

H.G. INFRA ENGINEERING LIMITED

23ND ANNUAL GENERAL MEETING

CHAIRMAN SPEECH

Dear Shareholders,

I'm pleased to share that our company continues to play a pivotal role in shaping India's infrastructure landscape. Over the past year, we've not only strengthened our presence in core sectors but also made bold strides into new growth areas. Our performance reflects the strength of our business model and disciplined resource deployment, enabling us to deliver solid results in a dynamic environment.

Before we dive into the numbers, I'd like to highlight a few key developments in the infrastructure space that present exciting opportunities for us moving forward.

Ladies and Gentlemen

The infrastructure sector remains a key driver of our nation's economic progress. This is clearly demonstrated by the steady increase in budget allocations, reflecting the Indian government's strong commitment to advancing infrastructure. By investing in improved roads, railways, and other transportation networks, the government is dedicated to enhancing connectivity and fostering growth throughout the country.

Road and Highways:

India's infrastructure push continues with rising budget allocations and a strong focus on connectivity. Bharatmala Pariyojana has already built 19,826 km of roads, while the ₹13.67 trillion National Infrastructure Pipeline and PM Gati Shakti drive integrated growth. Despite slower awarding in recent years, the government targets 10,000 km of highways in FY25-26 and 50,000 km of expressways by 2037 under Vision 2047.

HG Infra is well-placed to leverage this momentum with its strong EPC and HAM presence, proven execution, and growing track record. We are keen to explore Build-Operate-Transfer (BOT) opportunities by partnering as EPC contractors with established BOT players. With our proven expertise and a forward-looking approach, we are ready to play a meaningful role in shaping India's infrastructure growth story.

Railways & Metro

The Indian Railways has received a substantial allocation of ₹2,652 billion, with key priorities including new line construction, doubling of existing lines, gauge conversion, and electrification – underscoring the government's focus on modernization and network expansion. For FY25-26, ₹2.55 lakh crore has been earmarked for multi-tracking corridors, station redevelopment, track replacement, electrification, signalling upgrades, and

construction of flyovers and underpasses, with a target of adding 10,959 km over the next decade.

The National Rail Plan Vision 2030 further aims to transform the sector with redevelopment of 1,300+ stations, significantly enhancing connectivity and passenger experience. With proven execution in railway projects, HG is well-positioned to capitalize on these opportunities and expand its presence in this growing sector.

Solar and BESS:

India's renewable energy sector is expanding rapidly, led by strong policies and a clear focus on sustainability. With nearly 98 GW of solar and over 48 GW of wind capacity, the country is making steady progress toward its 500 GW target by 2030. Initiatives like PM-KUSUM and ongoing innovation have built a strong clean energy ecosystem.

To support this growth, Battery Energy Storage Systems (BESS) and Pumped Storage Projects (PSPs) are gaining momentum. BESS capacity is projected to reach over 47 GW by 2031-32, driven by supportive regulations and investments. These advancements are key to ensuring a reliable, efficient, and sustainable energy future.

As of March 31, 2025, HG Infra has successfully capitalised on emerging opportunities in the renewable space by securing BESS projects of 435 MW/870 MWH, additionally we have secured one another project of 300MW/600 MWH in Q1FY26. In addition, we are actively exploring further prospects in solar park development and green hydrogen. These developments mark a significant step forward in diversifying our portfolio and reinforce our position as a leading developer as well as EPC player in the energy sector.

Transmission & Distribution Infrastructure:

The Government of India has set a transformative vision for the Transmission and Distribution (T&D) sector, with a projected capex of ₹9.1 trillion by FY32, as per India Ratings and Research. Anchored in the National Electricity Plan (Volume II), this roadmap aims to strengthen the national grid with over 1.14 lakh circuit kilometers of transmission lines and 7.76 lakh MVA of transformation capacity by 2027. The plan prioritizes renewable energy integration through dedicated corridors in states like Gujarat, Tamil Nadu, and Odisha, while also supporting green hydrogen and ammonia hubs. This forward-looking approach reflects the government's commitment to sustainable growth, energy security, and a resilient power infrastructure.

HG Infra has been looking to diversify into T&D infrastructure. In the first quarter FY 25-26 we have managed to secure a project in the state of Odisha with a total cost of Rs ~350 crore with scheduled commercial operation date of Mar-28.

Water Infrastructure

Rising demand, climate change, and low recycling are pushing big investments in water infrastructure. The Jal Jeevan Mission has ₹67,000 crore for FY25-26, within a ₹1,000 billion annual opportunity. Key projects: Wainganga-Nalganga (₹87,000 crore), Ken-Betwa (₹44,605 crore), Eastern Rajasthan Canal (₹40,000 crore), and ₹3,400 crore for interlinking. Amrut 2.0

adds ₹2.99 lakh crore over 5 years for urban systems. These align with our strengths, offering strong government and PPP opportunities.

Most of the large water sector projects are expected to come through the PPP mode, as recently seen with the Eastern Rajasthan Project tender process. As envisaged, the expected margins are lucrative, offering strong returns on investment.

Dear Friends,

It gives me great pleasure to share with you the key milestones and recent developments from our company – spanning our operational achievements, financial performance, digital transformation journey, governance practices, and more.

With a legacy of over 22 years in the infrastructure sector, HG Infra has grown into one of the most trusted and dynamic players in the industry. Our unwavering commitment to timely project delivery, quality execution, and strict adherence to safety standards has earned us consistent recognition and respect across the sector.

While road construction – including highways, bridges, and flyovers – remains our core strength, we have successfully expanded our capabilities into railways & metros, solar, BESS and transmission power projects.

Today, we are present in 13 states with 29+ active projects underway, including 11 under the Hybrid Annuity Model (HAM). Our operations are powered by a modern fleet of over 3,000 equipment units and a dedicated team of more than 5,400 professionals. This strong foundation equips us to continue delivering impactful infrastructure solutions and advancing confidently toward our long-term vision.

Friends,

I'm pleased to present an update on our financial performance, debt position, credit ratings, and dividend payouts. Since our listing in 2018, we have made significant strides, achieving impressive growth with a compounded annual growth rate of 22.5% in revenue, 22.7% in EBITDA, and 28.3% in PAT over the past five years. This growth reflects our strategic focus on selective bidding, timely project completion, and quality execution, supported by a steady return on equity of 22% and ROCE of around 25% for FY25.

In FY25, our performance was exceptional. The total revenue for FY '25 has reached Rs 6,052 crores, reflecting an impressive 18.16% year-on-year increase from Rs 5122 Cr in FY '24. EBITDA amounted to Rs 951 crores in the FY' 25, resulting in an EBITDA margin of 15.7%, compared to Rs 822 Cr and a 16% margin in the corresponding FY '24. Profit after tax (PAT) for FY '25 stood at Rs 577 Cr with a profit margin of 9.5%, compared to Rs 546 crores and a margin of 10.7% in FY '24.

On a standalone basis, our gross debt stands at ₹1,068 crore. This comprises ₹404 crore in working capital debt, ₹664 crore from term loans, current maturities, and TReDS limits and other means of debt.

Moving on to consolidated numbers,

For FY '25, revenue reached to Rs 5,056 Cr, compared to Rs 5378 Cr in FY '24. EBITDA reached Rs 1058 Cr, with an EBITDA margin of 20.9%, compared to Rs 1062 Cr and a 19.7% margin in

FY '24. PAT for FY25 stood at Rs 505 Cr with a profit margin of 10%, compared to Rs 539 Cr and a 10% margin in FY '24.

We've prioritized building a resilient financial foundation, managing finance costs carefully, and maintaining strict financial discipline.

Our strong financial management is underscored by our credit ratings. In FY25, ICRA has reaffirmed and assigned AA- (Positive) for Long-term- Fund based facilities and AA-(Positive)/A1+ for Long term/Short-term - Non-Fund Based facilities including enhanced exposure. These ratings reflect our financial growth, disciplined capital management, and strong project execution.

Monetization of HAM Projects:

It gives me immense pleasure to share the successful completion of our four HAM projects, which is rated as one of the most valued transactions achieved at the best valuations.

The first tranche, comprising 3 SPVs (Gurgaon – Sohna, Rewari Ateli, and Ateli Narnaul), was concluded on 21st November 2023. The second tranche, involving the Rewari Bypass SPV, was completed on 20th February 2025. All SPV shares (100%) have been transferred to the Highways Infrastructure Trust, resulting in total proceeds of ₹503 crore.

In Q4 FY25, we initiated the monetization process for our second portfolio of five HAM projects – Raipur AP-1, OD-5, OD-6, Khammam Package-1, and Khammam Package-2. The transaction has reached an advanced stage, with a prospective investor already identified, and we are confident of successfully closing it within this financial year.

The total equity requirement for the 11 HAM projects is ₹1,657 crore. As of March 2025, ₹915 crore has been infused. Of the remaining amount, ₹359 crore is scheduled for infusion in FY26, followed by ₹197 crore in FY27 and ₹186 crore in FY28.

The management has always been committed to sharing profits with shareholders to build value, trust, and long-term relationships. I'm pleased to announce that the company has allocated a total dividend of ₹13.03 crore for FY25, up from ₹9.77 crore in FY24. This results in a dividend payout ratio of 2.26%.

Engineering Marvel:

Let me update on some of the landmark infrastructure projects that showcase HG Infra's engineering excellence, sustainability, and transformative development:

In Rewari Bypass project we have Constructed India's Longest Railway Overbridge (ROB) span (Bow String Steel Girder) measuring 110 meters. This is one of the best engineering marvel ever created in railways with such an amazing dimension.

In Ganga expressway project with 151 KM Long project feature over 4.71 crore cubic meters of earthwork, we have constructed India's first Highway airstrip with both day and night emergency landing facility (ELF)

In Raipur Vishakhapatnam projects (OD5, OD6 & AP 1) we have Constructed 70,555 lane meters of elevated viaducts, with piers averaging 35 meters in height and the tallest reaching 50 meters.

In UER Project, we have utilized 8.80 lakh MT of inert waste material for embankments and landfilling, including marshy land development.

Dear Shareholders, I will now brief on the operational Highlights of the Year

In FY25, our order book has not only grown but also diversified, and as of March 31st, 2025, it stands at Rs 15,281 Cr. EPC constitutes 63.6%, while HAM constitutes 36.4%. Railway segment contributes 20.3%, and solar segments contribute 11.8%. I'm also pleased to share that HG has consistently executed all projects on time, with no delays in any of our endeavours.

Dear Friends, I'd like to take a moment to highlight some of the key milestones we've achieved in various critical areas of the organization this year.

Empowering HGIEL through Digital Transformation

In FY 2024-25, HG Infra accelerated its digital transformation journey – implementing SAP S/4HANA, deploying real-time GPS-enabled monitoring, intelligent compaction systems, and predictive maintenance tools. These technologies enhanced execution speed, enabled quality control, optimized asset utilization, and minimized inefficiencies, enabling the company to deliver smarter, more reliable infrastructure solutions. **As a way forward, the company is focusing on developing AI-driven tools for procurement, finance, HR, for better workflow management, and operations to further strengthen efficiency, transparency, decision-making and accurate reporting system.**

STRATEGIC LEADERSHIP AND INDUSTRY RECOGNITION

HG Infra has strengthened its organizational structure by creating sector-wise profit centers, each led by seasoned professionals to drive focused management and efficiency. The company has also diversified beyond roads into railways, metros, solar, BESS, and transmission projects, reinforcing its position as a multi-sector infrastructure player.

Our commitment to digitization and process excellence remains steadfast. Automation, real-time monitoring, and advanced design optimization are enhancing efficiency and reducing costs. These initiatives, coupled with innovation-led execution, have positioned HG Infra as an industry frontrunner. HG Infra has received several awards and recognitions from prestigious institutions, including the **British Safety Council** for upholding safety standards across project sites and the **NHAI** for excellence in highway project execution. The company has also been a consistent ranker in the **Fortune India 500 companies list** and has earned recognition such as the **Mahatma Award** and commendations from the **Financial Express** for its impactful CSR initiatives.

Human Capital

HG Infra's greatest strength lies in its people. With a dedicated team of over 5,400 professionals, the company cultivates talent through structured learning programs such as Gyanshala, Elevate, the Career Development Program (CDP), and cross-functional training initiatives, all designed to instill accountability, adaptability, and problem-solving capabilities across the organization. The Human Resources function further reinforces this by prioritizing strategic talent acquisition—ensuring that the right skills are hired at the right time, particularly through partnerships with institutions to onboard quality trainees—and by fostering an inclusive and collaborative culture. To strengthen employee well-being and

growth, HG Infra also provides comprehensive insurance coverage, continuous training opportunities, and empowerment-driven initiatives that enhance transparency, enrich employee experience, and build a future-ready workforce.

Corporate Governance & Risk Management

HG Infra Engineering Limited remains steadfast in its commitment to upholding sound corporate governance principles and ethical business conduct. Effective governance is rooted in a clear understanding of the roles and responsibilities of the Board of Directors (the 'Board') and Senior Management, alongside their interactions within the broader corporate structure.

The Company firmly believes that all strategic actions and decisions must be supported by robust systems and well-defined procedures. This ensures that decision-making at every level of management is well-informed, transparent, and aligned with the highest standards of corporate behaviour.

Our risk management framework is built on a strong strategic foundation, guided by our Risk Management Policy and seamlessly integrated into day-to-day operations. Risks are proactively identified through diverse sources and captured in the risk register. Risks are prioritised based on potential impact and likelihood and are quantified as inherent and residual risk values. Mitigation actions are assigned to ensure timely execution. The risks are continuously monitored and reviewed to ensure risk levels remain within bounds while optimising performance in a dynamic environment.

ESG:

As we look to the future, our commitment to enhancing Environmental, Social, and Governance (ESG) performance remains central to our strategy. Oversight by the Board of Directors, supported by a dedicated ESG Council of senior leaders, ensures that our centralized ESG management system promotes transparency, ethical conduct, and effective coordination across all business units. The introduction of a digital ESG data management tool has enabled transparent, project-wise monitoring across environmental compliance, social initiatives, and governance metrics, ensuring accountability at every level. We remain committed to minimising our environmental footprint by integrating sustainability into every stage of project execution. From adopting alternative raw materials to optimising energy use and reducing emissions, our focus is on building infrastructure that supports long-term ecological balance without compromising quality or efficiency. Our various initiatives such as deployment of CNG Vehicles in operations has resulted in emitting 20–30% lower GHGs compared to diesel, along with reduced NOx and CO₂ emissions. Our Total Scope 1 and 2 emission intensity (measured as Total GHG emissions / Total Lane KM constructed) has improved from 74.78 in FY 2023–24 to 39.236 in FY 2024–25. Apart from this, we have been extensively using Pond Ash, Inert Material, and GGBS in most of our highway projects and planted thousand of trees across all projects. This will enhance durability, reduce costs, and promote sustainability by utilizing industrial byproducts.

CSR:

In fiscal year 2025, we dedicated Rs. 16 crores to impactful CSR initiatives, reaffirming our commitment to uplifting education, rural development, environmental sustainability, and community welfare. All our efforts are guided by our Board-approved CSR Policy, which aligns with the Companies Act, 2013 and related regulations, ensuring that each initiative

meaningfully benefits the communities in which we operate. Last year through our various interventions we benefitted more than 12.57 lakhs people. We are not only committed to human beings but also, towards maintaining the ecological balance, in which we have planted more than 2.10 lakhs plants till now across our project locations. Towards animals & cattle for their welfare & treatment, in which till now, we have extended our support more than 6400 cattle and treated & rescued more than 3500 birds of varied species. Transformation of village, schools, Anganwadi centers and Health centers are the visible interventions of our commitment. Our vision is to actively contribute to the social, economic, and environmental progress of underprivileged sections across the nation, creating lasting value for society and the nation as a whole. In the present fiscal year, we have expanded our CSR initiatives beyond the state of Rajasthan to various other states in order to ensure that we are able to provide support and benefit for larger section of society.

Outlook:

At HG Infra, we believe in governance, transparency, and integrity. Our focus is on accountability, sustainability, and creating value for all our stakeholders.

India's infrastructure sector is growing rapidly and is set to become the world's third-largest by 2025. We are proud to contribute to this growth and are well-prepared to seize new opportunities. Our strategy includes selective project bidding, maintaining a healthy order book, monetizing HAM projects, completing projects on time, and sustaining strong margins.

For the coming year, we target ₹10,000-11,000 crore in new orders, around ~15% revenue growth, and EBITDA margins of around ~15%. Digital transformation, operational efficiency, fleet optimization, strategic hiring, and strong governance will be our growth drivers.

Before I conclude, I want to express our gratitude to God for His blessings and extend our sincere thanks to all our stakeholders. This includes our Board members, auditors, lenders, financial institutions, rating agencies, regulatory authorities, vendors, and, most importantly, our dedicated employees and supporters. Your unwavering belief, guidance, and support have been instrumental in establishing HG as one of the most trusted names in our sector.

Let us continue our collaborative efforts toward the development of a better world with prayer- "Let there be peace and love all around in the life of entire humanity".

Thank you so much.

Now request to Ankita Mehra to take further proceedings of the AGM.