



May 10, 2023

**BSE Limited**  
Phiroze Jeejeebhoy Towers  
Dalal Street  
Mumbai- 400 001

**National Stock Exchange of India Limited**  
Exchange Plaza, C-1, Block G  
Bandra Kurla Complex, Bandra (East)  
Mumbai- 400 051

Scrip Code- 541019/973671

Scrip Symbol- HGINFRA

Dear Sir/Madam,

**Sub: Security Cover Certificate under Regulation 54(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

This is to certify that the Company has maintained the requisite security cover of its Secured Listed Non-Convertible Debentures as at March 31, 2023, as per the terms of the offer document/ information memorandum and/or debenture trust deed, by way of creation of charge on movable assets of the Company, sufficient to discharge the principal amount and the interest thereon at all times for the non-convertible debt securities issued.

This is for your information and records.

Thanking you,

Yours faithfully,  
**For H.G. Infra Engineering Limited**

**ANKITA** Digitally signed by  
ANKITA MEHRA  
**MEHRA** Date: 2023.05.10  
18:32:05 +05'30'

**Ankita Mehra**  
Company Secretary and Compliance Officer  
ICSI M. No.: A33288

**Shridhar & Associates**  
**Chartered Accountants**

**Independent Auditor's Certificate ('Report') on Statement of Security Cover and Compliance of Financial covenants specified in Schedule II clause 18 of the Debenture Trust Deed between H.G. Infra Engineering Limited ('the Company') and Mitcon Credentia Trusteeship Services Limited.**

To,  
**The Board of Directors**  
H. G. Infra Engineering Limited  
III Floor, Sheel Mohar Plaza,  
A-1, Tilak Marg,  
C-Scheme, Jaipur -302001  
Rajasthan.

1. This Report is issued in accordance with the terms of our engagement letter dated October 04, 2022 with H.G. Infra Engineering Limited (hereinafter the "Company").
2. We, Shridhar and Associates, Statutory Auditor, have been requested by the Company to examine the following accompanying statement containing: -
  - a) Security Coverage ratio for Non-convertible debentures ('the SCR for Non-convertible debentures) as on 31 March 2023 in Annexure-I, prepared by the management of the Company, pursuant to the requirements in terms of Regulation 54 read with 56(I)(d) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015 (as amended) (referred to as 'the Regulations') as mentioned in the Debenture Trust Deed executed between the Company and Mitcon Credentia Trusteeship Services Limited ('the Debenture Trustee') on 15 December, 2021 (' the Debenture Trust Deed'); and
  - b) Compliance with the covenants as specified in Schedule II clause 18 of the Debenture Trust Deed between the Company and the Debenture Trustee.

The aforesaid Statement has been prepared by the management of the Company and attached to this certificate for their submission to the Debenture Trustee.

**Management's Responsibility**

3. The preparation of the Statement is the responsibility of the Management of the Company including the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation, and maintenance of internal control relevant to the preparation and presentation of the Statement and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances. The management of the Company is also responsible to comply with the regulations.
4. The management responsibility includes: -
  - With respect to the SCR for Non-convertible debentures: -
    - a) ensuring that the calculation of Security Coverage Ratio for Secured Debt Securities is mathematically correct.
    - b) ensuring that the Company complies with the applicable requirements of the Debenture Trust Deed from time to time, including legal representation of the aforesaid requirement and providing all relevant information to the Debenture Trustee and to us in this regard.
    - c) ensuring that the assets offered as security are accurately identified and are in agreement with the books of account including Fixed Assets Register and the book values are correct.
    - d) ensuring compliance with all the covenants of Debenture Trust Deed between the



Company and the Debenture Trustee.

- e) Ensuring preparation of the Annexure I to the statement in a specified format prescribed by the SEBI and complies with all the requirements of the SEBI.

**Independent Auditor's Responsibility**

5. Pursuant to the request of the Company our responsibility is to provide limited assurance whether: -
- the Company has complied with the covenants as specified in Schedule II clause 18 of the Debenture Trust Deed between the Company and the Debenture Trustee.
  - the particulars (book value of the assets, secured debts, and coverage ratio) contained in column A to O of Annexure I in the Statement are in agreement with the audited books of accounts for the year ended 31 March 2023 and other relevant records and documents maintained by the Company.
  - the calculation of the Security Coverage Ratio (cover on book value) for Non-convertible debentures given in Annexure I in the Statement is mathematically correct.
6. Audited financial statements ('FS') of the Company for the year ended March 31, 2023 were prepared in accordance with Companies (Indian Accounting Standards) Rules, 2015, audited in accordance with the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013 and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India, those standards require that auditor plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, on which we had jointly issued an unmodified audit opinion dated May 10, 2023.
7. We have examined the attached Statement, with reference to the following records, documents, and audited books of accounts:
- With respect to the SCR for Non-convertible debentures
    - Obtained audited standalone financial results for the year ended 31 March 2023 including Fixed Assets Register as on 31 March 2023 and other relevant records and documents, as applicable, maintained by the Company to agree with the book value of Assets as specified in the Statement.
    - Verified that the Company has complied with the covenants as specified in Schedule II clause 18 of the Debenture Trust Deed.
    - As represented by the management, the Company has hypothecated additional 62 assets in favor of debenture trustee and released the hypothecation on 6 assets vide its letter dated 26 April, 2023.
    - We have obtained the Form CHG-9 that relates to modification of charge which was filed with ROC subsequent to year end that includes the details of charge created on additional 62 assets and charge released on 6 assets.
    - We have verified the book value of total 182 assets on which charge has been created from the Fixed assets register as on 31 March 2023.
    - We have verified the outstanding balance of Non-Convertible Debentures amounting to Rs. 970 millions disclosed under Non-current and Current Borrowings in the audited standalone financial results for the year ended March 31 2023.
    - We have verified the Interest Service Coverage ratio (ISCR) from the audited Standalone financial results of the Company for the year ended 31 March 2023.
    - In the computation of Total debt to EBIDTA, we have calculated the Total debt as at 31 March 2023 by summing up the non-current and current borrowings based on audited standalone financial results as at 31 March 2023.
    - We have calculated EBIDTA as at 31 March, 2023 by adding up the Finance cost, Depreciation and amortization expenses in the Profit before Tax less other income from the audited standalone financial results for the year ended 31 March, 2023.
    - Performed necessary inquiries with the management and obtained necessary representations.



***Shridhar & Associates***  
***Chartered Accountants***

- Management representation for compliance with all the covenants as per the Debenture Trust Deed between the Company and Debenture Trustee.
8. We conducted our examination in accordance with the 'Guidance Note on Reports or Certificates for Special Purposes' (Revised 2016) issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
  9. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

**Opinion**

10. Based on our examination, as above, and according to the information and explanations and other documents made available to us by the Company, and representations given to us, we are of the opinion that: -
  - i) the Company has complied with the covenants as specified in Schedule II clause 18 of the Debenture Trust Deed between the Company and the Debenture Trustee.
  - ii) the amounts furnished in the column A to O of Statement in Annexure - I containing Security Coverage Ratio for Non-convertible debentures (cover on book value), read with notes thereon, are in agreement with the audited books of account for the year 31 March 2023, and other relevant records and documents maintained by the Company; and
  - iii) the calculation of the Security Coverage Ratio (cover on book value) for Secured Debt Securities specified Annexure - I, of the Statement, is mathematically correct.

**Restriction on Use**

11. This certificate is being solely issued at the request of the management of the Company for onward submission to Mitcon Credentia Trusteeship Services Limited. Our certificate is not suited for any other purpose and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior written consent.

**For Shridhar and Associates**  
**Chartered Accountant**  
Firm Registration No. 134427W



Abhishek Pachlangia  
Partner  
Membership No. 120593  
UDIN: 23120593BGWJMA1238

Place: Jaipur  
Date: May 10, 2023

**Statement of Certificate on Security Cover Ratio as on March 31,2023**

To,

**MITCON Credentia Trusteeship Services Limited**  
 Debenture Trustee of H.G. Infra Engineering Limited

We hereby certify that:

- a) The Company has vide its Board Resolution dated 08.11.2021 and information memorandum/offer document dated 21.12.2021 and under Debenture Trust Deed dated 15.12.2021, has issued the following listed debt securities and outstanding as on March 31, 2023:

Rs in Millions

Sr no.	ISIN	Series	Private Placement /Public Issue	Secured/Unsecured	Sanction amount
1	INE926X07017	HGEL-6M-TBILL-21-12-24-PVT	Private Placement	Secured	970

- b) Security Cover for listed debt securities:

- 1) The financial information as on March 31,2023 has been extracted from the audited books of accounts for the year ended March 31,2023 and relevant record for the listed entity.
- 2) The assets (cover on book value) of the listed entity provide coverage of 1.11 Times of the principal amount, which is in accordance with the terms of issue/ debenture trust deed (calculation as per the statement of security cover ratio for the secured debt securities – Annexure -I).

**ISIN wise details (Secured)**

Rs in Millions


Sr no	ISIN	Facility	Types of charge	Sanction Amount	Outstanding amount as on December 31, 2022	Cover Required	Assets required
1	INE926X07017	Secured Non-Convertible Debt Securities	Pari-Passu	970	970	1.10	1.10

- c) Compliance with Covenants of Debenture Trust Deed

The company has complied with all the covenants as specified in Schedule II clause 18 of the Debenture Trust Deed between the company and HG Infra Engineering Limited.



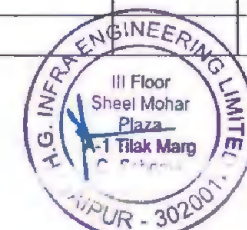
For and on behalf of the Board of Directors  
 H.G. Infra Engineering Limited

  
 Harendra Singh  
 Chairman and Managing Director  
 DIN: 00402458  
 Place: Jaipur  
 Date: May 10, 2023

**H. G. INFRA ENGINEERING LTD.**

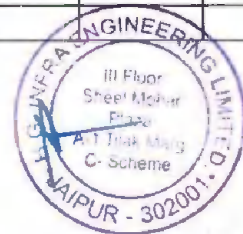
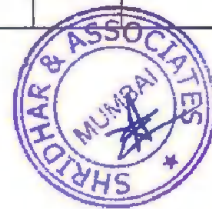
**Annexure I- Format of Security Cover**

Column A	Column B	Column C <sup>i</sup>	Column D <sup>ii</sup>	Column E <sup>iii</sup>	Column F <sup>iv</sup>	Column G <sup>v</sup>	Column H <sup>vi</sup>	Column I <sup>vii</sup>	Column J	Column K	Column L	Column M	Column N	Column O
Particulars	Description of asset for which this certificate relate	Exclusive Charge	Exclusive Charge	Pari-Passu Charge	Pari-Passu Charge	Pari-Passu Charge	Assets not offered as Security	Elimination (amount in negative)	(Total C to H)	Related to only those items covered by this certificate				
		Debt for which this certificate being issued	Other Secured Debt	Debt for which this certificate being issued	Assets shared by pari passu debt holder (includes debt for which this certificate is issued & other debt with pari-passu with pari passu charge)	Other assets on which there is pari-Passu charge (excluding items covered in column F)	debt amount considered more than once (due to exclusive plus pari passu charge)	Market Value for Assets charged on Exclusive basis		Carrying /book value for exclusive charge assets where market value is not Ascertainable or applicable (For Eg. Bank Balance, DSRA market value is not applicable)	Market Value for Pari passu charge Assets <sup>vi</sup> ii	Carrying value/book value for pari passu charge assets where market value is not ascertainable or applicable (For Eg. Bank Balance, DSRA market value is not applicable)	Total Value (=K+L+M+N)	
		Book Value	Book Value	Yes/ No	Book Value	Book Value								
<b>ASSETS</b>														
Property, Plant and Equipment	Construction Equipment/ Vehicles	1,162.62 Millions		NA					1,162.62 Millions		1,162.62 Millions			1,162.62 Millions
Capital Work-in-Progress														
Right of Use Assets														
Goodwill														
Intangible Assets														
Intangible Assets under Development														
Investments														
Loans														
Inventories														



Annexure I- Format of Security Cover

Trade Receivables														
Cash and Cash Equivalents														
Bank Balances other than Cash and Cash Equivalents														
Others														
<b>Total</b>	Construction Equipment/ Vehicles	1,162.62 Millions		NA					1,162.62 Millions		1,162.62 Millions			1,162.62 Millions
<b>LIABILITIES</b>														
Debt securities to which this certificate pertains		970 Millions							970 Millions		970 Millions			970 Millions
Other debt sharing pari-passu charge with above debt		<i>not to be filled</i>												
Other Debt														
Subordinated debt														
Borrowings														
Bank														
Debt Securities														
Others														
Trade payables														
Lease Liabilities														
Provisions														
Others														



## Annexure I- Format of Security Cover

Total	970 Millions						970 Millions		970 Millions		970 Millions	970 Millions
Cover on Book Value												
Cover on Market Value <sup>ix</sup>												
		Exclusive Security Cover Ratio	1.1		Pari-Passu Security Cover Ratio							

- <sup>i</sup> This column shall include book value of assets having exclusive charge and outstanding book value of debt for which this certificate is issued.
- <sup>ii</sup> This column shall include book value of assets having exclusive charge and outstanding book value of all corresponding debt other than column C.
- <sup>iii</sup> This column shall include debt for which this certificate is issued having any pari passu charge - Mention Yes, else No.
- <sup>iv</sup> This column shall include a) book value of assets having pari-passu charge b) outstanding book value of debt for which this certificate is issued and c). other debt sharing pari- passu charge along with debt for which certificate is issued.
- <sup>v</sup> This column shall include book value of all other assets having pari passu charge and outstanding book value of corresponding debt.
- <sup>vi</sup> This column shall include all those assets which are not charged and shall include all unsecured borrowings including subordinated debt and shall include only those assets which are paid-for.
- <sup>vii</sup> In order to match the liability amount with financials, it is necessary to eliminate the debt which has been counted more than once (included under exclusive charge column as also under pari passu). On the assets side, there shall not be elimination as there is no overlap.
- <sup>viii</sup> Assets which are considered at Market Value like Land, Building, Residential/ Commercial Real Estate to be stated at Market Value. Other assets having charge to be stated at book value/Carrying Value.
- <sup>ix</sup> The market value shall be calculated as per the total value of assets mentioned in Column O

