenience, the Company is considering changing the Registered Office of the Company from the city of Jodhpur to Jaipur (Raj).

In terms of Section 12 and other applicable provisions of the Companies Act, 2013 read with rules made thereunder shifting of the registered office from one City to another requires the approval of Members by way of Special Resolution.

None of the Directors and Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financial or otherwise, in the Special Resolution set out at item no. 1 of the notice except to the extent of their shareholding in the Company, if any.

The Board is of the opinion that the aforesaid Resolution is in the best interest of the Company and hence, recommends the above resolution for your approval as a special resolution.

By order of the Board of Directors
For H.G. Infra Engineering Limited

Sd/-
Ankita Mehra
Company Secretary

Place: Jaipur
Date: 30.07.2018

RE-APPOINTMENT OF MR. VIJENDRA SINGH

Mr Vijendra Singh has been on the Board of the Company since 21.01.2003 as a Director. He is member of the, Stakeholders Relationship Committee, Finance Committee, Management committee and Corporate Social Responsibility Committee.

DETAILS OF DIRECTORS SEEKING RE-APPOINTNMENT AT THE ANNUAL GENERAL MEETING

Name	Mr. Vijendra Singh
DIN	01688452
Date of Birth	05/07/1965
Date of Appointment at Current Designation	15/05/2017
Qualification	Basic Education
Designation	Whole time Director
Brief Resume & Nature of expertise in specific functional areas	Mr. Vijendra Singh aged 52 years, is a Whole-time Director of our Company. He has basic education. He has been on the Board since the incorporation of our Company, and was reappointed as a Whole-time Director for a period of five years with effect from May 15, 2017. He has 23 years of experience in the construction industry. He is responsible for the overall functioning of our Company.
Disclosures of relationship between the directors inter se	Mr. Vijendra Singh is the close relative of Mr. Girishpal Singh (Brother) and Mr. Harendra Singh (Brother)
Name of Listed entities in which the person also holds the directorship and the membership of Committees of the Board	NIL
Number of Shares held in the Company	1,17,23,600

H.G. INFRA ENGINEERING LIMITED

CIN NO.: L45201RJ2003PLC018049
Reg. Off.: 14, Panchwati Colony Ratanada, Jodhpur-342001Rajasthan
Phone: 0291-2000 307 Website: www.hginfra.com
Email: cs@hginfra.com

Form No. MGT-11

PROXY FORM

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

16th Annual General Meeting-10thSeptember, 2018

CIN	L45201RJ2003PLC018049		
Name of the Company	H.G. INFRA ENGINEERING LIMITED		
Registered Office	14, Panchwati Colony, Ratanada, Jodhpur 342001Rajasthan		
Name of the member (s)			
Registered Address			
E-mail ID			
Folio No /Client ID		DP ID	

/We, being the member (s) of...shares of the above named Company, hereby appoint

1. Name: .... Address : ....

   ....

   E-mail Id: ....Signature:..., or failing him

1. Name: .... Address : ....

   ....

   E-mail Id: ....Signature:..., or failing him

1. Name: .... Address : ....

   ....

   E-mailId:...Signature:...

As my/our proxy to attend and vote (on a poll) for me/us and on my /our behalf at the Sixteenth Annual General Meeting of the Company to be held on Monday 10th September, 20108 at Hotel Radisson, Gaurav Path Road, 8, Residency RD, 342001 Jodhpur (Rajasthan) and at any adjournment thereof in respect of such resolutions as are indicated below:

Item No.	Resolution	For*	Against*
	Ordinary Business		
01	Adoption of Standalone and Consolidated Financial Statements for year ended March, 31, 2018		
02	Declaration of Dividend		
03	Appointment of Mr. Vijendra Singh (DIN No. 01688452) as a Director, liable to retire by rotation		
	Special Business:		
04	To Ratify the payment of remuneration to the Cost Auditors for the Financial Year 2018-19		
05	Appointment of Mr. Dinesh Kumar Goyal as Director and Whole Time Director		
06	To make investments, give loans, guarantees and provide securities under Section 186 of the Companies Act, 2013		
07	Power to borrow funds under Section 180(1)(c) of the Companies Act,2013		
08	Creation of Mortgage and Charge on the assets of the Company		
09	Place of keeping and inspection of registers, returns, etc.		
10	Approve Employee Stock Option Plan 2018.		
11	To extend approval of employees Stock Option Plan 2018 to the employees of Subsidiary Company (IES).		
12	Change in Registered Office of the Company with in the State.		

Signed this______________day of _____________2018

Signature of Shareholder (s): ______________________

Signature of Proxy Holder(s): _____________________

Affix
Revenue
Stamp
of ₹1/-

Note:

a) Proxy need not to be a member of the Company

b) This form, in order to be effective, should be duly completed, signed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

H.G. INFRA ENGINEERING LIMITED

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Email: cs@hginfra.com

Form No. MGT-12

POLLING PAPER

16th Annual General Meeting - 10th September, 2018

[Pursuant to section 109(5) of the Companies Act, 2013 and rule 21(1)I of the Companies (Management and Administration) Rules, 2014]

CIN	L45201RJ2003PLC018049
Name of the Company	H.G. INFRA ENGINEERING LIMITED
Registered Office	14, Panchwati Colony, Ratanada, Jodhpur 342001Rajasthan

Name of the Shareholder (s) (in block letters)	
Name of the Joint holder (s), if any	
Postal Address	
Class of Shares	Equity
Number of shares held	
Registered Folio No/Client Id	
DP ID	

I/We hereby exercise my/ our vote in respect of the Ordinary/ Special Resolution enumerated below, by conveying my/our assent or dissent to the mentioned below Resolutions by placing a tick (√) mark at the appropriate box:

Item No.	RESOLUTIONS	No. of shares held by me	I assent to the Resolution	I dissent from the Resolution
Ordinary Business				
01.	**Ordinary Resolution:** Adoption of Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2018, together with the Reports of the Board of Directors and the Auditors thereon; Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2018, together with the Report of the Auditors thereon.			
02.	**Ordinary Resolution:** Declare a Final Dividend of ₹0.50/- for every one Equity shares of the Company for the Financial Year 2017-2018			
03.	**Ordinary Resolution:** Appointment of Director in the place of Mr.Vijendra Singh (DIN No. 01688452) who retires by rotation and being eligible, offers herself for re-appointment.			
Special Business:				
04	**Ordinary Resolution:** Ratification of Cost Auditor remuneration			
05	**Ordinary Resolution:** Appointment of Mr. Dinesh Kumar Goyal as Director and Whole Time Director			

Item No.	RESOLUTIONS	No. of shares held by me	I assent to the Resolution	I dissent from the Resolution
06	**Ordinary Resolution:** To Make investments, give loans, guarantees and provide securities under section 186 of the Companies Act, 2013			
07	**Special Resolution:** Power to Borrow Funds under Section 180(1)(c) of the Companies Act, 2013			
08	**Special Resolution:** Creation of Mortgage and Charge on the assets of the company			
09	**Special Resolution:** To approve the place of keeping the Register and Index of members and other related registers other than at the registered office of the Company under Section 94 of Companies Act, 2013			
10	**Special Resolution:** Approval of Employee Stock Option Plan 2018			
11	**Special Resolution:** To Extend approval of Employees Stock Option Plan 2018 to the employees of Subsidiary Company (IES)			
12	**Special Resolution:** Change in Registered Office of the Company with in the State			

Date: (Signature of Shareholder)

Place:

H.G. INFRA ENGINEERING LIMITED

CIN NO.: L45201RJ2003PLC018049
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Phone: 0291-2000 307 Website: www.hginfra.com
Email: cs@hginfra.com

ATTENDANCE SLIP

[Pursuant to section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies

(Management and Administration) Rules, 2014

Registered Folio No./ DP ID No./Client ID No.	
Name and address of the Shareholder(s)	
Joint Holder 1	
Joint Holder 2	

I/We hereby record my/our presence at the 16th Annual General Meeting of the Company held on Monday, 10th September, 2018 at 10:00 A.M. at Hotel Radisson, Gaurav Path Road, 8, Residency RD, Jodhpur, Rajasthan

....

Member's/Proxy's name in Block Letter Members'/Proxy Signature

Cut in Respect of Remote E-voting please note the following

EVEN (Electronic Voting Event Number)	User ID	Password / PIN

NOTE:

Please read the instructions provided in Notice of the 16th Annual General Meeting. The e-voting period starts from 09:00 a.m. on Friday, September 7, 2018 and ends at 05:00 p.m. on Sunday, September 9, 2018. The voting module shall be disabled by Link Intime India Private Limited for voting thereafter.

A TRISYS product
info@trisyscom.com

H.G. INFRA ENGINEERING LTD.
REGISTERED OFFICE:
14, PANCHWATI COLONY
RATANADA, JODHPUR-342001 (RAJ.)
P: 0291-2000307 | F: 0291-2515327
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