

**ANNUAL REPORT
2021-22**



H.G. Infra Engineering Limited

STRONG PERFORMANCE SUSTAINABLE FUTURE

Infrastructure beyond Highways



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Forward-looking statement / Cautionary statement

In this annual report, we have disclosed forward-looking information to enable investors comprehend our prospects and take informed investment decisions. This report and other statements – written and oral – that we periodically produce/publish, may contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements would be fully realised, although we believe we have been prudent in our assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. If known or unknown risks or uncertainties materialise, or if underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

STRONG PERFORMANCE. SUSTAINABLE FUTURE.

At HG Infra, we have come a long way since a humble beginning. From being a regional player, we have spread to nine geographies. From executing sub-contracted jobs, we have built competencies to bid for and execute largescale EPC and HAM projects as a prime contractor. From having a traditional set-up, we are continually investing in modern fleet, digital technologies and sustainability efforts that are driving efficiency and accelerating our long-term growth.

Our sustained focus on building capabilities through the years has positioned us as an important player in the road construction space.

The impact of these was evident even in a challenging year, when we delivered a solid all-round performance. Even as supply chain was impacted and input costs rose, we executed ₹ 36,152 Mn worth of projects. Even as new ordering activity was weak, we bagged new inflows of ₹ 43,279 Mn

Our strong performance solidifies our position in the industry and reinforces our confidence of a sustainable future ahead as India embarks on mega infrastructural development agenda.

This is how we delivered in FY 2021-22

Revenue

₹ **36,152** Mn

↑ 43% over FY21

↑ 27% 4-year CAGR

EBITDA

₹ **5,847** Mn

↑ 40% over FY21

↑ 29% 4-year CAGR

PAT

₹ **3,388** Mn

↑ 61% over FY21

↑ 42% 4-year CAGR

Gross Block

₹ **8,077** Mn

↑ 6% over FY21

↑ 13% 4-year CAGR

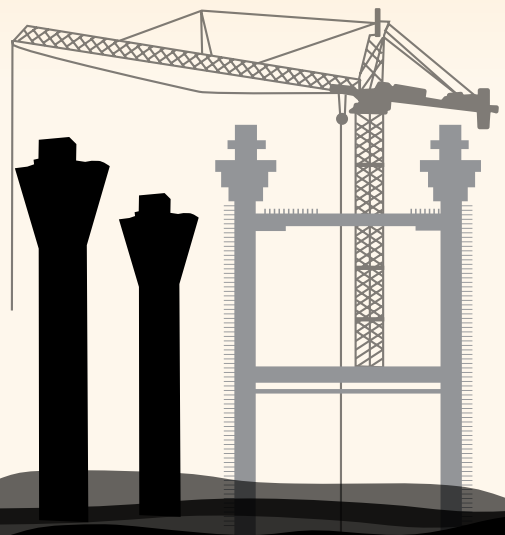




ABOUT HG INFRA LEADING THE WAY WITH EXTENSIVE EPC EXPERTISE

HG Infra is a dominant player in the road construction space with competencies to undertake EPC, HAM and civil construction related infrastructure projects. Our robust business model led by complete integration, a large fleet of in-house equipment and skilled human resources make us a preferred player in the segment. We have a proven track record of delivering projects with highest quality and safety standards and on a timely basis across diverse geographies of India.

For nearly two decades, we have been paving new paths for the infrastructure development and national growth in India and alongside sustainably creating value for all stakeholders. As the country embarks on an ambitious mission of creating infrastructure with a spending of ₹ 111 trillion, we look to play an important role and support nation's growth.



19

Years of operations

₹ 79,729 Mn

Order book position

20+

Active projects (9 HAM)

41 till date

Projects delivered

4,800+

Employees

₹ 20,000 Mn

EPC pre-qualification limit



Our vision

To be amongst the most admired and most trusted infrastructure companies in the country, delivering qualitative, reliable and quality 'creations & services' to all customers at competitive costs, with highest standards of infrastructure creations, setting new benchmarks in standards of corporate performance and governance through the pursuit of operational and financial excellence, responsible citizenship and profitable growth, thereby creating superior value for all the stakeholders and contributing significantly in the growth of this sector.



Our mission

- To create the world-class assets and infrastructure to provide the platform for faster and consistent growth for India to become world's economic power
- To earn the trust and confidence of all customers and stakeholders, exceeding their expectations and making the company a respected household name
- To consistently achieve high growth with the highest levels of productivity holding guiding principles of trust, integrity and transparency in all aspects of interactions and dealings
- To be a technology-driven, efficient and financially sound organisation
- To promote a work culture that fosters individual growth, team spirit and creativity to overcome challenges and attain goals, encourage ideas, talent and value systems



Our values

- Trust
- Passion
- Quality



Our reputation

ISO 9001:2015 certified for Quality Management System
OHSAS 18001: 2007 certified for Health & Safety Management System
ISO 14001:2004 certified for Environmental Management System

Built on a solid foundation



Execution excellence

- 41 till date projects delivered and 20+ active projects across nine geographies
- 2,000+ fleet of modern equipment enabling high operational efficiency
- Zero project delays
- Ability to execute projects under BOT and HAM models



Strong leadership and governance practices

- 25 years of average senior management experience
- High standard of corporate governance



Robust IT infrastructure

- Multiple digital initiatives implemented including for real-time project monitoring, supply chain management, planning accuracy and concurrent project management

- Sensor-based technology being installed for real-time fuel consumption monitoring



Experienced team

- 9.4% years of average experience of team
- 45.9% of full-time employees are qualified engineers and management professionals

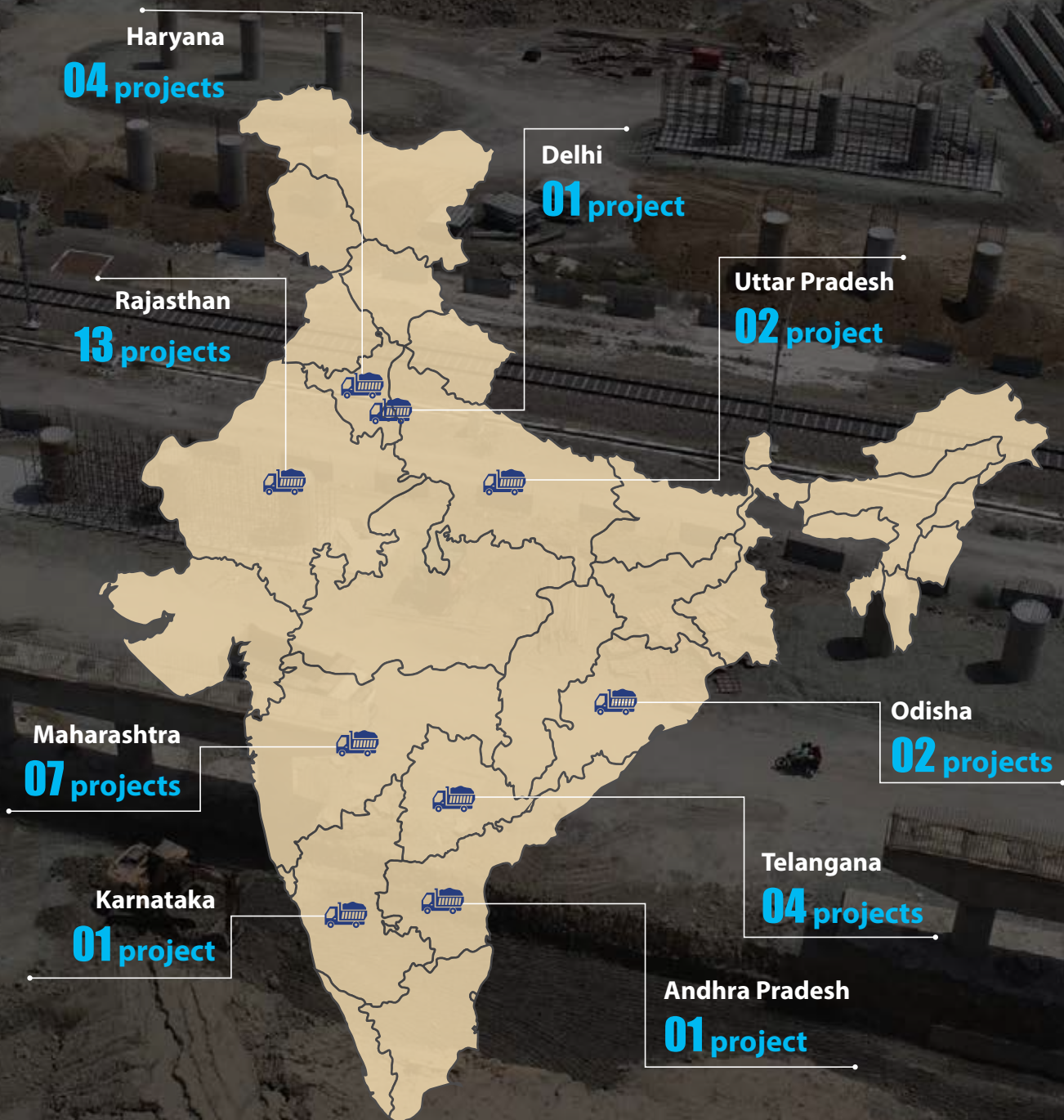


Strong financial position with AA- rating

- 25% ROE and 33% ROCE
- AA- Credit rating from A+ ensuring low cost of debt and the effect of the new rating will be improved in due course of time in this financial year in line with the movement in the bank rates



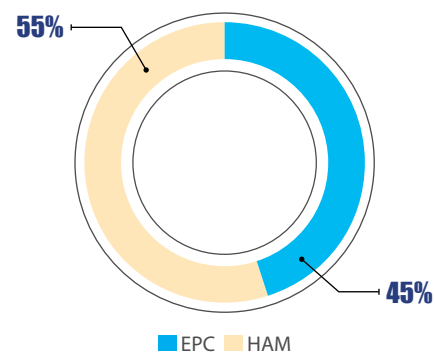
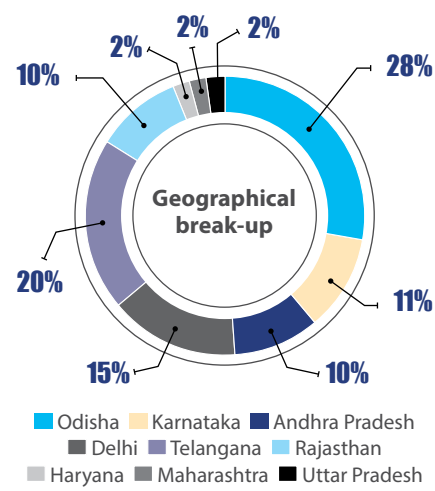
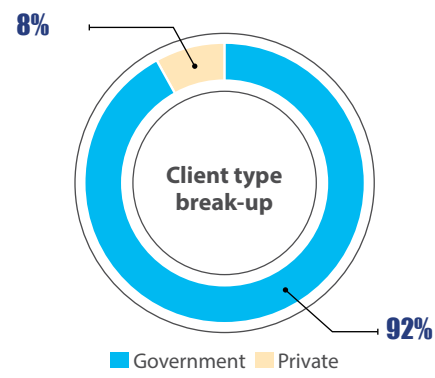
GEOGRAPHIC PRESENCE CHARTING OUR PATH TO NEWER GEOGRAPHIES



Details of projects as on March 31, 2022

| Project | Awarding authority | State | Unexecuted Value (₹ Mn) | Status |
|-------------------------------|--------------------------------|----------------|-------------------------|-------------------------------|
| Delhi Vadodara Pkg-9 | NHAI | Rajasthan | 4,955 | Under Execution |
| Mancherial – Repallewa | Adani | Telangana | 4,057 | Under Execution |
| Delhi Vadodara Pkg-8 | NHAI | Rajasthan | 2,039 | Under Execution |
| Hapur Moradabad | IRB - MRM | Uttar Pradesh | 1,889 | Under Execution |
| Rewari Bypass Pkg-4 | NHAI | Haryana | 1,800 | Under Execution |
| MoRTH Projects (MH) | MoRTH | Maharashtra | 1,325 | Under Execution |
| Rewari Ateli Mandi | NHAI | Haryana | 271 | Under Operation & Maintenance |
| Narnaul Bypass | NHAI | Haryana | 130 | Under Operation & Maintenance |
| Delhi Vadodara Pkg-4 | NHAI | Rajasthan | 99 | Under Execution |
| Rajasthan (World Bank funded) | PWD | Rajasthan | 658 | Under Execution |
| Gurgaon-Sohna (Rajiv Chowk) | NHAI | Haryana | 12 | Under Operation & Maintenance |
| Karala-Kanjhawala UER | NHAI | Delhi | 11,884 | Under Execution |
| Raipur-Visakhapatnam AP-1 | NHAI | Andhra | 7,927 | Under Execution |
| Khammam-Devarapalle Pkg-1 | NHAI | Telangana | 6,071 | A.D Awaited |
| Khammam-Devarapalle Pkg-2 | NHAI | Telangana | 5,042 | A.D Awaited |
| Raipur-Visakhapatnam OD-5 | NHAI | Odisha | 12,766 | A.D Awaited |
| Raipur-Visakhapatnam OD-6 | NHAI | Odisha | 9,502 | A.D Awaited |
| Neelmangala-Tumkur | NHAI | Karnataka | 8,436 | A.D Awaited |
| Others | MES/PWD/ Other Private Clients | Various States | 866 | Under Execution |

Order book diversity

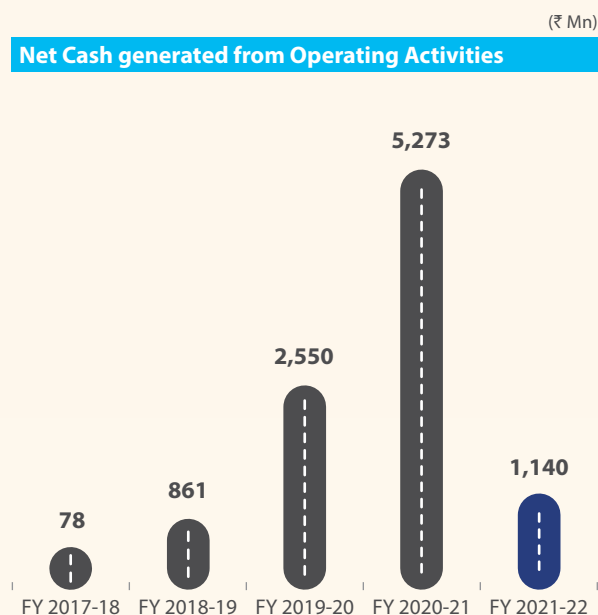
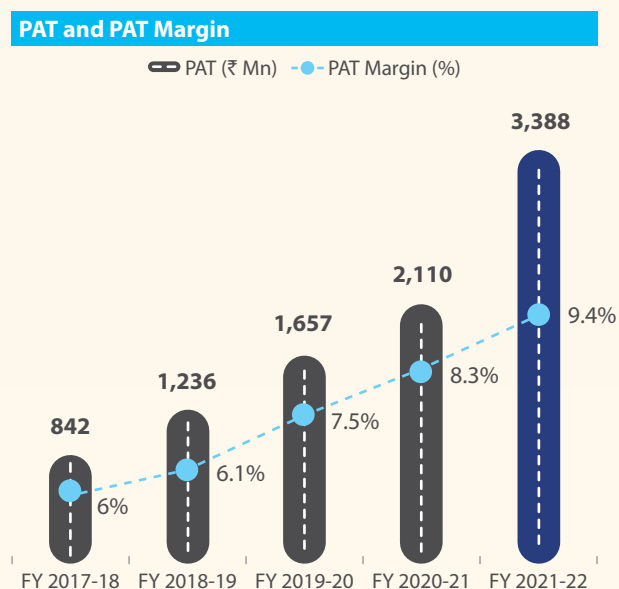
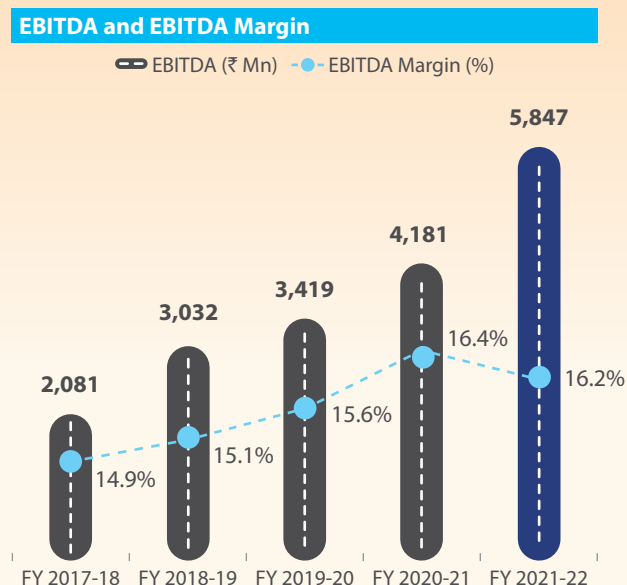
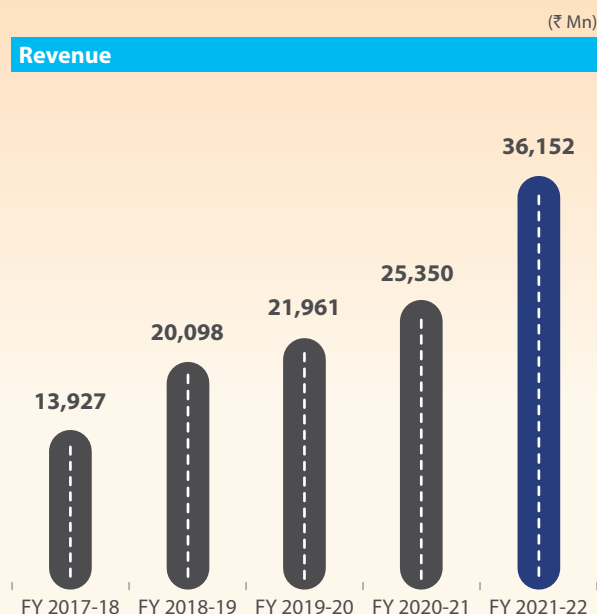


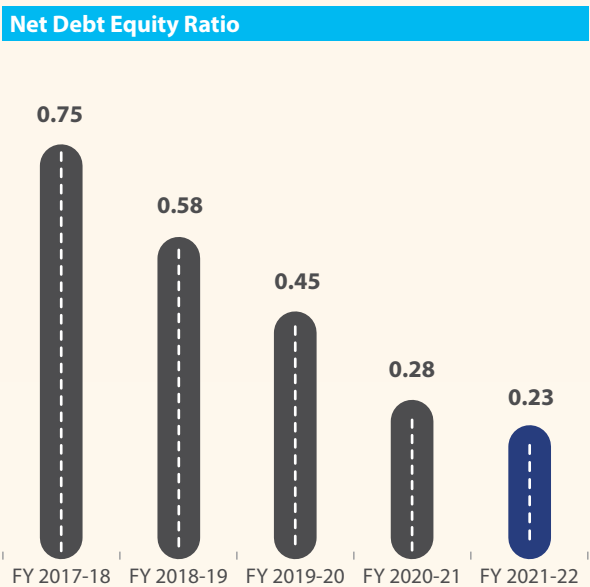
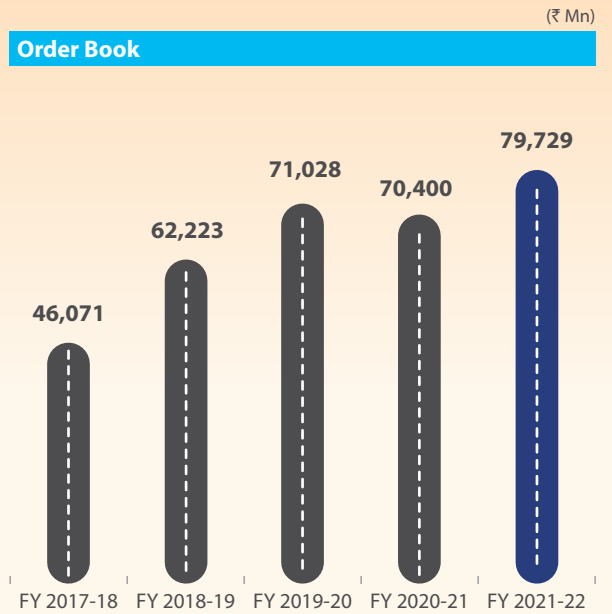
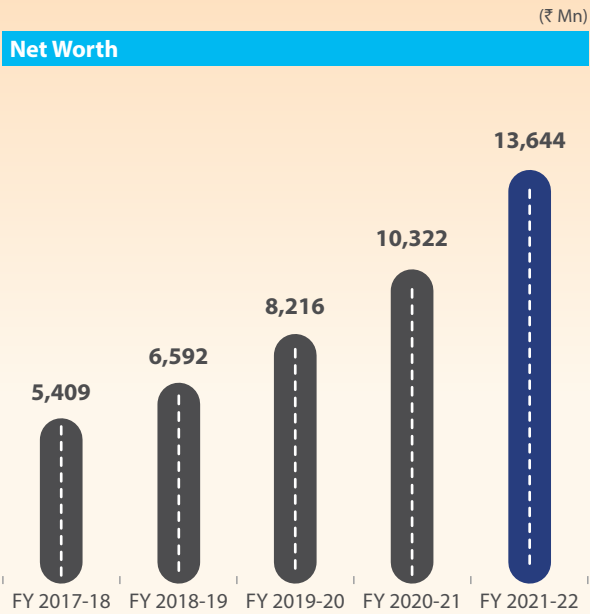


KEY PERFORMANCE INDICATORS

SHIFTING GEARS: PERFORMING STRONGLY IN A CHALLENGING YEAR

FINANCIAL HIGHLIGHTS







OPERATIONAL HIGHLIGHTS

2 EPC projects awarded

- ₹ 8,441 Mn project for development of Six Lane highway with access control of Neelmangala-Tumkur including Tumkur bypass section of NH-48 under Bharatmala Pariyojna Phase I
- ₹ 12,438 Mn project for development of Six Lane Urban Extension Road from NH 1 to Karala-Kanjhawala – Kanjhawala Phase 1

2 HAM projects awarded

- ₹ 14,921 Mn and ₹ 11,231 Mn projects for development of Six Lane Kaliagura-Baunsagar section and Six Lane Baunsagar-Baraja section respectively of NH 130 CD under Raipur Visakhapatnam Eco Corridor

₹ **43,279** Mn

Total order inflow in
FY 2021-22

Delivering Superior Project Execution

In FY 2021-22, we successfully completed execution of three HAM and three EPC projects for which provisional completion certificate has been received.

HAM Projects

Rewari Ateli Mandi



₹ 5,751 Mn

project for upgrading 4-lane of Rewari Ateli Mandi section in Haryana

170 days ahead of schedule

Gurgaon Sohna



₹ 6,060 Mn

project for 6-laning and strengthening of NH-248A in Haryana

Completed as per schedule

Narnaul Bypass



₹ 9,521 Mn

Mn project for 6/4 laning and strengthening of NH-11 in Haryana

255 days ahead of schedule

EPC Projects

Banar-Bhopalgarh (Rajasthan)



₹ 2,070 Mn

project for development and upgradation of Banar-Bhopalgarh-Kuchera Highway (SH-63)

(from 0.000 km to 126.500 km)

Completed as per schedule

Morshi-Chandur Bazar-Achalpur (Maharashtra)



₹ 2,380 Mn

project for rehabilitation and upgradation of Morshi Chandur Bazar-Achalpur Highway (from 0.000 km to 53.719 km) to two lanes with Paved Shoulder Configuration

Completed as per schedule

Jodhpur-Marwar (Rajasthan)



₹ 3,040 Mn

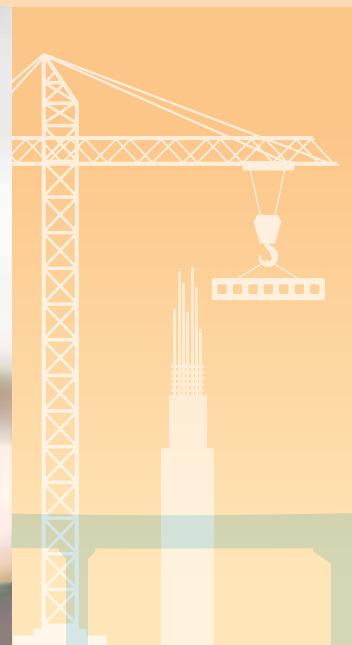
project for development and upgradation of Jodhpur-Marwar Junction-Jojawar section of SH-61 & 61A

(from 0.000 km to 126.500 km)

Completed as per schedule



MESSAGE FROM THE CHAIRMAN



Dear Stakeholders,

It is a pleasure to once again connect with you and report the performance and exceptional progress that HG Infra has made through the year.

FY 2021-22 has been yet another challenging year. Beginning with a more severe wave of COVID-19 pandemic which put immense socio-economic stress to global supply chain disruptions, high input prices and geopolitical tensions, the year had it all. That said, the efforts undertaken by the Government of India in such times have been commendable. The urgency displayed in vaccinating the population, the infusion of funds to sustain economy and policy measures towards manufacturing self-reliance helped reduce impact of subsequent waves and considerably improved business sentiments. And surely so, the Indian economy saw one of the fastest growths in many years at 8.9% even as extraordinary challenges persisted.

Delivering a stellar performance

Considering the ongoing business environment, I am immensely proud

of our team who maintained steadfast commitment towards execution and pursuing growth. We achieved major milestones in several of our projects. Provisional completion certificates were received for three HAM projects (Gurgaon-Sohna, Rewari Ateli Mandi and Narnaul Bypass) and three EPC projects (Banar-Bopalgarh, Jodhpur-Marwar and Morshi-Chandur Bazar). Additionally, we are eligible for bonus in Rewari Ateli Mandi and Narnaul Bypass projects for 170 days to 255 days respectively. All other projects are progressing well and we expect to complete them on schedule.

Led by strong execution, we reported a standalone revenue growth of 43% to ₹ 36,152 million in FY 2021-22, and yet again becoming one of the fastest growing road EPC players. 8% of the revenue came from primary contracting, manifesting our growing stance in the industry and the ability to independently bid for orders. This reinforces our belief in delivering sustainable growth over the long run.

Our sharp focus on selective bidding alongside operational efficiency and

digital measures helped mitigate costs pressures, thereby ensuring a steady margin profile. EBITDA grew 40% to ₹ 5,847 million with a margin of 16.2% which is nearly flat at previous years' level. PAT growth was stronger at 61% to ₹ 3,388 million, resulting in 90 basis points improvement in PAT margins to 9.4%. This was primarily on account of reduction in interest costs.

The total order inflow at ₹ 43,279 million for FY 2021-22 was slightly muted given the rising competition in EPC and HAM projects as well as our focus on selective bidding to meet IRR criteria. Our total order book now stands at ₹ 79,729 million as on March 31, 2022 providing us strong revenue visibility.

We closed the year on a strong footing in terms of balance sheet strength. As on March 31, 2022, our standalone gross debt stood at ₹ 3,147 million with a healthy debt:equity of 0.23x which improved over last year's level of 0.28x. Working capital days was low at 31 days as compared to 33 days in the previous year.

“Considering the ongoing business environment, I am immensely proud of our team who maintained steadfast commitment towards execution and pursuing growth. We achieved major milestones in several of our projects.”

Infrastructure thrust unlike any

What truly deserves a mention is the mammoth effort by the Government for infrastructure creation. At an estimated investment of ₹ 111 trillion in the next five years, India's National Infrastructure Pipeline is one of the largest such initiative globally. But unlike before, the approach is more focused this time around. Initiatives to boost private participation and innovative funding means like Infrastructure Investment Trusts are being promoted. Additionally, a 'Gati Shakti' initiative has been launched whereby all transport related infrastructure projects have been consolidated to undertake integrated planning and execution. This will expedite such projects and make way for quicker mobility in India.

The efforts by the Minister of Road, Transport and Highways of India and NHAI have also been exceptional. Creating a conducive environment to support industry players and remove bottlenecks, they have accelerated the functioning of the road construction sector. Overall, there is immense positivity in the industry with increased government spending and

plans to construct 25,000 km of national highways by FY 2022-23 and expand the total network to 2 lakh km by 2025.

Clarity on the path forward

Our strategy ahead is clear. We will continue to maintain core focus on road EPC and HAM projects while being selective to bid projects that complement our competencies and have better margin profile. With nearly, ₹ 14,000 crore of project tendering underway in FY 2022-23, and we are confident of receiving good order inflow.

We are also actively pursuing diversification to other infrastructure segments like railways, water infrastructure and airports where a lot of ground is yet to be covered. A dedicated division comprising senior and experienced people from tier I companies is working to lead forward our growth. With several projects up for tendering, we soon expect to make a breakthrough.

As we look forward to accelerating growth, our focus will be on creating a sustainable organisation with increasing use of digital technology. We have invested significantly in building the

digital capabilities to enhance our operational efficiency and optimise cost which will be key in the future. Along with this, we have taken multiple steps towards improving environmental, health and safety (EHS) performance including forming a committee with an intent to move towards a zero accident operation.

Closing comments

HG Infra stands comfortably with a strong order book position, revenue visibility and healthy financial position. This has been validated in the ratings upgrade by ICRA from A+ to AA- for long-term facilities, and from A1 to A1+ for short-term facilities on April 21, 2022. We are ever more enthusiastic and energised to further enhance our position as a leading infrastructure developer.

I seek the continued support, guidance and encouragement of all stakeholders in our journey ahead. I am confident the coming times will be more value accretive.

Warm regards,

Harendra Singh

Chairman and Managing Director

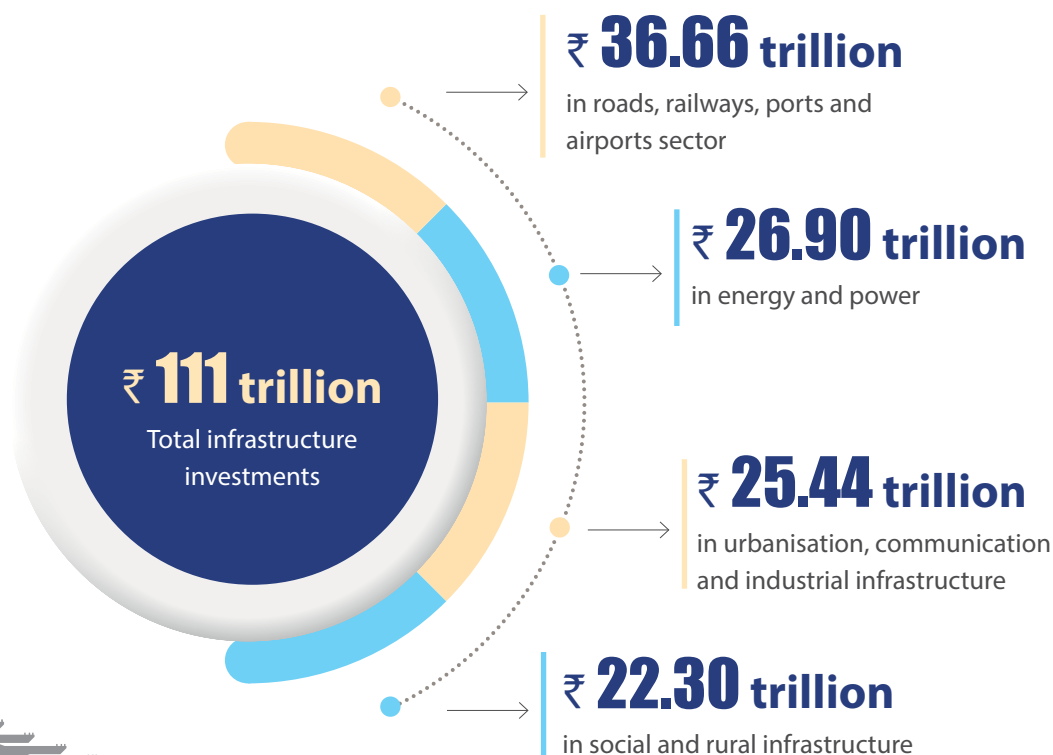


INDUSTRY OPPORTUNITIES ON TRAJECTORY OF HIGHER GROWTH

India's infrastructure segment is all set for explosive growth. The Government of India's initiative around creating a ₹ 111 trillion National Infrastructure Pipeline (NIP), plans to monetise assets, and expedite transportation projects with Gati Shakti Master Plan are creating opportunities unlike before. Together, these efforts are aimed at laying the foundation for India's next 25 years through economic transformation, seamless multimodal connectivity and logistics efficiency

Ambitious National Infrastructure Pipeline to unleash mega opportunities

(FY 2020-25)



Stage set to make NIP possible

Kick-starting investment cycle

Funding has always been one of the key challenges in infrastructure projects in India. To address this challenge, the government has conceptualised a National Monetisation Pipeline (NMP) whereby central and public sector assets worth ₹ 6 trillion are targeted for monetisation over a four-year period ending FY 2024-25. Further, innovative financial instruments like infrastructure investment trusts (InvIT) are being promoted to channelise global financial capital.

Gati Shakti Push

The ambitious ₹ 100 lakh crore Gati Shakti Master Plan focuses on breaking inter-ministerial silos to ensure integration in designing and planning of all transport connectivity related projects. This will help in creating next-generation infrastructure for seamless multi-modal connectivity to more than 1,200 industrial clusters and thus drive India's global competitiveness. Under the initiative, 16 ministries and their schemes including flagship ones like Bharatmala, Sagarmala, Udaan, expansion of railway network, inland waterways and Bharat Net will be integrated.

Opportunities in HG Infra's area of play

Roads



- ₹ 1.99 trillion budgetary allocation for FY 2022-23
- 25,000 km of national highway network expansion planned at an investment of ₹ 20,000 crore for FY 2022-23
- Expansion of total national highway network to 2 lakh km by FY 2024-25 under Gati Shakti from ~1.4 lakh km in March 2022

Railways & metro*



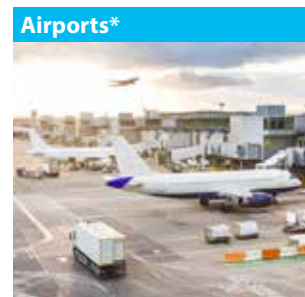
- ₹ 2.45 trillion FY 2022-23 budget allocation
- Increasing cargo handling capacity from 1,210 million tonnes (MnT) to 1,600 MnT by FY 2024-25 under Gati Shakti

Water Infrastructure*



- ₹ 86,189 crore budget allocation to Jal Shakti Ministry for FY 2022-23, including ₹ 60,00 crore for providing tap water connectivity to 3.8 crore households under Jal Jeevan Mission

Airports*



- Creating 220 new airports, heliports and water aerodromes by FY 2024-25 under Gati Shakti

* New areas where HG Infra is participating



STRATEGY

OUR PATH TO A SUSTAINABLE FUTURE

The infrastructure sector is headed for a solid growth. At HG Infra, we have mapped our area of focus to capture opportunities. At the same time, we are continually investing in building new capabilities to enhance our competitiveness and maximise our chances of winning orders. This will enable us to scale growth and maximise value to all stakeholders in the long run.

HG Infra Strategy

Core focus on road EPC and HAM

- EPC projects: timely execution with strong discipline in order selection
- HAM projects: bid selectively to maintaining healthy IRR and explore monetisation opportunity to free equity

Diversification to other infra sectors

- De-risk business by diversifying to Railways (track laying), Water Infra (pipeline laying) and Airports (runways/taxiways) sectors

Maintain financial discipline

- Strict discipline in selecting projects with desirable levels of EBITDA Margins/IRR
- Strict cost controls to improve profitability and deleverage balance sheet
- Continue focus on working capital management and cash generation

Reinforcing Competencies to Accelerate Ahead

Established new business division to diversify

We have created a new business division comprising senior people hired from tier I companies and having multiple years of experience in various infrastructural areas. We intend to leverage their expertise and a dedicated strategy to make breakthrough in new targeted infrastructural areas.

Modernising construction capabilities




We have invested ₹ 3,956 million in the last four years towards strengthening our in-house fleet with modern construction equipment. As on March 31, 2022, this fleet totalled at 2,000+, providing us adequate competencies to execute large scale projects.

Strengthened P&M capabilities

In FY 2021-22, we have invested ₹ 640.78 million towards upgrading our project execution capabilities. These will be critical in supporting our growing scale of operations, driving more efficiency and enabling us to ensure sustainability.



Our P&M initiatives:

| Initiatives | Benefits |
|--|--|
|  Installing sensor-based technologies <ul style="list-style-type: none"> Fuel Dispensing Management System to ensure secure diesel dispensation, without pilferage and on pre-identified equipment Fuel Level Monitoring System for recording operator, working details and fuel consumption | Saving in fuel costs |
|  Automating processes <ul style="list-style-type: none"> Hot mix plant on UPS for sustained asphalt production Trimble 2D cross-slope and elevation control option to be used on motor graders for cutting road slopes, ditches and embankments HVI Android-based App for live inspection of vehicles, service reminders, daily operator reporting, checklist management and notifications Palfinger Truck Mounted Crane for loading, unloading and transporting goods | Higher productivity and costs savings |
|  Going green <ul style="list-style-type: none"> Converted 17 tippers from diesel to CNG-based operations | Lower GHG emissions |

Progressing to improve EHS performance

Improving environment, health and safety (EHS) parameters is critical to reducing the risks to our people and environment and driving operational efficiency. In FY 2021-22, we undertook multiple initiatives towards this including formation of an EHS committee to guide all actions.

Our EHS initiatives

- TPIC for lifting appliances
- Fixing of flash back arresters in gas cutting sets
- Installation of IP 44 and 55 electrical panel boards
- Construction of sedimentation tanks
- Installation of awareness posters and layout of project at workplace
- Monthly EHS awards and rewards
- Standard fire points





BOARD OF DIRECTORS LED BY AN EXPERIENCED AND EXPERT TEAM

Mr. Harendra Singh

Chairman and Managing Director

He has over 28 years of experience in the construction industry. He has been on the Board of Company since its incorporation and was appointed as Managing Director of the Board for a period of five years with effect from May 15, 2017. For his outstanding achievement in business and social service, he was awarded the Business Leader of the Year (Engineering Sector) by the Asian Leadership Awards. Previously, he was awarded twice by the Indian Achievers Forum. He holds a bachelor's degree in Engineering (Civil) from Jodhpur University.

Mr. Vijendra Singh

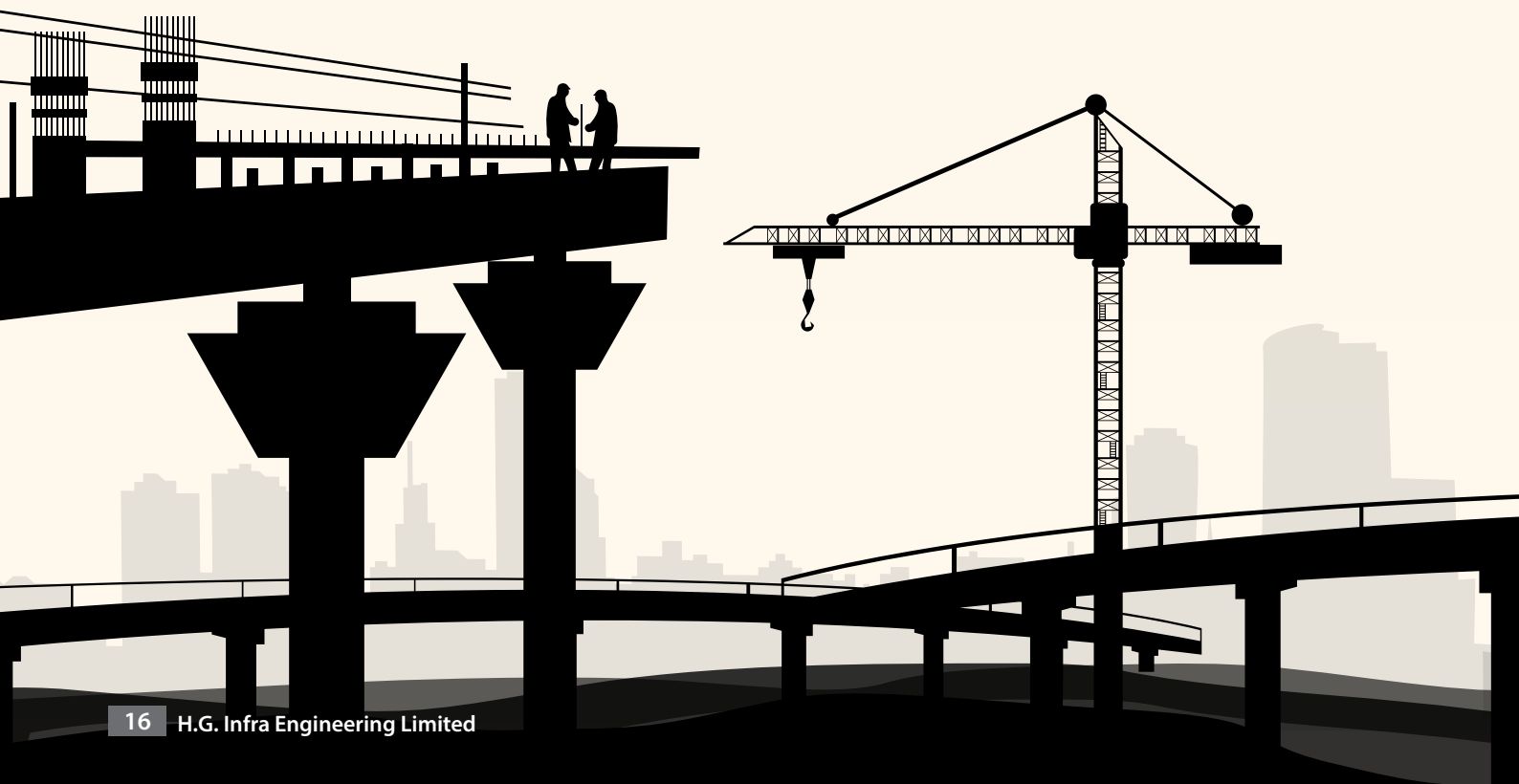
Whole Time Director

He has been on the Board of Company since its incorporation. After garnering a basic education, he amassed more than 30 years of experience in the construction industry. He was appointed as a Whole Time Director on the Board for a period of five years with effect from May 15, 2017.

Mr. Dinesh Kumar Goyal

Whole Time Director

He is a retired IAS officer, last serving as Additional Chief Secretary to Govt. of Rajasthan in 2013. He has 39 years of experience at top level in various departments including Finance, Energy, Public Works, Roads & Highway, Mines, Industries, Urban Development, and Labour. After retirement from IAS, he has been Advisor to Solar Energy Corp. of India; Senior Consultant for the World Bank funded Road Sector Project, and Advisor to Hindustan Zinc Ltd. He became the Director of Company with effect from May 23, 2018. He is Ph.D. from Birla Institute of Tech. & Science, Pilani, M.Sc. from London School of Economics, M.Sc. (I) from IIT Delhi and an Eisenhower Fellow.



Mr. Ashok Kumar Thakur*Independent Director*

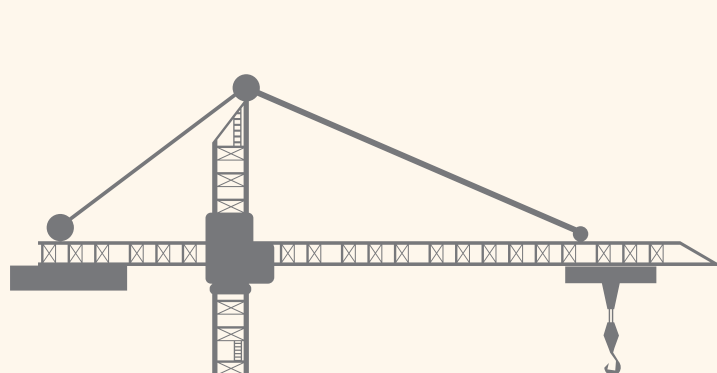
He has over 39 years of experience in the banking industry. He has been an Independent Director on the Board with effect from May 15, 2017. Prior to this, he has held various positions at Union Bank of India, including general manager (HR) at Corporate Office, general manager (Kolkata zone) and deputy general manager (regional head) at Kolkata and Chandigarh. He has also been chairman at the Rewa Siddhi Gramin Bank. He holds a master's degree in commerce from Lucknow University.

Mrs. Pooja Hemant Goyal*Independent Director*

An Independent Director of our Company appointed on the Board with effect from May 15, 2017. She was associated with the law firm N.V. Vechalekar & Co. in Mumbai. She has over 12 years of experience in the legal industry and as a legal practitioner. She holds a bachelor's degree in commerce and a master's degree in law, from Jiwaji University, Gwalior, Madhya Pradesh.

Mr. Onkar Singh*Independent Director*

A retired IAS officer, he joined the Board on September 08, 2017 and is currently an Independent Director of the Company. He has over 22 years of experience in the tribal area and rural developments and education administration in different capacities. He has also been the collector in Tonk, Dausa, Rajsamand and Bhilwara districts of Rajasthan for seven years. Further, he was the divisional commissioner at Kota, and also held the vice-chancellor post (additional charge) at Kota's Agriculture University, Kota University and Rajasthan Technical University. He holds a bachelor's degree in Commerce, a master's degree in economic administration and financial management and M.Phil. degree.





CORPORATE SOCIAL RESPONSIBILITY ENABLING INCLUSIVE AND SUSTAINABLE DEVELOPMENT

At HG Infra, we believe in growing together with our communities. We undertake focused intervention around promoting education, healthcare and rural development. In FY 2021-22, with the pandemic continuing, a majority of our efforts were dedicated towards disaster relief.

Supporting pandemic relief

The second wave of pandemic was severe, resulting in a significant upsurge in demand for medical oxygen and hospital supplies. We spent a total of ₹ 21.06 Mn towards facilitating these to the communities under our CSR project 'HG Care – Community Welfare'.

Oxygen Generation plants

- One each in Trauma Centre, Abu Road, Government District Hospital, Kalandri and Government Hospital, Sildar in Sirohi, Rajasthan
- One in Punjabrao Deshmukh Memorial College, Amravati, Maharashtra
- One each across three Government Hospitals in Alwar, Rajasthan

Oxygen Concentrators

- Two to district administration of Bhilwara, Chittorgarh, Rajasthan
- Three each to People Unity Sansthan in Churu, Rajasthan and Chirayu Hospital in Jaipur, Rajasthan
- One to Shri Shivram Nathuji Tak Government Satellite Hospital, Mandore in Jodhpur, Rajasthan
- Nine to Chief Medical & Health Officer Office in Ramgarh, Alwar, Rajasthan along with medical equipment and kits

Other support

- 200 jumbo Oxygen Cylinders to Medical Department, Government District Hospital, Sirohi, Rajasthan
- Distributed medical kits, masks, sanitisers and disposable bed sheets in Government Hospital, Bhilwara, Rajasthan
- Set-up a gas manifold and provided pulse Oximeters to General Hospital in Ateli, Narnaul, Haryana



Promoting education

Under our CSR Project 'HG Ki Pathshala', we provided infrastructure support to Prabandh Samiti Adarsh Vidhya Mandir, Jodhpur for constructing a residential hostel with all necessary facilities. It will provide a healthy educational environment along with extracurricular facilities to needy and bright students for their all-around development.

Tribal Hostel Transformation project was also implemented at Rana Punja Government Ashram Boys Hostels at Amthala and Siyawa, Abu Road, Sirohi in Rajasthan. Under this, we provided support for infrastructure enhancement, creating an ecosystem for smart education and various regular intervention.

In addition to above, scholarships were provided to deserving students to meet their academic goals and pursue their dreams without financial burden.

Rural developments projects

We have conceptualised the CSR Project 'HG Care - Adoption of Villages - [Holistic Rural Development Program (HRDP)]' for adopting and transforming villages into model villages. We have presently adopted four villages in the state of Rajasthan i.e. (i) Matata, Udaipur; (ii) Raya, Udaipur; (iii) Raya, Rajsamand; (iv) Munwas, Udaipur. We are undertaking holistic and sustainable development in these villages backed up by futuristic and progressive skills leading to higher levels of productivity and improvement in overall quality of life at the community level.





CORPORATE INFORMATION

Board Of Directors

Harendra Singh

Chairman & Managing Director
DIN-00402458

Vijendra Singh

Whole Time Director
DIN-01688452

Dinesh Kumar Goyal

Whole Time Director
DIN-02576453

Ashok Kumar Thakur

Independent Director
DIN-07573726

Pooja Hemant Goyal

Independent Director
DIN-07813296

Onkar Singh

Independent Director
DIN-07853887

Committees Details Audit Committee

Ashok Kumar Thakur

Chairman

Harendra Singh

Member

Onkar Singh

Member

Nomination And Remuneration Committee

Pooja Hemant Goyal

Chairperson

Ashok Kumar Thakur

Member

Onkar Singh

Member

Stakeholder Relationship Committee

Onkar Singh

Chairman

Harendra Singh

Member

Vijendra Singh

Member

Corporate Social Responsibility Committee

Vijendra Singh

Chairman

Dinesh Kumar Goyal

Member

Harendra Singh

Member

Onkar Singh

Member

Risk Management Committee

Harendra Singh

Chairman

Ashok Kumar Thakur

Member

Vijendra Singh

Member

Sanjay Bafna

Member

Vinod Kumar Giri

Member

Finance Committee

Harendra Singh

Chairman

Vijendra Singh

Member

Dinesh Kumar Goyal

Member

Management Committee

Harendra Singh

Chairman

Vijendra Singh

Member

Dinesh Kumar Goyal

Member

Debenture Committee

Harendra Singh

Chairman

Vijendra Singh

Member

Dinesh Kumar Goyal

Member

Fund Raising Committee

Harendra Singh

Chairman

Vijendra Singh

Member

Dinesh Kumar Goyal

Member

Chief Financial Officer

Rajeev Mishra

Company Secretary & Compliance Officer

Ankita Mehra

Statutory Auditors

M/s Price Waterhouse & Co
Chartered Accountants LLP
252, Veer Savarkar, Marg,
Shivaji Park, Dadar (West)
Mumbai - 400 028

M/s Shridhar & Associates
Chartered Accountants,
701, 7th Floor, Amba Sadan,
Plot No. 325, Linking Road,
Khar (W), Mumbai - 400 052

Secretarial Auditors

M/s ATCS & Associates,
Company Secretaries
23 KA 4, Jyoti Nagar,
Jaipur - 302 005

Cost Auditors

M/s Rajendra Singh Bhati & Co.
Cost Accountants
Office No. 10A, 2nd Floor,
Sanjavani Ananda,
Manji ka Hatta Paota,
Jodhpur - 342 003

Internal Auditors

Mahajan & Aibara | Chartered
Accountants LLP
B-Wing, 2nd Floor, Mafatlal
Chambers, N M Joshi Marg,
Lower Parel (East),
Mumbai - 400 013

Registered Office

14, Panchwati Colony, Ratanada
Jodhpur-342 001, Rajasthan

Tel: 0291-2515327

Email ID: cs@hginfra.com

Website: www.hginfra.com

CIN: L45201RJ2003PLC018049

Corporate Office

III Floor, Sheel Mohar Plaza, A-1
Tilak Marg, C-Scheme Rajasthan,
Jaipur-302 001

Tel: 0141-4106040-41

Fax: 0141-4106044

Email ID: cs@hginfra.com

Registrar & Share Transfer Agent

Link Intime India Private Limited
Noble Heights, 1st Floor,
Plot No. NH-2, LSC, C-1 Block,
near Savitri Market, Janakpuri,
New Delhi - 110 058

Tel: 011-49411000

Fax : 011-41410591

Email ID: delhi@linkintime.co.in

Bankers

Axis Bank Ltd.
Bank of Baroda
Bank of India
Federal Bank Ltd.
HDFC Bank Ltd
ICICI Bank Ltd.
IDFC First Bank Ltd
Indian Bank
IndusInd Bank Ltd.
Karnataka Bank Ltd.
Punjab National Bank
RBL Bank Ltd.
State Bank of India
Union Bank of India
Yes Bank Ltd.



Statutory Reports

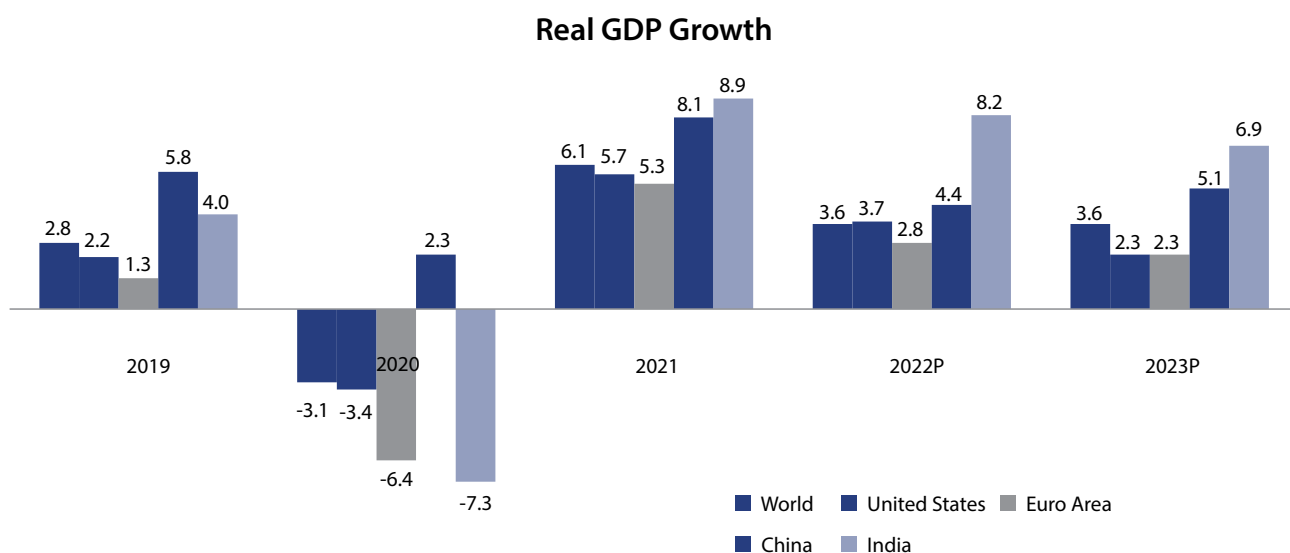


Management Discussion and Analysis

The year 2021 was marked by the second and third waves of the COVID-19 pandemic. Despite these challenges, the global economy was headed for a recovery. Banking on international collaboration in adapting functional health policies and efficient fiscal and monetary policies and increasing vaccinations, the global economy is estimated to grow by 6.1% in 2021, compared

to a contraction of 3.1% in 2020. The biggest driver of the global recovery has been the emerging markets and developing economies (EMDEs), which are estimated to clock an average gross domestic product (GDP) growth of 6.8%. On the other hand, the advanced economies were estimated to grow at 5.2% in 2021.

World Economic Output (%)



Source: IMF World Economic Outlook April 2022

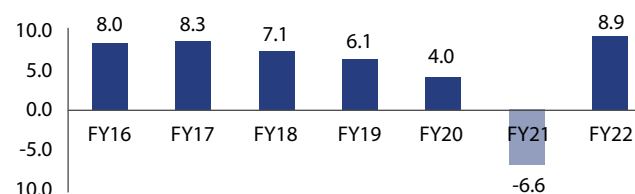
The recovery phase of the global economy is projected to be sluggish in 2022 and 2023 owing to the Russia and Ukraine war and the possibilities of yet another wave of COVID. The aggregate output of Advanced economies will take longer to return to pre-pandemic levels. Further, the divergence between advanced economies and EMDEs that emerged in 2021 is projected to persist, implying some long-term scarring from the pandemic. The crisis may also benefit EMDEs, as they may be able to acquire vacant Russian and Ukrainian markets. As a result, their output is expected to grow and stabilise at 4.4% in 2023, post a projected downfall of 3.8% in 2022.

INDIAN ECONOMY REVIEW

In 2021-22, the country was marked with the outbreak of the second and third wave of the COVID-19 pandemic. Though the impact of the third wave was not much, the second wave took a heavy toll on the economy and people's lives. Following the onslaught of the second wave of COVID-19, India's economy was

headed for a recovery. The Government increased infrastructure expenditure to not only restore medium-term demand but also enact significant supply-side reforms to position the economy for long-term growth. As per the second advance estimates of the National Statistics Organisation (NSO), Indian economy is estimated to grow at 8.9% in 2021-22 compared to a contraction of 6.6% in 2020-21.

India Economic Growth (%)



Source: National Statistics Office 2nd Advance Estimates dated Feb 28, 2022

The increasing government funding in public infrastructure is expected to encourage growth and attract private investment through a strong multiplier effect in the industry. However, supply-side bottlenecks are expected to remain persistent with gradually rising international crude oil prices and growing raw material costs in 2022-23. The availability of budgetary space to ramp up capital spending, advantages from supply-side reforms, regulatory relaxation, and continued export growth will also contribute to growth in 2022-23. As per IMF's World Economic Outlook projections, India's real GDP is projected to grow at ~8.9% in 2022-23 and 7.1% in 2023-24, which is expected to make India the fastest growing major economy in the world for all 3 years between 2021-22 and 2023-24.

Indian road infrastructure sector overview

With the onset of the global pandemic, the momentum in the building highways has seen a sluggish growth over the past few years. In 2021-22, the pace of highway construction in India fell to 29 km/day, compared to 36.5 km/day in 2020-21. Further, the target for 2021-22 was 40 km/day, which was later revised to 33 km/day. As stated by the Ministry of Road Transport and Highways, the country saw completion of 10,457 km of national highways in 2021-22 compared to 13,327 km in 2020-21. This reduction in road completion was largely on account of the disruption caused by the second and third waves of the pandemic coupled with an unusually long rainy season. While the construction of highways slowed in 2021-22, the award of highway stood at 12,731 km, compared to 10,964 km in 2020-21.

In the Budget for 2022-23, the Government earmarked an amount of ₹ 68,000 crore to the Ministry of Road Transport and Highways. This is the highest increase over revised estimates among all ministries in 2022-23. NHAI is expected to not have any borrowings during 2022-23, and would rely on budgetary resources. The said expansion plan would enable faster transit of people and goods.

The Gati Shakti programme launched by the Government is focused on the expansion of roads, railways, ports, airports, mass transport, waterways and logistics infrastructure. As part of this multi-modal logistics plan, all these key focus areas are expected to work in collaboration, thereby, driving the infrastructure growth in the country for the next 25 years.



Budget allocation for the Ministry of Road Transport and Highways (in ₹ crore)

| | 2020-21 Actual | 2021-22 RE | 2022-23 BE | % Change (2022 BE over 2021 RE) |
|--------------|-------------------|-----------------|-----------------|------------------------------------|
| Revenue | 9,964 | 9,898 | 11,364 | 15% |
| Capital | 89,195 | 1,21,251 | 1,87,744 | 55% |
| Total | 99,159 | 1,31,149 | 1,99,108 | 52% |

Note: BE – Budget Estimate; RE – Revised Estimate



Growth drivers

Rising population: India has the second largest population in the world with a count of 1.41 billion in 2021-22 with a median age of 26.7 years. The increasing population drives the need of being connected through roadways and improved transit time.

Urbanisation: The urbanisation rate of India is projected to reach 37-38% by 2025, driving the need of improved urban infrastructure.

Rapid industrialisation: With the launch of the Production-Linked Incentive (PLI) scheme by the Government, the industrial growth in the country will grow exponentially. Against the backdrop of this, the need of faster transit times and improved road infrastructure would rise, in addition to the need of better road connectivity across the country.

Infrastructure Investment: The Government has been increasingly investing on infrastructure development across the country. In doing so, the Government launched the National Infrastructure Pipeline (NIP) for FY 2020-25 with the objective of strengthening the infrastructure status in the country.



Government impetus through Union Budget 2022-23

Roads

- The Government has planned on expanding national highways by 25,000 Km in 2022-23
- The Government has allotted an amount of ₹ 20,000 crore for expansion of the national highway network of the country

Infrastructure

- The Government launched a new scheme, namely Prime Minister's Development Initiative for North-East Region (PM-DevINE) with the objective of funding infrastructure and social development projects in the North-East. An initial allocation of ₹ 1,500 crore made to enable livelihood activities for youth and women under the scheme

Capital investment

- The Government has decided to allocate an outlay of ₹ 7.50 lakh crore in 2022-23 for capital expenditure compared to ₹ 5.54 lakh crore in 2021-22, a y-o-y increase of 35.4%
- The total outlay for capital investment in 2022-23 is projected at 2.9% of the country's GDP



COMPANY OVERVIEW

Company Overview

HG Infra Engineering Limited (hereafter referred to as 'the Company') embarked on its journey in 2003. Over the years, the Company has emerged as one of the established names in the Indian road infrastructure sector. The Company has a strong presence spread across Haryana, Delhi, Rajasthan, Uttar Pradesh, Telangana, Odisha, Andhra Pradesh, Karnataka and Maharashtra.

Predominantly engaged in the road construction activities, HG Infra is a major Engineering Procurement Construction (EPC) player with increasing focus on Hybrid Annuity Model (HAM) projects. Catering to a wide range of clients, including government and private, the Company has created a brand name which resonates faith. The Company has built a robust business model centred on complete integration coupled with

a large fleet of in-house equipment and skilled manpower. Leveraging this business model, the Company has a proven track record in successfully executing large-sized civil construction projects such as extension and grading of runways, railways and land development, and water pipeline projects.

Financial review

The Company's revenue from operations during the year under review stood at ₹ 36,152 Mn compared to ₹ 25,350 Mn, registering a y-o-y growth of 43%. EBITDA during the year stood at ₹ 5,847 Mn compared to ₹ 4,181 Mn in 2020-21, clocking a y-o-y growth of 40%. Further, the profit before tax of the Company clocked a y-o-y growth of 61% to reach ₹ 4,546 Mn in 2021-22, compared to ₹ 2,821 Mn in 2020-21. The profit after tax for the Company stood at ₹ 3,388 Mn in 2021-22, compared to ₹ 2,106 Mn in 2020-21, growing at 61% y-o-y.

Financial Ratios

| Particulars (Standalone) | 2021-22 | 2020-21 |
|--------------------------|---------|---------|
| EBITDA/Turnover (%) | 16.2% | 16.4% |
| Debt equity ratio (x) | 0.23 | 0.28 |
| Return on equity (%) | 24.8% | 20.4% |
| Earnings per share (₹) | 51.98 | 32.37 |
| Book value per share (₹) | 209 | 158.39 |

SWOT Analysis

Strengths

- An established contractor with a proven execution track record of more than 19 years
- A strong presence spread across 9 states
- A prequalification which is high enough to independently bid on big EPC and HAM projects
- An integrated business model with focus on cost efficiencies in real time
- A continuous investment in advanced equipment and technologies deployed at project sites
- An organisation-wide SAP implementation to improve operational effectiveness and increased transparency

Weaknesses

- The weather and different seasons impact operations of the Company
- Operating in a labour-intensive sector, the shortage of labour at project sites impacts operations
- Relatively underpenetrated market presence in southern and eastern states

Opportunities

- Increasing capabilities and stronger expertise to execute projects independently as a prime contractor
- The Government's consistent investment in the infrastructure sector to push growth has resulted in increased bids and awarding activity in the sector
- With the increasing focus of the Government on high-speed expressways and urban connectivity, there is extensive potential of growth in the sector

Threats

- The supply chain disruption caused by the pandemic impacted project execution, and delayed them
- Delays in land acquisition is a continuous challenge, and impacts approvals and project execution
- Unavailability of raw material and shortage of labour is another challenge
- Liquidity crunch and cash flow disruptions in the event of economic slowdown impacts operations as well

Opportunities & Outlook

India is one of the fastest growing economies and is entering into an era where infrastructure will be at the core of country's economic development. The roads and highways sector plays a critical role in the growth of Indian economy, and the Government of India's efforts to fasten pace of construction in the roads and highways sector is commendable. The target to construct approx. 18,000 kms of highways at a steady pace of 50 km per day reflects the focus for offering seamless connectivity to the public at large.

The Company has in recent times witnessed the push on infrastructure development with objective on better connectivity and increasing road network across the nation. With consistently high awarding activity and rapid pace of construction, the company see a lot of traction in the future order inflows. The Company has been constantly focusing on strengthening its foothold and upscaling its capabilities to undertake opportunities arising in the sector. The Company has also adopted digital technology which will enable daily activity monitoring and bring in efficiencies. These steps will help the Company utilise the resources more efficiently, which, in turn, will lead to margin expansion and healthy financials.

Risk Management

The Company has in place a robust and effective risk management framework, which identifies and mitigates various operational and business risks. The major risk areas are systematically reviewed by the senior management and risk-management committee on a periodic basis. The comprehensive policies and procedures help identify, mitigate and monitor risks at various levels. By taking such proactive risk management measures, the Company ensures that strategic business objectives are achieved

seamlessly. The Company also has in place a comprehensive risk review conducted by external an agency, who recommend the Board on risk management matrix, and possible controls.

Human resources

The Company considers its employees as one of its biggest assets, thereby, validating the importance of the human capital. The Company undertakes several measures to ensure inclusive growth of its employees to ensure that the growth of the employees is aligned with the growth of the Company. The human resource division of the Company plays a crucial role in hiring, training, managing and retaining employees to build a strong and talented workforce. The human resource division also focus on helping the employees to reach their full potential and work diligently towards the growth of the organisation.

The Company has created a level playing field space, whereon equal opportunities to all employees is provided. With its belief in creating a people-centric working culture, the Company has aligned several measures to ensure that the employee morale stays boosted, productivity increases, people absenteeism and attrition reduces. The Company industrial relations continue to be friendly throughout the year by adhering to the best safety standards at manufacturing units. The Company also conducts specific employee training and workshops to drive efficiency and promote safety among the workforce. Further, the Company has also set up seminars and workshops for its workforce to equip them to adapt to the fast-changing environment. As on March 31, 2022, the Company had 1,866 employees on its payroll.

Internal controls and their adequacy

HG Infra has in place an adequate system of internal control procedures. It is committed to good corporate governance practices and has well-defined systems and processes covering all the corporate functions and units. The internal Audit processes ensures all the assets are safeguarded and protected against loss. Furthermore, all the transactions are authorised, recorded and reported correctly. The internal control systems of the Company are monitored and evaluated by internal auditors and their audit reports are periodically reviewed by the Audit Committee.

Cautionary Statement

Some of the statements in this Management Discussion and Analysis, describing the company's objectives, projections, estimates and expectations may be 'forward looking statements' within the meaning of applicable Laws and Regulations. Actual results might differ substantially from those expressed or implied. Important developments that could affect the company's operations include changes in economic conditions affecting demand, supply and price movements in the domestic and overseas markets in which your company operates, changes in the Government regulations, Tax Laws and other Statutes or other incidental factors. The company assumes no responsibility in respect of forward-looking statements, which may be amended or modified in future.



Board's Report

Dear Shareholders/Members,

Your Board of Directors (the "Board") have pleasure in presenting the 20th Annual Report on the business operations and financial performance of H.G. Infra Engineering Limited ("the Company" or "HGIEL") along with the Audited Financial Statements (standalone and consolidated) for the financial year ended March 31, 2022 (the "Financial Year").

FINANCIAL RESULTS

The financial performance (standalone and consolidated) of the Company for the financial year ended on March 31, 2022 is as follows:-

(Amount in ₹ Millions)

| Particulars | Standalone | | Consolidated | |
|--|------------------|------------------|------------------|------------------|
| | 31.03.2022 | 31.03.2021 | 31.03.2022 | 31.03.2021 |
| Revenue from operations | 36,151.95 | 25,349.70 | 37,514.31 | 26,097.24 |
| Other income | 78.06 | 79.58 | 73.19 | 73.76 |
| Total Income | 36,230.01 | 25,429.28 | 37,587.50 | 26,171.00 |
| Total Expenses | 31,683.65 | 22,608.14 | 32,441.27 | 23,051.06 |
| Profit / (loss) before tax | 4,546.36 | 2,821.14 | 5,146.23 | 3,119.94 |
| Tax Expense | 1,158.76 | 711.54 | 1,345.87 | 753.40 |
| Profit After Tax | 3,387.60 | 2,109.60 | 3,800.36 | 2,366.54 |
| Other comprehensive income net of tax | (14.14) | (3.53) | (14.14) | (3.53) |
| Total Comprehensive Income for the period | 3,373.46 | 2,106.07 | 3,786.22 | 2,363.01 |
| EPS (Basic and Diluted) (Amount in ₹) | 51.98 | 32.37 | 58.31 | 36.31 |

REVIEW OF OPERATIONS/STATE OF AFFAIRS OF THE COMPANY

There has been no change in the nature of business of your Company during the year under review.

At Standalone level, the Revenue from Operations increased to ₹ 36,151.95 Million as against ₹ 25,349.70 Million in the previous year, recording an increase of 42.61%. The Net Profit before Tax amounted to ₹ 4,546.36 Million as against ₹ 2,821.14 Million in the previous year, recording an increase of 61.15%. The Net Profit for the year amounted to ₹ 3,387.60 Million against ₹ 2,109.60 Million reported in the previous year, recording an increase of 60.58% and total comprehensive income for the period amounted to ₹ 3,373.46 Million as against ₹ 2,106.07 Million in the previous year, recording an increase of 60.18%.

At Consolidate level, the Revenue from Operations increased to ₹ 37,514.31 Million as against ₹ 26,097.24 Million in the previous

year, recording an increase of 43.75%. The Net Profit before Tax amounted to ₹ 5,146.23 Million as against ₹ 3,119.94 Million in the previous year, recording an increase of 64.95%. The Net Profit for the year amounted to ₹ 3,800.36 Million against ₹ 2,366.54 Million reported in the previous year, recording an increase of 60.59% and total comprehensive income for the year amounted to ₹ 3,786.22 Million as against ₹ 2,363.01 Million in the previous year, recording an increase of 60.23%.

CHANGE IN NATURE OF BUSINESS

There is no change in the nature of business of the Company for the year under review.

INFORMATION ABOUT HOLDING / SUBSIDIARIES / JOINTLY CONTROLLED OPERATIONS / ASSOCIATE COMPANY

The Company does not have any Holding and Associate Company as on March 31, 2022.

During the year under review the following new Companies have been incorporated as the wholly owned subsidiary of the Company:

| Name of Wholly Owned Subsidiary | Date of Incorporation |
|--|-----------------------|
| H.G. Raipur Visakhapatnam AP-1 Private Limited | August 19, 2021 |
| H.G. Khammam Devarapalle PKG-1 Private Limited | October 17, 2021 |
| H.G. Khammam Devarapalle PKG-2 Private Limited | October 17, 2021 |
| H.G. Raipur Visakhapatnam OD-6 Private Limited | November 22, 2021 |
| H.G. Raipur Visakhapatnam OD-5 Private Limited | November 24, 2021 |

Except above there are no companies which have become or ceased to be its subsidiaries, joint ventures or associate companies during the financial year.

As on March 31, 2022, your Company has nine (9) wholly owned subsidiaries (the "subsidiaries") and 3 (three) Jointly Controlled Operations.

In terms of the Company's Policy on determining "material subsidiary", during the financial year ended March 31, 2022, H.G. Ateli Narnaul Highway Private Limited and H.G. Rewari Ateli Highway Private Limited were determined as the material subsidiaries whose income exceeds 10% of the consolidated income of the Company in the immediately preceding financial year together with existing material subsidiary i.e. Gurgaon Sohna Highway Private Limited. The Policy for determining material subsidiary company, as approved, can be accessed on the Company's website at the link <https://www.hginfra.com/investors-relation.html#btn-gover>.

The Company is in compliance with regulation 24A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations"). The Company's unlisted material subsidiaries undergone Secretarial Audit, and also form part of this Annual Report. The Secretarial Audit Reports of all SPVs does not contain any qualification, reservation or adverse remark except the Secretarial audit report of H.G. Rewari Ateli Highway Private Limited which contains the qualification of delay in filing of e-Form MGT-14.

The Company monitors performance of subsidiary companies, inter alia, by the following means:

- financial statements, in particular investments made by subsidiary companies, are reviewed quarterly by the Company's Audit Committee;
- minutes of Board meetings of subsidiary companies are placed before the Company's Board regularly;

- a statement containing all significant transactions and arrangements entered into by subsidiary companies is placed before the Company's Board; and
- presentations are made to the Company's Board on business performance of major subsidiaries of the Company by the senior management.

During the year under review, the Board of Directors (the "Board") also reviewed the affairs of the subsidiaries. Pursuant to the provisions of Section 129(3) of the Companies Act, 2013 (the "Act") the Company has prepared the Consolidated Financial Statements of the Company which forms part of this Annual Report. Further, a Statement containing salient features of the performance and financial positions of the Subsidiaries and Jointly Controlled Operations, in the prescribed format AOC-1, pursuant to Section 129(3) of the Act read with the Companies (Accounts) Rules, 2014, is annexed as "Annexure-I" to this Report.

In accordance with Section 136(1) of the Companies Act, 2013, the Annual Report of your Company containing inter alia, Financial Statements including consolidated financial statements, has been placed on the website of the Company at <https://www.hginfra.com/investors-relation.html#btn-quart>.

Further, the financial statements of the subsidiaries have also been placed on the website of the Company at <https://www.hginfra.com/investors-relation.html#btn-quart>.

Details of Wholly Owned Subsidiaries

A. Gurgaon Sohna Highway Private Limited (GSHPL)

GSHPL has been incorporated as Special Purpose Vehicle (SPV) for domiciling a project allotted by National Highways Authority of India i.e. "Construction of Six laning and strengthening of new NH- 248A from existing km 11+682 to existing km. 24+400 in the state of Haryana Package-2: Existing Ch. Km 11+682 to km 24+400 (Design Ch. km 9+282 to km 22+000) under NHDP Phase IV on Hybrid Annuity Mode."

During the year under review, GSHPL has achieved Total Income of ₹ 1,786.22 Million against ₹ 1,582.21 Million reported in previous year and earned Net Profit after Tax of ₹ 175.09 Million against ₹ 122.29 Million reported in previous year.

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

HGRAHPL has been incorporated as Special Purpose Vehicle (SPV) for domiciling a project allotted by National Highways Authority of India i.e. "Upgradation of Four Lane of Rewari-Ateli Mandi Section of NH-11 from km 11.780 at Rewari to Ex. Km 43.445 near Ateli Mandi (designed length 30.45 km) as Feeder Route Pkg-III in the State of Haryana on Hybrid Annuity Mode."



During the period under review, HGRAHPL has achieved Total Income of ₹ 2,127.92 Million against ₹ 2,500.95 Million reported in previous year and earned Net Profit after Tax of ₹ 80.28 Million against ₹ 46.98 Million reported in previous year.

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

HGANHPL has been incorporated as Special Purpose Vehicle (SPV) for domiciling a project allotted by National Highways Authority of India i.e. "Construction of proposed Narnaul Bypass (design length 24.0 km) & Ateli Mandi to Narnaul Section of NH-11 from km 43.445 to km 56.900 (design length 14.0 km) as an Economic Corridor & Feeder route Pkg-II in the State of Haryana on Hybrid Annuity Mode."

During the year under review, HGANHPL has achieved Total Income of ₹ 3,476.32 Million against ₹ 4,685.67 Million reported in previous year and earned Net Profit after Tax of ₹ 100.01 Million against ₹ 85.64 Million reported in previous year.

D. H.G. Rewari Bypass Private Limited (HGRBPL)

HGRBPL has been incorporated as Special Purpose Vehicle (SPV) for domiciling a project allotted by National Highways Authority of India i.e. "Construction of proposed Rewari Bypass (NH-11) as Feeder Route in Rewari District in the State of Haryana (Design length-14.40 km) on Hybrid Annuity Mode."

During the year under review, HGRBPL has achieved Total Income of ₹ 1,909.51 Million against ₹ 643.62 Million and earned Net Profit after Tax of ₹ 57.14 Million against ₹ 3.07 Million reported in previous year.

E. H.G. Raipur Visakhapatnam AP-1 Private Limited (HGRVAP-1PL)

HGRVAP-1PL has been incorporated as Special Purpose Vehicle (SPV) for domiciling a project allotted by National Highways Authority of India i.e. "Development of Six Lane Aluru-Jakkuva section of NH-130-CD Road from km 365+033 to km 396+800 under Raipur-Visakhapatnam Economics Corridor in the state of Andhra Pradesh on Hybrid Annuity Mode (HAM) [Package-1(AP)]."

During the year under review, HGRVAP-1PL has achieved Total Income of ₹ 201.80 Million and earned Net Profit after Tax of ₹ 2.05 Million.

F. H.G. Khammam Devarapalle Pkg-1 Private Limited (HGKDP-1PL)

HGKDP-1PL has been incorporated as Special Purpose Vehicle (SPV) for domiciling a project allotted by National

Highways Authority of India i.e. "Construction of 4 lane Access Controlled New Greenfield Highway Section of NH-365BG (Khammam-Devarapalle) of length 33.604 km from Thallampadu village to Somavaram village (Design Ch. Km 0+000 to km 33+604) under Inter Corridor Route under Bharatmala Pariyojana, on Hybrid Annuity mode in the state of Telangana (Package-I)."

During the year under review, HGKDP-1PL has achieved Total Income of ₹ 0.42 Million and recorded Net Loss after Tax of ₹ 0.42 Million.

G. H.G. Khammam Devarapalle Pkg-2 Private Limited (HGKDP-2PL)

HGKDP-2PL has been incorporated as Special Purpose Vehicle (SPV) for domiciling a project allotted by National Highways Authority of India i.e. "Construction of 4 lane Access Controlled New Greenfield Highway Section of NH-365BG (Khammam-Devarapalle) of length 29.513 km from Somavaram village to Chintagudem village (Design Ch. Km 33+604 to km 63+117) under Inter Corridor Route under Bharatmala Pariyojana on Hybrid Annuity mode in the state of Telangana (Package-II)."

During the year under review, HGKDP-2PL has achieved Total Income of ₹ 0.42 Million and recorded Net Loss after Tax of ₹ 0.43 Million.

H. H.G. Raipur Visakhapatnam OD-6 Private Limited (HGRVOD-6PL)

HGRVOD-6PL has been incorporated as Special Purpose Vehicle (SPV) for domiciling a project allotted by National Highways Authority of India i.e. "Development of Six Lane Baunsagar-Baraja Section of NH-130-CD Road from km 293+000 to km 338+500 under Raipur-Visakhapatnam Economics Corridor in the state of Odisha on Hybrid Annuity Mode [Package- OD-6]."

During the year under review, HGRVOD-6PL has achieved Total Income of ₹ 0.29 Million and recorded Net Loss after Tax of ₹ 0.51 Million.

I. H.G. Raipur Visakhapatnam OD-5 Private Limited (HGRVOD-5PL)

HGRVOD-5PL has been incorporated as Special Purpose Vehicle (SPV) for domiciling a project allotted by National Highways Authority of India i.e. "Development of Six Lane Kaliagura-Baunsagar Section of NH-130-CD Road from km 249+000 to km 293+000 under Raipur-Visakhapatnam Economics Corridor in the state of Odisha on Hybrid Annuity Mode [Package- OD-5]."

During the year under review, HGRVOD-5PL has achieved Total Income of ₹ 0.50 Million and recorded Net Loss after Tax of ₹ 0.47 Million.

Consolidated Financial Statements

The Audited Consolidated Financial Statements for the financial year ended March 31, 2022, presented by the Company include the financial statements of its subsidiary companies and Jointly Controlled Operations. The Consolidated Financial Statements of the Company prepared in accordance with the Companies Act, 2013 and applicable Indian Accounting Standards forms an integral part of this Annual Report.

BUSINESS OVERVIEW

During the financial year your Company won following orders:

- Development of Six Lane project at Karala-Kanjhawala in the state of Delhi on EPC Mode from National Highway Authority of India (the "NHAI") valued at ₹ 12,438 Million.
- Development of Six Lane project at Kaliagura - Baunsagar in the state of Odisha on Hybrid Annuity Mode from NHAI valued at ₹ 12,850 Million.
- Development of Six Lane project at Baunsagar-Baraja in the state of Odisha on Hybrid Annuity Mode from NHAI valued at ₹ 9,550 Million.
- Development of Six Lane project at Neelmangala-Tumkur including Tumkur Bypass Section in the state of Karnataka on EPC Mode from NHAI valued at ₹ 8,441 Million.

Taking all these projects into count, the total order inflow for the financial year was ₹ 43,279 Million. All four orders were awarded by NHAI. Out of all orders received during the financial year, two orders were on Hybrid Annuity Mode and two orders were on EPC mode.

Order book as on March 31, 2022 stood at ₹ 79,729 Million and out of the total order book, 92% are government contracts and 8% are from private clients.

Projects Completed during the financial year 2021-22

During the financial year, your Company has received the provisional completion certificates for following projects:

Rewari- Ateli Mandi : Upgradation of Four laning of Rewari-Ateli Mandi Section of NG-11 from km 11.780 at Rewari to Ex. Km 43.445 near Ateli Mandi (designed length 30.45 km) in the State of Haryana on Hybrid Annuity mode amounting ₹ 4,838 Million.

Gurgaon Sohna : Six laning and strengthening of new NH248A from existing km. 11+682 to km. 24+400 (design Ch. From km. 9+282 to km 22+000) under NHDP Phase IV in the State of Haryana on Hybrid Annuity mode amounting ₹ 5,150 Million.

Narnaul Bypass : Construction of Narnaul Bypass (Design length 24.00 km) & Ateli Mandi to Narnaul section of NH-11 from km 43.445 to km 56.900 (Design Length 14.00 km) as an economic corridor-feeder route Pkg-II in the State of Haryana on Hybrid Annuity Mode amounting ₹ 8,010 Million.

Banar- Bhopalgarh- Kuchera: Development & Upgradation of Banar- Bhopalgarh- Kuchera Highway (SH-63) Km 0 to 126.500 under RSHDP -II, in the State of Rajasthan on Engineering, Procurement & Construction (EPC) Mode amounting ₹ 2,070 Million.

Morshi- Chandur Bazar- Achalpur (Maharashtra): Rehabilitation and up-gradation of Morshi-Chandur-BazarAchalpur Section From Km. 0+000 To Km. 53+719 (approx. Total 53.72) in the state of Maharashtra on Engineering, Procurement & Construction (EPC) Mode amounting ₹ 2380 Million.

Jodhpur-Marwar: Development and Upgradation of Jodhpur - Marwar Junction- Jojawar Section of SH-61 & 61A Length 119.095 km. (Package no. WB/RSHDP II / EPC/03) in the state of Rajasthan on Engineering, Procurement & Construction (EPC) Mode amounting ₹ 3,040 Million.

YEAR AHEAD AND PROSPECTUS

Your Company currently has a strong order book in excess of ₹ 79,729 Million, leading to a clear visibility in future. Your Company continues to work towards strengthening and improving the order book going forward. The present order book and the opportunities in the infrastructure space give good visibility towards a sustainable and profitable growth going forward. Continuous thrust on using latest technologies and better processes would ensure further improvement of margin going forward.

NON-CONVERTIBLE DEBENTURES (NCDs)

During the financial year under review, your Company has raised capital through allotment of 970 Rated, Listed, Senior, Secured, Redeemable, Non- Convertible Debentures ("NCDs") on December 21, 2021 on a private placement basis, having face value of ₹ 1 Million each, issued at par, aggregating to ₹ 970 Million.

These NCDs are listed on Wholesale Debt Segment Market at BSE Limited (ISIN: INE926X07017) where, the equity shares of the Company are also listed.

The Company has appointed Mitcon Credentia Trusteeship Services Limited as the debenture trustee for the benefit of the debenture holders. The details of Debenture Trustee are available on the Company's website i.e. <https://hginfra.com/investors-relation.html#open>.



DIVIDEND

The Board of your Company at its meeting held on May 23, 2022, has recommended payment of ₹ 1/- (Rupee One only) (@10%) per equity share of the face value of ₹ 10/- (Rupees Ten only) each as final dividend for the financial year ended March 31, 2022. The payment of final dividend is subject to the approval of the shareholders at the ensuing 20th Annual General Meeting (AGM) of the Company. If approved, the total outgo on account of the dividend on existing equity capital would be ₹ 65.71 Million.

There was no interim dividend declared during the financial year.

In view of the changes made under the Income-tax Act, 1961, by the Finance Act, 2020, dividends paid or distributed by the Company shall be taxable in the hands of the Shareholders. The Company shall, accordingly, make the payment of the final dividend after deduction of tax at source.

The dividend recommended is in accordance with the Dividend Distribution Policy of the Company. The Dividend Distribution Policy, in terms of Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") is available on the Company's website: <https://www.hginfra.com/investors-relation.html#btn-gover> and also forms part of the Annual Report as "Annexure-II".

The details of dividend declared and paid by the Company for the last five years is disclosed in the Corporate Governance Report forming part of this report.

UNCLAIMED DIVIDEND AND TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

In compliance of Section 124 and 125 of the Act read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, any money transferred to the Unpaid Dividend Account of a Company in pursuance of these sections, which remains unpaid or unclaimed for a period of seven years from the date of such transfer shall be transferred by the Company along with interest accrued, if any, thereon to the Fund established under sub-section (1) of section 125 of the Act i.e. Investor Education and Protection Fund.

During the financial year, the Company was not liable to transfer any unclaimed dividends and corresponding shares thereto to IEPF. The Company has also uploaded the details of unclaimed dividend amount lying with the Unpaid Dividend Account on its website and can be viewed at <https://www.hginfra.com/investors-relation.html#open> and also submitted with Ministry of Corporate Affairs ("MCA") and with IEPF Authority and the same can be accessed through the website: www.iepf.gov.in.

TRANSFER TO RESERVES

During the year under review, there was no amount transferred to any of the reserves by the Company. The Total Other Equity (including securities premium and retained earnings) as on March 31, 2022 is ₹ 13,708.04 Million (on Consolidate Basis) as against the Paid-up Capital of ₹ 651.71 Million.

DEPOSITS

During the financial year ended March 31, 2022, the Company has not accepted deposits from the public falling within the ambit of Section 73 and 74 of the Companies Act, 2013 and the Rules framed there under and hence no amount on account of principal or interest on public deposits was outstanding as on the date of the Balance Sheet.

DIRECTORS' RESPONSIBILITY STATEMENT

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory, cost and secretarial auditors including audit of internal financial controls over financial reporting by the statutory auditors and the reviews performed by the management and the relevant Board committees, including the audit committee, the Board is of the opinion that the Company's internal financial controls were adequate and operating effectively during the financial year 2021-22.

Pursuant to Section 134 of the Companies Act, 2013, the Directors of the Company state that:

- i. in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii. the Directors have selected such accounting policies and applied them consistently and made Judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- iii. the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. the Directors have prepared the annual accounts on a going concern basis;
- v. the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and operating effectively; and

- vi. the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

CAPITAL STRUCTURE OF THE COMPANY

The Current Capital Structure of the Company is given below:

Authorized Capital:

The Authorised Capital of the Company is ₹ 80,00,00,000/- (Rupees Eighty Crore Only) divided into ₹ 8,00,00,000 (Eight Crore) Equity Shares of face vale of ₹ 10/- (Rupees Ten only) each.

Issued Capital:

The Issued Capital of the Company is ₹ 65,17,11,110/- (Rupees Sixty-Five Crore Seventeen Lakh Eleven Thousand One Hundred Ten Only) divided into ₹ 6,51,71,111 (Six Crore Fifty-One Lakh Seventy-One Thousand One Hundred Eleven) Equity Shares of ₹ 10/- (Rupees Ten only) each.

Subscribed & Paid-up Capital:

The Subscribed & Paid up Capital of the Company is ₹ 65,17,11,110/- (Rupees Sixty-Five Crore Seventeen Lakh Eleven Thousand One Hundred Ten Only) divided into ₹ 6,51,71,111 (Six Crore Fifty-One Lakh Seventy- One Thousand One Hundred Eleven) Equity Shares of face value of ₹ 10/- (Rupees Ten only) each.

During the financial year 2021-22, there was no change in the capital structure of the Company.

ANNUAL RETURN

In accordance with the provisions of Section 134(3) read with Section 92(3) of the Companies Act, 2013, the Annual Return as on March 31, 2022 is available on website of the Company and can be viewed at <http://www.hginfra.com/investors-relation.html#btn-annual>. By virtue of amendment to Section 92(3) of the Companies Act, 2013, the Company is not required to provide extract of Annual Return (Form MGT-9) as part of the Board's report.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Board of Directors

The members of the Company's Board of Directors are eminent persons of proven competence and integrity. Besides experience, strong financial acumen, strategic astuteness and leadership qualities, they have a significant degree of commitment towards the Company and devote adequate time to the meetings and preparation.

The Board meets at regular intervals to discuss and decide on Company / Business policy and strategy apart from other Board business. The Board exhibits strong operational oversight with regular presentations in every quarterly meeting. The Board/

Committee meetings are convened by giving appropriate notice well in advance to help them plan their schedule and ensure meaningful participation in the meetings. Only in case of special and urgent business, if the need arises, the Board's/ Committee's approval is taken by passing resolutions through circulation or by calling Board/ Committee meetings at short notice, as permitted by law.

The Directors / Members are provided with appropriate information in the form of agenda items in a timely manner, to enable them to deliberate on each agenda item and make informed decisions and provide appropriate directions to the Management in this regard.

The Board of Directors of the Company comprises of six Directors, consisting of three Independent Directors (including one Women Director) and three Executive Directors including two Whole Time Directors and one Managing Director as on March 31, 2022 who brings in a wide range of skills and experience to the Board.

The composition of Board of the Company as on March 31, 2022 is as under:

| Name of Director | Designation | DIN |
|--------------------|----------------------|----------|
| Harendra Singh | Managing Director | 00402458 |
| Vijendra Singh | Whole-time Director | 01688452 |
| Ashok Kumar Thakur | Independent Director | 07573726 |
| Pooja Hemant Goyal | Independent Director | 07813296 |
| Onkar Singh | Independent Director | 07853887 |
| Dinesh Kumar Goyal | Executive Director | 02576453 |

During the Financial Year 2021-22 there is no change in the Directors of the Company.

Details of Composition of the Board and its Committees, Category, Attendance of Directors at Board Meetings and Committees meetings and last Annual General Meeting, number of other directorships and other committee memberships are given in the Corporate Governance Report forming part of this report as "Annexure V".

During the year under review, the non-executive directors of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees, commission and reimbursement of expenses, if any.

During the financial year, the Company has taken consent from members of the company in the Annual General Meeting held on 06.09.2021 to re-appoint Mr. Harendra Singh (DIN: 00402458) as Managing Director ('MD') and Vijendra Singh (DIN: 01688452) as a Whole Time Director ('WTD') of the Company for a period of five consecutive years commencing from May 15, 2022 to May 14, 2027.

Further Mr. Ashok Kumar Thakur (DIN: 07573726) was appointed as an independent director of the company for the first term of



five years effective May 15, 2017. His office of directorship is due for retirement on May 14, 2022. After taking into account the performance evaluation of his first term of five years and considering the knowledge, acumen, expertise, experience and the substantial contribution, the company has taken consent from members of the company in the Annual General Meeting held on 06.09.2021 to re-appoint Mr. Ashok Kumar Thakur as an Independent Director of the company for a second term of five consecutive years commencing from May 15, 2022 to May 14, 2027.

After the closing of financial year 2021-22, the Board, on 13th May 2022, based on the recommendations of Nomination and Remuneration Committee (NRC), appointed Mr. Manjit Singh (DIN: 02759940) as an Additional Director (Non-executive Independent) of the Company, not liable to retire by rotation, for a first term of five (5) years commencing with effect from May 13, 2022 up to May 12, 2027 and recommend such appointment for approval of the Members by way of a Ordinary Resolution at the ensuing 20th AGM of the Company.

Accordingly, Members' approval is being sought at the ensuing 20th AGM for such appointment.

WOMAN DIRECTOR

In terms of the provisions of Section 149 of the Companies Act, 2013 and Regulation 17 of the Listing Regulations, Your Company has complied with the requirement of having at least one-Woman Independent Director on the Board of the Company i.e. Ms. Pooja Hemant Goyal (DIN: 07813296).

Further, the Board, on May 13, 2022, based on the recommendations of Nomination and Remuneration Committee (NRC) and pursuant to her performance evaluation as a Member of the Board, re-appointed her as Independent Director of the Company, not liable to retire by rotation, for a second term of three (3) consecutive years commencing with effect from May 15, 2022 up to May 14, 2025 and recommend such re-appointment for approval of the Members by way of a Special Resolution at the ensuing 20th AGM of the Company.

Accordingly, Members' approval is being sought at the ensuing 20th AGM for such re-appointment.

The details of meeting of Independent Director and Criteria for Evaluation of Independent Directors and the Board are explained in the Corporate Governance Report forming part of this report as **"Annexure V"**.

RETIREMENT BY ROTATION

In accordance with the provisions of Section 152 of the Act and as per the Article of Association of the Company, Mr. Harendra Singh (DIN 00402458) Managing Director of the Company is

liable to retire by rotation at the ensuing 20th Annual General Meeting of the Company and being eligible offer himself for re-appointment.

DECLARATION FROM DIRECTORS

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

The Company has received necessary declaration from all the Independent Directors to the effect that (i) they meet the criteria of independence as provided under Section 149(6) of the Act and Regulation 16(1)(b) of Listing Regulations and there has been no change in the circumstances affecting their status as independent directors of the Company; (ii) They have registered themselves with the Independent Director's Database maintained by the IICA.

In the opinion of the Board, they fulfil the conditions specified in the Act and Rules made thereunder for the appointment as Independent Directors and are Independent of the Management.

The Independent Directors have complied with the Code applicable for Independent Directors as stipulated under schedule IV of the Act.

None of the Directors of the Company are disqualified for being appointed as Directors as specified in Section 164(2) of the Act and Rule 14(1) of the Companies (Appointment and Qualification of Directors) Rules, 2014.

The terms and conditions for the appointment of the Independent Directors are given on the website of the Company. The Board is of the opinion that Independent directors of the company fulfil the conditions specified in the Act and the Listing Regulations and that they are independent of the management.

KEY MANAGERIAL PERSONNEL

Mr. Harendra Singh (Managing Director), Mr. Vijendra Singh (Whole Time Director), Mr. Dinesh Kumar Goyal (Whole Time Director), Mr. Rajeev Mishra (Chief Financial Officer) and Ms. Ankita Mehra (Company Secretary cum Compliance Officer) are the Key Managerial Personnel of the Company.

During the year under review, there were no changes to the Key Managerial Personnel of the Company.

COMMITTEES OF THE BOARD

As on March 31, 2022, the Board has following committees which have been constituted in compliance with the requirements of the business and relevant provisions of the applicable laws and statutes:

1. Audit Committee;
2. Nomination & Remuneration Committee;
3. Stakeholders' Relationship Committee;
4. Corporate Social Responsibility (CSR) Committee;
5. Finance Committee;
6. Management Committee;
7. Risk Management Committee;
8. Debenture Committee;
9. Fund Raising Committee;

During the year under review, all recommendations made by above committees were approved by the Board.

A detailed note on the composition of the Board and its committees, including its terms of reference, number of meetings and attendance during the financial year is provided in the Corporate Governance Report. The composition and terms of reference of all the Committee(s) of the Board of the Company is in line with the provisions of the Act and Listing Regulations.

NUMBER OF MEETINGS OF BOARD

During the year under review, Four Board meetings were convened and duly held. The intervening gap between the said meetings were in accordance with the provisions of the Act, relevant Rules made thereunder, Secretarial Standards Issued by the Institute of Company Secretaries of India and provisions of Listing Regulations.

The details of the meetings of the Board of the Company held and attended by the Directors during the financial year are given in the Corporate Governance Report which forms part of this Annual Report.

MEETING OF INDEPENDENT DIRECTORS

Your Company conducted a separate meeting of Independent Directors on August 04, 2021 without the presence of the Non-Independent Directors and members of Management of the Company.

At the said meeting, the Independent Directors discussed, among other matters, the performance of the Company and risks faced by it, the flow of information to the Board and its committees, governance, compliance and performance of Non-Independent Directors, the Board as a whole and of the Chairman.

DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

The Company has designed and implemented a process driven framework for Internal Financial Controls ("IFC") within the meaning of the explanation to Section 134(5)(e) of the Act read with Rule 8(5) (viii) of the Companies (Accounts) Rules, 2014. The Company has appropriate internal control systems for business processes with regard to its operations, financial reporting and compliance with applicable laws and regulations. It has documented policies and procedures covering financial and operating functions and processes. These policies and procedures are updated from time to time and compliance is monitored by the internal audit function as per the audit plan. The Company continues its efforts to align all its processes and controls with best practices.

Your Company uses SAP ERP Systems as a business enabler and to maintain its Books of Account. The transactional controls built into the SAP ERP systems ensure appropriate segregation of duties, appropriate level of approval mechanisms and maintenance of supporting records. The information Management Policy reinforces the control environment. The systems, Standard Operating Procedures and controls including manual controls are reviewed by Management.

Your Company has in place adequate Internal Financial Controls with reference to the Financial Statements commensurate with the size, scale and complexity of its operations.

The Company has appointed independent audit firms as Internal Auditors to observe the Internal Control system.

The Board of the Company have adopted various policies viz Policy on determining Material Subsidiary, Policy on Determination of Materiality of Events or Information, Whistle Blower Policy, Policy on Related Party Transactions, Policy on Prohibition of Insider Trading, Policy on Prevention of Sexual Harassment at Workplace, Policy on Corporate Social Responsibility, Nomination and Remuneration Policy, Risk Management Policy, Dividend Distribution Policy and other policies and procedures for ensuring the orderly and efficient conduct of its business for safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information.

The Audit Committee of the Board actively reviews the adequacy and effectiveness of the internal control system and suggests improvements to strengthen the same. The Company has robust management information system, which is an integral part of the control mechanism.



FAMILIARIZATION PROGRAM FOR INDEPENDENT DIRECTORS

Pursuant to the requirement of Regulation 25(7) of the (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company needs to formally arrange Induction or Familiarisation Programme for Independent Directors to familiarise them with their role, rights and responsibility as Independent Directors, the working of the Company, nature of the industry in which the Company operates, business model etc.

The Company has an orientation process/familiarization programme for its independent directors that includes:

- a) Briefing on their role, responsibilities, duties, and obligations as a member of the Board.
- b) Nature of business and business model of the Company, Company's strategic and operating plans.
- c) Matters relating to Corporate Governance, Code of Business Conduct, Risk Management, Compliance Programs, Internal Audit, etc.

The Company believes that a Board, which is well informed/familiarised with the Company and its affairs, can contribute significantly to effectively discharge its role of trusteeship in a manner that fulfils stakeholders' aspirations and societal expectations.

In pursuit of this and as part of ongoing training, the Company schedules meetings of business heads and functional heads with the Independent Directors. During these meetings, comprehensive presentations are made on the various aspects such as Company's business models, growth and performance, new business strategies and initiatives by risk minimization procedures, etc. These meetings also facilitate Independent Directors to provide their inputs and suggestions on various strategic and operational matters directly to the business and functional heads.

As required under Regulation 46(2)(i) of the Listing Regulations, the details of familiarization programmes conducted during financial year is also put on the Company's website and the same can be accessed at <https://www.hginfra.com/investors-relation.html#btn-gover>.

CRITERIA FOR DETERMINING QUALIFICATIONS, POSITIVE ATTRIBUTES AND INDEPENDENCE OF A DIRECTOR

In terms of the provisions of Section 178(3) of the Act, and Regulation 19 of the Listing Regulations, the Nomination and Remuneration Committee ("NRC") has formulated the criteria for determining qualifications, positive attributes and independence of Directors, the key features of which are as follows:

- **Qualifications** – The Board nomination process encourages diversity of thought, experience, knowledge, age and gender. It also ensures that the Board has an appropriate blend of functional and industry expertise.
- **Positive Attributes** - Apart from the duties of Directors as prescribed in the Act the Directors are expected to demonstrate high standards of ethical behaviour, communication skills and independent judgment. The Directors are also expected to abide by the respective Code of Conduct as applicable to them.
- **Independence** - A Director will be considered independent if he / she meets the criteria laid down in Section 149(6) of the Act, the Rules framed thereunder and Regulation 16(1) (b) of the Listing Regulations.

ANNUAL EVALUATION OF BOARD PERFORMANCE AND PERFORMANCE OF ITS COMMITTEES AND OF DIRECTORS

The Board has carried out an annual evaluation of its own performance, Board Committees, and individual Directors (including independent Directors) pursuant to the provisions of the Act and the Listing Regulations.

The Board evaluated its performance after seeking inputs from all the Directors on the basis of criteria such as the Board composition and structure, effectiveness of Board processes, information and functioning, etc.

The performance of the Committees was evaluated by the Board after seeking inputs from the committee members on the basis of criteria such as the composition of committees, effectiveness of committee meetings, etc. The above criteria are as provided by the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India.

The Chairman of the Board had one-on-one meetings with the Independent Directors and the Chairman of Nomination and Remuneration Committee ("NRC") had one- on-one meetings with the Executive and Non-Executive, Non- Independent Directors. These meetings were intended to obtain Directors' inputs on effectiveness of the Board/ Committee processes.

The Board and the NRC reviewed the performance of individual directors on the basis of criteria such as the contribution of the individual director to the board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc.

In a separate meeting of independent directors, performance of non-independent directors and the board as a whole was evaluated. The Independent Directors in the said meeting

also evaluated the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties. Additionally, the Chairman of the Board was also evaluated on key aspects of his role, taking into account the views of executive directors and non-executive directors in the aforesaid meeting.

Performance evaluation of independent directors was done by the entire board, excluding the independent director being evaluated.

The Directors expressed their satisfaction with the performance and evaluation process.

For details of previous year Annual Evaluation, please refer to the Annual Report for the Financial Year 2021-22, which is accessed through <https://www.hginfra.com/investors-relation.html#btn-annual>.

CREDIT RATING

Your Company's financial prudence is reflected in the strong credit rating ascribed by rating agencies. The Table below depicts the Credit Rating profile:

| Instrument | Rating Agencies | Current Rating |
|-------------------|-----------------|----------------|
| Long Term Credit | ICRA | ICRA A+ |
| Short Term Credit | ICRA | ICRA A1 |
| NCDs | ICRA | ICRA A+ |

During the year under review, ICRA limited has revised the assigned long-term credit rating from ICRA A to ICRA A+. ICRA has also reaffirmed the Short-term rating at ICRA A1. Further, during the year, ICRA has assigned credit rating ICRA A+ for non-convertible debentures.

VIGIL MECHANISM / WHISTLE BLOWER

The Company believes in conducting its affairs in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behaviour. The Company is committed to develop a culture, which provides a platform to Directors and employees to raise concerns about any wrongful conduct.

Pursuant to Section 177 (10) of the Act and Regulation 22 of the Listing Regulations, the Company has established Vigil /Whistle Blower Mechanism to encourages Directors and employees to bring to the Company's attention, instances of unethical behaviour, and actual or suspected incidents of fraud or violation of the Code of Conduct that could adversely impact the Company's operations, business performance and / or reputation.

Company investigates such incidents, when reported, in an impartial manner and takes appropriate action to ensure that requisite standards of professional and ethical conduct are always upheld. It is the Company's Policy to ensure that no persons are victimised or harassed for bringing such incidents to the attention of the Company.

The practice of the Whistle Blower /Vigil Mechanism is overseen by the Audit Committee and the company affirms that no personnel has been denied direct access to the Chairman of the Audit Committee. The Policy is available on the Company's website and the same can be accessed at <https://www.hginfra.com/investors-relation.html#btn-gover>.

NOMINATION & REMUNERATION POLICY

The Board on the recommendation of the Nomination and Remuneration Committee adopted a Policy on Nomination & Remuneration for Directors, Key Managerial Personnel, Senior Management and Other Employees, which, inter-alia, lays down the criteria for determining qualifications, positive attributes and independence of a director, appointment and removal of Directors, Key Managerial Personnel and other Senior Management of the Company, along with the criteria for determination of their remuneration and evaluation and includes other matters, as prescribed under the provisions of Section 178 of the Act and the Listing Regulations. The policy is available on our website and the same can be accessed at <https://www.hginfra.com/investors-relation.html#btn-gover>.

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

SELECTION AND PROCEDURE FOR NOMINATION AND APPOINTMENT OF DIRECTORS

The Company has a Nomination and Remuneration Committee ("NRC") which is responsible for developing competency requirements for the Board, based on the industry and strategy of the Company. The Board composition analysis reflects an in-depth understanding of the Company, including its strategies, environment, operations, financial condition and compliance requirements.

The role of the NRC encompasses conducting a gap analysis to refresh the Board on a periodic basis, including each time a director's appointment or re- appointment is required. The NRC is also responsible for reviewing the profiles of potential candidate's vis- à-vis the required competencies, undertake a reference and due diligence and meeting of potential candidates prior to making recommendations of their nomination to the Board. The appointee is also briefed about the specific requirements for the position including expert knowledge expected at the time of appointment.

During the year, all recommendations made by the Nomination and Remuneration Committee were approved by the Board.

CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

In accordance with the provisions of Section 188 of the Act and rules made thereunder, all the contracts/arrangements/



transactions entered into by the Company during the year under review with Related Parties were on an arm's length basis and in the ordinary course of business.

The details of the Related Party Transactions are set out in the Notes to Financial Statements forming part of this Annual Report.

During the year under review, there are no material significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons and their relatives which may have a potential conflict with the interest of the Company at large.

During the year under review, your Company had entered into Material Related Party Contracts/arrangements with wholly owned subsidiaries of your Company. These contracts / arrangements too were in the ordinary course of business of your Company and were on arm's length basis, details of which, as required to be provided under Section 134(3)(h) of the Act are disclosed in Form AOC-2 as "Annexure-III" and forms part of this Annual Report.

A list of all related party transactions is placed before the Audit Committee as well as the Board. The Audit Committee has granted omnibus approval for related party transactions as per the provisions of the Act and the Listing Regulations. The Board has adopted revised policy on related party transactions and the same is available on the Company's website at <https://www.hginfra.com/investors-relation.html#btn-gover>.

The Company in terms of Regulation 23 of the Listing Regulations submits within 30 days from the date of publication of its standalone and consolidated financial results for the half year, disclosures of related party transactions on a consolidated basis, in the format specified in the relevant accounting standards to the stock exchanges. The said disclosures can be accessed on the website of the Company at <https://www.hginfra.com/investors-relation.html#btn-gover>.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

In accordance with the requirements of Section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, your Company has constituted a CSR Committee, which comprises of executives and non-executive directors as its members. The company has re-constituted the CSR Committee on May 12, 2021.

As a part of its initiatives under "Corporate Social Responsibility" the Company has framed the Corporate Social Responsibility Policy (CSR Policy) in terms of which the Company has undertaken various projects in the areas of Promoting Health Care, Promoting Education, Rural Development, Disaster Relief, etc. The Company's CSR Policy is available on its website and the same can be accessed at <https://www.hginfra.com/investors-relation.html#btn-gover>.

The Company's CSR Policy statement and annual report on the CSR activities undertaken during the financial year ended March 31, 2022, in accordance with Section 135 of the Act and Companies (Corporate Social Responsibility Policy) Rules, 2014 are set out in "Annexure-IV" to this report.

RISK MANAGEMENT

The Company has a well-defined risk management framework in place. The risk management framework works across Company's operations and the company continues to develop a robust and dynamic risk management framework, which ensures that risks are mitigated, and that the business adheres to both regulatory requirements and industry best practices when identifying, assessing, responding to and monitoring risk.

The Company is exposed to market risk, credit risk, liquidity risk, regulatory risk, human resource risk and commodity price risk as follows:

(a) Market Risk: -

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk interest rate risk and currency risk. Financial instruments affected by market risk include borrowings, trade and other payables, security deposit, trade and other receivables, deposits with banks etc.

1. **Interest rate risk:** - The Company's activities exposed to interest rate risk. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company dynamically manages interest rate risks through a mix of fund-raising products and investment products across maturity profiles and currencies within a robust risk management framework.

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

(b) Credit Risk: -

Credit risk on trade receivables and unbilled work-in progress is limited as the customers of the Company mainly consists of the government promoted entities and some large private corporates having a strong credit worthiness. The Company takes into account available external and internal credit risk

factors such as credit ratings from credit rating agencies, financial condition, ageing of accounts receivable and the Company's historical experience for customer.

(c) Liquidity Risk: -

Liquidity risk is the risk that the Company may not be able to meet its present and future cash flow and collateral obligations without incurring unacceptable losses. The Company constantly monitors the liquidity levels, economic and capital market conditions and maintains access to the lowest cost means of sourcing liquidity through banking lines, trade finance and capital markets. In addition, processes and policies related to such risks are overseen by senior management.

(d) Regulatory Risk: -

The Company is exposed to risks attached to various statutes, laws and regulations. The Company is mitigating these risks through regular review of legal compliances carried out through internal control and audits.

(e) Human Resource Risk: -

Retaining the existing talent pool and attracting new talent are major risks. The Company has initiated various measures including training and integration of learning and development activities.

The Company has formulated various schemes in the interest of the employees.

(f) Commodity Price Risk: -

The company is exposed to the risk of price fluctuations of Raw materials required for their road projects such as Bitumen, Cement, Steel (Iron & Steel), Crushed Stone, etc. The company proactively manages these risks through forward booking, inventory management and proactive vendor development practices. The risk of price fluctuations in commodities is also mitigated to certain extent based on the price escalation clause included in the contracts with the customers.

In terms of Regulation 21 of the Listing Regulations, the Board at its meeting held on November 08, 2021 has re-constituted the Risk Management Committee. The composition of committee is in conformity with the Listing Regulations, with the majority of members being Directors of the Company.

The Committee is responsible for oversight on overall risk management processes of the Company and to ensure that key strategic and business risks are identified and addressed by the management including framing of policy, identify current and emerging risks; develop risk assessment and measurement systems; establish policies, practices and other control mechanisms to manage risks. The detailed terms of reference of the Risk Management Committee is disclosed in the Corporate Governance Report forming part of this report as **"Annexure-V"**.

Risk management comprises all the organizational rules and actions for early identification of risks in the course of doing business and the management of such risks. In terms of regulation 17(9)(b) of the Listing Regulations, the Board adopted a Risk Management Policy.

The Risk Management Policy of the Company, inter alia, includes identification of risks, including cyber security and related risks and also those which in the opinion of the Board may threaten the existence of the Company. The Risk management process has been established across the Company and is designed to identify, assess and frame a response to threats that affect the achievement of company's objectives. Further, it is embedded across all the major functions and revolves around the goals and objectives of the organization.

The effectiveness of Risk Mitigation plans shall be ensured through proper monitoring, evaluation of outcomes of mitigation plans and to look for the scope of its applicability in other areas in order to achieve overall objective of the policy. There are no risks which in the opinion of the Board threaten the existence of the Company.



ENERGY CONSERVATION, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars of energy conservation, technology absorption and foreign exchange earnings and outgo is provided as under in terms of Section 134(3)(m) of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014:

| PARTICULARS | REMARKS |
|--|---|
| A) CONSERVATION OF ENERGY | |
| the steps taken or impact on conservation of energy; | Although operations of the Company are not energy intensive yet Company focuses on reducing energy cost, safeguard of environment and use of non-conventional energy. |
| the steps taken by the Company for utilizing alternate sources of energy; | The company has taken the steps for shifting all projects camps energy requirement to Grid Power, thereby, reduced Fuel Consumption to 70-80%, including: <ul style="list-style-type: none"> Started Hot Mix plant production on grid supply by installing UPS system. Converted 17 nos. tippers on CNG from HSD. |
| the capital investment on energy conservation equipment's | Purchased new fleet with BSVI technology in place of old fleet. |
| B) TECHNOLOGY ABSORPTION | |
| the efforts made towards technology absorption; | The company has made efforts for technology absorption by: <ul style="list-style-type: none"> Soil Stabilization Echelon Paving Use of 3D grades control software Promoting Tyre retreating & kidney looping to reduce qty of tyres and Lubricants by increasing life. |
| the benefits derived like product improvement, cost reduction, product development or import substitution; | Timely completion of the projects as well as meeting the budgetary requirements are the two critical areas where different techniques help to a great extent. |
| in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)- | The Company uses below mentioned imported technology and equipment in its business. |
| a) the details of technology imported; | <ul style="list-style-type: none"> Soil Stabilizer Adapted MOBA FLMS and FDMS for better fuel monitoring and efficiency Trimble 3D grade sensors |
| b) the year of import; | 2021-22 |
| c) whether the technology been fully absorbed; and | Except MOBA FLMS and FDMS, rest technologies are partially absorbed. |
| d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; | Imported technologies except MOBA FLMS and FDMS, were on trial mode and these will be put into complete absorption in coming year. |
| the expenditure incurred on Research and Development | During the year, the Company has not spent any amount towards research and development activity. |
| C) FOREIGN EXCHANGE EARNINGS AND OUTGO | |
| The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outflow during the year in terms of actual outflows | NIL |

Corporate Governance and Management Discussion and Analysis

The Company has been consistently endeavouring to adhere the corporate governance guidelines and best practices sincerely and discloses the same transparently. The Board is conscious of its inherent responsibility to disclose timely and accurate information on the Company's operations, performance, material corporate events as well as on the leadership and governance matters relating to the Company. Your Company has complied with the requirements of the Listing Regulations regarding Corporate Governance. A report on the Corporate Governance practices along with a certificate from practicing Company Secretary of mandatory requirements thereof, forming an integral part of this Annual Report and is annexed as **"Annexure-V"**.

Management's Discussion and Analysis Report for the year under review, as stipulated under the Listing Regulations, is presented in a separate section forming part of this Annual Report.

BUSINESS RESPONSIBILITY REPORT

Pursuant to regulation 34 of the Listing Regulations, a Business Responsibility Report (BRR) is required to be published by the Top 1000 Listed Companies based on market capitalization. The BRR describes the initiatives taken by the Company on the environmental, social and governance front forming part of this Annual Report as **"Annexure-VIII"**.

AUDITORS AND AUDITORS' REPORT

Statutory Auditors

M/s. Price Waterhouse & Co., Chartered Accountants LLP (ICAI Firm Registration No. 304026E/E300009) and M/s. Shridhar & Associates, Chartered Accountants (ICAI Firm Registration No. 134427W) were appointed as the Joint Statutory Auditors of the Company for a term of 5 years at the Annual General Meeting held on September 08, 2017 and September 25, 2020, respectively.

The Auditors have issued an unmodified opinion on the Financial Statements, both standalone and consolidated, for the financial year ended March 31, 2022. The Auditors' Reports for the financial year ended March 31, 2022 on the financial statements of the Company forms part of this Annual Report.

The Statutory Auditors mentioned in their reports that the Company is generally regular in depositing undisputed statutory dues in respect of income taxes, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including goods and services tax, provident fund, employees' state insurance, sales tax, service tax, duty of customs, duty of excise, value added tax, cess, professional tax, and other material statutory dues, as applicable, with the appropriate authorities.

For aforesaid the Company is taking necessary steps to ensure the compliance/timely payment of statutory dues.

Except above, all Information referred in the Auditors' Report are self-explanatory and do not call for any further comments.

Secretarial Auditors

M/s. ATCS & Associates, Company Secretaries in Practice, (Firm Registration no. P2017RJ063900) have carried out the Secretarial Audit for the financial year ended March 31, 2022.

The Secretarial Audit Reports issued by M/s. ATCS & Associates for the financial year ended March 31, 2022 under the Act, read with Rules made thereunder and Regulation 24A of the Listing Regulations, is set out in the **"Annexure-VI(i)"** to this Annual Report.

The Secretarial Compliance Report issued by M/s. ATCS & Associates for the financial year ended March 31, 2022, in relation to compliance of all applicable SEBI Regulations/circulars/guidelines issued thereunder, pursuant to requirement of Regulation 24A of the Listing Regulations, is set out in **"Annexure-VI(ii)"** to this Annual Report.

As per regulation 24A of the Listing Regulations, a listed company is required to annex the secretarial audit report of its material unlisted subsidiaries to its Directors Report. The secretarial audit reports for F.Y. 2021-22 of material subsidiaries viz. Gurgaon Sohna Highway Private Limited, H.G. Rewari Ateli Highway Private Limited and H.G. Ateli Narnaul Highway Private Limited issued by the M/s. Rahul S & Associates (Firm Registration number S2017RJ506300), are annexed herewith.

The Secretarial Audit Reports of all SPVs does not contain any qualification, reservation or adverse remark except the Secretarial audit report of H.G. Rewari Ateli Highway Private Limited which contains the qualification of delay in filing of e-Form MGT-14.

In terms of Section 204 of the Act, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Audit Committee recommended and the Board has re-appointed M/s. ATCS & Associates, Company Secretaries as the Secretarial Auditors of the Company to conduct Secretarial Audit for the financial year 2022-23.

Cost Auditors

The Company has maintained cost accounts and records as specified by the Central Government under sub-section (1) of Section 148 of the Act. M/s. Rajendra Singh Bhati & Co., Cost Accountants (Firm registration number 101983) have carried out the cost audit during the financial year 2021-22.

The Board, on the recommendation of the Audit Committee, has re-appointed M/s. Rajendra Singh Bhati & Co., as Cost Auditors



of the Company for conducting the audit of cost records for the financial year 2022-23 under Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014.

The remuneration proposed to be paid to the Cost Auditor is subject to ratification by the members of the Company at the ensuing 20th Annual General Meeting for the Financial Year 2022-23.

Internal Auditors

The Board had appointed M/s. Tiberwal Chand & Co., Chartered Accountants (Firm Registration No. 311047E), as Internal Auditors for conducting Internal Audits for the financial year 2021-22.

On the recommendation of Audit Committee, the Board has appointed M/s. Mahajan & Aibara., Chartered Accountants LLP, as Internal Auditors of the Company for the period from November 01, 2021 to March 31, 2022 in place of M/s. Tibrewal Chand & Co., Chartered Accountants.

The observations and suggestions of the Internal Auditors were reviewed and necessary corrective/ preventive actions were taken in consultation with the Audit Committee.

On the recommendation of the Audit Committee, the Board has re-appointed M/s. Mahajan & Aibara., Chartered Accountants LLP, as Internal Auditors of the Company for the financial year 2022-23.

Reporting of Fraud by Auditors

During the financial year, none of the Auditors of the Company have reported any instances of frauds committed as specified under section 143(12) of the Act.

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

As per Section 186(11) of the Act, except Section 186(1), nothing contained in section 186 of the Act shall apply to any loan made, any guarantee given or any security provided or any investment made by a Company engaged in the business of providing infrastructural facilities. Since the Company is engaged in the business of Infrastructure & Construction, the criteria of section 186 is not applicable to the Company except sub section 1 of section 186 of the Act.

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

REGISTRAR AND TRANSFER AGENT AND INVESTOR GRIEVANCE REDRESSAL

M/s Link Intime India Private Limited is the Registrar and Transfer Agent of the Company. M/s Link Intime India Private Limited has appropriate systems to ensure that requisite service is provided to investors of the Company in accordance with the applicable corporate and securities laws and within the adopted service standards.

All shares of the Company are in dematerialized form.

Ms. Ankita Mehra, Company Secretary of the Company is the Compliance Officer for the purpose of the Listing Regulations.

During the financial year ended March 31, 2022, two complaints were received from shareholder. The same have been redressed to the satisfaction of shareholder and none of them were pending as on March 31, 2022.

RECONCILIATION OF SHARE CAPITAL AUDIT REPORT

As stipulated by SEBI, a Practicing Company Secretary carried out the Reconciliation of Share Capital Audit to reconcile the total admitted capital with NSDL and CDSL, total issued and listed capital on a quarterly basis. The said reports were placed before the Board in the subsequent meeting. The audits confirm that the total issued/paid-up capital is in agreement with the aggregate total number of dematerialized shares held with NSDL and CDSL.

CODE OF CONDUCT

Your Company is committed to conduct its business in accordance with the applicable laws, rules and regulations and highest standards of business ethics. In recognition thereof, the Board has implemented a Code of Conduct for adherence by the Directors, Senior Management Personnel of the Company.

The Code of Conduct is dealing with ethical issues and also foster a culture of accountability and integrity. In accordance with Schedule V(D) of the Listing Regulations, a declaration to this effect signed by Mr. Harendra Singh, Chairman and Managing Director of the Company confirming that all the Directors and Senior Management Personnel of the Company affirmed compliance with the Code of Conduct for the financial year ended on March 31, 2022 forms the part of this Annual Report. The Code in accordance with the requirements of Listing Regulations has been posted on the Company's website and the same can be accessed at <https://www.hginfra.com/investors-relation.html#btn-gover>.

CONFLICT OF INTERESTS

Each Director informs the Company on an annual basis about the Board and the Committee positions he/she occupies in other companies including Chairmanships and notifies changes during the year. The Members of the Board while discharging their duties, avoid conflict of interest in the decision-making process. The Members of Board restrict themselves from any discussions and voting in transactions in which they have concern or interest.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY REGULATORS OR COURTS

During the financial year, no significant or material orders were passed by the Regulators or Courts or Tribunals which impact the Company's going concern status and operations in future.

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

Your Company has zero tolerance towards any action on the part of any of its officials, which may fall under the ambit of "Sexual Harassment" at workplace.

Pursuant to the provisions of Section 21 of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition, Redressal) Act, 2013, the Company formulated a Policy on Prevention of Sexual Harassment at Workplace. All employees (permanent, contractual, temporary, trainees, visitors to the office/workplace premises and employees of its subsidiaries, associates etc. across the Company) are covered under this policy. An Internal Complaints Committee (ICC) was constituted which is responsible for redressal of complaints related to sexual harassment at the workplace.

The Internal Complaints Committee of the Company has not received any complaint of Sexual Harassment during the year under review and no complaint was pending as on March 31, 2022.

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

The remuneration paid to the Directors, Key Managerial Personnel and Senior Management is in accordance with the Nomination and Remuneration Policy formulated in accordance with Section 178 of the Act and Regulation 19 read with Schedule II of the Listing Regulations. Further details on the same are given in the Corporate Governance Report which forms part of this Annual Report.

The Managing Director and Whole Time Directors of your Company do not receive remuneration or commission from any

of the subsidiaries of the Company except sitting fees as entitled as a Non-Executive Directors in subsidiary Companies.

The information required under Section 197 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of Directors/employees of your Company is set out in the "Annexure-VII" to this report and is also available on the website of the Company at <https://hginfra.com/investors-relation.html#btn-annual>.

INVESTOR RELATIONS

Your Company has an effective Investor Relations Program through which the Company continuously interacts with the investment community through various communication channels viz Periodic Earnings Calls, Participation in conferences, etc.

Your Company ensures that critical information about the Company is made available to all its investors by uploading such information on the Company's website under the Investors section. Your Company also intimates stock exchanges regarding events like earnings calls, declaration of quarterly & annual earnings with financial statements and other such matters having bearing on the share price of the Company.

ENVIRONMENT HEALTH AND SAFETY (EHS) PROTECTION

Your Company is committed towards the wellbeing and protection of Health, Safety and Environment, through its EHS Policy which is formulated in line with all applicable laws and legal requirements connected with occupational Health, Safety and Environment matters. Trainings are being provided to its employees for the better awareness and implementation of EHS. The Company always ensures that healthy and safe working environment is provided to all employees of the Company.

HUMAN RESOURCE DEVELOPMENT

Your Company believes that employees are the most valuable asset of any company, and it follows a strategic procedure to ensure continuous up-gradation of its workforce. The Company trusts in providing the best infrastructure facilities and a conducive environment to its employees working in a harsh environment to develop the nation's infrastructure.

The world is consistently moving towards digitalisation, and to keep up with the pace, the Company has inculcated several technologies like SAP-HANA, Cal Quan, and RFID-based technology in its operations. The employees are regularly equipped and updated with these technologies.



The Company devotedly works on nourishing its relationship with the employees through various initiatives. It is ensured that competitive and appropriate remuneration is being paid to all employees through standardisation of pay ranges, continuous monitoring of the team, individual performances and market surveys. The Company tracks the performance of each employee, provides them with training both internally and through external agencies to enhance their skills as and when required. Moreover, the Company ensured full-fledged support to its employee during the difficult times of the pandemic by neither retrenching nor cutting pays. The Company advocates 'Vocal for Local' by employing nearby associations, rural people and youth from every nook and corner of the nation in all its operations.

SECRETARIAL STANDARDS

During the financial year, the Company is in compliance with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI).

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There are no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year and the date of this report.

INSIDER TRADING CODE

Your Company has formulated a Code of Prohibition of Insider Trading ("Code") in accordance with SEBI (Prohibition of Insider Trading) Regulations, 2015. The objective of this Code is to protect the interest of Shareholders at large, to prevent misuse of any price sensitive information and to prevent any insider trading activity by way of dealing in securities of the Company by its Designated Persons while in possession of unpublished price sensitive information in relation to Company. The code is hosted on website of the Company and can be accessed at <https://www.hginfra.com/investors-relation.html#btn-gover>.

DIRECTORS AND OFFICERS LIABILITY INSURANCE (D & O)

Pursuant to the Regulation 25 (10) of Listing Regulations, the Company has taken Directors and Officers Liability Insurance ('D & O insurance') policy for all the Directors including Independent Directors of the Company for indemnifying any of them against any liability in respect of any negligence, default, misfeasance, breach of duty, or breach of trust for which they may be guilty in relation to the Company.

INDUSTRIAL RELATIONS

Our business is dependent on infrastructure projects undertaken by government authorities/ private authorities funded by governments or by international and multilateral development

finance institutions. We therefore must develop and maintain strategic alliances with other construction developers that undertake contracts for such infrastructure development projects and we intend to continue to explore entering into Jointly Controlled Operations, consortia or sub-contract relationships for specific projects with certain of these contractors. In addition, we develop and maintain relationships and pre-qualified status with certain major clients and obtaining a share of contracts from such clients.

PARTICULARS OF EMPLOYEE REMUNERATION

The ratio of remuneration of each Director to the median employee's remuneration and other details in terms of sub-section 12 of Section 197 of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and the statement containing particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) and Rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, forms part of this Annual Report as "**Annexure-VII**".

OTHER DISCLOSURES

The Board state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

1. As per rule 4(4) the Companies (Share Capital and Debentures) Rules, 2014, the Company has not issued equity shares with differential rights as to dividend, voting or otherwise;
2. As per rule 8(13) the Companies (Share Capital and Debentures) Rules, 2014, the Company has not issued shares (including sweat equity shares) to employees of the Company under any scheme;
3. As per rule 12(9) the Companies (Share Capital and Debentures) Rules, 2014, the Company has not issued equity shares under the scheme of employee stock option;
4. None of the Directors of the Company have resigned during the year under review;
5. Neither the Managing Director nor the Whole Time Directors of the Company receive any remuneration or commission from any of its subsidiaries except sitting fees as entitled as a Non-Executive Directors in subsidiary Companies;
6. Since the Company has not formulated any scheme of provision of money for purchase of own shares by employees or by trustee for the benefits of employees in terms of Section 67(3) of the Act, no disclosures are required to be made;

7. There was no revision of financial statements and Board's Report of the Company during the year under review;
8. No application has been made under the Insolvency and Bankruptcy Code, hence the requirement to disclose the details of application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year along with their status as at the end of the financial year is not applicable; and
9. The requirement to disclose the details of difference between amount of the valuation done at the time of one-time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof, is not applicable.

APPRECIATION

The Directors of the Company would like to express their appreciation and thank to Government of India, Governments

of various states in India, and concerned Government departments and agencies for the continued help and co-operation extended by them. The Directors also gratefully acknowledge all stakeholders of the Company viz. customers, members, vendors, banks and other business partners for the excellent support received from them during the year and look forward to their continued support in future. The Directors place on record their sincere appreciation to all employees of the Company for their unstinted commitment and continued contribution to the Company.

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

Harendra Singh
Chairman & Managing Director
DIN-00402458

Place: Jaipur
Date: May 23, 2022



ANNEXURE I to Board's Report Form AOC- 1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statement of subsidiaries or associate companies or
Jointly Controlled Operations

Part A Subsidiaries

(₹ In Millions)

| S. No. | Particulars | Details | | | | | | | | |
|--------|--|---------------------------------------|--|---|------------------------------------|--|--|--|--|--|
| 1 | Sl. No. | 01 | 02 | 03 | 04 | 05 | 06 | 07 | 08 | 09 |
| 2. | Name of the subsidiary | Gurgaon Sohna Highway Private Limited | H.G. Ateli Narnaul Highway Private Limited | H.G. Rewari Ateli Highway Private Limited | H.G. Rewari Bypass Private Limited | H.G. Raipur Visakhapatnam AP-1 Private Limited | H.G. Khammam Devarapalle PKG-1 Private Limited | H.G. Khammam Devarapalle PKG-2 Private Limited | H.G. Raipur Visakhapatnam OD-6 Private Limited | H.G. Raipur Visakhapatnam OD-5 Private Limited |
| 3. | The date since when subsidiary was acquired | April 06, 2018 | April 04, 2019 | April 08, 2019 | May 01, 2020 | August 19, 2021 | October 14, 2021 | October 14, 2021 | November 22, 2021 | November 24, 2021 |
| 4. | Reporting period for the subsidiary concerned, if different from the holding company's reporting period | NA | NA | NA | NA | NA | NA | NA | NA | NA |
| 5. | Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries. | NA | NA | NA | NA | NA | NA | NA | NA | NA |
| 6. | Share capital | 660.30 | 952.11 | 382.25 | 10.08 | 3.81 | 1.5 | 1.5 | 1.5 | 1.5 |
| 7. | Reserves & surplus | 408.01 | 473.06 | 434.37 | 515.13 | 386.26 | 1.95 | 1.94 | (0.01) | 27.84 |
| 8. | Total assets | 4035.54 | 4965.81 | 2970.57 | 1632.15 | 628.17 | 3.50 | 3.46 | 1.62 | 49.20 |
| 9. | Total liabilities | 2967.23 | 3540.64 | 2153.95 | 1106.94 | 238.1 | 0.05 | 0.02 | 0.13 | 19.86 |
| 10. | Investments | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| 11. | Turnover | 1786.22 | 3475.37 | 2126.97 | 1909.51 | 201.80 | 0.42 | 0.42 | 0.29 | 0.50 |
| 12. | Profit before Taxation | 282.27 | 133.65 | 107.28 | 76.35 | 2.74 | (0.56) | (0.58) | (0.68) | (0.63) |
| 13. | Provision for Taxation | 107.18 | 33.64 | 27 | 19.21 | 0.69 | (0.14) | (0.15) | (0.17) | (0.16) |
| 14. | Profit after Taxation | 175.09 | 100.01 | 80.28 | 57.14 | 2.05 | (0.42) | (0.43) | (0.51) | (0.47) |
| 15. | Proposed Dividend | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| 16. | Extent of shareholding (in percentage) | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |

- Names of subsidiaries which are yet to commence operations: **Not Applicable**
- Names of subsidiaries which have been liquidated or sold during the year.: **Not Applicable**

Part B Associates and Jointly Controlled Operations

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

(₹ In Millions)

| S. No. | Particulars | Details | | |
|--------|---|-------------------------------|-------------------------------|-------------------------------|
| 1. | Type (Associates/Jointly Controlled Operations) | Jointly Controlled Operations | Jointly Controlled Operations | Jointly Controlled Operations |
| 2. | Name of Associates/Jointly Controlled Operations | HGIEPL – RPS JV | HGIEPL-RANJIT (JV) | HGIEPL – MGCPL JV |
| 3. | Latest audited Balance Sheet Date | 31.03.2022 | 31.03.2022 | 31.03.2022 |
| 4. | Date on which the Associate or Jointly Controlled Operations was associated | 31.05.2013 | 27.04.2015 | 24.09.2015 |
| 5. | Shares of Associate/Jointly Controlled Operations held by the company on the year end | | | |
| i) | No. | - | - | - |
| ii) | Amount of Investment in Associates/Jointly Controlled Operations | 1.60 | 2.83 | (0.02) |
| iii) | Extend of Holding % | 51% | 30% | 30% |
| 6. | Description of how there is significant influence | Holding 51% | Holding 30% | Holding 30% |
| 7. | Reason why the associate/Jointly Controlled Operations is not consolidated | Not Applicable | Not Applicable | Not Applicable |
| 8. | Net worth attributable to Shareholding as per latest audited Balance Sheet | (0.35) | 3.60 | (0.02) |
| 9. | Profit / Loss for the year | | | |
| i) | Considered in Consolidation | 0.122 | 0.04 | (0.02) |
| ii) | Not Considered in Consolidation | 0.117 | 0.10 | (0.04) |

- Names of associates or Jointly Controlled Operations which are yet to commence operations: **Not Applicable**
- Names of associates or Jointly Controlled Operations which have been liquidated or sold un-associated during the year: **Not Applicable**

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

Harendra Singh
Chairman & Managing Director
DIN-00402458

Rajeev Mishra
Chief Financial Officer

Ankita Mehra
Company Secretary & Compliance Officer
M. No-A33288

Place: Jaipur
Date: May 23, 2022



ANNEXURE II to Board's Report Dividend Distribution Policy

PREAMBLE

As per Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the top five hundred listed entities need to mandatorily formulate a dividend distribution policy based on market capitalization calculated as on the 31st day of March of every financial year. Accordingly, the Board of Directors ('Board') of H.G. Infra Engineering Limited ('Company') has adopted this 'Dividend Distribution Policy' ('Policy').

This Policy aims to lay down a framework with regard to distribution of dividend or retention of profits and to provide clarity to the stakeholders on the dividend distribution strategy of the Company.

The Board of Directors shall recommend dividend in compliance with this policy, the provisions of the Companies Act, 2013 and rules made thereunder and other applicable legal provisions.

REGULATORY FRAMEWORK

The Company shall pay dividend (including interim dividend) in compliance with the relevant provisions of the Companies Act, 2013 (the 'Companies Act'), the Companies (Declaration and Payment of Dividend) Rules, 2014, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'SEBI LODR'), as amended from time to time and such other act, rules or regulations which provide for the distribution of dividend.

OBJECTIVE AND SCOPE

The objective of the policy is to specify the external and internal factors including financial parameters that shall be considered while declaring dividend and the circumstances under which the shareholders of the Company may or may not expect dividend and how the retained earnings shall be utilized, etc. The objective of this Policy is to ensure the right balance between the quantum of Dividend paid and amount of profits retained in the business for various purposes.

Policy lays down below parameters to be considered by the Board of Directors of the Company for declaration of Dividend from time to time.

- The circumstances under which the shareholders may or may not expect dividend;
- The financial parameters and internal and external factors that shall be considered for declaration of dividend;

- Policy as to how the retained earnings shall be utilized; and
- Parameters that shall be adopted with regard to various classes of shares.

However, the Company reserves the right to carry out in any change in the aforesaid parameters, in the best interest of the Company, shareholders and/or other stakeholders.

FACTORS TO BE CONSIDERED BEFORE DECLARING DIVIDEND

The Company would, inter alia, consider the following financial parameters and / or internal & external factors before declaring dividend(s) or recommending dividend(s) to the shareholders:

- Stability of earnings and Cash flow from operations;
- Profits earned during the financial year;
- Fund requirements to finance the working capital needs of the business;
- Industry outlook and stage of business cycle for underlying businesses;
- Opportunities for investments of the funds of the Company to capture future growth in the industry, e.g. capital expenditure, geographical expansion, etc;
- Funding requirements for any organic and inorganic growth opportunities to be pursued by the Company;
- Optimal free cash to fund any exigencies, if any;
- Leverage profile and liabilities of the Company;
- Past dividend trends;
- Overall economic / regulatory environment;
- Tax implications, if any, of distribution of dividend;
- Cost of raising funds from alternate sources;
- Corporate actions including mergers/demergers, acquisitions, bonus issue, right issue;
- Interim dividend paid, if any; and

- Any other factor which may have a financial impact on the company or as deemed fit by the Board.

The circumstances under which shareholders may or may not expect dividend/or when the dividend could not be declared by the Company shall include, but are not limited to, the following:

- Due to uncertain or recessionary economic and business conditions;
- Due to operation of any law in force;
- Due to losses incurred by the Company and the Board consider it appropriate not to declare dividend for any particular year;
- Due to any significant expansion plans of the Company;
- Due to any restrictions on payment of dividend imposed by any regulator or prevailing legal requirements, regulatory conditions or restrictions laid down under the applicable laws including tax laws; and
- Any other extraordinary circumstances.

In case the Board proposes not to distribute the profit, the grounds thereof and information on utilisation of the retained earnings, if any, shall be disclosed to the shareholders in the Board's Report forming part of Annual Report of the Company.

USE OF RETAINED EARNINGS

The Company should ensure to strike the right balance between the quantum of dividend paid and amount of profits retained in the business for various purposes. These retained earnings will be used inter alia for the Company's strategic growth plans, working capital requirements, debt repayments and other contingencies.

PARAMETERS THAT SHALL BE ADOPTED WITH REGARD TO VARIOUS CLASSES OF SHARE

The Company has only one class of shares referred to as equity shares of the face value of ₹ 10/- each, forming part of its Issued, Subscribed and Paid – up share capital.

As and when the Company issues other kind of shares, the Board of Directors may suitably amend this Policy.

Dividend (including interim and/or final) would be declared and paid to equity shareholders at the rate fixed by the Board of Directors of the Company. Final dividend proposed by the Board of Directors, if any, would be subject to the approval of the shareholders at the 20th Annual General Meeting.

DIVIDEND INFORMATION

Information on the dividends paid in the last five years will be made available on the Company's Website viz. <http://www.hginfra.com/investors-relation.html>.

DISCLOSURE & AMENDMENT/REVIEW OF POLICY

The Company is committed to continuously reviewing and updating our policies and procedures. Therefore, this policy is subject to revision / amendment on a periodic basis, as may be necessary. Any amendment(s) of any provision of this policy shall be carried out by persons authorized by the Board in this regard. This policy (as amended from time to time) will be available on the company's website and in the annual report.

VARIATION

In the event of any variation or inconsistency between provisions of this policy and any amendments, clarifications, circulars, notifications or guidelines issued by the relevant authorities, then such amendments, clarifications, circulars, notifications or guidelines shall prevail over this policy and the provisions of this policy shall be deemed to have been amended so as to be read in consonance with such amendments, clarifications, circulars, notifications or guidelines.

If the Board decided to deviate from this policy, the rationale for the same will be suitably disclosed in the annual report and on the company's website.



Annexure III to Board's Report FORM NO. 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 arm's length transactions under third proviso thereto.

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

There were no contracts or arrangement or transactions entered into during the year ended March 31, 2022, which were not at arm's length basis.

2. Details of material contracts or arrangement or transactions at arm's length basis

(Amount in ₹ Millions)

| S. No | Name(s) of the related party and nature of relationship | Nature of contracts/ arrangements/ transactions | Duration of the contracts/ arrangements /transactions | Salient terms of the contracts or arrangements or transactions including the value, if any: | Date(s) of approval by the Board, if any: | Amount received/ paid as advances, if any: (As on March 31, 2022) |
|-------|--|--|--|--|---|---|
| 1 | Gurgaon Sohna Highway Private Limited (GSHPL) A Wholly Owned Subsidiary Company | Engineering Procurement Construction (EPC) Contract with GSHPL | With effect from July 13, 2018 and shall remain in force and effect either, Change in law amount, Change in scope amount or termination date | <p>EPC contract date: July 13, 2018</p> <p>Project: The Contract has been awarded to execute Six-laning and strengthening of new NH-248A from existing km. 11+682 to km. 24+400 in the state of Haryana Package-2 Existing Km. 11+682 to km 24+400 (design Ch. From km. 9+282 to km 22+000) under NHDP Phase IV.</p> <p>Amount of Contract: - ₹ 5,150 Million (Rupees Five Thousand One Hundred Fifty Million Only) is exclusive of price escalation, if any.</p> <p>Mobilization advance: GSHPL shall at the request of EPC contractor H.G Infra Engineering Limited (HGIEL) make available to HGIEL, interest free advance payment upto 10% of the EPC cost as at the date of this EPC agreement.</p> <p>Deduction of the aforesaid advance would be recovered in such a manner that the recovery would start once the progress of the work has reached 20% and full recovery when the progress has reached 90% of the work done.</p> <p>Material advance: Non-Perishable materials brought to site – 75% of invoice value of the materials shall be payable.</p> <p>Insurance: All required insurance during the construction period shall be arrange and borne by GSHPL except Work Compensation Policy (WCP).</p> <p>Time schedule: HGIEL shall complete work/achieve Commercial Operation Date (COD) within the time period as permitted in concession agreement.</p> | Not Applicable | 28.27 |

| | | | | | | |
|---|---|--|---|---|----------------|-------|
| 2 | H.G. Ateli Narnaul Highway Private Limited (HGANHPL) A Wholly Owned Subsidiary Company | Engineering Procurement Construction (EPC) Contract with HGANHPL | With effect from September 18, 2019 and shall remain in force and effect either till the end of receipts of Bonus, change in law amount, Change in scope amount or termination date | <p>EPC contract date: September 18, 2019</p> <p>Project: The Contract has been awarded to execute for Construction of proposed Narnaul Bypass (design length 24.0 km) Ateli Mandi to Narnaul section of NH-11 from km 43.445 to km 56.900 (design length 14.0 km) as an Economic Corridor & Feeder route Pkg-II route in the state of Haryana.</p> <p>Amount of contract: ₹ 8,010 Million (Rupees Eight Thousand Ten Million Only) is exclusive of price Escalation, if any.</p> <p>Mobilization advance: HGANHPL shall at the request of EPC contractor H.G. Infra Engineering Limited (HGIEL) make available to the HGIEL, interest free advance payment upto 10% of the EPC cost as at the date of this EPC agreement. Deduction of the aforesaid advance would be recovered in such a manner that the recovery would start once the progress of the work has reached 20% and full recovery when the progress has reached 90% of the work done.</p> <p>Material advance: Non Perishable materials brought to site – 75% of invoice value of the materials shall be payable.</p> <p>Bonus: HGANHPL shall transfer the 25% of bonus received from NHAI to HGIEL on early completion of project.</p> <p>Insurance: All required insurance during the construction period shall be arrange and borne by Company except Work Compensation Policy (WCP).</p> <p>Time schedule: HGIEL shall complete work/ achieve Commercial Operation Date (COD) within the time period as permitted in concession agreement.</p> | Not Applicable | 29.84 |
| 3 | H.G. Rewari Ateli Highway Private Limited (HGRAHPL) A Wholly Owned Subsidiary Company | Engineering Procurement Construction (EPC) Contract with HGRAHPL | With effect from September 18, 2019 and shall remain in force and effect either till the end of receipts of Bonus, change in law amount, Change in scope amount or termination date | <p>EPC contract date: September 18, 2019</p> <p>Project: The Contract has been awarded to execute Upgradation of Four Lane of Rewari- Ateli Mandi section of NH-11 from km 11.780 at Rewari to Ex. Km 43.445 near Ateli Mandi (designed length 30.45 km) as Feeder Route in the state of Haryana.</p> <p>Amount of contract: ₹ 4,880 Million (Rupees Four Thousand Eight Hundred Eighty Million Only) is exclusive of price escalation, if any.</p> <p>Mobilization advance: HGRAHPL shall at the request of EPC contractor H.G. infra Engineering Limited (HGIEL) make available to the HGIEL, interest free advance payment upto 10% of the EPC cost as at the date of this EPC agreement. Deduction of the aforesaid advance would be recovered in such a manner that the recovery would start once the progress of the work has reached 20% and full recovery when the progress has reached 90% of the work done.</p> <p>Material advance: Non-Perishable materials brought to site – 75% of invoice value of the materials shall be payable.</p> <p>Bonus: HGRAHPL shall transfer the 25% of bonus received from NHAI to HGIEL on early completion of project.</p> <p>Insurance: All required insurance during the construction period shall be arrange and borne by Company except Work Compensation Policy (WCP).</p> <p>Time schedule: HGIEL shall complete work/achieve Commercial Operation Date (COD) within the time period as permitted in concession agreement.</p> | Not Applicable | 19.54 |



| | | | | | | |
|---|--|---|--|--|----------------|--------|
| 4 | H.G. Rewari Bypass Private Limited (HGRBPL) A Wholly Owned Subsidiary Company | Engineering Procurement Construction (EPC) Contract with HGRBPL | With effect from December 01, 2020 and shall remain in force and effect either till the end of receipts of Bonus, Change in law amount, Change in scope amount | <p>EPC contract date: December 01, 2020</p> <p>Project: The Contract has been awarded to execute Construction of proposed Rewari Bypass (Designed length 14.4 km) as Feeder Route in the state of Haryana.</p> <p>Amount of contract: ₹ 4,320 Million (Rupees Four Thousand Three Hundred Twenty Million Only) is exclusive of price escalation, if any.</p> <p>Mobilization advance: HGRBPL shall at the request of EPC contractor H.G. infra Engineering Limited (HGIEL) make available to the HGIEL, interest free advance payment upto 10% of the EPC cost as at the date of this EPC agreement.</p> <p>Deduction of the aforesaid advance would be recovered in such a manner that the recovery would start once the progress of the work has reached 20% and full recovery when the progress has reached 90% of the work done.</p> <p>Material advance: Non-Perishable materials brought to site – 75% of invoice value of the materials shall be payable.</p> <p>Bonus: HGRBPL shall transfer the 25% of bonus received from NHAI to HGIEL on early completion of project.</p> <p>Insurance: All required insurance during the construction period shall be arrange and borne by HGRBPL except Work Compensation Policy (WCP)</p> <p>Time schedule: HGIEL shall complete work/ achieve Commercial Operation Date (COD) within the time period as permitted in concession agreement.</p> | Not Applicable | 321.62 |
| 5 | H.G. Raipur Visakhapatnam AP-1 Private Limited (HGRVAP-1PL) A Wholly Owned Subsidiary Company | Engineering Procurement Construction (EPC) Contract with HGRVAP-1PL | With effect from January 17, 2022 and shall remain in force and effect either, Change in law amount, Change in scope amount or termination date | <p>EPC contract date: January 17, 2022</p> <p>Project: Development of Six Lane Aluru – Jakkuva Section of NH-130-CD Road from km 365+033 to km 396+800 under Raipur Visakhapatnam Economics Corridor in the state of Andhra Pradesh on Hybrid Annuity Mode. [Package- 1 (AP)]</p> <p>Amount of Contract: ₹ 9,100 (Rupees Nine Thousand One Hundred Million Only) is exclusive of price escalation, if any.</p> <p>Mobilization advance: HGRVAP-1PL shall at the request of EPC contractor H.G. Infra Engineering Limited (HGIEL) make available to HGIEL, interest free advance payment upto 10% of the EPC cost as at the date of this EPC agreement.</p> <p>Deduction of the aforesaid advance would be recovered in such a manner that the recovery would start once the progress of the work has reached 20% and full recovery when the progress has reached 90% of the work done.</p> <p>Material advance: Non-Perishable materials brought to site – 75% of invoice value of the materials shall be payable.</p> <p>Insurance: All required insurance during the construction period shall be arrange and borne by HGRVAP-1PL except Work Compensation Policy (WCP)</p> <p>Time schedule: HGIEL shall complete work/ achieve Commercial Operation Date (COD) within the time period as permitted in concession agreement.</p> | Not Applicable | 375.20 |

| | | | | | |
|---|--|---|--|---|------------------|
| 6 | H.G. Raipur Visakhapatnam OD-6 Private Limited (HGRVOD-6PL) A Wholly Owned Subsidiary Company | Engineering Procurement Construction (EPC) Contract with HGRVOD- 6PL | With effect from January 17, 2022 and shall remain in force and effect either, Change in law amount, Change in scope amount or termination date | <p>EPC contract date: January 17, 2022</p> <p>Project: Development of Six Lane Baunsagar-Baraja Section of NH-130-CD Road from km 293+000 to km 338+500 under Raipur – Visakhapatnam Economics Corridor in the state of Odisha on Hybrid Annuity Mode (Package – OD-6)</p> <p>Amount of Contract: ₹ 9,550 (Rupees Nine Thousand Five Hundred Fifty Million only) is exclusive of price escalation, if any.</p> <p>Mobilization advance: HGRVOD-6PL shall at the request of EPC contractor H.G. Infra Engineering Limited (HGIEL) make available to HGIEL, interest free advance payment upto 10% of the EPC cost as at the date of this EPC agreement.</p> <p>Deduction of the aforesaid advance would be recovered in such a manner that the recovery would start once the progress of the work has reached 20% and full recovery when the progress has reached 90% of the work done.</p> <p>Material advance: Non-Perishable materials brought to site – 75% of invoice value of the materials shall be payable.</p> <p>Insurance: All required insurance during the construction period shall be arranged and borne by HGRVOD-6PL except Work Compensation Policy (WCP)</p> <p>Time schedule: HGIEL shall complete work/ achieve Commercial Operation Date (COD) within the time period as permitted in concession agreement.</p> | Not Applicable - |
| 7 | H.G. Raipur Visakhapatnam OD-5 Private Limited (HGRVOD-5PL) A Wholly Owned Subsidiary Company | Engineering Procurement Construction (EPC) Contract with HGRVOD- 5PL | With effect from January 17, 2022 and shall remain in force and effect either, Change in law amount, Change in scope amount or termination date | <p>EPC contract date: January 17, 2022</p> <p>Project: Development of Six Lane Kaliagura – Baunsagar Section of NH-130-CD Road from km 249+000 to km 293+000 under Raipur-Visakhapatnam Economics Corridor in the state of Odisha on Hybrid Annuity Mode (Package – OD-5) (Length 44.000 km)</p> <p>Amount of Contract: ₹ 12,850 (Rupees Twelve Thousand Eight Hundred Fifty Millions Only) is exclusive of price escalation, if any.</p> <p>Mobilization advance: HGRVOD-5PL shall at the request of EPC contractor H.G. Infra Engineering Limited (HGIEL) make available to HGIEL, interest free advance payment upto 10% of the EPC cost as at the date of this EPC agreement.</p> <p>Deduction of the aforesaid advance would be recovered in such a manner that the recovery would start once the progress of the work has reached 20% and full recovery when the progress has reached 90% of the work done.</p> | Not Applicable - |



Material advance: Non-Perishable materials brought to site – 75% of invoice value of the materials shall be payable.

Insurance: All required insurance during the construction period shall be arranged and borne by HGRVOD-SPL except Work Compensation Policy (WCP).

Time schedule: HGIEL shall complete work/ achieve Commercial Operation Date (COD) within the time period as permitted in concession agreement.

The above-mentioned transactions were entered into by the Company in its ordinary course of business. The above disclosures on material transactions are based on threshold of Rupees one thousand crore or ten percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company, whichever is lower as prescribed under the Companies (Meetings of Board and its Powers) Rules, 2014.

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

Harendra Singh
Chairman & Managing Director
DIN-00402458

Place: Jaipur
Date: May 23, 2022

Annexure IV to Board's Report

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1. Brief outline on CSR Policy:

The Company's CSR programs are guided by Company's Corporate Social Responsibility Policy ('CSR Policy') duly approved by the Board of Directors ("Board"). The Company's CSR Policy framework details the mechanisms for undertaking various programs in accordance with section 135 of the Companies Act, 2013 (the "Act") read with Schedule VII to the Act and the Companies (Corporate Social Responsibility Policy) Rules, 2014 ("Rules") for the benefit of the community.

The vision of the Company is to actively contribute to the social, economic and environment development of the unmerited communities/sections where the Company operates and to ensure the participation of community and thereby creating value for the nation. The Company acknowledges its origins and diligently works to address the needs and aspirations of the less privileged communities across the nation. The Company has multipronged CSR strategy that focuses on healthcare, education and rural development projects in coherence with Schedule VII to the Act.

The Company has identified the following thrust areas around which the Company shall be focusing its CSR initiatives/programmes:

- i. **HEALTHCARE:** Promoting healthcare including preventive healthcare and sanitation, eradicating hunger, poverty and malnutrition and making available safe drinking water, providing financial support for healthcare, conducting health camps and providing consultation, medicines etc.
- ii. **EDUCATION:** Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects, providing support at every stage of a child's educational cycle including but not limited to developing infrastructure for schools/ educational centers/ universities/hostels, scholarships including financial support to students for education, conducting education programs, skill development and vocational training, support to sports for development of students in both urban and rural settings, digital literacy initiatives and other holistic education initiatives for rural & urban youth.

- iii. **RURAL DEVELOPMENT:** Improving water conservation and rain-water harvesting, developing community infrastructure and strengthening rural areas by improving accessibility, education, healthcare, housing, street roads /lights, drinking water, sanitation, power and livelihoods, thereby creating sustainable villages.
- iv. **GENDER EQUALITY AND EMPOWERMENT OF WOMEN:** Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centers and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups.
- v. **ENVIRONMENTAL SUSTAINABILITY:** Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources, maintaining quality of soil, air and water, tree plantation, promoting renewable energy and developing gardens.
- vi. **NATIONAL HERITAGE, ART AND CULTURE:** Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts and preserving & promoting music and sports.
- vii. **DISASTER RESPONSE:** Supporting disaster management, including relief, rehabilitation and reconstruction activities and provide relief and assistance to victims of disasters and calamities.
- viii. **CONTRIBUTION TO FUNDS:** Contribution to various funds, projects, universities, bodies, departments, etc. as specified in Schedule VII of the Companies Act, 2013.
- ix. **OTHER INITIATIVES:** Other need-based initiatives in compliance with Schedule VII of the Companies Act, 2013 and amendments thereto from time to time.



2. Composition of CSR Committee:

| Sr. No. | Name of Director | Designation/Nature of Directorship | Number of meetings of CSR Committee held during the year | Number of meetings of CSR Committee attended during the year |
|---------|-------------------------------------|------------------------------------|--|--|
| 1. | Vijendra Singh ⁽ⁱ⁾ | Chairman - Whole-time Director | 2 | 2 |
| 2. | Harendra Singh ⁽ⁱⁱ⁾ | Member - Managing Director | 2 | 2 |
| 3. | Onkar Singh | Member - Independent Director | 2 | 2 |
| 4. | Dinesh Kumar Goyal ⁽ⁱⁱⁱ⁾ | Member - Whole-time Director | 2 | 1 |

⁽ⁱ⁾ Mr. Vijendra Singh was appointed as the Chairman of the Committee with effect from May 12, 2021.

⁽ⁱⁱ⁾ Mr. Harendra Singh was ceased to be the Chairman of the Committee with effect from closure of business hours on May 11, 2021.

⁽ⁱⁱⁱ⁾ Mr. Dinesh Kumar Goyal, was appointed as member of the Committee with effect from May 12, 2021.

3. Web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company:

Composition of CSR Committee and CSR Policy: <https://www.hginfra.com/corporate-social-responsibility.html>

CSR projects approved by the Board: <http://www.hginfra.com/investors-relation.html#btn-gover>

4. Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility) Rules, 2014, if applicable (attach the report): Not Applicable

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:

| Sr. No. | Financial Year | Amount available for set-off from preceding financial years (in ₹ millions) | Amount required to be set- off for the financial year, if any: (in ₹ millions) |
|---------|----------------|---|--|
| 1 | 2019-20 | Nil | Nil |
| 2 | 2020-21 | Nil | Nil |
| 3 | 2021-22 | 0.16 | Nil |
| | TOTAL | 0.16 | Nil |

6. Average net profit of the company as per section 135(5): ₹ 2411.45 millions

7. (a) Two percent of average net profit of the company as per section 135(5): ₹ 48.23 millions

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil

(c) Amount required to be set off for the financial year, if any: ₹ 0.16 millions

(d) Total CSR obligation for the financial year (7a+7b-7c): ₹ 48.07 millions

8. (a) CSR amount spent or unspent for the financial year:

(Amount in ₹ Millions)

| Total Amount Spent for the Financial Year | Amount Unspent | | | | |
|---|---|------------------|---|--------|------------------|
| | Total Amount transferred to Unspent CSR Account as per section 135(6) | | Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5) | | |
| | Amount | Date of transfer | Name of the Fund | Amount | Date of transfer |
| 34.94* | 13.44 | April 29, 2022 | NA | NA | NA |

* Includes an amount of ₹ 0.16 million available for set-off from preceding financial years

(b) Details of CSR amount spent against ongoing projects for the financial year:

| (1) | (2) | (3) | (4) | (5) | | (6) | (7) | (8) | (9) | (10) | (11) | |
|---------|--|---|---------------------|-----------|-------------------------------|------------------|--|--|---|--|--|-------------------------|
| Sr. No. | Name of the Project | Item from the list of activities in Schedule VII to the Act | Local area (Yes/No) | State | District | Project duration | Amount allocated for the project (In ₹ millions) | Amount spent in the current financial year (In ₹ millions) | Amount transferred to Unspent CSR Account for the project as per Section 135(6) (In ₹ millions) | Mode of Implementation Direct (Yes/No) | Mode of Implementation – Through Implementing Agency | |
| | | | | | | | | | | | Name | CSR Registration number |
| 1 | Rural Transformation through development of Rural Infrastructure and other rural development initiatives | Rural Development Projects | Yes | Rajasthan | Udaipur, Rajsamand and Sirohi | 2 Years | 19.00 | 5.56 | 13.44 | No | H.G. Foundation | CSR00011628 |

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

| (1) | (2) | (3) | (4) | (5) | | (6) | (7) | (8) | |
|---------|--|---|---------------------|------------------------------------|--|--|--|--|-------------------------|
| Sr. No. | Name of the Project | Item from the list of activities in schedule VII to the Act | Local area (Yes/No) | State | District | Amount spent for the project (in ₹ millions) | Mode of implementation - Direct (Yes/No) | Mode of implementation - Through implementing agency | |
| | | | | | | | | Name | CSR Registration Number |
| 1. | Promoting healthcare and disaster management (Fight against COVID-19) | Healthcare and Disaster management | Yes | Rajasthan, Haryana and Maharashtra | Sirohi, Bhilwara, Chittorgarh, Churu, Alwar, Jaipur, Jodhpur, Narnaul and Nagpur | 21.06 | Direct and through implementing agency | Global Hospital and Research Centre | CSR00005359 |
| | | | | | | | | Maitree Pariwar Sanstha | CSR00006171 |
| 2. | Promoting education including infrastructural development of school/ hostel and granting scholarships to students to meet their academic needs | Education | Yes* | Rajasthan | Jodhpur and Sirohi | 8.16 | Direct and through implementing agency | H.G. Foundation | CSR00011628 |
| | | | | | | | | Prabandhan Samiti Adarsh Vidhya Mandir Jodhpur | CSR00003913 |
| TOTAL | | | | | | 29.22 | | | |

**Includes scholarships on PAN India basis

(d) Amount spent in Administrative Overheads: Nil

(e) Amount spent on Impact Assessment, if applicable: Not Applicable

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): ₹ 48.38 million***

(g) Excess amount for set off, if any:

| Sr. No. | Particular | Amount (in ₹ millions) |
|---------|---|------------------------|
| (i) | Two percent of average net profit of the company as per section 135(5) | 48.23 |
| (ii) | Total amount spent for the Financial Year*** | 48.38 |
| (iii) | Excess amount spent for the financial year [(ii)-(i)] | 0.15 |
| (iv) | Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any | Nil |
| (v) | Amount available for set off in succeeding financial years [(iii)-(iv)]# | Nil |

***Includes the amount of ₹ 13.44 million earmarked for ongoing projects transferred to Unspent CSR Account in terms of Section 135(6) of the Companies Act, 2013, for the Financial Year 2021-22 and amount of ₹ 0.16 million available for set-off from preceding financial year.

The Company has spent in excess of the mandatory requirement under the Companies Act, 2013 but the same is not proposed to be set off.



9. (a) **Details of Unspent CSR amount for the preceding three financial years:** Not Applicable
- (b) **Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):**
Not Applicable
10. **In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details):** Not Applicable
11. **Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5):**
Not Applicable

Sd/-
Harendra Singh
Managing Director
(DIN-00402458)

Sd/-
Vijendra Singh
Chairman, CSR Committee
(DIN-01688452)

Place: Jaipur
Date: May 23, 2022

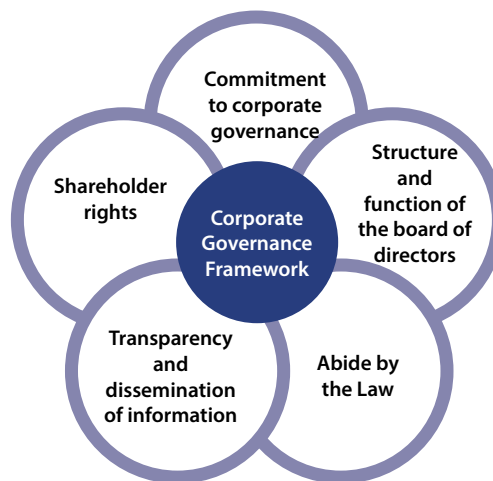
Annexure V to Board's Report

Corporate Governance Report

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

H.G. Infra Engineering Limited (the 'Company' or 'HGIEL') has always been committed to maintain sound corporate governance standards and ethical business practices. Efficient corporate governance requires a clear understanding of the respective roles of the Board of Directors (the 'Board') and of senior management and their relationships with others in the corporate structure. Your Company believes that all actions and plans should be supported by adequate systems and procedures in order to ensure that the decision-making process across different levels of management is well-informed and conforms to the highest standards of corporate behavior. The Company believes that sound Corporate Governance is critical for enhancing and retaining investor trust and your Company always seeks to ensure that its performance goals are met accordingly.

We believe that our company shall go beyond adherence to regulatory framework. Our corporate structure, business, operations and disclosure practices have been strictly aligned to our Corporate Governance Philosophy. transparency, accountability, fairness and intensive communication with stakeholders are integral to our functioning. We believe in system driven performance and performance-oriented systems. We accord highest priority to these systems and protect the interests of all our shareholders, particularly the minority shareholders. The Company has adopted a Code of Conduct for Directors and Senior Management Personnel. The Company's Corporate Governance philosophy has been further strengthened through Code of Conduct for Prevention of Insider Trading Policy and Whistle Blower Policy.



This report is prepared in accordance with the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'Listing Regulations') and the report contains the details of Corporate Governance systems and processes at HGIEL.

The Company is in compliance with the requirements stipulated under Regulation 17 to 27 read with Schedule V and clauses (b) to (i) of sub regulation (2) of Regulation 46 of the Listing Regulations, as applicable, with regard to corporate governance.

We believe, Corporate Governance is not just a destination but a journey to constantly improve sustainable value creation.

There are no non-compliances of any requirements of Corporate Governance Report, as per sub-paras (2) to (10) of Schedule V Part C of the Listing Regulations.

GOVERNANCE STRUCTURE AND DEFINED ROLES AND RESPONSIBILITIES

HGIEL's governance structure comprises of Board of Directors, Committees of the Board and the Management. The Company has put in place an internal governance structure with defined roles and responsibilities of every constituent of the system. The Company's shareholders appoint the Board of Directors, which in turn governs the Company.



The Board critically evaluates the Company's strategic direction, management policies and their effectiveness. The Board's actions and decisions are aligned with the Company's best interest. It is committed to the goal of sustainably elevating the Company's value created. The Board has established several Committees to discharge its responsibilities in an effective manner.

The Chairman of the Board is the leader of the Board. The Chairman is responsible for fostering and promoting the integrity of the Board while nurturing a culture where the Board works harmoniously for the long-term benefit of the Company and all its stakeholders. The Chairman guides the Board for effective governance structure in the Company.

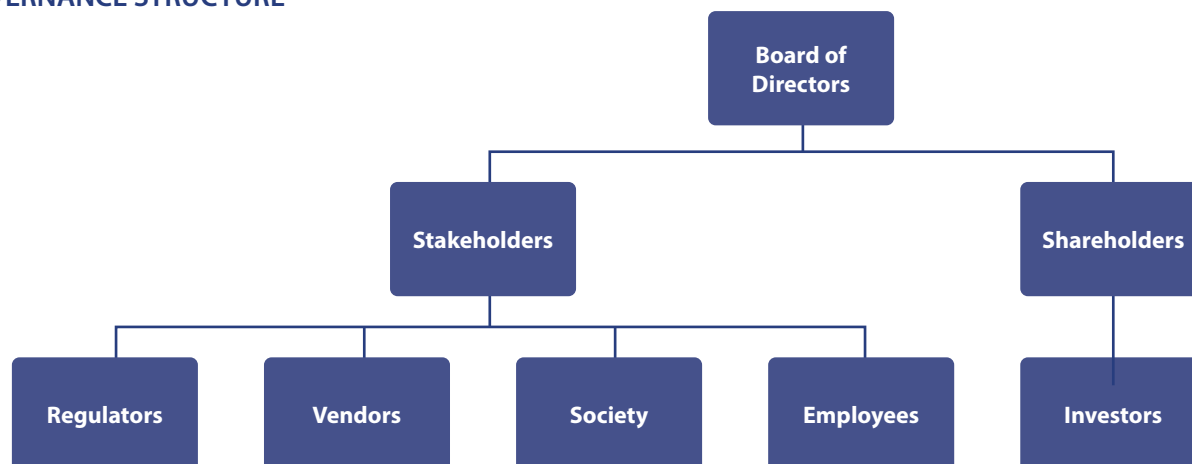
The Managing Director provides overall direction for effective management of the Company. The Managing Director is responsible for corporate strategy, brand equity, planning, external contacts and all important management matters. In the operations and functioning of the Company, the Managing Director is assisted by a core group of senior level executives.

The Company Secretary assists the Chairman and Managing Director in management of the Board's administrative activities such as meetings, schedules, agendas, communication and documentation.

In accordance with the requirement of Regulation 27(2) of the Listing Regulations, the Company submits to the stock exchanges a quarterly compliance report on Corporate Governance within the specified timeline as prescribed in the said regulations.

The details of HGIEL's board structure and the various committees that constitute the governance structure of the organization are covered in detail in this report.

GOVERNANCE STRUCTURE



ETHICS/GOVERNANCE POLICIES

Corporate Governance policies ensure that organizations are run in a transparent, ethical manner, promoting good business practices. Corporate governance policies formulated by the Board and made available to all stakeholders. Your Company has adopted various codes & policies to carry out our duty in ethical manner. These codes and policies are available on the Company's website at <https://hginfra.com/investors-relation.html#btn-gover>.

BUSINESS RESPONSIBILITY REPORT

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

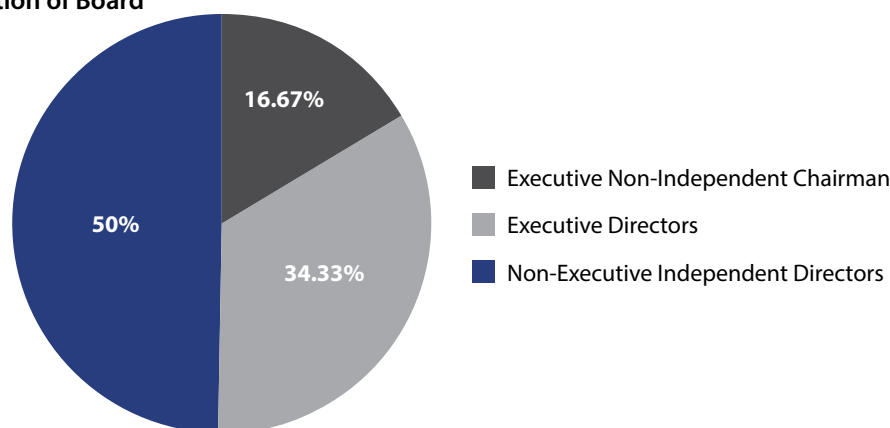
SIZE AND COMPOSITION OF THE BOARD

The Company believes in a well-balanced Board which enriches Board discussions and enables effective decision making. The Board has an optimal mix of Executive and Non-Executive Directors who have considerable expertise in their respective fields including competencies required in context of Company's businesses. The entire governance system is supported by well-structured systems and procedures that ensure well informed decision making across different levels of management.

As on March 31, 2022 and as on the date of this Report, our Board is comprised of six members, consisting of one executive Chairman (Promoter), two executive Directors (One promoter and one non-promoter) and three Non-executive Independent Directors (Out of which one is independent women director). All the Independent Directors are free from any business or other relationship that could materially influence their judgment. Independent Director constitutes half of the Board Strength.

The composition of the Board is in conformity with the requirements of Regulation 17 of the Listing Regulations as well as section 149 of the Companies Act, 2013 (the 'Act') read with the Rules made thereunder.

Size and Composition of Board



The composition of Board of the Company as on March 31, 2022 is as under:

| Name of Director | Designation | DIN |
|--------------------|----------------------|----------|
| Harendra Singh | Managing Director | 00402458 |
| Vijendra Singh | Whole Time Director | 01688452 |
| Dinesh Kumar Goyal | Whole Time Director | 02576453 |
| Ashok Kumar Thakur | Independent Director | 07573726 |
| Pooja Hemant Goyal | Independent Director | 07813296 |
| Onkar Singh | Independent Director | 07853887 |

During the Financial Year 2021-22, there is no change in the Directors of the Company.

Board Meetings

The Board/Committee Meetings are convened by giving appropriate notice well in advance. The Directors/Members are provided with appropriate information in the form of agenda items in a timely manner, to enable them to deliberate on each agenda item and make informed decisions and provide appropriate directions to the Management in this regard. The management makes concerted efforts to continuously upgrade the information available to the Board for decision making and the Board members are updated on all key developments relating to the Company.

With the unanimous consent of the Board, all information which is in the nature of Unpublished Price Sensitive Information (UPSI), is circulated to the Board and its Committees at a shorter notice before the commencement of the respective meetings.

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

The Company Secretary attends all the meetings of the Board and its Committees and is, inter alia, responsible for recording the minutes of such meetings. The draft minutes of the Board and its Committees are sent to the members for their comments in accordance with the Secretarial Standards. Thereafter, the minutes are entered in the minutes book within 30 (thirty) days from conclusion of the meetings subsequent to incorporation of the comments, if any, received from the Directors.

The Company adheres to the provisions of the Companies Act, 2013 (the "Act") read with the Rules issued thereunder, Secretarial Standards and Listing Regulations with respect to convening and holding the meetings of the Board of Directors, its Committees and the General Meetings of the shareholders of the Company.



All the Board members, Key managerial personnel (KMP's) and the Senior management have affirmed compliance with the Code of Conduct during the year ended on March 31, 2022.

The Board meets at least once a quarter to review the quarterly results and other items on the agenda, and also on the occasion of the AGM. Additional meetings are held when necessary. Independent directors are expected to attend at least four quarterly Board meetings and the AGM.

The Board meet 4 (Four) times during the financial year 2021-22 ("FY 2021-22"). All meetings were held in a manner that not more than 120 days lapsed between two consecutive Meetings. The required quorum was present all the meetings. The details of the Directors along with their attendance at Board Meetings (during the Financial Year 2021-22) and Annual General Meeting ("AGM") held on September 06, 2021 are as given below:

| Name of Director | Category | AGM | Board Meetings | | | | % of attendance |
|--|--------------------------------------|------------|----------------|------------|------------|------------|-----------------|
| | | 06.09.2021 | 12.05.2021 | 04.08.2021 | 08.11.2021 | 03.02.2022 | |
| Harendra Singh (Promoter, Chairman & Managing Director) DIN: 00402458 | Executive Director | √ | √ | √ | √ | √ | 100% |
| Vijendra Singh (Promoter and Whole Time Director) DIN: 01688452 | Executive Director | √ | √ | √ | √ | √ | 100% |
| Dinesh Kumar Goyal (Whole Time Director) DIN-02576453 | Executive Director | √ | √ | √ | √ | √ | 100% |
| Ashok Kumar Thakur (Independent Director) DIN:07573726 | Non – Executive Independent Director | √ | √ | √ | √ | √ | 100% |
| Onkar Singh (Independent Director) DIN:07853887 | Non – Executive Independent Director | √ | √ | √ | √ | √ | 100% |
| Pooja Hemant Goyal (Independent Director) DIN: 07813296 | Non – Executive Independent Director | √ | √ | √ | √ | √ | 100% |

Notes:

- The last AGM held through Video Conference (VC)/Other Audio Video Means (OAVM) on September 06, 2021, was attended by all members of the Board.
- During the FY 2021-22, all meetings of the Board were held with video conference facility in accordance with the provisions of law.
- None of the directors hold directorships in more than 20 companies of which directorships in public companies does not exceed 10 in line with the provisions of Section 165 of the Act.
- During the year, the following directors are re-appointed by the members in the Annual General Meeting held on 06, September, 2021:
 - Mr. Harendra Singh re-appointed as Managing Director for a second term of five consecutive years w.e.f. May 15, 2022;
 - Mr. Vijendra Singh re-appointed as Whole Time Director for a second term of five consecutive years w.e.f. May 15, 2022
 - Mr. Ashok Kumar Thakur re-appointed as Independent Director for a second term of five consecutive years w.e.f. May 15, 2022

Details of committee chairmanship and committee memberships held by the directors as on March 31, 2022 are as under:

| Name of Director | Designation | Age | No. of directorships in other Listed Companies* | No. of Statutory Committee(s) of Board of Directors of other companies of which Member/Chairperson** | |
|--------------------|------------------------------|-----|---|--|-------------|
| | | | | Member | Chairperson |
| Harendra Singh | Chairman & Managing Director | 55 | - | - | - |
| Vijendra Singh | Whole Time Director | 57 | - | - | - |
| Dinesh Kumar Goyal | Whole Time Director | 68 | - | - | - |
| Ashok Kumar Thakur | Independent Director | 68 | 2 | - | 3 |
| Onkar Singh | Independent Director | 66 | - | - | - |
| Pooja Hemant Goyal | Independent Director | 44 | 1 | 2 | - |

*Excludes directorship in HGIEL. Also excludes directorship in private companies, unlisted public companies, foreign companies, companies incorporated under Section 8 of the Act and alternate directorships.

**For the purpose of considering the limit of Committee memberships and chairmanships of a Director, membership and chairmanship of Audit Committee and Stakeholders Relationship Committee of other listed public companies have been considered. Also excludes the memberships & chairmanships in HGIEL.

Notes:

- None of Directors hold directorship in more than 10 public Companies and do not serve as a Director in more than 7 listed Companies, across all their directorships held, including that in the Company. Further, none of the Directors of the Company is a Member of more than 10 Committees or Chairperson of more than 5 Committees across all the public companies in which he/she is a Director. None of the Directors are inter-se related to each other except Mr. Harendra Singh, Managing Director and Mr. Vijendra Singh, Whole time Director.
- None of the Directors on the Board who are the Executive Directors serves as Independent Directors in more than three listed entities.
- The Managing Director do not serve as Independent Director in any other listed company.

Details of directorship in other listed entities

| Name of Director | Name of listed entities | Category of Directorship |
|--------------------|--|------------------------------------|
| Harendra Singh | NIL | NA |
| Vijendra Singh | NIL | NA |
| Dinesh Kumar Goyal | NIL | NA |
| Ashok Kumar Thakur | a. Navkar Corporation Limited b. Choice International Limited | Non-Executive-Independent Director |
| Onkar Singh | NIL | NA |
| Pooja Hemant Goyal | Navkar Corporation Limited | Non-Executive-Independent Director |

Disclosure of relationship between director inter-se

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

There are no material significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons and their relatives which may have a potential conflict with the interest of the Company at large.



Details of equity shares of the Company held by the Non-Executive Directors as on March 31, 2022

| Name of Director(s) | Category | Number of Equity shares held |
|---------------------|------------------------------------|------------------------------|
| Ashok Kumar Thakur | Non-Executive Independent Director | NIL |
| Onkar Singh | Non-Executive Independent Director | NIL |
| Pooja Hemant Goyal | Non-Executive Independent Director | NIL |

The Company has not issued any convertible instruments.

Key Skills, Expertise and Core Competencies of the Board

The Board comprises directors that bring a wide range of skills, expertise and experience which enhances overall Board.

The Nomination and Remuneration Committee assesses and recommends to the Board, core skill sets required by directors to enable the Board to perform its oversight function effectively.

The following is the list of core skills/expertise/competencies identified by the Board of Directors, based on recommendations of the Nomination and Remuneration Committee, as required in the context of the Company's business for it to function effectively:

| Definitions of Director qualifications, expertise and attributes | |
|--|--|
| Engineering | Engineering technique is the application of knowledge in the form of science, mathematics, and empirical evidence, to the innovation, design, construction, operation and maintenance of structures, machines, materials, software, devices, systems, processes, and organizations. The discipline of engineering encompasses a broad range of more specialized fields of engineering, each with a more specific emphasis on particular areas of applied mathematics, applied science, and types of application. |
| Planning | Extended Planning Experience for enterprises, resulting in a practical understanding of organization, processes, strategic planning and risk management. Demonstrated strengths in developing talent, planning succession, and driving change and long - term growth. |
| Technical | A significant background in technology, resulting in knowledge of how to anticipate technological trends, generate disruptive innovation, and extend or create new business modules. |
| Finance | Leadership of a financial firm or management of the finance function of an enterprise, resulting in proficiency in complex financial management, capital allocation and financial reporting processes or experience in actively supervising a principal financial officer, principal accounting officer, controller, public accountant, auditor or person performing similar functions. |
| Legal | A particular attribute, quality, property, or possession that an individual must have in order to be eligible to fill an office or perform a public duty or function. |
| Board service and Corporate Governance | Service on a public company board to develop insight about maintaining board and management accountability, protecting shareholder interests, and observing appropriate integration plans. |
| Administrative | Skills that are required for success in administration, such as communicating, computing, organizing, planning, scheduling, or staffing. |

Given below is a list of the specific area of focus or expertise of Individual Board members:

| Name of Director | Area of Operation | | | | | | |
|--------------------|-------------------|----------|-----------|---------|-------|--|----------------|
| | Engineering | Planning | Technical | Finance | Legal | Board service and Corporate Governance | Administrative |
| Harendra Singh | √ | √ | √ | √ | √ | √ | √ |
| Vijendra Singh | √ | √ | √ | - | - | √ | √ |
| Dinesh Kumar Goyal | √ | - | - | √ | √ | √ | √ |
| Ashok Kumar Thakur | - | - | - | √ | √ | √ | √ |
| Pooja Hemant Goyal | - | - | - | - | √ | √ | - |
| Onkar Singh | - | - | - | √ | - | √ | √ |

Note: the absence of mark against member's name does not necessarily mean the member does not possess the corresponding qualification or skills.

Independent Director

The Company has received declarations from the Independent Directors that they meet the criteria of Independence laid down under section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations. Further, the Independent Directors have included their names in the data bank of Independent Directors maintained with the Indian Institute of Corporate Affairs (IICA) in terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment & Qualification of Directors) Rules, 2014.

The Board of Directors, based on the declaration(s) received from the Independent Directors, have verified the veracity of such disclosures and confirm that the Independent Directors fulfil the conditions of independence specified in the Listing Regulations and the Act and are independent of the management of the Company.

The Companies Act, 2013 and the Listing Regulations define an 'Independent Director' as a person who is not a promoter or employee or one of the key managerial personnel of the company or its subsidiaries. They also state that the person should not have a pecuniary relationship or transaction with the company or its subsidiaries, apart from receiving sitting fees as an Independent Director.

Based on intimations/disclosures received from the Directors periodically, none of the Directors of the Company hold memberships/ Chairmanships more than the prescribed limits.

During the financial year, no Independent Director has resigned from the post of Directorship.

Familiarization Programme for Independent Directors

The Familiarization Programme for the Independent Directors of the Company is designed to help the Independent Directors to gain a deep understanding of the Company, its stakeholders, senior management / leadership team, business operations, policies, industry perspective and issues.

The Board familiarization program consists of detailed induction for all new Independent Directors when they join the Board of Directors of the Company and ongoing immersion sessions on business strategic, operational and functional matters.

The exhaustive induction for Independent Directors enables them to be familiarized with the Company, its history, values and purpose.

In Board meetings, immersion sessions on business strategy, operational and functional matters provide good insights on the businesses carried on by the Company to the Independent Directors. These sessions also involve interactions with multiple levels of management. To make these sessions more productive, all the documents required and/or sought by them to have a good understanding of Company's operations, businesses and the industry as a whole are provided in advance. Further, they are periodically updated on material changes in regulatory framework and its impact on the Company.

Further, at the time of appointment of an Independent Director, the Company issues a formal letter of appointment outlining his/her role, function, duties and responsibilities.

Pursuant to Regulation 46 of the Listing Regulations, details of familiarization programmes imparted to Independent Directors are available on the Company's website and can be accessed through the Web-link: <https://www.hginfra.com/investors-relation.html#btn-gover>

BOARD COMMITTEES

Our Board has constituted sub-committees to focus on specific areas and make informed decisions within the authority delegated to each of the Committees. Each Committee of the Board is guided by its charter, which defines the scope, powers and composition of the Committee. All decisions and recommendations of the Committees are placed before the Board for information or approval.

The Board Committees are set up under the formal approval of the Board to carry out clearly defined roles which are considered to be performed by Members of the Board, as a part of good governance practice. The minutes of the meetings of all Committees are placed before the Board. The Board Committees can request special invitees to join the meeting, as required and appropriate.

The Board has established the following statutory and non-statutory Committees in line with the Companies Act, 2013 and the Listing Regulations. The number of meetings held during the financial year and participation of the members at the meetings of the committees, are covered herein Below:



During the financial year 2021-22, the Board has accepted all recommendations of Committees on matters where such a recommendation is mandatorily required. There have been no instances where such recommendations have not been considered.

Details of the Committees of the Board, as on March 31, 2022, and other related information are as follows:

| BOARD AND COMMITTEE COMPOSITION | | | | | | | | | | |
|---------------------------------|----------|--------------------|---|--|---|-----------------------------------|----------------------|-------------------------|---------------------------|-------------------------------|
| Name of Director/ Member | Board | Audit Committee | Nomination & Remuneration Committee | Stakeholders' Relationship Committee | Corporate Social Responsibility Committee* | Risk Management Committee** | Finance Committee | Management Committee | Debenture Committee*** | Fund Raising Committee**** |
| Harendra Singh | C | M | - | M | M | C | C | C | C | C |
| Vijendra Singh | M | - | - | M | C | M | M | M | M | M |
| Dinesh Kumar Goyal | M | - | - | - | M | - | M | M | M | M |
| Ashok Kumar Thakur | M | C | M | - | - | M | - | - | - | - |
| Pooja Hemant Goyal | M | - | C | - | - | - | - | - | - | - |
| Onkar Singh | M | M | M | C | M | - | - | - | - | - |
| Vinod Kumar Giri | - | - | - | - | - | M | - | - | - | - |
| Sanjay Bafna | - | - | - | - | - | M | - | - | - | - |
| Total no. of members | 6 | 3 | 3 | 3 | 4 | 5 | 3 | 3 | 3 | 3 |

C Chairperson, M Member

*During the FY 2021-22, the Corporate social responsibility committee has been re-constituted w.e.f. May 12, 2021 with composition; Mr. Vijendra Singh as a Chairperson, Mr. Harendra Singh as a Member, Mr. Dinesh Kumar Goyal as a Member and Mr. Onkar Singh as a Member.

Mr. Dinesh Kumar Goyal appointed as member of the Corporate Social Responsibility committee w.e.f. May 12, 2021

**During the financial year, the Risk Management Committee has been re-constituted w.e.f. May 12, 2021 with composition; Mr. Harendra Singh as a Chairperson, and Mr. Vijendra Singh, Mr. Ashok Kumar Thakur, Mr. Vinod Kumar Giri and Mr. Sanjay Bafna as members of the Committee.

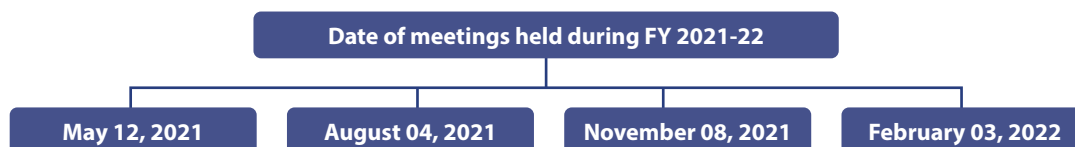
Mr. Satish Kumar Sharma, Mr. Kailash Chandra Gupta and Mr. Dinesh Kumar Goyal are ceased to be a members of the Risk Management Committee w.e.f. May 12, 2021.

*** During FY 2021-22, Debenture Committee has been constituted w.e.f. November 08, 2021 with composition of Mr. Harendra Singh as a Chairperson and Mr. Vijendra Singh and Mr. Dinesh Kumar Goyal as Members of the Debenture Committee.

**** During FY 2021-22, Fund Raising Committee has been constituted w.e.f. August 04, 2021 with composition of Mr. Harendra Singh as a Chairperson and Mr. Vijendra Singh and Mr. Dinesh Kumar Goyal as Members of the Fund Raising Committee

As on the date of this Report, the Company has following Committees of the Board.

AUDIT COMMITTEE



The composition of the Audit Committee of the Board of Directors of the Company along with the details of the attendance of the members of the committee during the financial year 2021-22 are detailed below:

| Sr. No. | DIN | Name of Director | Nature of membership | Number of meetings attended | % of attendance |
|---------|----------|--------------------|----------------------|-----------------------------|-----------------|
| 1 | 07573726 | Ashok Kumar Thakur | Chairman | 4 of 4 | 100% |
| 2 | 07853887 | Onkar Singh | Member | 4 of 4 | 100% |
| 3 | 00402458 | Harendra Singh | Member | 4 of 4 | 100% |

Four meetings of the Audit Committee were held during the year under review and the gap between two meetings did not exceed one hundred and twenty days.

The Committee invites such of the executives as it considers appropriate, representatives of the statutory auditors and internal auditors, to be present at its meetings.

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

The previous Annual General Meeting of the Company held on September 06, 2021 was attended by Ashok Kumar Thakur, Chairman of the Audit Committee.

Objective:

The Audit Committee has been constituted as per Section 177 of the Act, and Regulation 18 of the Listing Regulations.

The primary objective of the Audit Committee is to monitor and provide effective supervision of the management's financial reporting process, to ensure accurate and timely disclosures, with the highest level of transparency, integrity and quality of financial reporting.

The management is responsible for the Company's internal controls and the financial reporting process while the statutory auditors are responsible for conducting independent audits of the Company's financial statements in accordance with the generally accepted Auditing Practices and for issuing reports based on such audits. The Audit Committee has been constituted to assist the Board in overseeing the quality and integrity of the accounting, auditing and reporting policies/practices of the Company and its compliance with the legal and regulatory requirements.

The Committee, accordingly, monitors various issues which include accounting and financial reporting process of the Company, maintenance of adequate internal financial controls, audit of the Company's financial statements, the appointment, independence and performance of the auditors. The Audit Committee also reviews the periodic internal, secretarial and statutory auditors' reports.

Terms of reference of the Audit Committee inter alia include the following:

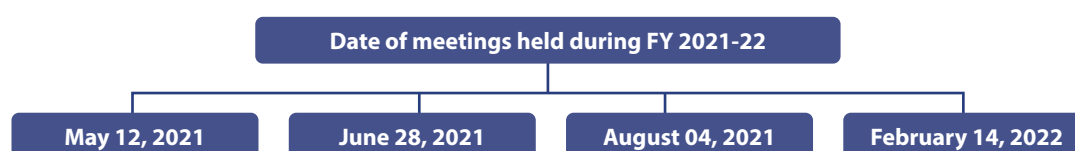
- i. oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- ii. recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;
- iii. approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- iv. reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - a) matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Act;
 - b) changes, if any, in accounting policies and practices and reasons for the same;
 - c) major accounting entries involving estimates based on the exercise of judgment by management;
 - d) significant adjustments made in the financial statements arising out of audit findings;



- e) compliance with listing and other legal requirements relating to financial statements;
- f) disclosure of any related party transactions;
- g) modified opinion(s) in the draft audit report;
- v. reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- vi. reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/ prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
- vii. reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- viii. approval or any subsequent modification of transactions of the listed entity with related parties;
- ix. scrutiny of inter-corporate loans and investments;
- x. valuation of undertakings or assets of the company, wherever it is necessary;
- xi. evaluation of internal financial controls and risk management systems;
- xii. reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- xiii. reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- xiv. discussion with internal auditors of any significant findings and follow up there on;
- xv. reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- xvi. discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- xvii. to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non- payment of declared dividends) and creditors;
- xviii. to review the functioning of the whistle blower mechanism;
- xix. approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
- xx. reviewing the utilization of loans and/ or advances from/ investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans/ advances/ investments;
- xxi. consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.
- xxii. carrying out any other function as is mentioned in the terms of reference of the audit committee

The audit committee shall mandatorily review the following information:

- i. Management Discussion and Analysis of financial conditions and results of operations;
- ii. Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
- iii. Management letters/ letters of internal control weaknesses issued by the statutory auditors;
- iv. Internal audit reports relating to internal control weaknesses;
- v. The appointment, removal and terms of remuneration of the chief internal auditor;
- vi. statement of deviations:
 - a. Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the Listing Regulations.
 - b. Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of Listing Regulations.

NOMINATION AND REMUNERATION COMMITTEE

The composition of the Nomination and Remuneration Committee of the Board of the Company along with the details of the attendance of the members of the committee during the financial year are detailed below:

| Sr. No | DIN | Name of Director | Nature of membership | Number of meetings attended | % of attendance |
|--------|----------|--------------------|----------------------|-----------------------------|-----------------|
| 1 | 07813296 | Pooja Hemant Goyal | Chairperson | 4 of 4 | 100% |
| 2 | 07573726 | Ashok Kumar Thakur | Member | 4 of 4 | 100% |
| 3 | 07853887 | Onkar Singh | Member | 4 of 4 | 100% |

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

The previous AGM of the Company held on September 06, 2021 was attended by Mrs. Pooja Hemant Goyal, Chairperson of the Nomination and Remuneration Committee.

Objective:

The Nomination and Remuneration Committee has been constituted as per provisions of Section 178 of Companies Act, 2013, the rule framed there-under and Regulation 19 of the Listing Regulations.

The purpose of the committee is to lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Executive and Non-Executive) and persons who may be appointed in Key Managerial and Senior Management positions and to determine their remuneration.

It reviews and discusses all matters pertaining to candidates and evaluates the candidates, and coordinates and oversees the annual evaluation of the board and of individual directors. It also reviews performance of all the executive directors on a periodic basis or at such intervals as may be necessary on the basis of the detailed performance parameters set for each executive director.

The functions of the Committee are as per the provisions of the Listing Regulations and Companies Act, 2013, besides others, which may be delegated to it by the Board.

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

The Nomination and Remuneration Committee shall be responsible, among other things, for the following:

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

The Nomination and Remuneration Committee shall, while formulating the above policy ensure that—

- a. the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
 - b. relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
 - c. remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.
- ii. formulation of criteria for evaluation of performance of independent directors and the board of directors;
 - iii. devising a policy on diversity of board of directors;
 - iv. identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal and shall specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance;
 - v. whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
 - vi. recommend to the board, all remuneration, in whatever form, payable to senior management; and
 - vii. carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification as may be applicable.

Remuneration Policy and Remuneration paid to Directors

The Board, on the recommendation of the Nomination and Remuneration Committee, has approved the Remuneration Policy for Directors, Key Managerial Personnel, Senior Management and Other employees of the Company. The Policy describes various aspects and guiding factors in determining the remuneration of Directors, Key Managerial Personnel, Senior Management and Other employees of the Company with intent to maintain level and composition of remuneration reasonable and sufficient to attract, retain and motivate directors and employees to run the Company successfully and align the growth of the Company and development.

The Company pays remuneration to its Executive Director, Managing Director and Whole Time Director and others by way of Salary, perquisites and allowances. Salary is paid within the range as approved by the Shareholders, wherever applicable and as per the Companies Act, 2013. The Board approves all the revisions in salary, perquisites and allowances to directors subject to the overall ceiling prescribed by Section 197 and 198 of the Act. Non-Executive Independent Directors are entitled to sitting fees as may be determined by the Board from time to time and subject to statutory provisions.

The Non-Executive Independent Directors have not been paid any remuneration except sitting fees during the financial year. The Company also reimburses expenses to the directors for attending the meeting of the Board and Committees. Apart from reimbursement of expenses and remuneration as aforesaid, none of the non-executive directors have any other pecuniary relationships or transactions with your Company, its Subsidiaries or Associates or their Promoters or Directors.

The Nomination and Remuneration policy of the Company provides for the criteria of making payment to directors. The same can be viewed at <https://hginfra.com/investors-relation.html#btn-gover>.

Given below are the details of remuneration paid to directors during the financial year along with their respective shareholdings in the Company:

(Amount in Million)

| Name of Director | Salary | Sitting fees | Bonus | Others | Total Remuneration | No of equity shares held as on March 31, 2022 |
|--|--------|--------------|-------|--------|--------------------|---|
| Executive Director (Managing Director/ Whole Time director) | | | | | | |
| Harendra Singh | 26.00 | - | - | - | 26.00 | 100 |
| Vijendra Singh | 14.00 | - | - | - | 14.00 | 100 |
| Dinesh Kumar Goyal | 4.45 | - | - | - | 4.45 | - |
| Non-Executive Independent Directors | | | | | | |
| Ashok Kumar Thakur | - | 0.73 | - | - | 0.73 | - |
| Onkar Singh | - | 0.76 | - | - | 0.76 | - |
| Pooja Hemant Goyal | - | 0.52 | - | - | 0.52 | - |

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

Service contracts, notice period, severance fees

The tenure of office of the Managing Director and Whole-time Directors is for 5 (five) years from their respective date of appointment and can be terminated by either party by giving six months'/three months' notice on writing as per their respective terms of appointment.

The independent directors are appointed for a term of five/three years. The service contracts and notice period are not applicable to Non-Executive and/or Independent Directors.

There is no separate provision for payment of severance fees.

STAKEHOLDERS' RELATIONSHIP COMMITTEE

Date of meetings held during FY 2021-22

December 24, 2021

The composition of the Stakeholders' Relationship Committee of the Board of Directors of the Company along with the details of the attendance of the members of the committee during the financial year are detailed below:

| Sr. No. | DIN | Name | Nature of membership | Number of meetings attended | % of attendance |
|---------|----------|----------------|----------------------|-----------------------------|-----------------|
| 1. | 07853887 | Onkar Singh | Chairperson | 1 of 1 | 100% |
| 2. | 00402458 | Harendra Singh | Member | 1 of 1 | 100% |
| 3. | 01688452 | Vijendra Singh | Member | 1 of 1 | 100% |

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

The previous AGM of the Company held on September 06, 2021 was attended by Onkar Singh, Chairman of the Stakeholders' Relationship Committee.

**Objective:**

In compliance with the provisions of Section 178 of the Act and Regulation 20 of the Listing Regulations, the Board has constituted the Stakeholders' Relationship Committee.

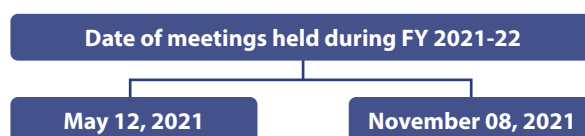
The Stakeholders' Relationship Committee is primarily responsible to review all matters connected with the company's transfer of securities and redressal of shareholders'/ investors'/ security holders' complaints.

Terms of reference of the Stakeholders' Relationship Committee inter alia include the following:

- i. resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non - receipt of annual report, non- receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.;
- ii. review of measures taken for effective exercise of voting rights by shareholders;
- iii. review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent;
- iv. review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

Details relating to the number of complaints received and redressed during the financial year 2021-22 are as under:

| Number of shareholder's complaints received | Number of shareholder's complaints resolved | Number of pending complaints |
|---|---|------------------------------|
| 2 | 2 | NIL |

CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

The composition of the Corporate Social Responsibility Committee of the Board of Directors of the Company along with the details of the attendance of the members of the committee during the financial year are detailed below:

| Sr. No | DIN | Name | Nature of membership | Number of meetings attended | % of attendance |
|--------|----------|--------------------|----------------------|-----------------------------|-----------------|
| 1 | 00402458 | Harendra Singh | Chairperson | 2 of 2 | 100% |
| 2 | 01688452 | Vijendra Singh | Member | 2 of 2 | 100% |
| 3 | 07853887 | Onkar Singh | Member | 2 of 2 | 100% |
| 4 | 02576453 | Dinesh Kumar Goyal | Member | 1 of 1 | 100% |

The CSR Committee has been re-constituted w.e.f. May 12, 2021 with composition; Vijendra Singh as Chairperson, Dinesh Kumar Goyal as a Member, Harendra Singh as a Member and Onkar Singh as a Member.

Objective

Company has a Corporate Social Responsibility (CSR) Committee in compliance with the provisions of Section 135 of the Act. The CSR committee adopted a policy that outlines the Company's objectives of Social, Economic and Environmental development of the community in which we operate, through sustainable measures, ensuring participation from the community and thereby create value for the nation.

The terms of reference, inter-alia, includes recommend the amount of expenditure to be incurred on the CSR activities and monitor the Corporate Social Responsibility Policy of the company from time.

Terms of reference of the CSR Committee inter alia include the following:

- i. formulate and recommend to the Board for its approval, a CSR Policy which shall indicate the activities to be undertaken by the Company in area or subject, specified in Schedule VII of the Act;
- ii. recommend the amount of expenditure to be incurred on the CSR Programmes;
- iii. monitor and review the CSR Policy of the Company from time to time;
- iv. formulation of a transparent monitoring mechanism for ensuring implementation of the CSR programmes proposed to be undertaken by the Company or the end use of the amount spent by it towards CSR programmes;
- v. ensure overall governance and compliance of the CSR Policy;
- vi. annually report to the Board of Directors, the status of the CSR Programmes undertaken and contributions made by the Company;
- vii. formulate and recommend to the Board for its approval, an annual CSR action plan in pursuance of the CSR Policy; and
- viii. any other requirements mandated under the Act and Rules issued thereto.

The details of the CSR initiatives as per the CSR Policy of the Company forms part of the CSR Report in this Annual Report. The CSR Policy of the Company has been uploaded on the Company's website and can be accessed at: <https://hginfra.com/investors-relation.html#btn-gover>

RISK MANAGEMENT COMMITTEE

In order to comply with the provisions of Regulation 21 of the Listing Regulations, the board has in place the Risk Management Committee ('RMC').

A well-defined risk governance structure serves to communicate the approach of risk management throughout the organization by establishing clear allocation of roles and responsibilities for the management of risks on a day-to-day basis.

The composition of the Risk Management Committee of the Board of Directors of the Company along with the details of the attendance of the members of the committee during the financial year are detailed below:

| Sr. No | DIN | Name | Nature of membership | Number of meetings attended | % of attendance |
|--------|----------|----------------------------------|----------------------|-----------------------------|-----------------|
| 1 | 00402458 | Harendra Singh | Chairman | 2 of 2 | 100% |
| 2 | 01688452 | Vijendra Singh | Member | 2 of 2 | 100% |
| 3 | 07573726 | Ashok Kumar Thakur ¹ | Member | 2 of 2 | 100% |
| 4 | 02576453 | Dinesh Kumar Goyal ² | Member | - | - |
| 5 | NA | Kailash Chand Gupta ³ | Member | 1 of 1 | 100% |
| 6 | NA | Satish Sharma ⁴ | Member | 1 of 1 | 100% |
| 7 | NA | Sanjay Bafna ⁵ | Member | 1 of 1 | 100% |
| 8 | NA | Vinod Giri ⁶ | Member | 1 of 1 | 100% |

¹ appointed as member w.e.f. May 12, 2021;

² ceased to be a member w.e.f. May 12, 2021;

³ ceased to be a member w.e.f. November 08, 2021;

⁴ ceased to be a member w.e.f. November 08, 2021;

⁵ appointed as member w.e.f. November 08, 2021 (Senior Vice President-Accounts and Finance); and

⁶ appointed as member w.e.f. November 08, 2021 (Senior Vice President-Operations)



Terms of reference of the Risk Management Committee inter alia include the following:

The Risk Management Committee is responsible for oversight on overall risk management processes of the Company and to ensure that key strategic and business risks are identified and addressed by the management.

The role of the committee shall, inter alia, include the following:

- i. to formulate detailed risk management policy which shall include:
 - a. a framework for identification of internal and external risks specifically faced by the Company, including financial, operational, sectoral, sustainability (particularly, Environment Sustainability and Governance-ESG related risk) information, cyber security risks or any other risk as may be determined by the RMC.
 - b. measures for risk mitigation including systems/processes for internal control of identified risks.
 - c. a Business Continuity Plan to review the Risk Management Framework & risk mitigation measures from time to time.
- ii. to ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- iii. to monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- iv. to periodically review the risk management policy, at least once in two years, considering the changing industry dynamics and evolving complexity;
- v. to keep the board of directors informed about the nature and content of RMC discussions and recommendations as well as the actions to be taken;
- vi. the appointment, removal and terms of remuneration of the Chief Risk Officer (CRO) (if any) shall be subject to review by the Risk Management Committee; and
- vii. carry out any other function as is mandated by the Board of Directors from time to time and / or enforced by any statutory notification, amendment or modification as may be applicable.
- viii. to carry out any other function as is mandated by the Board of Directors from time to time and/or enforced by any statutory notification, amendment or modification as may be applicable.

The Risk Management Committee shall coordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the board of directors.

The Risk Management Policy formulated by the Risk Management Committee, inter alia, includes identification of risks, including cyber security and related risks and also those which in the opinion of the Board may threaten the existence of the Company.

FINANCE COMMITTEE



The composition of the Finance Committee of the Board of Directors of the Company along with the details of the attendance of the members of the committee during the financial year are detailed below:

| Sr. No | DIN | Name | Nature of membership | Number of meetings attended | % of attendance |
|--------|----------|--------------------|----------------------|-----------------------------|-----------------|
| 1 | 00402458 | Harendra Singh | Chairman | 15 of 15 | 100% |
| 2 | 01688452 | Vijendra Singh | Member | 13 of 15 | 86.67% |
| 3 | 02576453 | Dinesh Kumar Goyal | Member | 14 of 15 | 93.33% |

The purpose of the Committee is to advise the Board of Directors on matters relating to finance and in connection with availing of finance facilities/borrow monies, invest the funds of the company, grant loans or give guarantee or provide security in respect of loans and other related matters in accordance with applicable provisions of the Act.

MANAGEMENT COMMITTEE





The composition of the Management Committee of the Board of Directors of the Company along with the details of the attendance of the members of the committee during the financial year are detailed below:

| Sr. No | DIN | Name | Nature of membership | Number of meetings attended | % of attendance |
|--------|----------|--------------------|----------------------|-----------------------------|-----------------|
| 1 | 00402458 | Harendra Singh | Chairman | 11 of 11 | 100% |
| 2 | 01688452 | Vijendra Singh | Member | 10 of 11 | 90.91% |
| 3 | 02576453 | Dinesh Kumar Goyal | Member | 10 of 11 | 90.91% |

The purpose of the Committee is to advise the Board of Directors on matter relating to bidding of tender, execution of agreements and management of day-to-day business activities of the Company.

MEETING OF INDEPENDENT DIRECTORS

As required under the provisions of section 149(8) read with Schedule IV ("Code for Independent Directors") of the Act and Regulation 25 sub Regulation 3 of the Listing Regulations, a separate meeting of Independent Directors of the Company was held on August 04, 2021 wherein Independent Directors, inter alia, reviewed the performance of Non-Independent Directors including chairman and the Board as a whole, taking into account the views of Executive Directors and Non-Executive Directors and assessed the adequacy quality, quantity and timeliness of flow of information between the Company's management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

In addition to formal meetings, frequent interactions outside the Board Meetings also take place between the Independent Directors and with the Chairman, and rest of the Board.

The attendance details of the Independent Directors' meetings are as follows:

| Sr. No | DIN | Name | Number of meetings attended | % of attendance |
|--------|----------|--------------------|-----------------------------|-----------------|
| 1 | 07573726 | Ashok Kumar Thakur | 1 of 1 | 100% |
| 2 | 07853887 | Onkar Singh | 1 of 1 | 100% |
| 3 | 07813296 | Pooja Hemant Goyal | 1 of 1 | 100% |

PERFORMANCE EVALUATION OF BOARD, ITS COMMITTEES & INDIVIDUAL DIRECTORS:

In terms of requirements of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) and provisions of Companies Act, 2013, Nomination and Remuneration Committee of the Board of Directors of the Company specified the manner for effective evaluation of performance of Board, its Committees and Individual Directors.

Based on the same, the Board carried out annual evaluation of its own performance, performance of its Committees and Individual Directors including Independent Directors during the year. The performance evaluation of Independent Directors of the Company is carried out by the Board excluding the Director being evaluated. The performance of every Director is also carried out by the Nomination and Remuneration Committee, seeking inputs from all the Directors.

In a separate meeting of the Independent Directors, performance evaluation of Non-Independent Directors, the Board as a whole and performance evaluation of Chairman was carried out, taking into account the views of Executive and Non-Executive Directors. The quality, quantity and timeliness of flow of information between the Company Management and the Board which is necessary for the Board to effectively and reasonably perform their duties were also evaluated in the said meeting.

The Company had adopted the evaluation parameters as suggested by the Institute of Company Secretaries of India and Securities and Exchange Board of India with suitable changes from Company's perspective. The performance of the Board was evaluated by the Board on the basis of criteria such as Board composition and structure, effectiveness of Board processes, information flow to Board, functioning of the Board, etc. The performance of Committees was evaluated by the Board on the basis of criteria such as composition of Committees, effectiveness of Committees working, independence, etc. The Board evaluated the performance of individual Director on the basis of criteria such as attendance and contribution of Director at Board/Committee Meetings, adherence to ethical standards and code of conduct of the Company, inter-personal relations with other Directors, meaningful and constructive contribution and inputs in the Board/ Committee meetings, etc. In addition, the performance of the Chairman is also evaluated on key aspects of his roles and responsibilities.

For the above evaluation, the Board members completed questionnaires providing feedback on different parameters as already stated above including on performance of Board / Committees / Directors, engagement levels, independence of judgment and other criteria. This is followed with review and discussions at the level of Board. The results of evaluation showed high level of commitment and engagement of Board, its various committees and directors.

The Independent Directors well appreciated the functioning of the Board of Directors, Directors as well as Committee of the Board. They were also highly satisfied with leadership role played by the Chairman.

DEBENTURE COMMITTEE:

Pursuant to Section 179 of the Companies Act, 2013, and such other applicable legislations and provision, a debenture committee ('Debenture Committee') has been constituted with effect from November 08, 2021.



The composition of the Debenture Committee of the Board of Directors of the Company along with the details of the attendance of the members of the committee during the financial year are detailed below:

| Sr. No | DIN | Name | Nature of membership | Number of meetings attended | % of attendance |
|--------|----------|--------------------|----------------------|-----------------------------|-----------------|
| 1 | 00402458 | Harendra Singh | Chairperson | 2 of 2 | 100% |
| 2 | 01688452 | Vijendra Singh | Member | 2 of 2 | 100% |
| 3 | 02576453 | Dinesh Kumar Goyal | Member | 1 of 2 | 50% |

Terms of reference of the Debenture Committee inter alia include the following:

- approving the offer documents, information memorandum, PAS IV, shelf disclosure document, offer letters, tranche disclosure documents, and any other relevant documents and filing the same with any authority or entities as may be required;
- approving the issue price, the number of Debt Securities to be allotted, the basis of allocation and allotment of the Debt Securities;
- arranging the delivery and execution of all contracts, agreements and all other documents, deeds, and instruments as may be required or desirable in connection with the issue of the Debt Securities by the Company;
- opening a separate special account with a scheduled bank to receive monies in respect of the issue of the Debt Securities of the Company as may be necessary;
- making applications for listing of the Debt Securities on one or more stock exchange(s) and to execute and to deliver or arrange the delivery of the listing agreement(s) or equivalent documentation to the concerned stock exchange(s);
- deciding on the mode of issuance of the Debt Securities, creation of debenture redemption reserve (if required), tenor, security, listing on stock exchange(s), objects of the issue and such other matters;
- finalization of the allotment of the Debt Securities;
- finalization of documents of Debt Securities (other than NCDs) such as the debenture trustee agreement, debenture trust deed, deed of hypothecation, and mortgage documents (including but not limited to director's declaration);



- ix. finalization of an arrangement for the submission of the placement document(s) and any amendments supplements thereto, with any applicable government and regulatory authorities, institutions or bodies as may be required;
- x. approval of the preliminary and final placement document (including amending, varying or modifying the same, as may be considered desirable or expedient) as finalized in consultation with the arrangers, lead managers, underwriters, and, or advisors in accordance with all applicable laws, rules, regulations and guidelines;
- xi. approving appointment and engagement and the terms of such appointment and engagement of any intermediaries including but not limited to Rating Agency, Merchant Bankers, legal counsel, banker(s) to the issue, Registrar and Transfer Agents, Debenture, Trustee(s), Depository(ies) and, or all other intermediaries involved in such issue(s);
- xii. acceptance and appropriation of the proceeds of the issue of the Debt Securities;
- xiii. authorization of the maintenance of a register of holders of the Debt Securities;
- xiv. authorization of any director or directors of the Company or other officer or officers of the Company, including by the grant of power of attorneys, to do such acts, deeds and things as authorized person in its absolute discretion may deem necessary or desirable in connection with the issue and allotment of the Debt Securities (including NCDs);
- xv. seeking, if required, the consent of any other party(ies) with whom the Company has entered into various commercial and other agreements, all concerned government and regulatory authorities in India, and any other consents that may be required in connection with the issue and allotment of the Debt Securities;
- xvi. giving or authorizing the giving by concerned persons of such declarations, affidavits, certificates, consents and authorities as may be required from time to time; and
- xvii. all other related matters in relation to the issue of the Debt Securities.

FUND RAISING COMMITTEE

The Board of Directors in their meeting held on August 04, 2021, has constituted Fund Raising Committee of the Board.

The composition of the Fund Raising Committee are detailed below:

| Sr. No. | DIN | Name | Nature of Membership |
|---------|----------|------------------------|----------------------|
| 1 | 00402458 | Mr. Harendra Singh | Chairperson |
| 2 | 01688452 | Mr. Vijendra Singh | Member |
| 3 | 02576453 | Mr. Dinesh Kumar Goyal | Member |

During the FY 2021-22, no meeting of Fund Raising Committee was held.

The purpose of the committee is raising of funds by way of issuance of equity shares and/or equity linked securities.

Terms of reference of the Fund Raising Committee inter alia include the following:

- i. approve, implement, negotiate, carry out and decide upon, all activities in connection with the raising of funds through issue of securities as may be applicable;
- ii. to decide the form, terms and timing of the issue(s) / offering(s), securities to be offered / issued and allotted, class of investors to whom securities are to be offered / issued and allotted, number of securities to be offered / issued and allotted in each tranche, including the terms with respect to coupon, conversion ratio into Equity, etc.;
- iii. taking decision to open and close the issue;
- iv. to do all such acts, deeds, matters and things and execute all such documents, etc., as it may, in its absolute discretion, deem necessary or desirable for such purpose, including without limitation to approving the issue price, discounts permitted under

applicable law, premium amount, finalize the basis of allotment of the securities on the basis of the bids/applications and over-subscription thereof as received, where applicable; acceptance and appropriation of the proceeds of the issue of the securities;

- v. approve, finalise and execute any offer document, (including *inter alia* any draft offer document, offering circular, registration statement, or preliminary as well as final placement document or private placement offer letter ('Offering Document / Disclosure Document / Information Memorandum')) any addenda or corrigenda thereto, and to approve and finalise any term sheets in this regard;
- vi. approve, finalise and execute all agreements and documents, including lock-up letters, placement agreement, escrow agreement, agreements in connection with the creation of any security, and agreements in connection with the appointment of any intermediaries and/or advisors, (including for, marketing, listing, trading, appointment of lead manager(s)/merchant banker(s), underwriters, guarantors, depositories, custodians, legal counsels, bankers, trustees, stabilizing agents, advisors, registrars and all such agencies as may be involved or concerned with the issue), and to remunerate them by way of commission, brokerage, fees, costs, charges and other outgoings in connection therewith;
- vii. carry out all acts, deeds, matters and things as it may deem necessary including fixing time, date and venue for the extraordinary general meeting to obtain shareholders' approval for the said issue, cut-off date for dispatch of notices to shareholders and deciding the Relevant Date;
- viii. seek any consents and approvals, including, *inter alia*, the consent from the Company's lenders, customers, vendors, any third parties with whom the Company has entered into agreements with, and from concerned statutory and regulatory authorities;
- ix. file requisite documents and pay requisite fees with the SEBI, stock exchanges, the Government of India, the Reserve Bank of India, and any other statutory and/or regulatory authorities, and any amendments, supplements or additional documents in relation thereto, as may be required;
- x. to seek listing of the securities on any stock exchange/s, submitting the listing application to such stock exchange/s and taking all actions that may be necessary in connection with obtaining such listing approvals, (both in principle and final listing and trading approvals);
- xi. affix the Common Seal of the Company, as required, on any agreement, undertaking, deed or other document, in the presence of anyone or more of the directors of the Company or anyone or more of the officers of the Company as may be authorized by the Board in accordance with the Articles of Association of the Company;
- xii. settle any issues, questions, difficulties or doubts that may arise in the proposed issue and allotment of any of the securities and to do all acts, deeds and things in connection therewith and incidental thereto as it may in its absolute discretion deem fit;
- xiii. to execute and deliver any and all other documents or instruments and doing or causing to be done any and all acts or things as the Fundraising Committee may deem necessary, appropriate or advisable in order to carry out the purposes and intent of the foregoing or in connection with the raising of funds and issue of securities and any documents or instruments so executed and delivered or acts and things done or caused to be done by the committee shall be conclusive evidence of the authority of the Fundraising Committee in so doing.

GENERAL BODY MEETINGS

Details of last three Annual General Meetings (AGM) and the summary of Special Resolutions passed there at are as under:

| Financial Year(s) | Date | Time | Venue | No. of Special resolutions set out at the AGM |
|-------------------|--------------------|------------|--|---|
| 2018-19 | August 09, 2019 | 10.00 A.M. | Hotel Radisson, Gaurav Path Road, 8, Residency RD, Jodhpur, Rajasthan 342001 | 01 |
| 2019-20 | September 25, 2020 | 02.00 P.M. | Through Video Conference ("VC") / Other Audio- Visual Means ("OAVM") | 01 |
| 2020-21 | September 06, 2021 | 02.00 P.M. | Through Video Conference ("VC") / Other Audio- Visual Means ("OAVM") | 02 |



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

| Financial Year and Date | Particulars of Special Resolutions passed at the AGM |
|-------------------------------|--|
| 2018-19 August 09, 2019 | <ul style="list-style-type: none">Approval to rescinding of resolution passed at the previous Annual General Meeting w.r.t. change in registered office of the Company. |
| 2019-20 September 25, 2020 | <ul style="list-style-type: none">Approval to authorize capital raising through issuance of equity shares and/or equity linked securities. |
| 2020-21 September 06, 2021 | <ul style="list-style-type: none">Approve the re-appointment of Mr. Ashok Kumar Thakur (DIN: 07573726) as an Independent Director of the Company for a second term of five consecutive yearsApproval for capital raising by way of issuance of equity shares and/or equity linked securities. |

No Extraordinary General Meeting (EGM) was held and No Special Resolution was passed through Postal Ballot during financial year 2021-22. Further, no Special Resolution is proposed to be passed through Postal Ballot as on the date of this Report.

COMMUNICATION TO THE SHAREHOLDERS

The Company promptly discloses information on material corporate developments and other events as required under the Listing Regulations. Such timely disclosures indicate the good corporate governance practices of the Company. For this purpose, it provides multiple channels of communications through dissemination of information on the online portal of the Stock Exchanges, Press Releases, the Annual Reports and by placing relevant information on its website.

Financial Results: Quarterly, half-yearly and annual financial results of the Company are published in leading English and Hindi language newspaper, viz., all India editions of Business Standards, Rajasthan edition of Business Remedies/ Nafa Nuksan, the results and other important information are also periodically updated on the Company's website at www.hginfra.com

Website: In compliance with Regulation 46 of the Listing Regulations, a separate dedicated section i. e. 'Investor Relations' on the Company's website i.e. www.hginfra.com gives information on various announcements made by the Company, status of unclaimed dividend, annual reports, shareholding patterns, financial results along with the applicable policies of the Company. The Company's official news releases and presentations made to the investors and analysts are also available on the Company's website. Other relevant information of interest to the Investors are also placed under the Investors Section on the Company's website.

The presentations on performance of the Company are placed on the Company's website for the benefit of the institutional investors, analysts and other shareholders after the financial results are communicated to the Stock Exchanges.

Investors / Analyst Meets: The Company also conducts calls/meetings with investors immediately after declaration of financial results to brief them on the performance of the Company. These calls are attended by the Managing Director and senior officers of the Company.

Electronic Communication: The Company had during the financial year 2021-22 sent various communications including Notices, Annual Reports by email to those shareholders whose email addresses were registered with the Company / Depositories. In support of the 'Green Initiative' the Company encourages Members to register their email address with their Depository Participant or the Company, to receive soft copies of the Annual Report, Notices and other information disseminated by the Company, without any delay.

The Board of Directors has approved a policy for determining materiality of events for the purpose of making disclosure to the stock exchanges. The Managing Director, the Chief Financial Officer (CFO) and the Company Secretary are empowered to decide on the materiality of information for the purpose of making disclosures to the stock exchanges. The Company makes timely disclosures of necessary information to the stock exchanges i.e. BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE) in terms of the Listing Regulations and other applicable rules and regulations issued by the SEBI.

NEAPS & NSE Digital Portal and BSE Listing are web-based application designed by NSE and BSE, respectively, for corporates to make submissions. All periodical compliance filings, inter alia, shareholding pattern, corporate governance report, corporate announcements, amongst others, are in accordance with the Listing Regulations filed electronically including all information required to be disclosed under Regulation 30 read with Schedule III of the Listing Regulations including material information having a bearing on the performance/operations of the Company and other price sensitive information. Further, in compliance with the provisions of Listing Regulations, the disclosures made to the stock exchanges, to the extent possible, are in a format that allows users to find relevant information easily through a searching tool.

GENERAL SHAREHOLDER INFORMATION

| | |
|---|--|
| Corporate Identification Number: | L45201RJ2003PLC018049 |
| Registered Office: | 14, Panchwati Colony, Ratanada, Jodhpur, Rajasthan – 342001 |
| 20th Annual General Meeting | |
| Date & Time: | Wednesday, August 3, 2022 at 2:00 p.m. (IST) through VC/OAVM |
| Venue: | Annual General Meeting through Video Conference/Other Audio-Visual Means [Deemed Venue: Registered Office of the Company] |
| E-Voting Dates: | Sunday, July 31, 2022 at 9:00 a.m. (IST) to Tuesday, August 02, 2022 at 5:00 p.m. (IST) |
| Record Date: | Friday, July 22, 2022 |
| Financial Year: | 1 st April to 31 st March |
| Dividend Payment: | The dividend, if approved, shall be paid/credited on or before Thursday, September 1, 2022 |
| Listing Details: | BSE Limited (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400 001 |
| | National Stock Exchange of India Limited (NSE) Exchange Plaza, C-1, Block-G, Bandra-Kurla Complex, Bandra (E), Mumbai- 400 051 |
| | The Rated, Listed, Senior, Secured, Redeemable, Non-Convertible Debentures issued by the Company are listed on the Wholesale Debt Market (WDM) segment of the BSE |
| Stock Code/Symbol Equity: | BSE - 541019, NSE – HGINFRA |
| ISIN for Depositories Equity: | INE926X01010 |
| Code/Symbol NCD: | BSE-973671 |
| ISIN for Depositories NCD: | INE926X07017 |
| Payment of Listing Fees: | The Company has paid annual listing fees to both BSE and NSE for the financial year ended March 31, 2022. |
| Payment of Depository Fees: | Annual Custody/Issuer fees for the financial year 2022-23 have been paid by the Company to National Securities Depository Limited (“NSDL”) and Central Depository Services (India) Limited (“CDSL”). |
| Corporate Benefits to Investors: | Details of the dividend declared and paid by the Company for the last five years: |

| Financial Year | Percentage (%) | In ₹ per share (Face Value of ₹10 each) | Dividend Amount (Amount in Millions) |
|----------------|----------------|--|---|
| 2016-17 | - | - | - |
| 2017-18 | 5 | 0.50 | 32.59 |
| 2018-19 | 5 | 0.50 | 32.59 |
| 2019-20 | - | - | - |
| 2020-21 | 8 | 0.80 | 52.14 |

Note:

The Company has recommended payment of final dividend of ₹ 1 (Rupee One only) (@10%) per share for the financial year 2021-22, subject to approval of shareholders at the ensuing AGM.

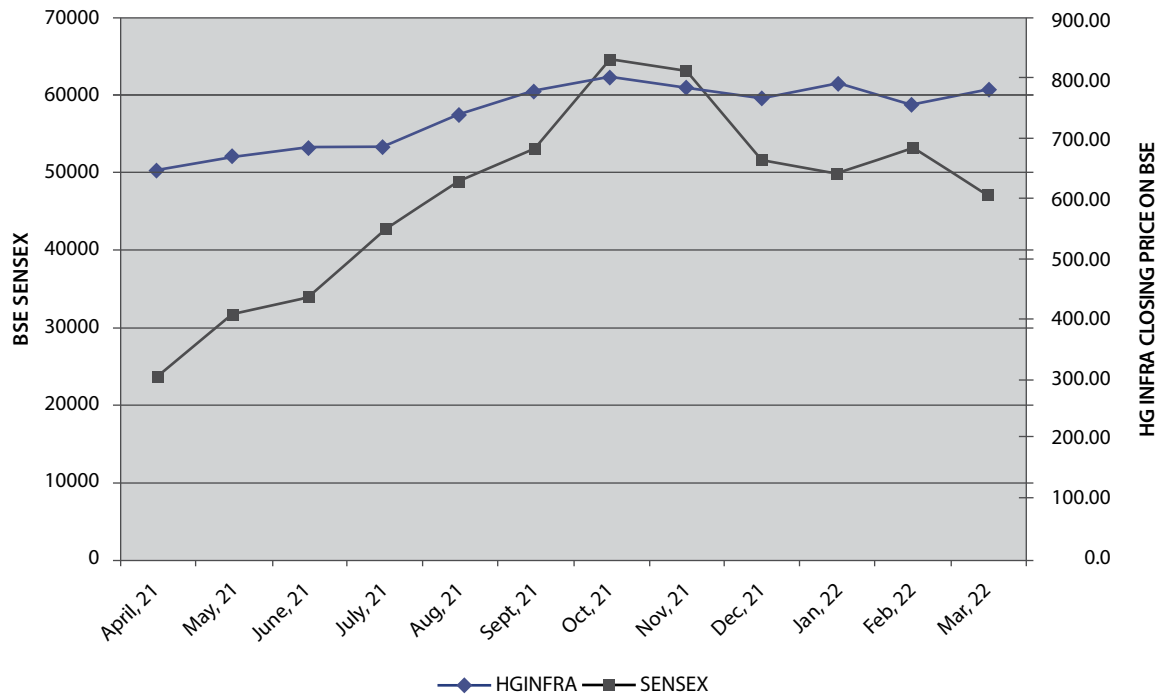
Stock Performance in comparison to broad-based Indices

The Chart below shows the comparison of the Company's monthly share price movement on BSE vis-à-vis the movement of the BSE Sensex and NSE Nifty for the financial year ended March 31, 2022 (based on month end closing price).

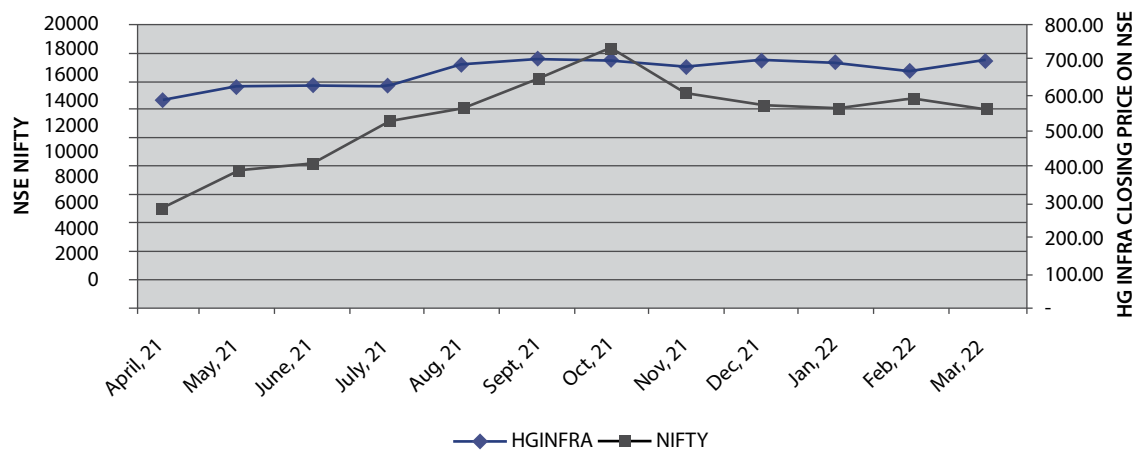


Share Price Performance to broad based indices- BSE Sensex and NSE Nifty Share Price Movement (BSE and NSE)

BSE Sensex Share Price Movement Performance vs. SENSEX



NSE Nifty Share Price Movement Performance vs. NIFTY



Stock Market Price Data

The monthly high and low prices of the Company's shares at BSE and NSE for the financial year ended March 31, 2022 are as follows:

| MONTH | BSE | | NSE | |
|-----------|----------|---------|----------|---------|
| | High (₹) | Low (₹) | High (₹) | Low (₹) |
| April | 303.45 | 252.60 | 302.70 | 252.00 |
| May | 406.85 | 274.30 | 404.65 | 266.55 |
| June | 434.90 | 357.90 | 435.75 | 357.55 |
| July | 550.00 | 397.20 | 550.80 | 397.10 |
| August | 628.70 | 490.40 | 630.00 | 491.00 |
| September | 679.15 | 550.20 | 680.00 | 550.25 |
| October | 830.80 | 639.70 | 830.00 | 638.20 |
| November | 815.00 | 551.05 | 815.00 | 550.00 |
| December | 663.00 | 555.25 | 640.00 | 555.35 |
| January | 638.40 | 481.00 | 639.75 | 482.00 |
| February | 684.80 | 551.00 | 685.00 | 551.50 |
| March | 604.45 | 521.30 | 604.00 | 523.10 |

Sources: BSE and NSE Websites

Registrar & Share Transfer Agent and Share Transfer System

M/S. LINK INTIME INDIA PRIVATE LIMITED is the Company's Registrar and Share Transfer Agent (RTA). The share transfers, dematerialisation of shares, dividend payment and all other investor related matters are attended to and processed by our RTA.

Trading in Shares of the Company through recognised Stock Exchanges is permitted only in dematerialised form.

In terms of requirements of Regulation 40 of the Securities and Exchange Board of India ("SEBI") (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the request for transfer of securities shall not be processed unless the securities are held in the dematerialised form with Depositories. While the request for transmission or transposition of securities held in physical or dematerialised form shall be effected only in dematerialised form.

Further, SEBI in continuation of its efforts to enhance ease of dealing in securities market by investors vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated 25th January, 2022, has mandated the listed entities to issue securities for the following service requests only in dematerialised form:

- i. Issue of duplicate securities certificate;
- ii. Claim from Unclaimed Suspense Account;
- iii. Renewal/Exchange of securities certificate;
- iv. Endorsement;
- v. Sub-division/Splitting of securities certificate;
- vi. Consolidation of securities certificates/folios;
- vii. Transmission; and
- viii. Transposition.

The Stakeholders Relationship Committee consider the transaction in respect of issuance of duplicate share certificates, split, rematerialisation, consolidation, renewal of Share Certificates and attend to Shareholders' grievances, etc.

During FY 2021-22, the Company obtained, on half-yearly basis the certificates from a Company Secretary in Practice, certifying the compliance as required under Regulation 40(9) of the Listing Regulations and a copy of these certificates were duly filed with the Stock Exchanges.



Distribution of Shareholding

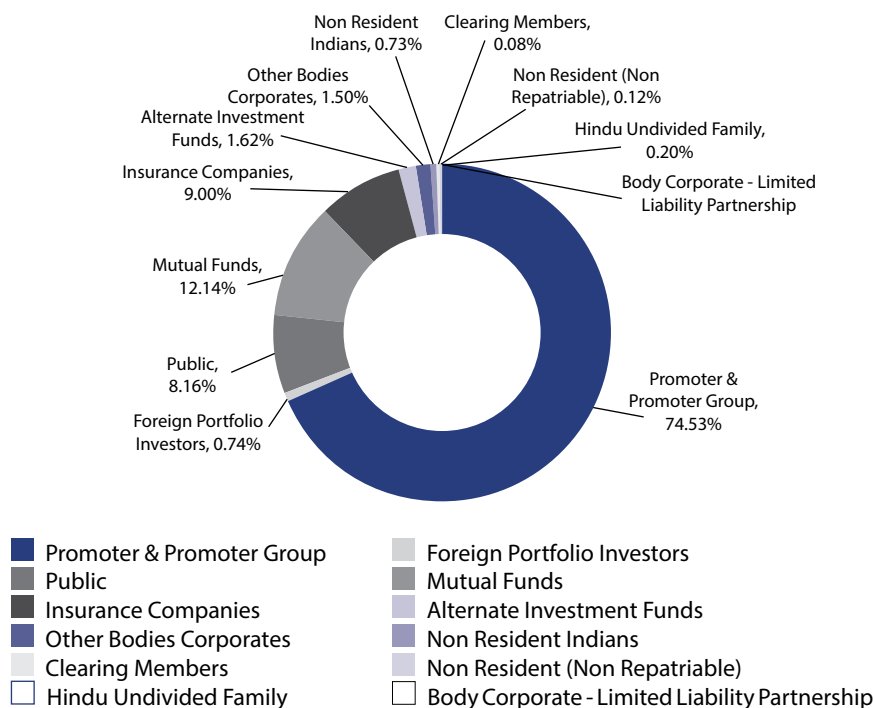
Distribution of shareholding of shares of the Company as on March 31, 2022 is as follows:

| Number of equity Shares held | Number of Shareholders | Number of Shares held | % of Equity Capital |
|------------------------------|------------------------|-----------------------|---------------------|
| 1- 500 | 62,338 | 29,77,998 | 97.21 |
| 501-1000 | 1,000 | 7,50,464 | 1.56 |
| 1001-5000 | 673 | 13,74,311 | 1.05 |
| 5001-10000 | 48 | 3,32,848 | 0.07 |
| 10001 & Above | 69 | 5,97,35,490 | 0.11 |
| TOTAL | 64,128 | 6,51,71,111 | 100 |

The Shareholding Pattern of the Company as on March 31, 2022 is as follows:

| Sr. No. | Category of Shareholder(s) | Number of shares held | Shareholding (%) |
|--------------|--|-----------------------|------------------|
| 1 | Promoter and Promoter Group | 4,85,73,157 | 74.53 |
| 2 | Foreign Portfolio Investor | 4,84,446 | 0.74 |
| 3 | Public | 53,19,735 | 8.16 |
| 4 | Mutual Funds | 79,14,750 | 12.14 |
| 5 | Insurance Companies | 61,388 | 0.09 |
| 6 | Alternate Investment Funds | 10,53,687 | 1.62 |
| 7 | Other Bodies Corporates | 9,75,977 | 1.50 |
| 8 | Non Resident Indians | 4,77,440 | 0.73 |
| 9 | Non Resident (Non Repatriable) | 77,870 | 0.12 |
| 10 | Clearing Members | 48,881 | 0.08 |
| 11 | Hindu Undivided Family | 1,29,806 | 0.20 |
| 12 | Body Corporate - Limited Liability Partnership | 53,974 | 0.09 |
| Total | | 6,51,71,111 | 100 |

Category-wise-shareholding (%) as on March 31, 2022



Dematerialization of Shares and Liquidity

We have established connectivity with the National Security Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) through M/s. Link Intime India Pvt. Ltd, Registrar and Share Transfer Agents of the Company. The ISIN allotted to our equity shares under the Depository system is INE926X01010.

As on March 31, 2022, 100% shareholding of the Company is in dematerialized form and in compliance with Regulation 31(2) of the Listing Regulations.

Break up of shares as on March 31, 2022 is as follows:

| Category | Number of Shareholders | Shareholders (%) | Number of Shares held | Voting Strength (%) |
|--------------|------------------------|------------------|-----------------------|---------------------|
| Physical | -- | -- | -- | -- |
| Electronic | 64,128 | 100 | 6,51,71,111 | 100 |
| Total | 64,128 | 100 | 6,51,71,111 | 100 |

Outstanding GDRs /ADRs / Warrants or any Convertible instruments, conversion date and likely impact on equity

The Company does not have any outstanding GDRs/ADRs/Warrants/Convertible Instruments as on March 31, 2022.

Commodity price risk or foreign exchange risk and hedging activities

Since the Company is not engaged in the field of manufacturing goods, disclosures on commodity price risks and commodity hedging activities are not applicable.

The Company does not have any foreign exchange movement.

Plant Locations

The Company does not have any manufacturing plant as the Company engaged in the construction, engineering and other related business. The Company has following project sites across the country as on March 31, 2022:

| S. No | Name of project | State | Mode |
|-------|----------------------------------|----------------|------------------|
| 1 | Bhawi-Pipar-Khimsar | Rajasthan | EPC |
| 2 | Jodhpur -Marwar Junction-Jojawar | Rajasthan | EPC |
| 3 | Kundal to Jhadol | Rajasthan | EPC |
| 4 | Delhi Vadodara PKG-04 | Rajasthan | EPC |
| 5 | Delhi Vadodara PKG-08 | Rajasthan | EPC |
| 6 | Delhi Vadodara PKG-09 | Rajasthan | EPC |
| 7 | Nandurbar to khetia | Maharashtra | EPC |
| 8 | Hapur Moradabad | Uttar Pradesh | Lump sum turnkey |
| 9 | Rewari Bypass | Haryana | HAM |
| 10 | Macherial to Repallewada | Andhra Pradesh | EPC |
| 11 | UER-I Delhi | Delhi | EPC |
| 12 | Raipur-Visakhapatnam AP-1 | Andhra Pradesh | HAM |
| 13 | Khammam-Devarapalle KD-II | Telangana | HAM |
| 14 | Raipur Visakhapatnam OD-5 | Odisha | HAM |
| 15 | Raipur Visakhapatnam OD-6 | Odisha | HAM |

Address for Correspondence

Registrar and Transfer Agent ("RTA") Contact Details:

For any queries relating to the shares of the Company, correspondence may be addressed to the Company's RTA at:

Link Intime India Private Limited

Registered Office:

Registered office C-101, 1st Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West)

Mumbai Mumbai City – 400083, Maharashtra Tel: +022 49186000

Fax: +022 49186060

E-mail: mumbai@linkintime.co.in, Website: www.linkintime.co.in

**Corporate Office:**

Noble Heights 1st Floor, Plot No. NH-2, C-1 Block, LSC near Savitri Market,
Janakpuri, New Delhi 110058 Tel: 011-49411000
Fax no: 011-41410591
Email ID-delhi@linkintime.co.in

Debenture Trustee ("DT") Contact Details:

For any queries relating to the Debentures of the Company, correspondence may be addressed to the Company's DT at:

MITCON Credentia Trusteeship Services Limited

Address:- 1402/1403, Dalmal Tower,
Free Press Journal Marg,
211 Naraiman Point,
Mumbai, Maharashtra-400021
Tel: 022-22828200
Email ID : compliance@mitconcredentia.in

H.G. INFRA ENGINEERING LIMITED

CIN: L45201RJ2003PLC018049

Registered Office:

14, Panchwati Colony, Ratanada, Jodhpur, Rajasthan-342001
Tel. No.: 0291-2515327

Corporate Office:

III Floor, Sheel Mohar Plaza A-1, Tilak Marg, C-Scheme Jaipur-302001, Rajasthan Tel. No.: 0141-4106040
Fax: 0141-4106044
Email: cs@hginfra.com
Website: www.hginfra.com

Shareholders are requested to quote their Folio No./ DPID & Client ID, e-mail address, telephone number and full address while corresponding with the Company and its RTA.

Credit Rating

Company's financial prudence is reflected in the strong credit rating assigned by rating agencies. The Table below depicts the Credit Rating profile:

| Instrument | Rating Agencies | Current Rating |
|-------------------|-----------------|----------------|
| Long Term Credit | ICRA | ICRA A+ |
| Short Term Credit | ICRA | ICRA A1 |
| NCDs | ICRA | ICRA A+ |

During the year under review ICRA has revised the assigned long-term credit rating from ICRA A to ICRA A+. ICRA has also reaffirmed the Short-term rating at ICRA A1. Further, during the year, ICRA has assigned credit rating ICRA A+ for non-convertible debentures.

Establishment of vigil (whistle blower) mechanism

The Company has established Vigil (Whistle Blower) Mechanism in accordance with the provisions of the Act and the Listing Regulations.

The Vigil Mechanism/Whistle Blower aims to provide a channel to the Directors and employees to report genuine concerns about unethical behavior, actual or suspected fraud or violation of the Standards, Code of Conduct or policy adopted by the Company from time to time. HGIEL is committed to conduct its business in accordance with applicable laws, rules and regulations and the highest standards of business ethics and to full and accurate disclosures. The Company believes in the conduct of the affairs of its constituents in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behaviour. Any actual

or potential violation of these Standards, howsoever insignificant or perceived as such, would be a matter of serious concern for the Company. The role of the Directors, Employees in pointing out such violations of these Standards cannot be undermined.

The Company investigates such incidents, when reported, in an impartial manner and takes appropriate action to ensure that requisite standards of professional and ethical conduct are always upheld.

The vigil mechanism provides for adequate safeguards against victimisation of persons who use such mechanism and also provides for access to the Audit Committee.

The practice of the Whistle Blower /Vigil Mechanism is overseen by the Audit Committee and no persons have been denied access to the Audit Committee.

Whistle Blower Policy of your Company is available on the Company's website and can be accessed at the Web-link: <https://hginfra.com/investors-relation.html#btn-gover>

Disclosure with respect to Demat suspense account/ unclaimed suspense account

The Company does not have any of its securities lying in demat/ unclaimed suspense account arising out of public/bonus right issues as at March 31, 2022. Hence, the particulars relating to aggregate number of shareholders and the outstanding securities in suspense account and other related matters does not arise.

Details of total fees paid to Statutory Auditors of the Company

Total fees of ₹ 9.24 Million for FY 2021-22, for all services, was paid by the Company and its subsidiaries, on a consolidated basis, to the joint statutory auditors and all entities in the network firm/network entity of which the statutory auditors are a part.

Disclosure in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company's Policy on Prevention of Sexual Harassment at workplace is in line with the requirement of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (Prevention of Sexual Harassment of Women at Workplace Act) and Rules framed thereunder. Internal Complaints Committees have also been set up to redress complaints received regarding sexual harassment.

The Company conducts sessions for employees across the organization to build awareness amongst employees about the Policy and the provisions of Prevention of Sexual Harassment of Women at Workplace Act.

During the financial year, no complaint was received/disposed by the Company under the policy and no complaint was pending as of March 31, 2022. An Annual Report for the calendar year 2021 by the Internal Complaints Committee (the "ICC") under Section 21 of the Sexual harassment of Women at Work Place (Prevention, Prohibition and Redressal) Act, 2013 (the "Act") has been submitted with relevant authority.

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

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

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

- i. During the year under review, there is no audit qualification on the Company's financial statements. The Company continues to adopt best practices to ensure regime of unmodified audit opinion.
- ii. The Internal Auditors reports to the Audit Committee of the Company. They participate in the meetings of the Audit Committee of the Board of Directors of the Company and presents their internal audit observations to the Audit Committee.

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



Code of Prohibition of Insider Trading

The Company has adopted a Code of Prohibition of Insider Trading (the 'Code') under Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (the 'SEBI Insider Trading Regulations'). In accordance with the SEBI Insider Trading Regulations, the Company has established systems and procedures to prohibit insider trading activities.

This Code has been prepared by adopting the standards set out in Schedule B of the SEBI Insider Trading Regulations, as amended, in order to regulate, monitor and report trading by designated persons, including its directors or employees or other persons connected or deemed to be connected to the Company towards achieving compliance with the Regulations.

The Code of Prohibition of Insider Trading and the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information has been made available on the Company's website at www.hginfra.com and can be accessed at the Web-link: <https://hginfra.com/investors-relation.html#btn-gover> and <https://hginfra.com/investors-relation.html#btn-gover> respectively.

Related Party Transactions

All contracts/arrangements/transactions entered into by the Company during the year under review with Related Parties were on an arm's length basis and in the ordinary course of business. The details of the Related Party Transactions are set out in the Notes to Financial Statements forming part of this Annual Report.

Also, the Related Party Transactions undertaken by the Company were in compliance with the provisions set out in the Act read with the Rules issued thereunder and relevant provisions of the Listing Regulations.

The Audit Committee reviews at least on a quarterly basis, the details of related party transactions entered into by the Company pursuant to each of the omnibus approval granted.

The Audit Committee, during the financial year, has approved Related Party Transactions along with granting omnibus approval in line with the Policy on dealing with and materiality of Related Party Transactions and the applicable provisions of the Act read with the Rules issued thereunder and the Listing Regulations (including any statutory modification(s) or re-enactment(s) thereof for the time being in force).

The Company's policy on related party transaction has been hosted on the website of the Company at <https://hginfra.com/investors-relation.html#btn-gover>

There are no material significant related party transactions of the Company which have potential conflict with the interest of the Company at large.

Other Disclosures

1. The Company has complied with all the requirements of the Stock Exchange(s) and SEBI on matters relating to Capital Markets. There were no non-compliances by the Company and no penalties imposed or strictures passed against the Company by SEBI and Stock Exchanges on which the shares of the Company are listed or any statutory authority in this regard, during the last three years.
2. The Policy for determining material subsidiaries has been uploaded and can be accessed on the Company's website at <https://hginfra.com/investors-relation.html#btn-gover>
3. During the year under review, the Company has not raised funds through preferential allotment or Qualified Institutional Placement under Regulation 32(7A) of the Listing Regulations.
4. Certificate as required under Part C of Schedule V of the Listing Regulations, received from M/s. ATCS & Associates, Practicing Company Secretaries, that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of the Company by the Securities and Exchange Board of India/Ministry of Corporate Affairs or any such statutory authority is annexed to this report.
5. None of the Independent Directors of the Company have resigned before the expiry of their tenure. Thus, disclosure of detailed reasons for their resignation along with their confirmation that there are no material reasons, other than those provided by them is not applicable.

MD/CFO Certification

As required under Regulation 17 of the Listing Regulations, the MD/ CFO certificate for the FY 2021-22 signed by Mr. Harendra Singh, Chairman & Managing Director and Mr. Rajeev Mishra, Chief Financial Officer is annexed to this Report.

Compliance Certificate on Corporate Governance

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

Declaration of Code of Conduct

All members of the Board and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct, framed pursuant to Regulation 26(3) of the Listing Regulations for Board and Senior Management, for the FY 2021-22.

A declaration to this effect duly signed by Managing Director of the Company is annexed to this Report.

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

Sd/-

HARENDRA SINGH

(Chairman & Managing Director)

DIN-00402458

Place: Jaipur

Date: May 23, 2022



MANAGING DIRECTOR/CHIEF FINANCIAL OFFICER CERTIFICATION

(Under Regulation 17 (8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To
The Board of Directors
H.G. Infra Engineering Limited

We the undersigned, in our respective capacities as Managing Director and Chief Financial Officer of H.G. INRA ENGINEERING LIMITED (the "Company"), to the best of our knowledge and belief certify that;

- a) We have reviewed financial statements and the cash flow statement for the financial year ended March 31, 2022 and to the best of our knowledge and belief, we state that;
 - i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and
 - ii) these statements together present a true and fair view of the Company affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) We further state that, to the best of our knowledge and belief, no transactions entered into by the Company during the year ended March 31, 2022 are fraudulent, illegal or violative of the Company code of conduct.
- c) We are responsible for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting of the Company and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the Auditors and the Audit Committee;
 - i) significant changes, if any, in internal control over financial reporting during the year;
 - ii) significant changes, if any, in accounting policies during the year and that the same have been disclosed in the notes to the financial statements;
 - iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or any employee having a significant role in the Company's internal control system over financial reporting.

For H. G. Infra Engineering Limited

Place: Jaipur
Date: May 23, 2022

Sd/-
Harendra Singh
Managing Director
DIN-00402458

Sd/-
Rajeev Mishra
Chief Financial Officer

DECLARATION OF CODE OF CONDUCT

To,
The Members,
H.G. INFRA ENGINEERING LIMITED
14, Panchwati Colony, Ratanada, Jodhpur, Rajasthan-342001

I, hereby declare that all the members of the Board of Directors and Senior Management Personnel have affirmed compliance with the code of conduct of board of directors and senior management in respect of the financial year 2021-22.

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

Sd/-

Place: Jaipur
Date: May 23, 2022

HARENDRA SINGH
(Chairman & Managing Director)
DIN-00402458



CERTIFICATE ON CORPORATE GOVERNANCE

To

The Members

H.G. INFRA ENGINEERING LIMITED (PART IX)

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

We have examined the compliance of the conditions of Corporate Governance by **H.G. INFRA ENGINEERING LIMITED (PART IX) ("the Company")** for the year ended on March 31, 2022, as stipulated under Regulations 17 to 27, clauses (b) to (i) of sub regulation (2) of Regulation 46 and Para-C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

The compliance of the conditions of Corporate Governance is the responsibility of the management of the Company. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in the SEBI Listing Regulations. Our examination was limited to the review of procedures and implementation thereof, as adopted by the Company for ensuring compliance with conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended on March 31, 2022.

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

for ATCS & ASSOCIATES

Company Secretaries

ICSI Unique Code P2017RJ063900

Sd/-

CS Deepak Arora

Partner

Place: Jaipur

Date: May 23, 2022

FCS 5104 | C P No.: 3641

UDIN NO.: F005104D000363528

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of
H.G. Infra Engineering Limited
14, Panchwati Colony, Ratanada, Jodhpur, Rajasthan-342001

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of H.G. Infra Engineering Limited having CIN L45201RJ2003PLC018049 and having registered office at 14, Panchwati Colony, Ratanada, Jodhpur, Rajasthan-342001 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with **Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended on March 31, 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

List of Directors of H.G. Infra Engineering Limited as on March 31, 2022:

| S. No. | Name of Director | DIN | Date of Appointment | Designation |
|--------|------------------------|----------|---------------------|------------------------------|
| 1 | Mr. Harendra Singh | 00402458 | 21.03.2003 | Chairman & Managing Director |
| 2 | Mr. Vijendra Singh | 01688452 | 21.03.2003 | Whole Time Director |
| 3 | Mr. Dinesh Kumar Goyal | 02576453 | 23.05.2018 | Whole Time Director |
| 4 | Mr. Ashok Kumar Thakur | 07573726 | 15.05.2017 | Independent Director |
| 5 | Mr. Onkar Singh | 07853887 | 08.09.2017 | Independent Director |
| 6 | Ms. Pooja Hemant Goyal | 07813296 | 15.05.2017 | Independent Director |

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

for ATCS & ASSOCIATES

Company Secretaries

ICSI Unique Code P2017RJ063900

Sd/-

CS Deepak Arora

Partner

FCS 5104 | C P No.: 3641

UDIN NO.: F005104D000363528

Place: Jaipur

Date: May 23, 2022



Annexure VI (i) to Board's Report

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st March, 2022

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

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

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **H.G. INFRA ENGINEERING LIMITED (PART IX)** (hereinafter called "**the Company**"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2022 ('Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2022 according to the provisions of:

- (i) The Companies Act, 2013 ('the Act') and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 (As amended by Finance Act, 2018) and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - (a) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
 - (b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (e) the Securities and Exchange Board of India (Depositories and Participant) Regulations, 2018;
 - (f) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **(Not applicable to the Company during the Audit Period);**
 - (g) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

- (h) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
- (i) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; **(Not applicable to the Company during the Audit Period);**
- (j) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(Not applicable as the Company has not bought back/proposed to buy-back any of its securities during the financial year under review);**
- (k) Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993; and
- (l) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013; **(Not applicable to the Company during the Audit Period)**

as confirmed by the management, there are no sector specific laws that are applicable specifically to the company.

We have also examined compliance with the applicable provisions of the following:

- i. Secretarial Standards with regard to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India;
- ii. The Listing Agreements entered into by the Company with National Stock Exchange of India Limited and BSE Limited and SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015.

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

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and Woman Director. There were no changes in the composition of the Board of Directors during the period under review.

Adequate notice is given to all Directors/members/invitees to schedule the Board Meetings, Committee meetings and General Meetings, along with its agenda and detailed notes on agenda were sent in advance as required, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions of Board and Committee and General meetings were carried with requisite majority.

We further report that based on the information provided and the representation made by the Company and also on the review of the compliance certificates, in our opinion, there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with labour laws and other applicable laws, rules, regulations and guidelines.

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

- i. During the audit period Company has made the allotment of followings non- convertible debentures on private placement basis:

| S. No. | Date of Allotment | Number of Debentures | Face Value per Debenture | Total Amount | Remarks |
|--------|-------------------|----------------------|--------------------------|--------------|---------------|
| 1. | 21.12.2021 | 970 | 10 Lakh | 97 Crore | Listed on BSE |



- ii. During the audit period the Company has incorporated following special purpose vehicles (wholly owned subsidiaries) solely for the purpose of domiciling the project awarded by the National Highways Authority of India (NHAI) to the Company:
- a) **H.G. Raipur Visakhapatnam AP-1 Private Limited** incorporated on 19.08.2021.
 - b) **H.G. Khammam Devarapalle Pkg-1 Private Limited** incorporated on 17.10.2021.
 - c) **H.G. Khammam Devarapalle Pkg-2 Private Limited** incorporated on 17.10.2021.
 - d) **H.G. Raipur Visakhapatnam OD-6 Private Limited** incorporated on 22.11.2021.
 - e) **H.G. Raipur Visakhapatnam OD-5 Private Limited** incorporated on 24.11.2021.

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

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

Place: Jaipur
Date: 23.05.2022

CS Deepak Arora
Partner
FCS 5104 | C P No.: 3641
UDIN NO.: F005104D000370744

Annexure A

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

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

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

CS Deepak Arora
Partner

FCS 5104 | C P No.: 3641
UDIN NO.: F005104D000370744

Place: Jaipur
Date: 23.05.2022



Annexure VI (ii) to Board's Report

Secretarial Compliance Report of H.G. INFRA ENGINEERING LIMITED

For the year ended 31ST MARCH, 2022

[Pursuant to Regulation 24A of the SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015]

To,

The Board of Directors,

H.G. INFRA ENGINEERING LIMITED (PART IX)

14, PANCHWATI COLONY, RATANADA,

JODHPUR – 342001 (RAJASTHAN)

Dear Sir/Madam,

We, **ATCS & Associates**, Company Secretaries in Practice have examined:

- a) all the documents and records made available to us and explanation provided by **H.G. INFRA ENGINEERING LIMITED** ("the Listed Entity"),
- b) the filings/ submissions made by the listed entity to the stock exchanges,
- c) website of the listed entity,
- d) any other document/ filing, as may be relevant, which has been relied upon to make this certification, for the year ended **31st March, 2022** ("Review Period") in respect of compliance with the provisions of :
 - a) the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and
 - b) the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

The specific Regulations as amended from time to time, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include:-

- a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- d) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- e) the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;
- f) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **(Not applicable as the Company has not bought back/proposed to buy-back any of its securities during the financial year under review);**
- g) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **(Not applicable to the Company during the Audit Period);**
- h) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- i) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;

- j) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013; **(Not applicable to the Company during the Audit Period);**
- k) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; **(Not applicable to the Company during the Audit Period);**
- l) Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993;

and circulars/ guidelines issued thereunder;

and based on the above examination and considering the relaxations granted by the Ministry of Corporate Affairs ("MCA") and Securities and Exchange Board of India ("SEBI") due to the restricted movement amid COVID-19 pandemic, We hereby report that, during the Review Period:

- a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below:-

| Sr. No. | Compliance Requirement (Regulations / circulars/ guidelines including specific clause) | Deviations | Observations/ Remarks of the Practicing Company Secretary |
|---------|--|------------|---|
| | | NIL | |

- b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunder in so far as it appears from my/our examination of those records.
- c) The following are the details of actions taken against the listed entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder:

| Sr. No. | Action taken by | Details of violation | Details of action taken E.g. fines, warning letter, debarment, etc. | Observations/ remarks of the Practicing Company Secretary, if any. |
|---------|-----------------|----------------------|---|--|
| | | | | NIL |

- d) The listed entity has taken the following actions to comply with the observations made in previous reports:

| Sr. No. | Observations of the Practicing Company Secretary in the previous reports | Observations made in the secretarial compliance report for the year ended | Actions taken by the listed entity, if any | Comments of the Practicing Company Secretary on the actions taken by the listed entity |
|---------|--|---|--|--|
| | | | | Not applicable during the period under review |

for **ATCS & ASSOCIATES**

Company Secretaries

ICSI Unique Code P2017RJ063900

CS Deepak Arora

Partner

FCS 5104 | C P No.: 3641

UDIN NO.: F005104D000357357

Place: Jaipur

Date: 20th Day of May, 2022



Form No. MR-3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2022

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies
(Appointment and Remuneration Managerial Personnel) Rules, 2014]

To,
The Members,
Gurgaon Sohna Highway Private Limited
14, Panchwati Colony, Ratanada,
Jodhpur Rajasthan – 342001

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **GURGAON SOHNA HIGHWAY PRIVATE LIMITED (CIN: U45400RJ2018PTC060833)** (hereinafter called the company).

Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the company's books, papers, minute books, forms and returns filed with MCA and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2022 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereunder:

We have examined the books, papers, minute books, forms and returns filed with MCA and other records maintained by **GURGAON SOHNA HIGHWAY PRIVATE LIMITED** ("The Company") for the financial year ended on 31st March, 2022 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws Framed there under;
- (iv) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -
 - a. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - b. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - c. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - d. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (v) As confirmed by the management, there are no sector specific laws that are applicable specifically to the Company.

The Company being a material subsidiary of H.G. Infra Engineering Limited ("HGIEL"), certain employees of the Company have been categorized as Designated Persons and are covered by the Code of Conduct under the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, of HGIEL.

We have also examined compliance with the applicable clauses of the following:

Secretarial Standards issued by The Institute of Company Secretaries of India.

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

During the audit period under review, provisions of the following Acts / Regulations were not applicable to the Company prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):

- a. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- b. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- c. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- d. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018.
- e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. During the period under review, the following changes took place:

1. Appointment of Ms. Nisha Singh (DIN: 06391761) as an Additional Director (Non-Executive) w.e.f. 1st February, 2022.

Adequate notice is given to all directors to schedule the Board Meetings and General Meetings agenda and detailed notes on agenda were sent in advance as required, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions of Board meetings were carried with requisite majority.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, the following specific events / actions having major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. had taken place, some of which are as under:

1. On 11th March, 2022, the company issued and allotted 40,50,000 (Forty Lakh Fifty Thousand) Equity Shares of ₹ 10/- each at a premium of ₹ 8/- each amounting to ₹ 7,29,00,000/- (Rupees Seven Crores Twenty-Nine Lakhs Only) on rights issue basis.

As on 31st March, 2022, the issued and paid-up capital of the company is ₹ 66,03,00,000 (Rupees Sixty- Six Crores Three Lakhs only) divided into 6,60,30,000 (Six Crores Sixty Lakhs Thirty Thousand) Equity Shares of ₹ 10/- each.

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

for Rahul S & Associates
Company Secretaries

CS Rahul Sharma
M. No.: FCS 9611
COP No.: 18440

Unique Code: S2017RJ506300
UDIN NO.: F009611D000357486

Place: Jaipur

Date: May 20, 2022



ANNEXURE – A

ANNEXURE TO SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2022

To,
The Members,
Gurgaon Sohna Highway Private Limited
14, Panchwati Colony, Ratanada,
Jodhpur Rajasthan – 342001

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

for **Rahul S & Associates**
Company Secretaries

CS Rahul Sharma
M. No.: FCS 9611
COP No.: 18440

Place: Jaipur
Date: May 20, 2022

Unique Code: S2017RJ506300
UDIN NO.: F009611D000357486

Form No. MR-3 SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2022

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies
(Appointment and Remuneration Managerial Personnel) Rules, 2014]

To,
The Members,
H.G. Ateli Narnaul Highway Private Limited
14, Panchwati Colony, Ratanada,
Jodhpur Rajasthan – 342001

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **H.G. ATELI NARNAUL HIGHWAY PRIVATE LIMITED (CIN: U45500RJ2019PTC064538)** (hereinafter called the company).

Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the company's books, papers, minute books, forms and returns filed with MCA and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2022 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereunder:

We have examined the books, papers, minute books, forms and returns filed with MCA and other records maintained by **H.G. ATELI NARNAUL HIGHWAY PRIVATE LIMITED** ("The Company") for the financial year ended on 31st March, 2022 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws Framed there under;
- (iv) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -
 - a. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - b. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - c. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - d. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (v) As confirmed by the management, there are no sector specific laws that are applicable specifically to the Company.

The Company being a wholly owned subsidiary of H.G. Infra Engineering Limited ("HGIEL"), certain employees of the Company have been categorized as Designated Persons and are covered by the Code of Conduct under the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, of HGIEL.



We have also examined compliance with the applicable clauses of the following:

Secretarial Standards issued by The Institute of Company Secretaries of India.

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

During the audit period under review, provisions of the following Acts / Regulations were not applicable to the Company prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):

- a. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- b. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- c. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- d. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018.
- e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations. 2008.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. During the period under review, the following changes took place:

1. Appointment of Ms. Nisha Singh (DIN: 06391761) as an Additional Director (Non-Executive) w.e.f. 1st February, 2022.

Adequate notice is given to all directors to schedule the Board Meetings and General Meetings agenda and detailed notes on agenda were sent in advance as required, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions of Board meetings were carried with requisite majority.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, no specific events / actions having major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. took place.

As on 31st March, 2022, the issued and paid-up capital of the company is ₹ 95,21,10,000 (Rupees Ninety-Five Crore Twenty-One Lakhs Ten Thousand Only) divided into 9,52,11,000 (Nine Crores Fifty-Two Lakhs Eleven Thousand) equity shares of ₹ 10 (Rupees Ten Only) each.

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

for **Rahul S & Associates**
Company Secretaries

CS Rahul Sharma
M. No.: FCS 9611
COP No.: 18440

Place: Jaipur
Date: May 20, 2022

Unique Code: S2017RJ506300
UDIN NO.: F009611D000357486

ANNEXURE – A
ANNEXURE TO SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2022

To,
The Members,
H.G. Ateli Narnaul Highway Private Limited
14, Panchwati Colony, Ratanada,
Jodhpur Rajasthan – 342001

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

for **Rahul S & Associates**
Company Secretaries

CS Rahul Sharma
M. No.: FCS 9611
COP No.: 18440

Unique Code: S2017RJ506300
UDIN NO.: F009611D000357486

Place: Jaipur
Date: May 20, 2022



Form No. MR-3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2022

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies
(Appointment and Remuneration Managerial Personnel) Rules, 2014]

To,
The Members,
H.G. Rewari Ateli Highway Private Limited
14, Panchwati Colony, Ratanada,
Jodhpur Rajasthan – 342001

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **H.G. REWARI ATELI HIGHWAY PRIVATE LIMITED (CIN: U45400RJ2019PTC064546)** (hereinafter called the company).

Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the company's books, papers, minute books, forms and returns filed with MCA and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2022 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereunder:

We have examined the books, papers, minute books, forms and returns filed with MCA and other records maintained by **H.G. REWARI ATELI HIGHWAY PRIVATE LIMITED** ("The Company") for the financial year ended on 31st March, 2022 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws Framed there under;
- (iv) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -
 - a. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - b. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - c. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - d. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (v) As confirmed by the management, there are no sector specific laws that are applicable specifically to the Company.

The Company being a material subsidiary of H.G. Infra Engineering Limited ("HGIEL"), certain employees of the Company have been categorized as Designated Persons and are covered by the Code of Conduct under the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, of HGIEL.

We have also examined compliance with the applicable clauses of the following:

Secretarial Standards issued by The Institute of Company Secretaries of India.

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

During the audit period under review, provisions of the following Acts / Regulations were not applicable to the Company prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):

- The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018.
- The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations 2008.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. During the period under review, the following changes took place:

- Cessation of Mr. Saurabh Sharma (M. No. ACS 60350) as Company Secretary w.e.f. 09th September 2021.
- Appointment of Mr. Rahul Ranka (M. No. ACS 38416) as Company Secretary w.e.f. 06th November, 2021.
- Appointment of Ms. Rudrakshi Choudhary (DIN: 09504586) as an Additional Director (Non-Executive) by passing resolution by circulation w.e.f. 14th February, 2022.

Adequate notice is given to all directors to schedule the Board Meetings and General Meetings agenda and detailed notes on agenda were sent in advance as required, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions of Board meetings were carried with requisite majority.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, the following specific events / actions having major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. had taken place, some of which are as under:

- The company has received an order dated 14th December 2021 from Ministry of Corporate Affairs for condoning the delay under Section 460 in regard to e-Form CG - 1 filed vide SRN T53807079 dated 11th October 2021 for delay in filing of e-Form MGT-14 for filing special resolution passed in the Extra-Ordinary General Meeting held on 10th December 2019 to approve availing of optionally convertible loan facility under Section 62(3) of the Companies Act, 2013.
- During the period under review Company has modified the charge amounting to ₹ 227,00,00,000.00 (Rupees Two Hundred Twenty-Seven Crores Only) as follows:

On 25th February 2022, the Company altered various Clauses of the Loan Facility Agreement by which Rupee Term Loan Facility of ₹ 75,00,00,000 (Rupees Seventy-Five Crores Only) has sell down from Central Bank of India to Axis Bank Limited and also altered various clauses of the agreements. After this modification, Loan Facility of Axis Bank Limited has increased from ₹ 75,00,00,000 (Rupees Seventy-Five Crores Only) to ₹ 150,00,00,000 (Rupees One Hundred Fifty Crores Only) and HDFC Bank Limited commitment is ₹ 77,00,00,000 (Rupees Seventy-Seven Crore only).

As on 31st March, 2022, the issued and paid-up capital of the company is ₹ 38,22,50,000 (Rupees Thirty-Eight Crores Twenty-Two Lakhs Fifty Thousand Only) comprising 3,82,25,000 (Three Crore Eighty-Two Lakhs Twenty-Five Thousand) Equity Shares of ₹ 10 (Rupees Ten Only) each.

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

for **Rahul S & Associates**
Company Secretaries

CS Rahul Sharma
M. No.: FCS 9611
COP No.: 18440

Unique Code: S2017RJ506300
UDIN NO.: F009611D000357486

Place: Jaipur

Date: May 20, 2022



ANNEXURE – A

ANNEXURE TO SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2022

To,
The Members,
H.G. REWARI ATELI HIGHWAY PRIVATE LIMITED
14, Panchwati Colony, Ratanada,
Jodhpur Rajasthan – 342001

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

for **Rahul S & Associates**
Company Secretaries

CS Rahul Sharma
M. No.: FCS 9611
COP No.: 18440

Place: Jaipur
Date: May 20, 2022

Unique Code: S2017RJ506300
UDIN NO.: F009611D000357486

Annexure VII to Board's Report PARTICULAR OF EMPLOYEES

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

1. Ratio of Remuneration of Directors to Median Remuneration of Employee:

The remuneration of each Director, Chief Financial Officer and Company Secretary, percentage increase in their remuneration during the Financial Year 2021-22 and ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year 2021-22 are as under:

| S. No. | Name | Designation | Remuneration of Director/KMP for the Financial Year 2021-22 (In ₹ Million) | Ratio of Remuneration to MRE1 (Median Remuneration of Employee) | % increase / (decrease) in Remuneration |
|--------|------------------------|-------------------------|--|---|---|
| A | B | C | D | E | F |
| 01. | Mr. Harendra Singh | Managing Director | 26.00 | 99.32 | 17.91% |
| 02. | Mr. Vijendra Singh | Whole Time Director | 14.00 | 55.62 | 14.28% |
| 03. | Mr. Dinesh Kumar Goyal | Executive Director | 4.45 | 17.68 | 40.07% |
| 04. | Mr. Rajeev Mishra | Chief Financial Officer | 3.06 | NA | 16.10% |
| 05. | Ms. Ankita Mehra | Company Secretary | 0.83 | NA | 32.14% |

The Non-Executive Directors of the Company were paid only sitting fees during the financial year under review. Hence, their ratio to Median Remuneration and percentage increase in remuneration has not considered.

2. The median remuneration of employees of the Company during the Financial Year was ₹ 2,51,703/- per annum and ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year is provided in the above table.

3. The percentage increase in the median remuneration of employees in the Financial Year:

In the Financial Year, there was an increase of 7.40% in the median remuneration of employees.

As the Company is working in Infrastructure sector and major employees of the Company are in unskilled category i.e. Labour and Driver etc. Hence, the ratio of remuneration of each director to the median remuneration of the employees of the Company is generally high.

4. Number of permanent employees on the rolls of Company was 1,866 as on March 31, 2022.

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

5. There is increase of 17.38% in total gross salary of employees other than the managerial personnel during the financial year as compared to previous year due to annual appraisals, while 7.18% increase in total gross salary of managerial personnel during the financial year as compared to previous year due to Company's growth in financial year 2021-22.
6. It is hereby affirmed that the remuneration paid is as per the Policy for Remuneration of the Directors, Key Managerial Personnel and other Employees.



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

a) Details of Top ten employees as per remuneration as on March 31, 2022

| S. No. | Employee Name | Designation, nature of Employment | Educational Qualification | Age (years) | Experience (Years) | Date of joining | Remuneration Paid (In ₹ Million) | Previous Employer | Relation with Director or Manager, if any |
|--------|-----------------------------|-----------------------------------|--|-------------|--------------------|-----------------|----------------------------------|--------------------------------------|--|
| 01. | Mr. Harendra Singh | Managing Director | BE (Civil) | 55 | 28 | 21.01.2003 | 26.00 | -- | Brother of Vijendra Singh- Whole Time Director |
| 02. | Mr. Vijendra Singh | Whole Time Director | Basic Education | 57 | 30 | 21.01.2003 | 14.00 | -- | Brother of Harendra Singh- Managing Director |
| 03. | Mr. Sanjay Bafna | Senior Vice President | Chartered Accountant | 54 | 31 | 24.02.2020 | 8.46 | Gateway Terminal Pvt. Ltd. | No |
| 04. | Mr. Vaibhav Choudhary | Project Controller | MBA | 35 | 16 | 01.04.2009 | 10.80 | -- | Son of Mr. Girish Pal Singh-Promoter |
| 05. | Mr. Vinod Kumar Giri | Senior Vice President | Master of Administration-, M. Tech-Civil., BTech-Civil | 55 | 30 | 16.02.2021 | 6.36 | Almondz Global Infra Consultant Ltd. | No |
| 06. | Mr. Vinod Kumar Singh | Assistant Vice President | B. Tech-Civil | 52 | 29 | 15.02.2021 | 5.50 | GR Infra Projects Ltd. | No |
| 07. | Mr. Vinod Kumar Agrawal | Vice President | ICWA & M. Com | 55 | 35 | 03.12.2016 | 4.47 | Kalpatru Group | No |
| 08. | Mr. Abhay Madhukar Paratkar | Assistant Vice President | BE-Civil | 54 | 30 | 29.01.2018 | 5.00 | IL & FS | No |
| 09. | Mr. Satish Kumar Sharma | Assistant Vice President | BE-Civil & MBA | 51 | 28 | 09.10.2010 | 5.00 | ISOLAX | No |
| 10. | Mr. Dinesh Kumar Goyal | Executive Director | Ph. D / M. Sc & B. Tech (Civil) | 66 | 39 | 24.06.2020 | 4.45 | Govt. of Rajasthan | No |

Notes:

- There are no Employees employed throughout the financial year or part thereof, was in receipt of remuneration in the year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the Managing Director or Whole-time Director or Manager and who holds by himself/herself or along with his/her spouse and dependent children, not less than two percent of the equity shares of the company.
- No employee of the Company holds more than 2% paid up capital of the Company in terms of clause (iii) of rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

- b) (i) **Employees specified at Sr. No. 1 and 2 was falling under criteria prescribed in Rule 5(2)(i) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.**
- (ii) **No employee of the Company was falling under criteria prescribed in Rule 5(2)(ii) & 5(2)(iii) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.**

Annexure VIII to Board's Report

Business Responsibility Report

INTRODUCTION

H.G. Infra Engineering Limited ('HGIEL' or 'the Company') believes in conducting its business in an ethical and transparent manner, which is the cornerstone for achieving success especially when businesses face challenges. The idea of inclusive socio-economic growth is ingrained in every step that the Company takes towards achieving its long term objectives. The Company is committed to manage its business operations based on the principles of sustainable development.

As required under Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), following is the Business Responsibility Report as per format prescribed by SEBI. The Business Responsibility Report highlights the approach of the Company towards creating long-term value for all its stakeholders. The Company also endeavours to undertake initiatives under the principles prescribed as per the National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business.

Section A: General Information about the Company

| Disclosure | | | Information |
|--|-------|-----------|---|
| Corporate Identity Number (CIN) of the Company | | | L45201RJ2003PLC018049 |
| Name of the Company | | | H.G. Infra Engineering Limited |
| Registered address | | | 14, Panchwati Colony, Ratanada, Jodhpur Rajasthan - 342001 |
| Website | | | www.hginfra.com |
| E-mail id | | | cs@hginfra.com |
| Financial Year reported | | | April 1, 2021 to March 31, 2022 |
| Sector(s) that the Company is engaged in (industrial activity code-wise) | | | Your Company is engaged in construction of highways, bridges, flyover (under EPC and HAM mode), maintenance of roads & highways. The Company is also engaged in construction of water supply projects. The Company has formed various Special Purpose Vehicle(s) ('SPV') for implementation of HAM Projects awarded to it by National Highways Authority of India (NHAI). |
| Group* | Class | Sub-class | Description |
| 421 | 4210 | 42101 | Construction and maintenance of motorways, streets, roads, other vehicular and pedestrian ways, highways, bridges, tunnels and subways |
| List three key products/services that the Company manufactures/ provides (as in balance sheet) | | | (i) Construction of roads, bridges, flyover (under EPC and HAM mode); (ii) Maintenance of roads, bridges, flyovers and; (iii) Other infrastructure contract works. |
| Total number of locations where business activity is undertaken by the Company | | | |
| (a) Number of International Locations (Provide details of major 5) | | | Nil |
| (b) Number of National Locations | | | 9 (Nine) States |
| Markets served by the Company - Local/State/National/International | | | Local, State and National |

*As per National Industrial Classification – Ministry of Statistics and Programme Implementation



Section B: Financial details of the Company

| Disclosure | Information |
|---|--|
| Paid up Capital (INR) | ₹ 651.71 Million |
| Total Turnover (INR) | ₹ 36,151.95 Million |
| Total profit after taxes (INR) | ₹ 3,387.60 Million |
| Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%) | As per Section 135 of the Companies Act, 2013 read with the rules made thereunder, the Company is required to spend at least 2% of average net profit of last 3 financial years i.e., ₹ 48.23 Millions. The Company has spent ₹ 48.38 Millions on CSR activities for the financial year 2021-22. For more details refer “Annexure IV” to the Board’s Report. |
| List of activities in which expenditure in 4 above has been incurred | (i) Promoting Education; (ii) Promoting Health Care and Disaster Relief; and (iii) Rural Development Projects. |

Section C: Other details

| Disclosure | Information |
|--|---|
| Does the Company have any Subsidiary Company/ Companies? | Yes, the Company has 9 wholly owned subsidiary Companies as on March 31, 2022: (i) Gurgaon Sohna Highway Private Limited (ii) H.G. Ateli Narnaul Highway Private Limited (iii) H.G. Rewari Ateli Highway Private Limited (iv) H.G. Rewari Bypass Private Limited (v) H.G. Raipur Visakhapatnam AP-1 Private Limited (vi) H.G. Khammam Devarapalle PKG-1 Private Limited (vii) H.G. Khammam Devarapalle PKG-2 Private Limited (viii) H.G. Raipur Visakhapatnam OD-5 Private Limited (ix) H.G. Raipur Visakhapatnam OD-6 Private Limited |
| Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s) | The Company influences and encourages its subsidiaries to adopt its policies and practices. |
| Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%] | No, the other entities with whom the Company does business with viz suppliers, distributors etc. do not participate in the BR initiatives of the Company. |

Section D: BR Information

1. Details of Director/Directors responsible for BR

| Sr. No. | Particular | Disclosure | Information |
|---------|---|------------------|--------------------------------|
| A | Details of the Director/Director responsible for implementation of the BR policy/policies | DIN Number | 00402458 |
| | | Name | Harendra Singh |
| | | Designation | Chairman and Managing Director |
| B | Details of the BR head | DIN Number | 00402458 |
| | | Name | Harendra Singh |
| | | Designation | Chairman and Managing Director |
| | | Telephone Number | 0141-4106040 |
| | | E-mail ID | cs@hginfra.com |

2. Principle wise (as per National Voluntary Guidelines (NVGs)) BR Policy/policies

The NVGs on Social, Environmental and Economic Responsibilities of Business released by the Ministry of Corporate Affairs (MCA) has adopted nine areas of Business Responsibility. These are briefly as under:

| P. No. | Principle |
|--------|---|
| P1 | Businesses should conduct and govern themselves with Ethics, Transparency and Accountability |
| P2 | Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle. |
| P3 | Businesses should promote the wellbeing of all employees |
| P4 | Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized |
| P5 | Businesses should respect and promote human rights. |
| P6 | Businesses should respect, protect and make efforts to restore the environment |
| P7 | Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner. |
| P8 | Businesses should support inclusive growth and equitable development. |
| P9 | Businesses should engage with and provide value to their customers and consumers in a responsible manner. |

(a) Details of compliance (Reply in Y/N)

| Sr. No. | Questions | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|---------|---|---|----|----|----|----|----|----|----|----|
| 1 | Do you have a policy/policies for | Y | Y | Y | Y | Y | Y | Y | Y | Y |
| 2 | Has the policy being formulated in consultation with the relevant stakeholders? | Policy formulated after internal consultation covering all functional areas. | | | | | | | | |
| 3 | Does the policy conform to any national/ international standards? If yes, specify? | The policy confirm to the National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business and National Guidelines on Responsible Business Conduct notified by Ministry of Corporate Affairs and Government of India. | | | | | | | | |
| 4 | Has the policy being approved by the Board? Is yes, has it been signed by MD/owner/ CEO/ appropriate Board Director? | Y | Y | Y | Y | Y | Y | Y | Y | Y |
| 5 | Does the company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy? | Y | Y | Y | Y | Y | Y | Y | Y | Y |
| 6 | Indicate the link for the policy to be viewed online? | https://www.hginfra.com/investors-relation.html#btn-gover . | | | | | | | | |
| 7 | Has the policy been formally communicated to all relevant internal and external stakeholders? | Yes, wherever appropriate. | | | | | | | | |
| 8 | Does the company have in-house structure to implement the policy/policies? | Y | Y | Y | Y | Y | Y | Y | Y | Y |
| 9 | Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/policies? | Y | Y | Y | Y | Y | Y | Y | Y | Y |
| 10 | Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency? | Yes, the policy has been evaluated internally from time to time. | | | | | | | | |



(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

| Sr. No. | Questions | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|---------|---|----|----|----|----|----|----------------|----|----|----|
| 1 | The company has not understood the principles | | | | | | | | | |
| 2 | The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles | | | | | | | | | |
| 3 | The company does not have financial or manpower resources available for the task | | | | | | Not Applicable | | | |
| 4 | It is planned to be done within next 6 Months | | | | | | | | | |
| 5 | It is planned to be done within the next 1 year | | | | | | | | | |
| 6 | Any other reason (please specify) | | | | | | | | | |

3. Governance related to BR

- (a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year

The Board of Directors of the Company assesses BR performance of the Company on an annual basis. The BR performance of the Company is also periodically assessed by the BR Head during the year.

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

Yes, the Company publishes Business Responsibility Report annually as a part of Annual Report and the same can be accessed at <https://www.hginfra.com/investors-relation.html>

Section E- Principle Wise Performance

Principle 1- Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

| Sr. No. | Disclosures | Information |
|---------|--|--|
| 1.1 | Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/Suppliers/ Contractors/NGOs /Others? | Yes, the Policy covers the Company and indirectly extends to the Group Companies, Joint Ventures and Subsidiary Companies. |
| 1.2 | How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, | In past financial year two shareholders complaints were received and was resolved satisfactorily |

Principle 2- Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

| Sr. No. | Disclosures | Information |
|---------|---|--|
| 2.1 | List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities | <ul style="list-style-type: none"> (i) Construction; (ii) Engineering; and (iii) Infrastructure contract works. |
| 2.2 | For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional): | <ul style="list-style-type: none"> i) Engineering Design <ul style="list-style-type: none"> a. Use of fly ash in road construction; b. Cut length of steel is used in construction; c. Waste plastic is used in bituminous work for saving of bitumen; d. Use of LED fixtures at all the new projects is compulsory as per the client requirement; e. Use of solar panel for lighting arrangement at toll plaza. f. Use of technologies such as Soil Stabilization, Echelon Paving, 3D grades control software ii) Environmental Management Plan <ul style="list-style-type: none"> a. Rain water harvesting b. Tree plantation <p>The Company takes necessary steps to ensure efficient use of the raw materials and goods required for execution of the projects including in relation to energy, water, Details of conservation of energy are given in Board's Report as "Energy conservation, Technology absorption & Foreign exchange earnings and outgo".</p> |
| | (a) Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain? | |
| | (b) Reduction during usage by consumers (energy, water) has been achieved since the previous year? | The Company takes several measures on continuous basis to conserve the consumption of energy and water. The Company is committed to reduction of waste, conservation of raw material and pursuing zero pollution through various initiatives, technological upgradation and improvement projects. |
| 2.3 | Does the company have procedures in place for sustainable sourcing (including transportation)? | We opt diversified sourcing strategy in material & services. For material procurement, we focused on centralized procurement of cost-effective quality products such as Cement, HSD, Steel, Aggregate, Sand, GSB & Boulder etc. |
| | (a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof | <p>Apart from that, all other general consumables & small value material, we procure locally at site. So as to fulfil social aspects as well.</p> <p>Apart from material, mostly Labor & service-related needs fulfilled locally so as to fulfil social aspect in loop.</p> |
| 2.4 | Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? | As indicated in point 2.3 above, we consciously focused to source procurement of goods & services from medium & small vendors locally at the best where we can, so as to improve operational efficiency & saves transportation cost. |
| | (a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors? | Further manpower & other service-related requirement fulfilled by employing the local people from nearby location where our business operations exist. We provide all technical guidance to improve capacity & capability of local and small vendors. |
| 2.5 | Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof | The Company is not engaged in manufacturing activities. However, the Company is highly committed to reduce wastes & make efficient use of raw material during construction activities. |



Principle 3- Businesses should promote the well-being of all employees

| Sr. No. | Disclosures | Information |
|---------|--|---------------------------|
| 3.1 | Please indicate the Total number of employees | 1866 as on March 31, 2022 |
| 3.2 | Please indicate the Total number of employees hired on temporary/contractual/casual basis | 4047 as on March 31, 2022 |
| 3.3 | Please indicate the Number of permanent women employees | 24 as on March 31, 2022 |
| 3.4 | Please indicate the Number of permanent employees with disabilities | Nil |
| 3.5 | Do you have an employee association that is recognized by management | No |
| 3.6 | What percentage of your permanent employees is members of this recognized employee association? | Not Applicable |
| 3.7 | Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment, discriminatory employment in the last financial year and pending, as on the end of the financial year | Nil |
| 3.8 | What percentage of your under mentioned employees were given safety & skill upgradation training in the last year? | |
| | (a) Permanent Employees | 100% |
| | (b) Permanent Women Employees | 100% |
| | (c) Casual/Temporary/Contractual Employees | 100% |
| | (d) Employees with Disabilities | NA |

Principle 4- Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized

| Sr. No. | Disclosures | Information |
|---------|---|--|
| 4.1 | Has the company mapped its internal and external stakeholders? Yes/No | Yes, the Company has identified 'Customers', 'Employees', 'Shareholders', 'Vendors/ Contractors' and 'Society' as its stakeholders and it understands the distinct requirement of its various stakeholders. |
| 4.2 | Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders? | Yes, a system of periodic reviews is being established to ensure that the necessary actions are taken as required. |
| 4.3 | Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof | Yes, The Company has taken up a number of initiatives to meet the expectation of different stakeholders. A variety of projects have been initiated under the broad themes of education, healthcare, scholarship programs, rural development, community welfare etc., to engage beneficiaries and stakeholders. |

Principle 5- Businesses should respect and promote human rights

| Sr. No. | Disclosures | Information |
|---------|--|--|
| 5.1 | Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others? | The policy covers the Company and indirectly extends to group companies, Jointly Controlled Operations and subsidiary companies. |
| 5.2 | How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management? | No stakeholder complaints, relating to human rights, have been received in the past financial year. |

Principle 6- Businesses should respect, protect and make efforts to restore the environment

| Sr. No. | Disclosures | Information |
|---------|--|---|
| 6.1 | Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/ Suppliers/ Contractors/NGOs/others | Yes, the Policy covers the Company and indirectly extends to the Group Companies, Joint Ventures and Subsidiary Companies. |
| 6.2 | Does the company have strategies/initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc. | <p>As per CPCB norms Periodic Environmental Monitoring is being conducted through an independent third party at all projects including camps, plant areas and other sensitive locations of projects. Till date, all the parameters including PM 10 & PM 2.5 have been found under the permissible limits set by pollution control board in all such audits.</p> <p>For strategies/ initiatives to address global environmental issues such as climate change, global warming, etc, we have built our project design with additional culverts, bridges and drains for the prevention from flooding and other environmental safeguard. Our Environment, Health and Safety (EHS) Policy is available on the Company's website at https://www.hginfra.com/investors-relation.html#btn-gover.</p> |
| 6.3 | Does the company identify and assess potential environmental risks? Y/N | <p>Yes, HGIEL is very much conscious to incorporate the potential environmental risk in the Project EHS Plan.</p> <p>The Company take action and timely report submission on compliance of NGT Guidelines and every project has a separate environmental Impact assessment for apply of mitigation measures.</p> |
| 6.4 | Does the company have any project related to Clean Development Mechanism? If so, provide details thereof. Also, if Yes, whether any environmental compliance report is filed? | <p>HGIEL has adopted the Solar Energy system of electrification on settlement areas and street lights falls under the project alignment.</p> <p>Moreover, Six Monthly environmental compliance reports are also been prepared and submitted to the Pollution control boards and subsequent clients.</p> <p>HGIEL has adopted the practices of "Swatch Bharat Abhiyan" and each project is the part of this mission.</p> <p>Different events and acts have arranged near by the projects to aware the public.</p> |
| 6.5 | Has the company undertaken any other initiatives on - clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc. | <p>HGIEL has taken active initiatives to install / construct Rain water Harvesting system at a low laying area of Project alignments and all the lined and unlined drains are diverted towards the Harvesting pits to safeguard and raise of ground water level as a clean technology and energy efficiency system.</p> <p>HGIEL have taken active initiation of use of Plastic waste in asphalt work in consideration with client and NHAI authorities by ensuring of good construction standards and practices.</p> |
| 6.6 | Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported? | <p>We have been ensuring that all our Plants and machines meet the required environmental norms and operate after due permission from state pollution boards.</p> <p>We have been strictly following Guidelines of NGT by using Dust Suppression Techniques, safe disposal of effluent material and strict monitoring of pollution levels of our Plants etc.</p> <p>As per CPCB norms Periodic Environmental Monitoring is being conducted through an independent third party at all projects including camps, plant areas and other sensitive locations of projects. All the parameters including PM 10 & PM 2.5 are found under the permissible limits set by pollution control board in all such audits.</p> <p>HGIEL has a policy of three R's stands for: Reduce, Reuse and Recycle. This rule is part of the waste hierarchy which is a process used to protect the environment and conserve resources through a priority approach.</p> |
| 6.7 | Number of show cause/legal notices received from CPCB/ SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year. | Nil |



Principle 7- Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

| Sr. No. | Disclosures | Information |
|---------|--|--|
| 7.1 | Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with: | Yes, the Company is a member of the following Trade, Chamber/Federations: (i) Federation of Indian Chambers of Commerce and Industry (FICCI) (ii) National Highways Builders Federation |
| 7.2 | Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/ No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others) | Yes, we advocated various issues with the associations relating to the road infrastructure industry and promoted sustainable practices in our operations. We are in continuous touch with the concerned for improvement upon the same. |

Principle 8- Businesses should support inclusive growth and equitable development

| Sr. No. | Disclosures | Information |
|---------|--|---|
| 8.1 | Does the company have specified programmes /initiatives/ projects in pursuit of the policy related to Principle 8? If yes details thereof. | Yes, the Company has specific programmes/ initiatives/ projects in pursuance of its CSR policy. The Company's CSR approach is designed to bring about holistic and sustainable development of communities, promoting education, livelihood, skill development and healthcare activities. |
| 8.2 | Are the programmes/projects undertaken through in-house team/own foundation/external NGO/ government structures/any other organization? | The Company's CSR projects are implemented through in-house CSR department, own foundation i.e. H.G. Foundation and other external NGOs/organizations/agencies. |
| 8.3 | Have you done any impact assessment of your initiative? | The Company has been conducting internal impact assessments to monitor and evaluate its strategic CSR programs. |
| 8.4 | What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken? | Please refer " Annexure IV " to the Board's Report. |
| 8.5 | Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain | Yes, the Company has taken various steps to ensure that the CSR initiatives undertaken by the Company are successfully adopted by the community. The relevant stakeholders in the local community are involved during needs assessment, project planning and implementation. Feedback is collected from the beneficiaries of the projects and course corrections are taken based on the same, wherever necessary. |

Principle 9- Businesses should engage with and provide value to their customers and consumers in a responsible manner

| Sr. No. | Disclosures | Information |
|---------|--|----------------|
| 9.1 | What percentage of customer complaints/consumer cases are pending as on the end of financial year | Nil |
| 9.2 | Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A./Remarks (additional information) | Not applicable |
| 9.3 | Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year? | No |
| 9.4 | Did your company carry out any consumer survey/ consumer satisfaction trends? | Not applicable |

Standalone Financial Statements



Independent Auditor's Report

To the Members of H.G. Infra Engineering Limited

Report on the Audit of the Standalone financial statements

Opinion

1. We have audited the accompanying standalone financial statements of H.G. Infra Engineering Limited ("the Company") which includes 3 jointly controlled operations consolidated on a proportionate basis (Refer Note 51 to the attached Standalone Financial Statements), which comprise the Balance Sheet as at March 31, 2022, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Cash Flow Statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "standalone financial statements").
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and total comprehensive income (comprising of profit and other comprehensive income), changes in equity and its cash flows for the year then ended.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained, and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph 13 of the Other Matter Paragraph below, is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

| Key audit matter | How our audit addressed the key audit matter |
|--|---|
| <p>1) Estimation of contract cost and revenue recognition (Refer to note 1(f)(i), 2(d), 29 and 52 of the standalone financial statements)</p> <p>The contract revenue amounts to ₹35,573.66 Million for engineering, procurement and construction contracts, which usually extends over a period of 2-3 years, and the contract prices are fixed and, in some cases, subject to price variance clauses.</p> <p>The contract revenue is measured based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs.</p> <p>This method requires the Company to perform an initial assessment of total estimated cost and reassess the total construction cost at each reporting period end to determine the appropriate percentage of completion.</p> | <p>Our procedures over the recognition of revenue included the following:</p> <ul style="list-style-type: none"> • Understood and evaluated the design and tested the operating effectiveness of key internal financial controls, including those related to review and approval of estimated project cost and review of provision for estimated loss by the authorised representatives. • For a sample of contracts, we obtained the percentage of completion calculations, agreed key contractual terms to the signed contracts, tested the mathematical accuracy of the cost to complete calculations and re-performed the calculation of revenue recognized during the year based on the percentage of completion. • For costs incurred to date, we tested samples to appropriate supporting documentation and performed cut off procedures. |

| Key audit matters | How our audit addressed the key audit matter |
|---|---|
| <p>We considered the estimation of construction contract cost as a key audit matter given the involvement of significant management judgement which has consequential impact on revenue recognition.</p> | <ul style="list-style-type: none"> To test the forecast cost to complete, we obtained the breakdown of costs forecasts and tested elements of the forecast by obtaining executed purchase orders and agreements, evaluating reasonableness of management's judgements and assumptions using past trends and comparing the estimated costs to the actual costs incurred for the similar completed projects. Checked the related disclosures in the financial statements. <p>Based on the above procedures performed, we considered the manner of estimation of contract cost and recognition of revenue to be reasonable.</p> |
| <p>2) Valuation of accounts receivable and contract assets in view of risk of credit losses</p> <p>(Refer to the Note 1(k), 39(i), 7, 11 and 15 – Trade receivables and Note 16(a) for contract assets).</p> <p>Accounts receivable and contract assets are significant items in the Company's standalone financial statements aggregating to ₹10,792.68 Million as of March 31, 2022 and provision for impairment of receivables and contract assets is an area which is influenced by management's estimates and judgment. The provision for impairment of receivables and contract assets amounted to INR 187.94 million as at March 31, 2022.</p> <p>The Company has a concentration of credit exposure on certain customers, which include government and private organisations, where there are delays in collections due to various reasons. The management has assessed the appropriateness of provisions recognised, as applicable, on receivables and contract assets, based on factors such as the credit risk of the customer, status of the project, discussions with the customers and contractual terms. This involves significant judgement.</p> <p>Given the relative significance of these receivables and contract assets to the standalone financial statements and the nature and extent of audit procedures involved to assess the recoverability of receivables and contract assets, we determined this to be a key audit matter.</p> | <p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> Understanding, evaluating the design and testing the operating effectiveness of Key Internal financial controls in relation to determination of estimated credit loss. Obtaining confirmation from parties, on a sample basis, with respect to outstanding balances. Inquiry procedures with senior management of the Company regarding status of collectability of the receivable and contract assets. Perusal of correspondences with the customers. Assessing the inputs used by the Management to determine the amount of allowances by considering factors such as credit risk of the customer, cash collections, past history and status of the project, and correspondence with customers. Checked the related disclosures in the financial statements. <p>Based on our work as stated above, no significant deviations were observed in respect of management's assessment of valuation of accounts receivables and contract assets.</p> |

Other Information

- The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Director's Report, Corporate Governance Report and Other Information included in the Annual Report but does not include the financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the



audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the financial statements

6. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
7. In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the Standalone financial statements

8. Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they

could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

9. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

10. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
11. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
12. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

13. We did not audit the standalone financial statements of 3 jointly controlled operations included in the standalone financial statements of the Company, which constitute total assets of ₹54.65 Million and net assets of ₹3.24 Million as at March 31, 2022, total revenue of ₹50.98 Million, total comprehensive income (comprising of profit and other comprehensive income) of ₹0.15 Million and net cash outflows amounting to ₹0.31 Million for the year then ended. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us by the management, and our opinion on the standalone financial statements (including other information) in so far as it relates to the amounts and disclosures included in respect of these jointly controlled operations is based solely on the reports of such other auditors.

Our opinion on the standalone financial statements, and our report on Other legal and regulatory requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors.

Report on other legal and regulatory requirements

14. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure B a statement on the matters

specified in paragraphs 3 and 4 of the Order, to the extent applicable.

15. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act.
 - (e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 46 to the financial statements;
 - ii. The Company has made provision as at March 31, 2022, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts - Refer Note 16(a). The Company did not have any derivative contracts as at March 31, 2022.



- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2022.
- iv. (a) The management has represented that, to the best of its knowledge and belief, as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note 55 (vii) to the Standalone Financial Statements.);
- (b) The management has represented that, to the best of its knowledge and belief, as disclosed in the notes to the accounts, no

funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note 55 (vii) to the Standalone Financial Statements.); and

- (c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

- v. The dividend declared and paid during the year by the Company is in compliance with Section 123 of the Act.

- 16. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

For Price Waterhouse & Co Chartered Accountants LLP

Firm Registration Number: 304026E/E-300009

Nitin Khatri

Partner

Membership Number: 110282

UDIN:22110282AJKIVV3043

Date: May 23, 2022

Place: Jaipur

For Shridhar & Associates

Firm Registration Number: 134427W

Abhishek Pachlangia

Partner

Membership Number: 120593

UDIN: 22120593AJKGVN2628

Date: May 23, 2022

Place: Jaipur

Annexure A to Independent Auditor's Report

Referred to in paragraph 15(f) of the Independent Auditor's Report of even date to the members of H.G. Infra Engineering Limited on the standalone financial statements for the year ended March 31, 2022

Report on the Internal Financial Controls with reference to Standalone Financial Statements under clause (i) of sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls with reference to standalone financial statements of H.G. Infra Engineering Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date. Reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls with reference to financial statements is not applicable to 3 jointly controlled operations.

Management's Responsibility for Internal Financial Controls

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about

whether adequate internal financial controls with reference to standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to standalone financial statements.

Meaning of Internal Financial Controls with reference to Standalone financial statements

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the



company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to Standalone financial statements

7. Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material miss-statements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial controls with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For Price Waterhouse & Co Chartered Accountants LLP

Firm Registration Number: 304026E/E-300009

Nitin Khatri

Partner

Membership Number: 110282

UDIN:22110282AJKIVV3043

Date: May 23, 2022

Place: Jaipur

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2022, 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 issued by ICAI.

For Shridhar & Associates

Firm Registration Number: 134427W

Abhishek Pachlangia

Partner

Membership Number: 120593

UDIN: 22120593AJKGVN2628

Date: May 23, 2022

Place: Jaipur

Annexure B to Independent Auditor's Report

Referred to in paragraph 14 of the Independent Auditors' Report of even date to the members of H.G. Infra Engineering Limited on the standalone financial statements as of and for the year ended March 31, 2022

- i (a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of Property, Plant and Equipment.
- (B) The Company is maintaining proper records showing full particulars of Intangible Assets.
- (b) The Property, Plant and Equipment are physically verified by the Management according to a phased programme designed to cover all the items over a period of 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the Property, Plant and Equipment has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.
- (c) The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), as disclosed in Note 3(a) and 4 to the Standalone Financial Statements, are held in the name of the Company.
- (d) The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year. Consequently, the question of our commenting on whether the revaluation is based on the valuation by a Registered Valuer, or specifying the amount of change, if the change is 10% or more in the aggregate of the net carrying value of each class of Property, Plant and Equipment (including Right of Use assets) or intangible assets does not arise.
- (e) Based on the information and explanations furnished to us, no proceedings have been initiated on or are pending against the Company for holding benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) (formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)) and Rules made thereunder, and therefore the question of our commenting on whether the Company has appropriately disclosed the details in its financial statements does not arise.
- ii (a) The physical verification of inventory has been conducted at reasonable intervals by the Management during the year and, in our opinion, the coverage and procedure of such verification by Management is appropriate. The discrepancies noticed on physical verification of inventory as compared to book records were not 10% or more in aggregate for each class of inventory and have been appropriately dealt with in the books of account.
- (b) During the year, the Company has been sanctioned working capital limits in excess of ₹5 crores, in aggregate, from banks on the basis of security of current assets. The Company has filed quarterly returns or statements with such banks, which are in agreement with the unaudited books of account. (Also refer Note 55(ii) to the Standalone financial statements)
- iii (a) The Company has made investments in seven companies, granted unsecured loans to nine companies, stood guarantees to two companies and has granted interest free loans to its 162 employees during the year. The aggregate amount during the year, and balance outstanding at the balance sheet date with respect to such loans and guarantees to subsidiaries are as per the table given below:

| | (₹ in Millions) | |
|---|-----------------|--------|
| | Guarantees | Loans* |
| Aggregate amount granted/ provided during the year- Subsidiaries | 4,967.60 | 759.58 |
| Balance outstanding as a balance sheet date in respect of the above case-Subsidiaries | 16,375.70 | 852.73 |

*Loans include optionally convertible unsecured loans given to subsidiaries.

(Also refer Note 6, 14, 43, 48 and 49 to the Standalone financial statements)



- (b) In respect of the aforesaid investments, guarantees and loans, the terms and conditions under which such loans were granted, investments were made and guarantees provided are not prejudicial to the Company's interest.
- (c) In respect of the aforesaid loans, no schedule for repayment of principal and payment of interest has been stipulated by the Company. Therefore, in the absence of stipulation of repayment terms, we are unable to comment on the regularity of repayment of principal and payment of interest.
- (d) In respect of the aforesaid loans, there is no amount which is overdue for more than ninety days.
- (e) There were no loans which fell due during the year and were renewed/extended. Further, no fresh loans were granted to same parties to settle the existing overdue loans.
- (f) Following loans were granted during the year, including to related parties under Section 2(76), which are repayable on demand or where no schedule for repayment of principal and payment of interest has been stipulated by the Company.

| | (₹ in Millions) | |
|--|--------------------|------------------------|
| | All Parties | Related Parties |
| Aggregate of loans/ advances in nature of loan | | |
| - Repayable on demand | 336.56 | 336.56 |
| - Without specifying any terms or period of repayment | 423.02 | 423.02 |
| Percentage of loans/ advances in nature of loan to the total loans | 100 | 100 |

(Also refer Note 6, 14 and 43 to the financial statements)

- iv In our opinion, and according to the information and explanations given to us, the Company is engaged in providing infrastructural facilities as specified in schedule VI of the Act and accordingly, the provisions of Section 186, except sub section (1), of the Act are not applicable to the Company. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186(1) of the Companies Act, 2013 in respect of the loans and investments made by it.
- v The Company has not accepted any deposits or amounts which are deemed to be deposits within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- vi Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of income taxes, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including goods and services tax, provident fund, employees' state insurance, sales tax, service tax, duty of customs, duty of excise, value added tax, cess, professional tax, and other material statutory dues, as applicable, with the appropriate authorities. Also, refer note 46(c) to the Standalone financial statements regarding management's assessment on certain matters relating to provident fund.

- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no statutory dues of goods and services tax, provident fund, employees' state insurance, sales tax, service tax, duty of customs, duty of excise, value added tax, cess or professional tax, which have not been deposited on account of any dispute. The particulars of dues of income tax as at March 31, 2022 which have not been deposited on account of a dispute, are as follows:

| Name of the statute | Nature of dues | Amount Involved | Amount paid under protest | Amount Unpaid | Period to which the amount relates | Forum where the dispute is pending |
|----------------------|----------------|-----------------|---------------------------|---------------|------------------------------------|--------------------------------------|
| Income Tax Act, 1961 | Income tax | 10.19 | 2.04 | 8.15 | 2013-14 | Income Tax Appellate Tribunal |
| Income Tax Act, 1961 | Income tax | 9.16 | 1.83 | 7.33 | 2017-18 | Commissioner of Income Tax (Appeals) |

- viii According to the information and explanations given to us and the records of the Company examined by us, there are no transactions in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.
- ix (a) According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest to any lender during the year.
- (b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared Wilful Defaulter by any bank or financial institution or government or any government authority.
- (c) In our opinion, and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained. (Also refer Note 21 to the Standalone financial statements)
- (d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries or jointly controlled operations.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries companies.
- (x) (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under clause 3(x)(a) of the Order is not applicable to the Company.
- (b) The Company has made a private placement of non-convertible debentures during the year, in compliance with the requirements of Section 42 and Section 62 of the Act. The funds raised have been used for the purpose for which funds were raised.
- (xi) (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.
- (b) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information



and explanations given to us, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the reporting under clause 3(xi)(b) of the Order is not applicable to the Company.

- (c) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, and as represented to us by the management, no whistle-blower complaints have been received during the year by the Company. Accordingly, the reporting under clause 3(xi)(c) of the Order is not applicable to the Company.
- (xii) As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the reporting under clause 3(xii) of the Order is not applicable to the Company.
- (xiii) The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard 24 "Related Party Disclosures" specified under Section 133 of the Act.
- (xiv) (a) In our opinion and according to the information and explanation given to us, the Company has an internal audit system commensurate with the size and nature of its business.

(b) The reports of the Internal Auditor for the period under audit have been considered by us.
- (xv) The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the reporting on compliance with the provisions of Section 192 of the Act under clause 3(xv) of the Order is not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under clause 3(xvi)(a) of the Order is not applicable to the Company.

(b) The Company has not conducted non-banking financial / housing finance activities during the year. Accordingly, the reporting under clause 3(xvi)(b) of the Order is not applicable to the Company.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.
- (d) Based on the information and explanations provided by the management of the Company, the Group does not have any CICs, which are part of the Group. We have not, however, separately evaluated whether the information provided by the management is accurate and complete. Accordingly, the reporting under clause 3(xvi)(d) of the Order is not applicable to the Company.
- (xvii) The Company has not incurred any cash losses in the financial year or in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year and accordingly there reporting under clause (xviii) is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios (Also refer Note 56 to the Standalone financial statements), ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of

one year from the balance sheet date will get discharged by the Company as and when they fall due.

- (xx) (a) In respect of other than ongoing projects, as at balance sheet date, the Company does not have any amount remaining unspent under Section 135(5) of the Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable.
- (b) The Company has transferred the amount of Corporate Social Responsibility remaining unspent under

sub-section (5) of Section 135 of the Act pursuant to ongoing project to a special account in compliance with the provision of sub-section (6) of Section 135 of the Act. (Also refer Note 36 to the Standalone financial statements)

- (xxi) The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of Standalone Financial Statements. Accordingly, no comment in respect of the said clause has been included in this report.

For Price Waterhouse & Co Chartered Accountants LLP

Firm Registration Number: 304026E/E-300009

Nitin Khatri

Partner

Membership Number: 110282

UDIN:22110282AJKIVV3043

Date: May 23, 2022

Place: Jaipur

For Shridhar & Associates

Firm Registration Number: 134427W

Abhishek Pachlangia

Partner

Membership Number: 120593

UDIN: 22120593AJKGVN2628

Date: May 23, 2022

Place: Jaipur



Standalone Balance Sheet

as at March 31, 2022

| | | (Amount in ₹ Millions) | |
|---|--------|-------------------------|-------------------------|
| Particulars | Note | As at March 31, 2022 | As at March 31, 2021 |
| ASSETS | | | |
| Non-current assets | | | |
| Property, plant and equipment | 3 (a) | 4,472.49 | 4,794.55 |
| Right-of-use assets | 3 (b) | 12.42 | 10.44 |
| Capital work-in-progress | 3 (a) | 21.51 | 18.07 |
| Investment Properties | 4 | 86.42 | - |
| Intangible assets | 5 | 18.26 | 25.69 |
| Financial assets | | | |
| i. Investment | 6 | 3,545.04 | 2,612.12 |
| ii. Trade receivables | 7 | 41.23 | 40.70 |
| iii. Other financial assets | 8 | 306.22 | 118.05 |
| Deferred tax assets (Net) | 37 (b) | 113.87 | 95.48 |
| Non-current tax assets (Net) | 37 (e) | 3.71 | 1.84 |
| Other non-current assets | 9 | 7.00 | 48.02 |
| Total non-current assets | | 8,628.17 | 7,764.96 |
| Current assets | | | |
| Inventories | 10 | 1,835.52 | 1,680.08 |
| Financial assets | | | |
| i. Trade receivables | 11 | 6,953.46 | 6,534.38 |
| ii. Cash and cash equivalents | 12 | 472.38 | 1,399.48 |
| iii. Bank balances other than (ii) above | 13 | 1,112.61 | 1,184.70 |
| iv. Loans | 14 | 232.75 | 49.86 |
| v. Other financial assets | 15 | 74.36 | 39.73 |
| Contract assets | 16 (a) | 3,511.84 | 2,654.42 |
| Other current assets | 17 | 971.53 | 499.12 |
| | | 15,164.45 | 14,041.77 |
| Assets classified as held for sale | 18 | 9.63 | - |
| Total current assets | | 15,174.08 | 14,041.77 |
| Total assets | | 23,802.25 | 21,806.73 |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Equity share capital | 19 | 651.71 | 651.71 |
| Other equity | 20 | 12,991.72 | 9,670.40 |
| Total equity | | 13,643.43 | 10,322.11 |
| LIABILITIES | | | |
| Non-current liabilities | | | |
| Financial liabilities | | | |
| i. Borrowings | 21 | 1,598.01 | 944.90 |
| ii. Lease liabilities | 3 (b) | 2.57 | 1.06 |
| iii. Trade payables | | | |
| (a) total outstanding dues of micro and small enterprises | 22 | - | - |
| (b) total outstanding dues other than (iii) (a) above | 22 | 34.96 | 838.33 |
| Employee benefit obligations | 23 | 56.98 | 24.87 |
| Total non-current liabilities | | 1,692.52 | 1,809.16 |
| Current liabilities | | | |
| Financial liabilities | | | |
| i. Borrowings | 24 | 1,548.54 | 1,945.03 |
| ii. Lease liabilities | 3 (b) | 9.73 | 10.57 |
| iii. Trade payables | | | |
| (a) total outstanding dues of micro and small enterprises | 25 | 57.77 | 13.45 |
| (b) total outstanding dues other than (iii) (a) above | 25 | 4,262.47 | 4,132.47 |
| iv. Other financial liabilities | 26 | 87.98 | 50.02 |
| Contract liabilities | 16 (b) | 2,108.45 | 3,236.13 |
| Employee benefit obligations | 27 | 101.49 | 82.74 |
| Current tax liabilities (Net) | 37 (d) | 144.32 | 73.79 |
| Other current liabilities | 28 | 145.55 | 131.26 |
| Total current liabilities | | 8,466.30 | 9,675.46 |
| Total liabilities | | 10,158.82 | 11,484.62 |
| Total equity and liabilities | | 23,802.25 | 21,806.73 |

The above standalone balance sheet should be read in conjunction with the accompanying notes.
As per our report of even date.

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

Nitin Khatri
Partner
Membership Number: 110282

For Shridhar & Associates
Firm Registration Number: 134427W

Abhishek Pachlangia
Partner
Membership Number: 120593

Place: Jaipur
Date: May 23, 2022

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

Harendra Singh
Chairman and Managing Director
DIN: 00402458

Rajeev Mishra
Chief Financial Officer

Place: Jaipur
Date: May 23, 2022

Ankita Mehra
Company Secretary
Membership No: A33288

Standalone Statement of Profit and Loss

for the year ended March 31, 2022

(Amount in ₹ Millions)

| Particulars | Note | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|--------|------------------------------|------------------------------|
| Revenue from operations | 29 | 36,151.95 | 25,349.70 |
| Other income | 30 | 78.06 | 79.58 |
| Total income | | 36,230.01 | 25,429.28 |
| Expenses | | | |
| Cost of materials consumed | 31 | 17,919.07 | 11,856.52 |
| Contract and site expenses | 32 | 10,762.79 | 7,951.83 |
| Employee benefits expenses | 33 | 1,278.92 | 1,092.60 |
| Finance costs | 34 | 528.49 | 595.55 |
| Depreciation and amortisation expenses | 35 | 850.64 | 844.29 |
| Other expenses | 36 | 343.74 | 267.35 |
| Total expenses | | 31,683.65 | 22,608.14 |
| Profit before tax | | 4,546.36 | 2,821.14 |
| Income tax expense | | | |
| - Current tax | 37 (a) | 1,172.39 | 718.92 |
| - Deferred tax | 37 (a) | (13.63) | (7.38) |
| Total tax expense | | 1,158.76 | 711.54 |
| Profit after tax | | 3,387.60 | 2,109.60 |
| Other comprehensive income | | | |
| Item that will not be reclassified to profit or loss | | | |
| Remeasurements of post-employment benefit obligations | | (18.90) | (4.72) |
| Income tax relating to this item | | 4.76 | 1.19 |
| Other comprehensive income for the year (Net of tax) | | (14.14) | (3.53) |
| Total comprehensive income for the year | | 3,373.46 | 2,106.07 |
| Earnings per equity share of ₹10 each | 50 | | |
| Basic earnings per share (Amount in ₹) | | 51.98 | 32.37 |
| Diluted earnings per share (Amount in ₹) | | 51.98 | 32.37 |

The above standalone of profit and loss should be read in conjunction with the accompanying notes.
As per our report of even date.

For Price Waterhouse & Co Chartered Accountants LLP

Firm Registration No. 304026E / E-300009

Nitin Khatri

Partner

Membership Number: 110282

For Shridhar & Associates

Firm Registration Number: 134427W

Abhishek Pachlangia

Partner

Membership Number: 120593

Place: Jaipur

Date: May 23, 2022

For and on behalf of the Board of Directors

H. G. Infra Engineering Limited

CIN: L45201RJ2003PLC018049

Harendra Singh

Chairman and Managing Director

DIN: 00402458

Rajeev Mishra

Chief Financial Officer

Place: Jaipur

Date: May 23, 2022

Ankita Mehra

Company Secretary

Membership No: A33288



Standalone Cash Flow Statement

for the year ended March 31, 2022

(Amount in ₹ Millions)

| Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|------------------------------|------------------------------|
| A) Cash flow from operating activities | | |
| Profit before tax | 4,546.36 | 2,821.14 |
| Adjustments for: | | |
| Depreciation and amortisation expense | 850.64 | 844.29 |
| Interest Income from financial assets at amortised cost | (57.64) | (65.94) |
| Loss allowances | (5.43) | - |
| Net loss on disposal of property, plant and equipment | 10.87 | 10.93 |
| Net unrealised exchange (gain) | (2.09) | - |
| Rental income on investment property | (1.19) | - |
| Finance costs | 528.49 | 595.55 |
| Operating profit before working capital changes | 5,870.01 | 4,205.97 |
| Changes in working capital: | | |
| (Increase) / decrease in trade receivables | (311.92) | 1,535.60 |
| (Increase) in inventories | (155.44) | (624.78) |
| (Increase) / decrease in contract assets | (953.20) | 853.89 |
| (Increase) / decrease in other current assets | (472.41) | 1.04 |
| (Increase) / decrease in other non current financial assets | (18.25) | 21.43 |
| (Increase) / decrease in other current financial assets | (41.13) | 69.87 |
| Decrease in other non current assets | 15.74 | 1.50 |
| (Decrease) in trade payables | (629.05) | (1,241.34) |
| (Decrease) / increase in contract liabilities | (1,127.68) | 1,147.57 |
| Increase in other current financial liabilities | 11.97 | 0.04 |
| Increase / (decrease) in other current liabilities | 23.15 | (29.82) |
| Increase in employee benefit obligations | 31.96 | 17.68 |
| Net Changes in Working Capital | (3,626.25) | 1,752.68 |
| Cash generated from operations | 2,243.76 | 5,958.65 |
| Income taxes paid (Net of refunds) | (1,103.73) | (685.34) |
| Net cash generated from Operating Activities | 1,140.03 | 5,273.31 |
| B) Cash flow from investing activities | | |
| Investment in subsidiaries | (932.92) | (1,703.87) |
| Payment for purchases of property, plant and equipment (Including CWIP and capital advance) | (675.26) | (976.99) |
| Payment for purchases of Intangible assets | (0.80) | (0.23) |
| Proceed from sale of property, plant and equipment | 101.90 | 111.70 |
| Fixed deposits (placed) / redemption of fixed deposits (Net) | (97.82) | (222.45) |
| Interest received | 57.64 | 65.94 |
| Rental income on investment property | 1.19 | - |
| Loans to employees and related parties | 173.46 | 220.94 |
| Repayment of loans by employees and related parties | (356.35) | (196.40) |
| Net cash used in investing activities | (1,728.96) | (2,701.36) |

Standalone Cash Flow Statement

for the year ended March 31, 2022

(Amount in ₹ Millions)

| Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|------------------------------|------------------------------|
| C) Cash flow from financing activities | | |
| Proceeds from Long Term Borrowings | 565.21 | 1,083.45 |
| (Repayment) of Long Term Borrowings | (1,018.49) | (1,278.55) |
| Proceeds from issue of Non Convertible Debenture | 970.00 | - |
| (Repayment) of Short term Borrowings (Net) | (260.10) | (129.68) |
| (Repayment) of Loans taken from Directors | - | (586.02) |
| Loans taken from Directors | - | 125.67 |
| Dividend paid | (52.14) | - |
| (Repayment of) lease obligation | (14.20) | (33.81) |
| Finance cost paid | (528.45) | (593.35) |
| Net cash used in financing activities | (338.17) | (1,412.29) |
| Net (Decrease) / increase in cash and cash equivalents | (927.10) | 1,159.66 |
| Cash and cash equivalents as at the beginning of the year | 1,399.48 | 239.82 |
| Cash and cash equivalents at the end of the year | 472.38 | 1,399.48 |
| Cash and cash equivalents comprise of the following: | | |
| Cash on hand | 1.35 | 3.47 |
| Deposits with original maturity of less than three months | - | 250.02 |
| Bank balance on current account | 471.03 | 1,145.99 |
| Total | 472.38 | 1,399.48 |
| Non cash investing activities | | |
| - Acquisition of right-of-use of assets (Refer note 3(b)) | 14.87 | 8.39 |

The above statement of cash flow should be read in conjunction with the accompanying notes.

For Price Waterhouse & Co Chartered Accountants LLP

Firm Registration No. 304026E / E-300009

Nitin Khatri

Partner

Membership Number: 110282

For Shridhar & Associates

Firm Registration Number: 134427W

Abhishek Pachlangia

Partner

Membership Number: 120593

Place: Jaipur

Date: May 23, 2022

For and on behalf of the Board of Directors

H. G. Infra Engineering Limited

CIN: L45201RJ2003PLC018049

Harendra Singh

Chairman and Managing Director

DIN: 00402458

Rajeev Mishra

Chief Financial Officer

Place: Jaipur

Date: May 23, 2022

Ankita Mehra

Company Secretary

Membership No: A33288



Standalone Statement of Changes in Equity

for the year ended March 31, 2022

A. Equity share capital

(Amount in ₹ Millions)

| Particulars | Amount |
|---------------------------------|--------|
| As at March 31, 2020 | 651.71 |
| Changes in equity share capital | - |
| As at March 31, 2021 | 651.71 |
| Changes in equity share capital | - |
| As at March 31, 2022 | 651.71 |

B. Other equity

(Amount in ₹ Millions)

| Particulars | Reserves and surplus | | Total other equity |
|--|----------------------|-------------------|--------------------|
| | Securities premium | Retained earnings | |
| As at April 1, 2020 | 2,694.47 | 4,869.86 | 7,564.33 |
| Profit for the year | - | 2,109.60 | 2,109.60 |
| Items that will not be reclassified to profit or loss | | | |
| Add: Remeasurements of post-employment benefit obligations | - | (4.72) | (4.72) |
| Less: Income tax relating to these items | - | 1.19 | 1.19 |
| Total comprehensive income for the year | - | 2,106.07 | 2,106.07 |
| Less: Dividend paid | - | - | - |
| As at March 31, 2021 | 2,694.47 | 6,975.93 | 9,670.40 |
| Profit for the year | - | 3,387.60 | 3,387.60 |
| Item that will not be reclassified to profit or loss | | | |
| Add: Remeasurements of post-employment benefit obligations | - | (18.90) | (18.90) |
| Less: Income tax relating to this item | - | 4.76 | 4.76 |
| Total comprehensive income for the year | - | 3,373.46 | 3,373.46 |
| Less: Dividend paid | - | (52.14) | (52.14) |
| As at March 31, 2022 | 2,694.47 | 10,297.25 | 12,991.72 |

For Price Waterhouse & Co Chartered Accountants LLP

Firm Registration No. 304026E / E-300009

Nitin Khatri

Partner

Membership Number: 110282

For Shridhar & Associates

Firm Registration Number: 134427W

Abhishek Pachlangia

Partner

Membership Number: 120593

Place: Jaipur

Date: May 23, 2022

For and on behalf of the Board of Directors

H. G. Infra Engineering Limited

CIN: L45201RJ2003PLC018049

Harendra Singh

Chairman and Managing Director

DIN: 00402458

Rajeev Mishra

Chief Financial Officer

Place: Jaipur

Date: May 23, 2022

Ankita Mehra

Company Secretary

Membership No: A33288

Notes

to the standalone financial statement as at and for the year ended March 31, 2022

Background

H.G. Infra Engineering Limited ("the Company") is a public limited Company listed on the Bombay Stock Exchange and National Stock Exchange on March 9, 2018. Its registered office is at 14, Panchwati Colony, Ratanada, Jodhpur – 342001, Rajasthan, India.

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

These financial statements were authorized to be issued by the board of directors on May 23, 2022.

Note 1: Significant Accounting Policies

This note provides a list of the significant accounting policies adopted in the preparation of these standalone financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of preparation

(i) Compliance with Ind AS

The financial statements of the Company comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) read with Rule 4 of the Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act.

(ii) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:

- Certain financial assets and financial liabilities measure at fair value;
- Assets held for sale – measured of fair value less cost of sell and
- Defined benefit plans - plan assets measured at fair value

(iii) New and amended standards adopted by the Company

The Company has applied the following amendment to Ind AS for the first time for their annual reporting period commencing 1 April 2021:

- Extension of COVID-19 related concessions – amendments to Ind AS 116

- Interest rate benchmark reform – amendments to Ind AS 109, Financial Instruments, Ind AS 107, Financial Instruments: Disclosures, Ind AS 104, Insurance Contracts and Ind AS 116, Leases.

The amendment listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

(iv) New amendments issued but not effective

The Ministry of Corporate Affairs has vide notification dated 23 March 2022 notified Companies (Indian Accounting Standards) Amendment Rules, 2022 which amends certain accounting standards and are effective 1 April 2022. These amendments are not expected to have a material impact on the Company in the current or future reporting periods and on foreseeable future transactions.

(v) Reclassifications consequent to amendments to Schedule III.

| Balance sheet | March 31, 2021 (as previously reported) | Increase / (Decrease) | March 31, 2021 (restated) |
|--|--|--------------------------|---------------------------------|
| Borrowings financial liabilities (current) | 1,322.13 | 622.90 | 1,945.03 |
| Other financial liabilities (current) | 672.92 | (622.90) | 50.02 |

(b) Operating Cycle

The Company classifies an asset as current when:

- it expects to realise the asset or intends to sell or consume it in normal operating cycle
- it holds the asset primarily for the purpose of trading
- it expects to realise the asset within twelve months after the reporting period or
- the asset is cash or cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.



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All other assets are classified as non-current.

The Company classifies a liability as current when:

- it expects to settle the liability in its normal operating cycle
- it holds the liability primarily for the purpose of trading
- the liability is due to be settled within twelve months after the reporting period, or
- there is no unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current.

Operating cycle

Operating cycle is the time between the acquisition of assets for processing and their realization in cash or cash equivalents.

Based on the nature of operations and the time between the acquisition of assets for processing and their realization in cash or cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current, non current classification of assets and liabilities.

(c) Joint control operation

The Company recognises its direct right to the assets, liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been incorporated in the financial statements under the appropriate headings. Details of the joint operation are set out in note 51.

(d) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM). The Managing Director of the Company has been identified as CODM and he assesses the financial performance and position of the Company, and makes strategic decisions. Refer note 41 for segment information.

(e) Foreign currency translation

(i) Functional and presentation currency

Items included in the standalone financial statements of the entity are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The standalone financial statements are presented in Indian rupee, which is Companies functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognized in profit or loss.

(f) Revenue recognition

The Company derives revenue principally from following streams:

- Construction contracts
- Sale of Services (Operation and Maintenance contracts)

(i) Construction contracts

The Company recognises revenue from engineering, procurement and construction contracts ('EPC') over the period of time, as performance obligations are satisfied over time due to continuous transfer of control to the customer. EPC contracts are generally accounted for as a single performance obligation as it involves complex integration of goods and services.

The performance obligations are satisfied over time as the work progresses. The Company recognises revenue using input method (i.e percentage-of-completion method), based primarily on contract cost incurred to date compared to total estimated contract costs. Changes to total estimated contract costs, if any, are recognised in the period in which they are determined as assessed at the contract level. If the consideration in the contract includes price variation clause or there are amendments in contracts, the Company estimates the amount of consideration to which it will be entitled in exchange for work performed.

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Due to the nature of the work required to be performed on many of the performance obligations, the estimation of total revenue and cost of completion is complex, subject to many variables and requires significant judgment. Variability in the transaction price arises primarily due to liquidated damages, price variation clauses, changes in scope, incentives, if any. The Company considers its experience with similar transactions and expectations regarding the contract in estimating the amount of variable consideration to which it will be entitled and determining whether the estimated variable consideration should be constrained. The Company includes estimated amounts in the transaction price to the extent it is probable that a significant reversal of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is resolved. The estimates of variable consideration are based largely on an assessment of anticipated performance and all information (historical, current and forecasted) that is reasonably available.

Progress billings are generally issued upon completion of certain phases of the work as stipulated in the contract. Billing terms of the over-time contracts vary but are generally based on achieving specified milestones. The difference between the timing of revenue recognised and customer billings result in changes to contract assets and contract liabilities. Payment is generally due upon receipt of the invoice, payable within 90 days or less. Contractual retention amounts billed to customers are generally due upon expiration of the contract period.

The contracts generally result in revenue recognised in excess of billings which are presented as contract assets on the statement of financial position. Amounts billed and due from customers are classified as receivables on the statement of financial position. The portion of the payments retained by the customer until final contract settlement is not considered a significant financing component since it is usually intended to provide customer with a form of security for Company's remaining performance as specified under the contract, which is consistent with the industry practice. Contract liabilities represent amounts billed to customers in excess of revenue recognised till date. A liability is recognised

for advance payments and it is not considered as a significant financing component because it is used to meet working capital requirements at the time of project mobilisation stage. The same is presented as contract liability in the statement of financial position.

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by management.

For construction contracts the control is transferred over time and revenue is recognised based on the extent of progress towards completion of the performance obligations. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately. The percentage of completion was calculated according to the nature and the specific risk of each contract in order to reflect the effective completion of the project. This percentage of completion could be based on technical milestones or as per the contractual terms specified. A construction contract is considered completed when the last technical milestone is achieved, which occurs upon contractual transfer of ownership of the asset.

(ii) Sale of Services (Operation and Maintenance contracts)

Revenue from providing operating and maintenance services is recognised in the accounting period in which the services are rendered. Invoices are issued according to contractual terms and are usually payable as per the credit period agreed with the customer.

(iii) Interest income

Interest income from financial assets at fair value through profit or loss is disclosed as interest income within other income. Interest income on financial assets at amortised cost using the effective interest method is recognised in the statement of profit and loss as part of other income.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently



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to the standalone financial statement as at and for the year ended March 31, 2022

become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

(iv) Other income

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

(g) Income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Company measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses / tax credits only if it is probable that future taxable amounts will be available to utilise those temporary differences.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities

are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

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

(h) Leases

As a lessee

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable and
- payments of penalties for terminating the lease, if the lease term reflects the Company exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Company:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by Company, which does not have recent third party

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financing, and makes adjustments specific to the lease, e.g. term, country, currency and security.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Payments associated with short-term leases of equipment and all leases of low-value assets are recognized on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture.

(i) Impairment of non-financial assets

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

(j) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

(k) Trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Company holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance.

(l) Inventories

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

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

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to complete the contract.

(m) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument.



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to the standalone financial statement as at and for the year ended March 31, 2022

Financial Assets:

Classification

The Company classifies its financial assets in the following measurement categories:

- those measured subsequently at fair value (either through other comprehensive income, or through profit or loss) and
- those measured at amortized cost.

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

Initial recognition and measurement

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

Subsequent measurement

After initial recognition, financial assets are measured at:

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

When assets are measured at fair value, gains and losses are either recognised in the statement of profit and loss (i.e. fair value through profit or loss (FVTPL)), or recognised in other comprehensive income (i.e. fair value through other comprehensive income (FVOCI)).

- (i) Financial assets measured at amortised cost:

Assets that are held for collecting contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in financial income using effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gain/(losses).

- (ii) Financial assets measured at Fair Value through Other Comprehensive Income ("FVTOCI"):

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains of losses, interest income and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in other income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in statement of profit and loss.

- (iii) Financial assets measured at Fair Value through Profit or Loss ("FVTPL"):

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

Debt instruments

Subsequent measurement of debt instruments depends on the Company business model for managing the asset and the cash flow characteristics of the asset. Debt instrument are classified as amortised cost instruments.

Impairment of Financial Assets

The Company assesses on a forward looking basis the expected credit losses (ECL) associated with its financial assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 39(i) details how the Company determines whether there has been a significant increase in credit risk.

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to the standalone financial statement as at and for the year ended March 31, 2022

For trade receivables (including contract assets), the Company applies the simplified approach required by Ind AS 109, which requires lifetime ECL to be recognised as loss allowances.

Derecognition of Financial Assets

A financial asset is derecognized only when:

- the Company has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognized. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognized.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognized if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognized to the extent of continuing involvement in the financial asset.

Financial Liabilities:

Initial recognition and measurement

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

Subsequent Measurement

Financial liabilities are classified as measured at amortized cost. Financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in statement of profit and loss. Any gain or loss on derecognition is also recognized in statement of profit and loss.

Derecognition

A financial liability is derecognized when the obligation specified in the contract is discharged, cancelled or expires. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss as other gains/(losses).

(n) Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount is reported in the Balance Sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

(o) Property, plant and equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.



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to the standalone financial statement as at and for the year ended March 31, 2022

Depreciation methods, estimated useful lives and residual value

Depreciation is provided on a pro-rata basis on the written down value (WDV) / Straight Line Method (SLM) over the estimated useful lives of the assets, based on technical evaluation done by management's expert, which are higher than those specified by Schedule II to the Companies Act, 2013, in order to reflect the actual usage of the assets. The useful life, residual value and the depreciation method are reviewed at least at each financial year end. If the expectations differ from previous estimates, the changes are accounted for prospectively as a change in accounting estimate.

The management estimates useful lives of the tangible fixed assets as follows:

| | Life in year | Depreciation method |
|------------------------|--------------|---------------------|
| Building | 60 | SLM |
| Plant and machinery | 20/15 | WDV |
| Shuttering | 5 | SLM |
| Computers | 3 | SLM |
| Furniture and fixtures | 10 | SLM |
| Vehicles | 8 | WDV |

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains/(losses). (Also refer note 2(a)).

(p) Non-current assets held for sale

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

An impairment loss is recognised for any initial or subsequent write-down of the asset to fair value less costs to sell. A gain is recognised for any subsequent increases

in fair value less costs to sell of an asset, but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset is recognised at the date of de-recognition.

Non-current assets are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

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

(q) Investment Property

Property that is held for long-term rental yields or for capital appreciation or both, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

Investment properties are depreciated using the straightline method over their estimated useful lives. Investment properties generally have a useful life of 60 years. The useful life has been determined based on technical evaluation performed by the management expert.

(r) Intangible assets

Costs associated with maintaining software programmes are recognised as an expense as incurred.

Purchases costs are recorded as intangible assets and amortised from the point at which the asset is available for use.

Transition to Ind AS

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

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Amortisation methods and periods

The Company amortises intangible assets with a finite useful life using the straight-line method over the following periods:

| | Life in year | Depreciation method |
|-------------------|-----------------|------------------------|
| Computer Software | 6 | SLM |

(s) Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. The amounts are unsecured. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period.

(t) Borrowings

Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in profit or loss over the period of the borrowings using the effective interest method.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

(u) Provisions and contingent liabilities

Provisions

Provisions are recognised when Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required

to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Contingent liabilities

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

(v) Employee benefits

(i) Short term obligations

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

(ii) Other long term employee benefit obligations

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



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The obligations are presented as current liabilities in the balance sheet if the company does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

(iii) Post-employment obligations

The company operates the following post-employment schemes.

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

Gratuity obligations

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

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

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

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

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

Defined contribution plans

The company pays contribution to defined contribution schemes such as provident fund etc. The company has no further payment obligation once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognized as employee benefit expense when they are due.

Bonus plans

The Company recognises a liability and an expense for bonuses. The Company recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

(w) Contributed equity

Equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(x) Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

(y) Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- The profit attributable to owners of the company
- By the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and

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- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

(z) Rounding of amounts

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

Note 2: Critical estimates and judgments

The preparation of the financial statements requires use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgment in applying the Company's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgments or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgments is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

The areas involving critical estimates or judgments are:

(a) Estimation of useful life of Property, plant and equipment

The Company estimates the useful life of the Property, plant and equipment as mentioned in Note 1(o) above, which is based on the expected technical obsolescence of such assets. However, the actual useful life may be shorter or longer than the life estimated, depending on technical innovations and competitor actions.

(b) Estimation of defined benefit obligation

The cost of the defined benefit gratuity plan and other post-employment employee benefits and the present value

of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation. The mortality rate is based on publicly available Indian Assured Lives Mortality (2012-14) Ultimate. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for the respective countries. Refer note 44 for key actuarial assumptions.

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

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Company uses its judgment to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. Refer note 38 on fair value measurements where the assumptions and methods to perform the same are stated.

(d) Revenue recognition for construction contract

Refer note 1(f) and note 52

(e) Impairment of trade receivables (including Contract Assets) – Refer note 1(k) and 7, 11, 16(a) and 39(i)



Notes

forming part of the standalone financial statement as at and for the year ended March 31, 2022

Note 3 (a) - Property, plant and equipment

| Particulars | Freehold Land | Building | Plant and Equipment | Vehicles | Computers | Furnitures and fixtures | Total | Capital work-in-progress |
|---|---------------|----------|---------------------|----------|-----------|-------------------------|----------|--------------------------|
| (Amount in ₹ Millions) | | | | | | | | |
| Year ended March 31, 2021 | | | | | | | | |
| Gross carrying amount | | | | | | | | |
| Opening gross carrying amount | 133.46 | 161.02 | 6,233.47 | 190.95 | 36.41 | 142.74 | 6,898.05 | 111.37 |
| Additions | 9.63 | 7.62 | 901.90 | 26.19 | 10.84 | 19.02 | 975.20 | 222.93 |
| Disposals / Capitalisation | - | (3.15) | (263.03) | (5.52) | - | (0.02) | (271.72) | (316.23) |
| Closing gross carrying amount | 143.09 | 165.49 | 6,872.34 | 211.62 | 47.25 | 161.74 | 7,601.53 | 18.07 |
| Accumulated depreciation | | | | | | | | |
| Opening accumulated depreciation | - | 11.98 | 1,965.21 | 94.75 | 22.56 | 45.14 | 2,139.64 | - |
| Depreciation charge during the year | - | 2.53 | 746.53 | 31.67 | 8.55 | 16.60 | 805.88 | - |
| Disposals | - | (0.22) | (134.03) | (4.29) | - | - | (138.54) | - |
| Closing accumulated depreciation | - | 14.29 | 2,577.71 | 122.13 | 31.11 | 61.74 | 2,806.98 | - |
| Net carrying amount as on March 31, 2021 | 143.09 | 151.20 | 4,294.63 | 89.49 | 16.14 | 100.00 | 4,794.55 | 18.07 |
| Year ended March 31, 2022 | | | | | | | | |
| Gross carrying amount | | | | | | | | |
| Opening gross carrying amount | 143.09 | 165.49 | 6,872.34 | 211.62 | 47.25 | 161.74 | 7,601.53 | 18.07 |
| Additions | - | 16.54 | 640.78 | 27.21 | 17.63 | 22.98 | 725.14 | 599.09 |
| Disposals / Capitalisation | - | - | (141.88) | (1.26) | (0.13) | (0.11) | (143.38) | (595.65) |
| Transfers to investment properties (Refer Note 4) | - | (96.38) | - | - | - | - | (96.38) | - |
| Transfer to assets held for sale (Refer note 18) | (9.63) | - | - | - | - | - | (9.63) | - |
| Closing gross carrying amount | 133.46 | 85.65 | 7,371.24 | 237.57 | 64.75 | 184.61 | 8,077.28 | 21.51 |
| Accumulated depreciation | | | | | | | | |
| Opening accumulated depreciation | - | 14.29 | 2,577.71 | 122.13 | 31.11 | 61.74 | 2,806.98 | - |
| Depreciation charge during the year | - | 1.25 | 765.95 | 32.26 | 8.99 | 19.58 | 828.03 | - |
| Disposals | - | - | (21.20) | (0.43) | (0.04) | (0.08) | (21.75) | - |
| Transfers to investment properties (Refer Note 4) | - | (8.47) | - | - | - | - | (8.47) | - |
| Closing accumulated depreciation | - | 7.07 | 3,322.46 | 153.96 | 40.06 | 81.24 | 3,604.79 | - |
| Net carrying amount as on March 31, 2022 | 133.46 | 78.58 | 4,048.78 | 83.61 | 24.69 | 103.37 | 4,472.49 | 21.51 |

Notes:

- 1) Refer capital commitments Note 48 (a) for disclosure of contractual commitment for acquisition of property, plant and equipment.
- 2) Refer note 45 for information on property, plant and equipment hypothecated and mortgaged as security by the Company.
- 3) Capital work-in-progress mainly comprises of Plant and Equipments.

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Capital work-in-progress (CWIP)

Aging of CWIP - Balance as at March 31, 2022:

(Amount in ₹ Millions)

| Particulars | Amount in CWIP for a period of | | | | Total |
|--------------------------------|--------------------------------|-----------|-----------|-------------------|-------|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Projects in progress | 21.51 | - | - | - | 21.51 |
| Projects temporarily suspended | - | - | - | - | - |

No CWIP project mentioned above is overdue or exceeded its cost compared to its original plan.

Aging of CWIP - Balance as at March 31, 2021:

(Amount in ₹ Millions)

| Particulars | Amount in CWIP for a period of | | | | Total |
|--------------------------------|--------------------------------|-----------|-----------|-------------------|-------|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Projects in progress | 18.07 | - | - | - | 18.07 |
| Projects temporarily suspended | - | - | - | - | - |

No CWIP project mentioned above is overdue or exceeded its cost compared to its original plan.

Note 3 (b) - Leases

(i) Amounts recognised in Balance sheet

The balance sheet shows following amounts relating to leases:

(Amount in ₹ Millions)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|------------------------------|-------------------------|-------------------------|
| Right- of use- assets | | |
| Land | 12.42 | 10.44 |
| | 12.42 | 10.44 |

(Amount in ₹ Millions)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|--------------------------|-------------------------|-------------------------|
| Lease Liabilities | | |
| Current | 9.73 | 10.57 |
| Non -current | 2.57 | 1.06 |
| | 12.30 | 11.63 |

(ii) Amounts recognised in the statement of profit and loss

The statement of profit and loss shows following amounts relating to leases:

(Amount in ₹ Millions)

| Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
|--|------------------------------|------------------------------|
| Depreciation of right-of-use assets | | |
| Land | 11.62 | 14.31 |
| Building | 1.27 | 5.20 |
| Plant and machinery | - | 12.16 |
| | 12.89 | 31.67 |



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(Amount in ₹ Millions)

| Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|------------------------------|------------------------------|
| Finance cost | | |
| Interest and finance charges on lease liabilities | 0.33 | 1.80 |
| Other expenses | | |
| Lease rent | 54.36 | 33.42 |
| | 54.69 | 35.22 |

The total cash outflow for the leases for the year ended March 31, 2022 was ₹14.53 Million (March 31, 2021 ₹35.61 Million).

Acquisition of right-of-use of assets for the year ended March 31, 2022 was ₹14.87 Million (March 31, 2021 ₹8.39 Million).

Note 4 - Investment Properties

(Amount in ₹ Millions)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|-------------------------|-------------------------|
| Gross carrying amount | - | - |
| Transfer from Property, Plant and Equipment (Refer Note 3(a)) | 96.38 | - |
| Closing gross carrying amount | 96.38 | - |
| Accumulated depreciation | | |
| Opening accumulated depreciation | - | - |
| Transfer from Property, Plant and Equipment (Refer Note 3(a)) | 8.47 | - |
| Depreciation charge during the year | 1.49 | - |
| Closing accumulated depreciation | 9.96 | - |
| Net carrying amount | 86.42 | - |

(i) The investment property consists of buildings.

(ii) Amounts recognised in the Statement of profit and loss for investment properties:

(Amount in ₹ Millions)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|--|-------------------------|-------------------------|
| Income from investment property (Refer note 30) | 1.19 | - |
| Profit from investment properties before depreciation | 1.19 | - |
| Depreciation | 1.49 | - |
| Loss from investment properties | (0.30) | - |

Leasing arrangements

(a) Operating leases

The Company has given certain investment properties on operating lease. These lease arrangements range for a period between one to eleven months and include both cancellable and non-cancellable leases. Most of the leases are renewable for further period on mutually agreeable terms. With respect to non-cancellable operating lease, the future minimum lease payment as at Balance Sheet date is as under (Refer Note 47):

Notes

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(Amount in ₹ Millions)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|-------------------------|-------------------------|
| Within one year | 1.19 | - |
| Later than one year but not later than five years | - | - |
| Total | 1.19 | - |

(iv) Fair value of investment properties

(Amount in ₹ Millions)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|-----------------------|-------------------------|-------------------------|
| Investment properties | 139.21 | - |

Estimation of fair value

The fair valuation is based on current prices in the active market for similar properties. The main inputs used are quantum, area, location, demand, rental growth rates, expected vacancy rates, terminal yields and discount rates. All resulting fair value estimates for investment properties are included in level 3. The Company has obtained independent valuations report of investment properties from the registered valuer.

Note 5 - Intangible assets

(Amount in ₹ Millions)

| Software License | Amount |
|---|--------------|
| Year ended March 31, 2021 | |
| Gross Carrying Amount | |
| Opening Gross Carrying Amount | 44.26 |
| Additions | 0.23 |
| Disposals | - |
| Closing Gross Carrying Amount | 44.49 |
| Accumulated amortisation | |
| Opening Accumulated amortisation | 12.06 |
| Amortisation Charge for the year | 6.74 |
| Disposals | - |
| Closing Accumulated amortisation | 18.80 |
| Net Carrying Amount as on March 31, 2021 | 25.69 |
| Year ended March 31, 2022 | |
| Gross Carrying Amount | |
| Opening Gross Carrying Amount | 44.49 |
| Additions | 0.80 |
| Disposals | - |
| Closing Gross Carrying Amount | 45.29 |
| Accumulated amortisation | |
| Opening Accumulated amortisation | 18.80 |
| Amortisation Charge for the year | 8.23 |
| Disposals | - |
| Closing Accumulated Depreciation | 27.03 |
| Net Carrying Amount as on March 31, 2022 | 18.26 |



Notes

forming part of the standalone financial statement as at and for the year ended March 31, 2022

Note 6 - Investment

| (Amount in ₹ Millions) | | |
|---|-------------------------|-------------------------|
| Particulars | As at March 31, 2022 | As at March 31, 2021 |
| Non current investment | | |
| Investment in equity instruments (Fully paid-up) | | |
| Investments in subsidiary (unquoted Investments - cost)* | | |
| 66,030,000 (March 31, 2021: 61,980,000) equity shares of Gurgaon Sohna Highway Private Limited | 728.94 | 656.04 |
| 38,225,000 (March 31, 2021: 38,225,000) equity shares of H.G. Rewari Ateli Highway Private Limited | 382.25 | 382.25 |
| 95,211,000 (March 31, 2021: 95,211,000) equity shares of H.G. Ateli Narnaul Highway Private Limited | 952.11 | 952.11 |
| 1,008,335 (March 31, 2021: 913,335) equity shares of H.G. Rewari Bypass Private Limited | 465.00 | 413.70 |
| 381,174 (March 31, 2021: Nil) equity shares of H.G. Raipur Visakhapatnam AP-1 Private Limited | 379.70 | - |
| 150,000 (March 31, 2021: Nil) equity shares of H.G. Khammam Devarapalle Pkg-1 Private Limited | 1.50 | - |
| 150,000 (March 31, 2021: Nil) equity shares of H.G. Khammam Devarapalle Pkg-2 Private Limited | 1.50 | - |
| 150,000 (March 31, 2021: Nil) equity shares of H.G. Raipur Visakhapatnam OD-5 Private Limited | 1.50 | - |
| 150,000 (March 31, 2021: Nil) equity shares of H.G. Raipur Visakhapatnam OD-6 Private Limited | 1.50 | - |
| Investments in instruments entirely equity in nature** | | |
| Investment in optionally convertible unsecured loan of H.G. Rewari Ateli Highway Private Limited | 305.85 | 149.25 |
| Investment in optionally convertible unsecured loan of H.G. Ateli Narnaul Highway Private Limited | 283.32 | 58.77 |
| Investment in optionally convertible unsecured loan of H.G. Raipur Visakhapatnam AP-1 Private Limited | 8.32 | - |
| Investment in optionally convertible unsecured loan of H.G. Khammam Devarapalle Pkg-1 Private Limited | 2.37 | - |
| Investment in optionally convertible unsecured loan of H.G. Khammam Devarapalle Pkg-2 Private Limited | 2.37 | - |
| Investment in optionally convertible unsecured loan of H.G. Raipur Visakhapatnam OD-5 Private Limited | 28.31 | - |
| Investment in optionally convertible unsecured loan of H.G. Raipur Visakhapatnam OD-6 Private Limited | 0.50 | - |
| | 3,545.04 | 2,612.12 |
| Aggregate amount of unquoted investments | 3,545.04 | 2,612.12 |

31,609,800 Equity shares (Previous year 31,609,800 Equity shares) of Gurgaon Sohna Highway Private Limited pledged with the lender for loans taken by Gurgaon Sohna Highway Private Limited.

19,494,750 Equity shares (Previous year 19,494,750 Equity shares) of H.G. Rewari Ateli Highway Private Limited pledged with the lender for loans taken by H.G. Rewari Ateli Highway Private Limited.

Notes

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48,557,610 Equity shares (Previous year 48,557,610 Equity shares) of H.G. Ateli Narnaul Highway Private Limited pledged with the lender for loans taken by H.G. Ateli Narnaul Highway Private Limited.

302,501 Equity shares (Previous year 274,001 Equity shares) of H.G. Rewari Bypass Private Limited pledged with the lender for loans taken by H.G. Rewari Bypass Private Limited.

*The Company secures contracts by submitting bids in response to tenders. Subsequent to award of contract the company is required to form Special Purpose Vehicle (SPV) Companies (subsidiary Companies) to execute the awarded projects. As at March 31, 2022 the company has 9 SPV's (March 31, 2021 4 SPV's) as above.

**Terms of optionally convertible unsecured loan

The SPVs have a sole option / discretion to convert loan's in whole to equity shares at any time during the tenure of loan. If the conversion is exercised, loans shall be converted into a fixed number of equity shares at a fixed price of ₹10 each. The equity shares derived from the conversion of the loan's shall rank pari passu with the existing Shares of the SPVs with respect to all rights therein and the Company shall have the same rights in respect of such Shares as the other Shares held by the existing Shareholder/(s). Further, the SPVs have a sole option / discretion to redeem loans in whole at any time during the tenor of the loan's.

Note 7 - Trade receivables

(Amount in ₹ Millions)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|--|-------------------------|-------------------------|
| Non current trade receivables (Unsecured) | | |
| Trade receivables from contract with customers | 72.23 | 65.43 |
| Less: Loss allowance (Refer note 39(i)) | (31.00) | (24.73) |
| Total | 41.23 | 40.70 |

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

Aging of trade receivables - Balance as on March 31, 2022:

(Amount in ₹ Millions)

| Particulars | Outstanding for following periods from due date of payment | | | | | | | Total |
|--|--|--------------|--------------------|-------------------|-----------|-----------|-------------------|--------------|
| | Unbilled | Not Due | Less than 6 months | 6 months - 1 year | 1-2 years | 2-3 years | More than 3 years | |
| (i) Undisputed trade receivables – considered good | - | 41.23 | - | - | - | - | - | 41.23 |
| (ii) Undisputed trade receivables – which have significant increase in credit risk | - | 19.04 | - | - | - | - | 11.96 | 31.00 |
| (iii) Undisputed trade receivables – credit impaired | - | - | - | - | - | - | - | - |
| (iv) Disputed trade receivables – considered good | - | - | - | - | - | - | - | - |
| (v) Disputed trade receivables – which have significant increase in credit risk | - | - | - | - | - | - | - | - |
| (vi) Disputed trade receivables – credit impaired | - | - | - | - | - | - | - | - |
| Total | - | 60.27 | - | - | - | - | 11.96 | 72.23 |
| Less: Loss Allowance | | | | | | | | (31.00) |
| Total trade receivable (net) | | | | | | | | 41.23 |



Notes

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Aging of trade receivables - Balance as on March 31, 2021:

(Amount in ₹ Millions)

| Particulars | Outstanding for following periods from due date of payment | | | | | | | Total |
|--|--|--------------|--------------------|------------------|-------------|-----------|-------------------|--------------|
| | Unbilled | Not Due | Less than 6 months | 6 months -1 year | 1-2 years | 2-3 years | More than 3 years | |
| (i) Undisputed trade receivables – considered good | - | 25.31 | - | - | 0.98 | - | 14.41 | 40.70 |
| (ii) Undisputed trade receivables – which have significant increase in credit risk | - | 1.18 | - | - | 0.23 | - | 23.32 | 24.73 |
| (iii) Undisputed trade receivables – credit impaired | - | - | - | - | - | - | - | - |
| (iv) Disputed trade receivables– considered good | - | - | - | - | - | - | - | - |
| (v) Disputed trade receivables – which have significant increase in credit risk | - | - | - | - | - | - | - | - |
| (vi) Disputed trade receivables – credit impaired | - | - | - | - | - | - | - | - |
| Total | - | 26.49 | - | - | 1.21 | - | 37.73 | 65.43 |
| Less: Loss allowance | | | | | | | | (24.73) |
| Total trade receivable (net) | | | | | | | | 40.70 |

| Break-up of security details: | As at March 31, 2022 | As at March 31, 2021 |
|--|----------------------|----------------------|
| Trade receivables considered good – Secured | - | - |
| Trade receivables considered good – Unsecured | 41.23 | 40.70 |
| Trade receivables which have significant increase in credit risk | 31.00 | 24.73 |
| Trade receivables – credit impaired | - | - |
| Total | 72.23 | 65.43 |
| Less: Loss allowance | (31.00) | (24.73) |
| | 41.23 | 40.70 |

Refer Note 39 (i) for movement of loss allowance and credit risk.

Note 8 - Other financial assets

(Amount in ₹ Millions)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|----------------------|----------------------|
| Other non current financial assets | | |
| Margin money deposits | 255.14 | 85.22 |
| Security deposits | 51.08 | 32.83 |
| | 306.22 | 118.05 |

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

Notes

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Note 9 - Other non current assets

(Amount in ₹ Millions)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|--|-------------------------|-------------------------|
| Capital advances | 6.87 | 32.15 |
| Balances with government authorities (VAT) | 0.13 | 15.87 |
| | 7.00 | 48.02 |

Note 10 - Inventories

(Amount in ₹ Millions)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|-------------------------|-------------------------|
| Project materials [(including material in transit amounts to ₹158.02 Million) (March 31, 2021 ₹84.15 Million)] | 1,602.65 | 1,426.85 |
| Stores and Spares | 232.87 | 253.23 |
| | 1,835.52 | 1,680.08 |

Note 11 - Trade receivables

(Amount in ₹ Millions)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|--|-------------------------|-------------------------|
| Current trade receivables (Unsecured) | | |
| Trade receivables from contract with customers | 6,104.67 | 5,877.90 |
| Trade receivables from contract with customers - related parties (Refer note 43) | 898.95 | 850.99 |
| Less: Loss allowance (Refer note 39(ii)) | (50.16) | (194.51) |
| | 6,953.46 | 6,534.38 |

Note: Trade receivables include retentions of ₹1,761.97 Million (March 31, 2021 ₹2,188.35 Million) related to construction contracts.

Certain retention money receivables which are contractually due after one year however which can be released early on submission of bank guarantee have been considered as current considering the past history and management expectation.

Ageing of trade receivables - Balance as on March 31, 2022:

(Amount in ₹ Millions)

| Particulars | Outstanding for following periods from due date of payment | | | | | | | Total |
|--|--|----------|--------------------|-------------------|-----------|-----------|-------------------|----------|
| | Unbilled | Not Due | Less than 6 months | 6 months - 1 year | 1-2 years | 2-3 years | More than 3 years | |
| (i) Undisputed trade receivables – considered good | 131.74 | 5,116.97 | 1,489.90 | 73.68 | - | 7.00 | 134.17 | 6,953.46 |
| (ii) Undisputed trade receivables – which have significant increase in credit risk | - | - | - | - | - | - | 50.16 | 50.16 |
| (iii) Undisputed trade receivables – credit impaired | - | - | - | - | - | - | - | - |
| (iv) Disputed trade receivables – considered good | - | - | - | - | - | - | - | - |



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| Particulars | Outstanding for following periods from due date of payment | | | | | | | Total |
|---|--|-----------------|--------------------|------------------|-----------|-------------|-------------------|-----------------|
| | Unbilled | Not Due | Less than 6 months | 6 months -1 year | 1-2 years | 2-3 years | More than 3 years | |
| (v) Disputed trade receivables – which have significant increase in credit risk | - | - | - | - | - | - | - | - |
| (vi) Disputed trade receivables – credit impaired | - | - | - | - | - | - | - | - |
| Total | 131.74 | 5,116.97 | 1,489.90 | 73.68 | - | 7.00 | 184.33 | 7,003.62 |
| Less: Loss allowance | | | | | | | | (50.16) |
| Total trade receivable (net) | | | | | | | | 6,953.46 |

Ageing of trade receivables - Balance as on March 31, 2021: (Amount in ₹ Millions)

| Particulars | Outstanding for following periods from due date of payment | | | | | | | Total |
|--|--|-----------------|--------------------|------------------|--------------|--------------|-------------------|-----------------|
| | Unbilled | Not Due | Less than 6 months | 6 months -1 year | 1-2 years | 2-3 years | More than 3 years | |
| (i) Undisputed trade receivables – considered good | - | 4,600.52 | 1,666.78 | 56.19 | 13.56 | 86.07 | 111.26 | 6,534.38 |
| (ii) Undisputed trade receivables – which have significant increase in credit risk | - | - | - | - | - | - | 194.51 | 194.51 |
| (iii) Undisputed trade receivables – credit impaired | - | - | - | - | - | - | - | - |
| (iv) Disputed trade receivables– considered good | - | - | - | - | - | - | - | - |
| (v) Disputed trade receivables – which have significant increase in credit risk | - | - | - | - | - | - | - | - |
| (vi) Disputed trade receivables – credit impaired | - | - | - | - | - | - | - | - |
| Total | - | 4,600.52 | 1,666.78 | 56.19 | 13.56 | 86.07 | 305.77 | 6,728.89 |
| Less: Loss allowance | | | | | | | | (194.51) |
| Total trade receivable (net) | | | | | | | | 6,534.38 |

(Amount in ₹ Millions)

| Break-up of security details: | As at March 31, 2022 | As at March 31, 2021 |
|--|----------------------|----------------------|
| Trade receivables considered good – Secured | - | - |
| Trade receivables considered good – Unsecured | 6,953.46 | 6,534.38 |
| Trade receivables which have significant increase in credit risk | 50.16 | 194.51 |
| Trade receivables – credit impaired | - | - |
| Total | 7,003.62 | 6,728.89 |
| Less: Loss allowance | (50.16) | (194.51) |
| | 6,953.46 | 6,534.38 |

Refer Note 39 (i) for movement of loss allowance and credit risk.

Notes

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Note 12 - Cash and cash equivalents

(Amount in ₹ Millions)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|-------------------------|-------------------------|
| Balances with banks | | |
| - In current accounts | 471.03 | 1,145.99 |
| Deposits with original maturity of less than three months | - | 250.02 |
| Cash on hand | 1.35 | 3.47 |
| | 472.38 | 1,399.48 |

Note 13 - Bank balances other than cash and cash equivalents

(Amount in ₹ Millions)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|-----------------------|-------------------------|-------------------------|
| Margin money deposit* | 1,112.61 | 1,184.70 |
| | 1,112.61 | 1,184.70 |

* Margin money deposits represent fixed deposits made by the Company against bank guarantee.

Note 14 - Loans

(Amount in ₹ Millions)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|-------------------------|-------------------------|
| Loan to Subsidiary (Refer note 43 and 49) | 221.69 | 43.90 |
| Loan to employees | 11.06 | 5.96 |
| | 232.75 | 49.86 |

(Amount in ₹ Millions)

| Break-up of security details: | As at March 31, 2022 | As at March 31, 2021 |
|---|-------------------------|-------------------------|
| Loan considered good – Secured | - | - |
| Loan considered good – Unsecured | 232.75 | 49.86 |
| Loan which have significant increase in credit risk | - | - |
| Loan – credit impaired | - | - |
| Total | 232.75 | 49.86 |
| Less: Loss allowance | - | - |
| | 232.75 | 49.86 |

Note 15 - Other Financial Assets

(Amount in ₹ Millions)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|-------------------------|-------------------------|
| Other receivable against deferred guarantee commission income (Refer note 43) | 0.74 | 33.74 |
| Security deposits | 6.05 | - |
| Other receivable (Refer note 43) | 74.06 | 5.99 |
| Less: Loss allowance (Refer note 39(i)) | (6.49) | - |
| | 74.36 | 39.73 |



Notes

forming part of the standalone financial statement as at and for the year ended March 31, 2022

Note 16 (a) - Contract assets

(Amount in ₹ Millions)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|-------------------------|-------------------------|
| Amount due from customers for contract works | 3,642.77 | 2,665.42 |
| Less: Provision for expected loss on construction contracts | (24.15) | - |
| Less: Loss allowance (Refer note 39(i)) | (106.78) | (11.00) |
| | 3,511.84 | 2,654.42 |

Note 16 (b) - Contract liabilities

(Amount in ₹ Millions)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|--------------------------------------|-------------------------|-------------------------|
| Contract liabilities (Refer note 52) | 2,108.45 | 3,236.13 |
| | 2,108.45 | 3,236.13 |

Significant changes in contract assets and liabilities

Contract assets have increased as the Company has completed work ahead of the agreed payment schedules for construction contracts. The Company also recognised a loss allowance for contract assets in accordance with Ind AS 109. Contract liabilities have decreased as mobilisation advance has been adjusted against the billing made by the Company.

Note 17 - Other current assets

(Amount in ₹ Millions)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|--|-------------------------|-------------------------|
| Advances to suppliers | 146.93 | 79.72 |
| Advance to sub contractor | 104.88 | 21.85 |
| Other advances | | |
| Prepayments | 148.92 | 125.67 |
| Advance to employees | 3.66 | 2.50 |
| Receivable from JV partner | 1.18 | - |
| Goods and Services Tax (GST) recoverable | 565.96 | 269.38 |
| | 971.53 | 499.12 |

Note 18 - Assets classified as held for sale

(Amount in ₹ Millions)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---------------|-------------------------|-------------------------|
| Freehold Land | 9.63 | - |
| | 9.63 | - |

Notes

forming part of the standalone financial statement as at and for the year ended March 31, 2022

Note 19 - Equity share capital

(Amount in ₹ Millions)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|-------------------------|-------------------------|
| Authorised: | | |
| 80,000,000 (March 31, 2021: 80,000,000) Equity Shares of ₹10 each | 800.00 | 800.00 |
| Issued | | |
| 65,171,111 (March 31, 2021: 65,171,111) Equity Shares of ₹10 each | 651.71 | 651.71 |
| Subscribed and Paid up | | |
| 65,171,111 (March 31, 2021: 65,171,111) Equity Shares of ₹10 each | 651.71 | 651.71 |
| | 651.71 | 651.71 |

(a) Movement in equity share capital

(Amount in ₹ Millions)

| Particulars | As at March 31, 2022 | | As at March 31, 2021 | |
|-------------------------------------|----------------------|---------------|----------------------|---------------|
| | Number of Shares | Amount | Number of Shares | Amount |
| Balance as at beginning of the year | 6,51,71,111 | 651.71 | 6,51,71,111 | 651.71 |
| Add: Shares issued during the year | - | - | - | - |
| Balance as at end of the year | 6,51,71,111 | 651.71 | 6,51,71,111 | 651.71 |

(b) Terms and rights attached to equity shares

The Company has a single class of equity shares. Accordingly, all equity rank equally with regard to dividends and share in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to its share of the paid-up equity capital that has not been paid. On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.

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

| Equity shares | Number of Shares | % holding |
|---|----------------------|-----------------|
| Hodal Singh | 100 | 0.00% |
| (As at March 31, 2021) | (4,83,88,683) | (74.25%) |
| Girishpal Singh Family Trust | 1,61,86,440 | 24.84% |
| (As at March 31, 2021) | 56,912 | (0.00%) |
| Vijendra Singh Family Trust | 1,61,89,128 | 24.84% |
| (As at March 31, 2021) | 59,600 | (0.00%) |
| Harendra Singh Family Trust | 1,61,96,789 | 24.85% |
| (As at March 31, 2021) | 67,262 | (0.00%) |
| Nippon Life India Trustee Ltd-A/C Nippon India Small Cap Fund | 28,35,590 | 4.35% |
| (As at March 31, 2021) | (35,60,260) | (5.46%) |

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

(e) There are no shares which are reserved to be issued under options and there are no securities issues / outstanding which are convertible into equity shares.



Notes

forming part of the standalone financial statement as at and for the year ended March 31, 2022

(f) Details of shareholding of promoters:

Shares held by promoter & promoter group at the end of March 31, 2022

| Sr. No | Promoter name & promoter group | No of Shares | % of total shares | % Change during the year |
|--------|---|--------------|-------------------|--------------------------|
| 1 | Harendra Singh | 100 | 0.00% | 0.00% |
| 2 | Girishpal Singh | 100 | 0.00% | 0.00% |
| 3 | Vijendra Singh | 100 | 0.00% | 0.00% |
| 4 | Harendra Singh Family Trust | 1,61,96,789 | 24.85% | 24.75% |
| 5 | Vijendra Singh Family Trust | 1,61,89,128 | 24.84% | 24.75% |
| 6 | Girishpal Singh Family Trust | 1,61,86,440 | 24.84% | 24.75% |
| 7 | Hodal Singh | 100 | 0.00% | (74.25%) |
| 8 | Nisha Singh | 100 | 0.00% | 0.00% |
| 9 | Poonam Singh | 100 | 0.00% | 0.00% |
| 10 | Vaibhav Choudhary | 100 | 0.00% | 0.00% |
| 11 | Harendra Singh HUF (Karta-Harendra Singh) | 100 | 0.00% | 0.00% |

Shares held by promoter & promoter group at the end of March 31, 2021

| Sr. No | Promoter name & promoter group | No of Shares | % of total shares | % Change during the year |
|--------|---|--------------|-------------------|--------------------------|
| 1 | Harendra Singh | 100 | 0.00% | (22.09%) |
| 2 | Girishpal Singh | 100 | 0.00% | (19.20%) |
| 3 | Vijendra Singh | 100 | 0.00% | (18.02%) |
| 4 | Harendra Singh Family Trust | 67,262 | 0.10% | 0.10% |
| 5 | Vijendra Singh Family Trust | 59,600 | 0.09% | 0.09% |
| 6 | Girishpal Singh Family Trust | 56,912 | 0.09% | 0.09% |
| 7 | Hodal Singh | 4,83,88,683 | 74.25% | 64.78% |
| 8 | Nisha Singh | 100 | 0.00% | (1.27%) |
| 9 | Poonam Singh | 100 | 0.00% | (0.72%) |
| 10 | Vaibhav Choudhary | 100 | 0.00% | (2.07%) |
| 11 | Harendra Singh HUF (Karta-Harendra Singh) | 100 | 0.00% | (1.15%) |

Note 20 - Other Equity

(Amount in ₹ Millions)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|------------------------------|----------------------|----------------------|
| Reserves and surplus | | |
| Securities premium | 2,694.47 | 2,694.47 |
| Retained earnings | 10,297.25 | 6,975.93 |
| | 12,991.72 | 9,670.40 |
| a) Securities premium | | |
| Opening balance | 2,694.47 | 2,694.47 |
| Closing balance (a) | 2,694.47 | 2,694.47 |
| b) Retained Earnings | | |
| Opening balance | 6,975.93 | 4,869.86 |
| Net profit for the year | 3,387.60 | 2,109.60 |
| Less: Dividend paid | (52.14) | - |

Notes

forming part of the standalone financial statement as at and for the year ended March 31, 2022

(Amount in ₹ Millions)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|--|-------------------------|-------------------------|
| Items of other comprehensive income recognised directly in retained earnings | | |
| - Remeasurements of post-employment benefit obligations, net of tax | (14.14) | (3.53) |
| Closing balance (b) | 10,297.25 | 6,975.93 |
| Total other equity (a+b) | 12,991.72 | 9,670.40 |

Nature and purpose of reserves

Securities premium

Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

Note 21 - Borrowings

(Amount in ₹ Millions)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|--|-------------------------|-------------------------|
| Non current borrowings | | |
| Secured: | | |
| Term loans | | |
| Banks (Refer note 21.1)* | 372.60 | 606.41 |
| Financial institutions (Refer note 21.1)* | 237.62 | 323.23 |
| Vehicle loan | | |
| Banks (Refer note 21.1)* | 7.03 | 13.15 |
| Financial institutions (Refer note 21.1)* | 10.76 | 2.11 |
| 8% Rated, listed, senior, secured, redeemable, non convertible debenture** | 970.00 | - |
| | 1,598.01 | 944.90 |

*Refer note 39 (ii) for liquidity risk management and Refer note 45 for Assets pledged as security

**Non convertible Debentures (NCD's) are secured by Construction equipments, residential properties located at Noida and personal guarantee given by the promoters.

Secured - Term Loan

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

(Amount in ₹ Millions)

| S. No. | Particulars | Number of loans outstanding as at | | Amount outstanding as at | | Interest % per annum | Frequency of instalments | Instalments commencing from - to | |
|--------|---|-----------------------------------|----------------|--------------------------|----------------|----------------------|--------------------------|----------------------------------|------------------|
| | | March 31, 2022 | March 31, 2021 | March 31, 2022 | March 31, 2021 | | | March 31, 2022 | March 31, 2021 |
| 1 | Term loans - from banks | 143 | 450 | 661.13 | 980.98 | 6.60% to 8.40% | Monthly | Apr 20 to Apr 26 | Dec 17 to May 24 |
| 2 | Term loans - from financial institution | 33 | 150 | 415.81 | 551.97 | 6.70% to 8.43% | Monthly | Dec 19 to Jan 26 | Nov 18 to Feb 24 |



Notes

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(Amount in ₹ Millions)

| S. No. | Particulars | Number of loans outstanding as at | | Amount outstanding as at | | Interest % per annum | Frequency of instalments | Instalments commencing from - to | |
|--------|--|-----------------------------------|----------------|--------------------------|----------------|----------------------|--------------------------|----------------------------------|-------------------|
| | | March 31, 2022 | March 31, 2021 | March 31, 2022 | March 31, 2021 | | | March 31, 2022 | March 31, 2021 |
| 3 | Vehicles loans - from bank | 40 | 38 | 20.55 | 31.61 | 6.80% to 9.40% | Monthly | May 19 to Dec 24 | July 18 to Jan 24 |
| 4 | Vehicles loans - from financial institution | 6 | 1 | 17.03 | 3.24 | 6.90% to 8.75% | Monthly | Dec 19 to Feb 25 | Dec 19 to Nov 23 |
| 5 | 8% Rated, listed, senior, secured, redeemable, non convertible debenture | 1 | 0 | 970.00 | - | 8.00% | Quartly | Sep 23 to Dec 24 | - |

a) Secured term loans from banks and financial institution

All term loans have been obtained for financing the asset purchased and are secured by hypothecation of specific assets purchased out of loan, comprising Property, plant and equipment and Constructions Equipment.

b) Secured motor car vehicles loans from banks and financial institution

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

c) Secured Non convertible Debentures

Non convertible Debentures (NCD's) are secured by Construction equipment, residential properties located at Noida and personal guarantee given by the promoters.

Note 22 - Trade payable

(Amount in ₹ Millions)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|----------------------|----------------------|
| Non-current trade payable | | |
| (a) Trade payables: micro and small enterprises | - | - |
| (b) Trade payables: others | 34.96 | 838.33 |
| | 34.96 | 838.33 |

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

Aging of trade payables - Balance as on March 31, 2022 :

(Amount in ₹ Millions)

| Particulars | Outstanding for following periods from due date of payment | | | | | | Total |
|-----------------------------|--|--------------|------------------|-----------|-----------|-------------------|--------------|
| | Unbilled | Not Due | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| (i) MSME | - | - | - | - | - | - | - |
| (ii) Others | - | 34.96 | - | - | - | - | 34.96 |
| (iii) Disputed dues – MSME | - | - | - | - | - | - | - |
| (iv) Disputed dues – Others | - | - | - | - | - | - | - |
| Total | - | 34.96 | - | - | - | - | 34.96 |

Notes

forming part of the standalone financial statement as at and for the year ended March 31, 2022

Aging of trade payables - Balance as on March 31, 2021:

(Amount in ₹ Millions)

| Particulars | Outstanding for following periods from due date of payment | | | | | | Total |
|-----------------------------|--|---------------|------------------|-----------|-----------|-------------------|---------------|
| | Unbilled | Not Due | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| (i) MSME | - | - | - | - | - | - | - |
| (ii) Others | - | 838.33 | - | - | - | - | 838.33 |
| (iii) Disputed dues – MSME | - | - | - | - | - | - | - |
| (iv) Disputed dues – Others | - | - | - | - | - | - | - |
| Total | - | 838.33 | - | - | - | - | 838.33 |

Note 23 - Employee benefit obligations

(Amount in ₹ Millions)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|-------------------------|-------------------------|
| Non current employee benefit obligations | | |
| Gratuity (Refer note 44) | 56.98 | 24.87 |
| | 56.98 | 24.87 |

Note 24 - Borrowings

(Amount in ₹ Millions)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|-------------------------|-------------------------|
| Current borrowings | | |
| Loans repayable on demand | | |
| Secured | | |
| Cash credit facility* | 438.75 | 568.02 |
| Current maturities of long-term debts | | |
| Term loans | | |
| Banks (Refer note 21.1)** | 288.53 | 374.57 |
| Financial institutions (Refer note 21.1)** | 178.19 | 228.74 |
| Vehicle loan | | |
| Banks (Refer note 21.1)** | 13.52 | 18.46 |
| Financial institutions (Refer note 21.1)** | 6.27 | 1.13 |
| Unsecured | | |
| Payable under MSMED trade receivable discounting system (TReDS) | 623.28 | 754.11 |
| | 1,548.54 | 1,945.03 |

*Cash Credit facilities availed from banks are secured by:

Nature of Security

Cash Credit facility availed from all Banks secured by:

- First Pari Passu charge in favour of the Bank by way of Hypothecation of the Company's entire stocks of raw materials, consumable stores spares including book debts.
- 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.



Notes

forming part of the standalone financial statement as at and for the year ended March 31, 2022

- c) All the bank loans are secured by equitable mortgage of land and equipments mentioned in the property as per the collateral agreement.
- d) All the bank loans are collaterally secured by unconditional and irrevocable personal guarantees of the promoters.

**Refer note 45 for Assets pledged as security

Note 25 - Trade payables

(Amount in ₹ Millions)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|-------------------------|-------------------------|
| (a) Trade payables: micro and small enterprises | 57.77 | 13.45 |
| (b) Trade payables: others | 4,227.68 | 4,119.20 |
| (c) Trade payables to related parties (Refer note 43) | 34.79 | 13.27 |
| | 4,320.24 | 4,145.92 |

Note: Trade Payable include retentions of ₹1,176.44 Million (March 31, 2021 ₹372.13 Million) retained as per the terms of contract.

Aging of trade payables - Balance as on March 31, 2022 :

(Amount in ₹ Millions)

| Particulars | Outstanding for following periods from due date of payment | | | | | | Total |
|-----------------------------|--|-----------------|---------------------|--------------|--------------|----------------------|-----------------|
| | Unbilled | Not Due | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| (i) MSME | 4.82 | 2.65 | 45.69 | 0.96 | 0.01 | 3.64 | 57.77 |
| (ii) Others | 217.40 | 1,105.55 | 2,821.22 | 17.03 | 86.85 | 14.42 | 4,262.47 |
| (iii) Disputed dues – MSME | - | - | - | - | - | - | - |
| (iv) Disputed dues – Others | - | - | - | - | - | - | - |
| Total | 222.22 | 1,108.20 | 2,866.91 | 17.99 | 86.86 | 18.06 | 4,320.24 |

Aging of trade payables - Balance as on March 31, 2021 :

(Amount in ₹ Millions)

| Particulars | Outstanding for following periods from due date of payment | | | | | | Total |
|-----------------------------|--|---------------|---------------------|--------------|--------------|----------------------|-----------------|
| | Unbilled | Not Due | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| (i) MSME | - | 0.15 | 9.65 | - | 3.65 | - | 13.45 |
| (ii) Others | 228.45 | 580.22 | 3,211.30 | 70.67 | 33.96 | 7.87 | 4,132.47 |
| (iii) Disputed dues – MSME | - | - | - | - | - | - | - |
| (iv) Disputed dues – Others | - | - | - | - | - | - | - |
| Total | 228.45 | 580.37 | 3,220.95 | 70.67 | 37.61 | 7.87 | 4,145.92 |

Note - Dues from micro and small enterprises

Notes

forming part of the standalone financial statement as at and for the year ended March 31, 2022

Following disclosures required for Micro, Small and Medium Enterprises Development Act, 2006 has been determined on the basis of information available with the company.

(Amount in ₹ Millions)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|-------------------------|-------------------------|
| (a) The principal amount remaining unpaid to supplier as at the end of accounting year | 52.99 | 8.96 |
| (b) The interest due thereon remaining unpaid to supplier as at the end of accounting year | 0.17 | 0.08 |
| (c) The amount of interest paid in terms of section 16, along with the amounts of the payment made to the supplier beyond the appointed day during the year | - | - |
| (d) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act. | 0.12 | 0.76 |
| (e) The amount of interest accrued during the year and remaining unpaid at the end of the accounting year | 0.29 | 0.84 |
| (f) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure | 4.49 | 3.65 |

Note 26 - Other financial liabilities

(Amount in ₹ Millions)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|------------------------------|-------------------------|-------------------------|
| Interest accrued but not due | 6.76 | 6.72 |
| Capital creditors | 69.20 | 43.25 |
| Other payables | 12.02 | 0.05 |
| | 87.98 | 50.02 |

Note 27 - Employee benefit obligations

(Amount in ₹ Millions)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|-----------------------------------|-------------------------|-------------------------|
| Employee benefits payable | 83.47 | 69.43 |
| Leave obligations (Refer note 44) | 18.02 | 13.31 |
| | 101.49 | 82.74 |

Note 28 - Other current liabilities

(Amount in ₹ Millions)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|-------------------------|-------------------------|
| Payroll taxes | 4.87 | 5.59 |
| Statutory dues | 102.34 | 89.35 |
| Liability towards Corporate social responsibility | 13.44 | - |
| Advance received for sale of goods | 2.06 | 1.53 |
| Advance received for sale of property, plant and equipments | - | 8.86 |
| Excess contribution from JV partner | - | 1.16 |
| Deferred guarantee commission income | 22.84 | 24.77 |
| | 145.55 | 131.26 |



Notes

forming part of the standalone financial statement as at and for the year ended March 31, 2022

Note 29 - Revenue from operations

(Amount in ₹ Millions)

| Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
|--|------------------------------|------------------------------|
| Revenue from contracts with customers (Refer note 52) | | |
| Construction contracts | 35,573.66 | 25,035.77 |
| Sale of services (Operation and maintenance contracts) | 373.18 | 239.23 |
| Other operating revenue | | |
| Scrap sales | 205.11 | 74.70 |
| | 36,151.95 | 25,349.70 |

Note 30 - Other income

(Amount in ₹ Millions)

| Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|------------------------------|------------------------------|
| Interest income from financial assets at amortised cost | 57.64 | 65.94 |
| Rental income (Refer note 47) | 11.48 | 5.98 |
| Net foreign exchange differences | 2.09 | - |
| Miscellaneous income | 6.85 | 7.66 |
| | 78.06 | 79.58 |

Note 31 - Cost of materials consumed

(Amount in ₹ Millions)

| Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
|--|------------------------------|------------------------------|
| Construction material, stores and spares | | |
| Opening stock at the beginning of the year | 1,680.08 | 1,055.30 |
| Add: Purchases during the year | 18,074.51 | 12,481.30 |
| Less: Closing stock at the end of the year | (1,835.52) | (1,680.08) |
| | 17,919.07 | 11,856.52 |

Note 32 - Contract and site expenses

(Amount in ₹ Millions)

| Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|------------------------------|------------------------------|
| Sub contracting expenses | 9,194.09 | 6,689.02 |
| Indirect taxes (Labour cess and road tax expenses etc.) | 342.44 | 288.33 |
| Insurance expenses | 51.45 | 39.06 |
| Contract labour charges | 20.49 | 9.65 |
| Hire charges for machinery and others (Refer note 53) | 236.55 | 255.09 |
| Site and other direct expenses | 717.46 | 468.92 |
| Repairs and maintenance - plant and equipment | 100.56 | 130.10 |
| Technical consultancy | 99.75 | 71.66 |
| | 10,762.79 | 7,951.83 |

Notes

forming part of the standalone financial statement as at and for the year ended March 31, 2022

Note 33 - Employee benefit expenses

(Amount in ₹ Millions)

| Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|------------------------------|------------------------------|
| Salaries, wages and bonus | 1,021.47 | 878.05 |
| Contribution to provident and other funds (Refer note 44) | 32.94 | 35.26 |
| Gratuity (Refer note 44) | 14.62 | 11.39 |
| Staff welfare expenses | 209.89 | 167.90 |
| | 1,278.92 | 1,092.60 |

Note 34 - Finance costs

(Amount in ₹ Millions)

| Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|------------------------------|------------------------------|
| Interest on: | | |
| Term loan | 95.06 | 127.30 |
| Working capital loan | 128.41 | 200.96 |
| Other borrowing cost | 289.41 | 247.76 |
| Interest on late payment of micro and small enterprises | 0.29 | 0.84 |
| Interest and finance charges on lease liabilities | 0.33 | 1.80 |
| Interest on late payment of Income tax | 14.99 | 16.89 |
| | 528.49 | 595.55 |

Note 35 - Depreciation and amortisation expenses

(Amount in ₹ Millions)

| Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|------------------------------|------------------------------|
| Depreciation of property, plant and equipment (Refer note 3(a)) | 828.03 | 805.88 |
| Depreciation of right-of-use assets (Refer note 3(b)) | 12.89 | 31.67 |
| Depreciation on investment property (Refer note 4) | 1.49 | - |
| Amortisation of intangible assets (Refer note 5) | 8.23 | 6.74 |
| | 850.64 | 844.29 |

Note 36 - Other expenses

(Amount in ₹ Millions)

| Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
|--|------------------------------|------------------------------|
| Repairs and maintenance | 19.25 | 25.93 |
| Rates and taxes | 9.46 | 12.60 |
| Sitting fees | 2.00 | 1.67 |
| Lease rent (Refer note 53 and 3 (b)) | 54.36 | 33.42 |
| Payment to auditors (Refer note (a) below) | 8.27 | 9.42 |
| Advertisement and business promotion | 21.16 | 16.65 |
| Travelling and conveyance | 19.89 | 14.47 |
| Corporate social responsibility expenditure (Refer note (b) below) | 48.22 | 50.85 |



Notes

forming part of the standalone financial statement as at and for the year ended March 31, 2022

(Amount in ₹ Millions)

| Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
|--|------------------------------|------------------------------|
| Legal and professional fees | 36.13 | 20.34 |
| Electricity expenses | 55.57 | 22.03 |
| Printing and stationery | 11.99 | 11.15 |
| Loss allowances (Net of reversals) (Refer note 39(ii)) | (5.43) | - |
| Telephone and communication | 8.91 | 8.07 |
| Net loss on disposal of property, plant and equipment | 10.87 | 10.93 |
| Miscellaneous expenses | 43.09 | 29.82 |
| | 343.74 | 267.35 |

(Amount in ₹ Millions)

| (a) Payment to auditors (Net of GST of ₹1.49 Millions (Previous year: ₹1.70 Millions)) | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|------------------------------|------------------------------|
| Audit Fees | 7.07 | 6.68 |
| Certification fees | 1.04 | 2.48 |
| Reimbursements of expenses | 0.16 | 0.26 |
| Total payments to auditors | 8.27 | 9.42 |

(b) Expenditure towards Corporate Social Responsibility (CSR) activities

A. Gross amount required to be spent by the Company during the year 2021-22 - ₹48.07 Million (2020-21 - ₹35.80 Million)

B. Amount of expenditure incurred during the year on:

| | 2021-22 | | | 2020-21 | | |
|---|--------------|----------------|--------------|--------------|----------------|--------------|
| | Paid | Yet to be paid | Total | Paid | Yet to be paid | Total |
| (i) Construction/Acquisition of any assets | - | - | - | - | - | - |
| (ii) Purposes other than (i) above (other than ongoing projects) | 29.22 | - | 29.22 | 50.85 | - | 50.85 |
| | 29.22 | - | 29.22 | 50.85 | - | 50.85 |
| C. Related party transactions in relation to Corporate Social Responsibility: | | | 12.22 | | | - |
| D. Provision movement during the year: | | | | | | |
| Opening provision | | | - | | | - |
| Addition during the year | | | 13.44 | | | - |
| Utilised during the year | | | - | | | - |
| Closing provision | | | 13.44 | | | - |

E. Amount earmarked for ongoing project:

| | 2021-22 | | | 2020-21 | | |
|---|--------------|-----------------------------|----------|--------------|-----------------------------|-------|
| | With Company | In Separate CSR Unspent A/c | Total | With Company | In Separate CSR Unspent A/c | Total |
| Opening balance | - | - | - | - | - | - |
| Amount required to be spent during the year | - | 19.00 | 19.00 | - | - | - |
| Transfer to Separate CSR Unspent A/c | 13.44 | - | 13.44 | - | - | - |
| Amount spent during the year | - | 5.56 | 5.56 | - | - | - |
| Closing balance | - | 13.44 | - | - | - | - |

Notes

forming part of the standalone financial statement as at and for the year ended March 31, 2022

F. Nature of CSR activities undertaken by the Company

The CSR initiatives of the Company aim towards reaching healthcare and disaster management, education, rural development projects, assistance for setting up homes and shelters, environmental sustainability and animal welfare.

Note 37 - Taxation

37 (a) - Income tax expense

(Amount in ₹ Millions)

| Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|------------------------------|------------------------------|
| Current tax | | |
| Current tax on profits for the year | 1,172.43 | 728.00 |
| Adjustment for current tax of prior periods | (0.04) | (9.08) |
| Total current tax expense | 1,172.39 | 718.92 |
| Deferred tax | | |
| (Increase) / decrease in deferred tax assets | (14.16) | 13.35 |
| Increase / (decrease) in deferred tax liabilities | 0.53 | (20.73) |
| Total deferred tax (benefit) | (13.63) | (7.38) |
| Income tax expense | 1,158.76 | 711.54 |

Other comprehensive income

(Amount in ₹ Millions)

| Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
|--|------------------------------|------------------------------|
| Deferred tax on other comprehensive income | 4.76 | 1.19 |
| | 4.76 | 1.19 |

37 (b) - Deferred tax assets (net)

The balance comprises temporary differences attributable to:

(Amount in ₹ Millions)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|-------------------------|-------------------------|
| Disallowance under Section 43B of Income Tax Act, 1961 | 18.88 | 9.61 |
| Loss Allowance for trade receivable | 48.93 | 57.95 |
| Disallowances section 40(a)(ia) of Income Tax Act, 1961 | 5.60 | 1.64 |
| Expenditure on initial public offer (IPO) | - | 9.79 |
| Indexation on land | 8.28 | 3.88 |
| Timing difference between balance as per Income Tax Act, 1961 and book balance for fixed assets | 29.61 | 9.68 |
| Lease liabilities | 3.10 | 2.93 |
| Total deferred tax assets | 114.40 | 95.48 |
| Timing difference between balance as per Income Tax Act, 1961 and book balance for fixed assets | - | - |
| Others | (0.53) | - |
| Total deferred tax liabilities | (0.53) | - |
| Net deferred tax assets | 113.87 | 95.48 |



Notes

forming part of the standalone financial statement as at and for the year ended March 31, 2022

Movement in deferred tax assets

(Amount in ₹ Millions)

| Particulars | As at April 1, 2020 | (Charged)/ credited to profit and loss | (Charged)/ credited to OCI | As at March 31, 2021 |
|--|------------------------|--|-------------------------------|-------------------------|
| Disallowance under section 43B of Income Tax Act, 1961 | 4.02 | 4.40 | 1.19 | 9.61 |
| Loss allowance for trade receivable | 57.95 | - | - | 57.95 |
| Disallowance under section 40(a)(ia) of Income Tax Act, 1961 | 3.65 | (2.01) | - | 1.64 |
| Expenses on issue of Initial Public Offer (IPO) | 19.58 | (9.79) | - | 9.79 |
| Indexation on land | 3.43 | 0.45 | - | 3.88 |
| Deferred tax assets arising on lease liabilities | 9.33 | (6.40) | - | 2.93 |
| Total deferred tax assets | 97.96 | (13.35) | 1.19 | 85.80 |

| Particulars | As at April 1, 2021 | (Charged)/ credited to profit and loss | (Charged)/ credited to OCI | As at March 31, 2022 |
|---|------------------------|--|-------------------------------|-------------------------|
| Disallowance under section 43B of Income Tax Act, 1961 | 9.61 | 4.51 | 4.76 | 18.88 |
| Loss allowance for trade receivable | 57.95 | (9.02) | - | 48.93 |
| Disallowance under section 40(a)(ia) of Income Tax Act, 1961 | 1.64 | 3.96 | - | 5.60 |
| Expenses on issue of Initial Public Offer (IPO) | 9.79 | (9.79) | - | - |
| Indexation on land | 3.88 | 4.40 | - | 8.28 |
| Deferred tax assets arising on lease liabilities | 2.93 | 0.17 | - | 3.10 |
| Timing difference between balance as per Income Tax Act, 1961 and book balance for fixed assets | 9.68 | 19.93 | - | 29.61 |
| Total deferred tax assets | 95.48 | 14.16 | 4.76 | 114.40 |

Movement in deferred tax liabilities

| Particulars | As at April 1, 2020 | (Charged)/ credited to profit and loss | (Charged)/ credited to OCI | As at March 31, 2021 |
|---|------------------------|--|-------------------------------|-------------------------|
| Timing difference between balance as per Income Tax Act, 1961 and book balance for fixed assets | 11.05 | (20.73) | - | (9.68) |
| Total deferred tax liabilities | 11.05 | (20.73) | - | (9.68) |

| Particulars | As at April 1, 2021 | (Charged)/ credited to profit and loss | (Charged)/ credited to OCI | As at March 31, 2022 |
|---------------------------------------|------------------------|--|-------------------------------|-------------------------|
| Others | - | 0.53 | - | 0.53 |
| Total deferred tax liabilities | - | 0.53 | - | 0.53 |

Notes

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

(Amount in ₹ Millions)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|--|-------------------------|-------------------------|
| Profit before income tax expense | 4,546.36 | 2,821.14 |
| Statutory tax rate applicable to the Company | 25.17% | 25.17% |
| Tax expense at applicable tax rate | 1,144.23 | 710.02 |
| Tax effects of amounts which are not deductible (taxable) in calculating taxable income: | | |
| Corporate social responsibility expenditure | 12.13 | 12.80 |
| Donation | 4.82 | 0.58 |
| Interest on late payment of income tax | 3.77 | 4.25 |
| Profit of jointly controlled operations | 0.04 | 0.31 |
| Indexation on land | (4.40) | (0.44) |
| Deduction for Section 80JJAA as per Income tax Act, 1961 | (1.62) | (7.48) |
| Interest payable to micro and small enterprises | - | 0.21 |
| Adjustment for current tax of prior period | (0.04) | (9.08) |
| Others | (0.17) | 0.37 |
| Income tax expense | 1,158.76 | 711.54 |
| Total expenses as per standalone Profit and loss statement | 1,158.76 | 711.54 |

37 (d) - Current tax liabilities

(Amount in ₹ Millions)

| Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|------------------------------|------------------------------|
| Opening Balance | 73.79 | 47.67 |
| Add: Additional income tax provision | 1,172.43 | 727.70 |
| Less: Income tax adjustment for earlier years | (0.04) | (11.35) |
| Less: Income tax paid | (1,101.86) | (690.23) |
| Closing balance | 144.32 | 73.79 |

37 (e) - Income tax asset

(Amount in ₹ Millions)

| Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
|--|------------------------------|------------------------------|
| Opening Balance | 1.84 | 9.31 |
| Add: Advance tax paid/ (refund received) | 1.87 | (4.89) |
| Less: Income tax adjustment for earlier years | - | (2.27) |
| Less: Income tax provision created during the year | - | (0.31) |
| Closing balance | 3.71 | 1.84 |



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forming part of the standalone financial statement as at and for the year ended March 31, 2022

Note 38 - Fair Value Measurements

(i) Financial instruments by category

(Amount in ₹ Millions)

| Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|------------------------------|------------------------------|
| Financial assets - Amortised cost | | |
| Investment* | - | - |
| Trade receivables (net of loss allowance) | 6,994.69 | 6,575.08 |
| Cash and cash equivalents | 472.38 | 1,399.48 |
| Bank balances other than cash and cash equivalents | 1,112.61 | 1,184.70 |
| Loans | 232.75 | 49.86 |
| Other receivable against deferred guarantee commission income | 0.74 | 33.74 |
| Other receivable | 67.57 | 5.99 |
| Margin money deposits | 255.14 | 85.22 |
| Security deposits | 57.13 | 32.83 |
| Total financial assets | 9,193.01 | 9,366.90 |
| Financial liabilities - Amortised cost | | |
| Borrowings | 3,146.55 | 2,889.93 |
| Trade payables | 4,355.20 | 4,984.25 |
| Interest accrued | 6.76 | 6.72 |
| Capital creditors | 69.20 | 43.25 |
| Other payables | 12.02 | 0.05 |
| Lease liability | 12.30 | 11.63 |
| Total financial liabilities | 7,602.03 | 7,935.83 |

* Investments in subsidiaries classified as equity investments have been accounted at historical cost. Since these are scope out of Ind AS 109 for the purposes of measurement, the same have not been disclosed in the tables above.

(ii) Fair value hierarchy

This section explains the judgments and estimates made in determining the fair values of the financial instruments that are measured at amortised cost and for which fair values are disclosed in the financial statements.

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes instruments like listed equity instruments, traded bonds and mutual funds that have quoted price.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives etc) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Notes

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

(Amount in ₹ Millions)

| Particulars | As at March 31, 2022 | | As at March 31, 2021 | |
|------------------------------------|----------------------|-----------------|----------------------|---------------|
| | Carrying value | Fair value | Carrying value | Fair value |
| Financial assets | | | | |
| Margin Money deposits | 255.14 | 255.14 | 85.22 | 83.20 |
| Total financial assets | 255.14 | 255.14 | 85.22 | 83.20 |
| Financial liabilities | | | | |
| Borrowings | 1,598.01 | 1,614.81 | 944.90 | 964.95 |
| Lease Liability | 2.57 | 2.65 | 1.06 | 1.08 |
| Total financial liabilities | 1,600.58 | 1,617.46 | 945.96 | 966.03 |

The carrying amounts of short term loans, trade receivables, cash and cash equivalents, bank balances other than cash and cash equivalents, security deposits, other receivables, trade payables, current borrowings, interest accrued, capital creditors, lease liability and other payables are considered to be the same as their fair values due to their short-term nature.

Note 39 - Financial Risk Management

The Company's activities expose it to a variety of financial risks namely credit risk, liquidity risk and market risk. The Company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance.

(i) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Financial instruments that are subject to credit risk and concentration thereof principally consist of trade receivables, contract assets, security deposits and cash and cash equivalents.

Management makes the assessment of the credit risk on trade receivables and contract assets considering the customer profile. Customers of the company mainly consists of the government promoted entities and some large private corporates. In case of government customers which forms the majority of the revenue, credit risk is low.

Considering the nature of business, each contract and its customer is evaluated for the purpose of assessment of allowances. The reasons for allowances could be recovery of claims, disputes with customer, customers ability to pay, delays in approval by government authorities, and expected time to recover the amount. Management makes an assessment considering facts of each contract, past trends, terms of the contract and accordingly considers the need for allowances, if any.

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

| Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|------------------------------|------------------------------|
| Revenue from government promoted agencies | 73% | 73% |
| Revenue from private corporates | 27% | 27% |
| | 100% | 100% |

The Company secured contracts by submitting bids in response to tenders in terms of which it is required to form Special Purpose Vehicle (SPV) Companies (subsidiary Companies) to execute the awarded projects. As at March 31, 2022 the company has 9 SPV's (As at March 31, 2021 the company had 4 SPV's) who have received contracts from government promoted agencies and revenue related to SPV's for work executed by the Company has been grouped in Revenue from government promoted agencies.



Notes

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The movement in allowance for expected credit loss on trade receivables and contract assets is as below:

(Amount in ₹ Millions)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|----------------------------|-------------------------|-------------------------|
| Opening balance | 230.24 | 230.24 |
| Changes in loss allowances | | |
| Additions | 24.52 | - |
| Released | (29.95) | - |
| Bad debts written off | (30.39) | - |
| Closing Balance | 194.42 | 230.24 |

Maturity analysis of trade receivable including contract assets as on March 31, 2022

| Ageing | 0 - 180 days | 181 - 365 days | More than 365 days | Total |
|------------------------------------|-----------------|-------------------|-----------------------|------------------|
| Trade Receivables- Related Parties | 850.00 | | 48.95 | 898.95 |
| Trade Receivables- Others | 5,948.89 | 73.68 | 154.33 | 6,176.90 |
| Contract Assets | 2,818.59 | 46.31 | 777.87 | 3,642.77 |
| Other receivable | 41.21 | 12.43 | 20.42 | 74.06 |
| Total | 9,658.69 | 132.42 | 1,001.57 | 10,792.68 |
| Loss Provision | - | - | 194.42 | 194.42 |
| Net Trade receivables | 9,658.69 | 132.42 | 807.15 | 10,598.26 |

Maturity analysis of trade receivable including contract assets as on March 31, 2021

| Ageing | 0 - 180 days | 181 - 365 days | More than 365 days | Total |
|------------------------------------|-----------------|-------------------|-----------------------|-----------------|
| Trade Receivables- Related Parties | 850.99 | - | - | 850.99 |
| Trade Receivables- Others | 5,442.80 | 56.19 | 444.33 | 5,943.33 |
| Contract Assets | 1,997.10 | 245.06 | 423.26 | 2,665.42 |
| Other receivable | 5.99 | - | - | 5.99 |
| Total | 8,296.88 | 301.25 | 867.59 | 9,465.73 |
| Loss Provision | - | - | 230.24 | 230.24 |
| Net Trade receivables | 8,296.88 | 301.25 | 637.35 | 9,235.49 |

Note on recoverability of amount due from certain trade receivables

The Company has long outstanding dues amounting to ₹305.81 Million (as at March 31, 2021 ₹496.53 Million) from certain customers which due to liquidity issues have remain unpaid. There is no dispute on the said balances and balances have been confirmed by the parties. The Company is very actively engaged with them for recovery of the said balance. Based on the latest discussions, correspondences exchanges, evaluation of the credit profile of the customer, the Company has considered a provision of ₹194.42 Million (for the year ended March 31, 2021 ₹230.24 Million) towards the said balances.

The Company has started arbitration as per the terms of the contract with a customer towards recovery of outstanding claims and the arbitrator has given the award in favour of the Company. However, the arbitrator also accepted a counter claim of the customer amounting to ₹111.70 Million (as at March 31, 2021 ₹111.70 Million) which according to the management is not justified and has been subsequently challenged in the High Court. Based on the management assessment, which is also supported by the legal opinion, the counter claim of ₹111.70 Million (as at March 31, 2021 ₹111.70 Million) appears to be against public policy, expected to result in favor of the Company and accordingly the possibility of an outflow of resources is assessed to be remote and hence the same has not been disclosed as contingent liability.

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- (B) As at the year end, the Company held cash and cash equivalents of ₹472.38 millions (March 31, 2021 ₹1,399.48 millions). The cash and cash equivalents are held with bank and financial institution counterparties with good credit rating.
- (C) Other bank balances are held with bank and financial institution counterparties with good credit rating.

(ii) Liquidity risk

Liquidity defined is as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. Company's objective is to, at all time maintain optimum levels of liquidity to meet its financial obligations. The Company manages liquidity risk by maintaining sufficient cash and cash equivalents and by having access to funding through an adequate amount of committed credit lines. In addition, processes and policies related to such risks are overseen by senior management.

Financing arrangements

The group had access to the following undrawn borrowing facilities at the end of the reporting period:

| (Amount in ₹ Millions) | | |
|--|----------------|----------------|
| Particulars | March 31, 2022 | March 31, 2021 |
| Floating rate | | |
| Expiring within one year (bank overdraft and other facilities) | 248.63 | 169.78 |

Maturities of financial liabilities

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

| (Amount in ₹ Millions) | | | | |
|---------------------------------|-----------------|------------------|-----------------|-----------------|
| Particulars | Carrying Amount | Less than 1 year | 1 - 3 Years | Total |
| As at March 31, 2022 | | | | |
| Borrowings | 3,146.55 | 1,548.54 | 1,598.01 | 3,146.55 |
| Interest payable | 6.76 | 145.96 | 133.49 | 279.45 |
| Trade payables | 4,355.20 | 4,320.24 | 34.96 | 4,355.20 |
| Capital creditors | 69.20 | 69.20 | - | 69.20 |
| Other payables | 12.02 | 12.02 | - | 12.02 |
| Lease liabilities | 12.30 | 9.73 | 2.57 | 12.30 |
| Financial guarantee contracts * | 16,375.70 | - | - | - |
| | | 6,105.69 | 1,769.03 | 7,874.72 |
| As at March 31, 2021 | | | | |
| Borrowings | 2,889.93 | 1,945.03 | 944.90 | 2,889.93 |
| Interest payable | 6.72 | 166.24 | 243.64 | 409.88 |
| Trade payables | 4,984.25 | 4,145.92 | 838.33 | 4,984.25 |
| Capital creditors | 43.25 | 43.25 | - | 43.25 |
| Other payables | 0.05 | 0.05 | - | 0.05 |
| Lease liabilities | 11.63 | 10.57 | 1.06 | 11.63 |
| Financial guarantee contracts * | 11,408.10 | - | - | - |
| | | 6,311.06 | 2,027.93 | 8,338.99 |



Notes

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* Guarantee issued by the Company to the bankers on behalf of Gurgaon Sohna Highway Private Limited, H.G. Ateli Narnaul Highway Private Limited, H.G. Rewari Ateli Highway Private Limited, H.G. Rewari Bypass Private Limited, H.G. Raipur Visakhapatnam AP-1 Private Limited and H.G. Raipur Visakhapatnam OD-5 Private Limited subsidiary Companies is with respect to limits availed by them. These amounts will be payable in case of default by the subsidiary Companies. As of the reporting date, the subsidiary Companies has not defaulted and hence, the Company does not have any present obligation to third parties in relation to such guarantee.

(iii) Market risk

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

(a) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates is very less and relates primarily to the Company's creditors for capital expenditures. The Company's foreign currency risks are identified, measured and managed at periodic intervals in accordance with the Company's policies. As at March 31, 2022, Company's foreign currency exposure amounts to ₹45.03 Million (as at March 31, 2021 ₹ Nil Million).

1. Foreign currency risk exposure

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

| Particulars | (Amount in ₹ Millions) | |
|--|-------------------------|-------------------------|
| | As at March 31, 2022 | As at March 31, 2021 |
| Financial liabilities | | |
| Euro | 0.53 | - |
| Capital creditors (In INR) | 45.03 | - |
| Exposure to foreign currency risk (liabilities) | 45.03 | - |

2. Sensitivity

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

| Particulars | Change in Euro rate | (Amount in ₹ Millions) | |
|---------------------------|------------------------|--|------------------------------|
| | | Increase / (Decrease) in profit before tax | |
| | | Year ended March 31, 2022 | Year ended March 31, 2021 |
| Increase in exchange rate | 5% | (2.25) | - |
| Decrease in exchange rate | 5% | 2.25 | - |

(b) Interest risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to risk of changes in market rate is limited to short term working capital loans taken from banks as the Company's long term borrowings bear fixed interest rate.

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The Company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

The Company manages the interest rate risk by having a balanced portfolio of fixed and variable rate borrowings. The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are as follows:

1. Interest rate exposure

(Amount in ₹ Millions)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|--------------------------|-------------------------|-------------------------|
| Variable rate borrowings | 438.75 | 568.02 |
| Fixed rate borrowings | 2,707.80 | 2,321.91 |
| Total borrowings | 3,146.55 | 2,889.93 |

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

2. Sensitivity

Profit or loss is sensitive to higher / lower interest expense as a result of changes in interest rates. A 20 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates. With all other variables held constant, the Company's profit before tax will be impacted by a change in interest rate as follows:

(Amount in ₹ Millions)

| Particulars | Increase / (Decrease) in profit before tax | |
|---|--|------------------------------|
| | Year ended March 31, 2022 | Year ended March 31, 2021 |
| Increase in interest rate by 20 basis points (20 bps) | (5.74) | (5.82) |
| Decrease in interest rate by 20 basis points (20 bps) | 5.74 | 5.82 |

Note 40 - Capital Management

(a) Risk Management

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company and borrowings.

The Company aims to manage its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to our shareholders. The capital structure of the Company is based on management's judgement of the appropriate balance of key elements in order to meet its strategic and day-to day needs. We consider the amount of capital in proportion to risk and manage the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets.

The Company's aim is to translate profitable growth to superior cash generation through efficient capital management. The Company's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditors and market confidence and to sustain future development and growth of its business. The Company will take appropriate steps in order to maintain, or if necessary adjust, its capital structure.



Notes

forming part of the standalone financial statement as at and for the year ended March 31, 2022

(Amount in ₹ Millions)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---------------------------------|-------------------------|-------------------------|
| Net debt | 2,693.23 | 1,508.80 |
| Total equity | 13,643.43 | 10,322.11 |
| Net debt to equity ratio | 20% | 15% |

The net debt to equity ratio for the current year increased from 15% to 20% following the proceeds from NCD and internal accrual of profit.

(b) Dividends

(Amount in ₹ Millions)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|-------------------------|-------------------------|
| (i) Equity shares | | |
| Final dividend for the year ended March 31, 2021 of ₹0.80 (March 31, 2020 - ₹ Nil) per fully paid share | - | (52.14) |
| (ii) Dividends not recognised at the end of the reporting period | | |
| In addition to the above dividends, since year end the directors have recommended the payment of a final dividend of ₹1 per fully paid equity share (March 31, 2021 ₹0.80). | 65.17 | - |

Note 41 - Segment Reporting

The Company's managing director who is identified as the chief operating decision maker of the Company, examines the performance of the business and allocates funds on the basis of a single reportable segment i.e. 'EPC business'. The Company has no other reportable segment. The Company does not have any reportable geographical segment as it caters to the needs of only the domestic market.

Accordingly, the segment revenue, segment results, total carrying amount of segment assets and segment liability, total cost incurred to acquire segment assets and total amount of charge for depreciation during the period, is as reflected in the Financial Statements as of and for the financial year ended March 31, 2022.

Non-current assets excluding financial assets, deferred tax assets amounts to ₹4,621.81 Millions (March 31, 2021 ₹4,898.61 Millions) are located entirely in India.

Information relating to major customers

Revenue of approximately ₹34,764.62 Millions (for the year ended March 31, 2021 ₹20,786.04 Millions) was derived from external customers, which individually accounted for more than 10% of the total revenue.

The Company secured contracts by submitting bids in response to tenders in terms of which it is required to form Special Purpose Vehicles (SPV's) Companies (subsidiary Companies) to execute the awarded projects. As at March 31, 2022 the company has 9 SPV's (As at March 31, 2021 the company has 4 SPV's) who have received contracts from government promoted agencies and revenue related to SPV's for work executed by the Company has been grouped in Revenue derived from external customers.

Notes

forming part of the standalone financial statement as at and for the year ended March 31, 2022

Note 42 - Net Debt Reconciliation

(Amount in ₹ Millions)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|--|-------------------------|-------------------------|
| Cash and cash equivalents | 472.38 | 1,399.48 |
| Current borrowings | (1,062.03) | (1,322.13) |
| Current maturities of long term borrowings | (486.51) | (622.90) |
| Interest accrued but not due | (6.76) | (6.72) |
| Non current borrowings | (1,598.01) | (944.90) |
| Lease liabilities | (12.30) | (11.63) |
| Net Debt | (2,693.23) | (1,508.80) |

| Particulars | Other assets | Liabilities from financing activities | | | | Total |
|--------------------------------------|---------------------------|---------------------------------------|---------------------------|------------------------|---------------------|-------------------|
| | Cash and bank balances | Lease liabilities | Non-current borrowings | Current borrowings* | Interest accrued | |
| Net debt as at April 1, 2020 | 239.82 | (37.05) | (640.32) | (3,034.73) | (4.52) | (3,476.80) |
| Cash flows | 1,159.66 | 25.42 | (304.58) | 1,089.70 | - | 1,970.20 |
| Interest expense | - | - | - | - | (328.26) | (328.26) |
| Interest paid | - | - | - | - | 326.06 | 326.06 |
| Net debt as at March 31, 2021 | 1,399.48 | (11.63) | (944.90) | (1,945.03) | (6.72) | (1,508.80) |
| Cash flows | (927.10) | (0.67) | (653.11) | 396.49 | - | (1,184.39) |
| Interest expense | - | - | - | - | 223.47 | 223.47 |
| Interest paid | - | - | - | - | (223.51) | (223.51) |
| Net debt as at 31 March 2022 | 472.38 | (12.30) | (1,598.01) | (1,548.54) | (6.76) | (2,693.23) |

*Includes current maturities of long term borrowings, cash credit facility, Payable under MSMED trade receivable discounting system (TReDS).

Note 43 - Related Party transactions

I Name of related parties and nature of relationship: Related parties where control exists

A) Subsidiary

Gurgaon Sohna Highway Private Limited
H.G. Ateli Narnaul Highway Private Limited
H.G. Rewari Ateli Highway Private Limited
H.G. Rewari Bypass Private Limited
H.G. Raipur Visakhapatnam AP-1 Private Limited (w.e.f. August 19, 2021)
H.G. Khammam Devarapalle PKG-1 Private Limited (w.e.f. October 17, 2021)
H.G. Khammam Devarapalle PKG-2 Private Limited (w.e.f. October 17, 2021)
H.G. Raipur Visakhapatnam OD-5 Private Limited (w.e.f. November 24, 2021)
H.G. Raipur Visakhapatnam OD-6 Private Limited (w.e.f. November 22, 2021)



Notes

forming part of the standalone financial statement as at and for the year ended March 31, 2022

Other Related Parties with whom transactions have taken place during the year

B) Key Management Personnel

| | | |
|------------------------|---|------------------------------------|
| Mr. Vijendra Singh | - | Whole Time Director |
| Mr. Harendra Singh | - | Chairman and Managing Director |
| Mr. Ashok Kumar Thakur | - | Non-Executive Independent Director |
| Ms. Pooja Hemant Goyal | - | Non-Executive Independent Director |
| Mr. Onkar Singh | - | Non-Executive Independent Director |
| Mr. Dinesh Kumar Goyal | - | Executive Director |
| Mr. Rajeev Mishra | - | Chief Financial Officer |
| Ms. Ankita Mehra | - | Company Secretary |

C) Relatives of Key Management Personnel

| | | |
|-----------------------|---|--------------------------------|
| Mr. Girishpal Singh | - | Brother of Mr. Harendra Singh |
| Mr. Vaibhav Choudhary | - | Son of Mr. Girishpal Singh |
| Mr. Rohit Choudhary | - | Son of Mr. Girishpal Singh |
| Mr. Hodal Singh | - | Father of Mr. Harendra Singh |
| Ms. Ridhima Choudhary | - | Daughter of Mr. Harendra Singh |

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

HG Traders
H. G. Infra Toll Way Private Limited
Mahadev Stone Crusher
H.G. Foundation
Raghusons Infra Engineering Private Limited
TPL - HGIEPL JV

II Transactions with related parties

A) Key Management personnel compensation

(Amount in ₹ Millions)

| Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
|------------------------------|------------------------------|------------------------------|
| Short-term employee benefits | 48.33 | 40.64 |
| Director's sitting fees | 2.00 | 1.67 |
| Total compensation | 50.33 | 42.31 |

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

B) Transactions during the year

(Amount in ₹ Millions)

| Particulars | For the Year ended March 31, 2022 | For the Year ended March 31, 2021 |
|--|--------------------------------------|--------------------------------------|
| Sale of material | | |
| Mahadev Stone Crusher | 2.18 | 18.79 |
| Expenses incurred on behalf of | | |
| Mr. Hodal Singh | - | 4.09 |
| Guarantee Commission Income received from | | |
| Gurgaon Sohna Highway Private Limited | - | 28.79 |

Notes

forming part of the standalone financial statement as at and for the year ended March 31, 2022

(Amount in ₹ Millions)

| Particulars | For the Year ended March 31, 2022 | For the Year ended March 31, 2021 |
|--|--------------------------------------|--------------------------------------|
| H.G. Ateli Narnaul Highway Private Limited | 2.51 | 0.98 |
| H.G. Rewari Ateli Highway Private Limited | 1.55 | 0.77 |
| H.G. Rewari Bypass Private Limited | 0.78 | 0.04 |
| Contract Revenue | | |
| HGIEPL -TPL JV | 173.87 | 274.98 |
| Gurgaon Sohna Highway Private Limited | 1,247.06 | 1,254.16 |
| H.G. Ateli Narnaul Highway Private Limited | 3,249.40 | 4,260.90 |
| H.G. Rewari Ateli Highway Private Limited | 1,865.04 | 2,355.60 |
| H.G. Rewari Bypass Private Limited | 1,771.12 | 619.91 |
| H.G. Raipur Visakhapatnam AP-1 Private Limited | 196.73 | - |
| Sales of Property and equipment | | |
| H.G. Ateli Narnaul Highway Private Limited | - | 4.00 |
| Contract Expenses | | |
| H. G. Infra Toll Way Private Limited | 140.91 | 197.56 |
| Raghusons Infra Engineering Private Limited | 23.01 | - |
| Mahadev Stone Crusher | 45.49 | 45.47 |
| HG Traders | 7.60 | 4.14 |
| Rent Paid for Office | | |
| Mr. Hodal Singh | 0.55 | 0.28 |
| Mr. Girishpal Singh | 0.48 | 0.43 |
| Sitting Fees | | |
| Mr. Onkar Singh | 0.76 | 0.62 |
| Ms. Pooja Hemant Goyal | 0.52 | 0.47 |
| Mr. Ashok Kumar Thakur | 0.73 | 0.59 |
| Remuneration paid | | |
| Key management personnel: | | |
| Mr. Vijendra Singh* | 14.00 | 12.25 |
| Mr. Harendra Singh* | 26.00 | 22.05 |
| Mr. Dinesh Kumar Goyal* | 4.45 | 3.18 |
| Mr. Rajeev Mishra* | 3.06 | 2.53 |
| Mrs. Ankita Mehra* | 0.83 | 0.63 |
| * Gratuity is not included, as it is provided on overall basis based on actuarial valuation. | | |
| Remuneration to relatives of KMP | | |
| Mr. Vaibhav Choudhary | 10.80 | 8.58 |
| Mr. Rohit Choudhary | - | 0.44 |
| Ms. Ridhima Choudhary | 0.95 | - |
| Legal and professional fees | | |
| Ms. Ridhima Choudhary | 0.88 | 1.20 |
| Mr. Dinesh Kumar Goyal | - | 0.28 |
| Corporate social responsibility expenditure | | |
| H.G. Foundation | 12.22 | 11.05 |



Notes

forming part of the standalone financial statement as at and for the year ended March 31, 2022

(Amount in ₹ Millions)

| Particulars | For the Year ended March 31, 2022 | For the Year ended March 31, 2021 |
|---|--------------------------------------|--------------------------------------|
| Donation | | |
| H.G. Foundation | 2.85 | - |
| Guarantees given on behalf of Company | | |
| Mr. Vijendra Singh | 4,319.80 | 2,780.00 |
| Mr. Harendra Singh | 4,319.80 | 2,780.00 |
| Guarantees issue on behalf of Subsidiary Company | | |
| H.G. Raipur Visakhapatnam AP-1 Pvt Ltd | 4,520.00 | - |
| H.G. Raipur Visakhapatnam OD-5 Pvt Ltd | 447.60 | - |
| H.G. Rewari Bypass Private Limited | - | 2,200.00 |
| Insurance premium paid towards keyman term policy taken by Company | | |
| Mr. Vijendra Singh | 5.52 | 2.76 |
| Mr. Harendra Singh | 5.45 | 2.73 |
| Mr. Vaibhav Choudhary | 5.15 | 2.58 |
| Loans given | | |
| Gurgaon Sohna Highway Private Limited | 233.80 | 137.06 |
| H.G. Ateli Narnaul Highway Private Limited | 32.93 | 45.49 |
| H.G. Rewari Ateli Highway Private Limited | 40.48 | - |
| H.G. Rewari Bypass Private Limited | 29.35 | 31.15 |
| Advance from customers received (Contract liability) | | |
| Gurgaon Sohna Highway Private Limited | 105.09 | 140.00 |
| H.G. Rewari Ateli Highway Private Limited | - | 79.11 |
| H.G. Rewari Bypass Private Limited | 254.27 | - |
| H.G. Raipur Visakhapatnam AP-1 Private Limited | 375.20 | - |
| Loans repayment | | |
| Gurgaon Sohna Highway Private Limited | 129.43 | 137.06 |
| H.G. Ateli Narnaul Highway Private Limited | - | 41.90 |
| H.G. Rewari Ateli Highway Private Limited | - | 27.94 |
| H.G. Rewari Bypass Private Limited | 29.35 | 31.15 |
| Investment | | |
| Gurgaon Sohna Highway Private Limited | 72.90 | 131.54 |
| H.G. Ateli Narnaul Highway Private Limited | - | 950.61 |
| H.G. Rewari Bypass Private Limited | 51.30 | 413.70 |
| H.G. Raipur Visakhapatnam AP-1 Private Limited | 379.70 | - |
| H.G. Khammam Devarapalle Pkg-1 Private Limited | 1.50 | - |
| H.G. Khammam Devarapalle Pkg-2 Private Limited | 1.50 | - |
| H.G. Raipur Visakhapatnam OD-5 Private Limited | 1.50 | - |
| H.G. Raipur Visakhapatnam OD-6 Private Limited | 1.50 | - |
| Investments in instruments entirely equity in nature** | | |
| H.G. Rewari Ateli Highway Private Limited | 156.60 | 149.25 |
| H.G. Ateli Narnaul Highway Private Limited | 224.55 | 58.77 |
| H.G. Raipur Visakhapatnam AP-1 Private Limited | 8.32 | - |

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forming part of the standalone financial statement as at and for the year ended March 31, 2022

(Amount in ₹ Millions)

| Particulars | For the Year ended March 31, 2022 | For the Year ended March 31, 2021 |
|---|--------------------------------------|--------------------------------------|
| H.G. Khammam Devarapalle Pkg-1 Private Limited | 2.37 | - |
| H.G. Khammam Devarapalle Pkg-2 Private Limited | 2.37 | - |
| H.G. Raipur Visakhapatnam OD-5 Private Limited | 28.31 | - |
| H.G. Raipur Visakhapatnam OD-6 Private Limited | 0.50 | - |
| Loans taken from Key management personnel / directors: | | |
| Mr. Vijendra Singh | - | 18.98 |
| Mr. Harendra Singh | - | 106.69 |
| Repayment of Loan to Key management personnel / directors: | | |
| Mr. Vijendra Singh | - | 137.30 |
| Mr. Harendra Singh | - | 448.72 |

C) Outstanding balances

(Amount in ₹ Millions)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|-------------------------|-------------------------|
| Other Current Liabilities | | |
| Employee benefits payable | | |
| Mr. Vaibhav Choudhary | 0.15 | 0.39 |
| Mr. Vijendra Singh | 0.07 | 0.57 |
| Mr. Harendra Singh | 0.67 | - |
| Mr. Rajeev Mishra | 0.20 | 0.20 |
| Mr. Dinesh Kumar Goyal | 0.24 | - |
| Ms. Ridhima Choudhary | 0.04 | - |
| Mrs. Ankita Mehra | 0.07 | 0.04 |
| Investment | | |
| Gurgaon Sohna Highway Private Limited | 728.94 | 656.04 |
| H.G. Rewari Ateli Highway Private Limited | 382.25 | 382.25 |
| H.G. Ateli Narnaul Highway Private Limited | 952.11 | 952.11 |
| H.G. Rewari Bypass Private Limited | 465.00 | 413.70 |
| H.G. Raipur Visakhapatnam AP-1 Private Limited | 379.70 | - |
| H.G. Khammam Devarapalle Pkg-1 Private Limited | 1.50 | - |
| H.G. Khammam Devarapalle Pkg-2 Private Limited | 1.50 | - |
| H.G. Raipur Visakhapatnam OD-5 Private Limited | 1.50 | - |
| H.G. Raipur Visakhapatnam OD-6 Private Limited | 1.50 | - |
| Investments in instruments entirely equity in nature** | | |
| H.G. Rewari Ateli Highway Private Limited | 305.85 | 149.25 |
| H.G. Ateli Narnaul Highway Private Limited | 283.32 | 58.77 |
| H.G. Raipur Visakhapatnam AP-1 Private Limited | 8.32 | - |
| H.G. Khammam Devarapalle Pkg-1 Private Limited | 2.37 | - |
| H.G. Khammam Devarapalle Pkg-2 Private Limited | 2.37 | - |
| H.G. Raipur Visakhapatnam OD-5 Private Limited | 28.31 | - |
| H.G. Raipur Visakhapatnam OD-6 Private Limited | 0.50 | - |



Notes

forming part of the standalone financial statement as at and for the year ended March 31, 2022

(Amount in ₹ Millions)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|--|-------------------------|-------------------------|
| Trade Receivables | | |
| HGIEPL -TPL JV | 291.47 | 126.03 |
| Gurgaon Sohna Highway Private Limited | 233.66 | 171.83 |
| H.G. Ateli Narnaul Highway Private Limited | - | 181.29 |
| H.G. Rewari Ateli Highway Private Limited | 66.32 | 237.34 |
| H.G. Rewari Bypass Private Limited | 91.09 | 134.50 |
| H.G. Raipur Visakhapatnam AP-1 Private Limited | 216.41 | - |
| Advance to Contractor | | |
| Mahadev Stone Crusher | 2.43 | - |
| Advance to Vendor | | |
| H.G. Foundation | 0.03 | - |
| Other receivable | | |
| Mr. Hodal Singh | - | 4.72 |
| Other receivable against deferred Guarantee Commission Income | | |
| Gurgaon Sohna Highway Private Limited | - | 31.81 |
| H.G. Ateli Narnaul Highway Private Limited | - | 1.08 |
| H.G. Rewari Ateli Highway Private Limited | 0.50 | 0.85 |
| H.G. Rewari Bypass Private Limited | 0.24 | - |
| Loans | | |
| Gurgaon Sohna Highway Private Limited | 104.37 | - |
| H.G. Ateli Narnaul Highway Private Limited | 76.83 | 43.90 |
| H.G. Rewari Ateli Highway Private Limited | 40.49 | - |
| Trade Payable | | |
| Ms. Ridhima Choudhary | - | 0.35 |
| HG Traders | 0.65 | 2.03 |
| Mahadev Stone Crusher | - | 1.21 |
| Raghusons Infra Engineering Private Limited | 24.16 | - |
| H. G. Infra Toll Way Private Limited | 9.98 | 9.68 |
| Advance from customers (Contract liability) | | |
| H.G. Ateli Narnaul Highway Private Limited | 29.84 | - |
| Gurgaon Sohna Highway Private Limited | 28.27 | 33.41 |
| H.G. Rewari Ateli Highway Private Limited | 19.54 | 241.51 |
| H.G. Rewari Bypass Private Limited | 321.62 | 432.00 |
| H.G. Raipur Visakhapatnam AP-1 Private Limited | 375.20 | - |
| Guarantees issue on behalf of Subsidiary Company | | |
| Gurgaon Sohna Highway Private Limited | 2,878.60 | 2,878.60 |
| H.G. Ateli Narnaul Highway Private Limited | 4,059.50 | 4,059.50 |
| H.G. Rewari Ateli Highway Private Limited | 2,270.00 | 2,270.00 |
| H.G. Rewari Bypass Private Limited | 2,200.00 | 2,200.00 |
| H.G. Raipur Visakhapatnam AP-1 Pvt Ltd | 4,520.00 | - |
| H.G. Raipur Visakhapatnam OD-5 Pvt Ltd | 447.60 | - |
| Guarantees given on behalf of Company | | |
| Mr. Vijendra Singh | 15,599.80 | 11,280.00 |
| Mr. Harendra Singh | 15,599.80 | 11,280.00 |

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forming part of the standalone financial statement as at and for the year ended March 31, 2022

D) Terms and conditions

All Related Party Transactions entered during the year were in ordinary course of the business and are on arm's length basis.

All outstanding balances are unsecured and repayable in cash.

There is no loss allowance has been recognised during the year in respect of receivable due from related parties.

Note 44 - Employee benefit obligations

(Amount in ₹ Millions)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|-------------------|-------------------------|-------------------------|
| Leave obligations | 18.02 | 13.31 |
| Gratuity | 56.98 | 24.87 |
| | 75.00 | 38.18 |

(i) Leave obligations

The employees of the Company are entitled to compensated absences as per the policy of the Company. The entire amount of the provision of the compensated absences is presented as current liability. However, based on past experience, the Company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months. The following amounts reflect leave that is not expected to be taken or paid within the next 12 months.

(Amount in ₹ Millions)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|--|-------------------------|-------------------------|
| Current leave obligations not expected to be settled within the next 12 months | 18.02 | 13.31 |

(ii) Post employment obligations

(a) Defined Contribution Plans:

Provident fund

Employers' contribution to employees' pension scheme 1995

Employers' contribution to Employee State Insurance Corporation (ESIC)

The provident fund and pension scheme are operated by regional provident fund commissioner. Under the scheme, the Company is required to contribute a specified percentage of payroll cost to the retirement benefit schemes to fund the benefits.

The Company has recognised the following amounts in the Statement of Profit and Loss for the year:

(Amount in ₹ Millions)

| Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
|--------------------------------|------------------------------|------------------------------|
| Contribution to Provident Fund | 12.59 | 13.10 |
| Contribution to E.S.I.C | 3.96 | 5.38 |
| Contribution to Pension Fund | 16.39 | 16.78 |
| | 32.94 | 35.26 |

(b) Defined Benefit Plans:

Gratuity

The company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years



Notes

forming part of the standalone financial statement as at and for the year ended March 31, 2022

of service. Contributions are made to a gratuity based upon actuarial valuation done at the year end of every financial year using "Projected Unit Credit" method. The charge on account of provision for gratuity has been included in Employee Benefits Expense in the Statement of Profit and Loss except remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in other comprehensive income.

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

(Amount in ₹ Millions)

| Particulars | Present Value of Obligation | Fair Value of plan Assets | Net Amount |
|--|-----------------------------|---------------------------|--------------|
| As on April 1, 2020 (A) | 48.86 | 38.72 | 10.14 |
| Current service cost | 11.10 | - | 11.10 |
| Past service cost | - | - | - |
| Interest expense | 2.28 | 2.00 | 0.28 |
| Total Amount Recognised in profit and loss (B) | 13.38 | 2.00 | 11.38 |
| Remeasurements | | | |
| Assets, excluding amount included in interest expense/(income) | - | (0.10) | 0.10 |
| (Gain)/loss from change in demographic assumptions | 2.20 | - | 2.20 |
| (Gain)/loss from change in financial assumptions | (3.01) | - | (3.01) |
| Experience (gains)/losses | 5.43 | - | 5.43 |
| Total amount recognised in other comprehensive income (C) | 4.62 | (0.10) | 4.72 |
| Employer contributions (D) | - | 1.37 | (1.37) |
| Benefit payments (E) | (1.13) | (1.13) | - |
| Balance as on March 31, 2021 (A+B+C+D+E) | 65.73 | 40.86 | 24.87 |

(Amount in ₹ Millions)

| Particulars | Present Value of Obligation | Fair Value of plan Assets | Net Amount |
|--|-----------------------------|---------------------------|--------------|
| As on April 1, 2021 (A) | 65.73 | 40.86 | 24.87 |
| Current service cost | 13.73 | - | 13.73 |
| Past service cost | - | - | - |
| Interest expense | 2.54 | 1.65 | 0.89 |
| Total Amount Recognised in profit and loss (B) | 16.27 | 1.65 | 14.62 |
| Remeasurements | | | |
| Assets, excluding amount included in interest expense/(income) | - | 0.38 | (0.38) |
| (Gain)/loss from change in demographic assumptions | 4.66 | - | 4.66 |
| (Gain)/loss from change in financial assumptions | 4.27 | - | 4.27 |
| Experience (gains)/losses | 10.35 | - | 10.35 |
| Total amount recognised in other comprehensive income (C) | 19.28 | 0.38 | 18.90 |
| Employer contributions (D) | - | 1.41 | (1.41) |
| Benefit payments (E) | (3.13) | (3.13) | - |
| Balance as on March 31, 2022 (A+B+C+D+E) | 98.15 | 41.17 | 56.98 |

Notes

forming part of the standalone financial statement as at and for the year ended March 31, 2022

The significant actuarial assumptions were as follows:

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|--|--|
| Discount rate (per annum) | 5.50% | 4.45% |
| Salary growth rate | 12.50% | 10.00% |
| Expected Return on plan assets | 7.02% | 6.50% |
| Expected average remaining working lives of employees | Indian Assured Lives Mortality (2012-14) | Indian Assured Lives Mortality (2012-14) |

Sensitivity Analysis

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

| Particulars | Year ended March 31, 2022 | | Year ended March 31, 2021 | |
|-------------------------------------|---------------------------|-------------------|---------------------------|-------------------|
| | Discount | Salary escalation | Discount | Salary escalation |
| Impact of increase in 50 BPS on DBO | 96.39 | 99.79 | 64.73 | 66.68 |
| Impact of Decrease in 50 BPS on DBO | 99.99 | 96.55 | 66.77 | 64.81 |

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the Balance Sheet. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

(iii) The major categories of plans assets are as follows:

The plan asset for the funded gratuity plan is administered by Life Insurance Corporation of India ('LIC') as per the investment pattern stipulated for Pension and Group Schemes fund by Insurance Regulatory and Development Authority regulations i.e. 100% of plan assets are invested in insurer managed fund. Quoted price of the same is not available in active market.

(iv) Risk Exposure

Through its defined benefit plans, the Company is exposed to a number of risks, the most significant of which are detailed below:

Demographic Risk: This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to a long service employee.

Asset volatility: The plan liabilities are calculated using a discount rate set with reference to bond yields; if plan assets underperform this yield, this will create a deficit. 100% of the plan asset investments is in insurer managed funds. These are subject to interest rate risk and the fund manages interest rate risk with derivatives to minimise risk to an acceptable level.

Salary Inflation Risk: Higher than expected increases in salary will increase the defined benefit obligation.

Interest-Rate Risk: The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.



Notes

forming part of the standalone financial statement as at and for the year ended March 31, 2022

(v) Defined Benefit Liability and Employer Contributions

The Company considers that the contribution rates set at the last valuation date are sufficient to eliminate the deficit over the agreed period and that regular contributions, which are based on service costs, will not increase significantly.

Expected contributions to post-employment benefit plans for the year ending March 31, 2022 are ₹10 Million (Year ending March 31, 2021 ₹10 Million)

The weighted average duration of the defined benefit obligation is 3.66 years (March 31, 2021: 3.11 years). The expected maturity analysis of undiscounted gratuity is as follows:

Maturity Analysis of the Projected Benefit Obligations - Gratuity

(Amount in ₹ Millions)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|-----------------------------------|-------------------------|-------------------------|
| 1st Following Year | 25.10 | 17.52 |
| 2nd Following Year | 20.66 | 16.57 |
| 3rd Following Year | 17.32 | 12.59 |
| 4th Following Year | 13.39 | 9.38 |
| 5th following year | 10.63 | 6.24 |
| Sum of 6th to 10th Following Year | 35.58 | 13.90 |

Note 45 - Assets pledged as security

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

(Amount in ₹ Millions)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|-------------------------|-------------------------|
| Current | | |
| Financial Assets | | |
| Floating Charge | | |
| Trade Receivables (net of loss allowance) | 6,994.69 | 6,575.08 |
| Non-financial assets | | |
| Inventories | 1,835.52 | 1,680.08 |
| Total Current Assets pledged as Security | 8,830.21 | 8,255.16 |
| Non-Current | | |
| Plant and machinery | 1,031.73 | 2,175.27 |
| Building | 220.81 | 132.85 |
| Vehicles | 48.15 | 82.97 |
| Total Non-Current assets pledged as Security | 1,300.69 | 2,391.09 |
| Total Assets pledged as Security | 10,130.90 | 10,646.25 |

Note: Amount of assets pledged are net carrying values.

Notes

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Note 46 - Contingent Liabilities

(Amount in ₹ Millions)

| Description | As at March 31, 2022 | As at March 31, 2021 |
|--|-------------------------|-------------------------|
| (a) Claims against the Company not acknowledged as debts | 19.45 | 44.79 |
| (b) Direct tax demand disputed in appeals | 13.02 | - |

- (c) The Company has evaluated the impact of the Supreme Court (SC) judgement dated February 28, 2019 in case of "Vivekananda Vidyamandir And Others Vs The Regional Provident Fund Commissioner (II) West Bengal" and the related circular (Circular No. C-1/1(33)2019/Vivekananda Vidya Mandir/284) dated March 20, 2019 issued by the Employees' Provident Fund Organisation in relation to non-exclusion of certain allowances from the definition of "basic wages" of the relevant employees for the purposes of determining contribution to provident fund under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952. In the assessment of the management which is supported by legal advice, the Company believes that the aforesaid judgement does not have material impact on the Company. The Company will continue to monitor and evaluate its position based on future events and developments.

Note 47 - Disclosure of operating leases under Ind AS 116

The Company rents out its equipment on operating lease basis. All the arrangements are cancellable and are generally ranging in the period of 1 months to 6 months. There are no contingent rents recognised as income in the period.

Amounts recognised in the Standalone Statement of Profit and Loss

(Amount in ₹ Millions)

| Particulars | Ref Note No. | Year ended March 31, 2022 | Year ended March 31, 2021 |
|-----------------------------------|--------------|------------------------------|------------------------------|
| Equipment and flats given on hire | 30 | 11.48 | 5.98 |

Note 48 - Commitments

(a) Capital commitments

Capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:

(Amount in ₹ Millions)

| Description | As at March 31, 2022 | As at March 31, 2021 |
|---|-------------------------|-------------------------|
| Property, plant and equipment [(net of capital advance amounts to ₹3.03 Million) (March 31, 2021 ₹26.96 Million)] | 111.43 | 179.59 |

(b) Other commitments

(Amount in ₹ Millions)

| Description | As at March 31, 2022 | As at March 31, 2021 |
|---|-------------------------|-------------------------|
| Guarantees given to lenders of subsidiary Companies | 16,375.70 | 11,408.10 |



Notes

forming part of the standalone financial statement as at and for the year ended March 31, 2022

Footnote:

The guarantees given to lenders of subsidiaries are unlikely to be called, as subsidiaries are in a position to service principal and interest, covered by such guarantees.

Note 49

The holding company has been legally advised that outstanding loan aggregating to ₹221.69 Million (as at March 31, 2021, ₹43.90 Million) made towards financing the subsidiary do not come under the preview of Section 186 of companies Act, 2013 as the company is in the business of constructing and developing infrastructure facilities.

Note 50 - Earnings per share

(Amount in ₹ Millions)

| Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|------------------------------|------------------------------|
| Profit for the year (Amount in ₹ Millions) | 3,387.60 | 2,109.60 |
| Weighted average number of equity shares outstanding (number) | 6,51,71,111 | 6,51,71,111 |
| Earning per Share (basic and diluted) (Amount in ₹) | 51.98 | 32.37 |
| Nominal value per equity share (Amount in ₹) | 10 | 10 |

Note 51 - Interests in other entities

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

| Particulars | Place of business / Country of incorporation | Ownership Interests | | Principal activities |
|------------------------------------|---|-------------------------|-------------------------|----------------------|
| | | As at March 31, 2022 | As at March 31, 2021 | |
| Joint controlled operations | | | | |
| HGIEPL – Ranjit JV | India | 30% | 30% | Road construction |
| HGIEPL – MGCPL JV | India | 30% | 30% | Road construction |
| HGIEPL – RPS JV | India | 51% | 51% | Road construction |

The country of incorporation and principle place of above entities is in India.

Significant judgment: classification of joint arrangements

The Company has entered into Partnership firms / Association of person whose legal form confers separation between the parties to the joint arrangement and the Company itself. Also, as per the contractual arrangements, the parties to the joint arrangement have rights to the assets and obligations for the liabilities, relating to the arrangement. Accordingly the Joint arrangements have been identified as joint operations.

Financial impact of Joint controlled operations

The Company accounts for assets, liabilities, revenue and expenses relating to its interest in joint controlled operations based on the internal agreements/arrangements entered into between the parties to the joint arrangements for execution of projects. Accordingly the Company has recognised total income from operations ₹51.07 Million (for the year ended March 31, 2021 ₹81.48 Million), total expenditure (including tax) ₹50.92 Million (for the year ended March 31, 2021 ₹80.91 Million), total assets as at March 31, 2022 ₹54.65 Million (as at March 31, 2021 ₹46.04 Million) and total liabilities as at March 31, 2022 ₹51.41 Million (as at March 31, 2021 ₹40.61 Million).

Notes

forming part of the standalone financial statement as at and for the year ended March 31, 2022

Note 52 - Revenue from contracts with customers

Note 52.1 - Disaggregation of revenue from contracts with customers

The Company has determined the categories for disaggregation of revenue considering the types/nature of contracts. The Company recognises revenue from following types construction contracts, sale of services and sale of goods point in time and overtime as below:

(Amount in ₹ Millions)

| As on March 31, 2022 | Construction Contracts | Sale of Services (Maintenance Contract) | Total |
|---------------------------------|------------------------|---|-----------|
| Revenue from external customers | 35,573.66 | 373.18 | 35,946.84 |
| Timing of revenue recognition | | | |
| - At a point in time | - | 373.18 | 373.18 |
| - Over time | 35,573.66 | - | 35,573.66 |
| | 35,573.66 | 373.18 | 35,946.84 |

(Amount in ₹ Millions)

| As on March 31, 2021 | Construction Contracts | Sale of Services (Maintenance Contract) | Total |
|---------------------------------|------------------------|---|-----------|
| Revenue from external customers | 25,035.77 | 239.23 | 25,275.00 |
| Timing of revenue recognition | | | |
| - At a point in time | - | 239.23 | 239.23 |
| - Over time | 25,035.77 | - | 25,035.77 |
| | 25,035.77 | 239.23 | 25,275.00 |

The Company recognised revenue amounting to ₹2,267.28 Million (as at March 31, 2021 ₹1,468.42 Million) in the current reporting period that was included in the contract liability balance of previous year (Refer note 16 (b)).

Note 52.2 - Unsatisfied performance obligations

The aggregate amount of transaction price allocated to performance obligations that are unsatisfied as at the end of reporting period is ₹79,729.02 Million (as at March 31, 2021 ₹70,401 Million). On Construction Contracts (Road Projects and Pipeline contracts) have a life cycle of 2-3 years and other businesses performance obligations are met over a period of one or less than one year. Management expects that around 30% -35% of the transaction price allocated to unsatisfied contracts as of March 31, 2022 will be recognised as revenue during next reporting period depending upon the progress on each contracts.

The remaining amount is expected to be recognised in next year.

The amount disclosed above does not include variable consideration.

Note 52.3

There are no reconciliation items between revenue from contracts with customers and revenue recognised with contract price.



Notes

forming part of the standalone financial statement as at and for the year ended March 31, 2022

Note 53 - Disclosure of operating leases under Ind AS 116

Leases as lessee

The Company has obtained premises (office, residential and Camp) and machineries taken on lease. The terms of lease include terms of renewals, increase in rent in future period, terms of cancellation, etc. The agreements are executed for a period of 1 months to 36 months with a renewable clause and also provide for termination at will by either party giving a prior notice of 1 to 3 months at any time during the lease term.

Amounts recognised in the Standalone Statement of Profit and Loss

(Amount in ₹ Millions)

| Particulars | Refer Note No. | As at March 31, 2022 | As at March 31, 2021 |
|---------------------------------------|----------------|----------------------|----------------------|
| Contract and site expenses | 32 | | |
| Hire charges for machinery and others | | 236.55 | 255.09 |
| Other expenses | 36 | | |
| Lease rent | | 54.36 | 33.42 |
| Total Expenses | | 290.91 | 288.51 |

Note 54 - Disclosure under Regulation 34(3) read with para A Schedule V to Securities and Exchange Board of India (SEBI) (Listing obligations and disclosure requirements) Regulations 2015.

Loans given to Wholly owned subsidiaries:

(Amount in ₹ Millions)

| Particulars | Amount outstanding as at | | Maximum balance outstanding during the year ended | |
|---|--------------------------|----------------|---|----------------|
| | March 31, 2022 | March 31, 2021 | March 31, 2022 | March 31, 2021 |
| Gurgaon Sohna Highway Private Limited | 104.37 | - | 104.37 | 70.51 |
| H.G. Ateli Narnaul Highway Private Limited* | 360.15 | 102.67 | 360.15 | 142.81 |
| H.G. Rewari Ateli Highway Private Limited* | 346.34 | 149.25 | 346.34 | 190.73 |
| H.G. Rewari Bypass Private Limited | - | - | 9.50 | 31.15 |
| HG Raipur Visakhapatnam AP-1 Private Limited* | 8.32 | - | 8.32 | - |
| Khammam Devarapalle PKG-1 Private Limited* | 2.37 | - | 2.37 | - |
| H.G. Khammam Devarapalle PKG-2 Private Limited* | 2.37 | - | 2.37 | - |
| H.G. Raipur Visakhapatnam OD-5 Private Limited* | 28.31 | - | 28.31 | - |
| H.G. Raipur Visakhapatnam OD-6 Private Limited* | 0.50 | - | 0.50 | - |

* Including investment in optionally convertible unsecured loan (Refer note 6).

- The Company has not given any loans or advances in the nature of loan to any Companies, in which Directors are interested.
- The above loans were given to the subsidiaries for their normal business activities.

The Company is engaged in the business of providing infrastructural facilities as per Section 186 (11) of the Act. Accordingly, disclosure under section 186 (4) of the Act, is not applicable to the Company.

Notes

forming part of the standalone financial statement as at and for the year ended March 31, 2022

Note 55 - Additional regulatory information required by Schedule III

(i) Details of benami property held

No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

(ii) Borrowing secured against current assets

The Company has borrowings from banks and financial institutions on the basis of security of current assets. The quarterly returns or statements of current assets filed by the Company with banks and financial institutions are in agreement with the books of accounts.

(iii) Wilful defaulter

Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(iv) Relationship with struck off companies

The Company has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.

(Amount in ₹ Millions)

| Name of struck off company | Nature of transaction with struck off company | Balance outstanding as at March 31, 2022 | Relationship with the struck off company | Balance outstanding as at March 31, 2021 | Relationship with the struck off company |
|---------------------------------------|---|--|--|--|--|
| Compact Pile Construction Private Ltd | Payable | - | None | - | None |
| Sojat Cement Works Private Ltd | Payable | - | None | - | None |

(v) Loans or advances to specified persons

(Amount in ₹ Millions)

| Type of borrower | Amount of loan or advance in the nature of loan outstanding as at March 31, 2022 | Percentage to the total loans and advances in the nature of loans | Amount of loan or advance in the nature of loan outstanding as at March 31, 2021 | Percentage to the total loans and advances in the nature of loans |
|--|--|---|--|---|
| (a) repayable on demand | | | | |
| Gurgaon Sohna Highway Private Limited | 104.37 | 12.23% | - | - |
| H.G. Ateli Narnaul Highway Private Limited | 76.83 | 9.01% | 43.90 | 17.43% |
| H.G. Rewari Ateli Highway Private Limited | 40.49 | 4.75% | - | - |
| (b) without specifying any terms or period of repayment | | | | |
| H.G. Ateli Narnaul Highway Private Limited | 283.32 | 33.22% | 58.77 | 23.33% |
| H.G. Rewari Ateli Highway Private Limited | 305.85 | 35.87% | 149.25 | 59.24% |
| H.G. Raipur Visakhapatnam AP-1 Private Limited | 8.32 | 0.98% | - | - |



Notes

forming part of the standalone financial statement as at and for the year ended March 31, 2022

(Amount in ₹ Millions)

| Type of borrower | Amount of loan or advance in the nature of loan outstanding as at March 31, 2022 | Percentage to the total loans and advances in the nature of loans | Amount of loan or advance in the nature of loan outstanding as at March 31, 2021 | Percentage to the total loans and advances in the nature of loans |
|--|--|---|--|---|
| H.G. Khammam Devarapalle Pkg-1 Private Limited | 2.37 | 0.28% | - | - |
| H.G. Khammam Devarapalle Pkg-2 Private Limited | 2.37 | 0.28% | - | - |
| H.G. Raipur Visakhapatnam OD-5 Private Limited | 28.31 | 3.32% | - | - |
| H.G. Raipur Visakhapatnam OD-6 Private Limited | 0.50 | 0.06% | - | - |

(vi) Compliance with number of layers of companies

The Company has complied with the number of layers prescribed under the Companies Act, 2013.

(vii) Compliance with approved scheme(s) of arrangements

The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

(viii) Utilisation of borrowed funds and share premium

The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
- provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the group shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- provide any guarantee, security or the like on behalf of the ultimate beneficiaries

(ix) Undisclosed income

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

(x) Details of crypto currency or virtual currency

The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

(xi) Valuation of PP&E, intangible asset and investment property

The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

Notes

forming part of the standalone financial statement as at and for the year ended March 31, 2022

(xii) Title deeds of immovable properties not held in name of the company

The title deeds of all the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee), as disclosed in note 3(a) and 4 to the financial statements, are held in the name of the company.

(xiii) Registration of charges or satisfaction with Registrar of Companies

There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.

(xiv) Utilisation of borrowings availed from banks and financial institutions

The borrowings obtained by the company from banks and financial institutions have been applied for the purposes for which such loans were taken.

(xv) The Company has a fund and non fund based facility limit of ₹1,540.00 million (March 31, 2021 ₹1,061.01 Million) with Bank which is secured by way of first charge on hypothecation of current assets viz. raw materials, stores and spares and receivables.

The Company has utilised the fund and non fund based facility during the FY 2021-22 and 2020-21 for working capital purposes.

Further, the charge has been created on hypothecation of the afore said current assets.

Note 56 - Analytical ratios

| Particulars | Numerator | Denominator | March 31, 2022 | March 31, 2021 | % Variance | Reason Required if variance more than 25% |
|--------------------------------------|--|--|----------------|----------------|------------|---|
| (a) Current ratio | Current Assets | Current Liabilities | 1.79 | 1.45 | 23.50% | |
| (b) Debt-equity ratio | Total Debt (Borrowings) | Total Equity | 0.23 | 0.28 | -17.63% | |
| (c) Debt service coverage ratio | Earning available for debt service | Finance Costs + Repayment of borrowings | 4.53 | 2.49 | 82.08% | Decrease in interest on term loan and working capital loan for the year ended March 31, 2022. |
| (d) Return on equity ratio | Profits after tax | Average Total Equity | 0.25 | 0.20 | 21.49% | Increase in profit for the year ended March 31, 2022. |
| (e) Inventory turnover ratio | Cost of goods sold | Average Inventory | 10.19 | 8.67 | 17.59% | |
| (f) Trade receivables turnover ratio | Revenue from operations | Average Trade receivables | 5.33 | 3.45 | 54.34% | Increase in Revenue from operations for the year ended March 31, 2022. |
| (g) Trade payables turnover ratio | Net Purchases of raw material + Sub contracting expenses + Hire charges for machinery and other + Site and other direct expenses | Average Trade payables | 6.01 | 3.44 | 74.83% | Increase in purchases and direct expenses for the year ended March 31, 2022. |
| (h) Net capital turnover ratio | Revenue from operations | Working Capital (Current Assets - Current Liabilities) | 5.39 | 5.81 | -7.17% | |



Notes

forming part of the standalone financial statement as at and for the year ended March 31, 2022

| Particulars | Numerator | Denominator | March 31, 2022 | March 31, 2021 | % Variance | Reason Required if variance more than 25% |
|--------------------------------|------------------------------------|---|----------------|----------------|------------|---|
| (i) Net profit ratio | Profit after tax | Revenue from operations | 9.37% | 8.32% | 12.60% | |
| (j) Return on capital employed | Earning before interest and taxes | Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability | 0.30 | 0.26 | 16.88% | |
| (k) Return on investment | Earnings before interest and taxes | Total assets | 0.21 | 0.16 | 36.08% | Increase in profit for the year ended March 31, 2022. |

Note 57 - Prior year figures have been regrouped, wherever necessary.

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

Nitin Khatri
Partner
Membership Number: 110282

For Shridhar & Associates
Firm Registration Number: 134427W

Abhishek Pachlangia
Partner
Membership Number: 120593

Place: Jaipur
Date: May 23, 2022

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

Harendra Singh
Chairman and Managing Director
DIN: 00402458

Rajeev Mishra
Chief Financial Officer

Place: Jaipur
Date: May 23, 2022

Ankita Mehra
Company Secretary
Membership No: A33288

Consolidated Financial Statements



Independent Auditor's Report

To the Members of H.G. Infra Engineering Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying consolidated financial statements of H.G. Infra Engineering Limited in which are incorporated 3 jointly controlled operations (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), (refer Note 50 to the attached consolidated financial statements), which comprise the consolidated Balance Sheet as at March 31, 2022, and the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated Statement of Changes in Equity and the consolidated Cash Flow Statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2022, of consolidated total

comprehensive income (comprising of profit and other comprehensive income), consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in India in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph 14 and 15 of the Other Matters section below, is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

| Key audit matter | How our audit addressed the key audit matter |
|--|--|
| 1) Estimation of contract cost and revenue recognition (Refer to note 1(f)(i), 2(d), 28 and 51 of the consolidated financial statements) <p>The contract revenue amounts to ₹35,573.66 Million for engineering, procurement and construction contracts, which usually extend over a period of 2-3 years, and the contract prices are fixed and in some cases, subject to price variance clauses.</p> <p>The contract revenue is measured based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs.</p> | <p>Our procedures over the recognition of revenue included the following:</p> <ul style="list-style-type: none"> • Understood and evaluated the design and tested the operating effectiveness of key internal financial controls, including those related to review and approval of estimated project cost and review of provision for estimated loss by the authorised representatives. • For sample of contracts, we obtained the percentage of completion calculations, agreed key contractual terms to the signed contracts, tested the mathematical accuracy of the cost to complete calculations and re-performed the calculation of revenue recognized during the year based on the percentage of completion. |

| Key audit matter | How our audit addressed the key audit matter |
|---|---|
| <p>This method requires the Holding Company to perform an initial assessment of total estimated cost and reassess the total construction cost at each reporting period end to determine the appropriate percentage of completion.</p> <p>We considered the estimation of construction contract cost as a key audit matter given the involvement of significant management judgement which has consequential impact on revenue recognition.</p> | <ul style="list-style-type: none"> For costs incurred to date, we tested samples to appropriate supporting documentation and performed cut off procedures. To test the forecast cost to complete, we obtained the breakdown of costs forecasts and tested elements of the forecast by obtaining executed purchase orders and agreements, evaluating reasonableness of management's judgements and assumptions using past trends and comparing the estimated costs to the actual costs incurred for the similar completed projects. Checked the related disclosures in the financial statements. <p>Based on the above procedures performed, we considered the manner of estimation of contract cost and recognition of revenue to be reasonable.</p> |
| <p>2) Valuation of accounts receivable and contract assets in view of risk of credit losses</p> <p>(Refer to the Note 1(k), 38(i), 6 and 10 – Trade receivables and Note 15(a) for contract assets).</p> <p>Accounts receivable and contract assets are significant items in the Holding Company's standalone financial statements aggregating to INR 10,718.62 Million as of March 31, 2022 and provision for impairment of receivables and contract assets is an area which is influenced by management's estimates and judgment. The provision for impairment of receivables and contract assets amounted to INR 187.94 million as at March 31, 2022.</p> <p>The Holding Company has a concentration of credit exposure on certain customers, which include government and private organisations, where there are delays in collections due to various reasons. The management has assessed the appropriateness of provisions recognised, as applicable, on receivables and contract assets, based on factors such as the credit risk of the customer, status of the project, discussions with the customers and contractual terms. This involves significant judgement.</p> <p>Given the relative significance of these receivables and contract assets to the consolidated financial statements and the nature and extent of audit procedures involved to assess the recoverability of receivables and contract assets, we determined this to be a key audit matter.</p> | <p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> Understanding, evaluating the design and testing the operating effectiveness of key internal financial controls in relation to determination of estimated credit loss. Obtaining confirmation from parties, on a sample basis, with respect to outstanding balances. Inquiry procedures with senior management of the Company regarding status of collectability of the receivable and contract assets. Perusal of correspondences with the customers. Assessing the inputs used by the Management to determine the amount of allowances by considering factors such as credit risk of the customer, cash collections, past history and status of the project, and correspondence with customers. Checked the related disclosures in the financial statements. <p>Based on our work as stated above, no significant deviations were observed in respect of management's assessment of valuation of accounts receivables and contract assets.</p> |

Other Information

- The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Directors' Report, Corporate Governance Report and Other Information included in Annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the



audit or otherwise appears to be materially misstated. If, based on the work we have performed and the reports of the other auditors as furnished to us (Refer paragraph 14 and 15 below), we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

6. The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows, and changes in equity of the Group including in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.
7. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.
8. The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.
9. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.
10. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding company has adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on

the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
 - Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.
11. We communicate with those charged with governance of the Holding Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
 12. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
 13. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

14. We did not audit the financial statements of 3 jointly controlled operations included in the standalone financial statements of the Holding Company, whose financial statements reflect total assets of ₹54.65 Million and net assets of ₹3.24 Million as at March 31, 2022, total revenue of ₹50.98 Million, total comprehensive income (comprising of profit and other comprehensive income) of ₹0.15 Million and net cash outflows amounting to ₹0.31 Million for the year then ended. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us by the management, and our opinion on the financial statements (including other information) in so far as it relates to the amounts and disclosures included in respect of these jointly controlled operations is based solely on the reports of such other auditors.
15. We did not audit the financial statements of nine subsidiaries included in the consolidated financial statements whose financial statements reflect total assets of ₹14,290.01 million and net assets of ₹4,263.08 million as at March 31, 2022, total revenue of ₹9,501.50 million, total comprehensive income (comprising of profit and other comprehensive income) of ₹412.74 million and net cash outflows amounting to ₹22.02 million for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion on the consolidated financial statements insofar as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act including report on Other Information insofar as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

16. As required by paragraph 3(xxi) of the Companies (Auditor's Report) Order, 2020 ("CARO 2020"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we report that there are no qualifications or adverse remarks included by the respective auditors in their CARO 2020 reports issued in respect of the standalone financial statements of the companies which are included in these Consolidated Financial Statements.



17. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account and records maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2022 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Holding Company and its subsidiaries incorporated in India is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy of internal financial controls with reference to consolidated financial statements of the Group and the operating effectiveness of such controls, refer to our separate report in Annexure A.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated financial statements disclose the impact, if any, of pending litigations on the consolidated financial position of the Group

– Refer Note 45 to the consolidated financial statements.

- ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts as at March 31, 2022 – Refer Note 15 (a) to the consolidated financial statements in respect of such items as it relates to the Group. The Group did not have any derivative contracts as at March 31, 2022.
- iii. During the year ended March 31, 2022, there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Group.
- iv. (a) The respective Managements of the Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of their knowledge and belief, as disclosed in the notes to the accounts, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company or any of such subsidiaries to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (b) The respective Managements of the Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of their knowledge and belief, as disclosed in the

notes to the accounts, no funds (which are material either individually or in the aggregate) have been received by the Company or any of such subsidiaries from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or any of such subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- (c) Based on the audit procedures, that has been considered reasonable and appropriate in the

circumstances, performed by us and those performed by the auditors of the subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material misstatement.

- v. The dividend declared and paid during the year by the Holding Company is in compliance with Section 123 of the Act.

18. The Group have paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

For Price Waterhouse & Co Chartered Accountants LLP

Firm Registration Number: 304026E/E-300009

Nitin Khatri

Partner

Membership Number: 110282

UDIN: 22110282AJKKRO3893

Date: May 23, 2022

Place: Jaipur

For Shridhar & Associates

Firm Registration Number: 134427W

Abhishek Pachlangia

Partner

Membership Number: 120593

UDIN: 22120593AJKGLT6906

Date: May 23, 2022

Place: Jaipur



Annexure A to Independent Auditor's Report

Referred to in paragraph 17(f) of the Independent Auditor's Report of even date to the members of H.G. Infra Engineering Limited on the consolidated financial statements for the year ended March 31, 2022

Report on the Internal Financial Controls with reference to Consolidated Financial Statements under clause (i) of sub-section 3 of Section 143 of the Act

1. In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2022, we have audited the internal financial controls with reference to financial statements of H.G. Infra Engineering Limited (hereinafter referred to as "the Holding Company") and its subsidiary companies, which are companies incorporated in India, as of that date. Reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls with reference to financial statements is not applicable to 3 jointly controlled operations.

Management's Responsibility for Internal Financial Controls

2. The respective Board of Directors of the Holding Company and its subsidiary companies, to whom reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls with reference to financial statements is applicable, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") 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 with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note issued by the ICAI and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent

applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's internal financial controls system with reference to consolidated financial statements.

Meaning of Internal Financial Controls with reference to financial statements

6. A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts

and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For Price Waterhouse & Co Chartered Accountants LLP

Firm Registration Number: 304026E/E-300009

Nitin Khatri

Partner

Membership Number: 110282

UDIN: 22110282AJKKRO3893

Date: May 23, 2022

Place: Jaipur

Opinion

8. In our opinion, the Holding Company and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2022, 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 issued by the ICAI.

Other Matters

9. Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements insofar as it relates to 9 subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India. Our opinion is not modified in respect of this matter.

For Shridhar & Associates

Firm Registration Number: 134427W

Abhishek Pachlangia

Partner

Membership Number: 120593

UDIN: 22120593AJKGLT6906

Date: May 23, 2022

Place: Jaipur



Consolidated Balance Sheet

as at March 31, 2022

| | | (Amount in ₹ Millions) | |
|---|--------|-------------------------|-------------------------|
| Particulars | Note | As at March 31, 2022 | As at March 31, 2021 |
| ASSETS | | | |
| Non-current assets | | | |
| Property, plant and equipment | 3 (a) | 4,477.64 | 4,800.03 |
| Right-of-use assets | 3 (b) | 12.42 | 10.44 |
| Capital work-in-progress | 3 (a) | 21.51 | 18.07 |
| Investment properties | 4 | 86.42 | - |
| Intangible assets | 5 | 18.26 | 25.69 |
| Financial assets | | | |
| i. Trade receivables | 6 | 41.23 | 40.70 |
| ii. Other financial assets | 7 | 9,106.46 | 4,200.36 |
| Deferred tax assets (Net) | 36 (b) | 114.49 | 95.48 |
| Non-current tax assets (Net) | 36 (e) | 183.96 | 131.53 |
| Other non-current assets | 8 | 876.75 | 48.02 |
| Total non-current assets | | 14,939.14 | 9,370.32 |
| Current assets | | | |
| Inventories | 9 | 1,835.52 | 1,680.08 |
| Financial assets | | | |
| i. Trade receivables | 10 | 6,353.98 | 5,817.43 |
| ii. Cash and cash equivalents | 11 | 492.31 | 1,441.43 |
| iii. Bank balances other than (ii) above | 12 | 1,152.64 | 1,184.70 |
| iv. Loans | 13 | 11.09 | 5.96 |
| v. Other financial assets | 14 | 3,146.80 | 3,318.47 |
| Contract assets | 15 (a) | 3,586.87 | 2,654.42 |
| Other current assets | 16 | 1,390.25 | 1,363.96 |
| | | 17,969.46 | 17,466.45 |
| Assets classified as held for sale | 17 | 9.63 | - |
| Total current assets | | 17,979.09 | 17,466.45 |
| Total assets | | 32,918.23 | 26,836.77 |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Equity share capital | 18 | 651.71 | 651.71 |
| Other equity | 19 | 13,708.04 | 9,973.96 |
| Total equity | | 14,359.75 | 10,625.67 |
| LIABILITIES | | | |
| Non-current liabilities | | | |
| Financial liabilities | | | |
| i. Borrowings | 20 | 9,660.22 | 5,570.40 |
| ii. Lease liabilities | 3 (b) | 2.57 | 1.06 |
| iii. Trade payables | | | |
| (a) total outstanding dues of micro and small enterprises | 21 | - | - |
| (b) total outstanding dues other than (iii) (a) above | 21 | 34.96 | 838.33 |
| Deferred tax liability (Net) | 36 (b) | 205.79 | 34.23 |
| Employee benefit obligations | 22 | 56.98 | 24.87 |
| Total non-current liabilities | | 9,960.52 | 6,468.89 |
| Current liabilities | | | |
| Financial liabilities | | | |
| i. Borrowings | 23 | 2,172.17 | 2,094.72 |
| ii. Lease liabilities | 3 (b) | 9.73 | 10.57 |
| iii. Trade payables | | | |
| (a) total outstanding dues of micro and small enterprises | 24 | 57.77 | 13.45 |
| (b) total outstanding dues other than (iii) (a) above | 24 | 4,262.47 | 4,132.47 |
| iv. Other financial liabilities | 25 | 142.01 | 242.31 |
| Contract liabilities | 15 (b) | 1,549.37 | 2,958.68 |
| Employee benefit obligations | 26 | 102.50 | 83.88 |
| Current tax liabilities (Net) | 36 (d) | 144.32 | 73.79 |
| Other current liabilities | 27 | 157.62 | 132.34 |
| Total current liabilities | | 8,597.96 | 9,742.21 |
| Total liabilities | | 18,558.48 | 16,211.10 |
| Total equity and liabilities | | 32,918.23 | 26,836.77 |

The above consolidated balance sheet should be read in conjunction with the accompanying notes.
As per our report of even date.

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

Nitin Khatri
Partner
Membership Number: 110282

For Shridhar & Associates
Firm Registration Number: 134427W

Abhishek Pachlangia
Partner
Membership Number: 120593

Place: Jaipur
Date: May 23, 2022

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

Harendra Singh
Chairman and Managing Director
DIN: 00402458

Rajeev Mishra
Chief Financial Officer

Place: Jaipur
Date: May 23, 2022

Ankita Mehra
Company Secretary
Membership No: A33288

Consolidated Statement of Profit and Loss

for the year ended March 31, 2022

(Amount in ₹ Millions)

| Particulars | Note | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|--------|------------------------------|------------------------------|
| Revenue from operations | 28 | 37,514.31 | 26,097.24 |
| Other income | 29 | 73.19 | 73.76 |
| Total income | | 37,587.50 | 26,171.00 |
| Expenses | | | |
| Cost of materials consumed | 30 | 17,919.07 | 11,856.52 |
| Contract and site expenses | 31 | 10,782.38 | 7,967.13 |
| Employee benefits expenses | 32 | 1,298.79 | 1,107.90 |
| Finance costs | 33 | 1,176.99 | 941.58 |
| Depreciation and amortisation expenses | 34 | 850.99 | 844.33 |
| Other expenses | 35 | 413.05 | 333.60 |
| Total expenses | | 32,441.27 | 23,051.06 |
| Profit before tax | | 5,146.23 | 3,119.94 |
| Income tax expense | | | |
| - Current tax | 36 (a) | 1,188.56 | 736.63 |
| - Deferred tax | 36 (a) | 157.31 | 16.77 |
| Total tax expense | | 1,345.87 | 753.40 |
| Profit after tax | | 3,800.36 | 2,366.54 |
| Other comprehensive income | | | |
| Item that will not be reclassified to profit or loss | | | |
| Remeasurements of post-employment benefit obligations | | (18.90) | (4.72) |
| Income tax relating to this item | 36 (a) | 4.76 | 1.19 |
| Other comprehensive income for the year (Net of tax) | | (14.14) | (3.53) |
| Total comprehensive income for the year | | 3,786.22 | 2,363.01 |
| Earnings per equity share of ₹10 each | 49 | | |
| Basic earnings per share (Amount in ₹) | | 58.31 | 36.31 |
| Diluted earnings per share (Amount in ₹) | | 58.31 | 36.31 |

The above consolidated statement of profit and loss should be read in conjunction with the accompanying notes.
As per our report of even date.

For Price Waterhouse & Co Chartered Accountants LLP

Firm Registration No. 304026E / E-300009

Nitin Khatri

Partner

Membership Number: 110282

For Shridhar & Associates

Firm Registration Number: 134427W

Abhishek Pachlangia

Partner

Membership Number: 120593

Place: Jaipur

Date: May 23, 2022

For and on behalf of the Board of Directors

H. G. Infra Engineering Limited

CIN: L45201RJ2003PLC018049

Harendra Singh

Chairman and Managing Director

DIN: 00402458

Rajeev Mishra

Chief Financial Officer

Place: Jaipur

Date: May 23, 2022

Ankita Mehra

Company Secretary

Membership No: A33288



Consolidated Cash Flow Statement

for the year ended March 31, 2022

(Amount in ₹ Millions)

| Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|------------------------------|------------------------------|
| A) Cash flow from operating activities | | |
| Profit before tax | 5,146.23 | 3,119.94 |
| Adjustments for: | | |
| Depreciation and amortisation expense | 850.99 | 844.33 |
| Interest Income from financial assets at amortised cost | (59.54) | (65.94) |
| Loss allowances | (5.43) | - |
| Net loss on disposal of property, plant and equipment | 10.87 | 12.00 |
| Net unrealised exchange (gain) | (2.09) | - |
| Rental income on Investment Property | (1.19) | - |
| Finance costs | 1,176.99 | 941.58 |
| Operating profit before working capital changes | 7,116.83 | 4,851.91 |
| Changes in working capital: | | |
| (Increase) / decrease in trade receivables | (429.41) | 1,023.73 |
| (Increase) in inventories | (155.44) | (624.78) |
| (Increase) / decrease in contract assets | (1,028.23) | 853.89 |
| (Increase) in other current assets | (26.29) | (396.25) |
| (Increase) in other non current financial assets | (4,736.18) | (3,140.60) |
| Decrease / (increase) in other current financial assets | 165.19 | (966.94) |
| (Increase) / decrease in other non current assets | (854.02) | 1.50 |
| (Decrease) in trade payables | (629.05) | (1,241.34) |
| (Decrease) / increase in contract liabilities | (1,409.31) | 999.02 |
| (Decrease) / increase in other current financial liabilities | (127.56) | 174.54 |
| Increase / (decrease) in other current liabilities | 34.14 | (62.42) |
| Increase in employee benefit obligations | 31.83 | 18.13 |
| Net Changes in Working Capital | (9,164.33) | (3,361.52) |
| Cash generated from operations | (2,047.50) | 1,490.39 |
| Income taxes paid (Net of refunds) | (1,170.46) | (784.87) |
| Net cash generated from / (used in) Operating Activities | (3,217.96) | 705.52 |
| B) Cash flow from investing activities | | |
| Payment for purchases of property, plant and equipment (Including CWIP and capital advance) | (675.26) | (976.99) |
| Payment for purchases of Intangible assets | (0.80) | 107.70 |
| Proceed from sale of property, plant and equipment | 101.90 | (0.23) |
| Fixed deposits (placed) / redemption of fixed deposits (Net) | (137.86) | (222.45) |
| Interest received | 59.54 | 65.94 |
| Rental income on Investment Property | 1.19 | - |
| Loans to employees and related parties | 14.67 | 7.25 |
| Repayment of loans by employees and related parties | (19.80) | (7.00) |
| Net cash (used in) investing activities | (656.42) | (1,025.78) |

Consolidated Cash Flow Statement

for the year ended March 31, 2022

(Amount in ₹ Millions)

| Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|------------------------------|------------------------------|
| C) Cash flow from financing activities | | |
| Proceeds from long term borrowings | 4,475.86 | 4,370.50 |
| (Repayment) of long term borrowings | (1,018.48) | (1,279.64) |
| Proceeds from issue of non convertible debenture | 970.00 | - |
| (Repayment) of short term borrowings (Net) | (260.10) | (129.67) |
| (Repayment) of loans taken from directors | - | (586.02) |
| Loans taken from directors | - | 125.67 |
| Dividend paid | (52.14) | - |
| (Repayment of) lease obligation | (14.20) | (33.81) |
| Finance cost paid | (1,175.68) | (951.09) |
| Net cash from financing activities | 2,925.26 | 1,515.94 |
| Net (Decrease) / increase in cash and cash equivalents | (949.12) | 1,195.68 |
| Cash and cash equivalents as at the beginning of the year | 1,441.43 | 245.75 |
| Cash and cash equivalents at the end of the year | 492.31 | 1,441.43 |
| Cash and cash equivalents comprise of the following: | | |
| Cash on hand | 1.35 | 3.47 |
| Deposits with original maturity of less than three months | - | 250.02 |
| Bank balance on current account | 490.96 | 1,187.94 |
| Total | 492.31 | 1,441.43 |
| Non cash investing activities | | |
| - Acquisition of right-of-use of assets (Refer note 3(b)) | 14.87 | 8.39 |

The above statement of cash flow should be read in conjunction with the accompanying notes

For Price Waterhouse & Co Chartered Accountants LLP

Firm Registration No. 304026E / E-300009

Nitin Khatri

Partner

Membership Number: 110282

For Shridhar & Associates

Firm Registration Number: 134427W

Abhishek Pachlangia

Partner

Membership Number: 120593

Place: Jaipur

Date: May 23, 2022

For and on behalf of the Board of Directors

H. G. Infra Engineering Limited

CIN: L45201RJ2003PLC018049

Harendra Singh

Chairman and Managing Director

DIN: 00402458

Rajeev Mishra

Chief Financial Officer

Place: Jaipur

Date: May 23, 2022

Ankita Mehra

Company Secretary

Membership No: A33288



Consolidated Statement of Changes in Equity

for the year ended March 31, 2022

A. Equity share capital

(Amount in ₹ Millions)

| Particulars | Amount |
|---------------------------------|--------|
| As at March 31, 2020 | 651.71 |
| Changes in equity share capital | - |
| As at March 31, 2021 | 651.71 |
| Changes in equity share capital | - |
| As at March 31, 2022 | 651.71 |

B. Other equity

(Amount in ₹ Millions)

| | Reserves and surplus | | Total other equity |
|--|----------------------|-------------------|--------------------|
| | Securities premium | Retained earnings | |
| As at April 1, 2020 | 2,694.47 | 4,916.48 | 7,610.95 |
| Profit for the year | - | 2,366.54 | 2,366.54 |
| Items that will not be reclassified to profit or loss | | | |
| Add: Remeasurements of post-employment benefit obligations | - | (4.72) | (4.72) |
| Less: Income tax relating to these items | - | 1.19 | 1.19 |
| Total comprehensive income for the year | - | 2,363.01 | 2,363.01 |
| Less: Dividend paid | - | - | - |
| As at March 31, 2021 | 2,694.47 | 7,279.49 | 9,973.96 |
| Profit for the year | - | 3,800.36 | 3,800.36 |
| Item that will not be reclassified to profit or loss | | | |
| Add: Remeasurements of post-employment benefit obligations | - | (18.90) | (18.90) |
| Less: Income tax relating to this item | - | 4.76 | 4.76 |
| Total comprehensive income for the year | - | 3,786.22 | 3,786.22 |
| Less: Dividend paid | - | (52.14) | (52.14) |
| As at March 31, 2022 | 2,694.47 | 11,013.57 | 13,708.04 |

The above statement of changes in equity should be read in conjunction with the accompanying notes

For Price Waterhouse & Co Chartered Accountants LLP

Firm Registration No. 304026E / E-300009

Nitin Khatri

Partner

Membership Number: 110282

For Shridhar & Associates

Firm Registration Number: 134427W

Abhishek Pachlangia

Partner

Membership Number: 120593

Place: Jaipur

Date: May 23, 2022

For and on behalf of the Board of Directors

H. G. Infra Engineering Limited

CIN: L45201RJ2003PLC018049

Harendra Singh

Chairman and Managing Director

DIN: 00402458

Rajeev Mishra

Chief Financial Officer

Place: Jaipur

Date: May 23, 2022

Ankita Mehra

Company Secretary

Membership No: A33288

Notes

to the Consolidated financial statements as at and for the year ended March 31, 2022

Background

H.G. Infra Engineering Limited ("Parent Company or the Company") is a public limited Company listed on the Bombay Stock Exchange and National Stock Exchange on March 9, 2018. Its registered office is at 14, Panchwati Colony, Ratanada, Jodhpur – 342001, Rajasthan, India. The Company (including 3 jointly controlled operations consolidated on proportionate basis) and 9 subsidiaries together referred to as "the Group".

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

These consolidated financial statements were authorized to be issued by the board of directors on May 23, 2022. Also, the Company secures controls by submitting bids in response to tenders in terms of which it is required to form Special Purpose Vehicle (SPV) Companies (subsidiary companies) to execute the awarded projects. As at March 31, 2022 the company has 9 SPV's as above.

Note 1: Significant Accounting Policies

This note provides a list of the significant accounting policies adopted in the preparation of these consolidated financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of preparation

(i) Compliance with Ind AS

The consolidated financial statements of the Group comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) read with Rule 4 of the Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act.

(ii) Historical cost convention

The consolidated financial statements have been prepared on a historical cost basis, except for the following:

- Certain financial assets and financial liabilities measured at fair value;
- Assets held for sale- measured at fair value less cost to sell;
- Defined benefit plans- plan assets measured at fair value.

(iii) New and amended standards adopted by the Group

The Group has applied the following amendment to Ind AS for the first time for their annual reporting period commencing 1 April 2021:

- Extension of COVID-19 related concessions – amendments to Ind AS 116
- Interest rate benchmark reform – amendments to Ind AS 109, Financial Instruments, Ind AS 107, Financial Instruments: Disclosures, Ind AS 104, Insurance Contracts and Ind AS 116, Leases.

The amendment listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

(iv) New amendments issued but not effective

The Ministry of Corporate Affairs has vide notification dated 23 March 2022 notified Companies (Indian Accounting Standards) Amendment Rules, 2022 which amends certain accounting standards and are effective 1 April 2022. These amendments are not expected to have a material impact on the Company in the current or future reporting periods and on foreseeable future transactions.

(v) Reclassifications consequent to amendments to Schedule III

| Balance sheet | March 31, 2021 (as previously reported) | Increase / (Decrease) | March 31, 2021 (restated) |
|--|--|--------------------------|---------------------------------|
| Borrowings financial liabilities (current) | 1,322.13 | 772.59 | 2,094.72 |
| Other financial liabilities (current) | 1,014.90 | (772.59) | 242.31 |

(b) Operating Cycle

The Group classifies an asset as current when:

- it expects to realise the asset or intends to sell or consume it in normal operating cycle
- it holds the asset primarily for the purpose of trading
- it expects to realise the asset within twelve months after the reporting period or



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- the asset is cash or cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

The Group classifies a liability as current when:

- it expects to settle the liability in its normal operating cycle
- it holds the liability primarily for the purpose of trading
- the liability is due to be settled within twelve months after the reporting period, or
- there is no unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current.

Operating cycle

Operating cycle is the time between the acquisition of assets for processing and their realization in cash or cash equivalents.

Based on the nature of operations and the time between the acquisition of assets for processing and their realization in cash or cash equivalents, the Group has ascertained its operating cycle as twelve months for the purpose of current, non current classification of assets and liabilities.

(c) Principles of consolidation and equity accounting

(i) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances

and unrealised gains on transactions between group Companies are eliminated (Refer note 54). Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group. Details of the Subsidiaries are set out in note 50.

(ii) Jointly controlled operation

The Parent Company recognises its direct right to the assets, liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been incorporated in the financial statements under the appropriate headings. Details of the jointly controlled operations are set out in note 50.

(iv) Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the group's share of the post-acquisition profits or losses of the investee in profit and loss, and the group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates are recognised as a reduction in the carrying amount of the investment.

When the group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the group and its associate are eliminated to the extent of the group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the group.

The carrying amount of equity accounted investments are tested for impairment in accordance with the policy described in note 1(m) below.

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(d) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM). The Managing Director of the Holding Company has been identified as CODM and he assesses the financial performance and position of the Holding Company, and makes strategic decisions. Refer Note 40 for segment information presented.

(e) Foreign currency translation

(i) Functional and presentation currency

Items included in the consolidated financial statements of the Group are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Indian rupee, which is H. G. Infra Engineering Limited functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognized in profit or loss.

(f) Revenue recognition

The Group derives revenue principally from following streams:

- Construction contracts
- Service concession arrangement
- Sale of Services (Operation and Maintenance contracts)

(i) Construction contracts

The Group recognises revenue from engineering, procurement and construction contracts ('EPC') over the period of time, as performance obligations are satisfied over time due to continuous transfer of control to the customer. EPC contracts are generally accounted for as a single performance obligation as it involves complex integration of goods and services.

The performance obligations are satisfied over time as the work progresses. The Group recognises revenue using input method (i.e. percentage-of-completion method), based primarily on contract cost incurred to date compared to total estimated contract costs. Changes to total estimated contract costs, if any, are recognised in the period in which they are determined as assessed at the contract level. If the consideration in the contract includes price variation clause or there are amendments in contracts, the Group estimates the amount of consideration to which it will be entitled in exchange for work performed.

Due to the nature of the work required to be performed on many of the performance obligations, the estimation of total revenue and cost of completion is complex, subject to many variables and requires significant judgment. Variability in the transaction price arises primarily due to liquidated damages, price variation clauses, changes in scope, incentives, if any. The Group considers its experience with similar transactions and expectations regarding the contract in estimating the amount of variable consideration to which it will be entitled and determining whether the estimated variable consideration should be constrained. The Group includes estimated amounts in the transaction price to the extent it is probable that a significant reversal of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is resolved. The estimates of variable consideration are based largely on an assessment of anticipated performance and all information (historical, current and forecasted) that is reasonably available.

Progress billings are generally issued upon completion of certain phases of the work as stipulated in the contract. Billing terms of the over-time contracts vary but are generally based on achieving specified milestones. The difference between the timing of revenue recognised and customer billings result in changes to contract assets and contract liabilities. Payment is generally due upon receipt of the invoice, payable within 90 days or less. Contractual retention amounts billed to customers are generally due upon expiration of the contract period.



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The contracts generally result in revenue recognised in excess of billings which are presented as contract assets on the statement of financial position. Amounts billed and due from customers are classified as receivables on the statement of financial position. The portion of the payments retained by the customer until final contract settlement is not considered a significant financing component since it is usually intended to provide customer with a form of security for Group's remaining performance as specified under the contract, which is consistent with the industry practice. Contract liabilities represent amounts billed to customers in excess of revenue recognised till date. A liability is recognised for advance payments and it is not considered as a significant financing component because it is used to meet working capital requirements at the time of project mobilisation stage. The same is presented as contract liability in the statement of financial position.

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by management.

For construction contracts the control is transferred over time and revenue is recognised based on the extent of progress towards completion of the performance obligations. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately. The percentage of completion was calculated according to the nature and the specific risk of each contract in order to reflect the effective completion of the project. This percentage of completion could be based on technical milestones or as per the contractual terms specified. A construction contract is considered completed when the last technical milestone is achieved, which occurs upon contractual transfer of ownership of the asset.

(ii) **Service concession arrangement**

Construction revenue from Hybrid Annuity Contracts

The Group constructs the infrastructure (road) used to provide a public service and operates and

maintains that infrastructure for a specified period of time. Under Appendix D to Ind AS 115, Revenue from Contracts with Customers, this arrangement is accounted for based on the nature of the consideration. The financial asset is used when the Company has an unconditional right to receive cash or another financial asset from or at the direction of the grantor for the construction services.

Design - Build - Operate - Transfer (DBOT) contracts on hybrid annuity basis contain three streams of revenue – Construction revenue, Financing income and Operations and maintenance (O&M) income. The construction stream of DBOT revenues are accounted for in the construction phase of DBOT, O&M income is recognised in the operating phase of the DBOT, while finance income is recognised over a concession period based on the imputed interest method.

The subsidiary recognises and measures revenue, costs and margin for providing construction services during the period of construction of the infrastructure, on the same basis as that for construction contract referred to in Note 1(f)(i).

(iii) **Sale of Services (Operation and Maintenance contracts)**

Revenue from providing operating and maintenance services is recognised in the accounting period in which the services are rendered. Invoices are issued according to contractual terms and are usually payable as per the credit period agreed with the customer.

(iv) **Interest income**

Interest income from financial assets at fair value through profit or loss is disclosed as interest income within other income. Interest income on financial assets at amortised cost using the effective interest method is recognised in the statement of profit and loss as part of other income.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net

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carrying amount of the financial asset (after deduction of the loss allowance).

(v) Other income

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

(g) Income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses / tax credits only if it is probable that future taxable amounts will be available to utilise those temporary differences.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to

offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

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

(h) Leases

As a lessee

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Company:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by Company, which does not have recent third party financing, and makes adjustments specific to the lease, e.g. term, country, currency and security.



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Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Payments associated with short-term leases of equipment and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture.

(i) Impairment of non-financial assets

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

(j) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on

hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

(k) Trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance.

(l) Inventories

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

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

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to complete the contract.

(m) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets and liabilities are recognized when the Group becomes a party to the contractual provisions of the instrument.

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Financial Assets:

Classification

The Group classifies its financial assets in the following measurement categories:

- those measured subsequently at fair value (either through other comprehensive income, or through profit or loss) and
- those measured at amortized cost.

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

Initial recognition and measurement

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

Subsequent measurement

After initial recognition, financial assets are measured at:

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

When assets are measured at fair value, gains and losses are either recognised in the statement of profit and loss (i.e. fair value through profit or loss (FVTPL)), or recognised in other comprehensive income (i.e. fair value through other comprehensive income (FVOCI)).

- (i) Financial assets measured at amortised cost:

Assets that are held for collecting contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in financial income using effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gain/(losses).

- (ii) Financial assets measured at Fair Value through Other Comprehensive Income ("FVTOCI"):

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains of losses, interest income and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in other income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in statement of profit and loss.

- (iii) Financial assets measured at Fair Value through Profit or Loss ("FVTPL"):

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

Debt instruments

Subsequent measurement of debt instruments depends on the entities business model for managing the asset and the cash flow characteristics of the asset. Debt instrument are classified as amortised cost instruments.

Impairment of Financial Assets

The Group assesses on a forward looking basis the expected credit losses (ECL) associated with its financial assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 36(i) details how the Group determines whether there has been a significant increase in credit risk.

For trade receivables only, the Group applies the simplified approach required by Ind AS 109, which requires expected



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lifetime losses to be recognised from initial recognition of the receivables.

Derecognition of Financial Assets

A financial asset is derecognized only when:

- the Group has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Group evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognized. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognized.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognized if the Group has not retained control of the financial asset. Where the Group retains control of the financial asset, the asset is continued to be recognized to the extent of continuing involvement in the financial asset.

Financial Liabilities:

Initial recognition and measurement

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

Subsequent Measurement

Financial liabilities are classified as measured at amortized cost. Financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in statement of profit and loss. Any gain or loss on derecognition is also recognized in statement of profit and loss.

Derecognition

A financial liability is derecognized when the obligation specified in the contract is discharged, cancelled or

expires. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss as other gains/(losses).

(n) **Offsetting Financial Instruments**

Financial assets and liabilities are offset and the net amount is reported in the Balance Sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

(o) **Property, plant and equipment**

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Transition to Ind AS

On transition to Ind AS, the Group has elected to continue with the carrying value of all of its property, plant and equipment measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Depreciation methods, estimated useful lives and residual value

Depreciation is provided on a pro-rata basis on the written down value (WDV) / Straight Line Method (SLM) over the estimated useful lives of the assets, based on technical evaluation done by management's expert, which are higher than those specified by Schedule II to the Companies Act,

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2013, in order to reflect the actual usage of the assets. The useful life, residual value and the depreciation method are reviewed at least at each financial year end. If the expectations differ from previous estimates, the changes are accounted for prospectively as a change in accounting estimate.

The management estimates useful lives of the tangible fixed assets as follows:

| | Life in year | Depreciation method |
|------------------------|--------------|---------------------|
| Building | 60 | SLM |
| Plant and machinery | 20/15 | WDV |
| Shuttering | 5 | SLM |
| Computers | 3 | SLM |
| Furniture and fixtures | 10 | SLM |
| Vehicles | 8 | WDV |

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains/ (losses). (Also refer note 2(a)).

(p) Investment Property

Property that is held for long-term rental yields or for capital appreciation or both, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

Investment properties are depreciated using the straightline method over their estimated useful lives. Investment properties have a useful life of 60 years. The useful life has been determined based on technical evaluation performed by the management expert.

(q) Intangible assets

Costs associated with maintaining software programmes are recognised as an expense as incurred.

Purchases costs are recorded as intangible assets and amortised from the point at which the asset is available for use.

Transition to Ind AS

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

Amortisation methods and periods

The Group amortises intangible assets with a finite useful life using the straight-line method over the following periods:

| | Life in year | Depreciation method |
|-------------------|--------------|---------------------|
| Computer Software | 6 | SLM |

(r) Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. The amounts are unsecured. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period.

(s) Borrowings

Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in profit or loss over the period of the borrowings using the effective interest method.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired.

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.



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(t) Provisions and contingent liabilities

Provisions

Provisions are recognised when Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Contingent liabilities

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

(u) Employee benefits

(i) Short term obligations

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

(ii) Other long term employee benefit obligations

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected

unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognized in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the group does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

(iii) Post-employment obligations

The group operates the following post-employment schemes.

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

Gratuity obligations

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

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

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

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

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

Defined contribution plans

The Group pays contribution to defined contribution schemes such as provident fund etc. The group has no further payment obligation once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognized as employee benefit expense when they are due.

Bonus plans

The Group recognises a liability and an expense for bonuses. The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

(v) Contributed equity

Equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(w) Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

(x) Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- The profit attributable to owners of the Group
- By the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year

ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and

- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

(y) Rounding of amounts

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

Note 2: Critical estimates and judgements

The preparation of the consolidated financial statements requires use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Group's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgements or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the consolidated financial statements.

The areas involving critical estimates or judgements are:

(a) Estimation of useful life of Property, plant and equipment

The Group estimates the useful life of the Property, plant and equipment as mentioned in Note 1(o) above, which is based on the expected technical obsolescence of such assets. However, the actual useful life may be shorter or longer than the life estimated, depending on technical innovations and competitor actions.

(b) Estimation of defined benefit obligation

The cost of the defined benefit gratuity plan and other post-employment employee benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions



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are reviewed at each reporting date. The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation. The mortality rate is based on publicly available Indian Assured Lives Mortality (2012-14) Ultimate. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for the respective countries. Refer note 43 for key actuarial assumptions.

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

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Group uses its judgement to select a variety of

methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. Refer note 37 on fair value measurements where the assumptions and methods to perform the same are stated.

(d) Revenue recognition for construction contract

Refer note 1(f) and note 51

(e) Impairment of trade receivables (including Contract Assets) – Refer note 1(k) and 6,10,15(a) and 38(i)

Notes

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Note 3 (a) - Property, plant and equipment

14.94

| Particulars | Freehold Land | Building | Plant and Equipment | Vehicles | Computers | Furniture and fixtures | Total | Capital work-in-progress |
|---|---------------|----------|---------------------|----------|-----------|------------------------|----------|--------------------------|
| Year ended March 31, 2021 | | | | | | | | |
| Gross carrying amount | | | | | | | | |
| Opening gross carrying amount | 133.46 | 164.00 | 6,233.47 | 190.95 | 36.41 | 142.74 | 6,901.03 | 111.37 |
| Additions | 9.63 | 7.62 | 901.90 | 26.19 | 10.84 | 19.02 | 975.20 | 222.93 |
| Disposals / Capitalisation | - | - | (263.03) | (5.52) | - | (0.02) | (268.57) | (316.23) |
| Closing gross carrying amount | 143.09 | 171.62 | 6,872.34 | 211.62 | 47.25 | 161.74 | 7,607.66 | 18.07 |
| Accumulated depreciation | | | | | | | | |
| Opening accumulated depreciation | - | 12.37 | 1,965.21 | 94.75 | 22.56 | 45.14 | 2,140.23 | - |
| Depreciation charge during the year | - | 2.57 | 746.53 | 31.67 | 8.55 | 16.60 | 805.92 | - |
| Disposals | - | - | (134.03) | (4.29) | - | - | (138.32) | - |
| Closing accumulated depreciation | - | 14.94 | 2,577.71 | 122.13 | 31.11 | 61.74 | 2,807.63 | - |
| Net carrying amount as on March 31, 2021 | 143.09 | 156.68 | 4,294.63 | 89.49 | 16.14 | 100.00 | 4,800.03 | 18.07 |
| Year ended March 31, 2022 | | | | | | | | |
| Gross carrying amount | | | | | | | | |
| Opening gross carrying amount | 143.09 | 171.62 | 6,872.34 | 211.62 | 47.25 | 161.74 | 7,607.66 | 18.07 |
| Additions | - | 16.54 | 640.78 | 27.21 | 17.63 | 23.00 | 725.16 | 599.09 |
| Disposals / Capitalisation | - | - | (141.88) | (1.26) | (0.13) | (0.11) | (143.38) | (595.65) |
| Transfers to investment properties (Refer Note 4) | - | (96.38) | - | - | - | - | (96.38) | - |
| Transfer to assets held for sale (Refer note 17) | (9.63) | - | - | - | - | - | (9.63) | - |
| Closing gross carrying amount | 133.46 | 91.78 | 7,371.24 | 237.57 | 64.75 | 184.63 | 8,083.43 | 21.51 |
| Accumulated depreciation | | | | | | | | |
| Opening accumulated depreciation | - | 14.94 | 2,577.71 | 122.13 | 31.11 | 61.74 | 2,807.63 | - |
| Depreciation charge during the year | - | 1.60 | 765.95 | 32.26 | 8.99 | 19.58 | 828.38 | - |
| Disposals | - | - | (21.20) | (0.43) | (0.04) | (0.08) | (21.75) | - |
| Transfers to investment properties (Refer Note 4) | - | (8.47) | - | - | - | - | (8.47) | - |
| Closing accumulated depreciation | - | 8.07 | 3,322.46 | 153.96 | 40.06 | 81.24 | 3,605.79 | - |
| Net carrying amount as on March 31, 2022 | 133.46 | 83.71 | 4,048.78 | 83.61 | 24.69 | 103.39 | 4,477.64 | 21.51 |

Notes:

- 1) Refer capital commitments Note 47 (a) for disclosure of contractual commitment for acquisition of property, plant and equipment.
- 2) Refer note 44 for information on property, plant and equipment hypothecated and mortgaged as security by the Company.
- 3) Capital work-in-progress mainly comprises of Plant and Equipments.



Notes

forming part of the consolidated financial statement as at and for the year ended March 31, 2022

Capital work-in-progress (CWIP)

Aging of CWIP - Balance as at March 31, 2022:

(Amount in ₹ Millions)

| Particulars | Amount in CWIP for a period of | | | | Total |
|--------------------------------|--------------------------------|-----------|-----------|-------------------|-------|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Projects in progress | 21.51 | - | - | - | 21.51 |
| Projects temporarily suspended | - | - | - | - | - |

No CWIP project mentioned above is overdue or exceeded its cost compared to its original plan.

Aging of CWIP - Balance as at March 31, 2021:

(Amount in ₹ Millions)

| Particulars | Amount in CWIP for a period of | | | | Total |
|--------------------------------|--------------------------------|-----------|-----------|-------------------|-------|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Projects in progress | 18.07 | - | - | - | 18.07 |
| Projects temporarily suspended | - | - | - | - | - |

No CWIP project mentioned above is overdue or exceeded its cost compared to its original plan.

Note 3 (b) - Leases

(i) Amounts recognised in Balance sheet

The balance sheet shows following amounts relating to leases:

(Amount in ₹ Millions)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|-----------------------------|-------------------------|-------------------------|
| Right-of use- assets | | |
| Land | 12.42 | 10.44 |
| | 12.42 | 10.44 |

(Amount in ₹ Millions)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|--------------------------|-------------------------|-------------------------|
| Lease Liabilities | | |
| Current | 9.73 | 10.57 |
| Non -current | 2.57 | 1.06 |
| | 12.30 | 11.63 |

(ii) Amounts recognised in the statement of profit and loss

The statement of profit and loss shows following amounts relating to leases:

(Amount in ₹ Millions)

| Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
|--|------------------------------|------------------------------|
| Depreciation of right-of-use assets | | |
| Land | 11.62 | 14.31 |
| Building | 1.27 | 5.20 |
| Plant and machinery | - | 12.16 |
| | 12.89 | 31.67 |

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forming part of the consolidated financial statement as at and for the year ended March 31, 2022

(Amount in ₹ Millions)

| Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|------------------------------|------------------------------|
| Finance cost | | |
| Interest and finance charges on lease liabilities | 0.33 | 1.80 |
| Other expenses | | |
| Lease rent | 54.36 | 33.42 |
| | 54.69 | 35.22 |

The total cash outflow for the leases for the year ended March 31, 2022 was ₹14.53 Million (March 31, 2021 ₹32.27 Million).

Acquisition of right-of-use of assets for the year ended March 31, 2022 was ₹14.87 Million (March 31, 2021 ₹8.39 Million).

Note 4 - Investment Properties

(Amount in ₹ Millions)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|-------------------------|-------------------------|
| Gross carrying amount | - | - |
| Transfer from Property, Plant and Equipment (Refer Note 3(a)) | 96.38 | - |
| Closing gross carrying amount⁴ | 96.38 | - |
| Accumulated depreciation | | |
| Opening accumulated depreciation | - | - |
| Transfer from Property, Plant and Equipment (Refer Note 3(a)) | 8.47 | - |
| Depreciation charge during the year | 1.49 | - |
| | 9.96 | - |
| Net carrying amount | 86.42 | - |

- (i) The investment property consists of buildings.
- (ii) Amounts recognised in the Statement of profit and loss for investment properties:

(Amount in ₹ Millions)

| Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
|--|------------------------------|------------------------------|
| Income from investment property (Refer note 29) | 1.19 | - |
| Profit from investment properties before depreciation | 1.19 | - |
| Depreciation | 1.49 | - |
| Loss from investment properties | (0.30) | - |

Leasing arrangements

(a) Operating leases

The Company has given certain investment properties on operating lease. These lease arrangements range for a period between one to eleven months and include both cancellable and non-cancellable leases. Most of the leases are renewable for further period on mutually agreeable terms. With respect to non-cancellable operating lease, the future minimum lease payment as at Balance Sheet date is as under (Refer Note 46):



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(Amount in ₹ Millions)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|-------------------------|-------------------------|
| Within one year | 1.19 | - |
| Later than one year but not later than five years | - | - |
| Total | 1.19 | - |

(iv) Fair value of investment properties

(Amount in ₹ Millions)

| Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
|-----------------------|------------------------------|------------------------------|
| Investment properties | 139.21 | - |

Estimation of fair value

The fair valuation is based on current prices in the active market for similar properties. The main inputs used are quantum, area, location, demand, rental growth rates, expected vacancy rates, terminal yields and discount rates. All resulting fair value estimates for investment properties are included in level 3. The Company has obtained independent valuations report of investment properties from the registered valuer.

Note 5 - Intangible assets

(Amount in ₹ Millions)

| Software License | Amount |
|---|--------------|
| Year ended March 31, 2021 | |
| Gross Carrying Amount | |
| Opening Gross Carrying Amount | 44.26 |
| Additions | 0.23 |
| Disposals | - |
| Closing Gross Carrying Amount | 44.49 |
| Accumulated amortisation | |
| Opening Accumulated amortisation | 12.06 |
| Amortisation Charge for the year | 6.74 |
| Disposals | - |
| Closing Accumulated amortisation | 18.80 |
| Net Carrying Amount as on March 31, 2021 | 25.69 |
| Year ended March 31, 2022 | |
| Gross Carrying Amount | |
| Opening Gross Carrying Amount | 44.49 |
| Additions | 0.80 |
| Disposals | - |
| Closing Gross Carrying Amount | 45.29 |
| Accumulated amortisation | |
| Opening Accumulated amortisation | 18.80 |
| Amortisation Charge for the year | 8.23 |
| Disposals | - |
| Closing Accumulated Depreciation | 27.03 |
| Net Carrying Amount as on March 31, 2022 | 18.26 |

Notes

forming part of the consolidated financial statement as at and for the year ended March 31, 2022

Note 6 - Trade receivables

(Amount in ₹ Millions)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|--|-------------------------|-------------------------|
| Non current trade receivables (Unsecured) | | |
| Trade receivables from contract with customers | 72.23 | 65.43 |
| Less: Loss allowance (Refer note 38(i)) | (31.00) | (24.73) |
| | 41.23 | 40.70 |

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

Aging of trade receivables - Balance as on March 31, 2022:

| Particulars | Outstanding for following periods from due date of payment | | | | | | | Total |
|--|--|--------------|--------------------|-------------------|-----------|-----------|-------------------|----------------|
| | Unbilled | Not Due | Less than 6 months | 6 months - 1 year | 1-2 years | 2-3 years | More than 3 years | |
| (i) Undisputed trade receivables – considered good | - | 41.23 | - | - | - | - | - | 41.23 |
| (ii) Undisputed trade receivables – which have significant increase in credit risk | - | 19.04 | - | - | - | - | 11.96 | 31.00 |
| (iii) Undisputed trade receivables – credit impaired | - | - | - | - | - | - | - | - |
| (iv) Disputed trade receivables – considered good | - | - | - | - | - | - | - | - |
| (v) Disputed trade receivables – which have significant increase in credit risk | - | - | - | - | - | - | - | - |
| (vi) Disputed trade receivables – credit impaired | - | - | - | - | - | - | - | - |
| Total | - | 60.27 | - | - | - | - | 11.96 | 72.23 |
| Less: Loss allowance | | | | | | | | (31.00) |
| Total trade receivable (net) | | | | | | | | 41.23 |

Aging of trade receivables - Balance as on March 31, 2021:

| Particulars | Outstanding for following periods from due date of payment | | | | | | | Total |
|--|--|---------|--------------------|-------------------|-----------|-----------|-------------------|-------|
| | Unbilled | Not Due | Less than 6 months | 6 months - 1 year | 1-2 years | 2-3 years | More than 3 years | |
| (i) Undisputed trade receivables – considered good | - | 25.31 | - | - | 0.98 | - | 14.41 | 40.70 |
| (ii) Undisputed trade receivables – which have significant increase in credit risk | - | 1.18 | - | - | 0.23 | - | 23.32 | 24.73 |
| (iii) Undisputed trade receivables – credit impaired | - | - | - | - | - | - | - | - |
| (iv) Disputed trade receivables – considered good | - | - | - | - | - | - | - | - |



Notes

forming part of the consolidated financial statement as at and for the year ended March 31, 2022

| Particulars | Outstanding for following periods from due date of payment | | | | | | | Total |
|---|--|--------------|--------------------|------------------|-------------|-----------|-------------------|----------------|
| | Unbilled | Not Due | Less than 6 months | 6 months -1 year | 1-2 years | 2-3 years | More than 3 years | |
| (v) Disputed trade receivables – which have significant increase in credit risk | - | - | - | - | - | - | - | - |
| (vi) Disputed trade receivables – credit impaired | - | - | - | - | - | - | - | - |
| Total | - | 26.49 | - | - | 1.21 | - | 37.73 | 65.43 |
| Less: Loss allowance | | | | | | | | (24.73) |
| Total trade receivable (net) | | | | | | | | 40.70 |

(Amount in ₹ Millions)

| Break-up of security details: | As at March 31, 2022 | As at March 31, 2021 |
|--|-------------------------|-------------------------|
| Trade receivables considered good – Secured | - | - |
| Trade receivables considered good – Unsecured | 41.23 | 40.70 |
| Trade receivables which have significant increase in credit risk | 31.00 | 24.73 |
| Trade receivables – credit impaired | - | - |
| Total | 72.23 | 65.43 |
| Less: Loss allowance | (31.00) | (24.73) |
| | 41.23 | 40.70 |

Refer Note 38 (i) for movement of loss allowance and credit risk.

Note 7 - Other financial assets

(Amount in ₹ Millions)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|-------------------------|-------------------------|
| Other non current financial assets | | |
| Receivable under service concession agreement with National Highway Authority of India (NHAI) (Refer note 52) | 8,798.19 | 4,082.02 |
| Margin money deposits | 255.14 | 85.22 |
| Security deposits | 53.13 | 33.12 |
| | 9,106.46 | 4,200.36 |

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

Note 8 - Other non current assets

(Amount in ₹ Millions)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|--|-------------------------|-------------------------|
| Capital advances | 6.87 | 32.15 |
| Balances with government authorities (VAT) | 0.13 | 15.87 |
| Goods and Services Tax (GST) recoverable | 805.42 | - |
| Other advances | | |
| Prepayments | 64.33 | - |
| | 876.75 | 48.02 |

Notes

forming part of the consolidated financial statement as at and for the year ended March 31, 2022

Note 9 - Inventories

(Amount in ₹ Millions)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|--|-------------------------|-------------------------|
| Project materials [(including material in transit amounts to ₹158.02 Million) (March 31, 2021 ₹84.15 Million)] | 1,602.65 | 1,426.85 |
| Stores and Spares | 232.87 | 253.23 |
| | 1,835.52 | 1,680.08 |

Note 10 - Trade receivables

(Amount in ₹ Millions)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|--|-------------------------|-------------------------|
| Current trade receivables (Unsecured) | | |
| Trade receivables from contract with customers | 6,112.67 | 5,885.91 |
| Trade receivables from contract with customers - related parties (Refer note 42) | 291.47 | 126.03 |
| Less: Loss allowance (Refer note 38(i)) | (50.16) | (194.51) |
| | 6,353.98 | 5,817.43 |

Note: Trade receivables include retentions of ₹1,683.57 Million (March 31, 2021 ₹1,794.75 Million) related to construction contracts.

Certain retention money receivables which are contractually due after one year however which can be released early on submission of bank guarantee have been considered as current considering the past history and management expectation.

Aging of trade receivables - Balance as on March 31, 2022:

| Particulars | Outstanding for following periods from due date of payment | | | | | | | Total |
|--|--|-----------------|--------------------|-------------------|-------------|-------------|-------------------|-----------------|
| | Unbilled | Not Due | Less than 6 months | 6 months - 1 year | 1-2 years | 2-3 years | More than 3 years | |
| (i) Undisputed trade receivables – considered good | 131.74 | 4,509.49 | 1,489.90 | 73.68 | 8.00 | 7.00 | 134.17 | 6,353.98 |
| (ii) Undisputed trade receivables – which have significant increase in credit risk | - | - | - | - | - | - | 50.16 | 50.16 |
| (iii) Undisputed trade receivables – credit impaired | - | - | - | - | - | - | - | - |
| (iv) Disputed trade receivables – considered good | - | - | - | - | - | - | - | - |
| (v) Disputed trade receivables – which have significant increase in credit risk | - | - | - | - | - | - | - | - |
| (vi) Disputed trade receivables – credit impaired | - | - | - | - | - | - | - | - |
| Total | 131.74 | 4,509.49 | 1,489.90 | 73.68 | 8.00 | 7.00 | 184.33 | 6,404.14 |
| Less: Loss allowance | | | | | | | | (50.16) |
| Total trade receivable (net) | | | | | | | | 6,353.98 |



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Aging of trade receivables - Balance as on March 31, 2021:

| Particulars | Outstanding for following periods from due date of payment | | | | | | | Total |
|--|--|-----------------|--------------------|------------------|--------------|--------------|-------------------|-----------------|
| | Unbilled | Not Due | Less than 6 months | 6 months -1 year | 1-2 years | 2-3 years | More than 3 years | |
| (i) Undisputed trade receivables – considered good | - | 3,883.58 | 1,666.78 | 56.19 | 13.56 | 86.07 | 111.26 | 5,817.43 |
| (ii) Undisputed trade receivables – which have significant increase in credit risk | - | - | - | - | - | - | 194.51 | 194.51 |
| (iii) Undisputed trade receivables – credit impaired | - | - | - | - | - | - | - | - |
| (iv) Disputed trade receivables– considered good | - | - | - | - | - | - | - | - |
| (v) Disputed trade receivables – which have significant increase in credit risk | - | - | - | - | - | - | - | - |
| (vi) Disputed trade receivables – credit impaired | - | - | - | - | - | - | - | - |
| Total | - | 3,883.58 | 1,666.78 | 56.19 | 13.56 | 86.07 | 305.77 | 6,011.94 |
| Less: Loss allowance | | | | | | | | (194.51) |
| Total trade receivable (net) | | | | | | | | 5,817.43 |

(Amount in ₹ Millions)

| Break-up of security details: | As at March 31, 2022 | As at March 31, 2021 |
|--|-------------------------|-------------------------|
| Trade receivables considered good – Secured | - | - |
| Trade receivables considered good – Unsecured | 6,353.98 | 5,817.43 |
| Trade receivables which have significant increase in credit risk | 50.16 | 194.51 |
| Trade receivables – credit impaired | - | - |
| Total | 6,404.14 | 6,011.94 |
| Less: Loss allowance | (50.16) | (194.51) |
| | 6,353.98 | 5,817.43 |

Refer Note 38 (i) for movement of loss allowance and credit risk.

Note 11 - Cash and cash equivalents

(Amount in ₹ Millions)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|-------------------------|-------------------------|
| Balances with banks | | |
| - In current accounts | 490.96 | 1,187.94 |
| Deposits with original maturity of less than three months | - | 250.02 |
| Cash on hand | 1.35 | 3.47 |
| | 492.31 | 1,441.43 |

Notes

forming part of the consolidated financial statement as at and for the year ended March 31, 2022

Note 12 - Bank balances other than cash and cash equivalents

(Amount in ₹ Millions)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|-----------------------|-------------------------|-------------------------|
| Margin money deposit* | 1,152.64 | 1,184.70 |
| | 1,152.64 | 1,184.70 |

* Margin money deposits represent fixed deposits made by the Company against bank guarantee.

Note 13 - Loans

(Amount in ₹ Millions)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|-------------------|-------------------------|-------------------------|
| Loan to employees | 11.09 | 5.96 |
| | 11.09 | 5.96 |

(Amount in ₹ Millions)

| Break-up of security details: | As at March 31, 2022 | As at March 31, 2021 |
|---|-------------------------|-------------------------|
| Loan considered good – Secured | - | - |
| Loan considered good – Unsecured | 11.09 | 5.96 |
| Loan which have significant increase in credit risk | - | - |
| Loan – credit impaired | - | - |
| Total | 11.09 | 5.96 |
| Less: Loss allowance | - | - |
| | 11.09 | 5.96 |

Note 14 - Other Financial Assets

(Amount in ₹ Millions)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|-------------------------|-------------------------|
| Receivable under service concession agreement with National Highway Authority of India (NHAI) (Refer note 52) | 3,068.53 | 3,300.94 |
| Security deposits | 10.70 | - |
| Other receivable (Refer note 42) | 74.06 | 17.53 |
| Less: Loss allowance (Refer note 38(ii)) | (6.49) | - |
| | 3,146.80 | 3,318.47 |

Note 15 (a) - Contract assets

(Amount in ₹ Millions)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|-------------------------|-------------------------|
| Amount due from customers for contract works | 3,717.80 | 2,665.42 |
| Less: Provision for expected loss on construction contracts | (24.15) | - |
| Less: Loss allowance (Refer note 38(ii)) | (106.78) | (11.00) |
| | 3,586.87 | 2,654.42 |



Notes

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Note 15 (b) - Contract liabilities

(Amount in ₹ Millions)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|--------------------------------------|-------------------------|-------------------------|
| Contract liabilities (Refer note 51) | 1,549.37 | 2,958.68 |
| | 1,549.37 | 2,958.68 |

Significant changes in contract assets and liabilities

Contract assets have increased as the Company has completed work ahead of the agreed payment schedules for construction contracts. The Company also recognised a loss allowance for contract assets in accordance with Ind AS 109. Contract liabilities have decreased as mobilisation advance has been adjusted against the billing made by the Company.

Note 16 - Other current assets

(Amount in ₹ Millions)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|--|-------------------------|-------------------------|
| Advances to suppliers | 146.93 | 79.72 |
| Advance to sub contractor | 104.88 | 21.85 |
| Other advances | | |
| Prepayments | 168.41 | 149.99 |
| Advance to employees | 3.66 | 2.50 |
| Receivable from JV partner | 1.18 | - |
| Goods and Services Tax (GST) recoverable | 965.19 | 1,109.90 |
| | 1,390.25 | 1,363.96 |

Note 17 - Assets classified as held for sale

(Amount in ₹ Millions)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---------------------------------|-------------------------|-------------------------|
| Freehold Land (Refer note 3(a)) | 9.63 | - |
| | 9.63 | - |

Note 18 - Equity share capital

(Amount in ₹ Millions)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|-------------------------|-------------------------|
| Authorised: | | |
| 80,000,000 (March 31, 2021: 80,000,000) Equity Shares of ₹10 each | 800.00 | 800.00 |
| Issued | | |
| 65,171,111 (March 31, 2021: 65,171,111) Equity Shares of ₹10 each | 651.71 | 651.71 |
| Subscribed and Paid up | | |
| 65,171,111 (March 31, 2021: 65,171,111) Equity Shares of ₹10 each | 651.71 | 651.71 |
| | 651.71 | 651.71 |

Notes

forming part of the consolidated financial statement as at and for the year ended March 31, 2022

(a) Movement in equity share capital

(Amount in ₹ Millions)

| Particulars | As at March 31, 2022 | | As at March 31, 2021 | |
|-------------------------------------|----------------------|--------|----------------------|--------|
| | Number of Shares | Amount | Number of Shares | Amount |
| Balance as at beginning of the year | 6,51,71,111 | 651.71 | 6,51,71,111 | 651.71 |
| Add: Shares issued during the year | - | - | - | - |
| Balance as at end of the year | 6,51,71,111 | 651.71 | 6,51,71,111 | 651.71 |

(b) Terms and rights attached to equity shares

The Company has a single class of equity shares. Accordingly, all equity rank equally with regard to dividends and share in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to its share of the paid-up equity capital that has not been paid. On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.

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

| Equity shares | Number of Shares | % holding |
|---|------------------|-----------|
| Hodal Singh | 100 | 0.00% |
| (As at March 31, 2021) | (48,388,683) | (74.25%) |
| Girishpal Singh Family Trust | 16,186,440 | 24.84% |
| (As at March 31, 2021) | (56,912) | (0.00%) |
| Vijendra Singh Family Trust | 16,189,128 | 24.84% |
| (As at March 31, 2021) | (59,600) | (0.00%) |
| Harendra Singh Family Trust | 16,196,789 | 24.85% |
| (As at March 31, 2021) | (67,262) | (0.00%) |
| Nippon Life India Trustee Ltd-A/C Nippon India Small Cap Fund | 2,835,590 | 4.35% |
| (As at March 31, 2021) | (3,560,260) | (5.46%) |

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

(e) There are no shares which are reserved to be issued under options and there are no securities issues / outstanding which are convertible into equity shares.

(f) Details of shareholding of promoters:

Shares held by promoter & promoter group at the end of March 31, 2022

| Sr. No | Promoter name & promoter group | No of Shares | % of total shares | % Change during the year |
|--------|---|--------------|-------------------|--------------------------|
| 1 | Harendra Singh | 100 | 0.00% | 0.00% |
| 2 | Girishpal Singh | 100 | 0.00% | 0.00% |
| 3 | Vijendra Singh | 100 | 0.00% | 0.00% |
| 4 | Harendra Singh Family Trust | 16,196,789 | 24.85% | 24.75% |
| 5 | Vijendra Singh Family Trust | 16,189,128 | 24.84% | 24.75% |
| 6 | Girishpal Singh Family Trust | 16,186,440 | 24.84% | 24.75% |
| 7 | Hodal Singh | 100 | 0.00% | (74.25%) |
| 8 | Nisha Singh | 100 | 0.00% | 0.00% |
| 9 | Poonam Singh | 100 | 0.00% | 0.00% |
| 10 | Vaibhav Choudhary | 100 | 0.00% | 0.00% |
| 11 | Harendra Singh HUF (Karta-Harendra Singh) | 100 | 0.00% | 0.00% |



Notes

forming part of the consolidated financial statement as at and for the year ended March 31, 2022

Shares held by promoter & promoter group at the end of March 31, 2021

| Sr. No | Promoter name & promoter group | No of Shares | % of total shares | % Change during the year |
|--------|---|--------------|-------------------|--------------------------|
| 1 | Harendra Singh | 100 | 0.00% | (22.09%) |
| 2 | Girishpal Singh | 100 | 0.00% | (19.20%) |
| 3 | Vijendra Singh | 100 | 0.00% | (18.02%) |
| 4 | Harendra Singh Family Trust | 67,262 | 0.10% | 0.10% |
| 5 | Vijendra Singh Family Trust | 59,600 | 0.09% | 0.09% |
| 6 | Girishpal Singh Family Trust | 56,912 | 0.09% | 0.09% |
| 7 | Hodal Singh | 48,388,683 | 74.25% | 64.78% |
| 8 | Nisha Singh | 100 | 0.00% | (1.27%) |
| 9 | Poonam Singh | 100 | 0.00% | (0.72%) |
| 10 | Vaibhav Choudhary | 100 | 0.00% | (2.07%) |
| 11 | Harendra Singh HUF (Karta-Harendra Singh) | 100 | 0.00% | (1.15%) |

Note 19 - Other Equity

(Amount in ₹ Millions)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|--|----------------------|----------------------|
| Reserves and surplus | | |
| Securities premium | 2,694.47 | 2,694.47 |
| Retained earnings | 11,013.57 | 7,279.49 |
| | 13,708.04 | 9,973.96 |
| a) Securities premium | | |
| Opening balance | 2,694.47 | 2,694.47 |
| Closing balance (a) | 2,694.47 | 2,694.47 |
| b) Retained Earnings | | |
| Opening balance | 7,279.49 | 4,916.48 |
| Net profit for the year | 3,800.36 | 2,366.54 |
| Less: Dividend paid | (52.14) | - |
| Items of other comprehensive income recognised directly in retained earnings | | |
| - Remeasurements of post-employment benefit obligations, net of tax | (14.14) | (3.53) |
| Closing balance (b) | 11,013.57 | 7,279.49 |
| Total other equity (a+b) | 13,708.04 | 9,973.96 |

Nature and purpose of reserves

Securities premium

Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

Notes

forming part of the consolidated financial statement as at and for the year ended March 31, 2022

Note 20 - Borrowings

(Amount in ₹ Millions)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|--|-------------------------|-------------------------|
| Non current borrowings | | |
| Secured: | | |
| Term loans | | |
| Banks (Refer note 20.1)* | 6,562.58 | 606.41 |
| Financial institutions (Refer note 20.1)* | 2,109.45 | 4,948.73 |
| Vehicle loan | | |
| Banks (Refer note 20.1)* | 7.03 | 13.15 |
| Financial institutions (Refer note 20.1)* | 10.76 | 2.11 |
| 8% Rated, listed, senior, secured, redeemable, non convertible debenture** | 970.00 | - |
| | 9,660.22 | 5,570.40 |

*Refer note 38 (ii) for liquidity risk management and Refer note 44 for Assets pledged as security

**Non convertible Debentures (NCD's) are secured by Construction equipments, residential properties located at Noida and personal guarantee given by the promoters.

Secured - Term Loan

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

(Amount in ₹ Millions)

| S. No. | Particulars | Number of loans outstanding as at | | Amount outstanding as at | | Interest % per annum | Frequency of instalments | Instalments commencing from - to | |
|--------|--|-----------------------------------|----------------|--------------------------|----------------|----------------------|--------------------------|----------------------------------|-------------------|
| | | March 31, 2022 | March 31, 2021 | March 31, 2022 | March 31, 2021 | | | March 31, 2022 | March 31, 2021 |
| 1 | Term loans - from banks | 143 | 450 | 661.13 | 980.98 | 6.60% to 8.40% | Monthly | Apr 20 to Apr 26 | Dec 17 to May 24 |
| 2 | Term loans - from financial institution | 33 | 150 | 415.81 | 551.97 | 6.70% to 8.43% | Monthly | Dec 19 to Jan 26 | Nov 18 to Feb 24 |
| 3 | Vehicles loans - from bank | 40 | 38 | 20.55 | 31.61 | 6.80% to 9.40% | Monthly | May 19 to Dec 24 | July 18 to Jan 24 |
| 4 | Vehicles loans - from financial institution | 6 | 1 | 17.03 | 3.24 | 6.90% to 8.75% | Monthly | Dec 19 to Feb 25 | Dec 19 to Nov 23 |
| 5 | 8% Rated, listed, senior, secured, redeemable, non convertible debenture | 1 | - | 970.00 | - | 8.00% | Quartly | Sep 23 to Dec 24 | - |
| 6 | Term loans - from bank* | 1 | - | 417.62 | - | refer * below | Half yearly | Aug 22 to Feb 35 | - |
| 7 | Term loans - from financial institution* | 2 | 3 | 2,064.50 | 1,921.11 | refer * below | Half yearly | Aug 22 to Feb 35 | Dec 21 to Jul 35 |



Notes

forming part of the consolidated financial statement as at and for the year ended March 31, 2022

(Amount in ₹ Millions)

| S. No. | Particulars | Number of loans outstanding as at | | Amount outstanding as at | | Interest % per annum | Frequency of instalments | Instalments commencing from - to | |
|--------|----------------------------|-----------------------------------|----------------|--------------------------|----------------|----------------------|--------------------------|----------------------------------|-------------------|
| | | March 31, 2022 | March 31, 2021 | March 31, 2022 | March 31, 2021 | | | March 31, 2022 | March 31, 2021 |
| 8 | Term loans - from bank** | 2 | 3 | 1,983.83 | 993.25 | refer ** below | Half yearly | May 22 to Nov 34 | Aug 22 to Jan 36 |
| 9 | Term loans - from bank*** | 1 | 1 | 3,381.02 | 1,772.13 | refer *** below | Half yearly | Sept 22 to Mar 35 | Sept 22 to Feb 36 |
| 10 | Term loans - from bank**** | 1 | 1 | 838.87 | 88.70 | refer **** below | Half yearly | Jul 23 to Jan 36 | Jul 23 to Feb 37 |

* Loan will be repaid in 26 structured half yearly instalments in accordance with the Amortisation Schedule set forth in Schedule IV of the Loan Agreement post the moratorium period after COD. Repayment will start from August-2022. Interest rate applicable is MCLR Plus Spread based on rating i.e 9.95% during the period and 7.30% paid post 25-Feb-2022.

** Loan will be repaid in 26 structured half yearly instalments in accordance with the Amortisation Schedule set forth in Schedule IV of the Loan Agreement post the moratorium period after COD. Repayment will start from May-2022. Interest rate applicable is 1 year MCLR plus Spread based on rating i.e 8.90% paid during the year and 7.40% paid post 01-Jan-2022.

*** Loan will be repaid in 26 structured half yearly instalments in accordance with the Amortisation Schedule set forth in Schedule IV of the Loan Agreement post the moratorium period after COD. Repayment will start from Sep-2022. Interest rate applicable is 1 year MCLR plus Spread based on rating i.e 10.05% paid during the year.

**** Loan will be repaid in 26 structured half yearly instalments in accordance with the Amortisation Schedule set forth in Schedule IV of the Loan Agreement post the moratorium period after COD. Repayment will start from July-2023. Interest rate applicable is 1 year MCLR plus Spread based on rating i.e 8.70%.

a) Secured term loans from banks and financial institution

All term loans have been obtained for financing the asset purchased and are secured by hypothecation of specific assets purchased out of loan, comprising Property, plant and equipment and Constructions Equipment.

b) Secured motor car vehicles loans from banks and financial institution

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

c) Secured Non convertible Debentures

Non convertible Debentures (NCD's) are secured by Construction equipment, residential properties located at Noida and personal guarantee given by the promoters.

Notes

forming part of the consolidated financial statement as at and for the year ended March 31, 2022

Note 21 - Trade payable

(Amount in ₹ Millions)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|-------------------------|-------------------------|
| Non-current trade payable | | |
| (a) Trade payables: micro and small enterprises | - | - |
| (b) Trade payables: others | 34.96 | 838.33 |
| | 34.96 | 838.33 |

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

Aging of trade payables - Balance as on March 31, 2022:

| Particulars | Outstanding for following periods from due date of payment | | | | | | Total |
|-----------------------------|--|--------------|---------------------|-----------|-----------|----------------------|--------------|
| | Unbilled | Not Due | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| (i) MSME | - | - | - | - | - | - | - |
| (ii) Others | - | 34.96 | - | - | - | - | 34.96 |
| (iii) Disputed dues – MSME | - | - | - | - | - | - | - |
| (iv) Disputed dues – Others | - | - | - | - | - | - | - |
| Total | - | 34.96 | - | - | - | - | 34.96 |

Aging of trade payables - Balance as on March 31, 2021:

| Particulars | Outstanding for following periods from due date of payment | | | | | | Total |
|-----------------------------|--|---------------|---------------------|-----------|-----------|----------------------|---------------|
| | Unbilled | Not Due | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| (i) MSME | - | - | - | - | - | - | - |
| (ii) Others | - | 838.33 | - | - | - | - | 838.33 |
| (iii) Disputed dues – MSME | - | - | - | - | - | - | - |
| (iv) Disputed dues – Others | - | - | - | - | - | - | - |
| Total | - | 838.33 | - | - | - | - | 838.33 |

Note 22 - Employee benefit obligations

(Amount in ₹ Millions)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|-------------------------|-------------------------|
| Non current employee benefit obligations | | |
| Gratuity (Refer note 43) | 56.98 | 24.87 |
| | 56.98 | 24.87 |



Notes

forming part of the consolidated financial statement as at and for the year ended March 31, 2022

Note 23 - Borrowings

| Particulars | (Amount in ₹ Millions) | |
|---|-------------------------|-------------------------|
| | As at March 31, 2022 | As at March 31, 2021 |
| Current borrowings | | |
| Loans repayable on demand | | |
| Secured | | |
| Cash credit facility* | 438.75 | 568.02 |
| Current maturities of long-term debts | | |
| Term loans | | |
| Banks (Refer note 20.1)** | 719.49 | 374.57 |
| Financial institutions (Refer note 20.1)** | 370.86 | 378.43 |
| Vehicle loan | | |
| Banks (Refer note 20.1)** | 13.52 | 18.46 |
| Financial institutions (Refer note 20.1)** | 6.27 | 1.13 |
| Unsecured | | |
| Payable under MSMED trade receivable discounting system (TReDS) | 623.28 | 754.11 |
| | 2,172.17 | 2,094.72 |

*Cash Credit facilities availed from banks are secured by:

Nature of Security

Cash Credit facility availed from all Banks secured by:

- First Pari Passu charge in favour of the Bank by way of Hypothecation of the Holding Company's entire stocks of raw materials, consumable stores spares including book debts.
- All the bank are secured by exclusive charge on the entire movable and immovable assets of the Holding Company's (Present and Future) save and excepts assets exclusively financed by other lenders.
- All the bank loans are secured by equitable mortgage of land and equipments mentioned in the property as per the collateral agreement.
- All the bank loans are collaterally secured by unconditional and irrevocable personal guarantees of the promoters.

**Refer note 44 for Assets pledged as security

Note 24 - Trade payables

| Particulars | (Amount in ₹ Millions) | |
|---|-------------------------|-------------------------|
| | As at March 31, 2022 | As at March 31, 2021 |
| Trade payables | | |
| (a) Trade payables: micro and small enterprises | 57.77 | 13.45 |
| (b) Trade payables: others | 4,227.68 | 4,119.20 |
| (c) Trade payables to related parties (Refer note 42) | 34.79 | 13.27 |
| | 4,320.24 | 4,145.92 |

Note: Trade Payable include retentions of ₹1,176.44 Million (March 31, 2021 ₹372.13 Million) retained as per the terms of contract.

Notes

forming part of the consolidated financial statement as at and for the year ended March 31, 2022

Aging of trade payables - Balance as on March 31, 2022

| Particulars | Outstanding for following periods from due date of payment | | | | | | Total |
|-----------------------------|--|-----------------|---------------------|--------------|--------------|----------------------|-----------------|
| | Unbilled | Not Due | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| (i) MSME | 4.82 | 2.65 | 45.69 | 0.96 | 0.01 | 3.64 | 57.77 |
| (ii) Others | 217.40 | 1,105.55 | 2,821.22 | 17.03 | 86.85 | 14.42 | 4,262.47 |
| (iii) Disputed dues – MSME | - | - | - | - | - | - | - |
| (iv) Disputed dues – Others | - | - | - | - | - | - | - |
| Total | 222.22 | 1,108.20 | 2,866.91 | 17.99 | 86.86 | 18.06 | 4,320.24 |

Aging of trade payables - Balance as on March 31, 2021:

| Particulars | Outstanding for following periods from due date of payment | | | | | | Total |
|-----------------------------|--|---------------|---------------------|--------------|--------------|----------------------|-----------------|
| | Unbilled | Not Due | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| (i) MSME | - | 0.15 | 9.65 | - | 3.65 | - | 13.45 |
| (ii) Others | 228.45 | 580.22 | 3,211.30 | 70.67 | 33.96 | 7.87 | 4,132.47 |
| (iii) Disputed dues – MSME | - | - | - | - | - | - | - |
| (iv) Disputed dues – Others | - | - | - | - | - | - | - |
| Total | 228.45 | 580.37 | 3,220.95 | 70.67 | 37.61 | 7.87 | 4,145.92 |

Note 25 - Other financial liabilities

(Amount in ₹ Millions)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|------------------------------|-------------------------|-------------------------|
| Interest accrued but not due | 11.06 | 9.75 |
| Capital creditors | 69.20 | 43.25 |
| Other payables | 61.75 | 189.31 |
| | 142.01 | 242.31 |

Note 26 - Employee benefit obligations

(Amount in ₹ Millions)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|-----------------------------------|-------------------------|-------------------------|
| Employee benefits payable | 84.48 | 70.57 |
| Leave obligations (Refer note 43) | 18.02 | 13.31 |
| | 102.50 | 83.88 |



Notes

forming part of the consolidated financial statement as at and for the year ended March 31, 2022

Note 27 - Other current liabilities

| Particulars | (Amount in ₹ Millions) | |
|---|-------------------------|-------------------------|
| | As at March 31, 2022 | As at March 31, 2021 |
| Payroll taxes | 4.89 | 5.59 |
| Statutory dues | 137.23 | 115.20 |
| Liability towards Corporate social responsibility | 13.44 | - |
| Advance received for sale of goods | 2.06 | 1.53 |
| Advance received for sale of property, plant and equipments | - | 8.86 |
| Excess contribution from JV partner | - | 1.16 |
| | 157.62 | 132.34 |

Note 28 - Revenue from operations

| Particulars | (Amount in ₹ Millions) | |
|--|------------------------------|------------------------------|
| | Year ended March 31, 2022 | Year ended March 31, 2021 |
| Revenue from contracts with customers (Refer note 51) | | |
| Construction contracts | 36,047.06 | 25,438.67 |
| Sale of services (Operation and maintenance contracts) | 373.18 | 239.23 |
| Other operating revenue | | |
| Scrap sales | 205.11 | 74.70 |
| Interest Income due to unwinding of annuity amount | 888.96 | 344.64 |
| | 37,514.31 | 26,097.24 |

Note 29 - Other income

| Particulars | (Amount in ₹ Millions) | |
|---|------------------------------|------------------------------|
| | Year ended March 31, 2022 | Year ended March 31, 2021 |
| Interest income from financial assets at amortised cost | 59.54 | 65.94 |
| Rental income (Refer note 46) | 11.48 | 5.98 |
| Net foreign exchange differences | 2.09 | - |
| Miscellaneous income | 0.08 | 1.84 |
| | 73.19 | 73.76 |

Note 30 - Cost of materials consumed

| Particulars | (Amount in ₹ Millions) | |
|--|------------------------------|------------------------------|
| | Year ended March 31, 2022 | Year ended March 31, 2021 |
| Construction material, stores and spares | | |
| Opening stock at the beginning of the year | 1,680.08 | 1,055.30 |
| Add: Purchases during the year | 18,074.51 | 12,481.30 |
| Less: Closing stock at the end of the year | (1,835.52) | (1,680.08) |
| | 17,919.07 | 11,856.52 |

Notes

forming part of the consolidated financial statement as at and for the year ended March 31, 2022

Note 31 - Contract and site expenses

(Amount in ₹ Millions)

| Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|------------------------------|------------------------------|
| Sub contracting expenses | 9,194.09 | 6,689.02 |
| Indirect taxes (Labour cess and road tax expenses etc.) | 342.44 | 288.33 |
| Insurance expenses | 71.04 | 54.36 |
| Contract labour charges | 20.49 | 9.65 |
| Hire charges for machinery and others (Refer note 53) | 236.55 | 255.09 |
| Site and other direct expenses | 717.46 | 468.92 |
| Repairs and maintenance - plant and equipment | 100.56 | 130.10 |
| Technical consultancy | 99.75 | 71.66 |
| | 10,782.38 | 7,967.13 |

Note 32 - Employee benefit expenses

(Amount in ₹ Millions)

| Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|------------------------------|------------------------------|
| Salaries, wages and bonus | 1,041.21 | 893.28 |
| Contribution to provident and other funds (Refer note 43) | 34.10 | 35.33 |
| Gratuity (Refer note 43) | 14.62 | 11.39 |
| Staff welfare expenses | 208.86 | 167.90 |
| | 1,298.79 | 1,107.90 |

Note 33 - Finance costs

(Amount in ₹ Millions)

| Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|------------------------------|------------------------------|
| Interest on: | | |
| Term loan | 712.00 | 414.81 |
| Working capital loan | 128.41 | 200.96 |
| Other borrowing cost | 320.97 | 306.28 |
| Interest on late payment of micro and small enterprises | 0.29 | 0.84 |
| Interest and finance charges on lease liabilities | 0.33 | 1.80 |
| Interest on late payment of Income tax | 14.99 | 16.89 |
| | 1,176.99 | 941.58 |

Note 34 - Depreciation and amortisation expenses

(Amount in ₹ Millions)

| Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|------------------------------|------------------------------|
| Depreciation of property, plant and equipment (Refer note 3(a)) | 828.38 | 805.92 |
| Depreciation of right-of-use assets (Refer note 3(b)) | 12.89 | 31.67 |
| Depreciation on investment property (Refer note 4) | 1.49 | - |
| Amortisation of intangible assets (Refer note 5) | 8.23 | 6.74 |
| | 850.99 | 844.33 |



Notes

forming part of the consolidated financial statement as at and for the year ended March 31, 2022

Note 35 - Other expenses

(Amount in ₹ Millions)

| Particulars | Year ended March 31, 2021 | Year ended March 31, 2021 |
|--|------------------------------|------------------------------|
| Repairs and maintenance | 19.25 | 25.93 |
| Rates and taxes | 9.46 | 12.60 |
| Sitting fees | 2.00 | 2.44 |
| Lease rent (Refer note 53 and 3 (b)) | 54.36 | 33.42 |
| Payment to auditors | 9.24 | 9.92 |
| Advertisement and business promotion | 21.16 | 16.65 |
| Travelling and conveyance | 19.89 | 14.47 |
| Corporate social responsibility expenditure | 51.26 | 50.85 |
| Legal and professional fees | 98.04 | 74.60 |
| Electricity expenses | 55.57 | 22.03 |
| Printing and stationery | 11.99 | 11.15 |
| Loss allowances (Net of reversals) (Refer note 38 (i)) | (5.43) | - |
| Telephone and communication | 8.91 | 8.07 |
| Net loss on disposal of property, plant and equipment | 10.87 | 12.00 |
| Miscellaneous expenses | 46.48 | 39.47 |
| | 413.05 | 333.60 |

Note 36 - Taxation

36 (a) - Income tax expense

(Amount in ₹ Millions)

| Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|------------------------------|------------------------------|
| Current tax | | |
| Current tax on profits for the year | 1,188.60 | 745.71 |
| Adjustment for current tax of prior periods | (0.04) | (9.08) |
| Total current tax expense | 1,188.56 | 736.63 |
| Deferred tax | | |
| (Increase) / decrease in deferred tax assets | (14.25) | 38.22 |
| Increase / (decrease) in deferred tax liabilities | 171.56 | (21.45) |
| Total deferred tax (benefit) | 157.31 | 16.77 |
| Income tax expense | 1,345.87 | 753.40 |

Other comprehensive income

(Amount in ₹ Millions)

| Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
|--|------------------------------|------------------------------|
| Deferred tax on other comprehensive income | 4.76 | 1.19 |
| | 4.76 | 1.19 |

Notes

forming part of the consolidated financial statement as at and for the year ended March 31, 2022

36 (b) - Deferred tax assets (net)

The balance comprises temporary differences attributable to:

(Amount in ₹ Millions)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|-------------------------|-------------------------|
| Disallowance under Section 43B of Income Tax Act, 1961 | 18.88 | 9.61 |
| Loss Allowance for trade receivable | 48.93 | 57.95 |
| Disallowances section 40(a)(ia) of Income Tax Act, 1961 | 5.60 | 1.64 |
| Expenditure on initial public offer (IPO) | - | 9.79 |
| Indexation on land | 8.28 | 3.88 |
| Timing difference between balance as per Income Tax Act, 1961 and book balance for fixed assets | 29.61 | 9.68 |
| Lease liabilities | 3.10 | 2.93 |
| Others | 0.09 | - |
| Total deferred tax assets | 114.49 | 95.48 |
| Timing difference between balance as per Income Tax Act, 1961 and book balance for fixed assets | (205.79) | (34.23) |
| Total deferred tax liabilities | (205.79) | (34.23) |
| Net deferred tax assets | (91.30) | 61.25 |

Movement in deferred tax assets

(Amount in ₹ Millions)

| Particulars | As at April 1, 2020 | (Charged)/ credited to profit and loss | (Charged)/ credited to OCI | As at March 31, 2021 |
|---|------------------------|--|-------------------------------|-------------------------|
| Disallowance under section 43B of Income Tax Act, 1961 | 4.02 | 4.40 | 1.19 | 9.61 |
| Loss allowance for trade receivable | 57.95 | - | - | 57.95 |
| Disallowance under section 40(a)(ia) of Income Tax Act, 1961 | 3.65 | (2.01) | - | 1.64 |
| Expenses on issue of Initial Public Offer (IPO) | 19.58 | (9.79) | - | 9.79 |
| Indexation on land | - | 3.88 | - | 3.88 |
| Timing difference between balance as per Income Tax Act, 1961 and book balance for fixed assets | - | 9.68 | - | 9.68 |
| Others | 1.71 | 1.22 | - | 2.93 |
| Total deferred tax assets | 86.91 | 7.38 | 1.19 | 95.48 |

| Particulars | As at April 1, 2021 | (Charged)/ credited to profit and loss | (Charged)/ credited to OCI | As at March 31, 2022 |
|---|------------------------|--|-------------------------------|-------------------------|
| Disallowance under section 43B of Income Tax Act, 1961 | 9.61 | 4.51 | 4.76 | 18.88 |
| Loss allowance for trade receivable | 57.95 | (9.02) | - | 48.93 |
| Disallowance under section 40(a)(ia) of Income Tax Act, 1961 | 1.64 | 3.96 | - | 5.60 |
| Expenses on issue of Initial Public Offer (IPO) | 9.79 | (9.79) | - | - |
| Indexation on land | 3.88 | 4.40 | - | 8.28 |
| Timing difference between balance as per Income Tax Act, 1961 and book balance for fixed assets | 9.68 | 19.93 | - | 29.61 |
| Others | 2.93 | 0.26 | - | 3.19 |
| Total deferred tax assets | 95.48 | 14.25 | 4.76 | 114.49 |



Notes

forming part of the consolidated financial statement as at and for the year ended March 31, 2022

Movement in deferred tax liabilities

| Particulars | As at April 1, 2020 | (Charged)/ credited to profit and loss | (Charged)/ credited to OCI | As at March 31, 2021 |
|---|------------------------|--|-------------------------------|-------------------------|
| Timing difference between balance as per Income Tax Act, 1961 and book balance for fixed assets | 10.08 | (44.31) | - | (34.23) |
| Total deferred tax liabilities | 10.08 | (44.31) | - | (34.23) |

| Particulars | As at April 1, 2021 | (Charged)/ credited to profit and loss | (Charged)/ credited to OCI | As at March 31, 2022 |
|---|------------------------|--|-------------------------------|-------------------------|
| Timing difference between balance as per Income Tax Act, 1961 and book balance for fixed assets | (34.23) | 33.97 | - | (0.26) |
| Temporary difference of loan processing fees amortisation | - | (21.39) | - | (21.39) |
| Temporary difference of finance income | - | (196.83) | - | (196.83) |
| Temporary difference of carry forward Losses | - | 5.66 | - | 5.66 |
| Temporary difference of preliminary expenses | - | 7.03 | - | 7.03 |
| Total deferred tax liabilities | (34.23) | (171.56) | - | (205.79) |

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

(Amount in ₹ Millions)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|--|-------------------------|-------------------------|
| Profit before income tax expense | 5,146.23 | 3,119.94 |
| Statutory tax rate applicable to the Company | 25.17% | 25.17% |
| Tax expense at applicable tax rate | 1,295.20 | 785.23 |
| Tax effects of amounts which are not deductible (taxable) in calculating taxable income: | | |
| Corporate social responsibility expenditure | 12.90 | 12.80 |
| Donation | 4.82 | 0.58 |
| Interest on late payment of income tax | 3.77 | 4.25 |
| Profit of jointly controlled operations | 0.04 | 0.31 |
| Indexation on land | (4.40) | (0.44) |
| Deduction for Section 80JJAA as per Income tax Act, 1961 | (1.62) | (7.48) |
| Interest payable to micro and small enterprises | - | 0.21 |
| Adjustment for current tax of prior period | (0.04) | (18.24) |
| Interest income due to unwinding of annuity amount | 35.44 | (27.28) |
| Others | (0.24) | 3.46 |
| Income tax expense | 1,345.87 | 753.40 |
| Total expenses as per standalone Profit and loss statement | 1,345.87 | 753.40 |

Notes

forming part of the consolidated financial statement as at and for the year ended March 31, 2022

36 (d) - Current tax liabilities

(Amount in ₹ Millions)

| Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|------------------------------|------------------------------|
| Opening Balance | 73.79 | 47.67 |
| Add: Additional income tax provision | 1,172.43 | 727.70 |
| Less: Income tax adjustment for earlier years | (0.04) | (11.35) |
| Less: Income tax paid | (1,101.86) | (690.23) |
| Closing balance | 144.32 | 73.79 |

36 (e) - Income tax asset

(Amount in ₹ Millions)

| Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
|--|------------------------------|------------------------------|
| Opening Balance | 131.53 | 57.18 |
| Add: Advance tax paid/ (refund received) | 68.60 | 94.63 |
| Less: Income tax adjustment for earlier years | - | (2.27) |
| Less: Income tax provision created during the year | (16.17) | (18.01) |
| Closing balance | 183.96 | 131.53 |

Note 37 - Fair Value Measurements

(i) Financial instruments by category

(Amount in ₹ Millions)

| Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|------------------------------|------------------------------|
| Financial assets - Amortised cost | | |
| Trade receivables (net of loss allowance) | 6,395.21 | 5,858.13 |
| Cash and cash equivalents | 492.31 | 1,441.43 |
| Bank balances other than cash and cash equivalents | 1,152.64 | 1,184.70 |
| Loans | 11.09 | 5.96 |
| Other receivable | 67.57 | 17.53 |
| Margin money deposits | 255.14 | 85.22 |
| Security deposits | 63.83 | 33.12 |
| Receivable under service concession agreement with National Highway Authority of India (NHAI) | 11,866.72 | 7,382.96 |
| Total financial assets | 20,304.51 | 16,009.05 |
| Financial liabilities - Amortised cost | | |
| Borrowings | 11,832.39 | 7,665.12 |
| Trade payables | 4,355.20 | 4,984.25 |
| Interest accrued | 11.06 | 9.75 |
| Capital creditors | 69.20 | 43.25 |
| Other payables | 61.75 | 189.31 |
| Lease liability | 12.30 | 11.63 |
| Total financial liabilities | 16,341.90 | 12,903.31 |



Notes

forming part of the consolidated financial statement as at and for the year ended March 31, 2022

(ii) Fair value hierarchy

This section explains the judgments and estimates made in determining the fair values of the financial instruments that are measured at amortised cost and for which fair values are disclosed in the financial statements.

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes instruments like listed equity instruments, traded bonds and mutual funds that have quoted price.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives etc) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

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

(Amount in ₹ Millions)

| Particulars | As at March 31, 2022 | | As at March 31, 2021 | |
|------------------------------------|----------------------|-----------------|----------------------|-----------------|
| | Carrying value | Fair value | Carrying value | Fair value |
| Financial assets | | | | |
| Margin Money deposits | 255.14 | 255.14 | 85.22 | 83.20 |
| Total financial assets | 255.14 | 255.14 | 85.22 | 83.20 |
| Financial liabilities | | | | |
| Borrowings | 9,660.22 | 9,733.68 | 5,570.40 | 5,635.26 |
| Lease Liability | 2.57 | 2.65 | 1.06 | 1.08 |
| Total financial liabilities | 9,662.79 | 9,736.33 | 5,571.46 | 5,636.34 |

The carrying amounts of short term loans, trade receivables, cash and cash equivalents, bank balances other than cash and cash equivalents, security deposits, other receivables, trade payables, current borrowings, interest accrued, capital creditors, lease liability and other payables are considered to be the same as their fair values due to their short-term nature.

Note 38 - Financial Risk Management

The Group's activities expose it to a variety of financial risks namely credit risk, liquidity risk and market risk. The Group's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance.

(i) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Financial instruments that are subject to credit risk and concentration thereof principally consist of trade receivables, contract assets, security deposits and cash and cash equivalents.

Management makes the assessment of the credit risk on trade receivables and contract assets considering the customer profile. Customers of the company mainly consists of the government promoted entities and some large private corporates. In case of government customers which forms the majority of the revenue, credit risk is low.

Considering the nature of business, each contract and its customer is evaluated for the purpose of assessment of allowances. The reasons for allowances could be recovery of claims, disputes with customer, customers ability to pay, delays in approval by government authorities, and expected time to recover the amount. Management makes an assessment considering facts of each contract, past trends, terms of the contract and accordingly considers the need for allowances, if any.

Notes

forming part of the consolidated financial statement as at and for the year ended March 31, 2022

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

| Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|------------------------------|------------------------------|
| Revenue from government promoted agencies | 74% | 74% |
| Revenue from private corporates | 26% | 26% |
| | 100% | 100% |

The movement in allowance for expected credit loss on trade receivables and contract assets is as below:

(Amount in ₹ Millions)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|-----------------------------------|-------------------------|-------------------------|
| Opening balance | 230.24 | 230.24 |
| Changes in loss allowances | | |
| Additions | 24.52 | - |
| Released | (29.95) | - |
| Bad debts written off | (30.39) | - |
| Closing Balance | 194.42 | 230.24 |

Maturity analysis of trade receivable including contract assets as on March 31, 2022

| Ageing | 0 - 180 days | 181 - 365 days | More than 365 days | Total |
|------------------------------------|-----------------|-------------------|-----------------------|------------------|
| Trade Receivables- Related Parties | 242.52 | | 48.95 | 291.47 |
| Trade Receivables- Others | 5,948.88 | 73.68 | 162.34 | 6,184.90 |
| Contract Assets | 2,893.62 | 46.31 | 777.87 | 3,717.80 |
| Other receivable | 41.21 | 12.43 | 20.42 | 74.06 |
| Total | 9,126.23 | 132.42 | 1,009.58 | 10,268.23 |
| Loss Provision | - | - | 194.42 | 194.42 |
| Net Trade receivables | 9,126.23 | 132.42 | 815.16 | 10,073.80 |

Maturity analysis of trade receivable including contract assets as on March 31, 2021

| Ageing | 0 - 180 days | 181 - 365 days | More than 365 days | Total |
|------------------------------------|-----------------|-------------------|-----------------------|-----------------|
| Trade Receivables- Related Parties | 126.03 | - | - | 126.03 |
| Trade Receivables- Others | 5,450.82 | 56.19 | 444.34 | 5,951.35 |
| Contract Assets | 1,997.10 | 245.06 | 423.26 | 2,665.42 |
| Other receivable | 17.53 | - | - | 17.53 |
| Total | 7,591.48 | 301.25 | 867.60 | 8,760.33 |
| Loss Provision | - | - | 230.24 | 230.24 |
| Net Trade receivables | 7,591.48 | 301.25 | 637.36 | 8,530.09 |

Note on recoverability of amount due from certain trade receivables

The Holding Company has long outstanding dues amounting to ₹313.81 Million (as at March 31, 2021 ₹496.53 Million) from certain customers which due to liquidity issues have remain unpaid. There is no dispute on the said balances and balances have been



Notes

forming part of the consolidated financial statement as at and for the year ended March 31, 2022

confirmed by the parties. The Holding Company is very actively engaged with them for recovery of the said balance. Based on the latest discussions, correspondences exchanges, evaluation of the credit profile of the customer, the Group has considered a provision of ₹194.42 Million (for the year ended March 31, 2021 ₹230.24 Million) towards the said balances.

The Holding Company has started arbitration as per the terms of the contract with a customer towards recovery of outstanding claims and the arbitrator has given the award in favour of the Holding Company. However, the arbitrator also accepted a counter claim of the customer amounting to ₹111.70 Million (as at March 31, 2021 ₹111.70 Million) which according to the management is not justified and has been subsequently challenged in the High Court. Based on the management assessment, which is also supported by the legal opinion, the counter claim of ₹111.70 Million (as at March 31, 2021 ₹111.70 Million) appears to be against public policy, expected to result in favor of the Group and accordingly the possibility of an outflow of resources is assessed to be remote and hence the same has not been disclosed as contingent liability.

- (B) As at the year end, the Group held cash and cash equivalents of ₹492.31 millions (March 31, 2021 ₹1,441.43 millions). The cash and cash equivalents are held with bank and financial institution counterparties with good credit rating.
- (C) Other bank balances are held with bank and financial institution counterparties with good credit rating.

(ii) Liquidity risk

Liquidity defined is as the risk that the Group will not be able to settle or meet its obligations on time or at a reasonable price. Group's objective is to, at all time maintain optimum levels of liquidity to meet its financial obligations. The Group manages liquidity risk by maintaining sufficient cash and cash equivalents and by having access to funding through an adequate amount of committed credit lines. In addition, processes and policies related to such risks are overseen by senior management.

Financing arrangements

The group had access to the following undrawn borrowing facilities at the end of the reporting period:

(Amount in ₹ Millions)

| Particulars | March 31, 2022 | March 31, 2021 |
|--|----------------|----------------|
| Floating rate | | |
| Expiring within one year (bank overdraft and other facilities) | 14,104.23 | 4,989.78 |

Maturities of financial liabilities

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

(Amount in ₹ Millions)

| Particulars | Carrying Amount | Less than 1 year | 1 - 3 Years | Total |
|---------------------------------|-----------------|------------------|------------------|------------------|
| As at March 31, 2022 | | | | |
| Borrowings | 11,832.39 | 2,172.17 | 9,660.22 | 11,832.39 |
| Interest payable | 11.06 | 790.41 | 1,306.98 | 2,097.39 |
| Trade payables | 4,355.20 | 4,320.24 | 34.96 | 4,355.20 |
| Capital creditors | 69.20 | 69.20 | - | 69.20 |
| Other payables | 61.75 | 61.75 | - | 61.75 |
| Lease liabilities | 12.30 | 9.73 | 2.57 | 12.30 |
| Financial guarantee contracts * | 16,375.70 | - | - | - |
| | | 7,423.50 | 11,004.73 | 18,428.22 |

Notes

forming part of the consolidated financial statement as at and for the year ended March 31, 2022

| Particulars | Carrying Amount | Less than 1 year | 1 - 3 Years | Total |
|---------------------------------|-----------------|------------------|-----------------|------------------|
| As at March 31, 2021 | | | | |
| Borrowings | 7,665.12 | 2,094.72 | 5,570.40 | 7,665.12 |
| Interest payable | 9.75 | 603.53 | 3,326.79 | 3,930.32 |
| Trade payables | 4,984.25 | 4,145.92 | 838.33 | 4,984.25 |
| Capital creditors | 43.25 | 43.25 | - | 43.25 |
| Other payables | 189.31 | 189.31 | - | 189.31 |
| Lease liabilities | 11.63 | 10.57 | 1.06 | 11.63 |
| Financial guarantee contracts * | 11,408.10 | - | - | - |
| | | 7,087.30 | 9,736.58 | 16,823.88 |

* Guarantee issued by the Holding Company to the bankers on behalf of Gurgaon Sohna Highway Private Limited, H.G. Ateli Narnaul Highway Private Limited, H.G. Rewari Ateli Highway Private Limited, H.G. Rewari Bypass Private Limited, H.G. Raipur Visakhapatnam AP-1 Private Limited and H.G. Raipur Visakhapatnam OD-5 Private Limited subsidiary Companies is with respect to limits availed by them. These amounts will be payable in case of default by the subsidiary Companies. As of the reporting date, the subsidiary Companies has not defaulted and hence, the Holding Company does not have any present obligation to third parties in relation to such guarantee.

(iii) Market risk

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

(a) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates is very less and relates primarily to the Group's creditors for capital expenditures. The Group's foreign currency risks are identified, measured and managed at periodic intervals in accordance with the Group's policies. As at March 31, 2022, Group's foreign currency exposure amounts to ₹45.03 Million (as at March 31, 2021 ₹ Nil Million).

1. Foreign currency risk exposure

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

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|--|----------------------|----------------------|
| Financial liabilities | | |
| Euro (In Millions) | 0.53 | - |
| Capital creditors (In ₹ Millions) | 45.03 | - |
| Exposure to foreign currency risk (liabilities) (In ₹ Millions) | 45.03 | - |



Notes

forming part of the consolidated financial statement as at and for the year ended March 31, 2022

2. Sensitivity

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

(Amount in ₹ Millions)

| Particulars | Change in Euro rate | Increase / (Decrease) in profit before tax | |
|---------------------------|---------------------|--|---------------------------|
| | | Year ended March 31, 2022 | Year ended March 31, 2021 |
| Increase in exchange rate | 5% | (2.25) | - |
| decrease in exchange rate | 5% | 2.25 | - |

(b) Interest risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to risk of changes in market rate is limited to short term working capital loans taken from banks as the Group's long term borrowings bear fixed interest rate.

The Group's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

The Group manages the interest rate risk by having a balanced portfolio of fixed and variable rate borrowings. The exposure of the Group's borrowing to interest rate changes at the end of the reporting period are as follows:

1. Interest rate exposure

(Amount in ₹ Millions)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|--------------------------|----------------------|----------------------|
| | | |
| Variable rate borrowings | 9,124.59 | 5,238.33 |
| Fixed rate borrowings | 2,707.80 | 2,426.79 |
| Total borrowings | 11,832.39 | 7,665.12 |

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

Notes

forming part of the consolidated financial statement as at and for the year ended March 31, 2022

2. Sensitivity

Profit or loss is sensitive to higher / lower interest expense as a result of changes in interest rates. A 20 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates. With all other variables held constant, the Company's profit before tax will be impacted by a change in interest rate as follows:

(Amount in ₹ Millions)

| Particulars | Increase / (Decrease) in profit before tax | |
|---|--|------------------------------|
| | Year ended March 31, 2022 | Year ended March 31, 2021 |
| Increase in interest rate by 20 basis points (20 bps) | (21.60) | (15.16) |
| Decrease in interest rate by 20 basis points (20 bps) | 21.60 | 15.16 |

Note 39 - Capital Management

(a) Risk Management

For the purpose of the Group's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Group and borrowings.

The Group aims to manage its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to our shareholders. The capital structure of the Group is based on management's judgement of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. We consider the amount of capital in proportion to risk and manage the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets.

The Group's aim is to translate profitable growth to superior cash generation through efficient capital management. The Group's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditors and market confidence and to sustain future development and growth of its business. The Group will take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

(Amount in ₹ Millions)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---------------------------------|-------------------------|-------------------------|
| | | |
| Net debt | 11,363.44 | 6,245.07 |
| Total equity | 14,359.75 | 10,625.67 |
| Net debt to equity ratio | 79% | 59% |

The net debt to equity ratio for the current year increased from 59% to 79% following the proceeds from NCD and internal accrual of profit.

(b) Dividends

(Amount in ₹ Millions)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|-------------------------|-------------------------|
| | | |
| (i) Equity shares | | |
| Final dividend for the year ended March 31, 2021 of ₹0.80 (March 31, 2020 - ₹ Nil) per fully paid share | - | (52.14) |
| (ii) Dividends not recognised at the end of the reporting period | | |
| In addition to the above dividends, since year end the directors have recommended the payment of a final dividend of ₹1 per fully paid equity share (March 31, 2021 ₹0.80). | 65.17 | - |



Notes

forming part of the consolidated financial statement as at and for the year ended March 31, 2022

Note 40 - Segment Reporting

The Holding Company's managing director who is identified as the chief operating decision maker of the Group, examines the performance of the business and allocates funds on the basis of a single reportable segment i.e. 'EPC business'. The Group has no other reportable segment. The Group does not have any reportable geographical segment as it caters to the needs of only the domestic market.

Accordingly, the segment revenue, segment results, total carrying amount of segment assets and segment liability, total cost incurred to acquire segment assets and total amount of charge for depreciation during the period, is as reflected in the Financial Statements as of and for the financial year ended March 31, 2022.

Non-current assets excluding financial assets, deferred tax assets amounts to ₹5,676.97 Millions (March 31, 2021 ₹5,033.77 Millions) are located entirely in India.

Information relating to major customers

Revenue of approximately ₹36,126.98 Millions (for the year ended March 31, 2021 ₹21,533.38 Millions) was derived from external customers, which individually accounted for more than 10% of the total revenue.

Note 41 - Net Debt Reconciliation

(Amount in ₹ Millions)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|--|-------------------------|-------------------------|
| Cash and cash equivalents | 492.31 | 1,441.43 |
| Current borrowings | (1,062.03) | (1,322.13) |
| Current maturities of long term borrowings | (1,110.14) | (772.59) |
| Interest accrued but not due | (11.06) | (9.75) |
| Non current borrowings | (9,660.22) | (5,570.40) |
| Lease liabilities | (12.30) | (11.63) |
| Net Debt | (11,363.44) | (6,245.07) |

| Particulars | Other assets | Liabilities from financing activities | | | | Total |
|--------------------------------------|---------------------------|---------------------------------------|---------------------------|------------------------|---------------------|--------------------|
| | Cash and bank balances | Lease liabilities | Non-current borrowings | Current borrowings* | Interest accrued | |
| Net debt as at April 1, 2020 | 245.75 | (37.05) | (2,129.55) | (3,034.73) | (19.26) | (4,974.84) |
| Cash flows | 1,195.68 | 25.42 | (3,440.85) | 940.01 | - | (1,279.74) |
| Interest expense | - | - | - | - | (615.77) | (615.77) |
| Interest paid | - | - | - | - | 625.28 | 625.28 |
| Net debt as at March 31, 2021 | 1,441.43 | (11.63) | (5,570.40) | (2,094.72) | (9.75) | (6,245.07) |
| Cash flows | (949.12) | (0.67) | (4,089.82) | (77.45) | - | (5,117.06) |
| Interest expense | - | - | - | - | 840.41 | 840.41 |
| Interest paid | - | - | - | - | (841.72) | (841.72) |
| Net debt as at 31 March 2022 | 492.31 | (12.30) | (9,660.22) | (2,172.17) | (11.06) | (11,363.44) |

*Includes current maturities of long term borrowings, cash credit facility, Payable under MSMED trade receivable discounting system (TReDS).

Notes

forming part of the consolidated financial statement as at and for the year ended March 31, 2022

Note 42 - Related Party transactions

[I] Name of related parties and nature of relationship:

Other Related Parties with whom transactions have taken place during the year

A) Key Management Personnel

| | | |
|-------------------------|---|------------------------------------|
| Mr. Vijendra Singh | - | Whole Time Director |
| Mr. Harendra Singh | - | Chairman and Managing Director |
| Mr. Ashok Kumar Thakur | - | Non-Executive Independent Director |
| Mrs. Pooja Hemant Goyal | - | Non-Executive Independent Director |
| Mr. Onkar Singh | - | Non-Executive Independent Director |
| Mr. Dinesh Kumar Goyal | - | Executive Director |
| Mr. Rajeev Mishra | - | Chief Financial Officer |
| Ms. Ankita Mehra | - | Company Secretary |

B) Relatives of Key Management Personnel

| | | |
|-----------------------|---|--------------------------------|
| Mr. Girishpal Singh | - | Brother of Mr. Harendra Singh |
| Mr. Vaibhav Choudhary | - | Son of Mr. Girishpal Singh |
| Mr. Rohit Choudhary | - | Son of Mr. Girishpal Singh |
| Mr. Hodal Singh | - | Father of Mr. Harendra Singh |
| Ms. Ridhima Choudhary | - | Daughter of Mr. Harendra Singh |

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

HG Traders
H. G. Infra Toll Way Private Limited
Mahadev Stone Crusher
H.G. Foundation
Raghusons Infra Engineering Private Limited
TPL - HGIEPL JV

[II] Transactions with related parties

A) Key Management personnel compensation

(Amount in ₹ Millions)

| Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
|------------------------------|------------------------------|------------------------------|
| Short-term employee benefits | 54.18 | 41.79 |
| Director's sitting fees | 3.01 | 2.45 |
| Total compensation | 57.19 | 44.24 |

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



Notes

forming part of the consolidated financial statement as at and for the year ended March 31, 2022

B) Transactions during the year

(Amount in ₹ Millions)

| Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|------------------------------|------------------------------|
| Sale of material | | |
| Mahadev Stone Crusher | 2.18 | 18.79 |
| Expenses incurred on behalf of | | |
| Mr. Hodal Singh | - | 4.09 |
| Contract Revenue | | |
| HGIEPL -TPL JV | 173.87 | 274.98 |
| Contract Expenses | | |
| H. G. Infra Toll Way Private Limited | 140.91 | 197.56 |
| Raghusons Infra Engineering Private Limited | 23.01 | - |
| Mahadev Stone Crusher | 45.49 | 45.47 |
| HG Traders | 7.60 | 4.14 |
| Rent Paid for Office | | |
| Mr. Hodal Singh | 1.32 | 0.74 |
| Mr. Girishpal Singh | 0.48 | 0.43 |
| Sitting Fees | | |
| Mr. Onkar Singh | 0.96 | 0.94 |
| Ms. Pooja Hemant Goyal | 0.52 | 0.47 |
| Mr. Ashok Kumar Thakur | 0.73 | 0.59 |
| Mr. Vijendra Singh | 0.15 | 0.08 |
| Mr. Harendra Singh | 0.39 | 0.23 |
| Ms Gazal Singh | 0.02 | - |
| Ms. Nisha Singh | 0.02 | - |
| Mr. Girishpal Singh | 0.22 | 0.14 |
| Remuneration paid | | |
| Key management personnel: | | |
| Mr. Vijendra Singh* | 14.00 | 12.25 |
| Mr. Harendra Singh* | 26.00 | 22.05 |
| Mr. Girishpal Singh* | 3.00 | 1.15 |
| Mr. Dinesh Kumar Goyal* | 4.45 | 3.18 |
| Mr. Rajeev Mishra* | 3.06 | 2.53 |
| Mrs. Ankita Mehra* | 0.83 | 0.63 |
| Ms. Nisha Singh* | 1.07 | - |
| Ms. Gazal Choudhary* | 1.77 | - |

* Gratuity is not included, as it is provided on overall basis based on actuarial valuation.

Notes

forming part of the consolidated financial statement as at and for the year ended March 31, 2022

(Amount in ₹ Millions)

| Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|------------------------------|------------------------------|
| Remuneration to relatives of KMP | | |
| Mr. Vaibhav Choudhary | 10.80 | 8.58 |
| Mr. Rohit Choudhary | - | 0.44 |
| Mr. Navneet Choudhary | 2.88 | 2.94 |
| Ms. Ridhima Choudhary | 0.95 | - |
| Legal and professional fees | | |
| Ms. Ridhima Choudhary | 0.88 | 1.20 |
| Mr. Dinesh Kumar Goyal | - | 0.28 |
| Corporate social responsibility expenditure | | |
| H.G. Foundation | 13.06 | 11.05 |
| Donation | | |
| H.G. Foundation | 2.85 | - |
| Guarantees given on behalf of Company | | |
| Mr. Vijendra Singh | 9,914.80 | 3,880.00 |
| Mr. Harendra Singh | 9,914.80 | 3,880.00 |
| Insurance premium paid towards keyman term policy taken by Company | | |
| Mr. Vijendra Singh | 5.52 | 2.76 |
| Mr. Harendra Singh | 5.45 | 2.73 |
| Mr. Vaibhav Choudhary | 5.15 | 2.58 |
| Loans taken from Key management personnel / directors: | | |
| Mr. Vijendra Singh | - | 18.98 |
| Mr. Harendra Singh | - | 106.69 |
| Repayment of Loan to Key management personnel / directors: | | |
| Mr. Vijendra Singh | - | 137.30 |
| Mr. Harendra Singh | - | 448.72 |

(Amount in ₹ Millions)

| Outstanding balances | Year ended March 31, 2022 | Year ended March 31, 2021 |
|----------------------------------|------------------------------|------------------------------|
| Other Current Liabilities | | |
| Employee benefits payable | | |
| Mr. Vaibhav Choudhary | 0.15 | 0.39 |
| Mr. Vijendra Singh | 0.07 | 0.57 |
| Mr. Harendra Singh | 0.67 | - |
| Mr. Girishpal Singh | - | 1.90 |
| Mr. Rajeev Mishra | 0.20 | 0.20 |
| Mr. Dinesh Kumar Goyal | 0.24 | - |
| Ms. Ridhima Choudhary | 0.04 | - |
| Ms. Ankita Mehra | 0.07 | 0.04 |
| Ms. Nisha Singh | 0.03 | - |
| Ms. Gazal Choudhary | 0.16 | - |
| Mr. Navneet Choudhary | - | 0.16 |
| Trade Receivables | | |
| HGIEPL -TPL JV | 291.47 | 126.03 |



Notes

forming part of the consolidated financial statement as at and for the year ended March 31, 2022

(Amount in ₹ Millions)

| Outstanding balances | Year ended March 31, 2022 | Year ended March 31, 2021 |
|--|------------------------------|------------------------------|
| Advance to Contractor | | |
| Mahadev Stone Crusher | 2.43 | - |
| Advance to Vendor | | |
| H.G. Foundation | 0.03 | - |
| Other receivable | | |
| Mr. Hodal Singh | - | 4.72 |
| Sitting fees payable | | |
| Mr. Vijendra Singh | 0.02 | - |
| Mr. Harendra Singh | 0.02 | - |
| Other payable | | |
| Mr. Harendra Singh | 0.04 | - |
| Trade Payable | | |
| Ms. Ridhima Choudhary | - | 0.35 |
| HG Traders | 0.65 | 2.03 |
| Mahadev Stone Crusher | - | 1.21 |
| Raghusons Infra Engineering Private Limited | 24.16 | - |
| H. G. Infra Toll Way Private Limited | 9.98 | 9.68 |
| Guarantees given on behalf of Company | | |
| Mr. Vijendra Singh | 24,269.21 | 14,354.41 |
| Mr. Harendra Singh | 24,269.21 | 14,354.41 |
| Mr. Girishpal Singh | 1,974.42 | 1,974.42 |
| Mr. Hodal Singh | 1,014.88 | 1,014.88 |

D) Terms and conditions

All Related Party Transactions entered during the year were in ordinary course of the business and are on arm's length basis.

All outstanding balances are unsecured and repayable in cash.

There is no loss allowance has been recognised during the year in respect of receivable due from related parties.

Note 43 - Employee benefit obligations

(Amount in ₹ Millions)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|-------------------|-------------------------|-------------------------|
| Leave obligations | 18.02 | 13.31 |
| Gratuity | 56.98 | 24.87 |
| | 75.00 | 38.18 |

(i) Leave obligations

The employees of the Company are entitled to compensated absences as per the policy of the Company. The entire amount of the provision of the compensated absences is presented as current liability. However, based on past experience, the Company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months. The following amounts reflect leave that is not expected to be taken or paid within the next 12 months.

Notes

forming part of the consolidated financial statement as at and for the year ended March 31, 2022

(Amount in ₹ Millions)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|--|-------------------------|-------------------------|
| Current leave obligations not expected to be settled within the next 12 months | 18.02 | 13.31 |

(ii) Post employment obligations

(a) Defined Contribution Plans:

Provident fund

Employers' contribution to employees' pension scheme 1995

Employers' contribution to Employee State Insurance Corporation (ESIC)

The provident fund and pension scheme are operated by regional provident fund commissioner. Under the scheme, the Company is required to contribute a specified percentage of payroll cost to the retirement benefit schemes to fund the benefits.

The Company has recognised the following amounts in the Statement of Profit and Loss for the year:

(Amount in ₹ Millions)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|--------------------------------|-------------------------|-------------------------|
| Contribution to Provident Fund | 13.75 | 13.17 |
| Contribution to E.S.I.C | 3.96 | 5.38 |
| Contribution to Pension Fund | 16.39 | 16.78 |
| | 34.10 | 35.33 |

(b) Defined Benefit Plans:

Gratuity

The company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. Contributions are made to a gratuity based upon actuarial valuation done at the year end of every financial year using "Projected Unit Credit" method. The charge on account of provision for gratuity has been included in Employee Benefits Expense in the Statement of Profit and Loss except remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in other comprehensive income.

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

(Amount in ₹ Millions)

| Particulars | Present Value of Obligation | Fair Value of plan Assets | Net Amount |
|--|--------------------------------|------------------------------|---------------|
| As on April 1, 2020 (A) | 48.86 | 38.72 | 10.14 |
| Current service cost | 11.10 | - | 11.10 |
| Past service cost | - | - | - |
| Interest expense | 2.28 | 2.00 | 0.28 |
| Total Amount Recognised in profit and loss (B) | 13.38 | 2.00 | 11.38 |



Notes

forming part of the consolidated financial statement as at and for the year ended March 31, 2022

(Amount in ₹ Millions)

| Particulars | Present Value of Obligation | Fair Value of plan Assets | Net Amount |
|--|-----------------------------|---------------------------|---------------|
| Remeasurements | | | |
| Assets, excluding amount included in interest expense/(income) | - | (0.10) | 0.10 |
| (Gain)/loss from change in demographic assumptions | 2.20 | - | 2.20 |
| (Gain)/loss from change in financial assumptions | (3.01) | - | (3.01) |
| Experience (gains)/losses | 5.43 | - | 5.43 |
| Total amount recognised in other comprehensive income (C) | 4.62 | (0.10) | 4.72 |
| Employer contributions (D) | - | 1.37 | (1.37) |
| Benefit payments (E) | (1.13) | (1.13) | - |
| Balance as on March 31, 2021 (A+B+C+D+E) | 65.73 | 40.86 | 24.87 |

(Amount in ₹ Millions)

| Particulars | Present Value of Obligation | Fair Value of plan Assets | Net Amount |
|--|-----------------------------|---------------------------|---------------|
| As on April 1, 2021 (A) | 65.73 | 40.86 | 24.87 |
| Current service cost | 13.73 | - | 13.73 |
| Past service cost | - | - | - |
| Interest expense | 2.54 | 1.65 | 0.89 |
| Total Amount Recognised in profit and loss (B) | 16.27 | 1.65 | 14.62 |
| Remeasurements | | | |
| Assets, excluding amount included in interest expense/(income) | - | 0.38 | (0.38) |
| (Gain)/loss from change in demographic assumptions | 4.66 | - | 4.66 |
| (Gain)/loss from change in financial assumptions | 4.27 | - | 4.27 |
| Experience (gains)/losses | 10.35 | - | 10.35 |
| Total amount recognised in other comprehensive income (C) | 19.28 | 0.38 | 18.90 |
| Employer contributions (D) | - | 1.41 | (1.41) |
| Benefit payments (E) | (3.13) | (3.13) | - |
| Balance as on March 31, 2022 (A+B+C+D+E) | 98.15 | 41.17 | 56.98 |

The significant actuarial assumptions were as follows:

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|--|--|
| Discount rate (per annum) | 5.50% | 4.45% |
| Salary growth rate | 12.50% | 10.00% |
| Expected Return on plan assets | 7.02% | 6.50% |
| Expected average remaining working lives of employees | Indian Assured Lives Mortality (2012-14) | Indian Assured Lives Mortality (2012-14) |

Notes

forming part of the consolidated financial statement as at and for the year ended March 31, 2022

Sensitivity Analysis

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

| Particulars | (Amount in ₹ Millions) | | | |
|-------------------------------------|------------------------|-------------------|----------------------|-------------------|
| | As at March 31, 2022 | | As at March 31, 2021 | |
| | Discount | Salary escalation | Discount | Salary escalation |
| Impact of increase in 50 BPS on DBO | 96.39 | 99.79 | 64.73 | 66.68 |
| Impact of Decrease in 50 BPS on DBO | 99.99 | 96.55 | 66.77 | 64.81 |

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the Balance Sheet. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

(iii) The major categories of plans assets are as follows:

The plan asset for the funded gratuity plan is administered by Life Insurance Corporation of India ('LIC') as per the investment pattern stipulated for Pension and Group Schemes fund by Insurance Regulatory and Development Authority regulations i.e. 100% of plan assets are invested in insurer managed fund. Quoted price of the same is not available in active market.

(iv) Risk Exposure

Through its defined benefit plans, the Company is exposed to a number of risks, the most significant of which are detailed below:

Demographic Risk: This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to a long service employee.

Asset volatility: The plan liabilities are calculated using a discount rate set with reference to bond yields; if plan assets underperform this yield, this will create a deficit. 100% of the plan asset investments is in insurer managed funds. These are subject to interest rate risk and the fund manages interest rate risk with derivatives to minimise risk to an acceptable level.

Salary Inflation Risk: Higher than expected increases in salary will increase the defined benefit obligation.

Interest-Rate Risk: The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.

(v) Defined Benefit Liability and Employer Contributions

The Company considers that the contribution rates set at the last valuation date are sufficient to eliminate the deficit over the agreed period and that regular contributions, which are based on service costs, will not increase significantly.

Expected contributions to post-employment benefit plans for the year ending March 31, 2022 are ₹10 Million (Year ending March 31, 2021 ₹10 Million)

The weighted average duration of the defined benefit obligation is 3.66 years (March 31, 2021: 3.11 years). The expected maturity analysis of undiscounted gratuity is as follows:



Notes

forming part of the consolidated financial statement as at and for the year ended March 31, 2022

Maturity Analysis of the Projected Benefit Obligations - Gratuity

(Amount in ₹ Millions)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|-----------------------------------|-------------------------|-------------------------|
| 1st Following Year | 25.10 | 17.52 |
| 2nd Following Year | 20.66 | 16.57 |
| 3rd Following Year | 17.32 | 12.59 |
| 4th Following Year | 13.39 | 9.38 |
| 5th following year | 10.63 | 6.24 |
| Sum of 6th to 10th Following Year | 35.58 | 13.90 |

Note 44 - Assets pledged as security

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

(Amount in ₹ Millions)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|-------------------------|-------------------------|
| Current | | |
| Financial Assets | | |
| Floating Charge | | |
| Trade Receivables (net of loss allowance) | 6,395.21 | 5,858.13 |
| Receivable under service concession agreement with National Highway Authority of India (NHAI) | 3,068.53 | 3,300.94 |
| Deposit with government authorities | 6.69 | 11.84 |
| Goods and Services Tax (GST) recoverable | 1,204.66 | 840.47 |
| Cash and cash equivalents | 19.93 | 41.95 |
| Bank balances other than cash and cash equivalents | 40.04 | - |
| Non-financial assets | | |
| Inventories | 1,835.52 | 1,680.08 |
| Total Current Assets pledged as Security | 12,570.57 | 11,733.42 |
| Non-Current | | |
| Plant and machinery | 1,031.73 | 2,175.27 |
| Building | 220.81 | 140.61 |
| Vehicles | 48.15 | 82.97 |
| Other financial Assets | | |
| Receivable under service concession agreement with National Highway Authority of India (NHAI) | 8,798.19 | 4,082.02 |
| Income tax assets | 180.25 | 153.56 |
| Total Non-Current assets pledged as Security | 10,279.14 | 6,634.43 |
| Total Assets pledged as Security | 22,849.71 | 18,367.85 |

Note: Amount of assets pledged are net carrying values and post elimination of intra group balances.

Notes

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Note 45 - Contingent Liabilities

(Amount in ₹ Millions)

| Description | As at March 31, 2022 | As at March 31, 2021 |
|---|-------------------------|-------------------------|
| (a) Claims against the Company not acknowledge as debts | 19.45 | 44.79 |
| (b) Direct tax demand disputed in appeals | 13.02 | - |

- (c) The Group has evaluated the impact of the Supreme Court (SC) judgement dated February 28, 2019 in case of "Vivekananda Vidyamandir And Others Vs The Regional Provident Fund Commissioner (II) West Bengal" and the related circular (Circular No. C-1/1(33)2019/Vivekananda Vidya Mandir/284) dated March 20, 2019 issued by the Employees' Provident Fund Organisation in relation to non-exclusion of certain allowances from the definition of "basic wages" of the relevant employees for the purposes of determining contribution to provident fund under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952. In the assessment of the management which is supported by legal advice, the Group believes that the aforesaid judgement does not have material impact on the Group. The Group will continue to monitor and evaluate its position based on future events and developments.

Note 46 - Disclosure of operating leases under Ind AS 116

The Group rents out its equipment on operating lease basis. All the arrangements are cancellable and are generally ranging in the period of 1 months to 6 months. There are no contingent rents recognised as income in the period.

Amounts recognised in the Consolidated Statement of Profit and Loss

(Amount in ₹ Millions)

| Particulars | Ref Note No. | Year ended March 31, 2022 | Year ended March 31, 2021 |
|-------------------------|--------------|------------------------------|------------------------------|
| Equipment given on hire | 29 | 11.48 | 5.98 |

Note 47 - Commitments

(a) Capital commitments

Capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:

(Amount in ₹ Millions)

| Description | As at March 31, 2022 | As at March 31, 2021 |
|---|-------------------------|-------------------------|
| Property, plant and equipment [(net of capital advance amounts to ₹3.03 Million) (March 31, 2021 ₹26.96 Million)] | 111.43 | 179.59 |

(b) Other commitments

(Amount in ₹ Millions)

| Description | As at March 31, 2022 | As at March 31, 2021 |
|---|-------------------------|-------------------------|
| Guarantees given to lenders of subsidiary Companies | 16,375.70 | 11,408.10 |

Footnote:

The guarantees given to lenders of subsidiaries are unlikely to be called, as subsidiaries are in a position to service principal and interest, covered by such guarantees.



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Note 48

The holding company has been legally advised that outstanding loan aggregating to ₹221.69 Million (as at March 31, 2021, ₹43.90 Million) made towards financing the subsidiary do not come under the preview of Section 186 of companies Act, 2013 as the company is in the business of constructing and developing infrastructure facilities.

Note 49 - Earnings per share

(Amount in ₹ Millions)

| Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|------------------------------|------------------------------|
| Profit for the year (Amount in ₹ Millions) | 3,800.36 | 2,366.54 |
| Weighted average number of equity shares outstanding (number) | 65,171,111 | 65,171,111 |
| Earning per Share (basic and diluted) (Amount in ₹) | 58.31 | 36.31 |
| Nominal value per equity share (Amount in ₹) | 10 | 10 |

Note 50 - Interests in other entities

As on March, 31 2022:

(Amount in ₹ Millions)

| Name of the entity | % Holding | Net Assets, i.e., total assets minus total liabilities | | Share of profit or loss | | Share in other comprehensive income | | Share in Total Comprehensive Income | |
|---|--------------|--|------------------|---|-----------------|---|----------------|---|-----------------|
| | | As % of Consolidated net assets | Amount | As % of Consolidated profit or loss | Amount | As % of Consolidated other comprehensive income | Amount | As % of Consolidated total comprehensive income | Amount |
| Parent: H.G. Infra Engineering Limited | | 70.29% | 10,093.41 | 89.14% | 3,387.47 | 100.00% | (14.14) | 89.09% | 3,373.33 |
| Subsidiaries: | | | | | | | | | |
| 1) Gurgaon Sohna Highway Private Limited | 100% | 7.44% | 1,068.31 | 4.61% | 175.09 | 0.00% | - | 4.62% | 175.09 |
| 2) H.G. Ateli Narnaul Highway Private Limited | 100% | 9.92% | 1,425.16 | 2.63% | 100.01 | 0.00% | - | 2.64% | 100.01 |
| 3) H.G. Rewari Ateli Highway Private Limited | 100% | 5.69% | 816.63 | 2.11% | 80.28 | 0.00% | - | 2.12% | 80.28 |
| 4) H.G. Rewari Bypass Private Limited | 100% | 3.66% | 525.20 | 1.50% | 57.14 | 0.00% | - | 1.51% | 57.14 |
| 5) H.G. Raipur Visakhapatnam AP-1 Private Limited | 100% | 2.72% | 390.08 | 0.05% | 2.05 | 0.00% | - | 0.05% | 2.05 |
| 6) H.G. Khammam Devarapalle PKG-1 Private Limited | 100% | 0.02% | 3.45 | -0.01% | (0.42) | 0.00% | - | -0.01% | (0.42) |
| 7) H.G. Khammam Devarapalle PKG-2 Private Limited | 100% | 0.02% | 3.43 | -0.01% | (0.43) | 0.00% | - | -0.01% | (0.43) |
| 8) H.G. Raipur Visakhapatnam OD-5 Private Limited | 100% | 0.20% | 29.34 | -0.01% | (0.47) | 0.00% | - | -0.01% | (0.47) |
| 9) H.G. Raipur Visakhapatnam OD-6 Private Limited | 100% | 0.01% | 1.48 | -0.01% | (0.51) | 0.00% | - | -0.01% | (0.51) |
| Jointly Controlled operations | | | | | | | | | |
| 1) HGIEPL – Ranjit JV | 30% | 0.03% | 3.60 | 0.00% | 0.04 | 0.00% | - | 0.00% | 0.04 |
| 2) HGIEPL – MGCPL JV | 30% | 0.00% | (0.02) | 0.00% | (0.01) | 0.00% | - | 0.00% | (0.01) |
| 3) HGIEPL – RPS JV | 51% | 0.00% | (0.34) | 0.00% | 0.12 | 0.00% | - | 0.00% | 0.12 |
| Total | | 100.00% | 14,359.75 | 100.00% | 3,800.36 | 100.00% | (14.14) | 100.00% | 3,786.22 |

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As on March 31, 2021:

(Amount in ₹ Millions)

| Name of the entity | % Holding | Net Assets, i.e., total assets minus total liabilities | | Share of profit or loss | | Share in other comprehensive income | | Share in Total Comprehensive Income | |
|---|-----------|--|------------------|-------------------------------------|-----------------|---|---------------|---|-----------------|
| | | As % of Consolidated net assets | Amount | As % of Consolidated profit or loss | Amount | As % of Consolidated other comprehensive income | Amount | As % of Consolidated total comprehensive income | Amount |
| Parent: H.G. Infra Engineering Limited | | 72.49% | 7,702.81 | 89.08% | 2,108.00 | 100.00% | (3.53) | 89.06% | 2,104.47 |
| Subsidiaries: | | | | | | | | | |
| 1) Gurgaon Sohna Highway Private Limited | 100% | 7.72% | 820.32 | 5.17% | 122.29 | 0.00% | - | 5.18% | 122.29 |
| 2) H.G. Ateli Narnaul Highway Private Limited | 100% | 10.36% | 1,100.60 | 3.62% | 85.63 | 0.00% | - | 3.62% | 85.63 |
| 3) H.G. Rewari Ateli Highway Private Limited | 100% | 5.46% | 579.74 | 1.99% | 46.98 | 0.00% | - | 1.99% | 46.98 |
| 4) H.G. Rewari Bypass Private Limited | 100% | 3.92% | 416.77 | 0.13% | 3.07 | 0.00% | - | 0.13% | 3.07 |
| Jointly Controlled operations | | | | | | | | | |
| 1) HGIEPL – Ranjit JV | 30% | 0.03% | 3.56 | 0.00% | (0.01) | 0.00% | - | 0.00% | (0.01) |
| 2) HGIEPL – MGCPL JV | 30% | 0.00% | - | 0.00% | - | 0.00% | - | 0.00% | - |
| 3) HGIEPL – RPS JV | 51% | 0.02% | 1.87 | 0.02% | 0.58 | 0.00% | - | 0.02% | 0.58 |
| Total | | 100.00% | 10,625.67 | 100.00% | 2,366.54 | 100.00% | (3.53) | 100.00% | 2,363.01 |

Note 51 - Revenue from contracts with customers

Note 51.1 - Disaggregation of revenue from contracts with customers

The Group has determined the categories for disaggregation of revenue considering the types/nature of contracts. The Company recognises revenue from following types construction contracts, sale of services and sale of goods point in time and overtime as below:

(Amount in ₹ Millions)

| As on March 31, 2022 | Construction Contracts | Sale of Services (Maintenance Contract) | Total |
|---------------------------------|------------------------|---|------------------|
| Revenue from external customers | 36,047.06 | 373.18 | 36,420.24 |
| Timing of revenue recognition | | | |
| - At a point in time | | 373.18 | 373.18 |
| - Over time | 36,047.06 | - | 36,047.06 |
| | 36,047.06 | 373.18 | 36,420.24 |



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(Amount in ₹ Millions)

| As on March 31, 2021 | Construction Contracts | Sale of Services (Maintenance Contract) | Total |
|---------------------------------|------------------------|---|-----------|
| Revenue from external customers | 25,438.67 | 239.23 | 25,677.90 |
| Timing of revenue recognition | | | |
| - At a point in time | - | 239.23 | 239.23 |
| - Over time | 25,438.67 | - | 25,438.67 |
| | 25,438.67 | 239.23 | 25,677.90 |

The Group recognised revenue amounting to ₹2,136.61 Million (as at March 31, 2021 ₹1,898.89 Million) in the current reporting period that was included in the contract liability balance of previous year (Refer note 15 (b)).

Note 51.2 - Unsatisfied performance obligations

The aggregate amount of transaction price allocated to performance obligations that are unsatisfied as at the end of reporting period is ₹105,116.20 Million (as at March 31, 2021 ₹76,768 Million). On Construction Contracts (Road Projects and Pipeline contracts) have a life cycle of 2-3 years and other businesses performance obligations are met over a period of one or less than one year. Management expects that around 30% -35% of the transaction price allocated to unsatisfied contracts as of March 31, 2022 will be recognised as revenue during next reporting period depending upon the progress on each contracts.

The remaining amount is expected to be recognised in next year.

The amount disclosed above does not include variable consideration.

Note 51.3

There are no reconciliation items between revenue from contracts with customers and revenue recognised with contract price.

Notes

forming part of the consolidated financial statement as at and for the year ended March 31, 2022

| Name of Entity | Description of the Arrangement | Significant Terms of the Arrangement | (Amount in ₹ Millions) | |
|--|--|--|---------------------------------------|---------------------------------------|
| | | | Financial Assets as at March 31, 2022 | Financial Assets as at March 31, 2021 |
| Gurgaon Sohna Highway Private Limited | The Company is formed as a special purpose vehicle (SPV) for Construction of 6 Laning & Strengthening of New NH-248A from Existing km 11+682 to exiting KM 24+400 in the state of Haryana Package-2: Existing Ch. Km 11+682 to km 24+400 (Design Ch. Km 9+282 to km 22+000) under NHDP Phase-IV on Hybrid Annuity Mode, which shall be partly financed by the concessionaire who shall recover its investment and costs through annuity payments and O&M payment to be made by the authority, in accordance with the terms and conditions set forth in this concession agreement entered into. | Period of Concession: 2019-2038 Remuneration: 40% during construction period and balance 60% in biannual annuity in 15 years as per concession agreement Investment grant from concession grantor: No Infrastructure return at the end of concession period: Yes Investment and renewal obligation: Nil Re-pricing dates: No Basis upon which re-pricing or re-negotiation is determined: NA Premium payable to grantor: Nil BPC: 6,060 Millions O&M Payment: 40 Millions per year Bonus: If COD achieved on or more than 30 (thirty) days prior to the SCOD, bonus will be equal to 0.5% (Zero point five per cent) of 60 % (Sixty per cent) of the BPC for the first 30 (thirty) days by which COD shall precede the SCOD and thereafter the said bonus shall be calculated on the pro-rata basis for each day preceding the said 30 (thirty) days period. Termination: Default made as specified in CA except caused by force measure event, by concessionaire not cured in 60 days and by authority not cured in 90 days, contract will be terminated. | 3,514.33 | 2,544.35 |
| H.G. Ateli Narnaul Highway Private Limited | The Company is formed as a special purpose vehicle (SPV) for Construction of the proposed Narnaul Bypass (design length 24.0 km) and Ateli Mandi to Narnaul section of NH-11 from 43.445 km to 56.900 km (design length 14.0 km) as an economic corridor and a feeder route Pkg-II in the state of Haryana, on Hybrid Annuity Mode, which shall be partly financed by the concessionaire who shall recover its investment and costs through annuity payments and O&M payment to be made by the authority, in accordance with the terms and conditions set forth in this concession agreement entered into. | Period of Concession: 2020-2037 Remuneration: 40% during construction period and balance 60% in biannual annuity in 15 years as per concession agreement Investment grant from concession grantor: No Infrastructure return at the end of concession period: Yes Investment and renewal obligation: Nil Re-pricing dates: No Basis upon which re-pricing or re-negotiation is determined: NA Premium payable to grantor: Nil BPC: 9,521.10 Millions O&M Payment: 50 Millions per year Bonus: If COD achieved on or more than 30 (thirty) days prior to the SCOD, bonus will be equal to 0.5% (Zero point five per cent) of 60 % (Sixty per cent) of the BPC for the first 30 (thirty) days by which COD shall precede the SCOD and thereafter the said bonus shall be calculated on the pro-rata basis for each day preceding the said 30 (thirty) days period. Termination: Default made as specified in CA except caused by force measure event, by concessionaire not cured in 60 days and by authority not cured in 90 days, contract will be terminated. | 4,394.14 | 2,724.54 |

forming part of the consolidated financial statement as at and for the year ended March 31, 2022

| Name of Entity | Description of the Arrangement | Significant Terms of the Arrangement | (Amount in ₹ Millions) | |
|---|---|--|---------------------------------------|---------------------------------------|
| | | | Financial Assets as at March 31, 2022 | Financial Assets as at March 31, 2021 |
| H.G. Rewari Ateli Highway Private Limited | The Company is formed as a special purpose vehicle (SPV) for upgradation of a road project of four lane of Rewari - Ateli Mandi section of NH-11 from KM 11.780 at Rewari to Ex. KM 43.445 near Ateli Mandi (designed length 30.45 KM) as feeder route Pkg-III on Hybrid Annuity mode (HAM) in state of Haryana, which shall be partly financed by the concessionaire who shall recover its investment and costs through annuity payments and O&M payment to be made by the authority, in accordance with the terms and conditions set forth in this concession agreement entered into. | Period of Concession: 2020-2037 Remuneration: 40% during construction period and balance 60% in biannual annuity in 15 years as per concession agreement Investment grant from concession grantor: No Infrastructure return at the end of concession period: Yes Investment and renewal obligation: Nil Re-pricing dates: No Basis upon which re-pricing or re-negotiation is determined: NA Premium payable to grantor: Nil BPC: 5,800.00 Millions (Revised 5,750.50 Millions) O&M Payment: 60 Millions per year Bonus: If COD achieved on or more than 30 (thirty) days prior to the SCOD, bonus will be equal to 0.5% (Zero point five per cent) of 60 % (Sixty per cent) of the BPC for the first 30 (thirty) days by which COD shall precede the SCOD and thereafter the said bonus shall be calculated on the pro-rata basis for each day preceding the said 30 (thirty) days period. Termination: Default made as specified in CA except caused by force measure event, by concessionaire not cured in 60 days and by authority not cured in 90 days, contract will be terminated. | 2,588.23 | 1,470.45 |
| H.G. Rewari Bypass Private Limited | The Company is formed as a special purpose vehicle (SPV) for Construction of proposed Rewari Bypass (Design length 14.4 km) as Feeder Route in the state of Haryana on Hybrid Annuity Mode (HAM), which shall be partly financed by the concessionaire who shall recover its investment and costs through annuity payments and O&M payment to be made by the authority, in accordance with the terms and conditions set forth in this concession agreement entered into. | Period of Concession: 2021-2038 Remuneration: 40% during construction period and balance 60% in biannual annuity in 15 years as per concession agreement Investment grant from concession grantor: No Infrastructure return at the end of concession period: Yes Investment and renewal obligation: Nil Re-pricing dates: No Basis upon which re-pricing or re-negotiation is determined: NA Premium payable to grantor: Nil BPC: 5,220.20 Millions O&M Payment: 30 Millions per year Bonus: If COD achieved on or more than 30 (thirty) days prior to the SCOD, bonus will be equal to 0.5% (Zero point five per cent) of 60 % (Sixty per cent) of the BPC for the first 30 (thirty) days by which COD shall precede the SCOD and thereafter the said bonus shall be calculated on the pro-rata basis for each day preceding the said 30 (thirty) days period. Termination: Default made as specified in CA except caused by force measure event, by concessionaire not cured in 60 days and by authority not cured in 90 days, contract will be terminated. | 1168.22 | 643.62 |



Notes

forming part of the consolidated financial statement as at and for the year ended March 31, 2022

| Name of Entity | Description of the Arrangement | Significant Terms of the Arrangement | (Amount in ₹ Millions) | |
|--|--|--|---------------------------------------|---------------------------------------|
| | | | Financial Assets as at March 31, 2022 | Financial Assets as at March 31, 2021 |
| H.G. Raipur Visakhapatnam AP-1 Private Limited | The Company is formed as a special purpose vehicle (SPV) for Development of Six Lane Aluru-Jakkuva Section of NH-130-CD Road from km 365+033 to km 396+800 under Raipur- Visakhapatnam Economics Corridor in the state of Andhra Pradesh on Hybrid Annuity Mode [Package-1 (API)], which shall be partly financed by the concessionaire who shall recover its investment and costs through annuity payments and O&M payment to be made by the authority, in accordance with the terms and conditions set forth in this concession agreement entered into. | Period of Concession: 2023-2039 Remuneration: 40% during construction period and balance 60% in biannual annuity in 15 years as per concession agreement Investment grant from concession grantor: No Infrastructure return at the end of concession period: Yes Investment and renewal obligation: Nil Re-pricing dates: No Basis upon which re-pricing or re-negotiation is determined: NA Premium payable to grantor: Nil BPC: 7,721.10 Millions O&M Payment: 40 Million per year Bonus: If COD achieved on or more than 30 (thirty) days prior to the SCOD, bonus will be equal to 0.5% (Zero point five per cent) of 60 % (Sixty per cent) of the BPC for the first 30 (thirty) days by which COD shall precede the SCOD and thereafter the said bonus shall be calculated on the pro-rata basis for each day preceding the said 30 (thirty) days period. Termination: Default made as specified in CA except caused by force measure event, by concessionaire not cured in 60 days and by authority not cured in 90 days, contract will be terminated. | 201.80 | - |
| H.G. Khammam Devarapalle Pkg-1 Private Limited | The Company is formed as a special purpose vehicle (SPV) for Construction of 4 lane Access Controlled New Greenfield Highway Section of NH-365BG (Khammam-Devarapalle) of length 33.604 Km from Thallampadu village to Somavaram village (Design Ch. Km 0+000 to km 33+604) under Inter Corridor Route under Bharatmala Pariyojana, on Hybrid Annuity mode in the state of Telangana (Package-I), which shall be partly financed by the concessionaire who shall recover its investment and costs through annuity payments and O&M payment to be made by the authority, in accordance with the terms and conditions set forth in this concession agreement entered into. | Period of Concession: 2022-2039 Remuneration: 40% during construction period and balance 60% in biannual annuity in 15 years as per concession agreement Investment grant from concession grantor: No Infrastructure return at the end of concession period: Yes Investment and renewal obligation: Nil Re-pricing dates: No Basis upon which re-pricing or re-negotiation is determined: NA Premium payable to grantor: Nil BPC: 7,721.10 Millions O&M Payment: 70 Millions per year Bonus: If COD achieved on or more than 30 (thirty) days prior to the SCOD, bonus will be equal to 0.5% (Zero point five per cent) of 60 % (Sixty per cent) of the BPC for the first 30 (thirty) days by which COD shall precede the SCOD and thereafter the said bonus shall be calculated on the pro-rata basis for each day preceding the said 30 (thirty) days period. Termination: Default made as specified in CA except caused by force measure event, by concessionaire not cured in 60 days and by authority not cured in 90 days, contract will be terminated. | - | - |



Notes

forming part of the consolidated financial statement as at and for the year ended March 31, 2022

| Name of Entity | Description of the Arrangement | Significant Terms of the Arrangement | (Amount in ₹ Millions) | |
|--|---|--|---------------------------------------|---------------------------------------|
| | | | Financial Assets as at March 31, 2022 | Financial Assets as at March 31, 2021 |
| H.G. Khammam Devarapalle Pkg-2 Private Limited | The Company is formed as a special purpose vehicle (SPV) for Construction of 4 lane Access Controlled New Greenfield Highway Section of NH-365BG (Khammam-Devarapalle) of length 29.513 km from Somavaram village to Chintagudem village (Design Ch. Km 33+604 to km 63+117) under Inter Corridor Route under Bharatmala Pariyojana on Hybrid Annuity mode in the state of Telangana (Package-II), which shall be partly financed by the concessionaire who shall recover its investment and costs through annuity payments and O&M payment to be made by the authority, in accordance with the terms and conditions set forth in this concession agreement entered into. | Period of Concession: 2023-2039 Remuneration: 40% during construction period and balance 60% in biannual annuity in 15 years as per concession agreement Investment grant from concession grantor: No Infrastructure return at the end of concession period: Yes Investment and renewal obligation: Nil Re-pricing dates: No Basis upon which re-pricing or re-negotiation is determined: NA Premium payable to grantor: Nil BPC: 6,371.10 Millions O&M Payment: 60 Million per year Bonus: If COD achieved on or more than 30 (thirty) days prior to the SCOD, bonus will be equal to 0.5% (Zero point five per cent) of 60 % (Sixty per cent) of the BPC for the first 30 (thirty) days by which COD shall precede the SCOD and thereafter the said bonus shall be calculated on the pro-rata basis for each day preceding the said 30 (thirty) days period. Termination: Default made as specified in CA except caused by force measure event, by concessionaire not cured in 60 days and by authority not cured in 90 days, contract will be terminated. | - | - |
| H.G. Raipur Visakhapatnam OD-5 Private Limited | The Company is formed as a special purpose vehicle (SPV) for Development of Six Lane Kaliagura-Baunsagar Section of NH-130-CD Road from km 249+000 to km 293+000 under Raipur-Visakhapatnam Economics Corridor in the state of Odisha on Hybrid Annuity Mode (Package-OD-5), which shall be partly financed by the concessionaire who shall recover its investment and costs through annuity payments and O&M payment to be made by the authority, in accordance with the terms and conditions set forth in this concession agreement entered into. | Period of Concession: 2023-2039 Remuneration: 40% during construction period and balance 60% in biannual annuity in 15 years as per concession agreement Investment grant from concession grantor: No Infrastructure return at the end of concession period: Yes Investment and renewal obligation: Nil Re-pricing dates: No Basis upon which re-pricing or re-negotiation is determined: NA Premium payable to grantor: Nil BPC: 14,921.10 Millions (Excl Taxes) O&M Payment: 50 Millions per year Bonus: If COD achieved on or more than 30 (thirty) days prior to the SCOD, bonus will be equal to 0.5% (Zero point five per cent) of 60 % (Sixty per cent) of the BPC for the first 30 (thirty) days by which COD shall precede the SCOD and thereafter the said bonus shall be calculated on the pro-rata basis for each day preceding the said 30 (thirty) days period. Termination: Default made as specified in CA except caused by force measure event, by concessionaire not cured in 60 days and by authority not cured in 90 days, contract will be terminated. | - | - |

Notes

forming part of the consolidated financial statement as at and for the year ended March 31, 2022

| Name of Entity | Description of the Arrangement | Significant Terms of the Arrangement | (Amount in ₹ Millions) | |
|--|---|---|---------------------------------------|---------------------------------------|
| | | | Financial Assets as at March 31, 2022 | Financial Assets as at March 31, 2021 |
| H.G. Raipur Visakhapatnam OD-6 Private Limited | The Company is formed as a special purpose vehicle (SPV) for Development of Six Lane Bausagar-Baraja Section of NH-130-CD Road from km 293+000 to km 338+500 under Raipur-Visakhapatnam Economics Corridor in the state of Odisha on Hybrid Annuity Mode (Package-OD-6), which shall be partly financed by the concessionaire who shall recover its investment and costs through annuity payments and O&M payment to be made by the authority, in accordance with the terms and conditions set forth in this concession agreement entered into. | <p>Period of Concession: 2023-2039</p> <p>Remuneration: 40% during construction period and balance 60% in biannual annuity in 15 years as per concession agreement</p> <p>Investment grant from concession grantor: No</p> <p>Infrastructure return at the end of concession period: Yes</p> <p>Investment and renewal obligation: Nil</p> <p>Re-pricing dates: No</p> <p>Basis upon which re-pricing or re-negotiation is determined: NA</p> <p>Premium payable to grantor: Nil</p> <p>BPC: 11,231.10 Millions (Excl Taxes)</p> <p>O&M Payment: 50 Millions per year</p> <p>Bonus: If COD achieved on or more than 30 (thirty) days prior to the SCOD, bonus will be equal to 0.5% (Zero point five per cent) of 60 % (Sixty per cent) of the BPC for the first 30 (thirty) days by which COD shall precede the SCOD and thereafter the said bonus shall be calculated on the pro-rata basis for each day preceding the said 30 (thirty) days period.</p> <p>Termination: Default made as specified in CA except caused by force measure event, by concessionaire not cured in 60 days and by authority not cured in 90 days, contract will be terminated.</p> | - | - |



Notes

forming part of the consolidated financial statement as at and for the year ended March 31, 2022

Note 53 - Disclosure of operating leases under Ind AS 116

Leases as lessee

The Company has obtained premises (office, residential and Camp) and machineries taken on lease. The terms of lease include terms of renewals, increase in rent in future period, terms of cancellation, etc. The agreements are executed for a period of 1 months to 36 months with a renewable clause and also provide for termination at will by either party giving a prior notice of 1 to 3 months at any time during the lease term.

Amounts recognised in the Consolidated Statement of Profit and Loss

(Amount in ₹ Millions)

| Particulars | Refer Note No. | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---------------------------------------|----------------|---------------------------|---------------------------|
| Contract and site expenses | 31 | | |
| Hire charges for machinery and others | | 236.55 | 255.09 |
| Other expenses | 35 | | |
| Lease rent | | 54.36 | 33.42 |
| Total Expenses | | 290.91 | 288.51 |

Note 54 - Intra-group turnover and profits on DBFOT construction contracts to be included in consolidated financial statements

Design, Build, Finance, Operate and Transfer (DBFOT) contracts on hybrid annuity method are governed by Service Concession Agreements with government authorities (grantor). Under these agreements, the operator does not own the road, but gets the "right to receive annuity" against the construction services rendered. Since the construction revenue earned by the operator is considered as exchanged with the grantor against the right to receive annuity, revenue is recognised at fair value of construction services rendered and profit from such contracts is considered as realised.

Accordingly, HAM contracts awarded to subsidiary companies (SPV's), where work is subcontracted to the Holding Company, the intra group transactions on HAM contracts and the profits arising thereon are taken as realised and not eliminated for consolidation under Ind AS 110, Consolidated financial statement.

Note 55 - Additional regulatory information required by Schedule III

(i) Details of benami property held

No proceedings have been initiated on or are pending against the Group for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

(ii) Borrowing secured against current assets

The Group has borrowings from banks and financial institutions on the basis of security of current assets. The quarterly returns or statements of current assets filed by the Group with banks and financial institutions are in agreement with the books of accounts.

(iii) Wilful defaulter

Group has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(iv) Relationship with struck off companies

The Group has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.

Notes

forming part of the consolidated financial statement as at and for the year ended March 31, 2022

(Amount in ₹ Millions)

| Name of struck off company | Nature of transaction with struck off company | Balance outstanding as at March 31, 2022 | Relationship with the struck off company | Balance outstanding as at March 31, 2021 | Relationship with the struck off company |
|---------------------------------------|---|--|--|--|--|
| Compact Pile Construction Private Ltd | Payable | - | None | - | None |
| Sojat Cement Works Private Ltd | Payable | - | None | - | None |

(v) Compliance with number of layers of companies

The Group has complied with the number of layers prescribed under the Companies Act, 2013.

(vi) Compliance with approved scheme(s) of arrangements

The Group has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

(vii) Utilisation of borrowed funds and share premium

The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or
- provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the group shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- provide any guarantee, security or the like on behalf of the ultimate beneficiaries

(viii) Undisclosed income

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

(ix) Details of crypto currency or virtual currency

The Group has not traded or invested in crypto currency or virtual currency during the current or previous year.

(x) Valuation of PP&E, intangible asset and investment property

The Group has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

(xi) Title deeds of immovable properties not held in name of the Group

The title deeds of all the immovable properties (other than properties where the Group is the lessee and the lease agreements are duly executed in favour of the lessee), as disclosed in note 3(a) and 4 to the financial statements, are held in the name of the Group.



Notes

forming part of the consolidated financial statement as at and for the year ended March 31, 2022

(xii) Registration of charges or satisfaction with Registrar of Companies

There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.

(xiii) Utilisation of borrowings availed from banks and financial institutions

The borrowings obtained by the Group from banks and financial institutions have been applied for the purposes for which such loans were taken.

(xiv) The Group has a fund and non fund based facility limit of ₹24,138.10 million (March 31, 2021 ₹12,469.11 Million) with Bank which is secured by way of first charge on hypothecation of current assets viz. raw materials, stores and spares and receivables.

The Group has utilised the fund and non fund based facility during the FY 2021-22 and 2020-21 for working capital purposes.

Further, the charge has been created on hypothecation of the afore said current assets.

Note 56 - Analytical ratios

| Particulars | Numerator | Denominator | March 31, 2022 | March 31, 2021 | % Variance | Reason Required if variance more than 25% |
|---|--|---|-------------------|-------------------|---------------|---|
| (a) Current ratio | Current Assets | Current Liabilities | 2.09 | 1.79 | 16.76% | |
| (b) Debt-equity ratio | Total Debt (Borrowings) | Total Equity | 0.82 | 0.72 | 13.89% | |
| (c) Debt service coverage ratio | Earning available for debt service | Finance Costs + Repayment of borrowings | 3.68 | 2.42 | 52.07% | Decrease in interest on term loan and working capital loan for the year ended March 31, 2022 |
| (d) Return on equity ratio | Profits after tax | Average Total Equity | 5.83 | 3.63 | 60.61% | Increase in profit in year ended March 31, 2022. |
| (e) Inventory turnover ratio | Cost of goods sold | Average Inventory | 10.19 | 8.67 | 17.53% | |
| (f) Trade receivables turnover ratio | Revenue from operations | Average Trade receivables | 6.12 | 4.10 | 49.27% | Increase in Revenue from operations for the year ended March 31, 2022 |
| (g) Trade payables turnover ratio | Net Purchases of raw material + Sub contracting expenses + Hire charges for machinery and other + Site and other direct expenses | Average Trade payables | 6.01 | 3.44 | 43.57% | Increase in purchases and direct expenses for the year ended March 31, 2022 |

Notes

forming part of the consolidated financial statement as at and for the year ended March 31, 2022

| Particulars | Numerator | Denominator | March 31, 2022 | March 31, 2021 | % Variance | Reason Required if variance more than 25% |
|--------------------------------|------------------------------------|---|-------------------|-------------------|---------------|---|
| (h) Net capital turnover ratio | Revenue from operations | Working Capital (Current Assets - Current Liabilities) | 4.00 | 3.38 | 18.34% | |
| (i) Net profit ratio | Profit after tax | Revenue from operations | 10.13% | 9.07% | 11.69% | |
| (j) Return on capital employed | Earning before interest and taxes | Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability | 0.24 | 0.22 | 8.07% | |
| (k) Return on investment | Earnings before interest and taxes | Total assets | 0.19 | 0.15 | 26.92% | Increase in profit for the year ended March 31, 2022. |

Note 57 - Prior year figures have been regrouped, wherever necessary.

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

Nitin Khatri
Partner
Membership Number: 110282

For Shridhar & Associates
Firm Registration Number: 134427W

Abhishek Pachlangia
Partner
Membership Number: 120593

Place: Jaipur
Date: May 23, 2022

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

Harendra Singh
Chairman and Managing Director
DIN: 00402458

Rajeev Mishra
Chief Financial Officer

Place: Jaipur
Date: May 23, 2022

Ankita Mehra
Company Secretary
Membership No: A33288

Notice of Annual General Meeting



H.G. Infra Engineering Limited

CIN: L45201RJ2003PLC018049

Registered Office: 14, Panchwati Colony, Ratanada, Jodhpur, Rajasthan-342001, Tel: 0291-2515327

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

Tel.: 0141 4106040-41; Fax: 0141 4106044

Email: cs@hginfra.com; Website: www.hginfra.com

NOTICE

NOTICE is hereby given that the **20th Annual General Meeting** of the members of **H.G. Infra Engineering Limited** will be held on Wednesday, August 03, 2022 at 2:00 P.M. IST through Video Conference ("VC") / Other Audio-Visual Means ("OAVM"), to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt:
 - a. Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2022 and the Reports of Board of Directors and Auditors thereon; and
 - b. Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2022 and the Report of Auditors thereon.
2. To declare a Final dividend of ₹1/- (One Rupee Only) per equity share of ₹10/- each for the financial year 2021-22.
3. To appoint a director in place of Mr. Harendra Singh (DIN:00402458), who retires by rotation and being eligible, offers himself for re-appointment.
4. To approve the appointment of M/S. M S K A & Associates, Chartered Accountants, as Joint Statutory Auditors of the Company and, if thought fit, to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 139 read with the Companies (Audit and Auditors) Rules, 2014 and other applicable provisions, if any, of the Companies Act, 2013, (including any statutory modification(s), amendments or re-enactments thereto for the time being in force), M/s. M S K A & ASSOCIATES, Chartered Accountants (FRN 105047W), be and is hereby

appointed as one of the Joint Statutory Auditors of the Company, for a period of 5 years, to hold office from the conclusion of this 20th Annual General meeting until the conclusion of the 25th Annual General Meeting of the Company to be held in the year 2027, at such remuneration (plus applicable taxes) and reimbursement of out of pocket expenses for the purpose of audit, as may be fixed by the Board of Directors of the Company."

SPECIAL BUSINESS:

5. To approve the re-appointment of Ms. Pooja Hemant Goyal (DIN: 07813296) as an Independent Director of the Company for a second term of three consecutive years and, if thought fit, to pass the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 149, 152 and any other applicable provisions of the Companies Act, 2013 ("the Act") read with Schedule IV and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations") (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the re-appointment of Ms. Pooja Hemant Goyal (DIN:07813296), that meets the criteria for independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations and who has submitted a declaration to that effect, and who is eligible for re-appointment as an Independent Director of the Company, for the second term of three consecutive years, i.e., from May 15, 2022 to May 14, 2025 and who would not be liable to retire by rotation, be and is hereby approved.

RESOLVED FURTHER THAT the Board of Directors and/or the Company Secretary of the Company, be and are hereby severally authorised to settle any question, difficulty or



doubt, that may arise in giving effect to this resolution and to do all such acts, deeds, matters and things as may be necessary and sign and execute all documents or writings as may be necessary, proper or expedient for the purpose of giving effect to this resolution and for matters concerned or incidental thereto.”

6. To approve the appointment of Mr. Manjit Singh (DIN: 02759940) as an Independent Director of the Company for a term of five consecutive years and, if thought fit, to pass the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 149, 152 and any other applicable provisions of the Companies Act, 2013 (“the Act”) read with Schedule IV and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), based on the recommendation of the Nomination & Remuneration Committee and approval of the Board of Directors for appointment of Mr. Manjit Singh (DIN: 02759940) as an Additional Director in the capacity of an Independent Director of the Company w.e.f. May 13, 2022, who has submitted a declaration that he meets the criteria for independence as provided under Section 149(6) of the Act and Regulation 16(1) (b) of the Listing Regulations and is eligible for appointment and who holds office as such up to the date of this Annual General Meeting, be and is hereby, appointed as a Non-Executive Independent Director of the Company, not liable to retire by rotation, to hold office for a period of five consecutive years effective from May 13, 2022 till May 12, 2027.

RESOLVED FURTHER THAT the Board of Directors and/or the Company Secretary of the Company, be and are hereby severally authorised to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all such acts, deeds, matters and things as may be necessary and sign and execute all documents or writings as may be necessary, proper or expedient for the purpose of giving effect to this resolution and for matters concerned or incidental thereto.”

7. To approve the limits for making investment, loans, guarantees and security under Section 186 of the Companies Act, 2013 and, if thought fit, to pass the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provision of section 186 and all other applicable provisions, if any, of the Companies

Act, 2013 read with Companies (Meeting of Board and its Powers) Rules, 2014, (including any Statutory modification or re-enactment thereof, for the time being in force), the consent of the members of the company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as “the Board”, which term shall include any committee constituted by the Board or any person(s) authorized by the Board to exercise the power conferred on the Board by this resolution) to (a) give any loan to any person(s) or any other body corporate(s); (b) give any guarantee or provide security in connection with a loan to any person(s) or other body corporate(s); and (c) acquire by way of subscription, purchase or otherwise, securities of any other body corporate from time to time, in one or more tranches, in excess of the limits stipulated in Section 186(2) of the Companies Act, 2013, as the Board may in its absolute discretion deem beneficial and in the interest of the Company, up to an increased amount not exceeding ₹6,000 Crores (Rupees Six Thousand Crores Only).

RESOLVED FURTHER THAT the Board of Directors and/or the Company Secretary of the Company, be and are hereby severally authorised to take such steps as may be necessary for obtaining approvals, statutory or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto and to sign and to execute deeds, applications, documents and file returns with Registrar of Companies, as may be required, on behalf of the Company and generally to do all such acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to the resolution.”

8. To approve the limits for making loans, guarantees and security under Section 185 of the Companies Act, 2013 and, if thought fit, to pass the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to Section 185 and other applicable provisions, if any, of the Companies Act, 2013 and Rules made thereunder (including any statutory modification(s), change or re-enactment thereof, for the time being in force) approval of the members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as “the Board”, which term shall include any committee constituted by the Board or any person(s) authorized by the Board to exercise the power conferred on the Board by this resolution, to advance any loan, in one or more tranches, including loan represented by way of book debt to, or give any guarantee or provide any security, in connection with any loan taken/to be taken by entities namely H.G.

Acerage Developers Private Limited, H.G. Luxury Hotels Pvt. Ltd., Valencia Leisure Pvt. Ltd., H.G. Atulyam Educare Private Limited, H.G. Motive Educare Private Limited and H.G. Ekaaya Resort Private Limited in which any of the directors of the company is interested (collectively referred to as the "Entities"), up to an aggregate sum of ₹50 Crore (Rupees Fifty Crores Only) at any point of time, in their absolute discretion deem beneficial and in the interest of the Company, provided that such loans are utilized by the borrowing entities for their principal business activities.

RESOLVED FURTHER THAT for the purpose of giving effect to the aforesaid resolution the Board of Directors of the Company be and is hereby authorized, to approve, decide, vary or modify the terms and conditions applicable for the aforesaid loan, guarantee, security and to do all such acts, deeds, matters and things as they may, in their absolute discretion deem necessary, desirable or expedient and things in connection therewith and incidental thereto as the Board in its absolute discretion deem fit without being required to seek any further consent or approval of the members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution."

9. To ratify the remuneration payable to Cost Auditors of the Company for the financial year ending March 31, 2023 and, if thought fit, to pass the following resolution as an Ordinary Resolution :

"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and the Companies (Cost Records and Audit) Rules, 2014 (including any statutory modification(s) or

re-enactment(s) thereof for the time being in force), the remuneration payable to M/s. Rajendra Singh Bhati & Co., Cost Accountants (Firm Registration No. 101983), appointed by the Board of Directors as Cost Auditors of the Company to conduct the audit of the cost records of the Company for the financial year ending March 31, 2023, amounting to ₹1,72,500 (Rupees One Lakh Seventy Two Thousand Five Hundred Only) and reimbursement of out-of-pocket expenses incurred in connection with the audit, be and is hereby ratified."

RESOLVED FURTHER THAT the Board of Directors and/or the Company Secretary of the Company be and are hereby severally authorised to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all such acts, deeds, matters and things as may be necessary, proper or expedient for the purpose of giving effect to this resolution and for matters concerned or incidental thereto."

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

Ankita Mehra
Company Secretary and Compliance Officer
M. No. A33288
Jaipur, July 05, 2022

Registered Office:

14, Panchwati Colony, Ratanada, Jodhpur,
Rajasthan - 342001
CIN-L45201RJ2003PLC018049
Tel.: +91 0291 2515327
E-mail:cs@hginfra.com
Website: www.hginfra.com



Notes:

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (hereinafter referred to as the "Act") in respect of the Special Business to be transacted at the 20th Annual General Meeting (hereinafter referred to as "AGM") as set out under Item Nos. 5 to 9 above, the relevant details of the Directors proposed to be appointed/re-appointed at the AGM, as set out at Item Nos. 3, 5 and 6, and the disclosures as a part of the explanatory statement to the notice pursuant to Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "Listing Regulations") and as required under Secretarial Standard-2 on General Meetings issued by the Institute of Company Secretaries of India, are annexed hereto. The Board of Directors (hereinafter referred to as "Board") have considered and decided to include the Item Nos. 5 to 9 given above as Special Business in the AGM, as they are unavoidable in nature.
 2. In accordance with the provisions of the Act, read with the Rules made thereunder and General Circular nos. 14/2020 dated 8th April, 2020, 17/2020 dated 13th April, 2020, 20/2020 dated 5th May, 2020, 02/2021 dated 13th January, 2021, 21/2021 dated 14th December, 2021 and 2/2022 dated 5th May, 2022, issued by the Ministry of Corporate Affairs ("MCA") read with relevant circulars issued by the Securities and Exchange Board of India ("SEBI"), from time to time (hereinafter collectively referred to as "the Circulars"), companies are allowed to hold AGM through Video Conference ("VC") or Other Audio Visual Means ("OAVM") upto 31st December, 2022, without the physical presence of members at a common venue. Hence, in compliance with the Circulars, the AGM of the Company is being held through VC/OAVM. The deemed venue for the AGM shall be Registered Office of the Company. The facility for voting through remote e-voting, participation in the AGM through VC/OAVM facility and e-voting during the AGM will be provided by Link Intime India Private Limited ("the Registrar").
 3. The Company is providing video conferencing facility for the ease of participation of the members. Participants i.e. members, directors, auditors and other eligible persons to whom this notice is being circulated are allowed to submit their queries/questions etc. before the general meeting in advance on the e-mail address of the company at cs@hginfra.com
 4. As the AGM is being held through VC/OAVM, the facility for appointment of Proxy by the Members is not available for this AGM and hence the Proxy Form and Attendance Slip including Route Map are not annexed to this Notice.
- However, Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and cast their votes through e-Voting.
5. Institutional/Corporate Shareholders are required to send a scanned copy of their Board or governing body Resolution/ Authorization etc., authorizing its representative to attend the AGM through VC/OAVM on its behalf and to vote through e-Voting/remote e-Voting. The said Resolution/ Authorization shall be sent to Scrutinizer by email at aroracs2@gmail.com and to Link Intime India Private Limited by email enotices@linkintime.co.in
 6. Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
 7. All the documents referred to in the accompanying notice and the statement pursuant to Section 102(1) of the Act shall be available for inspection through electronic mode without any fee by the members from the date of circulation of this Notice up to the date of AGM. Members are requested to write to the Company on cs@hginfra.com for inspection of said documents.
 8. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act and the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act and relevant documents referred to in this Notice of AGM and explanatory statement, will be available electronically for inspection by the members during the AGM, upon login to <https://instameet.linkintime.co.in/>
 9. The Company has fixed Friday, July 22, 2022 as the "Record Date" for determining entitlement of Members to final dividend for the financial year ended March 31, 2022. If approved at the AGM, the dividend will be paid on or before Thursday, September 01, 2022.
 10. Members are requested to register/update their bank details with the Company in case shares are held in physical form and with their Depository Participants where shares are held in dematerialized mode, to enable expeditious credit of the dividend to their bank accounts electronically.
 11. **IEPF:** The MCA had notified provisions relating to unpaid / unclaimed dividend under Sections 124 and 125 of the Companies Act, 2013 and Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016. As per these Rules, dividends which are not encashed / claimed by the shareholder for a period of seven consecutive years shall be transferred to the

Investor Education and Protection Fund (IEPF) Authority. The IEPF Rules mandate the companies to transfer the shares of shareholders whose dividends remain unpaid / unclaimed for a period of seven consecutive years to the demat account of IEPF Authority. Hence, the Company urges all the shareholders to encash / claim their respective dividend during the prescribed period. The details of the unpaid / unclaimed dividends lying with the Company are also available on the Company's website at <http://www.hginfra.com/investors-relation.html#btn-annual> and the details for financial year 2017-18, 2018-19 and 2020-21 have also been uploaded on the website of the IEPF Authority and the same can be accessed through the link www.iepf.gov.in. During the financial year 2021-22, the Company was not liable to transfer any unclaimed dividends and corresponding shares thereto to IEPF.

12. SEBI vide its Circular SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022 has mandated that all requests for transfer of securities including transmission and transposition requests shall be processed only in dematerialized form. In view of the same and to eliminate all risks associated with physical shares and avail various benefits of dematerialisation, Members are advised to dematerialise the shares held by them in physical form, if any. Members can contact the Company or its Registrars for assistance in this regard.
13. Nomination: Members holding shares in single name are advised to avail the facility of nomination in respect of shares held by them pursuant to the provisions of Section 72 of the Companies Act, 2013. Members holding shares in physical form desiring to avail this facility may send their nomination in the prescribed Form No. SH-13 duly filled in to Link Intime. Members holding shares in electronic mode may contact their respective Depository Participants for availing this facility.
14. **Electronic dispatch of Annual Report and process for registration of email id for obtaining copy of Annual Report:**

In compliance with the aforementioned Circulars, electronic copy of Annual Report of the Company for the Financial Year 2021-22 along with the Notice of the AGM, Financial Statements and other Statutory Reports are being sent only through electronic mode to those Members whose email addresses are registered with the Company/Registrar and Share Transfer Agent ('RTA')/Depository Participants ('DPs'). Members may note that the Notice and Annual Report 2021-22 will also be available on the Company's website at www.hginfra.com and websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively,

and on the website of the Registrar at www.linkintime.co.in. Members can attend and participate in the AGM through VC/OAVM facility only.

Process for registration of email ID:

In case the shareholder has not registered his/her/their email address with the Company/its RTA/Depositories, the following instructions to be followed:

- (i) Kindly log in to the website of the Registrar, www.linkintime.co.in under Investor Services > Email Registration- fill in the details and upload the required documents and submit.
- OR
- (ii) In the case of Shares held in Demat mode: The shareholder may please contact the Depository Participant ("DP") and register the email address and bank account details in the demat account as per the process followed and advised by the DP.

In case of any queries / difficulties in registering the e-mail address, Members may write to cs@hginfra.com

15. Members seeking any information with regard to any matter to be placed at the AGM, are requested to write to the Company at cs@hginfra.com
16. Members are requested to:
 - i) intimate to Link Intime, changes, if any, in their registered addresses at an early date, in case of Shares held in physical form;
 - ii) intimate to the respective Depository Participant, changes, if any, in their registered addresses at an early date, in case of Shares held in dematerialised form;
 - iii) quote their folio numbers/Client ID/DP ID in all correspondence; and
 - iv) consolidate their holdings into one folio in case they hold Shares under multiple folios in the identical order of names.
17. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Accordingly, members holding shares in electronic form are requested to submit their PAN to the Depository Participants with whom they maintain their demat accounts. Members holding shares in physical form should submit their PAN to the Company/RTA.



18. **Scrutiniser:** The Board of Directors of the Company has appointed Mr. Deepak Arora, Partner, M/s. Deepak Arora & Associates, Practicing Company Secretaries (Membership No. F5104, COP: 3641), as the Scrutinizer for conducting the voting process in a fair & transparent manner

19. Submission of questions / queries prior to AGM:

- (i) As the AGM is being conducted through VC / OAVM, for the smooth conduct of proceedings of the AGM, Members are encouraged to express their views / send their queries in advance mentioning their name demat account number / folio number, email id, mobile number at cs@hginfra.com. Questions / queries received by the Company till 05.00 p.m. (IST) on Sunday, July 31, 2022 shall only be considered and responded during the AGM.
- (ii) Members can also post their questions during AGM through the "Question/Suggestion" option, which is available in the VC/OAVM Facility.
- (iii) Members who would like to express their views or ask questions during the AGM may register themselves as a speaker as per instructions explained in note no. 22 below.
- (iv) The Company reserves the right to restrict the number of questions and number of speakers, as appropriate for smooth conduct of the AGM.
- (v) Members intending to require information about accounts of the company and any other information are requested to inform the Company at least seven days in advance of the meeting.

20. General Information:

- (i) The record date will be Friday, July 22, 2022 to receive the final dividend for the financial year ended March 31, 2022 and Wednesday, July 27, 2022 will be the cut-off date for the purpose of ascertaining the names of the Shareholders, who will be entitled to cast their votes electronically in respect of the businesses to be transacted at the AGM.
- (ii) The Members, whose names appear in the Register of Members / list of Beneficial Owners as on Wednesday, July 27, 2022 being the cut-off date, are entitled to vote on the Resolutions set forth in this Notice. A person who is not a member as on the cut-off date should treat this Notice of AGM for information purpose only. Any person, who acquires shares of the Company and becomes Member of the Company after the Company sends the Notice of the AGM and holds shares as on

the cut-off date may cast their vote as per instructions explained in note no. 22 below.

- (iii) The voting rights of members shall be in proportion to their shares of the paid-up equity share capital in the Company as on the cut-off date i.e. Wednesday, July 27, 2022. Members are eligible to cast vote only if they are holding shares as on that date.
- (iv) The remote e-Voting period commences on Sunday, July 31, 2022, at 09.00 a.m. (IST) and will end on Tuesday, August 02, 2022, at 05.00 p.m. (IST). During this period, Members holding shares either in physical form or in dematerialized form, as on cut-off date i. e. Wednesday, July 27, 2022, may cast their vote electronically. The e-Voting module shall be disabled by Link Intime India Private Limited for voting thereafter.
- (v) Members have the option to cast their vote on any of the resolutions using the remote e-Voting facility either during the period commencing Sunday, July 31, 2022 to Tuesday, August 02, 2022, or e-Voting during the AGM. Members who have cast their votes by remote e-Voting prior to the AGM may also attend/ participate in the Meeting through VC/OAVM but they shall not be entitled to cast their vote again. However, Members who have voted on some of the resolutions during the said voting period are also eligible to vote on the remaining resolutions during the AGM.
- (vi) In case of joint holders attending the AGM, only such joint holder who is higher in the order of names will be entitled to vote at the AGM.
- (vii) Members may note that the VC/OAVM Facility, provided by Link Intime, allows participation of at least 1,000 Members on a first come- first-served basis. The large shareholders (i.e. shareholders holding 2% or more shareholding), promoters, institutional investors, directors, key managerial personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, auditors, etc. can attend the AGM without any restriction on account of first-come- first-served principle.
- (viii) For convenience of the Members and proper conduct of AGM, Members can login and join at least 15 (fifteen) minutes before the time scheduled for the AGM. The facility to join the AGM shall be kept open throughout the proceedings of AGM.

- (ix) The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of electronic voting for all those members who are present at the AGM but have not cast their votes by availing the remote e-Voting facility.
- (x) The results shall be declared within 2 working days from conclusion of the AGM. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company at www.hginfra.com and on the website of the Registrar <https://instavote.linkintime.co.in>, immediately after the declaration of results by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited and National Stock Exchange of India Limited.
- (xi) Members holding shares in physical form are requested to advise any change of address immediately to the Company's Registrar and Share Transfer Agent. Members holding shares in electronic form must send the advice about change in address to their respective Depository Participant only and not to the Company or the Company's Registrar and Share Transfer Agent.
- (iv) Shareholders holding shares in dematerialized mode are requested to register complete bank account details with the Depository Participant(s) and shareholders holding shares in physical mode shall send a duly signed request letter to Link Intime mentioning the name, folio no., bank details, self-attested PAN card and original cancelled cheque leaf. In case of absence of name of the first shareholder on the original cancelled cheque or initials on the cheque, bank attested copy of first page of the Bank Passbook/Statement of Account along with the original cancelled cheque shall be provided. The Company or its Registrar cannot act on any request received directly from the Members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the respective Depository Participant of the Members.
- (v) In case the Company is unable to pay the dividend to any shareholder by the electronic mode, due to non-availability of the details of the bank account, the Company shall dispatch the dividend warrants/demand drafts/ cheques to such shareholder by post.
- (vi) In terms of the provisions of the Income Tax Act, 1961 ("the Act"), dividend paid or distributed by a company shall be taxable in the hands of shareholders. The Company shall, therefore, be required to deduct tax at source ("TDS") at the time of making the payment of final dividend at the applicable tax rates. The rate of TDS would depend upon the category and residential status of shareholders and the documents submitted and duly accepted by the Company.

21. Dividend

- (i) The Board of Directors has recommended a Final Dividend of ₹1/- (Rupee One only) (@10%) Equity Share of ₹10/- each for the financial year ended March 31, 2022, subject to the approval of the Shareholders at the AGM. Pursuant to the provisions of Section 123 of the Companies Act, 2013, the payment of Final Dividend on Equity Shares, upon declaration by the Shareholders at the AGM, will be made on or before Thursday, September 01, 2022 (i.e. within 30 days from the date of declaration), to those members whose names appear in the Register of Members/list of Beneficial Owners as on Friday, July 22, 2022, being the record date.
- (ii) Members holding shares in electronic form are hereby informed that bank particulars registered with their respective Depository Participants (DP), with whom they maintain their demat accounts, will be used by the Company for payment of dividend.
- (iii) Members holding shares in physical/electronic form are required to submit their bank account details, if not already registered or if it has changed, as mandated by Securities and Exchange Board of India ("SEBI").

As it is important for the Company to receive the relevant information/ documents from shareholders to determine the rate of tax deduction, the shareholders are requested to furnish relevant documentation in the prescribed manner.

Accordingly, shareholders are hereby requested to visit the Company's website at <http://hginfra.com/investors-relation.html#btn-annual>, wherein we have provided complete information relating to TDS on dividend along with the draft of the relevant documents to be submitted by the shareholders.

The shareholders are required to upload the documents on the Link Intime portal at <https://linkintime.co.in/formsreg/submission-of-form15g-15h.html> on or before Wednesday, August 03, 2022 at 2.00 p.m. (IST)



Incomplete and/or unsigned forms and declarations will not be considered by the Company. Any communication on the tax determination/ deduction received post Wednesday, August 03, 2022 at 2.00 p.m. (IST) shall not be considered. All communications/ queries in this respect should be addressed to our RTA, Link Intime to its email address at delhi@linkintime.co.in.

22. Voting through electronic means:

In compliance with provisions of Section 108 of the Act, Rule 20 of the Companies (Management and Administration) Rules,

2014, as amended and Regulation 44 of the Listing Regulations (including any statutory modification(s) and/or re-enactment(s) thereof for the time being in force), the Company is pleased to provide the facility to Members to exercise their right to vote on the resolutions proposed to be passed at AGM by electronic means. For this purpose, the Company has entered into an agreement with Link Intime India Private Limited, Registrar & Transfer Agent of the Company, for facilitating voting through electronic means, as the authorized agency. The facility for voting through remote e-voting, participation in the AGM through VC/ OAVM facility and e-voting during the AGM will be provided by the Registrar.

The details of the process and manner for remote e-Voting are explained herein below:

Remote e-Voting Instructions for shareholders:

As per the SEBI circular dated December 9, 2020, individual shareholders holding securities in demat mode can register directly with the depository or will have the option of accessing various ESP portals directly from their demat accounts.

Login method for Individual shareholders holding securities in demat mode/ physical mode is given below:

| Type of shareholders | Login Method |
|--|---|
| Individual Shareholders holding securities in demat mode with NSDL | <ul style="list-style-type: none">➤ Existing IDeAS user can visit the e-Services website of NSDL viz... https://eservices.nsdl.com either on a personal computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name i.e. LINKINTIME and you will be re-directed to "InstaVote" website for casting your vote during the remote e-Voting period.➤ If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com Select "Register Online for IDeAS Portal" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp➤ Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a personal computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen-digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name i.e. LINKINTIME and you will be redirected to "InstaVote" website for casting your vote during the remote e-Voting period. |

| Type of shareholders | Login Method |
|---|---|
| Individual Shareholders holding securities in demat mode with CDSL | <ul style="list-style-type: none"> Existing user of who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. After successful login of Easi / Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. LINK NTIME, Click on LINKINTIME and you will be redirected to "InstaVote" website for casting your vote during the remote e-Voting period. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration <p>Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. LINKINTIME. Click on LINKINTIME and you will be redirected to "InstaVote" website for casting your vote during the remote e-Voting period.</p> |
| Individual Shareholders (holding securities in demat mode) & login through their depository participants | <p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name i.e. LINKINTIME and you will be redirected to "InstaVote" website for casting your vote during the remote e-Voting period.</p> |
| Individual shareholders holding securities in physical form/ Non-Individual Shareholders holding securities in demat mode is given below: | <ol style="list-style-type: none"> Open the internet browser and launch the URL: https://instavote.linkintime.co.in Click on "Sign Up" under 'SHARE HOLDER' tab and register with your following details: - <ul style="list-style-type: none"> A. User ID: <p>Shareholders holding shares in physical form shall provide Event No + Folio Number registered with the Company. Shareholders holding shares in NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID; Shareholders holding shares in CDSL demat account shall provide 16 Digit Beneficiary ID.</p> B. PAN: Enter your 10-digit Permanent Account Number (PAN) (Shareholders who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable. C. DOB/DOI: Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP / Company - in DD/MM/YYYY format) D. Bank Account Number: Enter your Bank Account Number (last four digits), as recorded with your DP/Company. <p>*Shareholders holding shares in physical form but have not recorded 'C' and 'D', shall provide their Folio number in 'D' above</p> <p>*Shareholders holding shares in NSDL form, shall provide 'D' above</p> |



| Type of shareholders | Login Method |
|----------------------|---|
| | Set the password of your choice (The password should contain minimum 8 characters, at least one special Character (@!#\$%&*), at least one numeral, at least one alphabet and at least one capital letter). |
| | Click "confirm" (Your password is now generated). |
| | 3. Click on 'Login' under ' SHARE HOLDER ' tab. |
| | 4. Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on 'Submit'. |

Cast your vote electronically:

1. After successful login, you will be able to see the notification for e-voting. Select '**View**' icon.
2. E-voting page will appear.
3. Refer the Resolution description and cast your vote by selecting your desired option '**Favour / Against**' (If you wish to view the entire Resolution details, click on the '**View Resolution**' file link).
4. After selecting the desired option i.e. Favour / Against, click on '**Submit**'. A confirmation box will be displayed. If you wish to confirm your vote, click on '**Yes**', else to change your vote, click on '**No**' and accordingly modify your vote.

Guidelines for Institutional shareholders:

Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on the e-voting system of LIPL at <https://instavote.linkintime.co.in> and register themselves as '**Custodian / Mutual Fund / Corporate Body**'.

They are also required to upload a scanned certified true copy of the board resolution /authority letter/power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the '**Custodian / Mutual Fund / Corporate Body**' login for the Scrutinizer to verify the same.

Helpdesk for Individual Shareholders holding securities in physical mode/ Institutional shareholders:

Shareholders facing any technical issue in login may contact Link Intime INSTAVOTE helpdesk by sending a request at enotices@linkintime.co.in or contact on: - Tel: 022 – 4918 6000.

Helpdesk for Individual Shareholders holding securities in demat mode:

Individual Shareholders holding securities in demat mode may contact the respective helpdesk for any technical issues related to login through Depository i.e. NSDL and CDSL.

| Login type | Helpdesk details |
|--|---|
| Individual Shareholders holding securities in demat mode with NSDL | Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30 |
| Individual Shareholders holding securities in demat mode with CDSL | Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 22-23058542-43. |

Individual Shareholders holding securities in Physical mode have forgotten the password:

If an Individual Shareholders holding securities in Physical mode has forgotten the USER ID [Login ID] or Password or both then the shareholder can use the "Forgot Password" option available on the e-Voting website of Link Intime: <https://instavote.linkintime.co.in>

- o Click on '**Login**' under '**SHARE HOLDER**' tab and further Click 'forgot password?'
- o Enter **User ID**, select **Mode** and Enter Image Verification (CAPTCHA) Code and Click on '**Submit**'.

- In case shareholders/ members is having valid email address, Password will be sent to his / her registered e-mail address.
- Shareholders/ members can set the password of his/her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. as mentioned above.
- The password should contain minimum 8 characters, at least one special character (@!#\$%&*), at least one numeral, at least one alphabet and at least one capital letter.

User ID for Shareholders holding shares in Physical Form (i.e. Share Certificate): Your User ID is Event No + Folio Number registered with the Company

Individual Shareholders holding securities in demat mode with NSDL/ CDSL have forgotten the password:

Shareholders/ members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned depository/ depository participants website.

- It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- For shareholders/ members holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.
- During the voting period, shareholders/ members can login any number of time till they have voted on the resolution(s) for a particular "Event"

23. Process and manner for attending the Annual General Meeting through InstaMeet:

Open the internet browser and launch the URL: <https://instameet.linkintime.co.in>

Select the "Company" and 'Event Date' and register with your following details: -

- A. Demat Account No. or Folio No:** Enter your 16 digit Demat Account No. or Folio No
- Shareholders/ members holding shares in CDSL demat account shall provide 16 Digit Beneficiary ID
 - Shareholders/ members holding shares in NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID
 - Shareholders/ members holding shares in physical form shall provide Folio Number registered with the Company
- B. PAN:** Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.
- C. Mobile No.:** Enter your mobile number.
- D. D. Email ID:** Enter your email id, as recorded with your DP/Company.

Click "Go to Meeting" (You are now registered for InstaMeet and your attendance is marked for the meeting).

Please refer the instructions ("Annexure") for the software requirements and kindly ensure to install the same on the device which would be used to attend the meeting. Please read the instructions carefully and participate in the meeting. You may also call upon the InstaMeet Support Desk for any support on the dedicated number provided to you in the instruction/ InstaMEET website.

- iv) Other shareholder may ask questions to the panellist, via active chat-board during the AGM.
- v) Please remember speaking serial number and start your conversation with panellist by switching on video mode and audio of your device.

Shareholders are requested to speak only when moderator of the meeting/ management will announce the name and serial number for speaking.

24. Instructions for Shareholders/ Members to Speak during the Annual General Meeting through InstaMeet:

- Shareholders who would like to speak during the meeting must register their request on or before Sunday, July 31, 2022 at 05.00 p.m. (IST), three days in advance with the company, on cs@hginfra.com.
- Shareholders will get confirmation on first cum first basis.
- Shareholders will receive "speaking serial number" once they mark attendance for the meeting.

25. Instructions for Shareholders/ Members to Vote during the Annual General Meeting through InstaMeet:

Once the electronic voting is activated by the scrutinizer/ moderator during the meeting, shareholders/ members who have not exercised their vote through the remote e-voting can cast the vote as under:

- On the Shareholders VC page, click on the link for e-Voting "Cast your vote"



- ii. Enter your 16 digit Demat Account No. / Folio No. and OTP (received on the registered mobile number/ registered email Id) received during registration for InstaMEET and click on 'Submit'.
- iii. After successful login, you will see "Resolution Description" and against the same the option "Favour/ Against" for voting.
- iv. Cast your vote by selecting appropriate option i.e. "Favour/Against" as desired. Enter the number of shares (which represents no. of votes) as on the cut-off date under 'Favour/Against'.
- v. After selecting the appropriate option i.e. Favour/ Against as desired and you have decided to vote, click on "Save". A confirmation box will be displayed. If you wish to confirm your vote, click on "Confirm", else to change your vote, click on "Back" and accordingly modify your vote.
- vi. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

Note: Shareholders/ Members, who will be present in the Annual General Meeting through InstaMeet facility and

have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting facility during the meeting. Shareholders/ Members who have voted through Remote e-Voting prior to the Annual General Meeting will be eligible to attend/ participate in the Annual General Meeting through InstaMeet. However, they will not be eligible to vote again during the meeting.

Shareholders/ Members are encouraged to join the AGM through Tablets/ Laptops connected through broadband for better experience.

Shareholders/ Members are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.

Please note that Shareholders/ Members connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspot may experience Audio/Visual loss due to fluctuation in their network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

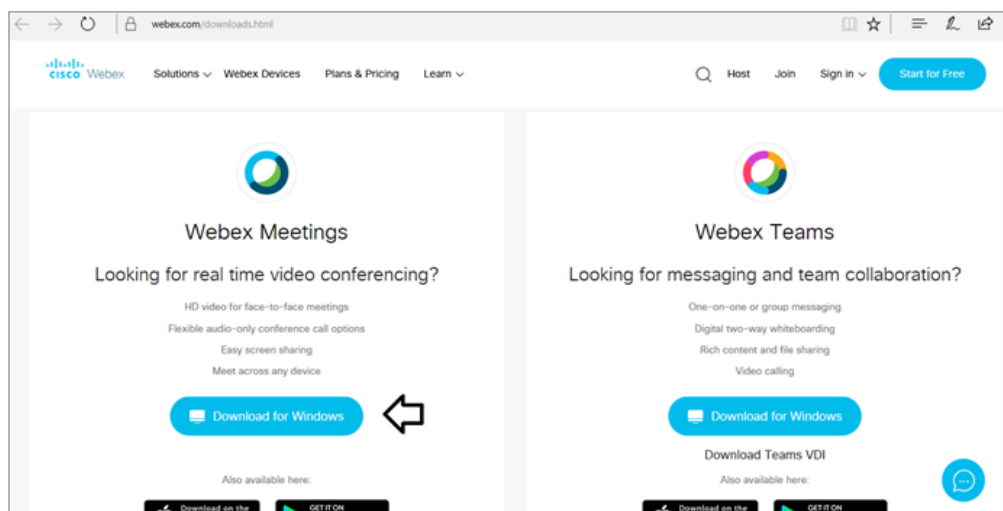
In case shareholders/ members have any queries regarding login/ e-voting, they may send an email to instameet@linkintime.co.in or contact on: - Tel: 022-49186175.

Annexure

Guidelines to attend the AGM proceedings of Link Intime India Pvt. Ltd.: InstaMEET

For a smooth experience of viewing the AGM proceedings of Link Intime India Pvt. Ltd. InstaMEET, shareholders/ members who are registered as speakers for the event are requested to download and install the Webex application in advance by following the instructions as under:

- a) Please download and install the Webex application by clicking on the link <https://www.webex.com/downloads.html/> <https://meetingsapac30.webex.com/webappng/sites/meetingsapac30/dashboard?siteurl=meetingsapac30>



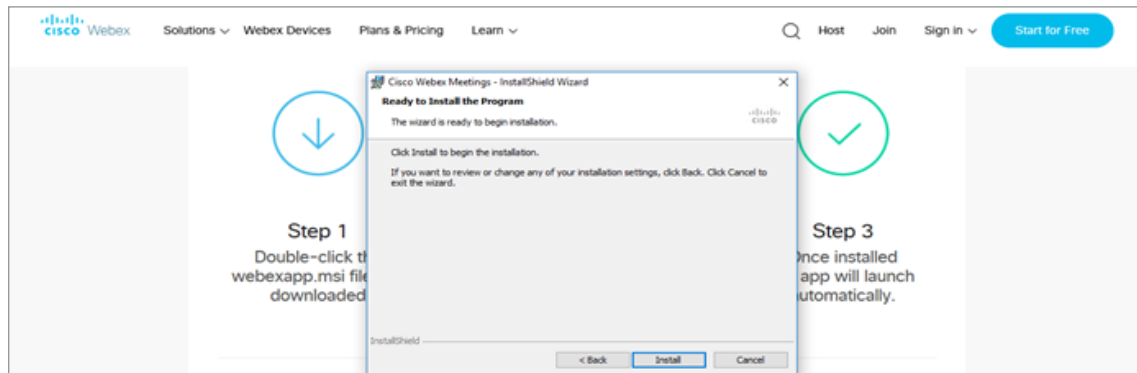
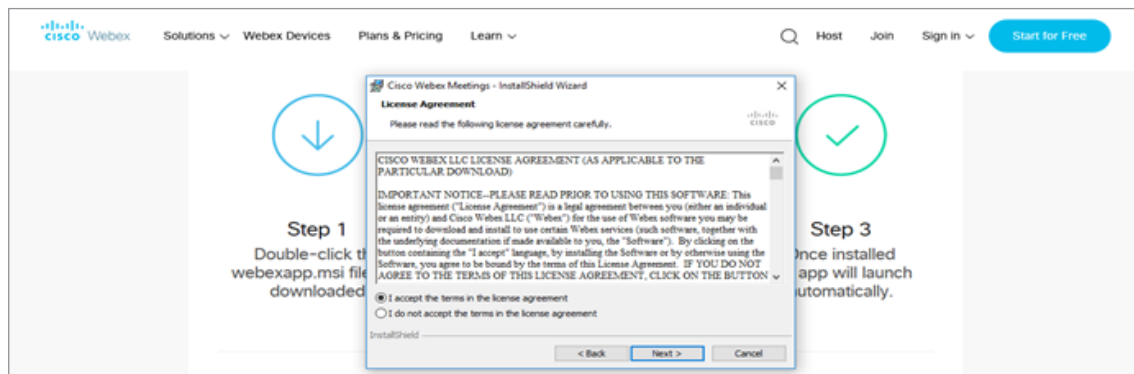


Step 1 Enter your First Name, Last Name and Email ID and click on Join Now.

1 (A) If you have already installed the Webex application on your device, join the meeting by clicking on Join Now

1 (B) If Webex application is not installed, a new page will appear giving you an option to either Add Webex to chrome or Run a temporary application.

Click on Run a temporary application, an exe file will be downloaded. Click on this exe file to run the application and join the meeting by clicking on Join Now



or

b) If you do not want to download and install the Webex application, you may join the meeting by following the process mentioned as under:

EXPLANATORY STATEMENT

Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("the ACT") and Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations")

The following Statement sets out all material facts relating to Item Nos. 4 to 9 mentioned in the accompanying Notice.

Item No. 4

To approve the appointment of M/S. M S K A & Associates, Chartered Accountants, as Joint Statutory Auditors of the Company

The Members of the Company at their Extra Ordinary General Meeting held on May 15, 2017 had appointed M/s. Price Waterhouse & Co. Chartered Accountants LLP (FRN 304026E/E300009) as Statutory Auditors of the Company, to fill the casual vacancy, to hold office till the conclusion of the 15th Annual General Meeting of the Company.

M/s. Price Waterhouse & Co. Chartered Accountants LLP (FRN 304026E/E300009) were further appointed as Statutory Auditors of the Company, at the Annual General Meeting (AGM) held on 8th September, 2017, for a second term of five consecutive years from conclusion of the 15th AGM till the conclusion of this 20th AGM.

At the 18th AGM of the Company held on 2020, M/s. Shridhar & Associates, Chartered Accountants (FRN 134427W), were also appointed as Joint Statutory Auditors of the Company, to hold office for a term of five consecutive years from conclusion of the 18th AGM till the conclusion of 23rd AGM.

The second term of M/s Price Waterhouse & Co. Chartered Accountants LLP (FRN 304026E/E300009) expires at the conclusion this 20th AGM. Accordingly, the Audit Committee

and Board of Directors have passed resolutions on July 03, 2022 and July 05, 2022 respectively, to recommend to the Members of the Company for their approval on the appointment of M/s. M S K A & ASSOCIATES, Chartered Accountants (FRN 105047W), as new Joint Statutory Auditors of the Company in place of M/s Price Waterhouse & Co Chartered Accountants LLP, for a period of 5 years, to hold office from the conclusion of this 20th AGM until the conclusion of the 25th AGM of the Company to be held in the year 2027.

M/s. M S K A & ASSOCIATES, Chartered Accountants (FRN 105047W), is an Indian partnership firm registered with the Institute of Chartered Accountants of India (ICAI) and the PCAOB (US Public Company Accountancy Oversight Board).

M/s. M S K A & Associates is a member firm of BDO International and offers a range of Assurance services, led by industry experts with deep knowledge pockets and driven by a commitment, to deliver high – quality services to all clients.

M/s. M S K A & Associates have confirmed that their appointment, if made, would be within the limits specified under Section 141 of the Act and that they are not disqualified to be appointed as statutory auditor under Section 141 and other relevant provisions of the Act and the Chartered Accountants Act, 1949 and that they are eligible for appointment as Statutory Auditors of the Company.

Disclosure under Regulation 36(5) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Proposed fees payable to the statutory auditor(s) along with terms of appointment and in case of a new auditor, any material change in the fee payable to such auditor from that paid to the outgoing auditor along with the rationale for such change

Proposed fees:

A remuneration of ₹47 Lakh (Rupees Forty-Seven Lakhs Only) (plus applicable taxes and reimbursement of out-of-pocket expenses) for conducting the audit for the financial year 2022-23 is proposed to be paid to M/s. M S K A & Associates, Chartered Accountants.

The remuneration to be paid to M/s. M S K A & Associates, Chartered Accountants, for the remaining term i.e. from financial year 2023-24 through financial year 2026-27 (till the conclusion of the 25th AGM of the Company to be held in the year 2027), shall be mutually agreed between the Board of Directors and the Joint Statutory Auditors, from time to time.



The Board of Directors in consultation with the Audit Committee may alter and vary the terms and conditions of appointment, including remuneration, in such manner and to such extent as may be mutually agreed with the Joint Statutory Auditors.

There is no material change in fee to be paid to the incoming Joint Statutory Auditors.

Terms of appointment:

5 (Five) Years commencing from the conclusion of this 20th AGM until the conclusion of 25th AGM of the Company to be held in the year 2027.

Basis of recommendation for appointment including the details in relation to and credentials of the statutory auditor(s) proposed to be appointed

The recommendations made by the Audit Committee and the Board of Directors of the Company are in compliance with the applicable provisions and in fulfilment of the eligibility criteria prescribed under the Companies Act, 2013 and the applicable rules made under the Act with regard to the full-time partners, statutory audit experience, capability, assessment of independence, etc.

None of the Directors or Key Managerial Personnel of the Company or their relatives are interested or concerned, financially or otherwise, in this resolution.

The Board recommends the Ordinary Resolution set out at Item No. 4 of the Notice for approval by the Members.

Item No. 5

Ms. Pooja Hemant Goyal (DIN: 07813296) was appointed as an Independent Director by the Members of the Company at their Extra Ordinary General Meeting ("EGM") held on May 15, 2017, for a period of five years commencing with effect from May 15, 2017 upto May 14, 2022.

The Nomination and Remuneration Committee at its meeting held on May 12, 2022, after taking into account the performance evaluation of Ms. Pooja Hemant Goyal during her first term of five years and considering her skills, knowledge, acumen, expertise, experience and substantial contribution and time commitment, has recommended to the Board her reappointment for a second term of three years.

The nomination and remuneration committee has considered her skills, experience in the legal industry, leadership capabilities, expertise in governance and business strategy, among others, as being key requirements for this role.

In view of the above, the nomination and remuneration committee and the Board are of the view that Ms. Pooja Hemant Goyal possesses the requisite skills and capabilities, which would be of immense benefit to the Company, and hence, it is desirable to reappoint her as an independent director.

The Board of directors, vide Resolution passed on May 13, 2022, based on the recommendation of the Nomination and Remuneration Committee and subject to approval of the Members by way of Special Resolution at this 20th AGM of the Company, re-appointed her as a Non-Executive Independent Director, not liable to retire by rotation, for a second consecutive term of three years commencing from May 15, 2022 upto May 14, 2025.

She has confirmed that she is in compliance with Rules 6(1) and 6(2) of the Companies (Appointment and Qualification of Directors) Rules, 2014, with respect to the registration with the data bank of Independent Directors maintained by the Indian Institute of Corporate Affairs.

Ms. Pooja Hemant Goyal has also given her declaration to the Board, inter alia, that

- (i) she meets the criteria of independence as provided under Section 149(6) of the Act and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015;
- (ii) is not restrained from acting as a director by virtue of any Order passed by SEBI or any such authority; and
- (iii) is eligible to be appointed as a Director in terms of Section 164 of the Act. She has also given her consent to act as an Independent Director.

Relevant details relating to re-appointment and continuation of directorship of Ms. Pooja Hemant Goyal, including her profile, as required by the Act, Listing Regulations and Secretarial Standards issued by ICSI are provided in the “Annexure” to the Notice.

In the opinion of the Board, Ms. Pooja Hemant Goyal is a person of integrity, fulfils the conditions specified in the Act and the Rules made thereunder read with the provisions of the Listing Regulations, as amended, and is independent of the management of the Company.

Except Ms. Pooja Hemant Goyal and her relatives, none of the Directors or Key Managerial Personnel of the Company or their relatives are interested or concerned, financially or otherwise, in this resolution.

The Board recommends the Special Resolution set out at Item No. 5 of the Notice for approval by the Members.

Item No. 6

The Nomination and Remuneration Committee, at its meeting held on May 12, 2022, after taking into account the skills, knowledge, acumen, expertise, experience of Mr. Manjit Singh, has recommended to the Board his appointment for a first term of five years effective from May 13, 2022.

The nomination and remuneration committee has considered his skills, leadership capabilities, expertise in governance and finance, risk management and business strategy, among others, as being key requirements for this role.

In view of the above, the nomination and remuneration committee and the Board are of the view that Mr. Manjit Singh possesses the requisite skills and capabilities, which would be of immense benefit to the Company, and hence, it is desirable to appoint him as an independent director.

Based on the recommendation of the Nomination & Remuneration Committee, the Board of Directors of the Company has appointed Mr. Manjit Singh as an Additional Director in the capacity of Non-Executive Independent Director of the Company to hold office for a period from May 13, 2022 to May 12, 2027, not liable to retire by rotation, subject to approval of the Members at this 20th AGM of the Company.

As an Additional Director, Mr. Manjit Singh holds office till the date of this AGM and is eligible for being appointed as an Independent Director. He has confirmed that he is in compliance with Rules 6(1) and 6(2) of the Companies (Appointment and Qualification of Directors) Rules, 2014, with respect to the registration with the data bank of Independent Directors maintained by the Indian Institute of Corporate Affairs.

Mr. Manjit Singh has also given his declaration to the Board, inter alia, that:

- (i) he meets the criteria of independence as provided under Section 149(6) of the Act and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015;
- (ii) is not restrained from acting as a director by virtue of any Order passed by SEBI or any such authority; and
- (iii) is eligible to be appointed as a Director in terms of Section 164 of the Act.

Relevant Details relating to appointment and continuation of Directorship of Mr. Manjit Singh including his profile, as required by the Act, Listing Regulations and Secretarial Standards issued by ICSI are provided in the “Annexure” to the Notice.

In the opinion of the Board, Mr. Manjit Singh is a person of integrity, possesses relevant expertise / experience and given his experience, the Board considers it desirable and in the interest of the Company to have him on the Board of the Company.

Except Mr. Manjit Singh and his relatives, none of the Directors or Key Managerial Personnel of the Company or their relatives are interested or concerned, financially or otherwise, in this resolution.

The Board recommends the Ordinary Resolution set out at Item No. 6 of the Notice for approval by the Members.

Item No. 7

The members of the Company, at AGM held on September 10, 2018, had accorded their approval to the Board of Directors of the Company to give any loan, guarantee or provide security in connection with a loan to any person(s) or other body corporate(s) and acquire by way of subscription, purchase or



otherwise, securities of any other body corporate up to an amount not exceeding ₹5,000 Crores (Rupees Five Thousand Crores Only).

Members are requested to take note that as per provisions of section 186 of the Companies Act, 2013, the Board of directors of a Company could give any loan, guarantee or provide security in connection with a loan to any other body corporate or person and acquire securities by way of subscription, purchase or otherwise to any person or body corporate to the extent of sixty percent paid up share capital, free reserves and securities premium or one hundred per cent of its free reserves and securities premium account whichever is more and for giving any loan or providing guarantee and security in excess of limit specified above, the approval of the members of the company in Annual General Meeting by way of Special resolution has to be obtained.

Members are further requested to take note that company is engaged in the business of Infrastructure and Constructions and in relations to the business tenders and operations of the company, there has to be provided guarantee from time to time to perform the business contract(s).

In view of its long term plans and growth prospects, it is anticipated that the Company would be required to make investments or give loans, provide guarantees/security in excess of the limits stipulated in Section 186(2) of the Companies Act, 2013 and limits approved by the members i.e. ₹5,000 Crores.

Accordingly, consent of the members is sought for authorizing the Board to make investments, giving loans and providing guarantees/securities in connection with loans to various entities and bodies corporate, from time to time, in excess of the limits stipulated in Section 186(2) of the Companies Act, 2013 up to an amount not exceeding ₹6,000 Crores (Rupees Six Thousand Crores Only).

None of the Directors or Key Managerial Personnel of the Company or their relatives are interested or concerned, financially or otherwise, in this resolution.

The Board recommends the Special Resolution set out at Item No. 7 of the Notice for approval by the Members.

Item No. 8

The Company is expected to render financial support, by way of loans, guarantees and securities, for the principal business requirements of the entities viz. H.G. Acerage Developers Private

Limited, H.G. Luxury Hotels Private Limited, Valencia Leisure Private Limited, H.G. Atulyam Educare Private Limited, H.G. Motive Educare Private Limited and H.G. Ekaaya Resort Private Limited in which any of the Directors of the Company are interested, in one or more tranches.

Mr. Harendra Singh and Mr. Vijendra Singh, directors of the Company, are shareholders and/or directors in the above mentioned entities.

In terms of the amended Section 185 of the Act, a company may advance any loan including any loan represented by a book debt, or give any guarantee or provide any security in connection with any loan taken by any person in whom any of the Director of the Company is interested subject to the condition that approval of the shareholders of the Company is obtained by way of Special Resolution.

The members may note that board of directors would carefully evaluate the proposals and provide such loan, guarantee or security proposals through deployment of funds out of internal resources / accruals and / or any other appropriate sources, from time to time, only for business activities of the entities and on such terms which are in the interest of the company.

In view of the above; and in line with the approval of the shareholders accorded under section 186 of the Act & as an abundant caution, the Board at its meeting held on May 23, 2022, decided to seek approval of the shareholders pursuant to the amended provisions of Section 185 of the Act to advance any loan including any loan represented by book debt, or give guarantee or provide any security in connection with any loans / debentures / bonds etc. raised by any entity(ies) in whom any of the Director of the Company is interested up to an aggregate amount not exceeding ₹50 Crores (Rupees Fifty Crores Only). This will also enable the Company to provide the requisite corporate guarantee or security in relation to raising of loans / debentures / bonds etc. by the said entities, as and when it is raised.

Except Mr. Harendra Singh, Mr. Vijendra Singh and their relatives, none of the Directors or Key Managerial Personnel of the Company or their relatives are interested or concerned, financially or otherwise, in this resolution.

The Board recommends the Special Resolution set out at Item No. 8 of the Notice for approval by the Members.

Item No. 9

The Board of Directors, on the recommendation of the Audit Committee, has approved the appointment and remuneration of M/s. Rajendra Singh Bhati & Co., Cost Accountants (Firm Registration No. 101983), as the Cost Auditors of the Company to conduct the audit of the cost record of the Company for the financial year ending March 31, 2023. In terms of the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and Companies (Cost Records and Audit) Rules, 2014, the remuneration payable to the Cost Auditors is required to be approved by the Members of the Company. Accordingly, consent of the Members is sought for the remuneration payable to the Cost Auditors.

None of the Directors or Key Managerial Personnel of the Company or their relatives are interested or concerned, financially or otherwise, in this resolution.

The Board recommends the Ordinary Resolution set out at Item No. 9 of the Notice for approval by the Members.

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

Ankita Mehra
Company Secretary and Compliance Officer
M. No. A33288
Jaipur, July 05, 2022

Registered Office:

14, Panchwati Colony, Ratanada, Jodhpur,
Rajasthan - 342001
CIN-L45201RJ2003PLC018049
Tel.: +91 0291 2515327
E-mail:cs@hginfra.com
Website: www.hginfra.com



Annexure

DETAILS OF DIRECTORS RETIRING BY ROTATION / SEEKING APPOINTMENT / RE-APPOINTMENT AT THE AGM

Pursuant to the Regulation 36 (3) of Listing Regulation and Secretarial Standard on General Meetings issued by
Institute of Company Secretaries of India (ICSI)

ITEM NO. 03

| | |
|---|---|
| Name of Director(s) | Mr. Harendra Singh |
| DIN | 00402458 |
| Age (Years) | 55 |
| Qualifications | Bachelor's degree in engineering (Civil) from Jodhpur University |
| Experience (including expertise in specific functional area)/ brief Resume | Mr. Harendra Singh has been on the Board of Company since its incorporation. He has over 28 years of experience in construction Industry. |
| Expertise in specific functional areas | Vast experience in all functions of the Company. |
| Date of First Appointment on the Board | January 21, 2003 |
| Shareholding in the Company as on March 31, 2022 | 100 Equity Shares of face value of ₹10 each |
| Terms and Conditions of Appointment/ Re-Appointment | Executive Director, liable to retire by rotation |
| Details of Remuneration last drawn (FY 2021-22) | ₹ 26.00 millions |
| Details of proposed remuneration | ₹ 30.00 millions as approved by the shareholders at the 19th AGM held on September 06, 2021 |
| Relationship with other Director/ Key Managerial Personnel | Brother of Mr. Vijendra Singh, Whole Time Director |
| Number of meetings of the Board attended during the financial year 2021-22 | 4 of 4 |
| Chairperson/ Members of the Statutory Committee (s) of Board of Directors of the Company as on date | <ul style="list-style-type: none"> ➤ Member of Corporate Social Responsibility Committee ➤ Member of Stakeholder Relationship Committee ➤ Chairman of Risk Management Committee ➤ Member of Audit Committee |
| Directorship of other Board as on March 31, 2022 excluding Directorship in Private and Section 8 Companies. [along with listed entities from which the person has resigned in the past three years]; | 9 (Nine) [Wholly Owned Subsidiaries of the Company] |
| Chairperson/ Members of the Statutory Committee (s) of Board of Directors of other companies as on March 31, 2022 excluding Directorship in Private and Section 8 Companies [along with listed entities from which the person has resigned in the past three years]; | Nil |

ITEM NO. 05

| | |
|--|---|
| Name of Director(s) | Ms. Pooja Hemant Goyal |
| DIN | 07813296 |
| Age (Years) | 43 |
| Qualifications | Bachelor's degree in commerce and a master's degree in law, from Jiwaji University, Gwalior, Madhya Pradesh. |
| Experience (including expertise in specific functional area)/ brief Resume | Ms. Pooja Hemant Goyal has been appointed on board on May 15, 2017. She is having more than 12 years of experience in the legal industry and as a legal practitioner. |
| Expertise in specific functional areas | Vast experience as a legal practitioner. |
| Date of First Appointment on the Board | May 15, 2017 |
| Shareholding in the Company as on March 31, 2022 [including shareholding as a beneficial owner, if any,] | Nil |
| Terms and Conditions of Appointment/ Re-Appointment | Independent Director, not liable to retire by rotation |
| Details of Remuneration last drawn (FY 2021-22) | ₹ 0.52 millions |
| Details of proposed remuneration | Sitting fees as may be approved by the Board of Directors in accordance with applicable provisions of law. |
| Relationship with other Director/ Key Managerial Personnel | Not related to any Director or Key Managerial Personnel |
| Number of meetings of the Board attended during the financial year 2021-22 | 4 of 4 |
| Chairperson/ Members of the Statutory Committee (s) of Board of Directors of the Company as on date | Chairperson of Nomination and Remuneration Committee |
| Directorship of other Board as on March 31, 2022 excluding Directorship in Private and Section 8 Companies. [along with listed entities from which the person has resigned in the past three years]; | Navkar Corporation Limited |
| Chairperson/ Members of the Statutory Committee (s) of Board of Directors of other companies as on March 31, 2022 excluding Directorship in Private and Section 8 Companies, [along with listed entities from which the person has resigned in the past three years]; | Navkar Corporation Limited ➤ Member of Audit Committee ➤ Member of Stakeholder Relationship Committee |
| The skills and capabilities required for the role and the manner in which the proposed person meets such requirements | As per the resolution at Item No. 5 of this Notice, read with the explanatory statement thereto. |



ITEM NO. 06

| | |
|--|---|
| Name of Director(s) | Mr. Manjit Singh |
| DIN | 02759940 |
| Age (Years) | 64 |
| Qualifications | IAS (R), Rajasthan, MBBS from Government Medical College, Patiala, Punjab University, Executive MBA in Quality Management from International Institute of Enterprises, Ljubljana, Slovenia and completed Urban Management Course from IIM Ahmedabad. |
| Experience (including expertise in specific functional area)/ brief Resume | <p>Mr. Manjit Singh, IAS, retired as Additional Chief Secretary, Department of Local Self Government (UDH) of Government of Rajasthan. He has 30 years of experience at top level in various departments including Urban Development, Tourism, Transport, Social Sector, Finance, Excise amongst other.</p> <p>After retirement from Additional Chief Secretary, Department of Local Self Government (UDH) of Government of Rajasthan, he has been consultant/ Senior Advisor to Indus Towers Ltd. (Joint Venture of Vodafone Idea & Airtel), Senior Advisor for the SMC Infrastructure Pvt. Ltd.</p> |
| Expertise in specific functional areas | Worked as a consultant under Ministry of urban Development and Housing, Government of India. |
| Date of First Appointment on the Board | May 13, 2022 |
| Shareholding in the Company as on March 31, 2022 [including shareholding as a beneficial owner, if any,] | Nil |
| Terms and Conditions of Appointment/ Re-Appointment | Independent Director, not liable to retire by rotation |
| Details of Remuneration last drawn (FY 2021-22) | - |
| Details of proposed remuneration | Sitting fees as may be approved by the Board of Directors in accordance with applicable provisions of law. |
| Relationship with other Director/ Key Managerial Personnel | Not related to any Director or Key Managerial Personnel |
| Number of meetings of the Board attended during the financial year 2021-22 | NA |
| Chairperson/ Members of the Statutory Committee (s) of Board of Directors of the Company as on date | <ul style="list-style-type: none"> ➤ Member of Audit Committee ➤ Chairperson of Nomination and Remuneration Committee ➤ Member of Risk Management Committee meeting |
| Directorship of other Board as on March 31, 2022 excluding Directorship in Private and Section 8 Companies. [along with listed entities from which the person has resigned in the past three years]; | Nil |
| Chairperson/ Members of the Statutory Committee (s) of Board of Directors of other companies as on March 31, 2022 excluding Directorship in Private and Section 8 Companies, [along with listed entities from which the person has resigned in the past three years]; | Nil |
| The skills and capabilities required for the role and the manner in which the proposed person meets such requirements | As per the resolution at Item No. 6 of this Notice, read with the explanatory statement thereto. |



H.G. Infra Engineering Limited

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