

**H.G. INFRA ENGINEERING LIMITED**  
**(Erstwhile Known as H.G. Infra Engineering Private Limited)**  
**CIN: U45201RJ2003PLC018049**



**15<sup>th</sup> ANNUAL REPORT**  
**FINANCIAL YEAR 2016-17**

**H.G. INFRA ENGINEERING LIMITED**  
(Erstwhile Known as H.G. Infra Engineering Private Limited)  
CIN: U45201RJ2003PLC018049

❖ **BOARD OF DIRECTORS**

Mr. Harendra Singh	Managing Director
Mr. Vijendra Singh	Whole Time Director
Ms. Pooja Hemant Goyal	Independent Director
Mr. Ashok Kumar Thakur	Independent Director
Mr. Girish Pal Singh	Director

❖ **CHIEF FINANCIAL OFFICER**

Mr. Rajeev Mishra

❖ **COMPANY SECRETARY**

Ms. Ankita Mehra

❖ **AUDITORS**

**STATUTORY AUDITOR**

Price Waterhouse & Co.  
Chartered Accountants LLP

**COST AUDITOR**

Rajendra Singh Bhati & Co.  
Cost Accountant

**INTERNAL AUDITOR**

Tibrewal Chand & Co.  
Chartered Accountants

❖ **BANKERS**

Axis Bank Ltd.	State Bank of India
HDFC Bank Ltd.	Union Bank of India
ICICI Bank Ltd.	Punjab National Bank
Kotak Mahindra Bank Ltd.	Yes Bank

❖ **OFFICES**

**REGISTERED OFFICE**

14, Panchwati Colony, Ratanada  
Jodhpur- 342001 (Rajasthan) A-1,  
Tel: 0291-2000307, Fax: 0291- 2000307  
CIN: U45201RJ2003PLC018049

**CORPORATE OFFICE**

III Floor, Sheel Mohar Plaza  
Tilak Marg, C- Scheme  
Jaipur- 302001 (Rajasthan)  
Tel: 0141- 4106040-41, Fax: 0141-4106044  
Website- [www.hginfra.com](http://www.hginfra.com), E-mail- info@hginfra.com

❖ **REGISTRAR & TRANSFER AGENT**

M/s Link In India Private Limited,  
C-101, 1st Floor, 247 Park,  
Lal Bahadur Shastri Marg,  
Vikhroli (West), Mumbai- 400083  
Maharashtra, India

## NOTICE OF 15<sup>TH</sup> ANNUAL GENERAL MEETING

NOTICE is hereby given that the 15<sup>th</sup> Annual General Meeting of the Shareholders of **H.G. Infra Engineering Limited** (Erstwhile Known as H.G. Infra Engineering Pvt. Ltd.) will be held on Friday, September 08, 2017 at 3.00 p.m., on a shorter notice, at 14, Panchwati Colony, Ratanada, Jodhpur, Rajasthan, 342001 the registered office of the Company to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt:
  - the Audited Standalone Financial Statement of the Company for the financial year ended March 31, 2017 together with the report of the Board of Directors and Auditors thereon. and
  - the Audited Consolidated Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2017 and auditors' report thereon.
2. To appoint a Director in place of Mr. Girish Pal Singh(Din: 00487476) who retires by rotation and being eligible, offers himself for re-appointment
3. To appoint Auditors and fix their remuneration and in this regard, to consider and if thought fit, to pass the following as an **Ordinary Resolution:**

“**RESOLVED THAT** pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Price Waterhouse & Co Chartered Accountants LLP (FRN 304026E/E300009), be and are hereby re-appointed as the Statutory Auditor of the Company to hold office for a term of five consecutive financial years, from the conclusion of this Fifteenth Annual General Meeting of the Company till the conclusion of the Twentieth Annual General Meeting, subject to ratification of the appointment at every Annual General Meeting, on such remuneration plus service tax as applicable and reimbursement of out-of pocket expenses in connection with the audit as recommended by the Audit Committee and as may be mutually agreed upon by the Board of Directors and the Auditors.”

### SPECIAL BUSINESS:

#### 4. RATIFICATION OF COST AUDITORS' REMUNERATION

To approve the remuneration of the Cost Auditor for the financial year ending March 31, 2018 and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

“**RESOLVED THAT** pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any Statutory modification(s) or re-enactment thereof, for the time being in force), Rajendra Singh Bhati & Co., Cost Accountants (Firm Registration No.101983), the Cost Auditors appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year ending March 31, 2018, shall be paid remuneration as may be mutually agreed between the Board of Directors of the Company and the Auditors, be and is hereby ratified and approved.”

## **5. APPOINTMENT OF INDEPENDENT DIRECTORS**

To approve the Appointment of Independent Directors and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 (‘the Act’) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), Mr. Onkar Singh, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a Member proposing his candidature for the office of Director, be and is hereby appointed as Independent Director of the Company, for five consecutive years with effect from September 08, 2017 and whose office shall not be liable to determination by retirement of directors by rotation and shall be entitled to receive sitting fees for attending meetings of the Board or any committees thereof as detailed in the letter of appointment issued to Mr. Onkar Singh, and, as may be determined by the Board from time to time.

**RESOLVED FURTHER THAT** Mr. Harendra Singh, Managing director and Mr. Vijendra Singh, Whole time director be and are hereby severally authorized to do all the acts, deeds and things which are necessary to the appointment of Mr. Onkar Singh as an Independent Director of the Company.”

## **6. INCREASE IN AUTHORISED SHARE CAPITAL**

To approve the Increase in Authorised Share Capital and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** the authorized share capital of the Company, pursuant to Section 13 and Section 61 and other applicable provisions of the Companies Act, 2013, be and is hereby increased from Rs. 20,00,00,000(Rupees Twenty Crore only)divided into 2,00,00,000(Two Crore) equity shares of Rs.10 each to Rs. 80,00,00,000(Rupees Eighty Crore only) divided into 8,00,00,000(Eight Crore) equity shares of Rs.10 each.

**RESOLVED FURTHER THAT** consequently, the existing clause V of the Memorandum of Association of the Company, pursuant to Section 13 and other applicable provisions of the Companies Act, 2013, be and is hereby substituted by the following:

*“The authorized capital of the Company is Rs. 80,00,00,000 (Rupees Eighty Crore only) divided into 8,00,00,000 (Eight Crore) equity shares of Rs.10 each.”*

**RESOLVED FURTHER THAT** Mr.Harendra Singh, Managing director and Mr.Vijendra Singh, Whole time director be and are hereby severally authorized to take all steps for giving effect to the aforesaid resolution including filing of the necessary forms with the Registrar of Companies.”

## **7. ISSUE OF BONUS SHARES**

To approve Issue of Bonus Shares and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** in accordance with the provisions of Section 63 of the Companies Act, 2013 and Rule 14 of the Companies(Share Capital and Debentures) Rules, 2014 (including any statutory modification or re-enactment thereof for the time being in force) and Articles of Association of the Company and subject to such approvals, consents, permissions and sanctions as may be necessary from appropriate authorities, consent of the Members be and is hereby accorded to the Board of Directors of the Company (the “Board”; which term shall be deemed to include any Committee thereof which the Board may have constituted or hereafter constitute for the time being exercising the powers conferred on the Board by this resolution ) for capitalization of a sum not exceeding Rs. 36,04,00,000/- (Rupees Thirty Six Crore and Four Lakh Only) from the General Reserves or any other permitted reserves/ surplus of the Company for the purpose of issuance of Bonus Shares of Rs. 10/- (Rupees Ten Only) each, credited as fully paid-up to the holders of the Equity Shares of the Company whose names appear in the Register of Members on the ‘Record Date’ determined by the Board for the purpose, in the proportion of 2 (Two) Bonus Equity Share of Rs. 10/- for every 1 (One) fully paid-up Equity Shares of Rs. 10/- each held by them and that the Bonus Shares so distributed shall, for all purposes, be treated as an increase in the paid-up Capital of the Company held by each such Member, and not as income.”

**RESOLVED FURTHER THAT** the Bonus Shares so allotted shall rank paripassu in all respects with the fully paid-up Equity Shares of the Company as existing on the Record Date i.e. 09.09.2017.

**RESOLVED FURTHER THAT** the Bonus Shares so allotted shall always be subject to the terms and conditions contained in the Memorandum and Articles of Association of the Company.

**RESOLVED FURTHER THAT** no letter of allotment shall be issued in respect of the Bonus Shares and in the case of Members who hold Shares or opt to receive the Shares in dematerialized form, the Bonus Shares shall be credited to the respective beneficiary accounts of the Members with their respective Depository Participants and in the case of Members who hold Equity Shares in certificate form, the share certificates in respect of the Bonus Shares shall be dispatched, within such time as prescribed by law and the relevant authorities.

**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 and to give such directions as may be necessary or expedient, and to settle any question, difficulty or doubt that may arise in this regard as the Board in its absolute discretion may deem necessary or desirable and its decision shall be final and binding.”

## **8. RAISING OF MONEY THROUGH A FURTHER ISSUE OF SECURITIES AND AN OFFER FOR SALE BY CERTAIN EXISTING SHAREHOLDERS**

To approve Raising of Money through a further Issue of securities and an offer for Sale by certain Existing Shareholders and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

**“RESOLVED THAT** in accordance with the provisions of Section 62(1)(c) and any other applicable provisions, if any, of the Companies Act, 2013, along with the rules framed thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force, (the “Companies Act, 2013”), including, any applicable subsisting provisions of the Companies Act, 1956, to the extent that such provisions have not been superseded by the Companies Act, 2013 or denotified, as the case may be (the “Companies Act, 1956” and together with the Companies Act, 2013, the “Companies Act”), the Securities Contracts (Regulation) Act, 1956, and the rules framed thereunder, as amended (“SCRA”), the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (“SEBIICDR Regulations”), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (“SEBI Listing Regulations”), and other applicable laws, including regulations, rules, guidelines, policies, notifications, circulars, directions, orders, or clarifications, as may be applicable, issued from time to time by the Securities and Exchange Board of India (“SEBI”), Government of India, Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India (“DIPP”), the Reserve Bank of India (“RBI”), the Foreign Investment Promotion Board (“FIPB”), the Ministry of Corporate Affairs, the Department of Economic Affairs, the Ministry of Finance and the relevant stock exchanges where the equity shares of the Company of face value of Rs. 10 (the “Equity Shares”) are proposed to be listed (the “Stock Exchanges”) (collectively the “Applicable Laws”) and the enabling provisions of the Memorandum of Association of the Company and Articles of Association of the Company and subject to the approval of relevant government, statutory, supervisory and/or regulatory authorities, including the DIPP, SEBI, RBI, FIPB, Registrar of Companies, Department of Economic Affairs, Ministry of Finance and the Stock Exchanges and such other approvals, permissions and sanctions, as may be necessary, consents from third parties including lenders of the Company, and subject to such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, permissions and sanctions, the consent, approval and sanction of the Members be and is hereby granted to create, offer, issue and allot Equity Shares in the course of the IPO, pursuant to a Fresh Issue aggregating to Rs. 3,000 million, together with an Offer for Sale of up to 60,00,000 Equity Shares, (provided that such number of additional Equity Shares to the extent of up to 10% of the issue size of such other extent as may be permitted under the SEBI ICDR Regulations may be issued and allotted as may be required for the purposes of rounding off the nearest integer while finalizing the basis of allotment, including the issue and allotment of Equity Shares of the stabilizing agent pursuant to the green shoe option, if any, in terms of the SEBI ICDR Regulations, which shall include, without limitation, fresh Equity Shares issued and allotted in any private placement to selected investors as permitted under the applicable laws pursuant to the Pre-IPO Placement, reservation of a certain number of Equity Shares, for any category or categories of persons as permitted under the applicable laws including eligible employees, discount to the issue price to retail individual bidders or eligible employees and any Green Shoe Option of up to a certain number of Equity Shares at a price to be determined by the book building process in terms of the SEBI ICDR Regulations or otherwise in accordance with Applicable Laws, at such premium or discount per Equity Share as may be fixed and determined by the Board in consultation with the book running lead managers (“BRLMs”) and the Selling Shareholders, in accordance with the SEBI ICDR Regulations to any category of persons who are eligible investors, who may or may not be the shareholder(s) of the Company as the

Board may at its discretion in consultation with the BRLMs decide, including the anchor investors and the qualified institutional buyers as defined in the SEBI ICDR Regulations, foreign/resident investors, Hindu undivided families, employees working in India or abroad, non-resident Indians, registered foreign portfolio investors (“FPIs”), alternative investment funds, venture capital funds, foreign venture capital investors, qualified foreign investors, state industrial development corporations, insurance companies, insurance funds, provident funds, pension funds, national investment fund, insurance funds, trusts/societies registered under the Societies Registration Act, 1860, development financial institutions, multilateral and bilateral financial institutions, bodies corporate, companies, private or public or other entities whether incorporated or not, authorities and to such other persons, including high net worth individuals, retail individual bidders or other entities, in one or more combinations thereof, or any other category of investors who are authorized to invest in Equity Shares as per applicable law through an offer document, prospectus and/or an information memorandum, if any, and the decision to determine the category or categories of investors to whom the offer, issue and allotment/transfer shall be made to the exclusion of all other categories of investors and in such manner as the Board and the Selling Shareholders may in their discretion, deem fit, including in consultation with BRLMs, underwriters, placement agents and/or other advisors as may be appointed for the IPO on such terms as may be deemed appropriate by the Board from time to time.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized on behalf of the Company to also invite the existing shareholders of the Company to participate in such an offering by making an offer for sale in relation to such number of Equity Shares held by them, and which are eligible for offer for sale in accordance with the SEBI ICDR Regulations, as the Board may determine in consultation with the BRLMs subject to the receipt of consent of the SEBI, Government of India (“GOI”), RBI, the Registrar of Companies and/or such other approvals, permissions and sanctions of all other concerned regulatory authorities and departments, if and to the extent necessary, and subject to such conditions and modifications as may be prescribed in granting such approvals, permissions and sanctions, at a price to be determined by the book building process in terms of the SEBI ICDR Regulations, for cash at such premium per share as may be fixed and determined by the Company in consultation with the BRLMs, to such category of persons as may be permitted or in accordance with the SEBI ICDR Regulations or other applicable law, if any, as may be prevailing at that time and in such manner as may be determined by the Board in consultation with the BRLMs and/or underwriters and/or the stabilizing agent and/or other advisors or such persons appointed for the IPO.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised in behalf of the Company to make available for allocation a portion of the IPO to any category(ies) of persons permitted under applicable law, including without limitation, eligible employees and/or shareholders of listed group companies (the “Reservation”) or to provide a discount to the issue price to retail individual bidders or eligible employees (the “Discount”); and to take any and all actions in connection with any Reservation or Discount as the Board may think fit or proper in its absolute discretion, including, without limitation, to negotiate, finalize and execute any document or agreement, and any amendments, supplements, notices or corrigenda thereto; seek any consent or approval required or necessary; give directions or instructions and do all such acts, deeds, matters and things as the Board may, from time to time, in its absolute discretion, think necessary,

appropriate, or desirable; and settle any question, difficulty, or doubt that may arise with regard to or in relation to the foregoing.

**RESOLVED FURTHER THAT** the Equity Shares so allotted in the IPO shall be subject to the Memorandum of Association and the Articles of Association of the Company and shall rank paripassu in all respects with the existing Equity Shares.

**RESOLVED FURTHER THAT** the Equity Shares allotted/ transferred through the IPO be listed at one or more recognized stock exchanges in India.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized on behalf of the Company to do all such acts or deeds to delegate all or any of the powers herein conferred in such manner as it may deem fit for the purpose of giving effect to the above resolutions and any offer, issue, transfer and allotment of Equity Shares pursuant to the IPO, including but without limitation, to the following:

- (i) constituting a committee for the purposes of any issue, transfer, offer and allotment of Equity Shares, and other matters in connection with or incidental to the IPO, including determining the anchor investor portion and allocate such number of Equity Shares to Anchor Investors in consultation with the Selling Shareholders and the BRLMs and in accordance with the SEBI ICDR Regulations and to constitute such other committees of the Board, as may be required under Applicable Laws, including as provided in the SEBI Listing Regulations;
- (ii) extending the Bid/Offer period, revision of the Price Band, allow revision of the Offer for Sale portion in case any Selling Shareholder decides to revisit it, in accordance with the Applicable Laws;
- (iii) authorization of any director or directors of the Company or other officer or officers of the Company, including by the grant of power of attorney, to do such acts, deeds and things as such authorized person in his/her/its absolute discretion may deem necessary or desirable in connection with any issue, transfer, offer and allotment of Equity Shares;
- (iv) giving or authorizing any concerned person on behalf of the Company to give such declarations, affidavits, certificates, consents and authorities as may be required from time to time;
- (v) appointing the BRLMs in accordance with the provisions of the SEBI ICDR Regulations and other Applicable Laws;
- (vi) seeking, if required, any approval, consent or waiver from the third parties such as Company's lenders, and/or parties with whom the Company has entered into various commercial and other agreements, and/or any/all concerned government and regulatory authorities in India, and/or any other approvals, consents or waivers that may be required in connection with any issue, transfer, offer and allotment of Equity Shares and approving and issuing advertisements in relation to the IPO;
- (vii) deciding in consultation with the BRLMs the pricing and terms of the Equity Shares, and all other related matters, including the determination of the minimum subscription for the IPO, in accordance with Applicable Laws;
- (viii) taking on record the approval of the Offer for Sale;

- (ix) approval of the draft red herring prospectus (“DRHP”), the red herring prospectus (“RHP”) and the prospectus (“Prospectus”) (including amending, varying or modifying the same, as may be considered desirable or expedient) in relation to the IPO as finalized in consultation with the BRLMs, in accordance with Applicable Laws;
- (x) withdrawing the DRHP or the RHP or not proceeding with the IPO at any stage in accordance with Applicable Laws and in consultation with the BRLM(s);
- (xi) seeking the listing of the Equity Shares on the Stock Exchanges, submitting the listing application to such Stock Exchanges and taking all actions that may be necessary in connection with obtaining such listing;
- (xii) appointing, in consultation with the BRLMs, the registrar and other intermediaries to the IPO, in accordance with the provisions of the SEBI ICDR Regulations and other Applicable Laws;
- (xiii) finalization of, and arrangement for the submission of the DRHP to be submitted to the SEBI and the Stock Exchanges for receiving comments, the RHP and the Prospectus to be filed with the Registrar of Companies, and any corrigendum, addendum, amendments supplements thereto;
- (xiv) authorization of the maintenance of a register of holders of the Equity Shares;
- (xv) finalization of the basis of allotment of the Equity Shares;
- (xvi) acceptance and appropriation of the proceeds of the Fresh Issue in accordance with Applicable Laws; and
- (xvii) to do any other act and/or deed, to negotiate and execute any document(s), application(s), agreement(s), undertaking(s), deed(s), affidavits, declarations and certificates, and/or to give such direction as it deems fit or as may be necessary or desirable with regard to the IPO.

**RESOLVED FURTHER THAT** the Board or a committee thereof be and is hereby authorised to settle all questions, remove any difficulties or doubts that may arise from time to time in regards to the issue, offer or allotment/transfer of the Equity Shares in the IPO and the utilisation of the IPO proceeds in relation to investment in capital equipment, repayment/ prepayment of certain indebtedness, general corporate purpose, or in any other manner it may deem fit, and give such directions and/or instructions as it may from time to time decide and is entitled to negotiate, finalize and execute all such agreements and arrangements as well as amendments, supplements, notices or addenda or corrigenda thereto in connection with the IPO, for appointment of BRLMs and in consultation with the BRLMs for appointment of the intermediaries, underwriters, escrow agents, monitoring agency, registrars, banker(s) to the IPO legal counsels, depository(ies), custodians, credit rating agencies, monitoring agencies, advertising agencies, and all such persons or agencies as may be involved in or concerned with the IPO and to remunerate all such agencies in cash or otherwise, including by way of payment of commission, brokerage, fees, or reimbursement for expenses incurred in relation to the IPO.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board or any committee thereof 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 or doubt that may arise in regard to the offer/issue, allotment, transfer and utilization of the proceeds and further to do all such acts, deeds, matters and things and to finalize and execute

all documents and writings as may be necessary, proper, desirable or expedient as it may deem fit and to give such directions and/or instructions as it may from time to time decide and to accept and give effect to such modifications, changes, variations, alterations, deletions, additions as regards the terms and conditions, including the premium to be charged on the shares, to vary the size of the issue as required by the SEBI, lead managers, banks or other authorities or agencies concerned or as the Board or any committee thereof may decide in its absolute discretion in the best interest of the Company without requiring any further approval of the members and to do all such acts, deeds, matters or things whatsoever, including settling any question, doubt or difficulty that may arise from time to time with regard to or in relation to raising of resources as authorized herein and the utilization of the IPO proceeds in relation to the expansion plans, acquisitions, repayment of secured loans/unsecured loans, capital expenditure, other corporate initiatives or in any other manner it may deem fit, and that all or any of the powers conferred on the Board or any committee thereof vide this resolution may be exercised by the Board or such committee thereof as the Board may constitute in this behalf.

**RESOLVED FURTHER THAT** Mr. Harendra Singh, Managing director and Mr. Vijendra Singh, Whole time director be and are hereby severally authorized to take all steps for giving effect to the aforesaid resolution, including filing of the necessary forms with the ROC.”

**RESOLVED FURTHER THAT** certified copies of this resolution be provided to those concerned under the hands of a Director or Company Secretary and Compliance Officer wherever required.

#### **9. INCREASE IN FPI LIMIT**

To approve for Increasing the FPI Limit and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

“**RESOLVED THAT** pursuant to the applicable provisions of Foreign Exchange Management Act, 1999, as amended (“FEMA”), Foreign Exchange Management (Transfer or Issue of Security by a person Resident outside India) Regulations, 2000 as amended up to date, the Consolidated Foreign Direct Investment Policy Circular of 2016, the Companies Act, 2013 as amended, Companies Act, 1956, to the extent that such provisions have not been superseded by the Companies Act, 2013 or denotified, as the case may be and all other applicable acts, rules, regulations, provisions and guidelines (including any statutory modifications or re-enactments thereof for the time being in force) and subject to all applicable approvals, permissions and sanctions of the Foreign Investment Promotion Board, the Reserve Bank of India, Ministry of Finance, Ministry of Corporate Affairs, Government of India and other concerned authorities and subject to such conditions as may be prescribed by any of the said concerned authorities while granting such approvals, permissions or sanctions, and as approved by the shareholders of the Company, the limit of investment by foreign portfolio investors (including foreign institutional investors holding valid certificates of registration from the Securities and Exchange Board of India and deemed to be foreign portfolio investors) in the equity shares of the Company, including, without limitation, by subscription in the IPO in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended or direct purchase or acquisition from the open market under the Portfolio Investment Scheme under FEMA, is increased from 24.00% to 49.00% of the paid-up equity share capital of the Company.”

**RESOLVED FURTHER THAT** Mr. Harendra Singh, Managing Director and Mr. Vijendra Singh, Whole time director be and are hereby severally authorized to do all such acts, deeds matters and things as may be necessary, desirable or expedient for giving effect to the above resolution and make such filings with the regulatory authorities to effectively implement this resolution.”

**10. INCREASE IN NRI LIMIT**

To approve for Increasing the NRI Limit and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

**“RESOLVED THAT** pursuant to the applicable provisions of FEMA, Foreign Exchange Management (Transfer or Issue of Security by a person Resident outside India) Regulations, 2000 as amended up to date, the Companies Act, 2013 as amended, Companies Act, 1956, to the extent that such provisions have not been superseded by the Companies Act, 2013 or denotified, as the case may be and all other applicable acts, rules, regulations, provisions and guidelines (including any statutory modifications or re-enactments thereof for the time being in force) and subject to all applicable approvals, permissions and sanctions of the Reserve Bank of India, Ministry of Finance, Ministry of Corporate Affairs, Government of India and other concerned authorities and subject to such conditions as may be prescribed by any of the said concerned authorities while granting such approvals, permissions or sanctions which may be agreed to by the Board of Directors of the Company, and as approved by the shareholders of the Company, the limit of investment by non-resident Indians in the equity shares of the Company, in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended or direct purchase or acquisition from the open market under the Portfolio Investment Scheme under FEMA, is increased from 10% to 24% of the paid-up equity share capital of the Company.

**RESOLVED FURTHER THAT**, Mr. Harendra Singh, Managing director and Mr. Vijendra Singh, Whole time director be and are hereby severally authorized to do all such acts, deeds matters and things as may be necessary, desirable or expedient for giving effect to the above resolution and make such filings with the regulatory authorities to effectively implement this resolution.”

**By order of the Board of Directors  
For H.G. Infra Engineering Limited**

**Ankita Mehra**  
Company Secretary

**Place:** Jaipur  
**Date:** 06.09.2017

**Registered Office:**

H.G. Infra Engineering Limited  
14, Panchwati Colony, Ratanada  
Jodhpur, Rajasthan, 342001  
CIN: U45201RJ2003PLC018049  
Tel-0291-2000307, Fax-0291-2515321  
Web: [www.hginfra.com](http://www.hginfra.com), [email-info@hginfra.com](mailto:email-info@hginfra.com)

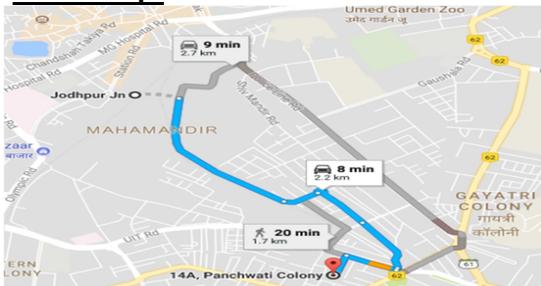
-: NOTES:-

1. The relevant explanatory statement pursuant to Section 102 of the Companies Act, 2013 which sets out details relating to Special business at this meeting, is annexed hereto.
2. **A member entitled to attend and vote at the meeting is entitled to appoint proxy to attend and vote on poll instead of himself and the proxy need not be member of the Company. The instrument appointing proxies should, however, be deposited at the registered office of the Company not less than 48 hours before the commencement of the meeting.**
3. A person can act as proxy on behalf of the members not exceeding fifty and holding in the aggregate not more than ten percent of the total 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 a proxy for any other Member.
4. Corporate Members intending to send their authorized representative to attend the meeting are requested to send a certified copy of the Board Resolution authorizing to attend and vote on their behalf at the Meeting.
5. Members are requested to bring their attendance slips duly completed and signed mentioning therein details of their DP ID and Client ID/ Folio No along with their copy of Annual Report to the meeting.
6. In case of joint holder attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote at the Meeting.
7. Relevant documents referred to in the accompanying Notice and in the Explanatory Statements are open for inspection by the Members at the Company's Registered Office on all working days of the Company, except Saturdays during 10.00 am to 01.00 p.m. up to the date of the Meeting.
8. To support the "**Green Initiative**", Members who have not registered their emails addresses so far, are requested to register their e-mail address for receiving all communication including Annual Report, Notices and Circulars etc. from the Company electronically.
9. The members are requested to send all their communications to the Registrar & Share Transfer Agent M/s Link In India Private Limited, C-101,1st Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai- 400083 Maharashtra.
10. Shareholders desiring any information as regards the proposed resolutions are requested to write to the Company in advance so as to enable the Management to keep the information ready at the meeting.
11. The complete particulars of the venue of the meeting including route map and prominent land mark for easy location are as given under:

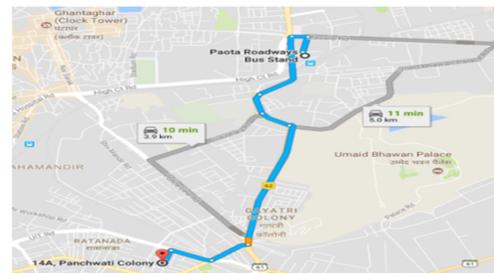
**Venue of the meeting:** 14, Panchwati Colony, Ratanada, Jodhpur, Rajasthan, 342001

**Landmark:** Near Food Zone Marg

**Route Map:** The  Mark indicates the venue of AGM.



**From Jodhpur Junction to Venue of AGM**



**From Jodhpur Bus Stand to Venue of AGM**

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

**ITEM No.4**

In accordance with the provisions of Section 148 of the Act read with the Companies (Cost Records and Audit) Rule, 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 for passing an Ordinary Resolution as set out at item No. 4 of the Notice for ratification of the remuneration payable to the Cost Auditor for the financial year ending March 31, 2018.

None of the Directors/ Key Managerial Personnel of the Company/ their relative are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 4 of the Notice. The Board commends the Ordinary Resolution set out at Item No.4 of the Notice for approval of the shareholders.

**ITEM No.5**

The Company has received from Mr. Onkar Singh, a consent in writing to act as Director in form DIR -2 pursuant to Rule 8 of Companies (Appointment and Qualification of Directors) Rules, 2014 and intimation in Form DIR-8 in terms of Companies (Appointment and Qualification of Directors) Rules, 2014 to the effect that he is not disqualified under sub-section 2 of Section 164 of the Companies Act, 2013.

The brief profile of Mr. Onkar Singh are as follows, who is proposed to be appointed as an Independent Director of the Company:

**Brief Profile**

<b>Name</b>	Onkar Singh
<b>Age</b>	61 Years
<b>Qualifications</b>	M.com(EAFM), M. Phil.
<b>Experience</b>	IAS (Retd.) More than 35 years of experience in Different Departments of the Government, Currently IAS (Retd.) as Commissioner, Departmental Enquiries, Rajasthan, Jaipur
<b>Terms and Conditions of appointment</b>	As per Letter of Appointment
<b>Details of remuneration</b>	Sitting fees as decided by the Board
<b>Date of first appointment</b>	08.09.2017
<b>Shareholding in the Company</b>	Nil
<b>Relationship with other director/Manager and other KMP</b>	NA
<b>Directorships of other Board</b>	NA
<b>Membership/Chairmanship of Committees of other Board</b>	NA
<b>Number of meeting attended from the date of appointment till the date of notice of this AGM</b>	NA

The Company has received a notice in writing from members along with the requisite deposit pursuant to Section 160 of the Act, proposing the candidature of Mr. Onkar Singh for the office of Independent Director, to be appointed as such under the provisions of Section 149 of the Act.

In the opinion of the Board, Mr. Onkar Singh, who is proposed to be appointed as an Independent Director of the Company with effect from September 8, 2017 for a period of 5 years, fulfils the conditions specified under Section 149(6) and Schedule IV of the Companies Act 2013 and is Independent of the management. Considering his vast experience, his presence on the Board will be of immense value to the Company.

A copy of the draft letter of appointment of Mr. Onkar Singh as an Independent Director setting out the terms and conditions shall be placed at the meeting for inspection by the members and shall also be available for inspection at the registered office / corporate office of the Company during business hours.

Except Mr. Onkar Singh, the appointee, none of the Directors, Key Managerial Personnel of the Company or their relatives are in any way, concerned or interested, financially or otherwise, in the proposed resolution. The resolutions as set out in Item no. 5 of this Notice are accordingly recommended for your approval.

#### **ITEM No.6**

Section 61 of the Companies Act, 2013 provides that a limited company having a share capital may, if so authorized by its Articles of Association, with the consent of its members in its general meeting, alter the conditions of its Memorandum of Association so as to increase its share capital by such amount as it thinks expedient by issuing new shares.

The Articles of Association empowers the Company to increase, consolidate, subdivide, reduce or otherwise alter its Authorized Share Capital, for the time being, and to divide the shares in the capital into several classes with rights, privileges or conditions, as may be determined.

For the purposes as stated hereinabove, it is recommended by the Board that the present Authorized Share Capital should be revised to Rs. 80,00,00,000(Rupees Eighty Crore Only) divided into 8,00,00,000(Eight Crore) equity shares of Rs.10 each and Clause V of the Memorandum of Association should be amended accordingly.

The Board recommends the resolution for approval of the members of the Company.

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**

Considering, inter-alia the financial parameters, and the position of reserves of the Company, the Board of Directors of the Company in its meeting held on 6<sup>th</sup>, September, 2017 has approved subject to the approval of the shareholders, issuance of bonus shares to the holders of Equity Shares of the Company in the ratio of 2:1 (i.e. 2 bonus equity share of Rs.10/- for every 1 fully paid up equity shares of Rs. 10/- each held as on the Record Date as indicated in the resolution i.e. 09.09.2017) by capitalisation of a sum not exceeding Rs. 36,04,00,000/- (Rupees Thirty Six Crore and Four Lakh Only) from the General Reserves or any other permitted reserves/ surplus of the Company.

The Bonus Shares so allotted shall rank paripassu in all respects with the fully paid-up Equity Shares of the Company as existing on the Record Date.

The Board recommends the resolution for approval of the members of the Company.

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 to the extent of their respective shareholdings in the Company.

### **ITEM No. 8**

The Company proposes to create, offer, issue and allot equity shares of the Company of face value of Rs. 10 (the “**Equity Shares**”) each up to an aggregate of Rs. 3,000 million, on such terms, in such manner, at such time and at such price or prices and as may be discovered in accordance with applicable laws, including without limitation the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (“**SEBI ICDR Regulations**”), to various categories of investors including qualified institutional investors, retail individual investors, non-institutional investors, non-resident Indians, registered foreign portfolio investors and/or eligible employees, as permitted under the SEBI ICDR Regulations and other applicable laws. Further, the Board may also invite the existing members of the Company to participate in such an offering by making an offer for sale in relation to such number of Equity Shares held by them, and which are eligible for offer for sale in accordance with the SEBI ICDR Regulations, as the Board may in consultation with the BRLMs determine. The Equity Shares allotted shall rank in all respects *paripassu* with the existing Equity Shares.

The proposed offering is likely to include a fresh issue of the Equity Shares by the Company (the “**Fresh Issue**”) and an offer for sale of Equity Shares (the “**Offer for Sale**” together with the Fresh Issue, the “**Offer**”) by certain existing shareholders of the Company (the “**Selling Shareholders**”). An existing shareholder seeking to offer either all or some of the Equity Shares which are eligible for offer for sale in accordance with the SEBI ICDR Regulations, held by it for sale within the Offer for Sale for such price, as may be determined by the book building process, in accordance with the SEBI ICDR Regulations, the Selling Shareholders must convey their approval by way of a duly executed consent letter addressed to Ms. Ankita Mehra, Company Secretary and Compliance Officer to be sent to the registered office of the Company, by way of registered post, no later than 5 p.m. September 07, 2017.

In the event an existing shareholder chooses to participate in the Offer, such existing shareholder will be required to comply with certain requirements and undertake certain activities, an indicative list of which is set forth below: In addition, the Selling Shareholders may be required to comply with additional requirements under applicable law or such other directions as may be specified by the Company, SEBI and other regulatory authorities.

(i) *Eligibility:*

In terms of SEBI ICDR Regulations, the Equity Shares offered in the Offer for Sale, subject to the prescribed exemptions, are required to have been held by each Selling Shareholder for a period of at least one year prior to filing of the DRHP with SEBI;

(ii) *Dematerialization:*

The Equity Shares forming part of the Offer for Sale are required to be fully paid up and held in dematerialized form. To avoid any delays further on in the process, the dematerialization of Equity Shares and credit into escrow account should be undertaken prior to conveying consent for participating in the Offer for Sale, in accordance with the Depositories Act, 1996, as amended and the regulations made thereunder, read with the central depositories' respective byelaws of National Securities Depository Limited and Central Depository Services (India) Limited.

(iii) *Lock-in:*

Pursuant to the SEBI ICDR Regulations, the entire pre-Offer equity share capital of the Company, including the Equity Shares held by the Selling Shareholders will be locked-in for a period of one year from the date of allotment of the Equity Shares pursuant to the Offer, in accordance with SEBI ICDR Regulations, other than (i) the Equity Shares offered by way of the Offer for Sale and which are successfully allotted as part of the Offer for Sale, (ii) the Equity Shares allotted to employees under the ESOP Scheme, if applicable, prior to the IPO, (iii) Equity Shares held by venture capital funds, alternative investment funds of Category I and foreign venture capital investors, provided that such Equity Shares will be locked in for a period of one year from the date of purchase by such entities. Further, the Equity Shares for minimum promoter's contribution will be locked in for a period of three years from the date of allotment of the Equity Shares pursuant to the Offer.

(iv) *Proceeds and Expenses in relation to the Offer:*

As per the SEBI ICDR Regulations, the proceeds of the Offer and related refunds and Offer related expenses are required to be borne by the Company and the respective Selling Shareholders in proportion to the number of Equity Shares offered by the Company and the Selling Shareholders through the Offer.

(v) *Documentation:*

The Selling Shareholders will have to provide duly executed consent and certificate, in relation to compliance and certain confirmations required under the SEBI ICDR Regulations and other applicable law, including in relation to clear title to the Equity Shares held by you and Offer expenses, and a power of attorney authorizing certain officials of the Company to act on your behalf in relation to the Offer.

In the event the Company does not receive any communication within the time and date prescribed above from the existing shareholders, the Company reserves the right to proceed with the Offer without including any Equity Shares held by such existing shareholders in the Offer for Sale.

Further, in the event the total number of Equity Shares being offered for sale by all Selling Shareholders exceeds the total number of Equity Shares, which the Company, in consultation with the BRLMs decide to offer through the Offer for Sale, Equity Shares from each Selling Shareholders shall be included as part of the Offer in proportion to the total number of Equity Shares proposed by the Selling Shareholders for inclusion in the Offer for Sale.

Material information pertaining to the IPO is as follows:

(i) *Offer Price:*

The price at which the Equity Shares will be allotted through the IPO shall be determined and finalized by the Company and the Selling Shareholders, in consultation with the book running lead managers in accordance with the SEBI ICDR Regulations, on the basis of the book building process.

(ii) *The object(s) of the Fresh Issue are:*

The proceeds of the Fresh Issue are to be utilized for the purposes that shall be disclosed in the Draft Red Herring Prospectus to be filed with the SEBI in connection with the IPO, including for general corporate purposes. The proceeds of the offer for sale by the Selling Shareholders, will not be received by the Company.

(iii) *Intention of Promoters/Directors/Key managerial personnel to subscribe to the IPO:*

The Company has not made and will not make an offer of Equity Shares to any of the promoters, directors or key managerial personnel. However, the directors (other than directors who are also promoters or a part of the promoter group) or the key managerial personnel may apply for the Equity Shares in the various categories under the IPO in accordance with the SEBI ICDR Regulations.

(iv) *Whether a change in control is intended or expected:*

No change in control of the Company or its management is intended or expected pursuant to the IPO.

The Board recommends the resolution for your approval. Additionally, to the extent the above requires amendments to be made in terms of the Companies Act, 2013 and the rules thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force, the “**Companies Act, 2013**”), the SEBI ICDR Regulations, any other law or if recommended by various advisors to the Company in connection with the IPO, the Board will make necessary amendments.

All the directors, key managerial personnel and relatives of directors and/or key managerial personnel (as defined in the Companies Act, 2013) may be deemed to be concerned or interested in the proposed resolution to the extent shares may be subscribed for and allotted in their names.

### **ITEM No. 9**

In relation to the proposed raising of funds through further issue of Equity Shares, the Company proposes to increase the limit of investment by foreign portfolio investors in the Company from 24% to 49% of the paid-up equity share capital. This would allow foreign portfolio investors to subscribe to a greater extent to the equity shares proposed to be offered in the IPO and also allow effective post-listing trading in the Equity Shares by foreign portfolio investors.

The Board recommends the resolution for approval of the Members of the Company.

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. 10**

In relation to the proposed raising of funds through further issue of Equity Shares, the Company proposes to increase the limit of investment by non resident Indians(NRI) investors in the Company from 10% to 24% of the paid-up equity share capital. This would allow NRI investors to subscribe to a greater extent to the equity shares proposed to be offered in the IPO and also allow effective post-listing trading in the Equity Shares by NRI investors.

The Board recommends the resolution for approval of the Members of the Company.

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.

**By order of the Board of Directors  
For H.G. Infra Engineering Limited**

**Ankita Mehra**  
Company Secretary

**Place:** Jaipur  
**Date:** 06.09.2017

**Registered Office:**

H.G. Infra Engineering Limited  
14, Panchwati Colony, Ratanada  
Jodhpur, Rajasthan, 342001  
CIN: U45201RJ2003PLC018049  
Tel-0291-2000307, Fax-0291-2515321  
Web: [www.hginfra.com](http://www.hginfra.com), [email-info@hginfra.com](mailto:email-info@hginfra.com)

# **BOARD'S REPORT**

To  
The members of  
**H.G. Infra Engineering Limited**  
(Erstwhile Known as H.G. Infra Engineering Pvt. Ltd.)

Your Director's take pleasure in presenting the Board Report on the business and operations of the company for the financial year ended on March 31, 2017 as follows;

## **1. FINANCIAL HIGHLIGHTS**

The financial performance of your company for the year ending March 31, 2017 is summarized below:

(Amount in Crores)

Particulars	Standalone		Consolidated	
	Current Year	Previous Year	Current Year	Previous Year
	2016-17	2015-16	2016-17	2015-16
Net Sales/ Income from Operations	970.29	712.43	1054.89	740.88
Other Income	3.68	02.37	03.69	02.40
<b>Total Income</b>	<b>973.97</b>	<b>714.80</b>	<b>1058.58</b>	<b>743.28</b>
<b>Profit before Depreciation, Interest &amp; Tax</b>	<b>123.51</b>	<b>80.45</b>	<b>123.86</b>	<b>80.53</b>
Less: Interest & Finance Charges	19.26	15.99	19.27	15.99
Less: Depreciation	25.60	18.34	25.60	18.34
Less: Prior Period Expenses/ (Income)	0.00	0.00	0.00	0.00
<b>Profit Before Tax (PBT)</b>	<b>78.65</b>	<b>46.12</b>	<b>78.99</b>	<b>46.20</b>
Less: Provision for Current Taxation	30.80	16.50	31.14	16.58
Less: Provision for Deferred Tax	-01.45	-0.57	-1.45	-0.56
Less: Earlier Year Taxes	0.00	0.00	0.00	0.00
<b>Profit After Tax (PAT)</b>	<b>49.30</b>	<b>30.18</b>	<b>49.3</b>	<b>30.18</b>
Share Capital	18.02	18.02	18.02	18.02
EPS (Basic) (Diluted)	27.36	19.57	27.36	19.57

## **2. STATE OF COMPANY AFFAIRS:**

During the Financial Year ended March 31, 2017, the Company saw a remarkable growth by 36.19% during the year and recorded Revenue from operations of Rs. 970.29 Crore as compared to Rs. 712.43 Crore in the previous year. The profit before tax amounted to Rs.78.65 Crore as against Rs. 46.12 Crore in the previous year 2015-16.

On a consolidation basis, the company recorded revenue from operations of Rs. 1054.89 Crore during the financial year ended March 31, 2017 and achieved consolidated profit after tax of Rs. 49.30Crore for the said financial year.

**Business Overview:**

Company is one of the leading Construction Company based in Jodhpur, Rajasthan, with group turnover of INR 1054.89 Crore and present order book of INR 3956.25 Cr. Approx. We have got an expertise of civil work especially related to Earthwork & concrete items and other allied construction of Highways, Expressways, and Earthen Embankment, Major structures like High Level Bridges, ROB'S Flyovers & Underpasses.

**Credit Rating:**

- ICRA Limited has reaffirmed [ICRA] A- (ICRA A Minus) rating to the long term bank facilities of our Company.
- Further ICRA has reaffirmed [ICRA] A2+ (ICRA A Two plus) rating to the short term bank facilities of our Company.

**3. RESERVES AND DIVIDEND**

The Company has not transferred any amount to the reserve during the year. The Company would like to reserve its profits for its growth; and hence your Directors do not recommend dividend for the Financial Year.

**4. SHARE CAPITAL STRUCTURE OF THE COMPANY:**

The current Capital structure of the company is given below:

- a) Authorized Capital:** Rs. 20,00,00,000 (Twenty Crore) divided into 2,00,00,000 (Two Crore Equity Share) Equity Shares of Rs. 10/- (Rupees Ten) each.
- b) Issued Capital:** Rs.18,02,00,000 (Eighteen Crore Two Lacs) divided into 1,80,20,000 (One crore Eighty lacs Twenty thousand) Equity Shares of Rs. 10/- (Rupees Ten) each.
- c) Subscribed and Paid-up Capital:** Rs.18,02,00,000 (Eighteen Crore Two Lacs) divided into 1,80,20,000 (One crore Eighty lacs Twenty thousand) Equity Shares of Rs. 10/- (Rupees Ten) each.

During the year, Company has not issued any equity share with differential voting rights hence the disclosure under Rule 4 (4) of the Companies (Share Capital and Debentures) Rules, 2014 is not applicable.

**5. EXTRACT OF ANNUAL RETURN**

In accordance with Section 134(3)(a) of the Companies Act, 2013, an extract of the annual return has been appended as **Annexure I** to this report in MGT- 9.

**6. A. NUMBER OF MEETING OF BOARD OF DIRECTORS**

During the Financial Year 2016-17, the Company held Nineteen Board Meetings of the Board of Directors as per Section 173 of Companies Act, 2013 which is summarized below. The provisions of Companies Act, 2013 were adhered to while considering the time gap between two meetings.

S. No	Date of the meeting
1.	04/04/2016
2.	11/04/2016
3.	20/04/2016
4.	23/04/2016
5.	26/05/2016
6.	24/06/2016
7.	14/07/2016
8.	26/07/2016
9.	10/08/2016
10.	10/09/2016
11.	21/10/2016
12.	26/10/2016
13.	11/11/2016
14.	16/11/2016
15.	21/12/2016
16.	03/01/2017
17.	07/02/2017
18.	08/02/2017
19.	08/03/2017

**B. NUMBER OF MEETINGS ATTENDANT BY EACH DIRECTOR**

S. No	Name of Director	Meeting of Board			Meeting of Committees of the Board		
		Number of meeting Held	Number of Meeting attendant	%	Number of meeting Held	Number of Meeting attendant	%
1	HARENDRA SINGH	19	16	84.21	N.A.	N.A.	N.A.
2	GIRISH PAL SINGH	19	19	100	N.A.	N.A.	N.A.
3.	VIJENDRA SINGH	19	19	100	N.A.	N.A.	N.A.
4.	HODAL SINGH	19	19	100	N.A.	N.A.	N.A.

**7. DIRECTORS RESPONSIBILITY STATEMENT**

To the best of our knowledge and belief and according to the information and explanations obtained by us, your Directors make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013:

- (a) That in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (b) 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;

- (c) 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;
- (d) They had prepared the annual accounts on a going concern basis.
- (e) Being an Unlisted Company, sub clause (e) of section 134(3) is not applicable.
- (f) 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.

## **8. AUDITORS:**

### **➤ STATUTORY AUDITORS & THEIR REPORT:**

Pursuant to Section 139 of the Companies Act, 2013, the members of the Company at their Extra Ordinary General Meeting held on May 15<sup>th</sup>, 2017 has appointed M/s. Price Waterhouse & Co Chartered Accountants LLP (FRN 304026E/E300009) as Statutory Auditors of the Company to fill the casual vacancy caused by resignation of M/s B.K. Arora & Associates, Chartered Accountants, for fanatical year 2016-2017 and there term is going to expire in the ensuing 15<sup>th</sup> Annual general meeting.

Further, the same firm M/s. Price Waterhouse & Co Chartered Accountants LLP is proposed to be appointed for a term of 5 Financial Years from 01<sup>st</sup> April, 2017 to 31<sup>st</sup> March, 2022 and whose office shall be ratified by the members at every Annual General Meeting during the said period of five years.

The Company has received consent letter from the auditor to the effect that appointment, if made, would be within the prescribed limits under Section 141(3) (g) of the Companies Act, 2013 and that they are not disqualified for re-appointment.

The following qualification/observation of the Auditor's given in the Auditor's Report:

1. According to the information and explanations given to us and the records of the Company examined by the us, in our opinion, undisputed statutory dues including provident fund, employees's state insurance, income tax, sales tax, service tax, value added tax, and cess have not been regularly deposited with the appropriate authorities and there have been delays in a large number of cases.

The explanation/ comment made by the Board relating to the qualifications/observation made by the auditors in their report is furnished below:

The Company is taking necessary steps to ensure the compliance/timely payments of statutory dues.

Further, the Notes on Financial Statements referred to in the Auditors' Report are self- explanatory and do not call for any further comments.

### **➤ COST AUDITOR:**

Pursuant to Section 148 of the Companies Act, 2013 read with The Companies (Cost Records and Audit) Amendment Rules, 2014, the cost audit records maintained by the Company in respect of its Infrastructure Business is required to be audited, as the same is falling under the non-regulated sector.

The Board has appointed M/s. Rajendra Singh Bhati & Co, Cost Accountants as cost auditors to undertake the Cost Audit of the Company for the financial year 2017-18.

As required under the Companies Act, 2013 a resolution seeking member's approval for the remuneration payable to Cost Auditors forms part of the Notice convening Annual General Meeting for their ratification.

➤ **SECRETARIAL AUDITOR AND REPORT:**

Pursuant to section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the Secretarial Audit was not applicable on the company for the Financial Year 2016-17.

Now, the status of the company has been changed from "Private Limited" to "Limited". By virtue of such change, the Secretarial Audit would be applicable for Financial Year 2017-18 as per the turnover of previous year in accordance with the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

➤ **INTERNAL AUDITOR**

Pursuant to Section 138 of the Companies Act, 2013 read with The Companies (Accounts) Rules, 2014, the Internal Audit Records maintained by the Company.

The Board has appointed M/s. Tibrewal Chand & Co., Chartered Accountants as Internal Auditors to undertake the Internal Audit of the Company for the financial year 2017-18.

**9. REPORTING OF FRAUDS BY AUDITORS**

For the Financial year 2016-17, the Statutory Auditor 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.

**10. PARTICULARS OF EMPLOYEES**

Provision related to the particulars of the employees employed by the company falling within Section 197 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is not applicable to the Company for the year ended March 31, 2017, it being a private company up to June 7, 2017.

However, during the Financial Year following Directors of the Company withdrawing Remuneration as given below:

Shri Harendra Singh- Rs. 18 Lakhs per month;

Shri Hodal Singh- Rs. 7.25 Lakhs per month;

Shri Girish Pal Singh- Rs. 10.00 Lakhs per month and;

Shri Vijendra Singh- Rs. 10.00 Lakhs Per month.

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

During the period under review the Company has accepted loan/borrowing from its Director and their relatives and the Directors and their relatives 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:

<b>Name of Director</b>	<b>Amount Taken</b>
Mr. Harendra Singh	14850000
Mr. Vijendra Singh	13500000
Mr. Girish Pal Singh	8400000
Mr. Hodal Singh	5200000
Ms. Nisha Singh	2500000
Ms. Poonam Singh	1000000
Mr. Vaibhav Choudhary	2000000

**12. INFORMATION ABOUT SUBSIDIARY/ JOINT VENTURE/ ASSOCIATE COMPANY**

The details of Subsidiaries, Joint Venture or Associate Companies during the year have been presented in Form AOC-1 appended as **Annexure II** to this report.

**13. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

During the Financial Year 2016-17, the particulars of Loan given, Guarantees given and Investments made and securities provided along with the purpose for which the loan or guarantee, security provided to be utilized by the receipt are provided in the audited Financial statements of the Company read with noted on accounts forming part of the financial statements.

**14. CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES**

The particulars of every contract or arrangements or transactions entered into by the Company during the financial year with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 were in the ordinary course of business and on an arm's length basis.

All Related Party Transactions were placed before the Board of Directors for their approval. The Board has granted approval for Related Party Transactions as per the provisions and restrictions contained in Act.

The detail of the transactions has been disclosed in the prescribed Form No. AOC -2 and is appended as **Annexure III** to this Report.

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

The provisions of Section 149 (4) pertaining to the appointment of Independent Directors was not applicable to the Company for the year ended March 31, 2017.

After the end of the financial year, the company falls into the criteria of section 149(4) due to change in the status of the company from "Private Limited" to "Limited" as it being a private company up to June 7, 2017. Then the company has appointed Mr. Ashok Kumar Thakur and Ms. Pooja Hement Goyal as Independent Directors of the company in its Extra ordinary General Meeting held on May 15, 2017. The declaration has been received from the Independent Directors under Section 149(7) stating that they meet the criteria of independence as mentioned under Section 149(6) of the Companies Act, 2013.

**16. MATERIAL CHANGES AND COMMITMENTS, IF ANY, CRITERIA SPECIFY**

After closure of 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.

Apart from that, there was no material changes and no commitment made by the directors affecting financial position of the company which have occurred during the financial year or after that.

**17. SIGNIFICANT AND MATERIAL ORDERS PASSED BY REGULATORS OR COURTS**

Company had conducted the due diligence of the Company by Professionals. There some discrepancies were found in compliance of Companies Act 1956 and 2013, so Company has decided to make all default good by filing compounding application with the appropriate authority and company has filed compounding applications with Ministry of Corporate Affairs with respected to discrepancies related to Section 211(3C), Section 215 and Section 217 of the companies Act, 1956 and Section 134 of the Companies Act, 2013 to make default good by compounding of such offences on suo motto basis in good faith. All applications are pending for decision.

Further it is noted that there are no significant material orders passed by the Regulators / Courts which would impact the going concern status of the Company and its future operations.

**18. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

The Company has zero tolerance policy for sexual harassment at workplace and has adopted a Policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules framed there under.

The Company has not received any complaint on sexual harassment of women at work place during the financial year 2016-17.

**19. ENERGY CONSERVATION, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUTGO**

Information on conservation of Energy, Technology absorption, Foreign Exchange earnings and outgo required to be disclosed under Section 134 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 are provided hereunder:

<b>PARTICULARS</b>	<b>REMARKS</b>
<b>A) <u>CONSERVATION OF ENERGY:</u></b>	
<ul style="list-style-type: none"> <li>• the steps taken or impact on conservation of energy;</li> </ul>	The Corporation is taking due care for using electricity in the office and its branches. The Corporation usually takes care for optimum utilization of energy.
<ul style="list-style-type: none"> <li>• the steps taken by the company for utilizing alternate sources of energy;</li> </ul>	
<ul style="list-style-type: none"> <li>• the capital investment on energy conservation equipments;</li> </ul>	

<b>B) <u>TECHNOLOGY ABSORPTION:</u></b>	
<ul style="list-style-type: none"> <li>the efforts made towards technology absorption;</li> </ul>	NIL
<ul style="list-style-type: none"> <li>the benefits derived like product improvement, cost reduction, product development or import substitution;</li> </ul>	NIL
<ul style="list-style-type: none"> <li>in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-                             <ul style="list-style-type: none"> <li>(a) the details of technology imported;</li> <li>(b) the year of import;</li> <li>(c) whether the technology been fully absorbed;</li> <li>(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; Not applicable since 5 years period is over</li> </ul> </li> </ul>	NIL
<ul style="list-style-type: none"> <li>the expenditure incurred on Research and Development</li> </ul>	NIL
<b>C) <u>FOREIGN EXCHANGE EARNINGS AND OUTGO:</u></b>	
<ul style="list-style-type: none"> <li>The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows</li> </ul>	NIL NIL

## **20. RISK MANAGEMENT**

The Company has in place a mechanism to identify, assess, monitor and mitigate various risks to key business objectives. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis. These are discussed at the meetings of the Board of Directors of the Company. The company and management takes and has been continuously taking necessary precautions and actions to find out the factors or reasons that may adversely affects or threaten to the existence and business of the company.

## **21. BOARD OF DIRECTORS**

During the year, the Board of Directors of the Company duly constituted and there was no change in the composition of Board of Directors.

Further after end of the financial year, the Company has appointed Independent Directors and other changes in the constitution of the Board is mentioned as per the table below:

S.No.	Name of Director	Date of Appointment/ Cessation/ Change in Designation	Appointment/ Cessation/ Change in Designation	Designation before Change	Designation after Change
1.	Harendra Singh	15/05/2017	Change in Designation	Director	Managing Director
2.	Vijendra Singh	15/05/2017	Change in Designation	Director	Whole-time Director
3.	Ashok Kumar Thakur	15/05/2017	Appointment	NA	Independent Director
4.	Pooja Hemant Goyal	15/05/2017	Appointment	NA	Woman Independent Director
5.	Hodal Singh	17/05/2017	Cessation	Director	NA

The present Directors of the Company are:

NAME OF THE DIRECTOR	DESIGNATION
Mr. Harendra Singh	Managing Director
Mr. Vijendra Singh	Whole Time Director
Mr. Girish Pal Singh	Director
Mr. Ashok Kumar Thakur	Independent Director
Ms. Pooja Hement Goyal	Independent Director

Shri Girish Pal Singh (DIN: 00106933), Director of the Company is liable to retire by rotation pursuant to provisions of the Companies Act, 2013 and Articles of Association of the Company. He would retire by rotation at the ensuing AGM and being eligible offers himself for re-appointment.

## **22. DEPOSITS**

The company has not accepted any deposits during the year.

## **23. CORPORATE SOCIAL RESPONSIBILITIES (CSR)**

As a part of its initiatives under “Corporate Social Responsibility (CSR), the Company has formed Corporate Social Responsibility (CSR Policy), in terms of which, the Company has undertaken projects in the areas of environment, education and children empowerment, animal welfare and health etc. These projects are largely in accordance with schedule VII of the Companies Act, 2013.

As per require under Section 134(3)(o) and Rule 9 of the Companies (CSR) Rule, 2014, the Annual Report on CSR activities forming part of the Director Report is annexed as **Annexure IV**.

Further, CSR Committee has been reconstituted two times by the Board of the Company after the end of the Financial Year.

1. Mr. Girish pal Singh has appointed as member of the committee in place of Mr. Hodal Singh w.e.f. 17.05.2017.
2. Mr. Ashok Kumar Thakur has appointed as member of the committee in place of Mr. Girish Pal Singh w.e.f. 13.06.2017.

The present Members of the Committees are as follows:

<b>CSR Committee</b>	
<b>Name of the Person</b>	<b>Designation</b>
Harendra Singh	Chairman
Vijendra Singh	Member
Ashok Kumar Thakur	Member

#### **24. BOARD EVALUATION**

During the year, the provision of section 134(3)(p) relating to board evaluation was not applicable on the company.

After conversion of the Company from Private Limited to Limited Company, it has been mandated for the Company to ensure effectiveness of the Board governance and require to formulate 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 under the aforesaid section 134(3)(p) of the act.

#### **25. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The Company has in place adequate internal control with reference to financial statements. The Board has adopted the policy and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, safeguarding of its assets, the prevention and detection of errors and fraud, the accuracy and completeness of the accounting records.

#### **26. COMPOSITION OF AUDIT COMMITTEE:**

As pursuant to the provision of section 177, constitution of Audit Committee was not in the ambit of compliance of the act for the year 2016-17.

After the conversion from Private to Public, the company has covered under the class of companies in which composition of Audit Committee is compulsory as per the section 177 of the Act.

Further, Company has constituted its Audit Committee as per requirements of section 177 of the Act. The Company's Audit Committee originally constituted, comprises of two independent Directors and one Non-executive Director of the board.

The table sets out the composition of the Committee:

<b>Name of the Director</b>	<b>Position held in the Committee</b>	<b>Category of the Director</b>
Mr. Harendra Singh	Chairman	Managing Director
Mr. Ashok Kumar Thakur	Member	Independent Director
Ms. Pooja Hemant Goyal	Member	Women Independent Director

#### **27. NOMINATION AND REMUNERATION COMMITTEE AND COMPANY'S POLICY ON DIRECTOR'S APPOINTMENT AND REMUNERATION**

There was no requirement of constitution of Nomination and remuneration committee for the company for the year ended March 31, 2017.

As the Company has been converted from private Limited to Limited after the end of the Financial year, the provisions of Section 178(1) relating to constitution of Nomination and Remuneration Committee are applicable to the Company and the Company has devised a policy relating to appointment of Directors, payment of Managerial remuneration, Directors qualifications, positive attributes, independence of Directors and other related matters as provided under Section 178(3) of the Companies Act, 2013.

The Company has constituted its Nomination and Remuneration committee as per requirements of section 178 of the Act. The Company's Nomination and Remuneration Committee originally constituted, comprises of two independent Directors and one Non-executive Director of the board.

The table sets out the composition of the Committee:

<b>Name of the Director</b>	<b>Position held in the Committee</b>	<b>Category of the Director</b>
Mr. GirishPal Singh	Chairman	Non-Executive Director
Mr. Ashok Kumar Thakur	Member	Independent Director
Ms. Pooja Hemant Goyal	Member	Independent Director

## **28. VIGIL MECHANISM / WHISTLE BLOWER POLICY**

The Company has established a Vigil Mechanism, which includes a Whistle Blower Policy, for its Directors and Employees commensurate to the size and the business of the company to promote ethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct & Ethics.

Under the said mechanism, the employees are free to report violations of applicable laws and regulations and the code of conduct. It also provide for adequate safeguards against the victimization of persons who use such mechanism.

## **29. HEALTH, SAFETY AND ENVIRONMENTAL 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.

## **30. INSURANCE**

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

## **31. HUMAN RESOURCES:-**

To ensure good human resources management at the company, we focus on all aspects of the employee lifecycle. This provides a holistic experience for the employee as well. During their tenure at the company, employees are motivated through various skill- development, engagement and volunteering programs. The Company continued to maintain its strong focus on employee engagement to retain the skills and resources needed to fulfil its commitments to customers. Development initiatives for human assets in the areas of consumer orientation, self and

organizational development, team building managerial effectiveness and up-gradation of technical skills etc. are continuously undertaken by the Company for improving the value of and contribution by its human assets. The Company focuses on providing the employees motivating work environment and excellent career development opportunities. We continue to assess and improve our internal systems and processes to meet our on-going objectives of attracting, retaining and motivating talented staff, developing and enhancing employees' skill sets, and monitoring costs associated with running programs that contribute to our success.

**32. MISCELLANEOUS**

Your 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. Issue of equity shares with differential rights as to dividend, voting or otherwise.
2. Issue of shares (including sweat equity shares) to employees of the Company under any scheme.
3. The Company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India on Board and General Meetings.

**33. ACKNOWLEDGEMENT**

The Board of Directors wish to acknowledge the continued support and co-operation extended by the Ministry of Corporate Affairs and other government authorities, Bankers, material suppliers, customers and other stakeholders for their support and guidance.

Your Directors would also like to take this opportunity to express their appreciation for the dedicated efforts & dedicated efforts of all the employees of the Company.

**BY THE ORDER OF THE BOARD  
FOR H.G. INFRA ENGINEERING LIMITED**

**Date: 06.09.2017**

**Place: Jaipur**

**VIJENDRA SINGH**  
Whole Time Director  
Din: 01688452

**HARENDRA SINGH**  
Managing Director  
Din - 00402458

## Annexure [I] 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 **U45201RJ2003PLC018049**

ii) Registration Date **21 01 2003**  
Date Month Year

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 Company  
Public Company   
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) **No**

Details of the Stock Exchange(s) where shares are listed:

Sr. No.	Stock Exchange(s)	Stock Code(s)
-	-	-

#### vii) Name and Address of Registrar & Transfer Agent (RTA)

RTA **Link Intime India Private Limited**  
Address **C-101,1ST FLOOR,247 PARK, LAL BAHADUR SHASTRI MARG,VIKROLI (WEST)**  
Town/City **Mumbai**  
State **MAHARASHTRA**  
Pin Code **400083**  
Telephone with STD Area Code N **022- 49186000 / 9322904731**  
Fax Number **22-49186060**  
Email Address **[vishwas.attavar@linkintime.co.in](mailto:vishwas.attavar@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 of the Product	% 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	HOLDIN G/ SUBSIDI	% of shares held	Applicable Section
-	-	-	-	-	-



						-				
<b>(2) Non Institutions</b>										
<b>a) Bodies corporates</b>										
i) Indian	-	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-	-
<b>b) Individuals</b>										
i) Individual shareholders holding nominal share capital upto Rs.1 lakhs	-	-	-	-	-	-	-	-	-	-
ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakhs	-	-	-	-	-	-	-	-	-	-
<b>c) Others (specify)</b>										
(i) Hindu Undivided Family	-	-	-	-	-	-	-	-	-	-
(ii) Non Resident Indians	-	-	-	-	-	-	-	-	-	-
(iii) Clearing Member	-	-	-	-	-	-	-	-	-	-
<b>SUB TOTAL (B)(2):</b>	-	-	-	-	-	-	-	-	-	-
<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	-	-	-	-	-	-	-	-	-	-
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	-	1,80,20,000	1,80,20,000	100.00	-	1,80,20,000	1,80,20,000	100.00	0.00	

- 100% Shareholding has been converted into Demat after end of the financial year 2016-17 and the Company has appointed M/s Link Intime Private limited as Registrar and share transfer agent of the company.

**(ii) Share Holding of Promoters**

Sr. No	Shareholder's Name	Shareholding at the beginning of the year (As on 01.04.2016)			Shareholding at the end of the year (As on 31.03.2017)			% 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%	-	30,57,692	16.97%	-	-

2	GIRISHPAL SINGH	44,72,686	24.82%	-	44,72,686	24.82%	-	-
3	VIJENDRA SINGH	42,41,200	23.54%	-	42,41,200	23.54%	-	-
4	HARENDRA SINGH	51,17,172	28.40%	-	51,17,172	28.40%	-	-
5	POONAM SINGH	1,55,625	0.86%	-	1,55,625	0.86%	-	-
6	NISHA SINGH	2,75,625	1.53%	-	2,75,625	1.53%	-	-
7	VAIBHAV CHOUDHARY	4,50,000	2.50%	-	4,50,000	2.50%	-	-
8	HARENDRA SINGH- HUF	2,50,000	1.39%	-	2,50,000	1.39%	-	-
<b>Total</b>		<b>1,80,20,000</b>	<b>100.00%</b>	-	<b>1,80,20,000</b>	<b>100.00%</b>	-	-

**(iii) Change in Promoter's Shareholding**

S. No	Shareholder's Name	Shareholding		Date	Increase/ (Decrease) In shareholding	Reason	Cumulative shareholding during the year 01.04.2016 to (31.03.2017)	
		No. of Shares at the beginning (01.04.201 6)/ end of the year (31.03.201 7)	% of total shares of the company				No. of shares	% of total shares of the company
1.	HODAL SINGH	30,57,692	16.97%	01.04.2016	-	-	30,57,692	16.97%
		30,57,692	16.97%	31.03.2017	-	-	30,57,692	16.97%
2.	GIRISH PAL SINGH	44,72,686	24.82%	01.04.2016	-	-	44,72,686	24.82%
		44,72,686	24.82%	31.03.2017	-	-	44,72,686	24.82%
3.	VIJENDRA SINGH	42,41,200	23.54%	01.04.2016	-	-	42,41,200	23.54%
		42,41,200	23.54%	31.03.2017	-	-	42,41,200	23.54%
4.	HARENDRA SINGH	51,17,172	28.40%	01.04.2016	-	-	51,17,172	28.40%
		51,17,172	28.40%	31.03.2017	-	-	51,17,172	28.40%
5.	POONAM SINGH	1,55,625	0.86%	01.04.2016	-	-	1,55,625	0.86%
		1,55,625	0.86%	31.03.2017	-	-	1,55,625	0.86%
6.	NISHA SINGH	2,75,625	1.53%	01.04.2016	-	-	2,75,625	1.53%
		2,75,625	1.53%	31.03.2017	-	-	2,75,625	1.53%
7.	VAIBHAV CHOUDHARY	4,50,000	2.50%	01.04.2016	-	-	4,50,000	2.50%
		4,50,000	2.50%	31.03.2017	-	-	4,50,000	2.50%
8.	HARENDRA SINGH-HUF	2,50,000	1.39%	01.04.2016	-	-	2,50,000	1.39%
		2,50,000	1.39%	31.03.2017	-	-	2,50,000	1.39%

**(iv)**

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

Sl. 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.	<b>At the beginning of the year</b>	NIL	NIL	NIL	NIL
	Changes During the Year				
	<b>Increase/Decrease</b>				
	<b>At the end of the year</b>				

**(v) Shareholding of Directors and Key Managerial Personnel:**

Sl. 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.	<b>Mr. HODAL SINGH</b>				
	At the beginning of the year	30,57,692	16.97%	30,57,692	16.97%
	-Increase/decrease in Share holding during the year - Date of Increase/Decrease -Reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	-	-	-	-
	At the end of the year	30,57,692	16.97%	30,57,692	16.97%
2.	<b>Mr. GRISHPAL SINGH</b>				
	At the beginning of the year	44,72,686	24.82%	44,72,686	24.82%
	-Increase/decrease in Share holding during the year - Date of Increase/Decrease -Reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	-	-	-	-
	At the end of the year	44,72,686	24.82%	44,72,686	24.82%
3.	<b>Mr. VIJENDRA SINGH</b>				
	At the beginning of the year	42,41,200	23.54%	42,41,200	23.54%
	-Increase/decrease in Share holding during the year - Date of Increase/Decrease -Reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	-	-	-	-
	At the end of the year				

	equity etc)				
	At the end of the year	42,41,200	23.54%	42,41,200	23.54%
4.	<b>Mr. HARENDRA SINGH</b>				
	At the beginning of the year	51,17,172	28.40%	51,17,172	28.40%
	-Increase/decrease in Share holding during the year - Date of Increase/Decrease -Reasons for increase/decrease (e.g.allotment/transfer/bonus/sweat equity etc)	-	-	-	-
	At the end of the year	51,17,172	28.40%	51,17,172	28.40%

#### V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment				
Indebtedness at the beginning of the financial year	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
i) Principal Amount	1,17,03,84,857.00	5,67,90,385.00		1,22,71,75,242.00
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>TOTAL (I+II+III)</b>	<b>1,17,03,84,857.00</b>	<b>5,67,90,385.00</b>		<b>1,22,71,75,242.00</b>
<b>Change in Indebtedness during the financial year</b>				
Additions	1,18,78,09,484.00	-	-	1187809484.00
Reduction	397256892.00	56481297.00	-	453738189.00
<b>NET CHANGE</b>	<b>79,05,52,592.00</b>	<b>(56481297.00)</b>	<b>-</b>	<b>734071295.00</b>
<b>Indebtedness at the end of the financial year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
i) Principal Amount	1,96,09,37,449.00	309088.00	-	1961246537.00
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>TOTAL (I+II+III)</b>	<b>1,96,09,37,449.00</b>	<b>309088.00</b>	<b>-</b>	<b>1961246537.00</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. No	Particulars of Remuneration	Name of the MD/WTD/Manager				Total Amount
1	<b>Gross salary</b>	-	-	-	-	-
	(a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961.	-	-	-	-	-
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	-	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-	-	-
2	Stock option	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-
4	Commission: - as % of profit - Others, specify	-	-	-	-	-
5	Others, please specify	-	-	-	-	-
	<b>Total (A)</b>	-	-	-	-	-
<b>Ceiling as per the Act: Rs.42 Lacs (As per Part-II of Schedule V of the Companies Act,2013)</b>						

### B. Remuneration to other directors:

Sl.No	Particulars of Remuneration	Name of the Directors				Total Amount
1	<b>Independent Directors</b>					
	(a) Fee for attending board committee meetings	-	-	-	-	-
	(b) Commission	-	-	-	-	-
	(c) Others, please specify	-	-	-	-	-
	<b>Total (1)</b>	-	-	-	-	-
2	<b>Other Non Executive Directors</b>	<b>Hodal Singh</b>	<b>Harendra Singh</b>	<b>Girish Pal Singh</b>	<b>Vijendra Singh</b>	
	(a) Fee for attending board committee meetings	-	-	-	-	-
	(b) Commission	-	-	-	-	-
	(c) Others, please specify.	87,00,000	2,16,00,000	1,20,00,000	1,20,00,000	5,43,00,000
	<b>Total (2)</b>	87,00,000	2,16,00,000	1,20,00,000	1,20,00,000	5,43,00,000
	<b>Total (B)=(1+2)</b>	87,00,000	2,16,00,000	1,20,00,000	1,20,00,000	5,43,00,000
	<b>Total Managerial Remuneration</b>	87,00,000	2,16,00,000	1,20,00,000	1,20,00,000	5,43,00,000
	<b>Overall Ceiling as per the Act.</b>	<b>NA</b>				

\*Mr. Harendra Singh has been appointed as Managing Director and Mr. Vijendra Singh appointed as whole time Director of the Company w.e.f. 15.05.2017 as after closing of the FY 2016-17.

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD (In Lacs)**

Sl. No.	Particulars of Remuneration	Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1.	Gross Salary (a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	-	2,88,000	-	2,88,000
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission -as % of profit -others, specify	-	-	-	-
5	Others, please specify	-	-	-	-
<b>Total</b>		-	2,88,000	-	2,88,000

**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)
<b>A. COMPANY</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>B. DIRECTORS</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

**FOR H.G. INFRA ENGINEERING LIMITED**

**Date: 06.09.2017**

**Place: Jaipur**

**Harendra Singh**  
DIN: 00402458  
Managing Director

**Vijendra Singh**  
DIN: 01688452  
Whole Time Director

**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 Rs.)

<b>SL. NO.</b>	<b>PARTICULARS</b>	<b>SUBSIDIARY</b>
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 Ventures

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	31/03/2017	31/03/2017	31/03/2017	31/03/2017	31/03/2017
Date on which the Associate or Joint Venture was associated	31/05/2013	10/01/2014	27/04/2015	11/11/2016	24/09/2015
<b>2. Shares of Associate/Joint Ventures held by the Company on the year end</b>					
No.					
Amount of Investment in Associates/Joint Venture	8,02,785	11,08,966	9,68,437	No amount invested till 31/03/2017	10,83,898
Extend of Holding%	<b>51%</b>	<b>70%</b>	<b>30%</b>	<b>26%</b>	<b>30%</b>
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	8,02,785	11,08,966	9,68,437	N.A.	10,93,898
6. Profit/Loss for the year					
i. Considered in Consolidation	6,97,048	10,94,024	9,19,745	N.A.	10,83,898
ii. Not Considered in Consolidation	-	-	-	-	-

**For H.G. INFRA ENGINEERING LIMITED**

**Harendra Singh**  
DIN: 00402458  
Managing Director

**Vijendra Singh**  
DIN: 01688452  
Whole Time Director

**Rajeev Mishra**  
Chief Financial Officer

**Ankita Mehra**  
Company Secretary  
Mem. No. - A33288

Date: 06/09/2017  
Place: Jaipur

**ANNEXURE- III**  
**PARTICULARS OF CONTRACT OR ARRANGEMENT 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.

<b>Name of related party and Nature of Relationship</b>	<b>Nature of Contract/ Arrangement/ Transactions</b>	<b>Duration of the Contract/ Arrangement/ Transactions</b>	<b>Monetary Value of Contract</b>	<b>Salient terms of the Contract or Arrangement or Transactions including the value, if any</b>	<b>Date(s) of Approval by the Board</b>	<b>Amount paid as advance, if any</b>
<b>HGADPL-VLPL (Joint Venture) ( Director Interested)</b>	Appointment of Agent for Purchase of Land	One year From 01.04.2016 to 31.03.2017	7,69,00,000	Arm's Length Basis/ Prevailing Market Price	04.04.2016	7,69,00,000
<b>M/s. H.G. Stone Crusher (Prop. Smt. Poonam Singh - Wife of Director)</b>	Sale , Purchase, Job work of Supply of any goods or materials or availing or rendering of any services	One Year From 01.04.2016 to 31.03.2017	1,03,51,670	Arm's Length Basis/ Prevailing Market Price	04.04.2016	-
<b>M/s. H.G. Traders Prop. Girishpal Singh HUF- (Director Interested)</b>	Sale , Purchase, Job work of Supply of any goods or materials or availing or rendering of any services	One Year From 01.04.2016 to 31.03.2017	64,05,074	Arm's Length Basis/ Prevailing Market Price	04.04.2016	-
<b>Mr.Vaibhav Choudhary (Son of Director)</b>	Service (App. Of Related Party – Place of Profit	One Year From 01.04.2016 to 31.03.2017	84,00,000	Arm's Length Basis/ Prevailing Market Price	04.04.2016	-

**For H.G. INFRA ENGINEERING LIMITED**

**Date:** 06.09.2017

**Place:** Jaipur

**Harendra Singh**  
**DIN: 00402458**  
**Managing Director**

**Vijendra Singh**  
**DIN: 01688452**  
**Whole Time Director**

## **Annexure- IV**

### **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](http://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 31<sup>st</sup> March, 2017.**

- |                       |            |
|-----------------------|------------|
| 1. Mr. Harendra Singh | - Chairman |
| 2. Mr. Vijendra Singh | - Member   |
| 3. Mr. Hodal Singh    | - Member   |

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

Rs. 28,46,71,301.33

#### **6. Prescribed CSR Expenditure (2 (two) percent of the Amount as in item 5 above): Rs. 56,93,426.03**

#### **7. Details of CSR spend during the Financial Year 2016-17.**

- (a) **Total amount to be spent for the financial year:** Rs. 1,23,27,669.03 (Inclusive of Rs. 66,34,243.00 of Previous FY 2015-16)
- (b) **Amount spent for the Financial Year:** Rs. 1,24,23,956.00
- (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 (Rs.)	Amount Spent on the Projects or Programmes Sub-heads: 1. Direct Expenditure on projects or 2. Programmes Overheads (Rs.)	Cumulative Expenditure upto the reporting period (Rs.)	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.	<p>1. ENVIRONMENT- Harit Utsav-(Plantation Work in Govt. School and Public Places).</p> <p>2. WATER- Mukhyamantri Jal Swavalamban Yojana –Water Resources related work in Rajasthan with Govt. of Raj.,</p> <p><b>Provided Drinking water facility-</b> establishment of Water cooler with R. O. water purifier in Govt. Schools, Govt. Hospitals at district Tonk, Jaipur, Sirhoi (Rajasthan).</p> <p>3.EDUCATION- Distribution of Stationary/School Uniform, Shoes, Bags, Green Board, Furniture etc –in Rural areas Govt. .Schools in Rajasthan. Distribution to Furniture in Aaganwadi Centre in Rural Areas, Jaipur Rajasthan. Establishment of Library in Govt. Girls Sr. Sec. School, Village Bawari, Jodhpur, Govt. Sr. Sec. School, Village Devipura, Tonk, Govt. Girls Sr. Sec. Schools, C-Scheme, Jaipur Donation to Sewa Bharti Sanstha, Jaipur and Ananta Charitable Educational Society.</p> <p>4. HEALTH- Donate Deepfreeze to Bhagwan Mahaveer Cancer Hospital Jaipur. Distribution of Beds &amp; Mattresses and other Hospital Material and Machinery in Govt. hospitals in District Tonk in Raj.</p> <p>5.OTHER WORK- Donation to Mother Krishna Charitable Trust, Abu Road, Helpage India, Tonk, Shree Kashi Vishwanath Gow Shala , Shri Sambhavnath Radhe-Govind Goshala Sansthan-Jodhpur and also make Contribution and Distribution of Sweaters, uniform, stationary and Woolen Clothes in the government school and to the poor people through H.G. Foundation at Jodhpur Rajasthan, and otherProject/Activities related to Schedule VII of Companies Act, 2013</p>	1,23,27,669.03	1,24,23,956.00	1,24,23,956.00	Directly and through Implementing agency
<b>Total</b>				<b>1,23,27,669.03</b>	<b>1,24,23,956.00</b>	<b>1,24,23,956.00</b>	

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 H.G. INFRA ENGINEERING LIMITED

Date: 06.09.2017

Place: Jaipur

**Harendra Singh**  
Din: 00402458  
Managing Director/Chairman of CSR Committee

**Vijendra Singh**  
Din: 01688452  
Whole time Director

## INDEPENDENT AUDITORS' REPORT

### **To the Members of H.G. Infra Engineering Limited (Formerly known as H.G. Infra Engineering Private Limited)**

#### **Report on the Consolidated Financial Statements**

1. We have audited the accompanying consolidated financial statements of H.G. Infra Engineering Limited (Formerly known as H.G. Infra Engineering Private Limited) ("hereinafter referred to as the Holding Company") and its jointly controlled entities; (refer Note 2(B) to the attached consolidated financial statements), comprising of the consolidated Balance Sheet as at March 31, 2017, the consolidated Statement of Profit and Loss, the consolidated Cash Flow Statement 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 Financial Statements").

#### **Management's Responsibility for the Consolidated Financial Statements**

2. The Holding Company's Board of Directors is responsible for the preparation of these consolidated 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 and consolidated cash flows of the Holding Company and jointly controlled entities in accordance with accounting principles generally accepted in India including the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014. The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of Consolidated Financial Statements. The respective Board of Directors of the Holding Company and its jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Holding Company and jointly controlled entities 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 financial statements by the Directors of the Holding Company, as aforesaid.

#### **Auditors' Responsibility**

3. Our responsibility is to express an opinion on these consolidated 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 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 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 financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated 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 Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.
6. We believe that the audit evidence obtained by us and the audit evidence obtained by other auditors in terms of their reports referred to in sub-paragraph 8 of the Other Matters paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the consolidated 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 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 Holding Company and jointly controlled entities as at March 31, 2017, and their consolidated profit and their consolidated cash flows for the year ended on that date.

### **Other Matter**

8. We did not audit the financial statements/financial information of 4 jointly controlled entities whose financial statements/ financial information reflect total assets of Rs 338,646,674 and net assets of Rs 3,964,086 as at March 31, 2017, total revenue of Rs. 873,518,750, net profit of Rs 3,794,715 and net cash flows amounting to Rs 96,102,631 for the year ended on that date, as considered in the consolidated financial statements. These financial statements/ financial information have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion on the consolidated financial statements insofar as it relates to the amounts and disclosures included in respect of these jointly controlled entities and our report in terms of sub-section (3) of Section 143 of the Act insofar as it relates to the aforesaid jointly controlled entities, is based solely on the reports of the other auditors.
9. The consolidated financial statements of the Company as at March 31, 2016 and for the year then ended were audited by another firm of chartered accountants who, vide their report dated July 26, 2016, expressed an unmodified opinion on those financial statements.

Our opinion is not qualified in respect of this matter.

### **Report on Other Legal and Regulatory Requirements**

10. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - (b) In our opinion, proper books of account as required by law maintained by the Holding Company and its jointly controlled entities incorporated in India including relevant records relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and records of the Holding Company and the reports of the other auditors.
  - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained by the Holding Company and its jointly controlled entities incorporated in India including relevant records relating to the preparation of the consolidated financial statements.
  - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2017 taken on record by the Board of Directors of the Holding Company none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act. The provision of section 164 (2) of the Act is not applicable to the jointly controlled entities as the same is not a Company.
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company and the operating effectiveness of such controls, refer to our separate Report in Annexure A. Reporting on internal financial controls over financial reporting is not applicable to its jointly controlled entities as the same is not a company.
  - (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 financial statements disclose the impact, if any, of pending litigations as at March 31, 2017 on the consolidated financial position of the holding company and its jointly controlled entities— Refer Note 31 to the consolidated financial statements.
    - ii. The Holding 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 Holding 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 Holding Company and its jointly controlled companies incorporated in India during the year ended March 31, 2017.

- iv. The Holding Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Holding Company and as produced to us by the Management – Refer Note 39. The disclosure requirement as envisaged in notification G.S.R. 308(E) dated March 30, 2017 is not applicable to jointly controlled entities.

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

Place: Mumbai  
Date: 6<sup>th</sup> September, 2017

**Priyanshu Gundana**  
Partner  
Membership No: 109553

## **Annexure A to Independent Auditors' Report**

Referred to in paragraph 10(f) of the Independent Auditors' Report of even date to the members of H.G. Infra Engineering Limited (Formerly known as H.G. Infra Engineering Private Limited) on the consolidated financial statements for the year ended March 31, 2017

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### **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, 2017, we have audited the internal financial controls over financial reporting of H.G. Infra Engineering Limited (Formerly known as H.G. Infra Engineering Private Limited) (hereinafter referred to as "the Holding Company").

#### **Management's Responsibility for Internal Financial Controls**

2. The Board of Directors of the Holding company 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, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

## **Annexure A to Independent Auditors' Report**

Referred to in paragraph 10(f) of the Independent Auditors' Report of even date to the members of H.G. Infra Engineering Limited (Formerly known as H.G. Infra Engineering Private Limited) on the consolidated financial statements for the year ended March 31, 2017

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### **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 Holding Company has, 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, 2017, 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

Place: Mumbai  
Date: 6<sup>th</sup> September, 2017

**Priyanshu Gundana**  
Partner  
Membership Number: 109553

**H.G. Infra Engineering Limited (Formerly Known as H.G. Infra Engineering Private Limited)**  
**Balance Sheet as at March 31, 2017**

	<b>Note No.</b>	<b>As at March 31, 2017 Rupees</b>	<b>As at March 31, 2016 Rupees</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	3	180,200,000	180,200,000
Reserves and surplus	4	1,578,690,942	1,085,729,908
<b>Non-current liabilities</b>			
Long-term borrowings	5	634,782,134	284,470,834
Other long-term liabilities	6	295,374,041	88,447,702
Long-term provisions	7	7,526,602	1,037,440
<b>Current liabilities</b>			
Short-term borrowings	8	932,879,634	589,865,074
Trade Payables	9	632,366,864	460,152,129
Other current liabilities	10	1,048,854,876	994,609,294
Short-term provisions	11	69,495,401	6,959,764
<b>Total</b>		<b><u>5,380,170,494</u></b>	<b><u>3,691,472,145</u></b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed assets			
Tangible assets	12	2,041,344,276	1,160,847,845
Intangible assets	13	2,485,485	841,403
Capital work-in-progress		6,863,662	48,333,450
Non-current investment	14	3,964,086	3,817,268
Deferred Tax Assets ( Net )	15	20,058,647	5,579,803
Long-term loans and advances	16	174,439,620	208,642,422
Other non-current assets	17	60,728,194	72,038,448
<b>Current assets</b>			
Inventories	18	488,925,398	432,763,782
Trade receivables	19	1,131,515,014	926,640,840
Cash and bank balances	20	71,768,082	41,067,822
Short-term loans and advances	21	782,450,598	543,065,558
Other current assets	22	595,627,432	247,833,504
<b>Total</b>		<b><u>5,380,170,494</u></b>	<b><u>3,691,472,145</u></b>

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

This is the Balance Sheet referred to in our report of even date.

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

**For and on behalf of the Board of Directors**  
**H. G. Infra Engineering Limited**  
**CIN: U45201RJ2003PLC018049**

**Partha Ghosh**  
Partner  
Membership Number: 55913

**Harendra Singh**  
Managing Director  
DIN: 00402458

**Vijendra Singh**  
Director  
DIN: 01688452

**Rajeev Mishra**  
Chief Financial Officer

**Ankita Mehra**  
Company Secretary  
Membership No: A33288

Place: Mumbai  
Date: August 28,2017

Place: Jaipur  
Date: August 28,2017

**H.G. Infra Engineering Limited (Formerly Known as H.G. Infra Engineering Private Limited)**  
**Statement of Profit and Loss for the year ended March 31, 2017**

	Note No.	Year ended March 31, 2017 Rupees	Year ended March 31, 2016 Rupees
<b>REVENUE</b>			
Revenue from Operations	23	9,702,935,702	7,124,261,855
Other Income	24	36,778,014	23,759,423
<b>Total Revenue</b>		<b>9,739,713,716</b>	<b>7,148,021,278</b>
<b>EXPENSES</b>			
Cost of materials consumed	25	4,066,238,275	2,793,627,857
Contract and site expenses	26	3,916,192,925	3,089,320,073
Employee benefits expense	27	416,299,703	299,184,673
Finance costs	28	192,658,702	159,894,470
Depreciation and amortisation expense	29	256,013,432	183,372,816
Other expenses	30	105,828,488	161,430,561
<b>Total expenses</b>		<b>8,953,231,525</b>	<b>6,686,830,450</b>
<b>Profit before tax</b>		<b>786,482,191</b>	<b>461,190,828</b>
Tax expense			
Current tax		308,000,000	165,014,440
Deferred tax		(14,478,843)	(5,653,701)
Profit after tax		<b>492,961,034</b>	<b>301,830,089</b>
<b>Profit for the year</b>		<b>492,961,034</b>	<b>301,830,089</b>
Earnings per equity share [Nominal value per share: Rs.10 ( 31 March 2016 : Rs. 10 )] Basic and Diluted	36	27.36	19.57

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

This is the statement of profit and loss referred to in our report of even date.

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

**For and on behalf of the Board of Directors**  
**H. G. Infra Engineering Limited**  
**CIN: U45201RJ2003PLC018049**

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Chief Financial Officer

**Ankita Mehra**  
Company Secretary  
Membership No: A33288

Place: Mumbai  
Date: August 28,2017

Place: Jaipur  
Date: August 28,2017

**H.G. Infra Engineering Limited (Formerly Known as H.G. Infra Engineering Private Limited)**  
**Cash Flow Statement for the year ended March 31, 2017**

	Year ended March 31, 2017 Rupees	Year ended March 31, 2016 Rupees
<b>A) Cash flow from operating activities</b>		
Profit before taxation	786,482,191	461,190,828
Adjustments for:		
Depreciation and amortisation expense	256,013,432	183,372,816
Interest Income	(24,070,565)	(20,076,645)
Fixed assets written off	65,000	-
Profit from Joint Venture	(3,794,715)	(7,135,491)
Provision for doubtful debts	(20,663,237)	-
Net loss on sale / disposal of fixed assets	2,724,292	340,615
Finance costs	192,658,702	159,894,470
Operating Profit before Working Capital Changes	1,189,415,100	777,586,593
Changes in working capital:		
( Increase ) in trade receivables	(184,210,937)	(604,599,639)
( Increase ) in inventories	(56,161,616)	(93,717,475)
Increase in trade payables	172,214,735	261,737,425
Increase in other long term liabilities	206,926,339	1,350,834
Increase in long term provision	6,489,162	1,037,440
( Decrease ) / increase in other current liabilities	(79,943,942)	350,077,455
( Decrease ) / increase in short term provision	977,997	1,266,671
Decrease in long term loans and advances	24,983,324	4,375,067
( Increase ) in short term loans and advances	(239,385,041)	(206,982,637)
( Increase ) in other current assets	(250,715,338)	(22,460,218)
Cash generated from operations	790,589,783	469,671,516
Taxes paid ( Net of refunds )	(246,442,360)	(148,738,896)
<b>Net cash generated from Operating Activities</b>	<b>544,147,423</b>	<b>320,932,620</b>
<b>B) Cash Flow From Investing Activities</b>		
Purchase of fixed assets	(1,151,135,102)	(626,361,972)
Sale of fixed assets	65,462,029	17,136,420
Fixed deposits placed / redemption of fixed deposits ( Net )	(75,226,404)	(72,732,720)
Interest Income	23,647,093	20,076,645
Investments in joint venture	(78,603)	(105,296,870)
Repayment from joint venture	3,726,500	109,552,074
<b>Net Cash used in Investing Activities</b>	<b>(1,133,604,487)</b>	<b>(657,626,423)</b>
<b>C) Cash Flow From Financing Activities</b>		
Proceeds from / ( Repayment ) of short term borrowings ( Net )	343,014,560	211,940,510
Proceeds from / ( Repayment ) of long term borrowings ( Net )	466,426,786	283,726,138
Issue of Share Capital	-	27,700,000
Finance cost paid	(189,284,022)	(159,894,470)
<b>Net Cash generated used in Financing Activities</b>	<b>620,157,324</b>	<b>363,472,178</b>
<b>Net increase in cash and cash equivalents</b>	<b>30,700,260</b>	<b>26,778,375</b>
<b>Cash and Cash Equivalents as at the beginning of the year ( Refer Note 20 )</b>	<b>41,067,822</b>	<b>14,289,447</b>
<b>Cash and cash equivalents at the end of the year ( Refer note 20 )</b>	<b>71,768,082</b>	<b>41,067,822</b>
Cash and cash equivalents comprise of:		
Cash on hand	3,698,571	6,388,107
Balances with banks	68,069,511	34,679,715
<b>Total</b>	<b>71,768,082</b>	<b>41,067,822</b>

This is the Cash Flow Statement referred to in our report of even date.

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

**For and on behalf of the Board of Directors**  
**H. G. Infra Engineering Limited**  
**CIN: U45201RJ2003PLC018049**

**Partha Ghosh**  
Partner  
Membership Number: 55913

**Harendra Singh**  
Managing Director  
DIN: 00402458

**Vijendra Singh**  
Director  
DIN: 01688452

**Rajeev Mishra**  
Chief Financial Officer

**Ankita Mehra**  
Company Secretary  
Membership No: A33288

Place: Mumbai  
Date: August 28, 2017

Place: Jaipur  
Date: August 28, 2017

**H.G. Infra Engineering Limited (Formerly known as H.G. Infra Engineering Private Limited)**  
**Notes to the financial statements as of and for the year ended March 31, 2017**

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**1. General Information:**

H. G. Infra Engineering Limited (Formerly known as H.G. Infra Engineering Private Limited) (“the Company”) is a Limited Company domiciled in India. The Company was a Private Company until June 7, 2017. However from June 8, 2017 the company became a Public Limited Company. The Company is engaged in Engineering, Procurement & Construction (EPC), Maintenance of roads, bridges, flyovers and other infrastructure contract works.

**2. Summary of significant accounting policies:**

**2.1. Basis of preparation:**

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. Pursuant to section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, till the standards of accounting or any addendum thereto are prescribed by Central Government in consultation and recommendation of the National Financial Reporting Authority, the existing Accounting Standards notified under the Companies Act, 1956 shall continue to apply. Consequently, these financial statements have been prepared to comply in all material aspects with the accounting standards notified under Section 211(3C) of the Companies Act, 1956 [Companies (Accounting Standards) Rules, 2006, as amended] and other relevant provisions of the Companies Act, 2013.

All assets and liabilities have been classified as current or non-current as per the Company’s operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013.

**2.2. Use of Estimates:**

The preparation of financial statements in conformity with generally accepted accounting principles in India requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of the financial statements. Management believes that the estimates made in the preparation of the financial statements are prudent and reasonable. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

**2.3. Tangible assets:**

Tangible assets are stated at acquisition cost, net of accumulated depreciation and accumulated impairment losses, if any. 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 related to an item of Property, Plant and Equipment are recognised in the carrying amount of the item if the recognition criteria are met.

An item of Property, Plant and Equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising on derecognition is recognised in the Statement of Profit and Loss.

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 atleast at each financial year end. If the expectations differ from previous estimates, the changes are accounted for prospectively as a change in accounting estimate.

**H.G. Infra Engineering Limited (Formerly known as H.G. Infra Engineering Private Limited)**  
**Notes to the financial statements as of and for the year ended March 31, 2017**

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The management estimates the rate of depreciation for the tangible assets as follows:

<b>Asset</b>	<b>Rate of depreciation %</b>
Building	4.86%
Plant and machinery	18.10%
Computers	63.16%
Furniture's and fixtures	25.89%
Vehicles	31.23%

#### **2.4. Intangible assets**

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

The amortisation period and the amortisation 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 amortisation period is changed accordingly.

Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between net disposal proceeds and carrying amount of the asset and recognised as income or expense in the Statement of Profit and Loss. The estimated depreciation rate of intangible asset is as follows:

<b>Asset</b>	<b>Rate of depreciation %</b>
Software license	39.30%

#### **2.5. Impairments of assets :**

Assessment is done at each Balance Sheet date as to whether there is any indication that an asset (tangible and intangible) may be impaired. If any such indication exists, an estimate of the recoverable amount of the asset/cash generating unit is made. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. For the purpose of assessing impairment, the recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. The smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit (CGU). An asset or CGU whose carrying value exceeds its recoverable amount is considered impaired and is written down to its recoverable amount. Assessment is also done at each Balance Sheet date as to whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased. An impairment loss is reversed to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had previously been recognised.

**2.6. Borrowing costs:**

Borrowing costs include interest, other costs incurred in connection with borrowing. General and specific borrowing costs directly attributable to the acquisition, construction, production or development of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in Statement of Profit and Loss in the period in which they are incurred.

**2.7. Inventories:**

Inventories are stated at lower of cost and net realizable value.

Raw material, stores and spare parts and construction materials cost includes cost of purchases and other cost incurred in bringing the inventories to the present location and condition. Cost is determined using FIFO method.

Work-in-progress cost comprises of raw material, direct labour, other direct costs and a proportion of overheads. 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.

**2.8. Revenue Recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and can be reliably measured.

Construction contracts:

For EPC and construction contracts, contract prices are either fixed or subject to price escalation clauses. Contract revenue and contract cost associated with the construction of road are recognised as revenue and expenses respectively by reference to the stage of completion of the projects at the balance sheet date. The stage of completion of project is determined by the proportion that contract cost incurred for work performed upto the balance sheet date bear to the estimated total contract costs. Where the outcome of the construction cannot be estimated reliably, revenue is recognised to the extent of the construction costs incurred if it is probable that they will be recoverable. When the total contract cost is estimated to exceed total revenues from the contract, the loss is recognised 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.

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 recognised in the period in which such changes are determined.

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 recognised 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.

Operation and maintenance contracts:

Revenue from maintenance contracts are recognised prorata over the period of the contract as and when services are rendered.

**H.G. Infra Engineering Limited (Formerly known as H.G. Infra Engineering Private Limited)**  
**Notes to the financial statements as of and for the year ended March 31, 2017**

---

Revenue from Sales of Processed Aggregates:

Net Revenue from sale of goods is recognised in Statement of Profit and Loss when the significant risks and rewards in respect of ownership of goods has been transferred to the buyer as per the terms of the respective sales order, and the income can be measured reliably and is expected to be received.

Other Income:

Interest income is recognised on a time proportion basis taking into account the amount outstanding and applicable interest rate.

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

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.

**2.9. Employee Benefits:**

Short term employee benefits:

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits. The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are charged off to the Statement of Profit and Loss.

Defined contribution plans:

Contributions to defined contribution schemes such as provident fund, superannuation, etc are charged off to the Statement of Profit and Loss during the year in which the employee renders the related service.

Defined Benefit Plans:

The Company also provides employee benefits in the form of gratuity and compensated absence, the liability for which as at the year-end is determined by independent actuaries based on actuarial valuation using the projected unit credit method. Such defined benefits are charged off to the Statement of Profit and Loss. Actuarial gain / losses are recognised in the year in which they arise.

**2.10. Current and deferred tax**

Tax expense for the year, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the year. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the taxation laws prevailing in the respective jurisdictions.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing current tax and where the deferred tax assets and the deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

**H.G. Infra Engineering Limited (Formerly known as H.G. Infra Engineering Private Limited)**  
**Notes to the financial statements as of and for the year ended March 31, 2017**

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Minimum Alternate Tax ('MAT') under the provisions of the Income Tax Act, 1961 is recognised as current tax in the Statement of Profit and Loss. The credit available under the Act in respect of MAT paid will be recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal Income Tax during the period for which the MAT credit can be carried forward for set-off against the normal tax liability. Such asset is reviewed at each Balance Sheet date.

Deferred tax is recognized for all the timing differences, subject to the consideration of prudence in respect of deferred tax assets. Deferred tax assets are recognized and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. In situations, where the Company has unabsorbed depreciation or carry forward losses under tax laws, all deferred tax assets are recognised only to the extent that there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits. At each Balance Sheet date, the Company re-assesses unrecognized deferred tax assets, if any.

**2.11. Provisions and contingent liabilities**

Provisions:

Provisions are recognised when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation.

Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date and are not discounted to its present value.

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 or a reliable estimate of the amount cannot be made.

**2.12. Leases :**

Operating lease: Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the Statement of Profit and Loss on a straight-line basis over the period of the lease.

**2.13. Earnings Per Share :**

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year and for all years presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year is adjusted for the effects of all dilutive potential equity shares.

**2.14. Investments :**

Investments that are readily realisable and are intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at cost or fair value, whichever is lower. Long-term investments are carried at cost. However, provision for diminution is made to recognise a decline, other than temporary, in the value of long-term investments, such reduction being determined and made for each investment individually.

**2.15. Segment Reporting**

The accounting policies adopted for segment reporting are in conformity with the accounting policies adopted for the Company. Further, inter-segment revenue is accounted for based on the transaction price agreed to between segments which is primarily market based. Revenue and expenses is identified to segments on the basis of their relationship to the operating activities of the segment. Revenue and expenses, which relate to the Company as a whole and are not allocable to segments on a reasonable basis, are included under "Unallocated corporate expenses/income".

**2.16. Cash and cash equivalents :**

In the Cash Flow Statement, cash and cash equivalents include cash in hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less.

##

## Notes to Financial Statements as of and for the year ended March 31, 2017

	As at March 31, 2017 Rupees		As at March 31, 2016 Rupees	
<b>3 Share capital</b>				
<b>Authorised :</b>				
20,000,000 ( March 31, 2016 : 20,000,000 ) Equity Shares of Rs. 10 each	200,000,000		200,000,000	
<b>Issued</b>				
18,020,000 ( March 31, 2016 : 18,020,000 ) Equity Shares of Rs. 10 each	180,200,000		180,200,000	
<b>Subscribed and Paid up</b>				
18,020,000 ( March 31, 2016 : 18,020,000 ) Equity Shares of Rs. 10 each	180,200,000		180,200,000	
	<b>180,200,000</b>		<b>180,200,000</b>	
<b>(a) Reconciliation of Number of Shares</b>				
	As at 31 March 2017		As at 31 March 2016	
	Number of Shares	Amount	Number of Shares	Amount
<b>Balance as at the beginning of the year</b>	18,020,000	180,200,000	15,250,000	152,500,000
Add: Shares issued during the year	-	-	2,770,000	27,700,000
<b>Balance as at the end of the year</b>	<b>18,020,000</b>	<b>180,200,000</b>	<b>18,020,000</b>	<b>180,200,000</b>
<b>(b) Rights, preferences and restrictions attached to shares</b>				
The Company has one class of equity shares having a par value of Rs.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.				
<b>(c) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company</b>				
	As at 31 March, 2017		As at 31 March, 2016	
<b>Equity shares</b>	Number of Shares	% holding	Number of Shares	% holding
Shri Hodal Singh	3,057,692	16.97%	3,057,692	16.97%
Shri Girishpal Singh	4,472,686	24.82%	4,472,686	24.82%
Shri Vijendra Singh	4,241,200	23.54%	4,241,200	23.54%
Shri Harendra Singh	5,117,172	28.40%	5,117,172	28.40%
(d) There are no shares allotted as fully paid up by way of bonus shares since incorporation.				
(e) There are no shares allotted as fully paid up pursuant to contracts without being received in cash since incorporation.				
(f) 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.				
<b>4 Reserves and surplus</b>				
<b>Surplus in Statement of Profit and Loss</b>				
Balance as at the beginning of the year			1,085,729,908	783,899,819
Add: Profit for the year			492,961,034	301,830,089
Balance as at the end of the year			<b>1,578,690,942</b>	<b>1,085,729,908</b>
<b>5 Long-term borrowings</b>				
<b>Secured :</b>				
Term Loan				
Financial Institutions ( Refer note 5.2 )			307,250,346	106,851,992
Banks ( Refer note 5.1 )			313,213,215	135,126,150
Vehicle Loan				
Financial Institutions ( Refer note 5.3 )			-	993,555
Banks ( Refer note 5.3 )			14,318,573	7,846,049
<b>Unsecured :</b>				
Term Loan				
Financial Institutions ( Refer note 5.4 )			-	33,653,088
			<b>634,782,134</b>	<b>284,470,834</b>

**Secured - Term Loan from banks**

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

S.No.	Particulars	Number of Loans outstanding as at		Outstanding as at		Interest Range % per annum	Balance Number of Installments as at		Frequency of Installments	Commencing From - To
		March 31, 2017	March 31, 2016	March 31, 2017 (in Rupees)	March 31, 2016 (in Rupees)		March 31, 2017	March 31, 2016		
1	HDFC Bank Limited	131	79	211,761,491	158,857,131	6.78% to 14.75%	12 to 35	2 to 35	Monthly	July 13 to Jan. 20
2	ICICI Bank Limited	19	35	1,980,125	36,564,172	11.75% to 12%	1	10 to 13	Monthly	Sept. 15 to April 17
3	Axis Bank Limited	96	17	211,482,724	61,936,264	8.30% to 14%	3 to 36	14 to 36	Monthly	July 14 to May 20
4	Yes Bank Limited	11	-	105,476,295	-	7.84% to 9.60%	31 to 35	-	Monthly	Nov 16 to Feb 20
5	ING Vyasa Bank Limited	-	11	-	3,703,841	11.75%	-	7 to 9	Monthly	Dec 14 to Dec 16
	<b>Total</b>			<b>530,700,635</b>	<b>261,061,408</b>					

**5.2 Secured - Term Loan from Financial Institution:**

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

S.No.	Particulars	Number of Loans outstanding as at		Outstanding as at		Interest Range % per annum	Balance Number of Installments as at		Frequency of Installments	Commencing From - To
		March 31, 2017	March 31, 2016	March 31, 2017 (in Rupees)	March 31, 2016 (in Rupees)		March 31, 2017	March 31, 2016		
1	SREI Equipment Finance Limited	12	8	127,894,733	99,100,764	4.63% to 12.75%	19 to 35	7 to 32	Monthly	May 14 to Feb 20
2	Tata Capital Financial Services Limited	34	41	196,727,490	151,313,337	3.16% to 12.9%	1 to 35	4 to 29	Monthly	Sept 13 to Feb 20
3	HDB Financial Services	-	15	-	12,160,094	12.50%	-	3	Monthly	Aug 15 to June 16
4	Tata Motors Limited	91	19	170,597,483	40,280,000	8.22% to 10.30%	13 to 30	27	Monthly	April 16 to Nov 19
5	Sundram Finance Limited	7	-	50,372,733	-	6.85% to 8.10%	26 to 33	-	Monthly	June 16 to Feb 20
6	Mahindra Finance Limited	1	-	442,809	-	14.50%	41	-	Monthly	March 17 to Jan 21
	<b>Total</b>			<b>546,035,248</b>	<b>302,854,195</b>					

**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.

**5.3 Motor Car Vehicles loans - From Bank and Financial Institution**

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

S.No.	Particulars	Number of Loans outstanding as at		Outstanding as at		Interest Range % per annum	Balance Number of Installments as at		Frequency of Installments	Commencing From - To
		March 31, 2017	March 31, 2016	March 31, 2017 (in Rupees)	March 31, 2016 (in Rupees)		March 31, 2017	March 31, 2016		
1	BMW Financial Services	1	1	993,555	2,366,750	9.86%	8	20	Monthly	Dec 14 to Nov 17
2	Kotak Mahindra Bank Limited	-	1	-	192,909	10.25%	-	8	Monthly	Dec 13 to Nov 16
3	HDFC Bank Limited	12	11	12,166,186	11,625,091	9.50% to 10.25%	6 to 42	7 to 36	Monthly	Nov 13 to Sept 20
4	Axis Bank Limited	22	5	13,532,242	2,419,430	8.30% to 10.25%	7 to 39	20	Monthly	Nov 14 to April 20
	<b>Total</b>			<b>26,691,983</b>	<b>16,604,180</b>					

**Secured Motor Car Vehicles loans from Banks and Financial institution**

a) All motor car vehicles loans are Secured by hypothecation of specific vehicles financed through the loan arrangements.

**5.4 Unsecured - Term Loan from Financial Institution:**

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

S.No.	Particulars	Number of Loans outstanding as at		Outstanding as at		Interest Range % per annum	Balance Number of Installments as at		Frequency of Installments	Commencing From - To
		March 31, 2017	March 31, 2016	March 31, 2017 (in Rupees)	March 31, 2016 (in Rupees)		March 31, 2017	March 31, 2016		
1	Magma Fincorp Limited	-	1	-	2,610,342	13.50%	-	10	Monthly	Feb 15 to Jan 17
2	Capital First Limited	1	2	309,088	4,180,043	13.50%	2	4 to 14	Monthly	Feb 15 to July 17
3	SIDBI	-	1	-	50,000,000	14.50%	-	36	Monthly	April 16 to March 18
	<b>Total</b>			<b>309,088</b>	<b>56,790,385</b>					

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Notes to Financial Statements as of and for the year ended March 31, 2017

	As at March 31, 2017 Rupees	As at March 31, 2016 Rupees
<b>6 Other Long Term Liabilities</b>		
Retention money	295,374,041	88,447,702
	<b>295,374,041</b>	<b>88,447,702</b>
<b>7 Long-term provisions</b>		
Provision for employee benefits		
Provision for gratuity ( Refer note 34 )	7,179,693	1,037,440
Provision for compensated absences	346,909	-
	<b>7,526,602</b>	<b>1,037,440</b>
<b>8 Short Term Borrowings</b>		
<b>Secured</b>		
Working Capital loans repayable on demand from banks *	857,509,583	589,865,074
<b>Unsecured</b>		
Loan from Banks	50,689,391	-
From Directors and Shareholders**	24,680,660	-
	<b>932,879,634</b>	<b>589,865,074</b>

\* 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 all the Directors.
- 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.

**H.G. Infra Engineering Limited (Formerly Known as H.G. Infra Engineering Private Limited)**  
**Notes to Financial Statements as of and for the year ended March 31, 2017**

	As at March 31, 2017 Rupees	As at March 31, 2016 Rupees
<b>9 Trade Payables</b>		
(a) Total outstanding dues of micro enterprises and small enterprises ( Refer note 35 )	-	-
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	632,366,864	460,152,129
	<b>632,366,864</b>	<b>460,152,129</b>
<b>10 Other Current Liabilities</b>		
Advances from customers	245,034,584	463,350,206
Billing in excess of costs and earnings in respect to unfinished contracts ( Refer note 41 )	126,824,902	-
Current maturities of long-term borrowings		
Secured		
Term Loan		
Financial Institutions ( Refer note 5.2 )	238,784,902	196,002,203
Banks ( Refer note 5.1 )	217,487,420	125,935,258
Vehicle Loan		
Financial Institutions ( Refer note 5.3 )	993,555	1,373,195
Banks ( Refer note 5.3 )	11,379,855	6,391,381
Unsecured		
Financial Institutions ( Refer note 5.4 )	309,088	23,137,297
Interest accrued but not due on borrowings	3,374,680	-
Creditor for capital expenditure	17,770,902	3,071,544
Advance received against capital goods	4,060,500	-
Employee benefits payable	37,225,700	31,483,424
Statutory dues including provident fund and tax deducted at source	79,522,599	45,374,525
Retention money	55,193,632	96,538,647
Other payables	10,892,557	1,951,614
	<b>1,048,854,876</b>	<b>994,609,294</b>
<b>11 Short-term provisions</b>		
Provision for employee benefits		
Provision for gratuity ( Refer note 34 )	1,849,662	1,266,671
Provision for compensated absences	395,006	-
Provision for Income Tax ( Net of Advance Tax of Rs. 614,023,731 ) (Previous year March 31, 2016 Rs. 367,581,371 )	67,250,733	5,693,093
	<b>69,495,401</b>	<b>6,959,764</b>

H.G. Infra Engineering Limited (Formerly Known as H.G. Infra Engineering Private Limited)  
Notes to Financial Statements as of and for the year ended March 31, 2017

12 Tangible assets

Particulars	Gross block (at cost)				Depreciation / Amortisation				Net block
	As at April 1, 2015	Additions	Disposal	As at March 31, 2016	As at April 1, 2015	For the year	Disposal	As at March 31, 2016	As at March 31, 2016
Land	40,085,695	890,359	-	40,976,054	-	-	-	-	40,976,054
Building	23,868,287	-	-	23,868,287	3,313,534	999,466	-	4,313,000	19,555,287
Plant and Machinery	1,338,436,642	512,030,944	26,503,267	1,823,964,319	601,803,940	167,454,363	9,435,978	759,822,325	1,064,141,994
Vehicles	62,688,460	7,471,251	2,396,753	67,762,958	32,653,461	11,063,621	1,987,007	41,730,075	26,032,883
Computer	7,910,756	1,678,445	-	9,589,201	6,606,294	1,110,145	-	7,716,439	1,872,762
Furnitures and fixtures	14,622,055	3,555,897	-	18,177,952	7,440,965	2,468,122	-	9,909,087	8,268,865
<b>Total</b>	<b>1,487,611,895</b>	<b>525,626,896</b>	<b>28,900,020</b>	<b>1,984,338,771</b>	<b>651,818,194</b>	<b>183,095,717</b>	<b>11,422,985</b>	<b>823,490,926</b>	<b>1,160,847,845</b>

13 Intangible assets

Particulars	Gross block (at cost)				Depreciation / Amortisation				Net block
	As at April 1, 2015	Additions	Disposal	As at March 31, 2016	As at April 1, 2015	For the year	Disposal	As at March 31, 2016	As at March 31, 2016
Software License	1,150,590	571,840	-	1,722,430	603,928	277,099	-	881,027	841,403
<b>Total</b>	<b>1,150,590</b>	<b>571,840</b>	<b>-</b>	<b>1,722,430</b>	<b>603,928</b>	<b>277,099</b>	<b>-</b>	<b>881,027</b>	<b>841,403</b>

12 Tangible assets

Particulars	Gross block (at cost)					Depreciation / Amortisation				Net block
	As at	Additions	Adjustment	Disposal	As at	As at	For the	Disposal	As at	As at
	April 1, 2016				March 31, 2017				April 1, 2016	
Land	40,976,054	-	10,183,460	-	30,792,594	-	-	-	-	30,792,594
Building	23,868,287	81,312,104	-	-	105,180,391	4,313,000	2,535,243	-	6,848,243	98,332,148
Plant and Machinery	1,823,964,319	1,057,084,484	-	177,330,547	2,703,718,256	759,822,325	235,530,106	109,908,895	885,443,536	1,818,274,720
Vehicles	67,762,958	25,088,392	-	4,041,428	88,809,922	41,730,075	10,556,375	3,276,759	49,009,691	39,800,231
Computers	9,589,201	3,400,900	-	-	12,990,101	7,716,439	1,871,653	-	9,588,092	3,402,009
Furnitures and fixtures	18,177,952	47,522,368	-	-	65,700,320	9,909,087	5,048,659	-	14,957,746	50,742,574
<b>Total</b>	<b>1,984,338,771</b>	<b>1,214,408,248</b>	<b>10,183,460</b>	<b>181,371,975</b>	<b>3,007,191,584</b>	<b>823,490,926</b>	<b>255,542,036</b>	<b>113,185,654</b>	<b>965,847,308</b>	<b>2,041,344,276</b>

13 Intangible assets

Particulars	Gross block (at cost)					Depreciation / Amortisation				Net block
	As at	Additions	Adjustment	Disposal	As at	As at	For the	Disposal	As at	As at
	April 1, 2016				March 31, 2017				April 1, 2016	
Software License	1,722,430	2,115,478	-	-	3,837,908	881,027	471,396	-	1,352,423	2,485,485
<b>Total</b>	<b>1,722,430</b>	<b>2,115,478</b>	<b>-</b>	<b>-</b>	<b>3,837,908</b>	<b>881,027</b>	<b>471,396</b>	<b>-</b>	<b>1,352,423</b>	<b>2,485,485</b>

**H.G. Infra Engineering Limited (Formerly Known as H.G. Infra Engineering Private Limited)**  
**Notes to Financial Statements as of and for the year ended March 31, 2017**

	<b>As at March 31, 2017 Rupees</b>	<b>As at March 31, 2016 Rupees</b>
<b>14 Non-current investment</b>		
Investment in joint ventures		
HGIEPL Colossal ( JV )	1,108,966	2,741,442
HGIEPL RPS ( JV )	802,785	1,027,134
HGIEPL Ranjit ( JV )	968,437	48,692
HGIEPL MGCPL ( JV )	1,083,898	-
	<b><u>3,964,086</u></b>	<b><u>3,817,268</u></b>
<b>15 Deferred Tax assets ( Net )</b>		
Deferred Tax Liability		
Timing difference between balance as per Income Tax Act, 1961 and book balance for fixed assets	4,631,923	-
Deferred Tax Assets		
Timing difference between book balance and balance as per Income Tax Act, 1961 for fixed assets	-	5,579,803
Disallowance under section 43B of Income Tax Act, 1961	4,965,105	-
Provision for doubtful debts	7,151,546	-
Disallowances section 40a(i) of Income Tax Act, 1961	12,573,919	-
	<b><u>20,058,647</u></b>	<b><u>5,579,803</u></b>
<b>16 Long-term loans and advances</b>		
Unsecured, considered good (unless stated otherwise):		
Advance for capital assets	56,204,965	65,424,443
Other loans and advances		
Balances with Government Authorities	82,770,907	131,435,788
Deposit with Customers		
Security Deposit - Projects *	28,662,151	5,604,581
Security Deposit - Others	6,801,597	6,177,610
	<b><u>174,439,620</u></b>	<b><u>208,642,422</u></b>
* Security Deposit represents amount retained as per the terms of contract.		
<b>17 Other non-current assets</b>		
Unsecured, considered good ( unless stated otherwise ):		
Long Term deposits with bank with maturity period more than 12 months	60,728,194	72,038,448
	<b><u>60,728,194</u></b>	<b><u>72,038,448</u></b>
<b>18 Inventories</b>		
Stores and Spares	56,163,993	24,507,176
Project materials ( including Material in Transit amounts to Rs.15,432,360 ( March 31, 2016 Rs. Nil).	432,761,405	408,256,606
	<b><u>488,925,398</u></b>	<b><u>432,763,782</u></b>

**H.G. Infra Engineering Limited (Formerly Known as H.G. Infra Engineering Private Limited)**  
**Notes to Financial Statements as of and for the year ended March 31, 2017**

	As at March 31, 2017 Rupees	As at March 31, 2016 Rupees
<b>19 Trade receivables</b>		
<b>Unsecured, considered good</b>		
Outstanding for a period exceeding 6 months from the date they are due for payment	306,411,348	30,353,593
Others	825,103,666	896,287,247
<b>Unsecured, considered doubtful</b>		
Outstanding for a period exceeding 6 months from the date they are due for payment	20,663,237	-
Less: Provision for doubtful debts	20,663,237	-
	<b>1,131,515,014</b>	<b>926,640,840</b>
<b>20 Cash and bank balances</b>		
Cash and Cash Equivalents		
Cash on hand	3,698,571	6,388,107
Bank balances		
In current accounts	68,069,511	34,679,715
	<b>71,768,082</b>	<b>41,067,822</b>
<b>21 Short-term loans and advances</b>		
<b>Unsecured, considered good</b>		
Other loans and advances		
Loan and advance to employees	2,597,852	2,882,840
Security Deposit - Projects *	604,269,343	448,842,062
Advance to vendors	127,691,680	37,987,099
Prepaid expenses	34,366,488	7,378,642
Advance to sub contractor	2,193,214	-
Advance to Director	-	6,318,915
Other Advances (also refer note a below)	11,332,021	39,656,000
	<b>782,450,598</b>	<b>543,065,558</b>
(a) other advances includes loan given to HG Luxury Hotel Private Limited amounting to Rs. 1,054,553 ( March 31, 2016 Rs. Nil ), in which a Director of the Company is a Director.		
* Security Deposit represents amount retained as per the terms of contract.		
<b>22 Other current assets</b>		
Margin money deposit	311,909,944	225,373,286
Interest accrued but not received	423,472	-
Assets held for sale	10,118,460	-
Unbilled revenue in respect of unfinished contracts ( Refer note 41 )	273,175,556	22,460,218
	<b>595,627,432</b>	<b>247,833,504</b>

**H.G. Infra Engineering Limited (Formerly Known as H.G. Infra Engineering Private Limited)**  
**Notes to Financial Statements as of and for the year ended March 31, 2017**

	Year ended March 31, 2017	Year ended March 31, 2016
<b>23 Revenue from Operations</b>		
Contract revenue (Refer note 40(a))	9,699,140,987	7,117,126,364
Other Operating Income		
Company's share of profit in joint venture	3,794,715	7,135,491
	<b>9,702,935,702</b>	<b>7,124,261,855</b>
<b>24 Other Income</b>		
Interest income on bank deposits	24,070,565	20,076,645
Miscellaneous Income	12,707,449	3,682,778
	<b>36,778,014</b>	<b>23,759,423</b>
<b>25 Cost of materials consumed</b>		
Construction Material, Stores and Spares		
Opening Stock	432,763,782	217,859,270
Add: Purchases	4,122,399,891	3,008,532,369
	4,555,163,673	3,226,391,639
Less: Closing Stock	488,925,398	432,763,782
	<b>4,066,238,275</b>	<b>2,793,627,857</b>
<b>26 Contract and site expenses</b>		
Sub contracting expenses	3,249,362,791	2,523,650,912
Indirect Taxes (Work Contract Tax, Labour Cess and Road Tax Expenses etc.)	253,240,952	170,952,973
Insurance expenses	11,026,413	7,286,937
Contract expenses	180,086,780	267,331,217
Hire charges for machinery and others	136,766,222	53,314,567
Site and other direct expenses	43,242,060	39,645,302
Repairs and Maintenance	18,025,255	11,728,113
Technical consultancy	17,071,204	8,184,012
Transport Charges	7,371,248	7,226,040
	<b>3,916,192,925</b>	<b>3,089,320,073</b>
<b>27 Employee benefits expense</b>		
Salaries, Wages and Bonus	345,046,197	249,382,556
Contribution to Provident and other funds (Refer note 34)	4,612,431	4,841,240
Gratuity (Refer note 34)	11,158,896	2,441,707
Compensated absences	741,915	-
Staff Welfare Expenses	54,740,264	42,519,170
	<b>416,299,703</b>	<b>299,184,673</b>

**H.G. Infra Engineering Limited (Formerly Known as H.G. Infra Engineering Private Limited)**  
**Notes to Financial Statements as of and for the year ended March 31, 2017**

	Year ended March 31, 2017	Year ended March 31, 2016
<b>28 Finance costs</b>		
Interest on :		
Term loan	68,071,695	46,632,142
Working capital loan	79,377,154	67,895,106
Other borrowing cost	30,135,164	37,145,228
Bank Charges	884,181	1,299,412
Interest on late payment of statutory dues	14,190,508	6,922,582
	<b>192,658,702</b>	<b>159,894,470</b>
<b>29 Depreciation and amortisation expense</b>		
Depreciation on tangible assets (Refer note 12)	255,542,036	183,095,717
Amortisation on intangible assets (Refer note 13)	471,396	277,099
	<b>256,013,432</b>	<b>183,372,816</b>
<b>30 Other expenses</b>		
Repairs and Maintenance	6,779,974	5,156,117
Rates and Taxes	5,975,568	3,947,763
Travelling expenses	7,186,312	3,511,618
Lease rent (Refer note 38)	6,459,511	4,074,101
Payment to auditors		
Audit Fees	2,450,000	200,000
Tax audit Fees	500,000	200,000
Expenditure towards Corporate Social Responsibility (CSR) activities ( Refer note 42)	12,423,956	1,720,742
Professional Fees	15,406,593	7,313,307
Printing and Stationery	3,523,536	3,022,060
Communication Expenses	5,623,033	4,130,101
Loss on Sale of Assets	2,724,292	340,615
Bad- debt written off	-	112,951,470
Provision for doubtful debts	20,663,237	-
Miscellaneous Expenses	16,112,476	14,862,667
	<b>105,828,488</b>	<b>161,430,561</b>

**H. G. Infra Engineering Limited (Formerly Known as H. G. Infra Engineering Private Limited)**  
**Notes to the financial statements as of and for the year ended March 31, 2017 (continued)**

**31 Contingent liabilities and Commitments**

Description	Amount in Rupees	
	As at March 31, 2017	As at March 31, 2016
Performance Bank Guarantees (Refer note below)	2,597,389,340	2,385,133,970
Claims against the company not acknowledged as debt	6,048,778	3,068,300

Note: The Company has issued Performance bank guarantee for Rs. 2,597,389,340 [March 31, 2016 Rs. 2,385,133,970] in favor of various Contractees against the Contracts awarded to the company.

**32 Capital Commitments**

Description	Amount in Rupees	
	As at March 31, 2017	As at March 31, 2016
Estimate value of contracts in capital account remaining to be executed	23,506,302	38,069,152

**33 Related party disclosures:**

As per Accounting Standard – 18 Related Party Disclosures, the Company's related parties and transactions are disclosed below:

Other related parties with whom transactions have taken place during the year/closing balances existed at the year-end:

**i.) Joint Ventures:**

- a. HGIEPL – Colossal JV
- b. HGIEPL – Ranjit JV
- c. HGIEPL– MGCPJ JV
- d. HGIEPL – RPS JV
- e. TPL – HGIEPL JV ( With effect from November 11, 2016)

**ii.) Key management personnel:**

- a. Mr. Hodal Singh - Director
- b. Mr. Girishpal Singh - Director
- c. Mr. Vijendra Singh - Director
- d. Mr. Harendra Singh - Director

**iii.) Relatives of Key Management Personnel**

- a. Mr. Vaibhav Choudhary - Son of Mr. Girishpal Singh
- b. Mrs. Poonam Singh - Wife of Mr. Vijendra Singh
- c. Mrs. Nisha Singh - Wife of Mr. Harendra Singh

**iv.) Enterprise over which key management personnel and relative thereof are having control with whom transaction have taken place**

- a. HG Stone Crusher
- b. Harendra Singh HUF
- c. HG Traders
- d. HG Luxury Hotels Private Limited
- e. HG ADPL – VLPL JV
- f. HG Foundation ( Trust )

**H. G. Infra Engineering Limited (Formerly Known as H. G. Infra Engineering Private Limited)**  
**Notes to the financial statements as of and for the year ended March 31, 2017 (continued)**

**v. ) Details of transactions and balances with related parties**

Particulars	Amount in Rupees	
	Transaction / Balances	
	2016-17	2015-16
<b>Sale of material</b>		
HG Traders	6,155,850	1,196,471
<b>Contract Revenue</b>		
HGIEPL – MGCPL JV	23,719,242	-
<b>Interest income</b>		
HG Luxury Hotels Private Limited	1,171,726	-
HG ADPL – VLPL JV*	6,935,585	-
Harendra Singh – HUF	40,441	-
* The Interest for financial year 2015-16 was waived off by the board of directors considering the financial position of HG ADPL – VLPL JV.		
<b>Purchase of aggregate</b>		
HG Traders	249,224	818,138
HG Stone Crusher	10,351,670	11,980,700
<b>Corporate Social Responsibility expenses</b>		
HG Foundation	1,186,000	603,000
<b>Remuneration paid*</b>		
<b>Key management personnel:</b>		
Mr. Hodal Singh	8,700,000	8,700,000
Mr. Girishpal Singh	12,000,000	8,700,000
Mr. Vijendra Singh	12,000,000	8,700,000
Mr. Harendra Singh	21,600,000	18,000,000
* Gratuity is not included here, as it is provided on overall basis based on actuarial valuation.		
<b>Relatives of Key Management Personnel</b>		
Mr. Vaibhav Choudhary	8,400,000	4,200,000
<b>Insurance premium paid towards keyman term policy taken by Company</b>		
Mr. Vijendra Singh	5,278,140	-
Mr. Harendra Singh	5,210,520	-
Mr. Vaibhav Choudhary	4,922,400	-
<b>Share of Profit from Joint Venture</b>		
HGIEPL – Colossal JV	1,094,024	1,809,461
HGIEPL – Ranjit JV	919,745	48,692
HGIEPL – MGCPL JV	1,083,898	-
HGIEPL – RPS JV	697,048	5,277,388

**H. G. Infra Engineering Limited (Formerly Known as H. G. Infra Engineering Private Limited)**  
**Notes to the financial statements as of and for the year ended March 31, 2017 (continued)**

Particulars	Transaction / Balances	
	2016-17	2015-16
<b>Loans and advances given</b>		
HG Luxury Hotels Private Limited	24,000,000	-
HG ADPL – VLPL JV	37,900,000	45,500,000
Harendra Singh HUF	707,036	707,063
<b>Further Investment in JV</b>		
HGIEPL – RPS JV	78,603	105,296,870
<b>Decrease in Investment in JV</b>		
HGIEPL – RPS JV	1,000,000	109,552,074
HGIEPL – Colossal JV	2,726,500	-
<b>Loans and advances repayment</b>		
HG Luxury Hotels Private Limited	24,000,000	-
HG ADPL – VLPL JV	76,900,000	6,500,000
Harendra Singh HUF	707,036	894,446
<b>Loans taken from Key management personnel:</b>		
Mr. Hodal Singh	5,200,000	6,500,000
Mr. Girishpal Singh	8,400,000	8,700,000
Mr. Vijendra Singh	13,500,000	15,735,000
Mr. Harendra Singh	14,850,000	25,000,820
<b>Loans taken from Relatives of Key Management Personnel</b>		
Mr. Vaibhav Choudhary	2,000,000	1,262,000
Mrs. Poonam Singh Choudhary	1,000,000	-
Mrs. Nisha Singh	2,500,000	-
<b>Repayment of Loan to Key management personnel:</b>		
Mr. Hodal Singh	900,000	6,500,000
Mr. Girishpal Singh	4,250,230	8,791,687
Mr. Vijendra Singh	8,804,198	25,748,800
Mr. Harendra Singh	8,814,912	24,200,761
<b>Repayment of Loan taken from Relatives of Key Management Personnel</b>		
Vaibhav Choudhary	-	1,262,000
<b>Closing Balances</b>		
<b><u>Other Short-term borrowings</u></b>		
<b>Key management personnel:</b>		
Mr. Hodal Singh	4,300,000	-
Mr. Girishpal Singh	4,149,770	45,913
Mr. Vijendra Singh	4,695,802	195,173
Mr. Harendra Singh	6,035,088	1,341,916

**H. G. Infra Engineering Limited (Formerly Known as H. G. Infra Engineering Private Limited)**  
**Notes to the financial statements as of and for the year ended March 31, 2017 (continued)**

Particulars	Transaction / Balances	
	2016-17	2015-16
<b>Relatives of Key Management Personnel</b>		
Mr. Vaibhav Choudhary	2,000,000	-
Mrs. Poonam Singh Choudhary	1,000,000	-
Mrs. Nisha Singh	2,500,000	-
<b>Other Current Liabilities</b>		
<b>Employee benefits payable</b>		
Mr. Vaibhav Choudhary	51,746	-
Mr. Hodal Singh	28,100	-
Mr. Girishpal Singh	148,410	-
Mr. Vijendra Singh	25,124	-
Mr. Harendra Singh	72,084	-
<b>Salary advance</b>		
Mr. Vaibhav Choudhary	-	190,476
Mr. Hodal Singh	-	517,900
Mr. Girishpal Singh	-	3,055,014
Mr. Vijendra Singh	-	736,978
Mr. Harendra Singh	-	3,592,026
<b>Non-current investment</b>		
<b>Investment in Joint Ventures</b>		
HGIEPL – Colossal JV	1,108,966	2,741,442
HGIEPL – Ranjit JV	968,437	48,692
HGIEPL – MGCPL JV	1,083,898	-
HGIEPL – RPS JV	802,785	1,027,134
<b>Trade Receivables</b>		
HGIEPL – MGCPL JV	4,023,423	-
<b>Short-term loans and advances</b>		
<b>Other Advances</b>		
HG Luxury Hotels Private Limited	1,054,553	-
HG ADPL - VLPL JV	6,242,027	39,000,000
Harendra Singh HUF	40,441	-
<b>Trade Payables</b>		
HG Traders	-	913,403

**H. G. Infra Engineering Limited (Formerly Known as H. G. Infra Engineering Private Limited)**  
**Notes to the financial statements as of and for the year ended March 31, 2017 (continued)**

**34 Employee benefits:**

The Company has adopted Accounting Standard 15 “Employee Benefits”. The Company has classified various employee benefits as under:

(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:

<b>Amount in Rupees</b>			
<b>Sr. No.</b>	<b>Particulars</b>	<b>Year ended March 31, 2017</b>	<b>Year ended March 31, 2016</b>
i.	Contribution to Provident Fund	2,855,079	3,243,498
ii.	Contribution to E.S.I.C	99,898	57,657
iii.	Contribution to Pension Fund	1,657,454	1,540,085
	<b>Total</b>	<b>4,612,431</b>	<b>4,841,240</b>

(B) Defined benefit plans :

The Company’s liability is actuarially determined (using the Projected Accrued Benefit method) at the end of each year. Actuarial losses/ gains are recognised in the Statement of Profit and Loss in the year in which they arise.

<b>Sr. No.</b>	<b>Particulars</b>	<b>Year ended March 31, 2017</b>	<b>Year ended March 31, 2016</b>
i	Discount rate (per annum)	6.85%	7.55%
ii	Rate of increase in compensation levels	9.74%	9.74%
iii	Rate of return on plan assets	7.50%	-
iv	Expected average remaining working lives of employees	32.02 years	31.34 years

<b>Amount in Rupees</b>			
<b>Sr. No</b>	<b>Particulars</b>	<b>Gratuity Year ended</b>	
		<b>March 31, 2017</b>	<b>March 31, 2016</b>
i	<b>Present value of defined benefit obligation</b>		
	Balance at the beginning of the year	9,714,890	1,775,218
	Current service cost	2,204,269	264,178
	Interest cost	738,601	138,467
	Actuarial (gains) / loss	805,247	126,248
	Benefits paid	(556,270)	-
	Balance at the end of the year	12,906,737	2,304,111
ii	<b>Fair value of plan assets</b>		
	Balance at the beginning of the year	-	-
	Expected return on plan assets	-	-
	Actuarial gains / (losses)	-	-
	Contribution by the company	4,433,652	-
	Benefits paid	(556,270)	-
	Balance at the end of the year	3,877,382	-

**H. G. Infra Engineering Limited (Formerly Known as H. G. Infra Engineering Private Limited)**  
**Notes to the financial statements as of and for the year ended March 31, 2017 (continued)**

Sr. No	Particulars	Amount in Rupees	
		Gratuity Year ended	
		March 31, 2017	March 31, 2016
iii	<b>Percentage of each category of plan assets to total fair value of plan assets as at year end</b>		
	Life Insurance Corporation Of India	100%	-
iv	<b>Assets and liabilities recognised in the Balance Sheet</b>		
	Present value of defined benefit obligation	12,906,737	2,304,111
	Fair value of plan assets	3,877,382	-
	Amount recognised as liability	9,029,355	2,304,111
	Long term provision	7,179,693	1,037,440
	Short term provision	1,849,662	1,266,671
	<b>Total</b>	<b>9,029,355</b>	<b>2,304,111</b>
v	<b>Expenses recognised in the Statement of Profit and Loss Account</b>		
	Current service cost	2,204,269	2,176,992
	Interest cost	738,601	138,467
	Actuarial losses	805,247	126,248
	Prior Period Adjustment	7,410,779	-
	Total expense recognized in Statement of Profit and Loss	11,158,896	2,441,707
vii	<b>Amounts to be recognised in the current year and previous year</b>		
	Defined Benefit Obligation	12,906,737	2,304,111
	Plan Assets	3,877,382	-
	Deficit	9,029,355	2,304,111
	Experience adjustments on plan liabilities	608,737	-
viii	<b>Expected contribution to the funds in the next year</b>	5,000,000	4,272,737

Amount in Rupees						
ix	Disclosure pursuant to para 120(n) of AS – 15					
	Gratuity	2016-2017	2015-2016	2014-2015	2013-2014	2012-2013
	Present value of defined benefit obligation	12,906,737	2,304,111	6,743,733	4,376,797	2,557,902
	Fair value of the plan assets	3,877,382	-	-	-	-
	Deficit of the plan	9,029,355	2,304,111	6,743,733	4,376,797	2,557,902
	Experience adjustments:					
	On the plan liabilities loss	608,737	-	857,366	757,586	-

**35 Dues to 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.

**36 Earnings per equity share**

Description	Amount in Rupees	
	For the year ended March 31, 2017	For the year ended March 31, 2016
Profit for the year	492,961,034	301,830,089
Weighted average number of equity shares outstanding (number)	18,020,000	15,421,973
Earning per Share (basic and diluted)	27.36	19.57
Nominal value per equity share	10.00	10.00

**37 Segment Reporting**

I. Information about primary business segment

In accordance with Accounting Standard – 17, “Segmental Reporting” issued by the Institute of Chartered Accountants of India, the Company’s business segment is “EPC business” and it has no other primary reportable segments. 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, 2017.

II. Information about secondary geographical segment

The Company caters to the needs of the domestic market and hence there are no reportable geographical segments for the financial year ended March 31, 2017.

**38 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.

Particulars	Amount in Rupees	
	For the year ended March 31, 2017	For the year ended March 31, 2016
With respect to all operating leases:		
Lease payments recognised in the Statement of Profit and Loss during the year	6,459,511	4,074,101

**39 Disclosures relating to Specified Bank Notes\* (SBNs) held and transacted during the period from November 8, 2016 to December 30, 2016**

Particulars	Amount in Rupees		
	SBNs*	Other Denomination notes	Total
Closing cash in hand as on November 8, 2016	4,584,500	2,290,059	6,874,559
(+) Permitted receipts	-	4,799,515	4,799,515
(-) Permitted payments	(4,470,500)	(5,741,320)	(10,211,820)
(-) Amount deposited in Banks	(114,000)	(300)	(114,300)
Closing cash in hand as on December 30, 2016	-	1,347,954	1,347,954

**H. G. Infra Engineering Limited (Formerly Known as H. G. Infra Engineering Private Limited)**  
**Notes to the financial statements as of and for the year ended March 31, 2017 (continued)**

\*Specified Bank Notes (SBNs) mean the bank notes of denominations of the existing series of the value of five hundred rupees and one thousand rupees as defined under the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs no. S.O. 3407(E), dated the 8<sup>th</sup> November, 2016.

**40 Disclosure relating to Revenue from Operations**

- a. The Contract revenue for the year includes sale of aggregate material worth Rs. 27,777,203 (March, 31 2016 Rs. 58,961,262).
- b. Upto Previous year, the Company was determining stage of completion of work based on the work certified/billing done to the customer. With effect from April 1, 2016, the Company has changed its method of assessing the proportion of work completed based on the contract cost incurred upto the reporting date as compared to the estimated total contract cost. The impact of this change in method amounting to Rs.11,341,743 has been debited to the profit and loss account.

**41 Disclosure in terms of Accounting Standard 7- Construction Contracts**

**Amount in Rupees**

Particulars	2016-17	2015-16
Contract revenue recognized during the year (Refer note no 40(b))	9,671,363,784	7,058,165,102
Aggregate cost incurred and recognized profits (less recognized losses) upto the reporting date for contracts in progress	15,492,492,493	9,823,254,848
Amount of customer advances outstanding for contracts in process	245,034,584	463,350,206
Retention money due from customers for contracts in progress	524,452,890	381,169,142
Gross amount due from customers for contracts works as an asset (unbilled portion)	273,175,556	102,108,012
Gross amount due to customers for contract works as a liability	126,824,902	90,989,540

**42 Corporate Social Responsibility**

The Company has constituted a Corporate Social Responsibility (CSR) Committee as per Section 135 and schedule VII of the Companies Act, 2013 (the Act) read with the Companies (Corporate Social Responsibility Policy) Rules 2014.

- a. Gross amount required to be spent by the Company during the year: Rs 5,693,426
- b. Amount spent during the year on:

**Amount in Rupees**

Particulars	In cash	Yet to be paid in cash	Total
Construction/Acquisition of any assets	-	-	-
On purposes other than (i) above	12,423,956	-	-

- c. Related party transactions in relation to Corporate Social Responsibility : Rs 1,186,000

**H. G. Infra Engineering Limited (Formerly Known as H. G. Infra Engineering Private Limited)**  
**Notes to the financial statements as of and for the year ended March 31, 2017 (continued)**

**43 Joint Ventures**

The Company has the following investment in a jointly controlled entity:

Name of Joint Ventures	Country of Incorporation	Proportion of ownership interest	
		As at March 31, 2017	As at March 31, 2016
HGIEPL – Colossal JV	India	70%	70%
HGIEPL – Ranjit JV	India	30%	30%
HGIEPL– MGCPL JV	India	30%	30%
HGIEPL – RPS JV	India	51%	51%
HGIEPL - TPL JV	India	26%	-

The Company's share of each of the assets, liabilities, income and expenses in the joint ventures, based on the audited financial statements are as follows:

Particulars	Amount in Rupees	
	As at 31 March 2017	As at 31 March 2016
<b>(a) Assets</b>		
HGIEPL – MGCPL JV	180,374,243	12,000
HGIEPL – Ranjit JV	141,475,257	141,477,170
HGIEPL – Colossal JV	11,112,099	11,417,711
HGIEPL – RPS JV	6,192,065	99,636,936
HGIEPL - TPL JV	-	-
<b>(b) Liabilities</b>		
HGIEPL – MGCPL JV	179,290,346	12,000
HGIEPL – Ranjit JV	139,632,929	139,750,419
HGIEPL – Colossal JV	8,845,238	8,661,011
HGIEPL – RPS JV	2,194,386	41,103,711
HGIEPL - TPL JV	-	-
<b>(c) Income</b>		
HGIEPL – MGCPL JV	264,293,158	189
HGIEPL – Ranjit JV	571,935,972	38,321,027
HGIEPL – Colossal JV	31,506,142	52,163,868
HGIEPL – RPS JV	77,965,778	187,843,645
HGIEPL - TPL JV	-	-
<b>(d) Expenses</b>		
HGIEPL – MGCPL JV	262,724,565	189
HGIEPL – Ranjit JV	570,509,236	38,250,562
HGIEPL – Colossal JV	29,906,197	49,538,446
HGIEPL – RPS JV	77,090,061	182,566,306
HGIEPL - TPL JV	-	-

**44** The Company has filed compounding application with Ministry of Company Affairs dated July 10, 2017 with respect to discrepancies related to:

- (i) financial statement not signed by Company Secretary of the Company for the financial year 2011-12, 2012-13 and 2013-14 as per Section 215 of Companies Act 2013;
- (ii) non attachment of Cash flow statement along with Annual Report of the Company filed with ROC which is required to be prepared as per Accounting Standard 3 specified by the Institute of Chartered Accountants of India for the financial year 2006-07 to 2013-14 as required under Section 211(3C) of the Companies Act, 1956;

**H. G. Infra Engineering Limited (Formerly Known as H. G. Infra Engineering Private Limited)**  
**Notes to the financial statements as of and for the year ended March 31, 2017 (continued)**

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(iii) Non disclosures in Board Report for certain matters as per Section 217 of Companies Act 1956 and section 134 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 wherein year wise following was missing:

(a) Non Disclosures of amount of remuneration paid to Employee for financial year 2011-12, 2012-13 and 2013-14; (b) No Comments on Audit Observation etc. for financial year 2011-12, 2012-13, 2013-14 and 2014-15; (c) Information on Dividend for financial year 2011-12, 2012-13 and 2013-14; (d) Amount of Reserves transferred 2011-12, 2012-13 and 2013-14; (e) Non-Disclosure of Sexual Harassment Policy for financial year 2013-14; (f) The number of meetings of board was not accurate as it was actually held for financial year 2014-15 and 2015-16; (g) CSR information was not properly mentioned in directors report for financial year 2014-15; and (h) Company has not given details related to appointment of Company Secretary for financial year 2014-15.

For the above non-compliance the Company has made the provision of Rs 5,015,000 during the financial year 2016-17.

**45** No other disclosures are required as per Schedule III of Companies Act, 2013.

**46.** The figures in respect of the previous year have been regrouped / rearranged wherever necessary to confirm to the current year's presentation.

These are the notes referred to in our report

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

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

CIN: U45201RJ2003PTC018049

**Partha Ghosh**  
Partner  
Membership No: 55913

**Harendra Singh**  
Director  
DIN: 00402458

**Vijendra Singh**  
Director  
DIN: 01688452

**Rajeev Mishra**  
Chief Financial Officer

**Ankita Mehra**  
Company Secretary  
Membership No. A33288

Place: Mumbai  
Date : 28<sup>th</sup> August, 2017

Place: Jaipur  
Date : 28<sup>th</sup> August,2017

**H.G. Infra Engineering Limited (Formerly Known as H.G. Infra Engineering Private Limited)**  
**Consolidated Balance Sheet as at March 31, 2017**

	<b>Note No.</b>	<b>As at March 31, 2017 Rupees</b>	<b>As at March 31, 2016 Rupees</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	4	180,200,000	180,200,000
Reserves and surplus	5	1,578,690,942	1,085,729,908
<b>Non-current liabilities</b>			
Long-term borrowings	6	634,782,134	284,470,834
Other long-term liabilities	7	295,374,041	88,447,702
Long-term provisions	8	7,526,602	1,037,440
<b>Current liabilities</b>			
Short-term borrowings	9	932,879,634	589,865,074
Trade Payables	10	744,878,286	512,254,967
Other current liabilities	11	1,267,002,616	1,176,917,677
Short-term provisions	12	62,106,485	1,266,671
<b>Total</b>		<b>5,703,440,740</b>	<b>3,920,190,273</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed assets			
Tangible assets	13	2,041,344,276	1,160,847,845
Intangible assets	14	2,485,485	841,403
Capital work-in-progress		6,863,662	48,333,450
Deferred Tax Assets (Net)	15	20,058,647	5,579,803
Long-term loans and advances	16	180,855,205	216,622,462
Other non-current assets	17	60,728,194	72,038,448
<b>Current assets</b>			
Inventories	18	492,041,547	435,312,207
Trade receivables	19	1,127,827,430	926,640,840
Cash and bank balances	20	170,310,606	43,507,718
Short-term loans and advances	21	991,566,980	679,631,782
Other current assets	22	609,358,708	330,834,315
<b>Total</b>		<b>5,703,440,740</b>	<b>3,920,190,273</b>

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

This is the Consolidated Balance Sheet referred to in our report of even date.

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

**For and on behalf of the Board of Directors**  
**H. G. Infra Engineering Limited**  
**CIN: U45201RJ2003PLC018049**

**Priyanshu Gundana**  
Partner  
Membership Number: 109553

**Harendra Singh**  
Managing Director  
DIN: 00402458

**Vijendra Singh**  
Director  
DIN: 01688452

**Rajeev Mishra**  
Chief Financial Officer

**Ankita Mehra**  
Company Secretary  
Membership No: A33288

Place: Mumbai  
Date: September 6,2017

Place: Jaipur  
Date: September 6,2017

**H.G. Infra Engineering Limited (Formerly Known as H.G. Infra Engineering Private Limited)**  
**Consolidated Statement of Profit and Loss for the year ended March 31, 2017**

	Note No.	Year ended	
		March 31, 2017 Rupees	March 31, 2016 Rupees
<b>REVENUE</b>			
Revenue from Operations	23	10,548,940,495	7,408,836,505
Other Income	24	36,892,282	24,034,240
<b>Total Revenue</b>		<b>10,585,832,777</b>	<b>7,432,870,745</b>
<b>EXPENSES</b>			
Cost of materials consumed	25	4,088,662,193	2,830,896,160
Contract and site expenses	26	4,735,644,073	3,335,103,701
Employee benefits expense	27	416,624,149	299,599,839
Finance costs	28	192,700,666	159,911,393
Depreciation and amortisation expense	29	256,013,432	183,372,816
Other expenses	30	106,271,240	161,958,279
<b>Total expenses</b>		<b>9,795,915,753</b>	<b>6,970,842,188</b>
<b>Profit before tax</b>		<b>789,917,024</b>	<b>462,028,557</b>
Tax expense			
Current tax		311,434,833	165,852,169
Deferred tax		(14,478,843)	(5,653,701)
Profit after tax		<b>492,961,034</b>	<b>301,830,089</b>
<b>Profit for the year</b>		<b>492,961,034</b>	<b>301,830,089</b>
Earnings per equity share [Nominal value per share: Rs.10 (31 March 2016 : Rs. 10 )]			
Basic and Diluted	35	27.36	19.57

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

This is the Consolidated statement of profit and loss referred to in our report of even date.

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

**For and on behalf of the Board of Directors**  
**H. G. Infra Engineering Limited**  
**CIN: U45201RJ2003PLC018049**

**Priyanshu Gundana**  
Partner  
Membership Number: 109553

**Harendra Singh**  
Managing Director  
DIN: 00402458

**Vijendra Singh**  
Director  
DIN: 01688452

**Rajeev Mishra**  
Chief Financial Officer

**Ankita Mehra**  
Company Secretary  
Membership No: A33288

Place: Mumbai  
Date: September 6,2017

Place: Jaipur  
Date: September 6,2017

**H.G. Infra Engineering Limited (Formerly Known as H.G. Infra Engineering Private Limited)**  
**Consolidated Cash Flow Statement for the year ended March 31, 2017**

	Year ended March 31, 2017	Year ended March 31, 2016
<b>A) Cash flow from operating activities</b>		
Profit before taxation	789,917,024	462,028,557
Adjustments for:		
Depreciation and amortisation expense	256,013,432	183,372,816
Interest Income	(24,070,565)	(20,076,645)
Fixed assets written off	65,000	-
Provision for doubtful debts	20,663,237	-
Net loss on sale / disposal of fixed assets	2,724,292	340,615
Finance costs	192,700,666	159,911,393
Operating Profit before Working Capital Changes	1,238,013,086	785,576,735
Changes in working capital:		
(Increase) in trade receivables	(221,849,827)	(602,774,862)
(Increase) in inventories	(56,729,339)	(96,265,900)
Increase in trade payables	232,623,320	216,610,759
Increase in other long term liabilities	206,926,339	1,350,832
Increase in long term provision	6,489,162	1,037,440
Increase / (Decrease) in other current liabilities	(44,104,584)	487,605,575
Increase in short term provision	977,997	1,266,671
Decrease in long term loans and advances	19,741,338	307,986,125
(Increase) in short term loans and advances	(311,935,198)	(609,009,649)
(Increase) in other current assets	(181,445,803)	(42,039,947)
Cash generated from operations	888,706,491	451,343,780
Taxes paid (net of refunds)	(244,766,578)	(157,338,062)
<b>Net cash generated from Operating Activities</b>	<b>643,939,913</b>	<b>294,005,718</b>
<b>B) Cash Flow From Investing Activities</b>		
Purchase of fixed assets	(1,151,135,102)	(626,361,972)
Sale of fixed assets	65,462,029	17,136,420
Fixed deposits placed / redemption of fixed deposits (net)	(75,226,404)	(72,732,720)
Interest Income	23,647,093	20,076,645
<b>Net Cash used in Investing Activities</b>	<b>(1,137,252,384)</b>	<b>(661,881,627)</b>
<b>C) Cash Flow From Financing Activities</b>		
Proceeds from / Repayment of short term borrowings (net)	343,014,561	211,940,510
Proceeds from / Repayment of long term borrowings (net)	466,426,786	283,726,138
Issue of Share Capital	-	27,700,000
Finance cost paid	(189,325,986)	(159,911,393)
<b>Net Cash generated used in Financing Activities</b>	<b>620,115,361</b>	<b>363,455,255</b>
<b>Net increase in cash and cash equivalents</b>	<b>126,802,890</b>	<b>(4,420,655)</b>
<b>Cash and Cash Equivalents as at the beginning of the year (Refer Note 20)</b>	<b>43,507,718</b>	<b>47,928,373</b>
<b>Cash and cash equivalents at the end of the year (Refer note 20)</b>	<b>170,310,606</b>	<b>43,507,718</b>
Cash and cash equivalents comprise of:		
Cash on hand	4,534,929	7,365,814
Balances with banks	165,775,677	36,141,904
<b>Total</b>	<b>170,310,606</b>	<b>43,507,718</b>

This is the Consolidated Cash Flow Statement referred to in our report of even date.

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

**For and on behalf of the Board of Directors**  
**H. G. Infra Engineering Limited**  
**CIN: U45201RJ2003PLC018049**

**Priyanshu Gundana**  
Partner  
Membership Number: 109553

**Harendra Singh**  
Managing Director  
DIN: 00402458

**Vijendra Singh**  
Director  
DIN: 01688452

**Rajeev Mishra**  
Chief Financial Officer

**Ankita Mehra**  
Company Secretary  
Membership No: A33288

Place: Mumbai  
Date: September 6,2017

Place: Jaipur  
Date: September 6,2017

**H.G. Infra Engineering Limited (Formerly Known as H.G. Infra Engineering Private Limited)  
Notes to the Consolidated financial statements as of and for the year ended March 31, 2017  
(continued)**

**1. General Information :**

H. G. Infra Engineering Limited (Formerly known as H.G. Infra Engineering Private Limited) ("the Company") is a Limited Company domiciled in India. The Company was a Private Company until June 7, 2017. However from June 8, 2017 the company became a Public Limited Company. The Company and its joint ventures entities are engaged in Engineering, Procurement & Construction (EPC), Maintenance of roads, bridges, flyovers and other infrastructure contract works.

**2. Principles of consolidation :**

A. The Consolidated Financial Statements relate to the Company and jointly controlled entities (hereinafter collectively referred to as the "Group").

The Consolidated Financial Statements have been prepared on the following basis:

- (i) The financial statements of the Company and its Joint Venture Entities are consolidated on a line-by-line basis, by adding together the book values of like items of assets, liabilities, incomes and expenses after as far as possible eliminating intra group balances and intra group transactions resulting in unrealised profits or losses in accordance with the Accounting Standard ("AS") 27 "Financial Reporting of Interest in Joint Ventures" as referred to in the Companies (Accounting Standards) Rules, 2006 ("Accounting Standard Rules").
- (ii) Investments in joint venture entities are eliminated and differences between the cost of investments over the net assets on the date of investments or on the date of the financial statements immediately preceding the date of investments in joint venture entities are recognised as Goodwill or Capital Reserve, as the case may be.
- (iii) As far as possible, the Consolidated Financial Statements are prepared using uniform Accounting Policies for like transactions and other events in similar circumstances and are presented in the same manner as the standalone financial statements of the Company.

B. Particulars of Joint Venture Entities are as under:

Sr. No.	Name of Joint Ventures	Country of the Incorporation	Proportion of ownership interest	
			As at March, 31 2017	As at March, 31 2016
A.	HGIEPL - Colossal JV	India	70%	70%
B.	HGIEPL - Ranjit JV	India	30%	30%
C.	HGIEPL - MGCPJ JV	India	30%	30%
D.	HGIEPL - RPS JV	India	51%	51%
E.	TPL – HGIEPL JV	India	26%	-

**3. Summary of Significant Accounting Policies :**

**3.1 Basis of preparation :**

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. Pursuant to section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, till the standards of accounting or any addendum thereto are prescribed by Central Government in consultation and recommendation of the National Financial Reporting Authority, the existing Accounting Standards notified under the Companies Act, 1956 shall continue to apply. Consequently, these financial statements have been prepared to comply in all material aspects with the accounting standards notified under Section 211(3C) of the Companies Act,

**H.G. Infra Engineering Limited (Formerly Known as H.G. Infra Engineering Private Limited)**  
**Notes to the Consolidated financial statements as of and for the year ended March 31, 2017**  
**(continued)**

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1956 [Companies (Accounting Standards) Rules, 2006, as amended] and other relevant provisions of the Companies Act, 2013.

All assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013.

**3.2 Use of Estimates :**

The preparation of financial statements in conformity with generally accepted accounting principles in India requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of the financial statements. Management believes that the estimates made in the preparation of the financial statements are prudent and reasonable. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

**3.3 Tangible assets :**

Tangible assets are stated at acquisition cost, net of accumulated depreciation and accumulated impairment losses, if any. 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 related to an item of Property, Plant and Equipment are recognised in the carrying amount of the item if the recognition criteria are met.

An item of Property, Plant and Equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising on derecognition is recognised in the Statement of Profit and Loss.

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 atleast 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 the rate of depreciation for the tangible assets are as follows:

<b>Asset</b>	<b>Rate of depreciation%</b>
Building	4.86%
Plant and machinery	18.10%
Computers	63.16%
Furniture's and fixtures	25.89%
Vehicles	31.23%

**H.G. Infra Engineering Limited (Formerly Known as H.G. Infra Engineering Private Limited)**  
**Notes to the Consolidated financial statements as of and for the year ended March 31, 2017**  
**(continued)**

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**3.4 Intangible assets :**

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

The amortisation period and the amortisation 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 amortisation period is changed accordingly.

Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between net disposal proceeds and carrying amount of the asset and recognised as income or expense in the Statement of Profit and Loss. The estimated rate of depreciation for the intangible assets as is follows:

<b>Asset</b>	<b>Rate of depreciation (%)</b>
Software license	39.30%

**3.5 Impairments of assets :**

Assessment is done at each Balance Sheet date as to whether there is any indication that an asset (tangible and intangible) may be impaired. If any such indication exists, an estimate of the recoverable amount of the asset/cash generating unit is made. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. For the purpose of assessing impairment, the recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. The smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit (CGU). An asset or CGU whose carrying value exceeds its recoverable amount is considered impaired and is written down to its recoverable amount. Assessment is also done at each Balance Sheet date as to whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased. An impairment loss is reversed to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had previously been recognised.

**3.6 Borrowing costs :**

Borrowing costs include interest, other costs incurred in connection with borrowing. General and specific borrowing costs directly attributable to the acquisition, construction, production or development of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in Statement of Profit and Loss in the period in which they are incurred.

**3.7 Inventories :**

Inventories are stated at lower of cost and net realisable value.

Raw material, stores and spare parts and construction materials cost includes cost of purchases and other cost incurred in bringing the inventories to the present location and condition.

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.

**3.8 Revenue Recognition :**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and can be reliably measured.

Construction contracts:

For EPC and construction contracts, contract prices are either fixed or subject to price escalation clauses. Contract revenue and contract cost associated with the construction of road are recognised as revenue and expenses respectively by reference to the stage of completion of the projects at the balance sheet date. The stage of completion of project is determined by the proportion that contract cost incurred for work performed upto the balance sheet date bear to the estimated total contract costs. Where the outcome of the construction cannot be estimated reliably, revenue is recognised to the extent of the construction costs incurred if it is probable that they will be recoverable. When the total contract cost is estimated to exceed total revenues from the contract, the loss is recognised 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.

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 recognised in the period in which such changes are determined.

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 recognised 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.

Operation and maintenance contracts:

Revenue from maintenance contracts are recognized pro-rata over the period of the contract as and when services are rendered.

Revenue from Sales of Processed Aggregates:

Net Revenue from sale of goods is recognised in Statement of Profit and Loss when the significant risks and rewards in respect of ownership of goods has been transferred to the buyer as per the terms of the respective sales order, and the income can be measured reliably and is expected to be received.

Other Income:

Interest income is recognised on a time proportion basis taking into account the amount outstanding and applicable interest rate.

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

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.

### **3.9 Employee Benefits :**

Short term Employee Benefits:

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits. The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are charged to the Statement of Profit and Loss.

Defined Contribution Plans:

Contributions to defined contribution schemes such as provident fund, superannuation, etc are charged off to the Statement of Profit and Loss during the year in which the employee renders the related service.

Defined Benefit Plans:

The Company also provides employee benefits in the form of gratuity and compensated absence, the liability for which as at the year-end is determined by independent actuaries based on actuarial valuation using the projected unit credit method. Such defined benefits are charged off to the Statement of Profit and Loss. Actuarial gain / losses are recognised in the year in which they arise.

### **3.10 Current and Deferred Tax :**

Tax expense for the year, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the year. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the taxation laws prevailing in the respective jurisdictions.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing current tax and where the deferred tax assets and the deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

Minimum Alternate Tax ('MAT') under the provisions of the Income Tax Act, 1961 is recognised as current tax in the Statement of Profit and Loss. The credit available under the Act in respect of MAT paid will be recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal Income Tax during the period for which

the MAT credit can be carried forward for set-off against the normal tax liability. Such asset is reviewed at each Balance Sheet date.

Deferred tax is recognised for all the timing differences, subject to the consideration of prudence in respect of deferred tax assets. Deferred tax assets are recognised and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. In situations, where the Company has unabsorbed depreciation or carry forward losses under tax laws, all deferred tax assets are recognised only to the extent that there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits. At each Balance Sheet date, the Company re-assesses unrecognised deferred tax assets, if any.

### **3.11 Provisions and Contingent Liabilities :**

Provisions:

Provisions are recognised when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation.

Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date and are not discounted to its present value.

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 or a reliable estimate of the amount cannot be made.

### **3.12 Leases :**

Operating lease: Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the Statement of Profit and Loss on a straight-line basis over the period of the lease.

### **3.13 Earnings Per Share :**

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year and for all years presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year is adjusted for the effects of all dilutive potential equity shares.

**3.14 Investments :**

Investments that are readily realisable and are intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at cost or fair value, whichever is lower. Long-term investments are carried at cost. However, provision for diminution is made to recognise a decline, other than temporary, in the value of long-term investments, such reduction being determined and made for each investment individually.

**3.15 Segment Reporting :**

The accounting policies adopted for segment reporting are in conformity with the accounting policies adopted for the Company. Further, inter-segment revenue is accounted for based on the transaction price agreed to between segments which is primarily market based. Revenue and expenses is identified to segments on the basis of their relationship to the operating activities of the segment. Revenue and expenses, which relate to the Company as a whole and are not allocable to segments on a reasonable basis, are included under "Unallocated corporate expenses/income".

**3.16 Cash and cash equivalents :**

In the Cash Flow Statement, cash and cash equivalents include cash in hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less.

	As at March 31, 2017	As at March 31, 2016
<b>4 Share capital</b>		
<b>Authorised :</b>		
20,000,000 (31 March 2016 : 20,000,000 ) Equity Shares of Rs. 10 each	<u>200,000,000</u>	<u>200,000,000</u>
<b>Issued</b>		
18,020,000 (31 March 2016 : 18,020,000 ) Equity Shares of Rs. 10 each	180,200,000	180,200,000
<b>Subscribed and Paid up</b>		
18,020,000 (31 March 2016 : 18,020,000 ) Equity Shares of Rs. 10 each	180,200,000	180,200,000
	<u>180,200,000</u>	<u>180,200,000</u>

**(a) Reconciliation of Number of Shares**

	As at March 31, 2017		As at March 31, 2016	
	Number of Shares	Amount	Number of Shares	Amount
<b>Balance as at the beginning of the year</b>	18,020,000	180,200,000	15,250,000	152,500,000
Add: Shares issued during the year	<u>-</u>	<u>-</u>	<u>2,770,000</u>	<u>27,700,000</u>
<b>Balance as at the end of the year</b>	<u>18,020,000</u>	<u>180,200,000</u>	<u>18,020,000</u>	<u>180,200,000</u>

**(b) Rights, preferences and restrictions attached to shares**

The Company has one class of equity shares having a par value of Rs.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**

Equity shares	As at March 31, 2017		As at March 31, 2016	
	Number of Shares	% holding	Number of Shares	% holding
Shri Hodal Singh	3,057,692	16.97%	3,057,692	16.97%
Shri Girishpal Singh	4,472,686	24.82%	4,472,686	24.82%
Shri Vijendra Singh	4,241,200	23.54%	4,241,200	23.54%
Shri Harendra Singh	5,117,172	28.40%	5,117,172	28.40%

(d) There are no shares allotted as fully paid up by way of bonus shares since incorporation.

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

(f) 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.G. Infra Engineering Limited (Formerly Known as H.G. Infra Engineering Private Limited)**  
**Notes to Consolidated Financial Statements as of and for the year ended March 31, 2017**

	<b>As at March 31, 2017 <u>Rupees</u></b>	<b>As at March 31, 2016 <u>Rupees</u></b>
<b>5 Reserves and surplus</b>		
<b>Surplus in Statement of Profit and Loss</b>		
Balance as at the beginning of the year	1,085,729,908	783,899,819
Add: Profit for the year	492,961,034	301,830,089
Balance as at the end of the year	<b><u>1,578,690,942</u></b>	<b><u>1,085,729,908</u></b>
<b>6 Long-term borrowings</b>		
<b>Secured :</b>		
Term Loan		
Financial Institutions ( Refer note 6.2 )	307,250,346	106,851,992
Banks ( Refer note 6.1 )	313,213,215	135,126,150
Vehicle Loan		
Financial Institutions ( Refer note 6.3 )	-	993,555
Banks ( Refer note 6.3 )	14,318,573	7,846,049
<b>Unsecured :</b>		
<b>Term Loan</b>		
Financial Institutions ( Refer note 6.4 )	-	33,653,088
	<b><u>634,782,134</u></b>	<b><u>284,470,834</u></b>

**Secured - Term Loan from banks**

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

S.No.	Particulars	Number of Loans outstanding as at		Outstanding as at		Interest Range % per annum	Balance Number of Installments as at		Frequency of Installments	Commencing From - To
		March 31, 2017	March 31, 2016	March 31, 2017 (in Rupees)	March 31, 2016 (in Rupees)		March 31, 2017	March 31, 2016		
1	HDFC Bank Limited	131	79	211,761,491	158,857,131	6.78% to 14.75%	12 to 35	2 to 35	Monthly	July 13 to Jan. 20
2	ICICI Bank Limited	19	35	1,980,125	36,564,172	11.75% to 12%	1	10 to 13	Monthly	Sept. 15 to April 17
3	Axis Bank Limited	96	17	211,482,724	61,936,264	8.30% to 14%	3 to 36	14 to 36	Monthly	July 14 to May 20
4	Yes Bank Limited	11	-	105,476,295	-	7.84% to 9.60%	31 to 35	-	Monthly	Nov 16 to Feb 20
5	ING Vyasa Bank Limited	-	11	-	3,703,841	11.75%	-	7 to 9	Monthly	Dec 14 to Dec 16
	<b>Total</b>			<b>530,700,635</b>	<b>261,061,408</b>					

**6.2 Secured - Term Loan from Financial Institution:**

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

S.No.	Particulars	Number of Loans outstanding as at		Outstanding as at		Interest Range % per annum	Balance Number of Installments as at		Frequency of Installments	Commencing From - To
		March 31, 2017	March 31, 2016	March 31, 2017 (in Rupees)	March 31, 2016 (in Rupees)		March 31, 2017	March 31, 2016		
1	SREI Equipment Finance Limited	12	8	127,894,733	99,100,764	4.63% to 12.75%	19 to 35	7 to 32	Monthly	May 14 to Feb 20
2	Tata Capital Financial Services Limited	34	41	196,727,490	151,313,337	3.16% to 12.9%	1 to 35	4 to 29	Monthly	Sept 13 to Feb 20
3	HDB Financial Services	-	15	-	12,160,094	12.50%	-	3	Monthly	Aug 15 to June 16
4	Tata Motors Limited	91	19	170,597,483	40,280,000	8.22% to 10.30%	13 to 30	27	Monthly	April 16 to Nov 19
5	Sundram Finance Limited	7	-	50,372,733	-	6.85% to 8.10%	26 to 33	-	Monthly	June 16 to Feb 20
6	Mahindra Finance Limited	1	-	442,809	-	14.50%	41	-	Monthly	March 17 to Jan 21
	<b>Total</b>			<b>546,035,248</b>	<b>302,854,195</b>					<b>0</b>

**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.

**6.3 Motor Car Vehicles loans - From Bank and Financial Institution**

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

S.No.	Particulars	Number of Loans outstanding as at		Outstanding as at		Interest Range % per annum	Balance Number of Installments as at		Frequency of Installments	Commencing From - To
		March 31, 2017	March 31, 2016	March 31, 2017 (in Rupees)	March 31, 2016 (in Rupees)		March 31, 2017	March 31, 2016		
1	BMW Financial Services	1	1	993,555	2,366,750	9.86%	8	20	Monthly	Dec 14 to Nov 17
2	Kotak Mahindra Bank Limited	-	1	-	192,909	10.25%	-	8	Monthly	Dec 13 to Nov 16
3	HDFC Bank Limited	12	11	12,166,186	11,625,091	9.50% to 10.25%	6 to 42	7 to 36	Monthly	Nov 13 to Sept 20
4	Axis Bank Limited	22	5	13,532,242	2,419,430	8.30% to 10.25%	7 to 39	20	Monthly	Nov 14 to April 20
	<b>Total</b>			<b>26,691,983</b>	<b>16,604,180</b>					

**Vehicle Loans from Banks and Financial Institutions**

- a) All motor car vehicles loans are Secured by hypothecation of specific vehicles financed through the loan arrangements.

**6.4 Unsecured - Term Loan from Financial Institution:**

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

S.No.	Particulars	Number of Loans outstanding as at		Outstanding as at		Interest Range % per annum	Balance Number of Installments as at		Frequency of Installments	Commencing From - To
		March 31, 2017	March 31, 2016	March 31, 2017 (in Rupees)	March 31, 2016 (in Rupees)		March 31, 2017	March 31, 2016		
1	Magma Fincorp Limited	-	1	-	2,610,342	13.50%	-	10	Monthly	Feb 15 to Jan 17
2	Capital First Limited	1	2	309,088	4,180,043	13.50%	2	4 to 14	Monthly	Feb 15 to July 17
3	SIDBI	-	1	-	50,000,000	14.50%	-	36	Monthly	April 16 to March 18
	<b>Total</b>			<b>309,088</b>	<b>56,790,385</b>					

	As at March 31, 2017 <u>Rupees</u>	As at March 31, 2016 <u>Rupees</u>
<b>7 Other Long Term Liabilities</b>		
Retention money	295,374,041	88,447,702
	<u>295,374,041</u>	<u>88,447,702</u>
<b>8 Long-term provisions</b>		
Provision for employee benefits		
Provision for gratuity (Refer note 34)	7,179,693	1,037,440
Provision for compensated absences	346,909	-
	<u>7,526,602</u>	<u>1,037,440</u>
<b>9 Short Term Borrowings</b>		
<b>Secured</b>		
Working Capital loans repayable on demand from banks *	857,509,583	589,865,074
		-
<b>Unsecured</b>		
Loan from Banks	50,689,391	-
From Directors and Shareholders**	24,680,660	-
	<u>932,879,634</u>	<u>589,865,074</u>
<b>* Working Capital Demand Loans and Cash Credit facilities availed from banks are secured by :</b>		
<b>(I) <u>Nature of Security</u></b>		
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 all the Directors.		
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.		
<b>** Loan from Directors and Shareholders is repayable on demand and it is interest free.</b>		
<b>10 Trade Payables</b>		
Trade Payables	744,878,286	512,254,967
	<u>744,878,286</u>	<u>512,254,967</u>

**H.G. Infra Engineering Limited (Formerly Known as H.G. Infra Engineering Private Limited)**  
**Notes to Consolidated Financial Statements as of and for the year ended March 31, 2017**

	<b>As at March 31, 2017 Rupees</b>	<b>As at March 31, 2016 Rupees</b>
<b>11 Other Current Liabilities</b>		
Advances from customers	376,850,113	588,209,967
Billing in excess of costs and earnings in respect to unfinished contracts (Refer note 41)	126,824,902	-
Current maturities of long-term borrowings		
Secured		
Term Loan		
Financial Institutions ( Refer note 6.2 )	238,784,902	196,002,203
Banks ( Refer note 6.1 )	217,487,420	125,935,258
Vehicle Loan		
Financial Institutions ( Refer note 6.3 )	993,555	1,373,195
Banks ( Refer note 6.3 )	11,379,855	6,391,381
Unsecured		
Financial Institutions ( Refer note 6.4 )	309,088	23,137,297
Interest accrued but not due on borrowings	3,374,680	-
Excess Contribution from JV Partner	5,226,678	44,884,076
Creditor for capital expenditure	17,770,902	3,071,544
Advance received against capital goods	4,060,500	-
Employee benefits payable	37,225,700	31,483,424
Statutory dues including provident fund and tax deducted at source	82,481,909	46,836,108
Retention money	124,584,875	101,572,486
Other payables	19,647,537	8,020,738
	<b>1,267,002,616</b>	<b>1,176,917,677</b>
<b>12 Short-term provisions</b>		
Provision for employee benefits		
Provision for gratuity (Refer note 34)	1,849,662	1,266,671
Provision for compensated absences	395,006	-
Provision for Income Tax (Net of Advance Tax of Rs. 627,443,766, Previous year March 31, 2016 Rs. Nil)	59,861,817	-
	<b>62,106,485</b>	<b>1,266,671</b>

H.G. Infra Engineering Limited (Formerly Known as H.G. Infra Engineering Private Limited)  
Notes to Consolidated Financial Statements as of and for the year ended March 31, 2017

13 Tangible assets

Particulars	Gross block (at cost)				Depreciation / Amortisation				Net block	
	As at April 1, 2016	Additions	Adjustment	Disposal	As at March 31, 2017	As at April 1, 2016	For the year	Disposal	As at March 31, 2017	As at March 31, 2017
Land	40,976,054	-	10,183,460	-	30,792,594	-	-	-	-	30,792,594
Building	23,868,287	81,312,104	-	-	105,180,391	4,313,000	2,535,243	-	6,848,243	98,332,148
Plant and Machinery	1,823,964,319	1,057,084,484	-	177,330,547	2,703,718,256	759,822,325	235,530,106	109,908,895	885,443,536	1,818,274,720
Vehicles	67,762,958	25,088,392	-	4,041,428	88,809,922	41,730,075	10,556,375	3,276,759	49,009,691	39,800,231
Computers	9,589,201	3,400,900	-	-	12,990,101	7,716,439	1,871,653	-	9,588,092	3,402,009
Furnitures and fixtures	18,177,952	47,522,368	-	-	65,700,320	9,909,087	5,048,659	-	14,957,746	50,742,574
<b>Total</b>	<b>1,984,338,771</b>	<b>1,214,408,248</b>	<b>10,183,460</b>	<b>181,371,975</b>	<b>3,007,191,584</b>	<b>823,490,926</b>	<b>255,542,036</b>	<b>113,185,654</b>	<b>965,847,308</b>	<b>2,041,344,276</b>

14 Intangible assets

Particulars	Gross block (at cost)				Depreciation / Amortisation				Net block	
	As at April 1, 2016	Additions	Adjustment	Disposal	As at March 31, 2017	As at April 1, 2016	For the year	Disposal	As at March 31, 2017	As at March 31, 2017
Software License	1,722,430	2,115,478	-	-	3,837,908	881,027	471,396	-	1,352,423	2,485,485
<b>Total</b>	<b>1,722,430</b>	<b>2,115,478</b>	<b>-</b>	<b>-</b>	<b>3,837,908</b>	<b>881,027</b>	<b>471,396</b>	<b>-</b>	<b>1,352,423</b>	<b>2,485,485</b>

H.G. Infra Engineering Limited (Formerly Known as H.G. Infra Engineering Private Limited)  
Notes to Consolidated Financial Statements as of and for the year ended March 31, 2017

13 Tangible assets

Particulars	Gross block (at cost)				Depreciation / Amortisation				(in Rupees)
	As at	Additions	Disposal	As at	As at	For the year	Disposal	As at	Net block
	April 1, 2015			March 31, 2016	April 1, 2015			March 31, 2016	As at March 31, 2016
Land	40,085,695	890,359	-	40,976,054	-	-	-	-	40,976,054
Building	23,868,287	-	-	23,868,287	3,313,534	999,466	-	4,313,000	19,555,287
Plant and Machinery	1,338,436,642	512,030,944	26,503,267	1,823,964,319	601,803,940	167,454,363	9,435,978	759,822,325	1,064,141,994
Vehicles	62,688,460	7,471,251	2,396,753	67,762,958	32,653,461	11,063,621	1,987,007	41,730,075	26,032,883
Computer	7,910,756	1,678,445	-	9,589,201	6,606,294	1,110,145	-	7,716,439	1,872,762
Furnitures and fixtures	14,622,055	3,555,897	-	18,177,952	7,440,965	2,468,122	-	9,909,087	8,268,865
<b>Total</b>	<b>1,487,611,895</b>	<b>525,626,896</b>	<b>28,900,020</b>	<b>1,984,338,771</b>	<b>651,818,194</b>	<b>183,095,717</b>	<b>11,422,985</b>	<b>823,490,926</b>	<b>1,160,847,845</b>

14 Intangible assets

Particulars	Gross block (at cost)				Depreciation / Amortisation				(in Rupees)
	As at	Additions	Disposal	As at	As at	For the year	Disposal	As at	Net block
	April 1, 2015			March 31, 2016	April 1, 2015			March 31, 2016	As at March 31, 2016
Software License	1,150,590	571,840	-	1,722,430	603,928	277,099	-	881,027	841,403
<b>Total</b>	<b>1,150,590</b>	<b>571,840</b>	<b>-</b>	<b>1,722,430</b>	<b>603,928</b>	<b>277,099</b>	<b>-</b>	<b>881,027</b>	<b>841,403</b>

	As at March 31, 2017 <u>Rupees</u>	As at March 31, 2016 <u>Rupees</u>
<b>15 Deferred Tax assets</b>		
Deferred Tax Liability		
Timing difference between balance as per Income Tax Act, 1961 and book balance for fixed assets	4,631,923	-
Deferred Tax Assets		
Timing difference between book balance and balance as per Income Tax Act, 1961 for fixed assets	-	5,579,803
Disallowance under section 43B of Income Tax Act, 1961	4,965,105	-
Deferred Tax on account of Provision for doubtful debts	7,151,546	-
Deferred Tax on under section 40a(i) of Income Tax Act, 1961	12,573,919	-
	<b><u>20,058,647</u></b>	<b><u>5,579,803</u></b>
<b>16 Long-term loans and advances</b>		
Unsecured, considered good (unless stated otherwise):		
Advance for capital assets	56,204,965	65,424,443
Other loans and advances	-	-
Balances with Government Authorities	89,186,492	132,609,387
Advance Income Tax ( Net of Provision for Tax of Rs. Nil, Previous year March 31, 2016 Rs. 375,870,750))	-	6,806,441
Deposit with Customers		
Security Deposit - Projects *	28,662,151	5,604,581
Security Deposit - Others	6,801,597	6,177,610
	<b><u>180,855,205</u></b>	<b><u>216,622,462</u></b>
* Security Deposit represents amount retained as per the terms of contract.		
<b>17 Other non-current assets</b>		
Unsecured, considered good (unless stated otherwise):		
Long Term deposits with bank with maturity period more than 12 months	60,728,194	72,038,448
	<b><u>60,728,194</u></b>	<b><u>72,038,448</u></b>
<b>18 Inventories</b>		
Stores and Spares	56,163,993	24,507,176
Project materials (including Material in Transit amounts to Rs.15,432,360 (March 31, 2016 Rs. Nil))	435,877,554	410,805,031
	<b><u>492,041,547</u></b>	<b><u>435,312,207</u></b>

	As at March 31, 2017 <u>Rupees</u>	As at March 31, 2016 <u>Rupees</u>
<b>19 Trade Receivables</b>		
<b>Unsecured, considered good</b>		
Outstanding for a period exceeding 6 months from the date they are due for payment	306,411,348	30,353,593
Others	821,416,082	896,287,247
<b>Unsecured, considered doubtful</b>		
Outstanding for a period exceeding 6 months from the date they are due for payment	20,663,237	-
Less: Provision for doubtful debts	20,663,237	-
	<b><u>1,127,827,430</u></b>	<b><u>926,640,840</u></b>
<b>20 Cash and bank balances</b>		
Cash and Cash Equivalents		
Cash on hand	4,534,929	7,365,814
Bank balances		
In current accounts	165,775,677	36,141,904
	<b><u>170,310,606</u></b>	<b><u>43,507,718</u></b>
<b>21 Short-term loans and advances</b>		
<b>Unsecured, considered good</b>		
Other loans and advances		
Loan and advance to employees	2,597,852	2,882,840
Security Deposit - Projects *	681,362,092	458,631,055
Advance to vendors	127,899,783	39,904,569
Prepaid expenses	34,366,488	7,378,642
Advance to sub contractor	134,008,744	124,859,761
Advance to Director	-	6,318,915
Other Advances (also refer note (a) below)	11,332,021	39,656,000
	<b><u>991,566,980</u></b>	<b><u>679,631,782</u></b>
(a) other advances includes loan given to HG Luxury Hotel Private Limited amounting to Rs. 1,054,553 ( March 31, 2016 Rs. Nil ), in which a Director of the Company is a Director.		
* Security Deposit represents amount retained as per the terms of contract.		
<b>22 Other current assets</b>		
Margin money deposit	311,918,494	225,381,836
Interest accrued but not received	423,472	-
Assets held for sale	10,118,460	-
Unbilled revenue in respect of unfinished contracts (Refer note 41)	286,898,282	105,452,479
	<b><u>609,358,708</u></b>	<b><u>330,834,315</u></b>

H.G. Infra Engineering Limited (Formerly Known as H.G. Infra Engineering Private Limited)  
Notes to Consolidated Financial Statements as of and for the year ended March 31, 2017

	Year ended March 31, 2017	Year ended March 31, 2016
<b>23 Revenue from Operations</b>		
Contract revenue ( Refer note 40 (a))	10,548,940,495	7,408,836,505
	<b>10,548,940,495</b>	<b>7,408,836,505</b>
<b>24 Other Income</b>		
Interest income on bank deposits	24,070,565	20,076,645
Miscellaneous Income	12,821,717	3,957,595
	<b>36,892,282</b>	<b>24,034,240</b>
<b>25 Cost of materials consumed</b>		
Construction Material, Stores and Spares		
Opening Stock	435,312,207	217,859,270
Add: Purchases	4,145,391,533	3,048,349,097
	4,580,703,740	3,266,208,367
Less: Closing Stock	492,041,547	435,312,207
	<b>4,088,662,193</b>	<b>2,830,896,160</b>
<b>26 Contract and Site Expenses</b>		
Sub contracting expenses	4,060,710,324	2,764,971,533
Indirect Taxes (Work Contract Tax, Labour Cess and Road Tax Expenses etc.)	261,344,567	175,415,980
Insurance expenses	11,026,413	7,286,937
Contract expenses	180,086,780	267,331,217
Hire charges for machinery and others	136,766,222	53,314,567
Site and other direct expenses	43,242,060	39,645,302
Repairs and Maintenance	18,025,255	11,728,113
Technical consultancy	17,071,204	8,184,012
Transport Charges	7,371,248	7,226,040
	<b>4,735,644,073</b>	<b>3,335,103,701</b>

**H.G. Infra Engineering Limited (Formerly Known as H.G. Infra Engineering Private Limited)**  
**Notes to Consolidated Financial Statements as of and for the year ended March 31, 2017**

	Year ended March 31, 2017	Year ended March 31, 2016
<b>27 Employee benefits expense</b>		
Salaries, Wages and Bonus	345,370,643	249,797,722
Contribution to provident and other funds (Refer note 34)	4,612,431	4,841,240
Gratuity (Refer note 34)	11,158,896	2,441,707
Compensated absences	741,915	-
Staff Welfare Expenses	54,740,264	42,519,170
	<b>416,624,149</b>	<b>299,599,839</b>
<b>28 Finance costs</b>		
Interest on :		
Term loan	68,071,695	46,632,142
Working capital loan	79,377,154	67,895,106
Other borrowing cost	30,135,164	37,145,228
Bank Charges	887,993	1,301,125
Interest on late payment of statutory dues	14,228,660	6,937,792
	<b>192,700,666</b>	<b>159,911,393</b>
<b>29 Depreciation and amortisation expense</b>		
Depreciation on tangible assets ( Refer note 13 )	255,542,036	183,095,717
Amortisation on intangible assets ( Refer note 14 )	471,396	277,099
	<b>256,013,432</b>	<b>183,372,816</b>
<b>30 Other expenses</b>		
Repairs and Maintenance	6,779,974	5,156,117
Rates and Taxes	5,975,568	3,947,763
Travelling expenses	7,275,536	3,707,930
Lease rent ( Refer note 38 )	6,459,511	4,074,101
Payment to auditors	-	-
Audit Fees	2,485,345	223,000
Tax audit Fees	500,000	200,000
Expenditure towards Corporate Social Responsibility (CSR) activities ( Refer note 42)	12,423,956	1,720,742
Professional Fees	15,448,770	7,327,332
Printing and Stationery	3,523,536	3,023,052
Communication Expenses	5,623,033	4,130,101
Loss on Sale of Assets	2,724,292	340,615
Bad- debt written off	-	112,951,470
Provision for doubtful debt	20,663,237	-
Miscellaneous Expenses	16,388,482	15,156,056
	<b>106,271,240</b>	<b>161,958,279</b>

**H.G. Infra Engineering Limited (Formerly Known as H.G. Infra Engineering Private Limited)**  
**Notes to the Consolidated financial statements as of and for the year ended March 31, 2017**  
**(continued)**

**31 Contingent liabilities and Commitments**  
**Amount in Rupees**

Description	As at March 31, 2017	As at March 31, 2016
Performance Bank Guarantees (Refer note below)		
- Issued by the Holding Company	2,597,389,340	2,385,133,970
- Share of Holding Company in Joint Venture	173,768,117	173,768,117
Claims against the company not acknowledged as debt	6,048,778	3,068,300

Note: The Holding Company and its jointly controlled entities has issued Performance bank guarantee in favor of various Contractees against the Contracts awarded to them.

**32 Capital Commitments**  
**Amount in Rupees**

Description	As at March 31, 2017	As at March 31, 2016
Estimated value of contracts in capital account remaining to be executed	23,506,302	38,069,152

**33 Related party disclosures:**

As per Accounting Standard – 18 Related Party Disclosures, the Company's related parties and transactions are disclosed below:

Other related parties with whom transactions have taken place during the year/closing balances existed at the year-end:

**i.) Key management personnel:**

- a. Mr. Hodal Singh - Director
- b. Mr. Girishpal Singh - Director
- c. Mr. Vijendra Singh - Director
- d. Mr. Harendra Singh - Director

**ii.) Relatives of Key Management Personnel**

- a. Mr. Vaibhav Choudhary - Son of Mr. Girishpal Singh
- b. Mrs. Poonam Singh - Wife of Mr. Vijendra Singh
- c. Mrs. Nisha Singh - Wife of Mr. Harendra Singh

**iii.) Enterprise over which key management personnel and relative thereof are having control with whom transaction have taken place**

- a. HG Stone Crusher
- b. Harendra Singh HUF
- c. HG Traders
- d. HG Luxury Hotels Private Limited
- e. HG ADPL – VLPL JV
- f. HG Foundation ( Trust )

**H G Infra Engineering Limited (Formerly Known as H G Infra Engineering Private Limited)**  
**Notes to the consolidated financial statements as of and for the year ended March 31, 2017**  
**(Continued)**

**iv.) Details of transactions and balances with related parties**

<b>Particulars</b>	<b>Amount in Rupees</b>	
	<b>Transaction / Balances</b>	
	<b>2016-17</b>	<b>2015-16</b>
<b><u>Sale of material</u></b>		
HG Traders	6,155,850	1,196,471
<b><u>Interest income</u></b>		
HG Luxury Hotels Private Limited	1,171,726	-
HG ADPL – VLPL JV	6,935,585	-
Harendra Singh – HUF	40,441	-
<b><u>Purchase of aggregate</u></b>		
HG Traders	249,224	818,138
HG Stone Crusher	10,351,670	11,980,700
<b><u>Corporate Social Responsibility expenses</u></b>		
HG Foundation	1,186,000	603,000
<b><u>Remuneration paid</u></b>		
<b><u>Key management personnel:</u></b>		
Mr. Hodal Singh	8,700,000	8,700,000
Mr. Girishpal Singh	12,000,000	8,700,000
Mr. Vijendra Singh	12,000,000	8,700,000
Mr. Harendra Singh	21,600,000	18,000,000
* The amounts disclosed does not include Gratuity, as it has been provided on an overall basis based on actuarial valuation.		
<b><u>Relatives of Key Management Personnel</u></b>		
Mr. Vaibhav Choudhary	8,400,000	4,200,000
<b><u>Insurance premium paid towards keyman term policy taken by Company</u></b>		
Mr. Vijendra Singh	5,278,140	-
Mr. Harendra Singh	5,210,520	-
Mr. Vaibhav Choudhary	4,922,400	-
<b><u>Loans and advances given</u></b>		
HG Luxury Hotels Private Limited	24,000,000	-
HG ADPL – VLPL JV	37,900,000	*45,500,000
Harendra Singh HUF	707,036	*707,063
*The Interest for financial year 2015-16 was waived off by the board of directors considering the financial position of the entities.		
<b><u>Loans and advances repayment</u></b>		
HG Luxury Hotels Private Limited	24,000,000	-
HG ADPL – VLPL JV	76,900,000	6,500,000
Harendra Singh HUF	707,036	894,446
<b><u>Loans taken from Key management personnel:</u></b>		
Mr. Hodal Singh	5,200,000	6,500,000
Mr. Girishpal Singh	8,400,000	8,700,000
Mr. Vijendra Singh	13,500,000	15,735,000
Mr. Harendra Singh	14,850,000	25,000,820

**H G Infra Engineering Limited (Formerly Known as H G Infra Engineering Private Limited)**  
**Notes to the consolidated financial statements as of and for the year ended March 31, 2017**  
**(Continued)**

Particulars	Amount in Rupees	
	Transaction / Balances	
	2016-17	2015-16
<b><u>Loans taken from Relatives of Key Management Personnel</u></b>		
Mr. Vaibhav Choudhary	2,000,000	1,262,000
Mrs. Poonam Singh Choudhary	1,000,000	-
Mrs. Nisha Singh	2,500,000	-
<b><u>Repayment of Loan Key management personnel:</u></b>		
Mr. Hodal Singh	900,000	6,500,000
Mr. Girishpal Singh	4,250,230	8,791,687
Mr. Vijendra Singh	8,804,198	25,748,800
Mr. Harendra Singh	8,814,912	24,200,761
<b><u>Repayment of Loan Relatives of Key Management Personnel</u></b>		
Mr. Vaibhav Choudhary	-	1,262,000
<b><u>Closing Balances</u></b>		
<b><u>Other Short-term borrowings</u></b>		
<b><u>Key management personnel:</u></b>		
Mr. Hodal Singh	4,300,000	-
Mr. Girishpal Singh	4,149,770	45,913
Mr. Vijendra Singh	4,695,802	195,173
Mr. Harendra Singh	6,035,088	1,341,916
<b><u>Relatives of Key Management Personnel</u></b>		
Mr. Vaibhav Choudhary	2,000,000	-
Mrs. Poonam Singh Choudhary	1,000,000	-
Mrs. Nisha Singh	2,500,000	-
<b><u>Trade Payables</u></b>		
HG Traders	-	913,403
<b><u>Other Current Liabilities</u></b>		
<b><u>Employee benefits payable</u></b>		
Mr. Vaibhav Choudhary	51,746	-
Mr. Hodal Singh	28,100	-
Mr. Girishpal Singh	148,410	-
Mr. Vijendra Singh	25,124	-
Mr. Harendra Singh	72,084	-
<b><u>Salary advance</u></b>		
Mr. Vaibhav Choudhary	-	190,476
Mr. Hodal Singh	-	517,900
Mr. Girishpal Singh	-	3,055,014
Mr. Vijendra Singh	-	736,978
Mr. Harendra Singh	-	3,592,026
<b><u>Short-term loans and advances</u></b>		
<b><u>Other Advances</u></b>		
HG Luxury Hotels Private Limited	1,054,553	-
HG ADPL - VLPL JV	6,242,027	39,000,000
Harendra Singh HUF	40,441	-

**H G Infra Engineering Limited (Formerly Known as H G Infra Engineering Private Limited)**  
**Notes to the consolidated financial statements as of and for the year ended March 31, 2017**  
**(Continued)**

**34 Employee benefits:**

The Company has adopted Accounting Standard 15 "Employee Benefits". The Company has classified various employee benefits as under:

(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 recognized the following amounts in the Statement of Profit and Loss for the year:

<b>Amount in Rupees</b>			
<b>Sr. No.</b>	<b>Particulars</b>	<b>Year ended March 31, 2017</b>	<b>Year ended March 31, 2016</b>
i.	Contribution to Provident Fund	2,855,079	3,243,498
ii.	Contribution to E.S.I.C	99,898	57,657
iii.	Contribution to Pension Fund	1,657,454	1,540,085
	<b>Total</b>	<b>4,612,431</b>	<b>4,841,240</b>

(B) Defined benefit plans :

The Company's liability is actuarially determined (using the Projected Accrued Benefit method) at the end of each year. Actuarial losses/ gains are recognised in the Statement of Profit and Loss in the year in which they arise.

<b>Sr. No.</b>	<b>Particulars</b>	<b>Year ended March 31, 2017</b>	<b>Year ended March 31, 2016</b>
i.	Discount rate (per annum)	6.85%	7.55%
ii.	Rate of increase in compensation levels	9.74%	9.74%
iii.	Rate of return on plan assets	7.50%	-
iv.	Expected average remaining working lives of employees	32.02 years	31.34 years

<b>Amount in Rupees</b>			
<b>Sr. No</b>	<b>Particulars</b>	<b>Gratuity Year ended</b>	
		<b>March 31, 2017</b>	<b>March 31, 2016</b>
i.	<b>Present value of defined benefit obligation</b>		
	Balance at the beginning of the year	9,714,890	1,775,218
	Current service cost	2,204,269	264,178
	Interest cost	738,601	138,467
	Actuarial (gains) / loss	805,247	126,248
	Benefits paid	(556,270)	-
	Balance at the end of the year	12,906,737	2,304,111
ii.	<b>Fair value of plan assets</b>		
	Balance at the beginning of the year	-	-
	Expected return on plan assets	-	-
	Actuarial gains / (losses)	-	-
	Contribution by the company	4,433,652	-
	Benefits paid	(556,270)	-
	Balance at the end of the year	3,877,382	-

**H G Infra Engineering Limited (Formerly Known as H G Infra Engineering Private Limited)**  
**Notes to the consolidated financial statements as of and for the year ended March 31, 2017**  
**(Continued)**

Sr. No	Particulars	Gratuity Year ended	
		March 31, 2017	March 31, 2016
iii.	<b>Percentage of each category of plan assets to total fair value of plan assets as at year end</b>		
	Life Insurance Corporation Of India	100%	-
iv.	<b>Assets and liabilities recognised in the Balance Sheet</b>		
	Present value of defined benefit obligation	12,906,737	2,304,111
	Fair value of plan assets	3,877,382	-
	Amount recognised as liability	9,029,355	2,304,111
	Long term provision	7,179,693	1,037,440
	Short term provision	1,849,662	1,266,671
	<b>Total</b>	<b>9,029,355</b>	<b>2,304,111</b>
v.	<b>Expenses recognised in the Statement of Profit and Loss Account</b>		
	Current service cost	2,204,269	2,176,992
	Interest cost	738,601	138,467
	Actuarial losses	805,247	126,248
	Prior Period Adjustment	7,410,779	-
	Total expense recognized in Statement of Profit and Loss	11,158,896	2,441,707
vii.	<b>Amounts to be recognised in the current year and previous year</b>		
	Defined Benefit Obligation	12,906,737	2,304,111
	Plan Assets	3,877,382	-
	Deficit	9,029,355	2,304,111
	Experience adjustments on plan liabilities	608,737	-
viii.	<b>Expected contribution to the funds in the next year</b>	5,000,000	4,272,737

**Amount in Rupees**

ix	<b>Disclosure pursuant to para 120(n) of AS – 15</b>					
	<b>Gratuity</b>	<b>2016-2017</b>	<b>2015-2016</b>	<b>2014-2015</b>	<b>2013-2014</b>	<b>2012-2013</b>
	Present value of defined benefit obligation	12,906,737	2,304,111	6,743,733	4,376,797	2,557,902
	Fair value of the plan assets	3,877,382	-	-	-	-
	Deficit of the plan	9,029,355	2,304,111	6,743,733	4,376,797	2,557,902
	Experience adjustments: On the plan liabilities loss	608,737	-	857,366	757,586	-

**35 Earnings per equity share**  
**Amount in Rupees**

<b>Description</b>	<b>For the year ended March 31, 2017</b>	<b>For the year ended March 31, 2016</b>
Profit for the year	492,961,034	301,830,089
Weighted average number of equity shares outstanding (number)	18,020,000	15,421,973
Earnings per Share (basic and diluted)	27.36	19.57
Nominal value per equity share	10.00	10.00

### **36 Segment Reporting**

I. Information about primary business segment

In accordance with Accounting Standard – 17, “Segmental Reporting” issued by the Institute of Chartered Accountants of India, the Company’s business segment is “execution of Contract works” and it has no other primary reportable segments. 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, 2017.

II. Information about secondary geographical segment

The Company caters to the needs of the domestic market and hence there are no reportable geographical segments for the financial year ended March 31, 2017.

H G Infra Engineering Limited (Formerly Known as H G Infra Engineering Private Limited)  
Notes to the consolidated financial statements as of and for the year ended March 31, 2017 (continued)

37 Additional Information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Joint Venture entities

Name of Entity	Net Assets				Share in Profit (Loss)			
	(Total Assets minus Total Liabilities)							
	As a % of Consolidated Net Assets	Amount in Rupees	As a % of Consolidated Net Assets	Amount in Rupees	As a % of Consolidated Profit or (Loss)	Amount in Rupees	As a % of Consolidated Profit or (Loss)	Amount in Rupees
As at March, 31 2017	As at March, 31 2017	As at March, 31 2016	As at March, 31 2016	As at March, 31 2017	As at March, 31 2017	As at March, 31 2016	As at March, 31 2016	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
<b>Parent</b>								
H.G. Infra Engineering Limited	100.00%	1,758,890,942	100.00%	1,265,929,908	100.00%	492,961,034	100.00%	301,830,088
<b>Joint Venture Entities (As per proportionate consolidation) - Indian</b>								
HGIEPL - RPS JV	0.05%	802,784	0.08%	1,027,132	0.14%	697,048	1.75%	5,277,338
HGIEPL - Ranjit JV	0.06%	968,437	0.00%	48,692	0.19%	919,745	0.02%	48,692
HGIEPL - MGCPL JV	0.06%	1,083,898	0.00%	-	0.22%	1,083,898	-	-
HGIEPL - Colosal JV	0.06%	1,108,967	0.22%	2,741,444	0.22%	1,094,024	0.60%	1,809,465
TPL HGIEPL JV	-	-	-	-	-	-	-	-
<b>Intercompany elimination and other consolidated adjustments</b>	-0.23%	(3,964,086)	-0.30%	(3,817,268)	-0.77%	(3,794,715)	-2.37%	(7,135,491)
<b>Total</b>	<b>100.00%</b>	<b>1,758,890,942</b>	<b>100.00%</b>	<b>1,265,929,908</b>	<b>100.00%</b>	<b>492,961,034</b>	<b>100.00%</b>	<b>301,830,092</b>

**H G Infra Engineering Limited (Formerly Known as H G Infra Engineering Private Limited)**  
**Notes to the consolidated financial statements as of and for the year ended March 31, 2017**  
**(Continued)**

**38 Operating leases**

(i) As a lessee:

Operating Lease

The Company has significant operating lease arrangements for camp's lands. 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 Rupees**

<b>Particulars</b>	<b>For the year ended March 31, 2017</b>	<b>For the year ended March 31, 2016</b>
With respect to all operating leases:		
Lease payments recognized in the Statement of Profit and Loss during the year	6,459,511	4,074,101

**39 Disclosures relating to Specified Bank Notes\* (SBNs) held and transacted during the period from November 8, 2016 to December 30, 2016.**

**Amount in Rupees**

<b>Particulars</b>	<b>SBNs*</b>	<b>Other Denomination notes</b>	<b>Total</b>
Closing cash in hand as on November 8, 2016	4,584,500	2,290,059	6,874,559
(+) Permitted receipts	-	4,799,515	4,799,515
(-) Permitted payments	(4,470,500)	(5,741,320)	(10,211,820)
(-) Amount deposited in Banks	(114,000)	(300)	(114,300)
Closing cash in hand as on 30 December 2016	-	1,347,954	1,347,954

\* Specified Bank Notes (SBNs) mean the bank notes of denominations of the existing series of the value of five hundred rupees and one thousand rupees as defined under the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs no. S.O. 3407(E), dated the 8<sup>th</sup> November, 2016.

**40 Disclosure relating to Revenue from Operations**

- a) The Contract revenue for the year includes sale of aggregate material worth Rs. 27,777,203 (March, 31 2016 Rs. 58,961,262).
- b) Upto Previous year, the Company was determining stage of completion of work based on the work certified/billing done to the customer. With effect from April 1, 2016 the Company has changed its method of proportion of the contract cost incurred upto the reporting date to the estimated total contract cost. The impact of this change in method amounting to Rs.11,341,743 has been debited to the profit and loss account.

**H G Infra Engineering Limited (Formerly Known as H G Infra Engineering Private Limited)**  
**Notes to the consolidated financial statements as of and for the year ended March 31, 2017**  
**(Continued)**

**41 Disclosure in terms of Accounting Standard 7- Construction Contracts**  
**Amount in Rupees**

<b>Particulars</b>	<b>2016-17</b>	<b>2015-16</b>
Contract revenue recognized during the year (Refer note no 40(b))	10,521,163,292	7,338,339,359
Aggregate cost incurred and recognized profits (less recognized losses) upto the reporting date for contracts in progress	17,234,916,456	10,619,084,137
Amount of customer advances outstanding for contracts in process	376,850,113	588,209,967
Retention money due from customers for contracts in progress	579,360,834	409,857,246
Gross amount due from customers for contracts works as an asset (unbilled portion)	286,898,282	185,100,273
Gross amount due to customers for contract works as a liability	126,824,902	90,989,540

**42 Corporate Social Responsibility**

The Company has constituted a Corporate Social Responsibility (CSR) Committee as per Section 135 and schedule VII of the Companies Act, 2013 (the Act) read with the Companies (Corporate Social Responsibility Policy) Rules 2014.

- a. Gross amount required to be spent by the Company during the year: Rs 5,693,426
- b. Amount spent during the year on:

**Amount in Rupees**

<b>Particulars</b>	<b>In cash</b>	<b>Yet to be paid in cash</b>	<b>Total</b>
(i) Construction/Acquisition of any assets	-	-	-
(ii) On purposes other than (i) above	12,423,956	-	-

- c. Related party transactions in relation to Corporate Social Responsibility : Rs 1,186,000

**43 Joint Ventures**

Joint Venture as required by AS 27- Financial Reporting of Interest in joint venture are give below:-

<b>Name of Joint Ventures</b>	<b>Country of Incorporation</b>	<b>Proportion of ownership interest</b>	
		<b>As at March 31, 2017</b>	<b>As at March 31, 2016</b>
HGIEPL – Colossal JV	India	70%	70%
HGIEPL – Ranjit JV	India	30%	30%
HGIEPL– MGCPL JV	India	30%	30%
HGIEPL – RPS JV	India	51%	51%
HGIEPL - TPL JV#	India	26%	-

# This JV is proportionately consolidated basis unaudited management accounts.

**H G Infra Engineering Limited (Formerly Known as H G Infra Engineering Private Limited)**  
**Notes to the consolidated financial statements as of and for the year ended March 31, 2017**  
**(Continued)**

The Company's share of each of the assets, liabilities, income and expenses in the joint ventures, based on the audited financial statements are as follows:

**Amount in Rupees**

<b>Particulars</b>	<b>As at 31 March 2017</b>	<b>As at 31 March 2016</b>
<b>(a) Assets</b>		
HGIEPL – MGCPL JV	180,374,243	12,000
HGIEPL – Ranjit JV	141,475,257	141,477,170
HGIEPL – Colossal JV	11,112,099	11,417,711
HGIEPL – RPS JV	6,192,065	99,636,936
HGIEPL – TPL JV	-	-
<b>(b) Liabilities</b>		
HGIEPL – MGCPL JV	179,290,346	12,000
HGIEPL – Ranjit JV	139,632,929	139,750,419
HGIEPL – Colossal JV	8,845,238	8,661,011
HGIEPL – RPS JV	2,194,386	41,103,711
HGIEPL – TPL JV	-	-
<b>(c) Income</b>		
HGIEPL – MGCPL JV	264,293,158	189
HGIEPL – Ranjit JV	571,935,972	38,321,027
HGIEPL – Colossal JV	31,506,142	52,163,868
HGIEPL – RPS JV	77,965,778	187,843,645
HGIEPL – TPL JV	-	-
<b>(d) Expenses</b>		
HGIEPL – MGCPL JV	262,724,565	189
HGIEPL – Ranjit JV	570,509,236	38,250,562
HGIEPL – Colossal JV	29,906,197	49,538,446
HGIEPL – RPS JV	77,090,061	182,566,306
HGIEPL – TPL JV	-	-

**44** During the year the Company has filed compounding application with Ministry of Company Affairs dated July 10, 2017 with respect to discrepancies related to:

- (i) financial statement not signed by Company Secretary of the Company for the financial year 2011-12, 2012-13 and 2013-14 as per Section 215 of Companies Act 2013;
- (ii) non attachment of Cash flow statement along with Annual Report of the Company filed with ROC which is required to be prepared as per Accounting Standard 3 specified by the Institute of Chartered Accountants of India for the financial year 2006-07 to 2013-14 as required under Section 211(3C) of the Companies Act, 1956;
- (iii) non disclosures in Board Report for certain matters as per Section 217 of Companies Act 1956 and section 134 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 wherein year wise following was missing:
  - (a) Non Disclosures of amount of remuneration paid to Employee for financial year 2011-12, 2012-13 and 2013-14;
  - (b) No Comments on Audit Observation etc. for financial year 2011-12, 2012-13, 2013-14 and 2014-15;
  - (c) Information on Dividend for financial year 2011-12, 2012-13 and 2013-14;
  - (d) Amount of Reserves transferred 2011-12, 2012-13 and 2013-14;
  - (e) Non-Disclosure of Sexual Harassment Policy for financial year 2013-14;
  - (f) The number of meetings of board was not accurate as it was actually held for financial year 2014-15 and 2015-16;
  - (g) CSR information was not properly mentioned in directors report for financial year 2014-15; and
  - (h) Company has not given details related to appointment of Company Secretary for financial year 2014-15.

For the above non-compliance the Company has made the provision of Rs 5,015,000 during the financial year 2016-17.

**45** No other disclosures are required as per Schedule III of Companies Act, 2013.

**H G Infra Engineering Limited (Formerly Known as H G Infra Engineering Private Limited)**  
**Notes to the consolidated financial statements as of and for the year ended March 31, 2017**  
**(Continued)**

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**46** The figures in respect of the previous year have been regrouped / rearranged wherever necessary to confirm to the current year's presentation.

This is the notes referred to in our report of even date.

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

**For and on behalf of Board of Directors**  
**H.G. Infra Engineering Limited**  
**CIN: U45201RJ2003PTC018049**

**Priyanshu Gundana**  
Partner  
Membership No: 109553

**Harendra Singh**  
Director  
DIN: 00402458

**Vijendra Singh**  
Director  
DIN: 01688452

**Rajeev Mishra**  
Chief Financial  
Officer

**Ankita Mehra**  
Company Secretary  
Membership No. A33288

Place: Mumbai  
Date : 6<sup>th</sup> September, 2017

Place: Jaipur  
Date : 6<sup>th</sup> September, 2017

**Form No. MGT-11**

**Proxy form**

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the  
Companies (Management and Administration) Rules, 2014]

CIN: **U45201RJ2003PTC018049**

Name of the Company: **H.G. INFRA ENGINEERING LIMITED**

Registered office: **14, Panchwati Colony, Ratanada, Jodhpur- 342001 (Rajasthan)**

Name of the Member(s):

Registered address:

E-mail Id:

Folio No/ Clint Id:

DP ID:

I/ We being the member of ....., holding.....shares, hereby appoint

1. Name: .....

Address:

E-mail Id:

Signature: ....., or failing him

2. Name: .....

Address:

E-mail Id:

Signature: .....,

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at 15<sup>th</sup> Annual General Meeting of members of the Company, to be held on Saturday, September 30, 2017 at 14, Panchwati Colony, Ratanada, Jodhpur, Rajasthan 342001, the registered office of the Company at 10.00 a.m., and at any adjournment thereof in respect of such resolutions as are indicated below:

Reso. No.	Description	For*	Against*
01.	Adoption of Audited Financial Statements of the Company for the financial year ended 31 <sup>st</sup> March 2017 together with the Reports of the Board of Directors and Auditors thereon Adoption of Audited Consolidated Financial Statements of the Company for the financial year ended 31 <sup>st</sup> March 2017 together with the Report of the Auditors thereon		
02.	To appoint a Director in place of Mr. Girish Pal Singh (Din: 00487476) who retires by rotation and being eligible, offers himself for re-appointment		
03.	Appointment of Auditors		
04.	Ratification of Cost Auditor's Remuneration		
05.	Appointment of Mr. Onkar Singh as a Independent Director		
06.	Increase in Authorised Share Capital		
07.	Issue of Bonus Shares		
08.	Raising of Money through a further issue of Securities and on offer for sale by certain existing shareholders		
09.	Increase in FPI Limit		
10.	Increase in NRI Limit		

Signed this ..... day of..... 2017

Signature of Shareholder .....

Signature of Proxy holder(s) .....

Affix  
Revenue  
Stamp

**Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, before the commencement of the Meeting.**

