



**HEC**

INFRA PROJECTS LIMITED

**ANNUAL REPORT  
2016-17**



## Chairman's Message

It gives me immense pleasure to announce that our company have done significant progress in its journey during the financial year 2016-17. We look forward to a brighter year ahead & I welcome you to glance through our performance and progress.

This year had its share of uncertainty which have drastically affected the performance of the company. The market event which has left a deep mark on all the sectors of the country's economy was Demoralization. The Central Govt's decision to demonetize 85% of the currency note in circulation leads to major cash shortage in domestic economy, which performs cash as a mode of payment even today. This cash shortage leads to a great strain on the consumption demands, business activity and availability of labor force during a greater part of the second half of the year. This has also leads to higher interest out flow and delay in the execution of the various projects. This has regulated in drastic fall in turnover (28%).

During this challenging period we have strengthen our project operating systems with world class technology. We have taken some tough decision to ensure our team's growth and sustainability. We have focused executing the project with best technology which win to reduce execution time with quality output and also opened doors for opportunities in future.

Meanwhile the Govt. continued to announce and implement various policies, reforms and programs for strengthening infrastructure of country , resulting ease of doing business .

Some of the program like "Electricity and Water to all", "Replacement of commercial lighting to LED lighting", "Implementation of STP & WTP" in all the towns and villages. "Upgradation of substation & transmission line" helped us to book a business work of Rs.235Cr. this year. The development to build Metro Railways, hospital, increase in rural telecom preparation, roads, parks, airports, power generation, solar power generation, transmission, substation etc. will gear up the next phase growth for a few more years.

The impact of new reforms, in the economy, increment in the FDI flow and Government's intentions to provide world class infrastructure in the country have built up a great positive sentiment globally and resulting a great momentum in the growth of the infrastructure sector segment.

We are committed to build stable and sustainable future for all our shareholders, directors, investors, Banker, Employees & partners. I also thank them for their valued supports in the growth of company and helping for making dreams true. Our company remained focus on staying relevant customers, employees and society at large while delivering significant returns to shareholders. With the best interdisciplinary & professional team I find huge opportunities ahead. I am very much excited about future and sincerely believes that HEC's best days are yet to come.

With all your continued support company will continue to be market leader and achieve new milestones and frontiers.

Sincerely Yours,

**Gaurang Shah**  
Chairman & Managing Director

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## CORPORATE INFORMATION

### BOARD OF DIRECTORS

Mr. Gaurang Shah	Managing Director
Mrs. Rupal Shah	Director
Mrs. Ritu Chaudary	Independent Director
Mr. Sachin Kansal	Independent Director
Mr. Asit Shah	Independent Director

### AUDIT COMMITTEE

Mr. Sachin Kansal	Chairman
Mr. Asit Shah	Member
Mrs. Ritu Chaudary	Member

### NOMINATION & REMUNERATION COMMITTEE

Mr. Sachin Kansal	Chairman
Mr. Asit Shah	Member
Mrs. Ritu Chaudary	Member

### STAKEHOLDER RELATIONSHIP COMMITTEE

Mr. Asit Shah	Chairman
Mrs. Ritu Chaudary	Member
Mr. Gaurang Shah	Member

### BANKERS

Bank of India  
Punjab National Bank

### REGISTERED OFFICE

Sigm-1 Corporates, Corporate House No. 6,  
Nr. Maan Party Plot Cross Road,  
Sindhu Bhavan Road, Bodakdev,  
Ahmedabad- 380054

### COMPANY SECRETARY

Ms. Jeel H. Patel

### CHIEF FINANCIAL OFFICER

Mr. Pannalal J. Surti

### REGISTRAR AND TRANSFER AGENT

Cameo Corporate Services Limited  
Subramanian Building No.1,  
Club House Road,  
Chennai-600002, Tamilnadu.  
Tel: +91-44-28460390  
Fax: +91-44-28460129  
E-mail: cameo@cameoindia.com

### STATUTORY AUDITOR

M/S Parth P. Shah & Co.  
Chartered Accountant  
9, MahaswetaKadambari Society,  
Nr. Nehru Nagar, S. M. Road,  
Ambawadi, Ahmedabad-380015  
Tel. No: - 9998519313  
Email: parthshah3690@gmail.com

### SECRETARIAL AUDITOR :

Jalan Alkesh & Associates  
304, Agrawal Arcade, Nr. Ambawadi Circle,  
Ambawadi, Ahmedabad-380 006.  
Tel : (079) 40024082 (M) 98255 55097  
Email : jalanalkesh@gmail.com

WEBSITE : [www.hecprojects.in](http://www.hecprojects.in)

CORPORATE IDENTIFICATION NUMBER (CIN): L45200GJ2005PLC046870

## NOTICE

Notice is hereby given that the 12th Annual General Meeting of the members of HEC Infra Projects Limited will be held on Friday, 29th September, 2017 at Sigma-1 Corporates, Corporate House No. 6, Nr. Maan Party Plot Cross Road, Sindhu Bhavan Road, Bodakdev, Ahmedabad - 380054, at 11:00 a.m. to transact the following business :

### ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Financial Statement of the Company for the year ended on 31st March, 2017, the reports of the Board of Directors and Auditors thereon.
2. To declare dividend on Equity Shares of the Company for the year ended 31st March, 2017.
3. To appoint a Director in place of Mr. Gaurang Shah (DIN: 01756079), who retires by rotation and being eligible, offers himself for re-appointment.
4. To ratify the appointment of Statutory Auditors and to fix their remuneration, and in this regard to consider, and if thought fit, to pass, with or without modification (s), the following resolution as an **Ordinary Resolution**.

“RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) the appointment of M/s Parth P. Shah & Co., Chartered Accountants (Firm Registration No. 141540W) as Statutory Auditors of the Company be and is hereby ratified for the balance period upto 15th Annual General Meeting for the financial year 2020 on such remuneration as may be fixed by the Board/ Committee, apart from reimbursement of out of pocket expenses as may be incurred by them for the purpose of audit.”

### SPECIAL BUSINESS :

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of section 188 and other applicable provisions of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 23 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (including any amendment, modification, variation or re-enactment to any of the forgoing), and subject to such other approvals, consents, permissions and sanctions of other authorities as may be necessary, consent of the Members of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as “the Board” which term shall be deemed to include any Committee of the Board), to ratify/ approve all existing contracts/ arrangements/ agreements and to enter into related party transaction(s) in the ordinary course of business and on arm’s length basis with M/s Highvolt Power and Control Systems Private Limited, M/s Swati Switchgears (India) Private Limited, M/s Brainscape Solutions

Private Limited and M/s Rahul G Shah & Co, in which Mr. Gaurang Shah, Mrs. Rupal Shah and their relatives are interested directly and indirectly, for the purpose as more particularly enumerated in the explanatory statement to the Notice and on such terms and conditions as may be agreed between the Company and its related party.”

“RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorized to sign and execute all deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all acts, deeds, matters and things that may be necessary, proper, expedient or incidental thereto for the purpose of giving effects to this Resolution.”

**Date : 02/09/2017**

**Place : Ahmedabad**

By order of the Board of Directors

**HEC INFRA PROJECTS LIMITED**

**Jeel Patel**

(Company Secretary)

**Registered Office :**

Sigma 1 Corporate, Corporate House No. 6,  
Sindhu Bhavan Road, Nr. Mahan Party Plot Cross Road,  
Boadakdev, Ahmedabad- 380054.

Tel: +91 79 4008 6771 –76; Web: - [www.hecproject.in](http://www.hecproject.in);

Mail: - [elect@hecproject.com](mailto:elect@hecproject.com)

**IMPORTANT NOTES :**

1. A Member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote in the meeting instead of himself /herself and the proxy need not be a member of the company. The instrument appointing proxy in order to be effective should be duly Completed stamped and signed and must be deposited at the registered office of the company not less than forty-eight hours before commencement of the meeting. A blank proxy form (MGT-11) is enclosed.

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single personas proxy and such person shall not act as a proxy for any other person or shareholder.

2. Corporate Members intending to send their authorized representative to attend the meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
3. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote at the Meeting.

4. Members attending the meeting are requested to bring with them the Attendance Slip attached to the Annual Report duly filled in and signed and handover the same at the time of attending the meeting. Proxy/ representative of a member should mark on the Attendance Slip as "Proxy" or "Representative" as the case may be.
5. The relative Explanatory Statements, pursuant to Section 102 of the Companies Act, 2013, in respect of the business under Item Nos. 5 of the accompanying Notice are annexed hereto.
6. Additional Information, pursuant to Regulation 36 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings (SS-2), with respect to directors seeking appointment/ re-appointment at the AGM, is furnished as annexure to the Notice. The directors have furnished consent /declaration for their re-appointment as required under the Companies Act, 2013 and the rules thereunder.
7. The Register of Members and Share Transfer Books will remain close from Saturday, 23rd September, 2017 to Friday, 29th September, 2017 (both days inclusive) for the purpose of AGM and determining the names of members eligible for dividend on Equity Shares, if declared at the Meeting.
8. The dividend on Equity Shares, if declared at the Meeting, will be credited / dispatched to those members whose names shall appear on the Company's Register of Members on 22nd September, 2017; in respect of the shares held in dematerialized form, the dividend will be paid within a period of 30 days from the date of declaration, to members whose names are furnished by National Securities Depository Limited and Central Depository Services (India) Limited as beneficial owners as on that date.
9. In terms of the provision of section 124 of the Companies Act, 2013 the amount of dividend not encashed or claimed within 7(seven) years from the date of its transfer to the unpaid dividend account, will be transferred to the Investor Education and Protection Fund established by the government.
10. Members can avail the nomination facility by filing Form No. SH-13, as prescribed under Section 72 of the Companies Act, 2013 and rule 19 (1) of the Companies (Share Capital and debentures) Rules 2014 with the Company. Blank forms will be supplied on request.
11. Members who hold shares in dematerialized mode are requested to intimate any changes pertaining with their bank account details, ECS mandates, nominations, change of address/name etc. to their Depository Participant. Changes intimated to the Depository Participant will then be automatically reflected in the Company's records which will help the Company and its Registrar & Share Transfer Agent to provide efficient and better service to the members.
12. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are therefore requested to submit their PAN to their Depository Participant(s). Members holding shares in physical form are required to submit their PAN to the Company or contact our Registrar and Transfer Agent i.e. Cameo Corporate Services Limited.

13. All documents referred to in the notice and the explanatory statement requiring the approval of the Members at the meeting and other statutory registers shall be available for inspection by the Members at the Registered Office of the Company during office hours on all working days between 10.00 a.m. to 5.00 p.m. from the date of hereof up to the date of the Annual General Meeting.
14. The Annual Report of the Company will be available on the Company's website, [www.hecprojects.in](http://www.hecprojects.in), and on the website of respective Stock Exchange where the equity shares of the Company are listed, [www.nseindia.com/emerge/](http://www.nseindia.com/emerge/). As per Section 136(1), the physical copies of the aforesaid documents will also be available at the Company's registered office for inspection during normal business hours on working days. Members who require communication in physical form in addition to e-communication, or have any other queries, may write to us at [cs@hecproject.com](mailto:cs@hecproject.com).
15. The Annual Report 2016-17, the notice of the 12th Annual General Meeting along with Attendance Slip and Proxy form, are being sent by electronic mode to all the members whose email addresses are registered with the Company/ Depository Participant(s) unless a member has requested for a physical Copy of the document. For members who have not registered their email addresses, physical copies of the Documents are being sent by the permitted mode.
16. Members who have not registered their e-mail addresses so far as requested to register their e-mail address for receiving all communication including Annual Report, Notices, and Circulars etc. from the Company electronically.
17. A Map Showing the venue of the Annual General Meeting is enclosed herewith.

**ANNEXURE TO ITEM NO. 3 OF NOTICE**

**Details of Directors Seeking Appointment/Re-appointment at the Annual General Meeting  
[Pursuant to Securities and Exchange Board of India (Listing Regulations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard -2]**

Name of Director	Mr. Gaurang Parmanand Shah (Re-appointment)
Director Identification Number(DIN)	01756079
Date of Birth	04/08/1963
Date of First Appointment	06/10/2005
Qualification	B. E. Mechanical
Nature of Expertise	He is having experience of execution of various projects in the field of electrical, mechanical, solar, water distribution & industrial projects for various companies and corporations. He is having experience in designing of switchgear, power distribution network, power transmission, water distribution, solar power plants & ELV products.
Shareholding in the Company	1144982
Directorship in other Company	Highvolt Power and Control Systems Private Limited
Chairman/ Member of Committee in other Public Companies	Nil
Relationship with Other Director	Mrs. Rupal Shah (Spouse)

**ANNEXURE TO NOTICE**

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

**Item No. 5**

Pursuant to Section 188 of the Companies Act, 2013, read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, the Company is required to obtain consent of Board of Directors and prior approval of the members by way of Ordinary Resolution, in case certain transactions with related parties exceeds such sum as is specified in the Rules made thereunder from time to time. The aforesaid provisions are not applicable in respect of transactions entered into by the Company in the ordinary course of business on an arm’s length basis.

However, pursuant to Regulation 23 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, approval of the members through Ordinary Resolution is required for related party transactions, even if they are entered into in the ordinary course of business and on arm’s length basis. For this purpose, a transaction is considered material, if the transaction/transactions to be entered into individually or taken together with previous transactions during a financial year exceed 10% of the annual turnover of the Company, as per the last audited financial statements of the Company.

All the Related Party Transactions entered / proposed to entered into by the Company are at arm’s length basis and in the ordinary course of business and approval of the Audit Committee / Board is obtained, wherever required.

The Company has existing transactions with its related party, which is in the ordinary course of business and at arm's length basis. However, the value of transactions with related party in respect of financial year 2016-17 and the estimated value of transaction from next financial years onwards are likely to exceed 10% of the annual turnover of the Company, based on the audited financial statements for year ended 31st March, 2017.

The particulars of the contract / transactions with its related party are as under:

Name of the Related Party	Nature of Relationship	Nature of Transaction proposed to be entered	Date of Approval of Board
Highvolt Power and Control Systems Private Limited	A Body corporate in which Mr. Gaurang Shah and Mrs. Rupal Shah are the Director of the Company. Further Mr. Gaurang Shah holds 32.70% and Mrs. Rupal Shah holds 21.36% Shares in the Company	Sale, Purchase or supply of any goods or material	17th March, 2017
Swati Switchgears (India) Private Limited	A Body corporate in which Mr. Gaurang Shah holds 0.38% and Mrs. Rupal Shah holds 14.21% of the Share capital. Further the relatives of Directors holds 43.5% of total Share capital. In addition to this ParasEngen India Private Limited holds 5.72% of Share Capital, in which 100% of Share Capital is held by Mr. Gaurang Shah and his relatives.	Sale, Purchase or supply of any goods or material or Services. Leasing of Property of any kind	17th March, 2017
Brainscape Solutions Private Limited	A Body corporate in which Mrs. Rupal Shah holds 5 % shares of the paid up capital. Mr. Rahul Shah (son of Mr. Gaurang Shah and Mrs. Rupal Shah) holds 30% and Ms. Priya Shah (Daughter of Mr. Gaurang Shah and Mrs. Rupal Shah) holds 30% shares of Brainscape Solutions Private Limited. Thus Mr. Gaurang Shah and Mrs. Rupal Shah are directly or indirectly interested through their relative.	Leasing of Property of any kind and Sale or purchase or supply of any goods or material and availing or rendering of any services.	17th March, 2017
Rahul G Shah And Co.	A Proprietorship in which Mr. Rahul Shah (son of Mr. Gaurang Shah and Mrs. Rupal Shah) is a proprietor. Thus they are directly interested	Availing and Rendering of any services	17th March, 2017

The Aggregate value of transactions of the Company with per related party does not exceed ₹ 50 Crore Rupees per year. The approval is being sought for a period of three financial years.

The above transactions are approved by the Audit Committee as per the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In view the above, it is proposed seek approval of the members of the Company through an Ordinary Resolution for the above transactions and the related parties are abstained from voting on the resolution as set out at Item No. 5.

None of the Directors (other than that disclosed above), Key Managerial Personnel or their relatives is directly or indirectly concerned or interested, financially or otherwise, except to the extent of his/ her respective shareholding, if any, in the Company, in the resolution set out in item no. 5 of the Notice.

The Board recommends the Resolution at Item No. 5 of the Notice for approval of the Members.

**Date : 02/09/2017**

**Place: Ahmedabad**

By order of the Board of Directors

**Jeel Patel**

(Company Secretary)

**Registered Office:**

Sigma 1 Corporate, Corporate House No. 6,  
Sindhu Bhavan Road, Nr. Mahan Party Plot Cross Road,  
Boadakdev, Ahmedabad- 380054.

Tel: +91 79 4008 6771 –76; Web: - www.hecproject.in;

Mail : - elect@hecproject.com

## DIRECTORS' REPORT

To  
The Members of  
HEC Infra Projects Limited

The Directors have pleasure in presenting the 12th Annual Report of HEC Infra Projects Limited for the financial year ended 31st March, 2017.

### 1. Financial Results :

Financial Result of the Company for the year under review along with the figures for the previous year is as follows:

(₹ in Lakhs)

Particulars	31st March, 2017	31st March, 2016
Revenue from Operations	8399.7	11595.05
Other Income	84.98	81.08
<b>Total Income</b>	<b>8484.68</b>	<b>11676.13</b>
Profit before Interest, Depreciation , Extraordinary items & tax	837.04	740.39
Less : Interest	320.66	313.25
Depreciation	31.96	31.92
Extraordinary Items	0.06	1.15
<b>Profit before tax</b>	<b>484.36</b>	<b>394.07</b>
Current Tax	170.00	140.00
Deferred Tax	(1.93)	(0.95)
<b>Net Profit after tax</b>	<b>316.29</b>	<b>255.02</b>
Add: Balance brought forward from last year	1048.68	818.07
Amount available for Appropriation	1364.97	1073.09
<b>Dividend</b>		
Final Dividend (Proposed)	20.28	20.28
Tax on Dividend	4.13	4.13
Transferred to General Reserve	--	--
Balance to be carried forward	1340.56	1048.68
EPS (Basic& Diluted)	15.60	17.01

### 2. State of Company's Affairs:

The Company has earned revenue from operation of ₹ 8399.70 Lacs during the year ended on 31st March, 2017 as against ₹ 11595.05Lacs earned during the previous year ended on 31st March, 2016, with a fall of 27.56% as compared to previous year. The Company has also earned other income of ₹ 84.98 Lacs during the year under review as against ₹ 81.08 Lacs earned during the previous year, with an increase in 4.81% as Compared to previous year.

The Company earned Profit Before Tax (PBT) of ₹ 484.36Lacs and Profit After Tax (PAT) of ₹ 316.29Lacs during the year ended on 31st March, 2017 as compared to previous year ended on 31st March, 2016 ₹ 394.07Lacs and ₹ 255.02Lacs respectively, showing a rise of 22.91% in Profit Before Tax and 24.02% in Profit After Tax (PAT).

During the year under review, there was no change in the nature of business of the Company and there is no material change and/or commitments, affecting the financial position of the Company, during the period from 31st March, 2017 till the date of this report.

**3. Dividend:**

The Board of Directors of your Company have recommend a dividend at the Rate of 10% (i.e ₹ 1/- on fully paid up Equity Shares of ₹ 10/- Each) for the financial year ended on 31st March, 2017, Subject to approval of Shareholders at the ensuing Annual General Meeting.

**4. Deposits:**

The Company does not have "Deposits" as contemplated under Chapter V of the Companies Act, 2013. Further, the Company has not invited or accepted any such deposits during the year ended 31st March, 2017

**5. Subsidiary, Associate and Joint Venture:**

During the year under review, no company has become or ceased to be subsidiary, joint venture or associate of the Company.

**6. Particulars of Loans given, Investments made, Guarantees given and Securities provided:**

The Loans, investments made by the Company are disclosed in the Balance Sheet. No Guarantee or Security has been provided for the loans availed by others.

**7. Conservation of energy, technology absorption, foreign exchange earnings and outgo:**

Particulars relating to conservation of energy and technology absorption stipulated in the Companies (Accounts), 2014 are not applicable to HEC Infra Projects Limited ("the company") and the Company does not have any foreign exchange earnings and expenditure. The Company operations are mainly of Service provider and hence these particulars are either nil or not applicable.

**8. Director's Responsibility Statement:**

As required under the provisions of Section 134 (5) of the Companies Act, 2013, your Directors confirm that:

- (i) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) They 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 of the Company for the period under review;
- (iii) They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) They have prepared the annual accounts on a 'going concern' basis;

- (v) They have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- (vi) They have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### 9. Particulars of Employees:

During the year under review, there was no employee who has drawn remuneration in excess of the limits set out under Section 197 (12) of the Companies Act, 2013 read with Rule 5 (2) and 5 (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Disclosure pertaining to Remuneration and other details as required under Section 197 (12) of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial personnel) Rule, 2014 is attached as **Annexure- A**.

#### 10. Directors and Key Managerial Personnel:

During the year under review, the members regularized the appointment of Mr. Asit R. Shah and Mr. Sachin K. Kansal, as an Independent Director. Other than this there was no appointment or resignation of Directors; hence the constitution of the Board of directors remains same.

In accordance with the provision of Section 152(6) of the Companies Act, 2013 and Articles of Association of the Company, Mr. Gaurang Shah, Managing Director of your Company, retires by rotation at the ensuing Annual General Meeting and being eligible have offered himself for re-appointment. A brief Resume of Mr. Gaurang Shah is attached with the Notice of Annual General Meeting.

Mrs. Hema Lakhmichand Advani, Company Secretary was resigned on 30th July, 2016 and on the same date Ms. Jeel Hareshbhai Patel has been appointed as a Company Secretary of the Company.

#### 11. Extract of Annual Return:

Pursuant to provision of Section 92 (3) of the Companies Act, 2013 and read with Rule 12 (1) of Companies (Management and administration) Rule, 2014, the extract of annual return in Form MGT-9 for the Financial Year ended on 31st March, 2017 is annexed as **Annexure- B** to this Report.

#### 12. Statutory Auditors:

M/s. Parth P. Shah & CO., Chartered Accountant, Ahmedabad (FRN: 141540W) had been appointed as a Statutory Auditor of the Company in the Extraordinary General Meeting held on 16th December, 2015 for a period of five years in terms of provisions of Section 139 of the Companies Act, 2013 to hold office till the 15th Annual General Meeting of the Company (for the financial year 2020) subject to ratification by the members at every Annual General Meeting. The auditor's ratification for the financial year 2017-18 is placed before the members at the ensuing Annual General Meeting of the Company for the approval.

The Notes on financial statement referred to in the Auditor's Report are self-explanatory and do not call for any further comments. The Auditors' Report does not contain any qualification, reservation or adverse remark.

#### 13. Secretarial Auditor:

In terms of Section 204 of the Companies Act, 2013 the Board of Directors of the Company has appointed M/s Jalan Alkesh & Associates, Practicing Company Secretary as the Secretarial Auditor of

your Company to conduct Secretarial Audit for the financial year 2016-17. The Secretarial Audit Report for the financial year ended 31st March, 2017 is annexed herewith as an **Annexure-C** to this Report. The observations made in the Secretarial Audit Report are self-explanatory and, therefore, do not call for any further comments under Section 134(3) (f) of the Companies Act, 2013.

**14. Performance Evaluation:**

Pursuant to the provisions of Section 134(3)(p), 149(8) and Schedule IV of the Companies Act, 2013 and Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, annual evaluation of the Directors as well as of the Audit Committee, , Nomination and Remuneration Committee, Stakeholders Relationship Committee has been carried out.

The performance evaluation of the Independent directors was carried out by the entire Board and the performance Evaluation of the Board, its Chairman and Non-Independent Directors was carried out by the Independent Directors.

**15. Criteria for selection of candidates for appointment as Directors, Key Managerial personnel and Senior Management personnel:**

The Board has, on the recommendation of the Nomination & Remuneration Committee, framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The said policy has also been uploaded on the Company's website at [www.hecprojects.in](http://www.hecprojects.in)

**16. Details on Internal Financial Controls Related to Financial Statements:**

The existing internal financial controls are adequate and commensurate with the nature, size, complexity of the Business and the Business Processes followed by the Company. During the year, the Company has laid down the framework for ensuring adequate internal controls over financial reporting and such Internal Financial Controls have been reviewed by Independent Experts to ensure its effectiveness who have confirmed that such controls are adequate and operating effectively.

**17. Risk Management:**

Your company has established a well-defined risk management policy to ensure that risk to the Company's continued existence as a going concern and to its development are identified and addressed on timely basis. Risk management strategy as approved by the board of directors is implemented by the company management.

**18. Industrial Relation:**

During the year under review, industrial relations in the Company continued to be cordial and peaceful.

**19. Number of Board Meeting:**

07 (Seven) meeting of the Board of Directors were held during the year. The details of the Board Meeting are provided in Corporate Governance Report.

**20. Composition of Audit Committee:**

Audit Committee currently comprises of Mr. Sachin Kanwarlal Kansal as Chairman of the Audit Committee with other members being Mr. Asit Ramniklal Shah and Mrs. Ritu Vinodkumar Chaudary. Further details relating to the Audit Committee are provided in the Corporate Governance Report, which forms as an integral part of the Annual Report.

All the recommendations made by Audit Committee were accepted by the Board.

**21. Vigil Mechanism/ Whistle Blower Policy:**

Pursuant to the provision of Section 177(10) of the Companies Act, 2013 and Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company had established a vigil mechanism/ Whistle Blower Policy for directors and employees to report concern of unethical behavior, actual or suspected fraud or violation of the Company's code of conduct.

The details of the Whistle Blower Policy are explained in the Corporate Governance Report and also posted on the Company's website at [www.hecprojects.in](http://www.hecprojects.in).

**22. Corporate Social Responsibility:**

The Company is not covered under the criteria of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, and therefore it is not mandatory for the Company to have the Corporate Social Responsibility.

**23. Declaration by Independent Director:**

The Company has received declarations from all the Independent Directors confirming that they meet the criteria of Independent as prescribed under the provisions of Section 149(6) of the Companies Act, 2013 read with the schedules and Rules issued thereunder as well as Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**24. Particulars of contracts or arrangements with related party:**

Information on transactions with related parties pursuant to Section 134(3)(h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014 are given in **Annexure-D** in the prescribed Form AOC-2 and the same forms part of this report. All related party transactions are placed before the Audit Committee and Board of the Company for review and approval or Omnibus approval as permitted under law. Transactions with related parties, as per requirements of Accounting Standard 18 are disclosed in the notes to accounts annexed to the financial statements. Your Company's Policy on Related Party Transactions, as adopted by your Board, can be accessed on the Company's website at [www.hecprojects.in](http://www.hecprojects.in).

**25. Credit Rating:**

During the year your Company enjoys credit rating of 'CARE BBB' for its Long Term borrowing and 'CARE A3' for its short term borrowing.

**26. Segment Reporting:**

The Company is engaged in the EPC Electro-Mechanical Project business as an only reportable segment in accordance with the Accounting Standard on Segment Reporting AS-17.

**27. Significant and material orders passed by the regulators or courts:**

There were no significant material orders passed by the Regulators or Courts which would impact the going concern status of the Company and its future operations, during the year under review.

**28. Management Discussion and Analysis Report:**

The Management Discussion and Analysis Report for the year under review, as stipulated under Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is presented in a separate section forming part of the Annual Report.

**29. Corporate Governance Report & Compliance Certificate on Corporate Governance:**

Your Company is committed to maintain the highest standards of Corporate Governance. Your Company continues to be compliant with the requirements of Corporate Governance as enshrined in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. A Report on Corporate Governance as stipulated under the Listing Regulations forms part of the Annual Report.

Further, a certificate from the statutory auditors of the Company regarding compliance of conditions of Corporate Governance as stipulated under SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 is attached as **Annexure-E** to this report.

**30. Policy on prevention of sexual harassment at workplace:**

Your Company has always believed in providing a conducive work environment devoid of discrimination and harassment including sexual harassment. The company a well formulated an Anti-harassment policy. The objective of the policy is to prohibit, prevent and address issues of sexual harassment at the workplace. This policy has striven to prescribe a code of conduct for the employees have access to the policy documents and are required to strictly abide by it. The policy covers all employees, irrespective of their nature of employment and also applicable in respect of all allegations of sexual harassment made by an outsider against an employee. During the year 2016-17, no case of Sexual Harassment was reported.

**31. Investor Education and Protection Fund :**

During the year under review no amount was required to be transferred to Investor Education and Protection Fund.

**32. Policies:**

The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 mandated formulation of certain policies for the listed companies. All our Policies are available on our website (<http://www.hecprojects.in/investors/>). The Board of Directors of the Company reviews and amends the policy and updated the same on the website of the Company based on the amendments made in the Act, Rules, and Regulations.

Name of Policy	Brief Description	Web Link
Code of Conduct	The Company has formulated and adopted code of conduct for the Senior Management and Officers of the Company.	<a href="http://www.hecprojects.in/investors">http://www.hecprojects.in/investors</a>
Insider Trading Code	The Company has adopted the code for Regulate, monitor and report trading by insiders & code of fair disclosure of unpublished price sensitive information for the Directors, KMP and other designated officers and connected persons of the Company.	<a href="http://www.hecprojects.in/investors">http://www.hecprojects.in/investors</a>

Risk Management Policy	The Company has a structured Risk Management policy. The Risk management policy is designed to safeguard the company from various risks through adequate and timely actions.	<a href="http://www.hecprojects.in/investors">http://www.hecprojects.in/investors</a>
Code of Practices and Procedures for fair disclosure of Unpublished Price Sensitive Information	The Company has adopted the code to protect the interest of all the stakeholders	<a href="http://www.hecprojects.in/investors">http://www.hecprojects.in/investors</a>
Policy for Preservation of Documents	The Company has adopted a policy for the preservation of Documents which are in a permanent nature and for some Specific period of time.	<a href="http://www.hecprojects.in/investors">http://www.hecprojects.in/investors</a>
Policy on Determination of Materiality of Events or information	This Policy has been adopted by the Board of Directors to deal with the determination of materiality of events/information and its dissemination to the shareholders.	<a href="http://www.hecprojects.in/investors">http://www.hecprojects.in/investors</a>
Archival Policy	This policy is adopted by the Board of Directors for the Disclosure of events or information on the website of the Company.	<a href="http://www.hecprojects.in/investors">http://www.hecprojects.in/investors</a>

**33 Acknowledgements:**

The Board of Directors wish to convey their gratitude and place on record their appreciation for all the employees at all levels for their hard work, solidarity, cooperation and dedication during the year. The Board sincerely conveys its appreciation for its customers, shareholders, suppliers as well as vendors, bankers, business associates, regulatory and government authorities for their continued support.

For and on behalf of Board of Directors

Date: 02/09/2017  
Place: Ahmedabad

**Gaurang Shah**  
(Chairman & Managing Director)

**ANNEXURE: A**

**Details under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.**

**A. Ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year 2016-17 are as follows:**

(₹ in Lakhs)

Sr. No.	Directors	Remuneration (₹ in Lakhs)	Median Remuneration (₹ in Lakhs)	Ratio
1.	Mr. Gaurang Parmanand Shah	2925000	327263	8.94:1
2.	Mrs. Rupal Gaurang Shah	2275000	327263	6.95:1
3.	Mrs. Ritu Vinodkumar Chaudary	--	--	N.A.
4.	Mr. Sachin Kanwarlal Kansal	--	--	N.A.
5.	Mr. Asit Ramniklal Shah	--	--	N.A.

**B. The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year 2016-17 are as follows:**

(₹ in Lakhs)

Name of the Directors, Chief Financial Officer, Chief Executive Officer, Company Secretary, Manager	Designation	Percentage increase in remuneration
Mr. Gaurang Parmanand Shah	Managing Director	13.59
Mrs. Rupal Gaurang Shah	Executive Director	12.07
Mr. Pannalal Jatashanker Surti	Chief Financial Officer	36.43
Ms. Jeel Hareshbhai Patel*	Company Secretary	--

\* Ms. Jeel Hareshbhai Patel, Company Secretary of the Company was appointed on 30th July, 2017, so the % increase/ decrease in remuneration is not possible.

**C. The percentage increase in the median remuneration of employees in the financial year 2016-17:**

(Amount in ₹)

Median Remuneration of Employees	2016-17	2015-16	Increase(%)
	327263	303906	7.69

**D. There were 51 Employees on the rolls of company as on 31st March, 2017.**

**E. Comparison of average Percentile increase in salary of employees other than the managerial personnel and the percentage increase in the remuneration paid to managerial personnel:**

(Amount in ₹)

	2016-17	2015-16	Increase(%)
<b>Average salary of all employees (other than Managerial Personnel)</b>	<b>391595.9</b>	<b>355602.6</b>	<b>10.12</b>
<b>Managerial Personnel:</b>			
Gaurang Parmanand Shah	2925000	2575000	13.59
Rupal Gaurang Shah	2275000	2030000	12.07

The Increase in average salary of employees is due to reduce in the number of employees during the financial year 2016-17.

**F. The key parameters for any variable component of remuneration availed by the directors.**

There are no variable components in remuneration package availed by the directors.

**G. Affirmation that the Remuneration is as per the Remuneration Policy of the Company.**

It is hereby affirmed that the remuneration paid to the Directors, Key Managerial personnel and Senior Management is as per the Remuneration Policy.

**H. Statement containing the particulars of employees in accordance with Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:**

- a. None of the employees of the company employed throughout the financial year 2016-17 and were paid remuneration not less than ₹ 1.02 Crores per annum.
- b. None of the employees employed for a part of the financial year 2016-17 at a rate which, in aggregate, was not less than ₹8.50 Lacs per month.
- c. None of the employees were employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in 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 holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the company.

For and on behalf of Board of Directors

Date: 02/09/2017  
Place: Ahmedabad

**Gaurang Shah**  
(Chairman & Managing Director)

**ANNEXTURE-B**

**FORM MGT 9**

**EXTRACT OF ANNUAL RETURN**

[Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12(1) of the Company (Management & Administration) Rules, 2014]  
**FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2017**

**I. REGISTRATION AND OTHER DETAILS:**

i.	CIN	L45200GJ2005PLC046870
ii.	Registration Date	06/10/2005
iii.	Name of the Company	HEC INFRA PROJECTS LIMITED
iv.	Category/Sub-Category of the Company	Public Company limited by Shares/ Indian Non-Government company
v.	Address of the Registered office and contact details	Sigma-1 Corporates, Corporate House No. 6, SindhuBhavan Road, Nr. Mahan Party Plot Cross Road, Bodakdev, Ahmedabad-380054. Tel: +91-79-40086771-74 E-mail: elect@hecproject.com Web: www. Hecprojects.in
vi.	Whether listed Company	Yes National Stock exchange of India Limited (SME Platform)
vii.	Name, Address, and contact details of Registrar and transfer Agent, if any	Cameo Corporate Services Limited Subramanian Building No.1, Club House Road, Chennai-600002, Tamilnadu. Tel: +91-44-28460390; Fax: +91-44-28460129 E-mail: cameo@cameoindia.com

**II. PRINCIPAL BUSSINESS ACTIVITES OF THE COMPANY:**

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sr. No.	Name and Description of main products/ Services	NIC Code of the product/Services	% to total turnover of the Company
1.	Engineering Services	4321	99%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:**

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

**IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of total Equity)**
**i. Category-wise Share Holding:**

Category of Share holder	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of total Shares	Demat	Physical	Total	% of total Shares	
<b>A. Promoters</b>									
(1) Indian									
a) Individual/HUF	1394932	0	1394932	68.80	1394932	0	1394932	68.80	00
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporates	93500	0	93500	4.61	93500	0	93500	4.61	00
e) Banks/FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
<b>SUB TOTAL A(1)</b>	<b>1488432</b>	<b>0</b>	<b>1488432</b>	<b>73.41</b>	<b>1488432</b>	<b>0</b>	<b>1488432</b>	<b>73.41</b>	<b>00</b>
<b>(2) Foreign</b>									
a) NRI-individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
<b>Sub Total A(2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Shareholding of Promoter (A)=(A)(1)+ (A)(2)</b>	<b>1488432</b>	<b>0</b>	<b>1488432</b>	<b>73.41</b>	<b>1488432</b>	<b>0</b>	<b>1488432</b>	<b>73.41</b>	<b>00</b>
<b>B. PUBLIC SHAREHOLDING</b>									
<b>(1) Institutions</b>									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks/FI	-	-	-	-	-	-	-	-	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (Market Maker)	-	-	-	-	-	-	-	-	-
<b>SUB TOTAL B(1)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>(2) Non- Institutions</b>									
a) Bodies Corp.									
i) Indian	98400	0	98400	4.85	212400	0	212400	10.48	5.63
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									

i) Individuals shareholders holding nominal shares capital upto ₹ 1 Lac	240400	0	240400	11.86	164800	0	164800	8.13	-3.73
ii) Individuals shareholders holding nominal shares capital in excess of ₹ 1 lac	110400	0	110400	5.44	153600	0	153600	7.58	2.14
c) Any others									
-Clearing Member	56400	0	56400	2.78	0	0	0	0	(2.78)
-Hindu Undivided Family	33600	0	33600	1.66	8400	0	8400	0.41	(1.24)
<b>SUB TOTAL B(2)</b>	<b>90000</b>	<b>0</b>	<b>90000</b>	<b>4.44</b>	<b>8400</b>	<b>0</b>	<b>8400</b>	<b>0.41</b>	<b>(4.02)</b>
<b>Total Public Share Holding (B)= (B)(1)+(B)(2)</b>	<b>539200</b>	<b>0</b>	<b>539200</b>	<b>26.59</b>	<b>539200</b>	<b>0</b>	<b>539200</b>	<b>26.59</b>	<b>0</b>
C. Shares held by Custodian For ADRs/GDRs	0	0	0	0	0	0	0	0	0
<b>Grand Total (A + B + C)</b>	<b>2027632</b>	<b>0</b>	<b>2027632</b>	<b>100</b>	<b>2027632</b>	<b>0</b>	<b>2027632</b>	<b>100</b>	<b>0</b>

**ii. Shareholding of Promoters:**

Sr. No.	Shareholder' Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/encumbered to total share	No. of Shares	% of total Shares of the Company	% of Shares Pledged/encumbered to total share	
1.	Gaurang Parmamand Shah	1144982	56.47	-	1144982	56.47	-	-
2.	Rupal Gaurang Shah	231000	11.39	-	231000	11.39	-	-
3.	Paras Engen India	93500	4.61	-	93500	4.61	-	-
4.	Rupal Gaurang Shah JT.1 Gaurang Parmamand Shah	12400	0.61	-	12400	0.61	-	-
5.	Unnati Vikram Shah	4132	0.20	-	4132	0.20	-	-
6.	Rahul Gaurang Shah	2318	0.11	-	2318	0.11	-	-
7.	Vikram Parmamand Shah	100	0.00	-	100	0.00	-	-
	<b>Total</b>	<b>1488432</b>	<b>73.41</b>	<b>-</b>	<b>1488432</b>	<b>73.41</b>	<b>-</b>	<b>-</b>

## iii. Change in Promoter's Shareholding (Please specify, if there is no change : NIL)

Sr. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
<b>1.</b>	<b>Gaurang Parmanand Shah</b>				
	At the beginning of the year	1144982	56.47	1144982	56.47
	Date wise Increase/ Decrease in Promoters Shareholding	0	0	0	0
	At the End of the year	1144982	56.47	1144982	56.47
<b>2.</b>	<b>Rupal Gaurang Shah</b>				
	At the beginning of the year	231000	11.39	231000	11.39
	Date wise Increase/ Decrease in Promoters Shareholding	0	0	0	0
	At the End of the year	231000	11.39	231000	11.39
<b>3.</b>	<b>Paras Engen India Private Limited</b>				
	At the beginning of the year	93500	4.61	93500	4.61
	Date wise Increase/ Decrease in Promoters Shareholding	0	0	0	0
	At the End of the year	93500	4.61	93500	4.61
<b>4.</b>	<b>Rupal Gaurang Shah JT1: Gaurang Parmanand Shah</b>				
	At the beginning of the year	12400	0.61	12400	0.61
	Date wise Increase/ Decrease in Promoters Shareholding	0	0	0	0
	At the End of the year	12400	0.61	12400	0.61
<b>5.</b>	<b>Unnati Vikram Shah</b>				
	At the beginning of the year	4132	0.20	4132	0.20
	Date wise Increase/ Decrease in Promoters Shareholding	0	0	0	0
	At the End of the year	4132	0.20	4132	0.20
<b>6.</b>	<b>Rahul Gaurang Shah</b>				
	At the beginning of the year	2318	0.11	2318	0.11
	Date wise Increase/ Decrease in Promoters Shareholding				
	At the End of the year	2318	0.11	2318	0.11
<b>7.</b>	<b>Vikram Parmanand Shah</b>				
	At the beginning of the year	100	0.00	100	0.00
	Date wise Increase/ Decrease in Promoters Shareholding	0	0	0	0
	At the End of the year	100	0.00	100	0.00

**iv. Shareholding Pattern of top ten Shareholders:**

(Other than directors, Promoters and Holders of GDRs and ADRs)

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
<b>1.</b>	<b>Sumanju Projects &amp; Services Limited</b>				
	At the beginning of the year	62400	3.08	62400	3.08
	Date wise Increase/ Decrease in Shareholding during the year	0	0	0	0
	At the End of the year	62400	3.08	62400	3.08
<b>2.</b>	<b>Sumanju Projects and Services Limited</b>				
	At the beginning of the year	0	0.00	0	0.00
	Date wise Increase/ Decrease in Shareholding during the year:				
	Purchase 13-May-2016	4800	0.24	4800	0.24
	Purchase 20-May-2016	13200	0.65	18000	0.89
	Purchase 27-May-2016	7200	0.36	25200	1.24
	Purchase 10-Jun-2016	18000	0.89	43200	2.13
	Purchase 17-Jun-2016	2400	0.12	45600	2.25
	At the End of the year	45600	2.25	45600	2.25
<b>3.</b>	<b>Ashish Navnitlal Shah</b>				
	At the beginning of the year	43200	2.1305	43200	2.1305
	Date wise Increase/ Decrease in Shareholding during the year:				
	Purchase 08-Apr-2016	33600	1.66	76800	3.79
	Sale 06-May-2016	-8400	0.41	68400	3.37
	At the End of the year	68400	3.37	68400	3.37
<b>4.</b>	<b>Wealth First Portfolio Managers</b>				
	At the beginning of the year	27600	1.36	27600	1.36
	Date wise Increase/ Decrease in Shareholding during the year:				
	Purchase 08-Apr-2016	68400	3.37	96000	4.73
	Sale 13-May-2016	-7200	0.36	88800	4.38
	Sale 20-May-2016	-13200	0.65	75600	3.73
	Sale 27-May-2016	-1200	0.06	74400	3.67
	Sale 03-Jun-2016	-9600	0.47	64800	3.20
	Sale 10-Jun-2016	-7200	0.36	57600	2.84
	Sale 17-Jun-2016	-1200	0.06	56400	2.78
	Purchase 15-Jul-2016	6000	0.30	62400	3.08
	Purchase 22-Jul-2016	1200	0.06	63600	3.14
	Purchase 23-Sep-2016	1200	0.06	64800	3.20

	Sale 07-Oct-2016	-1200	0.06	63600	3.14
	Purchase 28-Oct-2016	1200	0.06	64800	3.20
	Sale 04-Nov-2016	-1200	0.06	63600	3.14
	Purchase 18-Nov-2016	1200	0.06	64800	3.20
	Sale 09-Dec-2016	-1200	0.06	63600	3.14
	Purchase 16-Dec-2016	1200	0.06	64800	3.20
	Purchase 30-Dec-2016	1200	0.06	66000	3.25
	Sale 03-Mar-2017	-1200	0.06	64800	3.20
	Purchase 24-Mar-2017	1200	0.06	66000	3.25
	Purchase 31-Mar-2017	16800	0.83	82800	4.08
	At the End of the year	82800	4.08	82800	4.08
<b>5.</b>	<b>Ilesh Pursothamdas Shah</b>				
	At the beginning of the year	15600	0.77	15600	0.77
	Date wise Increase/ Decrease in Shareholding during the year:	0	0	0	0
	At the End of the year	15600	0.77	15600	0.77
<b>6.</b>	<b>Sahil Gupta</b>				
	At the beginning of the year	14400	0.71	14400	0.71
	Date wise Increase/ Decrease in Shareholding during the year:				
	Purchase 08-Apr-2016	1200	0.06	15600	0.77
	At the End of the year	15600	0.77	15600	0.77
<b>7.</b>	<b>Harshad R. Shah JTi: Varsha H. Shah</b>				
	At the beginning of the year	13200	0.65	13200	0.65
	Date wise Increase/ Decrease in Shareholding during the year:				
	At the End of the year	13200	0.65	13200	0.65
<b>8.</b>	<b>Bansal Finstock Pvt. Ltd</b>				
	At the beginning of the year	12000	0.59	1200	0.59
	Date wise Increase/ Decrease in Shareholding during the year:				
	Sale 08-Apr-2016	-12000	0.59	0	0
	At the End of the year	00	00	00	00
<b>9.</b>	<b>Nitinkumar Jayantilal Patel</b>				
	At the beginning of the year	12000	0.59	12000	0.59
	Date wise Increase/ Decrease in Shareholding during the year:				
	Purchase 29-Apr-2016	9600	0.47	21600	1.06
	Purchase 17-Jun-2016	3600	0.18	25200	1.24
	At the End of the year	25200	1.24	25200	1.24
<b>10.</b>	<b>Hena Ashish Shah</b>				
	At the beginning of the year	12000	0.59	12000	0.59
	Date wise Increase/ Decrease in Shareholding during the year:				

	Purchase 08-Apr-2016	2400	0.12	14400	0.71
	Purchase 22-Apr-2016	1200	0.06	15600	0.77
	At the End of the year	25200	0.77	25200	0.77
<b>11.</b>	<b>Angel Broking Private Limited</b>				
	At the beginning of the year	10800	0.53	10800	0.53
	Date wise Increase/ Decrease in Shareholding during the year:				
	Sale 08-Apr-2016	-10800	0.53	0	0.00
	Purchase 10-Jun-2016	1200	0.06	1200	0.06
	Sale 17-Jun-2016	-1200	0.06	0	0.00
	At the End of the year	00	0.00	00	00
<b>12.</b>	<b>Monarch Networth Capital</b>				
	At the beginning of the year	0	0.00	0	0.00
	Date wise Increase/ Decrease in Shareholding during the year:				
	Purchase 08-Apr-2016	3600	0.18	3600	0.18
	Purchase 15-Apr-2016	9600	0.47	13200	0.65
	Purchase 22-Apr-2016	8400	0.41	21600	1.06
	Sale 29-Apr-2016	-18000	0.89	3600	0.18
	Purchase 13-May-2016	8400	0.41	12000	0.59
	Purchase 20-May-2016	1200	0.06	13200	0.65
	Purchase 03-Jun-2016	3600	0.18	16800	0.83
	Purchase 10-Jun-2016	2400	0.12	19200	0.95
	Sale 17-Jun-2016	-10800	0.53	8400	0.41
	Purchase 24-Jun-2016	1200	0.06	9600	0.47
	Sale 30-Jun-2016	-1191	0.06	8409	0.41
	Purchase 08-Jul-2016	1200	0.06	9609	0.47
	Sale 19-Aug-2016	-9	0.00	9600	0.47
	Sale 23-Dec-2016	3600	0.18	6000	0.30
	Purchase 10-Mar-2017	2400	0.12	8400	0.41
	At the End of the year	8400	0.41	8400	0.41

**v. Shareholding of Directors and Key managerial Personnel:**

Sr. No.	Shareholding of each Director and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1.	<b>Gaurang Parmanand Shah (Managing Director)</b>				
	At the beginning of the year	1144982	56.47	1144982	56.47
	Date wise Increase/ Decrease in Shareholding during the year:	0	0	1144982	56.47
	At the End of the year	1144982	56.47	1144982	56.47
2.	<b>Rupal Gaurang Shah (Executive Director)</b>				
	At the beginning of the year	231000	11.39	231000	11.39

	Date wise Increase/ Decrease in Shareholding during the year:	0	0	231000	11.39
	At the End of the year	231000	11.39	231000	11.39
<b>3.</b>	<b>Ritu Vinodkumar Chaudary (Independent Director)</b>				
	At the beginning of the year	0	0	0	0
	Date wise Increase/ Decrease in Shareholding during the year:	0	0	0	0
	At the End of the year	0	0	0	0
<b>4.</b>	<b>Sachin Knawarlal Kanasal (Independent Director) (w.e.f. 24<sup>th</sup> September, 2016)</b>				
	At the beginning of the year	0	0	0	0
	Date wise Increase/ Decrease in Shareholding during the year:	0	0	0	0
	At the End of the year	0	0	0	0
<b>5.</b>	<b>Asit Ramniklal Shah (Independent Director) (w.e.f. 24<sup>th</sup> September, 2016)</b>				
	At the beginning of the year	0	0	0	0
	Date wise Increase/ Decrease in Shareholding during the year:	0	0	0	0
	At the End of the year	0	0	0	0
<b>6.</b>	<b>Pannalal Jatashanker Surti (Chief Finance Officer)</b>				
	At the beginning of the year	100	0.00	100	0.00
	Date wise Increase/ Decrease in Shareholding during the year:	0	0	0	0
	At the End of the year	100	0.00	100	0.00
<b>7.</b>	<b>Hema Lakhmichand Advani (Company Secretary) (ceases from 30<sup>th</sup> July, 2016)</b>				
	At the beginning of the year	0	0	0	0
	Date wise Increase/ Decrease in Shareholding during the year:	0	0	0	0
	At the End of the year	0	0	0	0
<b>8.</b>	<b>Jeel Hareshbhai Patel (Company Secretary) (Appointment w.e.f 30<sup>th</sup> July, 2016)</b>				
	At the beginning of the year	0	0	0	0
	Date wise Increase/ Decrease in Shareholding during the year:	0	0	0	0
	At the End of the year	0	0	0	0

**V. INDEBTNESS:**

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

Particulars	Secured Loan excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	145135788	26142255	601200	171879243
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total ( i+ii+iii)	145135788	26142255	601200	171879243
Change in indebtedness during the financial year				
i) Addition	48544627	32687771	-	81232398
ii) Reduction	3794445	24205930	-	28000375
Net Change	44750182	8481841	-	53232023
Indebtedness at the end of the financial year				
i) Principal Amount	189885970	34624096	601200	225111266
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>189885970</b>	<b>34624096</b>	<b>601200</b>	<b>225111266</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:**
**A. Remuneration to Managing Director, Whole-time Director and/or Manager:**

Sr. No.	Particulars of Remuneration	Name of MD/WTD/Manager		Total Amount (In ₹)
		Gaurang P. Shah (Managing Director)	Rupal G. Shah (Executive Director)	
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2925000	2275000	5200000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission - as % of profit - others, specify	- -	- -	- -
5	Others, please specify	-	-	-
	<b>Total (A)</b>	<b>2925000</b>	<b>2275000</b>	<b>5200000</b>

Ceiling as per the Act	5% of the Net Profit of the Company or 8400000 (Whichever is higher)	5% of the Net Profit of the Company or 8400000 (Whichever is higher)
------------------------	--	--

**B. Remuneration to other director:**

Sr. No.	Particulars of Remuneration	Name of Director/ Manager			Total Amount (In ₹)
		Ritu V. Chaudary	Sachin K. Kansal	Asit R. Shah	
1	Independent Directors				
	• Fee for attending board/committee meetings	-	-	-	-
	• Commission	-	-	-	-
	• Others, please specify	-	-	-	-
	Total (1)	-	-	-	-
	Other Non-Executive Directors				
	• Fee for attending board/committee meetings	-	-	-	-
	• Commission	-	-	-	-
	• Others, please specify	-	-	-	-
	Total (2)	-	-	-	-
	Total (B)= (1+2)	-	-	-	-
	Total Managerial Remuneration	-	-	-	-
	Over all Ceiling as per the Act	1% of the net Profit of the Company			

**C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD:**

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		Total Amount (In ₹)
		Pannalal J. Surti (CFO)	Jeel H. Patel (CS)	
1.	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	517600	264395	781995
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission	-	-	-
	-as % of profit	-	-	-
	-Others, specify «	-	-	-
5.	Others, please specify	-	-	-
	<b>Total</b>	<b>517600</b>	<b>264395</b>	<b>781995</b>

**VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty					
Punishment			N.A.		
Compounding					
<b>B. DIRECTORS</b>					
Penalty					
Punishment			N.A.		
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty					
Punishment			N.A.		
Compounding					

For and on behalf of Board of Directors

Date: 02/09/2017  
Place: Ahmedabad

**Gaurang Shah**  
(Chairman & Managing Director)

**ANNEXURE-C****Form No. MR-3 For the financial year ended on 31st March, 2017**

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

**To,  
The Members,  
HEC Infra Projects Limited**

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by HEC Infra Projects Limited(hereinafter called the company).

Based on my verification of the HEC Infra Projects Limited 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, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March, 2017 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:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2017 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) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings.
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - (c) The Securities and Exchange Board of India ( Issue of Capital and Disclosure Requirements ) Regulations 2009;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - (e) The Securities and Exchange Board of India(Issue and Listing of Debt Securities) Regulations, 2008;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents)

- Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India ( Delisting of Equity Shares ) Regulations, 2009
  - (h) The Securities and Exchange Board of India ( Buy Back of Securities ) Regulations, 1998

And in general, the Company has systems, process and procedure for the compliance of Other Laws Applicable to the Company.

1. Income Tax Act, 1961
2. Service Tax Act, 1994
3. Employees Provident Fund Act
4. Employees State Insurance Act, 1948
5. Indian Contract Act, 1872
6. Negotiable Instruments Act, 1881
7. Payment of Gratuity Act, 1972
8. Payment of Bonus Act, 1965

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

- (i) Secretarial Standards 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.

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

I 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. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all the directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, 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.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

I 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.

I further report that during the audit period, there were no instances of:

- (i) Public/Rights/Preferential issue of Shares/debentures/ sweat equity of the Company.
- (ii) Redemption/buy-back of securities.
- (iii) Merger/ amalgamation/ reconstruction etc.
- (iv) Foreign technical collaborations.
- (v) Approval under Section 180 of the Companies Act, 2013.

**For, Jalan Alkesh & Associates  
Company Secretaries**

**Alkesh Jalan  
(Proprietor)**

**Place: Ahmedabad  
Date: 02/09/2017**

**Membership No. -15677  
Firm Registration No.-4580**

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

**'Annexure A'**

To,  
The Members of  
HEC Infra Projects Limited

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

1. Maintenance of Secretarial Records 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 appropriated 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. 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.
5. Wherever required, we have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc.
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, Jalan Alkesh & Associates  
Company Secretaries**

**Alkesh Jalan  
(Proprietor)**

**Membership No. -15677  
Firm Registration No.-4580**

**Place: Ahmedabad  
Date: 02/09/2017**

## ANNEXURE-D

## Form No. AOC-2

## Particulars of Contracts/arrangement made with related parties

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

This 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: None

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

Particulars	Information
Name(s) of the related party	Highvolt Power and Control Systems Private Limited
Nature of relationship	Mr. Gaurang Shah and Mrs. Rupal Shah are Directors in the company.
Nature of Contract/ Arrangement/ Transaction	Transaction for sale, purchase or supply of any goods or material
Duration of the contracts/arrangements or transactions	N.A
Terms of the contracts or arrangements or transactions including the value, if any	₹ 22774758. Terms of Transaction/ arrangement are specified in the respective Bill
Date of Approval by the Board	29th August, 2016
Amount paid as advances, if any	NIL

Particulars	Information
Name(s) of the related party	Swati Switchgears (India) Private Limited
Nature of relationship	Mr. Gaurang Shah and Mrs. Rupal Shah are the shareholder of the Company and Mr. Gaurang Shah is also indirectly interested through their relatives.
Nature of Contract/ Arrangement/ Transaction	Transaction for sale, purchase or supply of any goods or material
Duration of the contracts/arrangements or transactions	N.A.
Terms of the contracts or arrangements or transactions including the value, if any	₹ 33890390. Terms of Transaction/ arrangement are specified in the respective Bill
Date of Approval by the Board	29th August, 2016
Amount paid as advances, if any	NIL

Particulars	Information
Name(s) of the related party	Brainscape Solutions Private Limited
Nature of relationship	Mrs. Rupal Shah is the shareholder of the Company and Both Mr. Gaurang Shah and Mrs. Rupal Shah are indirectly interested through their son and daughter.
Nature of Contract/ Arrangement/ Transaction	By Leave and License Agreement
Duration of the contracts/arrangements or transactions	11 Months
Terms of the contracts or arrangements or transactions including the value, if any	As per the terms and conditions mentioned in the Leave and License Agreement the value of Transaction during the year is ₹ 3,45,000.
Date of Approval by the Board	29th August, 2016
Amount paid as advances, if any	NIL

Particulars	Information
Name(s) of the related party	Brainscape Solutions Private Limited
Nature of relationship	Mrs. Rupal Shah is the shareholder of the Company and Both Mr. Gaurang Shah and Mrs. Rupal Shah are indirectly interested through their son and daughter.
Nature of Contract/ Arrangement/ Transaction	Transaction for availing and rendering of Services.
Duration of the contracts/arrangements or transactions	N.A
Terms of the contracts or arrangements or transactions including the value, if any	₹ 797033. Terms of Transaction/ arrangement are specified in the respective Bill
Date of Approval by the Board	30th May, 2016
Amount paid as advances, if any	NIL

For and on behalf of Board of Directors

Date: 02/09/2017  
Place: Ahmedabad

**Gaurang Shah**  
(Chairman & Managing Director)

**ANNEXURE-E****AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE**

To,  
The Members of  
HEC INFRA PROJECTS LIMITED

We have examined the compliance of conditions of corporate governance by HEC Infra Projects Limited ('the Company'), for the year ended 31st March, 2017, as stipulated in Chapter IV of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015.

The compliance of the conditions of the corporate governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of the opinion of 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 based on the representation made by the Directors and the management, we certify that the Company has complied, in all material aspects, with the conditions of corporate governance as stipulated in the above mentioned Listing Regulations, as applicable.

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

**For Parth P. Shah & Co.**  
(Chartered Accountants)

**(Parth Shah)**  
Proprietor

M. No. 167721

Firm Registration No. 141540W

Place : Ahmedabad

Date : 02/09/2017

## CORPORATE GOVERNANCE REPORT

Pursuant to provision of Clause C of the Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the corporate Governance Report for the year ended 31st March, 2017 is as follows:

### 1. Company Philosophy on Corporate Governance:

Corporate Governance involves a set of relationships between a Company's Management, its Board, its Shareholders and other stakeholders with an objective of enhancement of long term shareholder value, while at the same time protecting the interest of all stakeholders and ensuring adherence to the applicable laws. The Company took initiative in practicing good corporate governance procedures.

It is firmly believed that Corporate Governance begins with Company's continuous review of its internal procedures and practices encompassing all its business areas in the most appropriate manner, which would spell fairness, transparency and accountability.

### 2. Board of Directors:

Your Company has an optimum combination of Executive and Non-Executive Directors on the Board which includes Woman Director in compliance of Regulation 17(1) of the Regulations. As on 31st March, 2017, the Board consists of 5 (Five) members, which includes 1 Managing Director, 1 Executive Director, and 3 Independent Directors. The Chairman of the Board is an Executive Director and more than half of the strength of the Board consists of Non-Executive Independent Directors. All Non-Executive Independent Directors bring a wide range of expertise and experience to the Board. The Board believes that the current size of the Board is appropriate based on the Company's present requirements.

A brief profile of the members of the Board is also available on the Company's website i.e. [www.hecprojects.in](http://www.hecprojects.in).

### Composition / Category of Directors / Attendance at Meetings / Directorships and Committee Memberships in other Companies:

During the year under review, 07 (Seven) Board Meetings were held on 12th April, 2016, 30th May, 2016, 30th July, 2016, 29th August, 2016, 14th November, 2016, 05th January, 2017 and 17th March, 2017.

Name of Director	Category	No. of Board Meeting Attended	Attendance at Last AGM	No. of Other Directorship	No. of Chairmanship and Membership in other Companies Committee	
					As Chairman	As Member
Gaurang Shah	Managing Director	07	Yes	1*	Nil	Nil
Rupal Shah	Executive Director	07	No	1*	Nil	Nil
Ritu Chaudary	Independent Director	07	Yes	--	Nil	Nil
Sachin Kansal	Independent Director	07	Yes	1#	02	01
Asit Shah	Independent Director	07	Yes	1*	Nil	Nil

\*Directorship in a Private Company # Directorship in a Public Listed Company

**Number of meeting of the Board of Directors held and date on which held:**

During the year under review viz., 1st April, 2016 to 31st March, 2017, total 7 (Seven ) Meetings of the Board of Directors of the Company were held on the following dates viz., 12th April, 2016, 30th May, 2016, 30th July, 2016, 29th August, 2016, 14th November, 2016, 5th January, 2017 and 17th March, 2017. All Directors remained present for all the said meetings during the year.

Thus Company thus observed that, the Company has complied with the provisions of Section 173 of the Companies Act, 2013 and Regulation 17(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, allowing not more than 120 days gap between two such Meetings.

**Disclosure of relationship between directors inter-se:**

Mr. Gaurang Parmanand Shah and Mrs. Rupal Gaurang Shah are related to each other as a husband and wife. None of the other director is related to any other director of the Company.

**Details of Shareholding of Directors:**

The number of shares held by the Board of Director as at 31st March, 2017.

Name of Director	Number of Shares held
Gaurang Shah	1144982
Rupal Shah	243400 (including Jointly held)
Ritu Chaudary	Nil
Sachin Kansal	Nil
Asit Shah	Nil

**3. Committees of the Board:**

The Board Committees play a vital role in improving Board effectiveness in areas where more focused and extensive discussions are required. Some of the Board functions are performed through specially constituted Board Committees comprising of Executive and Non-Executive / Independent Directors. Board Committee's ensures focused discussion and expedient resolution of diverse matters. The Board Committees include Audit Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee. All the Committees have its terms of references/Charter as mentioned in the provision of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015. The Minutes of the Committee Meetings are noted by the Board.

The role and composition of the aforesaid Committees, including the number of meetings held and the related attendance of the members are given below:

**Audit Committee:**

The Terms of Reference of the Audit Committee is as mentioned in the provisions of Section 177 of the Companies Act, 2013 read with Part C of Schedule II and Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The composition of the Committee is also in conformity with the said provisions.

The Audit Committee of the Board of Directors of Company consists of three Directors viz. Mr. Sachin Kanwarlal Kansal, Mr. Asit Ramniklal Shah and Mrs. Ritu Vinodkumar Chaudary. All members of the Audit Committee are Non-Executive Independent Directors. Mr. Sachin Kanwarlal Kansal, a Chartered Accountant, is the Chairman of the Audit Committee. The Company Secretary of the Company acts as Secretary to the Committee.

During the Financial Year 2016-17, four meetings of the Audit Committee were held on 30th May, 2016, 29th August, 2016, 14th November, 2016 and 18th February, 2017. The intervening gap between two Meetings did not exceed 120 days.

The attendance of the members at the meetings held during the year is asunder:

Sr. No.	Name	Designation	Position in Committee	No. of meeting attended during the year 2016.17
1.	Sachin Kansal	Non- Executive Independent Director	Chairman	04
2.	Asit Shah	Non- Executive Independent Director	Member	04
3.	Ritu Chaudary	Non- Executive Independent Director	Member	04

#### Nomination and Remuneration Committee:

The terms of reference of the Nomination and Remuneration Committee is as mentioned in the provisions of Section 178 of the Companies Act, 2013 read with Part D (A) of Schedule II and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The composition of the Committee is also in conformity with the said provisions.

The Nomination and Remuneration Committee of the Board of Directors of the Company consisted of three Directors viz. Mr. Sachin Kanwarlal Kansal, Mr. Asit Ramniklal Shah and Mrs. Ritu Vinodkumar Chaudary. All of them are Non-Executive Independent Directors of the Company. Mr. Sachin Kanwarlal Kansal is the Chairman of the Committee. The Company Secretary of the Company acts as Secretary to the Committee.

During the Financial Year 2016-17, one meeting of the Nomination and Remuneration Committee were held on 29th August, 2016.

The attendance of the members at the meetings held during the year is asunder:

Sr. No.	Name	Designation	Position in Committee	No. of meeting attended during the year 2016.17
1.	Sachin Kansal	Non- Executive Independent Director	Chairman	01
2.	Asit Shah	Non- Executive Independent Director	Member	01
3.	Ritu Chaudary	Non- Executive Independent Director	Member	01

#### Performance Evaluation Criteria for independent Directors:

A formal evaluation mechanism is in place for evaluating the performance of the Board, the Committees thereof, individual Directors and the Chairman of the Board. The evaluation was done based on the criteria which includes, among others, providing strategic perspective, Chairmanship of Board and Committees, attendance and preparedness for the meetings, contribution at meetings, effective decision making ability, role of the Committees etc. The Directors expressed their satisfaction with the evaluation process.

#### Remuneration to Directors:

Details of the Remuneration to the Managing Director and Executive Director for the year ended 31st March, 2017 are given below:

Name of Director	Designation	Salary(In ₹)	Commission (In ₹)
Gaurang Shah	Managing Director	2925000	Nil
Rupal Shah	Executive Director	2275000	Nil

Details of the Remuneration to the Non-Executive Directors for the year ended 31st March, 2017 are given below:

Name of Director	Sitting Fees (In ₹)	Commission (In ₹)	Total (In ₹)
Ritu Chaudary	Nil	Nil	Nil
Sachin Kansal	Nil	Nil	Nil
Asit Shah	Nil	Nil	Nil

#### Remuneration Policy:

The Company has adopted and implemented the Remuneration Policy devised in accordance with Section 178 of the Companies Act, 2013 which is available on the website of the Company [www.hecprojects.in](http://www.hecprojects.in)

#### Disclosure Regarding ESOP/ESOS:

During the year under review, the company does not provide any Stock options to the Directors of the Company.

#### Stakeholders Relationship Committee:

Pursuant to provision of Section 178 of the Companies Act, 2013 and Regulation 20 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, the Stakeholders Relationship Committee of the Board of Directors of the Company consists of Mr. Asit R. Shah, Mrs. Ritu V. Chaudary and Mr. Gaurang P. Shah. Mr. Asit R. Shah, a Non-Executive Independent Director, is the Chairman of the said Committee.

Ms. Jeel H. Patel, Company Secretary of the Company shall act as a Compliance Officer of the Company.

The Board of Directors of the Company reviews the stakeholders'/investors' grievances, if any at the end of every quarter. The terms of reference of the Committee is as mentioned in the provisions of Section 178 of the Companies Act, 2013 read with Regulation 20 and Part D (B) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

#### Investor Grievance Redressal Status:

The status of Investors' Complaints as on March 31, 2017, is as follows:

No. of complaints as on 1st April, 2016	0
No. of complaints received during the Financial Year 2016-17	0
No. of complaints resolved upto 31st March, 2017	0
No. of complaints pending as on 31st March, 2017	0

#### 4. Separate meeting of Independent Directors:

During the year under review, a Separate Meeting of Independent Directors was held on 17th March, 2017 inter alia, to discuss:

- Evaluation of the performance of the Board as a whole,
- Evaluation of the performance of the Chairman of the Company after taking in to account the views of the Executive Directors and Non-Executive Director.
- Access the quality, quantity and timeliness of flow of information between the management and the Board of Directors that is necessary for the Board to effectively and reasonably perform their duties.

The Independent Directors expressed satisfaction on the overall performance of the Directors and the Board as a whole.

## 5. Familiarisation Programme for Independent Directors:

Your company has conducted the familiarization program for Independent Directors of the Company. The program was designed to familiar the directors with their roles, rights, responsibilities in the company, nature of the industry in which the company operates, business model of the company etc.

The detailed familiarization programme for Independent Directors is available on the website of the company at [www.hecprojects.in](http://www.hecprojects.in).

## 6. General Body Meeting:

Details of Last three AGM and the summary of Special Resolutions passed therein are as under:

Financial Year	Date	Time	Location	Details of Special Resolution passed
2013-14	30th September, 2014	10:00 a.m.	Sigma 1 Corporates, Corporate House No. 6, SindhuBhavan Road, Nr. Mahan Party Plot Cross Road, Bodakdev, Ahmedabad-380054	Nil
2014-15	30th September, 2015	11:00 a.m.	Sigma 1 Corporates, Corporate House No. 6, SindhuBhavan Road, Nr. Mahan Party Plot Cross Road, Bodakdev, Ahmedabad-380054	<ul style="list-style-type: none"> <li>- To Borrow money u/s 180 (1)(a) by way of creating Charge</li> <li>- To Borrow money U/s 180 (1)(c) in the ordinary course of Business</li> <li>- To take Approval for Related Party Transaction</li> <li>- To Appoint Mr. Gaurang Shah as Managing Director and Fixing of its remuneration</li> <li>- To Appoint Mrs. Rupal Shah retires by rotation and Fixing of its Remuneration</li> </ul>
2015-16	24th September, 2016	11:00 a.m.	Sigma 1 Corporates, Corporate House No. 6, SindhuBhavan Road, Nr. Mahan Party Plot Cross Road, Bodakdev, Ahmedabad-380054	<ul style="list-style-type: none"> <li>- To Approve Related Party Transaction</li> </ul>

### Passing of resolution by Postal Ballot:

There was no Special Resolution passed through Postal Ballot during the financial year 2016- 17. None of the business proposed to be transacted at the ensuing Annual General Meeting require passing a resolution through Postal Ballot.

## 7. Means of Communication:

- **Financial Results:**

The Company has practice to disclose the financial results at the Website of the Company i.e. [www.hecprojects.in](http://www.hecprojects.in).

- **Website:**

In compliance of Regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate dedicated Section under ‘Investors’ on the Company’s website gives information on various announcements made by the Company, Annual Report, Half yearly and Annual financial results along with the applicable policies of the Company are also available on the Company’s website [www.hecprojects.in](http://www.hecprojects.in).

- **Stock Exchange:**

The Company makes timely disclosures of necessary information to the National Stock Exchange of India Limited in terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other rules and regulations issued by the SEBI.

- **NEAPS (NSE Electronic Application Processing System):**

NEAPS is a web-based application designed by NSE for corporates. All periodical compliance filings, inter alia, financial results, shareholding pattern, corporate announcements, amongst others are in accordance with the SEBI (LODR) Regulations, 2015 filed electronically.

## 8. General Shareholder information:-

a.	<b>12<sup>th</sup> Annual General Meeting: Day, Date &amp; Time Venue</b>	Friday, 29 <sup>th</sup> September, 2017 on 11:00 a.m. Sigma 1 Corporates, Corporate House no. 6, Nr. Mahan Party Plot, Sindhu Bhvan Road, Bodakdev, Ahmedabad- 380054.
b.	<b>Financial Year</b>	1 <sup>st</sup> April, 2016 to 31 <sup>st</sup> March, 2017
c.	<b>Dividend Payment Date</b>	on or after 4 <sup>th</sup> October, 2017 (Subject to approval of the Shareholder)
d.	<b>Name &amp; Address of Stock Exchange</b>	National Stock Exchange of India Limited (Emerge Platform) Exchange Plaza, Plot no. C/1, G Block, Bandra-Kurla Complex, Bandra (E), Mumbai-400051.
e.	<b>Payment of Listing Fees</b>	Annual Listing Fees for the year 2017-18 has been paid by the Company to NSE
f.	<b>Symbol and Series</b>	NSE Ltd (Emerge SME Platform) Symbol –HECPROJECT Series- SM
g.	<b>Registrar and Transfer Agent:</b>	Cameo Corporate services Limited Subramanian Building No.1, Club House Road, Chennai-600002, Tamilnadu. Tel: +91-44-28460390, Fax: +91-44-28460129 E-mail: <a href="mailto:cameo@cameoindia.com">cameo@cameoindia.com</a>
h.	<b>Outstanding ADRs/ GDRs/ Warrants/ Convertible instruments and their impact on equity</b>	None
i.	<b>Plant Location</b>	Not Applicable

<b>j.</b>	<b>Address for Correspondence:</b>	HEC INFRA PROJECTS LIMITED CIN: L45200GJ2005PLC046870 Sigma 1 Corporate, Corporate House No. 6, Sindhu Bhawan Road, Nr. Mahan Party Plot Crossroad, Bodakdev, Ahmedabad-380 054. Tel No: +91-79-40086771 - 74; Fax No.: +91-79-40086771; E-mail: elect@hecproject.com
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**(k)** Market price data-the monthly high and low Prices of the Company's shares at NSE SME Platform for the year ended on 31st March, 2017:

Sr. No.	Month(s)	High price	Low Price	Volume
1.	April, 2016	101	68	61200
2.	May, 2016	119.1	99.5	49200
3.	June, 2016	112	103	30000
4.	July, 2016	113.75	109	12000
5.	August, 2016	109	109	1200
6.	September, 2016	108	92	3600
7.	October, 2016	107.8	81.25	8400
8.	November, 2016	89	84	3600
9.	December, 2016	83	81	6000
10.	January, 2017	78	76	2400
11.	February, 2017	76.2	76	2400
12.	March, 2017	117.95	79.5	45600

[Source: NSE website]

**(l) Share Transfer System:**

The Company's shares being in compulsory demat list, are transferable through the depository system. M/s Cameo Corporate Services Limited, the Registrar & Transfer Agents of the Company undertakes all the shares & dividend related work of the shareholders of the Company.

**(m) Distribution of Shareholding as on 31st March, 2017:**

Distribution (Slab)	No. of Share Holders		Holdings	
	Number	%	Number	%
10-5000	6	5.31	6000	0.0295
5001-10000	0	0.00	0	0.00
10001-20000	64	56.64	768000	3.79
20001-30000	12	10.62	286180	1.41
30001-40000	5	4.42	180000	0.89
40001-50000	6	5.31	281320	1.39
50001-100000	7	6.19	492000	2.43
100001-And Above	13	11.50	18262820	90.07

**Shareholding Pattern as on 31st March, 2017:**

Category	No. of Shareholders	No. of Shares held	%
<b>A) Promoters and Promoter Group</b>			
Individual	5	1394932	68.78
Body Corporate	1	93500	4.61
<b>Total Shareholding of Promoter &amp; Promoter Group (A)</b>	<b>6</b>	<b>1488432</b>	<b>73.41</b>
<b>B) Public Shareholding</b>			
<b>Institutions</b>			
Market Maker	1	82800	4.08
<b>Non-Institutions</b>			
Body Corporate	7	129600	6.39
Individual	90	318400	15.71
Hindu Undivided Family	6	8400	0.41
<b>Total Public Shareholding (B)</b>	<b>104</b>	<b>539200</b>	<b>26.59</b>
<b>Total Shareholding (A+B)</b>	<b>110</b>	<b>2027632</b>	<b>100</b>

**(n) Dematerialization of Shares and liquidity:**

The Shares of the Company are compulsorily tradable in dematerialized form through both the Depository Systems in India viz. National Securities Depository Limited(NSDL) and Central Depository Services (India) Limited(CDSL). A total number of 20,27,632 Equity Shares of the Company constituting over 100.00% of the issued, subscribed and paid-up share capital were held in dematerialized form as on 31st March, 2017.

**9. Other Disclosure:****i. Disclosures on materially significant related party transactions that may have potential conflict with the interests of listed entity at large:**

All transaction entered into by the Company with related parties, during the financial year 2016-17, were in ordinary course of business and on arm's length basis. 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 Companies Act, 2013 read with the Rules issued thereunder and Regulation 23 of the SEBI (Listing Obligations and Disclosure Regulations) Regulations, 2015.

The Audit Committee, during the financial year 2016-17, has reviewed Related Party Transactions along with granting omnibus approval in line with the Policy of dealing with Related Party Transactions and the applicable provisions of the Companies Act, 2013 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).

**ii. Details of non-compliance by the listed entity, penalties, and strictures imposed on the listed entity by stock exchange(s) or the Board or any statutory authority on any matter related to capital markets during the last three years:**

No strictures or penalties have been imposed on the Company by the Stock Exchange or by the securities and Exchange Board of India or by any other statutory authorities on any matter related to capital markets, during the last three years.

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

In conformity with the requirements of Section 178 of the Companies Act, 2013, the Company has devised vigil mechanism and has formal whistle blower policy under which the Company takes cognizance of complaints made by the employees and others. No employee of the Company/ no other person have been denied access to the Audit Committee of the Board of Directors of the Company. During the year under review, no complaints have been received from any whistle blower. The Whistle Blower Policy of the Company has been posted on the website of the company and is available at [www.hecprojects.in](http://www.hecprojects.in).

**iv. Details of compliance with mandatory requirements:**

The Company has complied with all the mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 relating to Corporate Governance.

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

[http://www.hecprojects.in/files/6Related\\_Party\\_Transaction\\_Policy.pdf](http://www.hecprojects.in/files/6Related_Party_Transaction_Policy.pdf)

**10. Code of Conduct:**

The Company has adopted a Code of Conduct for all employees including the members of the Board and Senior Management Personnel. All members of the Board and Senior Management Personnel have affirmed compliance with the said Code of Conduct for the financial year 2016-17. The declaration to this effect signed by Mr. Gaurang Shah, Chairman & Managing Director of the Company forms part of this Report.

**11. CEO/CFO Certification:**

As required under Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the CEO/CFO certificate for the financial year 2016-17 signed by Mr. Pannalal Jatashanker Surti, Chief Finance Officer of the Company forms part of this report.

**12. Disclosures with respect to Demat suspense account/ unclaimed suspense account : Not Applicable**

13. The Company ensures dissemination of applicable information under Regulation 46 of the SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015 on the Company's website [www.hecprojects.in](http://www.hecprojects.in).

## Declaration

As provided under the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015, the Board of Directors and the Senior Management Personnel of HEC Infra Projects Limited have confirmed compliance with the Code of Conduct for the year ended 31st March, 2017.

Place: Ahmedabad  
Date: 02/09/2017

**Gaurang Shah**  
Chairman & Managing Director

## CFO Certification

I, **Pannalal Jatashanker Surti**, Chief Finance Officer certify to the Board That,

- A. I have reviewed financial statements and the cash flow statement for the year and that to the best of their knowledge and belief :
  - 1. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - 2. These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. To the best of my knowledge and belief, no transactions entered into by the company during the years which are fraudulent, illegal or violative of the company's code of conduct.
- C. I accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and they have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.
- D. I have indicated to the auditors and the Audit committee that:
  - 1) There has not been any significant changes in internal control over financial reporting during the year;
  - 2) There has not been any significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - 3) There has not been any instance during the year of significant fraud of which I have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

Date: 27/05/2017  
Place: Ahmedabad

**Pannalal J. Surti**  
Chief Finance Officer

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## Management Discussion and Analysis Report:

### Company Overview:

HEC Infra Projects Limited is a leading Engineering, Procurement & Construction Company (EPC) Contractor in the Electro-Mechanical and Instrumentation Projects, offering multidisciplinary services in the area of Engineering Construction having its registered office at Ahmedabad, Gujarat, India. The Company is in the field of execution for all kind of Electro-Mechanical contracting work from last 18 years.

We have highly qualified management graduates with engineering background and ably supported by dedicated professionals, engineers & executives with very wide & rich experience in installation, commissioning, project execution & plant operation & maintenance works. We believe in Total Quality Management and have its well established quality systems with ISO 9001:2015 certification.

The Company provides wide range of Services in the field of Electrical Engineering for H.T. and L.T. power installation. We have worked for many projects (up to 220KV) catering to industries like steel, Chemical, Cement, Refineries, Petrochemicals, Gas & Oil Sector, Textile, Pharmaceuticals, Power-generation Plants, Ports, Commercial Centers, Banks, Malls, Multiplexes, Call Centers, Software Park & SEZ. We have successfully executed different project orders related to lighting Installation, Computer Networking, Fire Alarm System, Door Access Control, CCTV Control, and PA System Including BMS. The Company is having a wide experience in the Mechanical & Installation work related to water management segments including wireless telemetry based centralized SCADA system for monitoring & controlling of different locations.

### Overview of Economy:

The financial year 2016-17 has been a year marked with both excitement and challenges for the global as well as the Indian economy. Some of the events that took place during the course of this year could very well turn out to be the defining moments for the world economy at large. The sheer scale and swiftness with which the Indian Government demonetized almost 86% of the 500 and 1000 rupee currency notes in circulation in November 2016 is one such event. India is emerged as the fastest growing major economy in the world as per the Central Statistics Organization (CSO) and International Monetary Fund (IMF). The Government of India has forecasted that the Indian economy will grow by 7.1 per cent in FY 2016-17. As per the Economic Survey 2016-17, the Indian economy should grow between 6.75 and 7.5 per cent in FY 2017-18. Coming at a time when the Indian economy was just beginning to look up on the back of positive sentiments from private consumption and normal monsoon, the cash shortage and payment disruptions caused by demonetization, strained the consumption and business activity for a major part of the second half of the year. Consequently, GDP growth for the year is expected to be almost 1% lower at 6.7% than that in the previous year. Capital investments still remain stagnant with an overhang of spare capacity in many industries and corporate balance sheets still remain stretched hindering their ability to invest on any future uptick in demand. Merchandise exports continued to contract, partly as a result of the lower commodity prices as well as due to the weak global demand.

On the fiscal front, the position is expected to be much better with the Government expected to meet its fiscal deficit target at 3.5% of GDP and the current account deficit narrowing down further to about 1.1% of

GDP. Inflation, though inching up in the last few months, also stayed below the RBI's target of 5%, leading to an accommodative monetary policy for most part of the year. The Indian rupee stayed relatively stable this year, trading in a range of 66-67 to USD for most part of the year before seeing a sharp appreciation during the close of the financial year.

It was also encouraging to see the Government move ahead on clearing the legislative hurdles for the implementation of the Goods and Services Tax (GST), touted as the biggest tax reform for the country. The GST will create a common Indian market, improve tax compliance and governance, and boost investment and growth; it is also a bold new experiment in the governance of India's cooperative federalism. From the second quarter of the financial year the GST will be implemented although uncertainties remain around the design as well as readiness of the entire economy to implement this structural change.

#### **Overview of EPC Electro-Mechanical Sector:**

The Indian Engineering sector has witnessed a remarkable growth over the last few years driven by increased investments in infrastructure and industrial production. The engineering sector, being closely associated with the manufacturing and infrastructure sectors, is of strategic importance to India's economy.

India on its quest to become a global superpower has made significant strides towards the development of its engineering sector. The Government of India has appointed the Engineering Export Promotion Council (EEPC) as the apex body in charge of promotion of engineering goods, products and services from India. India exports transport equipment, capital goods, other machinery/equipment and light engineering products such as castings, forgings and fasteners to various countries of the world.

India became a permanent member of the Washington Accord (WA) in June 2014. The country is now a part of an exclusive group of 17 countries who are permanent signatories of the WA, an elite international agreement on engineering studies and mobility of engineers.

The capital goods & engineering turnover in India is expected to reach US\$ 125.4 billion by FY17.

India exports its engineering goods mostly to the US and Europe, which accounts for over 60 per cent of the total exports. Recently, India's engineering exports to Japan and South Korea have also increased with shipments to these two countries rising by 16 and 60 per cent respectively. Sri Lanka, Nepal and Bangladesh have also emerged as the major destinations for India's engineering exports.

According to data from the Engineering Export Promotion Council of India, engineering exports from India grew 11.33 per cent year-on-year to reach US\$ 65.23 billion in FY 2016-17.

#### **ENGINEERING SERVICES:**

- **TRANSMISSION PROJECTS:**

The Company has core strength of handling transmission Projects which provides Comprehensive engineering solutions in EPC projects from procurement to construction services in areas of Switchyard, Overhead Transmission Line, and Underground cable laying. The Company has a wide experience for execution of projects on Turnkey basis for Extra High Voltage Transmission line, Air insulated and Gas insulated substations up to 400KV, Smart distribution sub-station up to 33 KV and SCADA systems. The

Company has a capacity of Switchyard up to 220 KV, Overhead transmission line up to 220 KV, and underground cable laying up to 66 KV. The Company has also having a Special expertise in the sub-station up to 220 KV.

- **WATER PUMPING STATIONS:**

Company executes project on turnkey basis involving mechanical, electrical instrumentations in government, private and industrial pumping schemes. HEC has tie up with many international companies for pumps. In house manufacturing of pumps, motors, HT panels, and LT panels gives added advantage to end clients as all services are catered under one roof. We can execute pumping and Hydra projects with single unit upto 13MW and switchyard from 11KV to 110 KV. More than 120 projects have been commissioned under HEC.

- **SOLAR:**

HEC provides end solution EPC (Engineering procurement and construction) in PV solar plants in India and overseas. Installation of medium/large scale grid solar power plants. The Company provides services starting from planning stage till project completion, guiding customers in government policy issues, land procurement issues, subsidiary and approvals for solar plants. HEC also provides roof top solar solutions in Solar PV solution with and without battery backup and Jakson rooftop solution for specific requirements for any type of roof top such as flat concrete rooftop, metallic rooftop, inclined and tiled rooftop.

- **LIGHTING:**

The Company provides EPC for both indoor and outdoor lighting solutions. Airports, hotels, industrial plants, Hospitals etc. are the sectors in which the company has provided the lighting solutions. The Company has an EPC team which is highly efficient and capable for indoor and outdoor jobs, especially in the field of outdoor lighting. We provide all types of outdoor lighting options including Solar Lighting, Smart Street Lighting, Industrial Plant Lighting, River Front Lighting, Highway Lighting, etc.

- **ELV (Extra low voltage) SYSTEMS:**

The Company provides ELV Systems to complete the building under EPC Contracts. We have a vast experience in Supply and install complete electrical infrastructure and systems to the highest standard-right down to the system which operates on extra low voltage (ELV) such as CCTV, Access Control, Fire Detection/ alarm, Data Networks, EPBAX, Background Music System and Voice Evacuation System, HVAC work, Building Management System and Satellite/ TV Distribution.

**Risk & Concern:**

Risks are integral to business. At industries, risk management encompasses an organized and coherent process of identifying, assessing and managing the existing and potential risks in a planned manner. The management strives hard to balance business risks and opportunities and analyses potentially negative or positive outcomes. The risk management function is integral to the company and its objectives includes ensuring that critical risk are identified continuously, monitored and managed effectively in order to protect the company's business.

However, the changes in the tax laws, Government policies and regulatory requirement might affect the

company's business. Uncontrolled variation in price of input materials could impact the company's profitability to the extent that the same are not absorbed by the market through price increase and / or could have a negative impact on the demand in the market.

The company is operating in highly competitive market. The management has already taken initiatives in advance for mitigating the above mentioned risk and concerns/challenges.

#### Internal Control System and their adequacy:

The Company has a well placed proper and adequate internal control system commensurate with the size and nature of its business. The primary objective of the internal control system is to ensure that all its assets are safeguarded and protected and prevent any revenue leakage and losses to the Company. The Company has proper system of checking and/or review of functioning of the employees. The external auditor and internal auditors of the company carries out periodical review of the functioning and suggest changes if required. The Company has also a sound budgetary control system with frequent reviews of actual performance as against those budgeted.

The Audit Committee of the Board meets periodically to review various aspects of performance of the Company and also reviews the adequacy and effectiveness of the internal control system and suggests improvement for strengthening them from time to time. External Auditor also attends the Meeting and conveys their views on the business process and also of the policies of financial disclosures. When found necessary, the Committee also gives suggestions on this matter.

#### Financial Performance:

The Financial year 2016-17 has been very challenging for the company and financial performance was severally affected. The turnover of the Company has declined by 27.56 % to ₹ 8399.71 Lakhs but the Profit before tax has increased by 22.91% to ₹ 484.36 Lakhs and Profit after tax has increased by 24.02 % to ₹ 316.29 Lakhs.

(₹ in lakhs)

Particulars	2016-17	2015-16
Income From operations	8399.71	11595.05
Other Income	84.98	81.08
Total Revenue	8484.68	1167.61
Purchase of Stock-in-Trade	4846.48	7119.23
Changes in Inventories of Finished Goods, WIP and Stock-in-Trade	243.01	1467.65
Employee Benefit Expenses	336.11	330.57
Other Expenses	2222.04	1528.38
Total Expenditure	7647.64	11280.91
EBIDT	837.04	395.22
Finance Cost	320.66	313.25
Depreciation and Amortization	31.96	31.92
Profit Before Extraordinary Item and Tax	484.42	395.22
Extraordinary Items	0.06	1.15
Profit Before Tax	484.36	394.07
Net Tax Expenses	168.07	139.05
Profit for the year	316.29	255.02

**Opportunity and Threat:****Opportunity:**

- Growth Rate & Profitability
- Indian Industry are looked for and outsourcing destination by Global Market
- Industry Shows a Positive demands by way of
- New trend can increase market size

**Threat:**

- Exposure to global market is the key threat in terms of competitive scenario
- Rising cost of Raw material hampers affect the cost efficiency
- Changes in Government Regulations and policy
- Bargaining power of suppliers is high

**Human Resource:**

The Company strongly believes in maintaining a cordial relationship with its employees and keeps its employees updated with the latest breakthroughs made by Company. The management strongly continued to pursue towards maintaining a healthy workplace environment, and firmly believes that human resources in Company should continue to retain trust in the Company. For technical advancement in the fields in which the Company has business interests, it takes extra efforts to give advanced training to employees from various business verticals. As on 31st March, 2017 your Company has 51 employees on rolls.

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## INDEPENDENT AUDITOR'S REPORT

To  
The Members of  
HEC INFRA PROJECTS LIMITED

### Report on the Financial Statements

We have audited the accompanying financial statements of HEC INFRA PROJECTS LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance 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, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the 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 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.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

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

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of the

financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2017 and its profit and its Cash Flows for the year ended on that date.

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

1. As required by the Companies (Auditor's Report) Order, 2016 ("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- "A" , a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable to the company.
2. 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 purpose of our audit;
  - b) In our opinion, proper books of account as required by law relating to preparation of the financial statements 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, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, as applicable.
  - e) On the basis of written representations received from the directors as on 31st March, 2017 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017, 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 over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in Annexure- "B" and
  - 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, in our opinion and to our best of our information and according to the explanations given to us:-

- i. The company did not have any pending litigations which could impact its financial position in its financial statements;
- ii. The company did not have any long term contracts including derivative contracts for which there were any material Foreseeable losses.
- iii. There were no amounts which are required to be transferred to the Investor Education and Protection Fund by the company.
- iv. The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in specified Bank Notes during the period from 8th November 2016 to 30th December 2016. Based on audit procedures and relying on the management representation, we report that. The disclosures are in accordance with the books of accounts maintained by the company and as produced by the management.

**For PARTH P SHAH & CO  
CHARTERED ACCOUNTANTS  
[FRN: 141540W]**

**Place: Ahmedabad  
Date: 27/05/2017**

**(PARTH SHAH)  
Proprietor  
Membership No: 167721**

**ANNEXURE –‘A’ TO THE INDEPENDENT AUDITORS’ REPORT**

(Referred to in paragraph 1 under ‘Report on Other Legal and Regulatory Requirements’ section of our Report of even date)

(i) In respect of its Fixed Assets:-

- (a) In our opinion, the company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) All fixed assets have been physically verified by the management at end of the year. No material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regards to the size of the company and the nature of its assets.
- (c) According to the information and explanation given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the company.

(ii) In respect of its inventories:-

The inventory has been physically verified by the management at reasonable intervals during the year. The discrepancies noticed during the physical verification of inventories as compared to book records were not material and have been properly dealt with in the books of account.

- (iii) According to information and explanation given to us, the company has not granted any loans, secured or unsecured to companies, firms, LLPs or other parties covered in the register maintained U/s 189 of the act. Accordingly para 3(iii) of the order is not applicable.
- (iv) In our opinion and according to information and explanation given to us, Provisions of section 185 and section 186 are not applicable to the company.
- (v) The company has not accepted any deposits from public. Accordingly para 3(v) of the order is not applicable.
- (vi) The central government has not prescribed the maintenance of cost records under section 148(1) of the act, for any of the services rendered by the company.
- (vii)
  - (a) According to the information and explanations given to us, during the year, The company is generally regular in depositing undisputed statutory dues including Provident Fund, Employees’ State Insurance, Income Tax, Sales Tax, Service Tax, Valued added tax, duty of Customs, duty of Excise, Cess and other material statutory dues applicable to it with the appropriate authorities.
  - (b) According to the information and explanations given to us, there are no dues of income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax or cess, which have not been deposited on account of any dispute,.
- (viii) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of loans or borrowings to banks. The company does not have any loans or borrowings from financial institutions or government, nor has it issued any debentures as at the

balance sheet date.

- (ix) The company has not raised any money by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of clause 3(ix) of the order are not applicable to the company.
- (x) To the best of our knowledge and according to the information and explanations given to us, we report that no fraud by or on the company by its officers and employees has been noticed or reported during the year
- (xi) According to the information and explanation given to us and based on examination of the records of the company, the Company has paid / provided for managerial remuneration in accordance with requisite approvals mandated by the provisions of section 197 read with schedule V of the Act.
- (xii) In our opinion and according to the information and explanation given to us, the company is not a nidhi Company. Accordingly, paragraph 3(xii) of the order is not applicable.
- (xiii) According to the information and explanation given to us and based on our examination of the records of the company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanation given to us and based on our examination of the records of the company, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) In our opinion and according to the information and explanation given to us, during the year, the company has not entered into non-cash transactions with its directors or persons connected with him. Accordingly paragraph 3(xv) of the order is not applicable.
- (xvi) The company is not required to be registered under section 45 IA of Reserve Bank of India Act, 1934.

**For PARTH P SHAH & CO**  
**CHARTERED ACCOUNTANTS**  
**[FRN: 141540W]**

**Place: Ahmedabad**  
**Date: 27/05/2017**

**(PARTH SHAH)**  
**Proprietor**  
**Membership No: 167721**

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## ANNEXURE-B TO THE AUDITOR'S REPORT

Report on the internal Financial Controls under clause (i) of sub section 3 of Section 143 of the companies Act, 2013 ("the Act')

In conjunction with our audit of the financial statements of the company as of and for the year ended 31st March, 2017, we have audited the internal financial controls over financial reporting of Company which is incorporated in india, as of that date.

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

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal financial control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on the company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by ICAI and the standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of 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 institute of Chartered Accountants of India. Those Standards and Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our Audit involves performing procedures to obtain audit evidence about the adequacy of internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide basis for our audit opinion on the Company's internal financial control system over financial reporting.

**Meaning of Internal Financial Controls over financial Reporting**

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purpose in accordance with generally accepted accounting principles. A Company's internal financial controls over financial reporting includes those policies and procedures that

- (1) Pertain to the maintenance of records that, in reasonable detail; accurately and fairly reflect the transactions and disposition of 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 authorizations of management and directors of the Company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or deposition of Company's assets that could have a material effect on the financial statements.

**Internal Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the company, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For PARTH P SHAH & CO  
CHARTERED ACCOUNTANTS  
[FRN: 141540W]**

**Place: Ahmedabad  
Date: 27/05/2017**

**(PARTH SHAH)  
Proprietor  
Membership No: 167721**

BALANCE SHEET AS AT 31<sup>st</sup> March, 2017

(Amount in ₹)

PARTICULARS	Notes	As at 31st March, 2017	As at 31st March, 2016
<b>EQUITY AND LIABILITIES :</b>			
<b>Shareholder's Funds</b>			
(a) Share Capital	2	20,276,320	20,276,320
(b) Reserves and Surplus	3	209,160,293	179,972,005
		<b>229,436,613</b>	<b>200,248,325</b>
<b>Non-Current Liabilities</b>			
(a) Long Term Borrowings	4	46,687,444	40,077,212
(b) Deferred Tax Liability (Net)		2,628,192	2,820,822
(c) Other Long Term Liabilities	5	601,200	601,200
(d) Long Term Provisions		2,848,973	2,094,996
		<b>52,765,809</b>	<b>45,594,230</b>
<b>Current Liabilities</b>			
(a) Short Term Borrowings	6	177,822,622	131,200,831
(b) Trade Payables	7	246,883,560	279,475,635
(c) Other Current Liabilities	8	4,541,301	4,820,570
(d) Short Term Provisions	9	5,495,308	0
		<b>434,742,791</b>	<b>415,497,036</b>
<b>TOTAL.....</b>		<b>716,945,213</b>	<b>661,339,591</b>
<b>ASSETS :</b>			
<b>Non-current Assets :</b>			
(a) Fixed Assets :			
(i) Tangible Assets	10	25,226,616	27,334,293
(ii) Intangible Assets		0	0
(iii) Capital Work-in-progress		0	0
(iv) Other Non Current Assets	11	145,973,734	87,100,838
(b) Non-current Investments		0	0
		<b>171,200,350</b>	<b>114,435,131</b>
<b>Current Assets :</b>			
(a) Inventories	12	30,561,225	54,862,538
(b) Trade Receivables	13	332,994,999	304,810,058
(c) Cash and Cash Equivalents	14	55,236,058	25,610,064
(d) Other Current Assets	15	126,952,581	161,621,800
		<b>545,744,863</b>	<b>546,904,460</b>
<b>TOTAL.....</b>		<b>716,945,213</b>	<b>661,339,591</b>

The accompanying notes are an integral part of accounts.

Significant Accounting Policies

1

Notes to Balance Sheet and Statement of Profit and Loss Account

2 - 27

As per our report of even date attached.

**FOR, PARTH P. SHAH & CO**Chartered Accountants,  
FRN:141540W**FOR & On behalf of Board of  
HEC INFRA PROJECTS LIMITED****(PARTH P. SHAH)**  
PROPRIETOR  
Mem. No. 167721**(GAURANG SHAH)**  
MANAGING DIRECTOR**(RUPAL SHAH)**  
DIRECTORPlace : Ahmedabad  
Date : 27.05.2017**(P J SURTI)**  
CFO**(JEEL PATEL)**  
COMPANY SECRETARY

**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31<sup>st</sup> March,2017**

(Amount in ₹)

PARTICULARS	Notes	For the year ended 31st March, 2017	For the year ended 31st March, 2016
I Revenue from Operations	16	839,970,727	1,159,504,988
II Other Income	17	8,498,214	8,108,339
<b>II Total Revenue (I + II)</b>		<b>848,468,941</b>	<b>1,167,613,327</b>
<b>IV Expenses :</b>			
(a) Purchase of Stock-in-Trade		484,647,995	711,922,545
(b) Changes in Inventories of Finished Goods, Work-in-progress and Stock-in-Trade	18	24,301,313	146,765,103
(c) Employee Benefit Expense	19	33,610,900	33,057,442
(d) Financial Costs	20	32,066,249	31,324,981
(e) Depreciation and Amortization Expense		3,195,548	3,191,680
(f) Other Expenses	21	222,204,355	201,829,269
<b>Total Expenses</b>		<b>800,026,360</b>	<b>1,128,091,020</b>
V Profit before Exceptional and Extraordinary items and tax		<b>48,442,581</b>	39,522,307
VI Exceptional Items		0	0
VII Profit before extraordinary items and tax		<b>48,442,581</b>	39,522,307
VIII Extraordinary Items		6,501	115,645
<b>IX Profit before Tax</b>		<b>48,436,080</b>	<b>39,406,662</b>
X Tax Expense :			
(1) Current tax		17,000,000	14,000,000
(2) Deferred Tax (Liability Reversed)		(192,630)	(95,663)
XI Profit/(Loss) from the period from continuing operations		<b>31,628,710</b>	25,502,325
XII Taxation in respect of the Earlier Years / (Written back)		0	0
<b>XIII Profit/(Loss) for the period</b>		<b>31,628,710</b>	<b>25,502,325</b>
XIV Earning per Equity Share Of Rs. 10/- each (P. Y : Rs. 10/-)	22		
(1) Basic		15.60	17.01
(2) Diluted		15.60	17.01

The accompanying notes are an integral part of accounts.

Significant Accounting Policies

Notes to Balance Sheet and Statement of Profit and Loss Account

As per our report of even date attached.

**FOR, PARTH P. SHAH & CO**

 Chartered Accountants,  
FRN:141540W

**(PARTH P. SHAH)**

 PROPRIETOR  
Mem. No. 167721

Place : Ahmedabad

Date : 27.05.2017

**FOR & On behalf of Board of  
HEC INFRA PROJECTS LIMITED**
**(GAURANG SHAH)**  
MANAGING DIRECTOR

**(RUPAL SHAH)**  
DIRECTOR

**(P J SURTI)**  
CFO

**(JEEL PATEL)**  
COMPANY SECRETARY

**Cash Flow Statement for the year ended on 31<sup>st</sup> March, 2017**
**(Amount in ₹)**

PARTICULARS	For the Year ended 31st March, 2017	For the Year ended 31st March, 2016
<b>A Cash flow from Operating Activities</b>		
Net Profit Before Tax	48436080	39406662
Adjustment for:		
Depreciation	3195548	3191680
Interest Paid (Net)	32066249	31324981
Dividend Paid	(2027632)	(2027632)
Tax On Dividend	(412790)	(412790)
(profit)/Loss On Sale Of Fixed Assets	16348	50725
Gratuity Provision	753977	490919
Account Written Off	0	0
Excess Depreciation Written Back	6501	0
Prior Period Expenses/(Income)	0	0
Rent Received	(3480348)	(3180348)
Interest Income	(3598020)	(4300020)
Operating Profit before Working Capital Changes	74955913	64544177
Adjustment for:		
(Increase)/Decrease in Inventories	24301313	146765103
(Increase)/Decrease in Trade Receivables	(28184941)	(41023947)
(Increase)/Decrease in Other Current Assets	34669219	33351890
Increase/(Decrease) in Trade Payables	(32592075)	(142589607)
Increase/(Decrease) Other Current Liabilities	46149892	(59698893)
Increase/(Decrease) Short term provisions	5495308	(4386557)
Cash Generated from Operation	124794629	(3037834)
Direct Tax	16807370	13904337
<b>Net Cash flow from Operating Activities (A)</b>	<b>107987259</b>	<b>(16942171)</b>
<b>B Cash flow from Investing Activities</b>		
Purchase of Fixed Assets including capital Work in Process(Net)	(1123720)	(998142)
Sale of Fixed Assets	13000	310000
Rent Received	3480348	3180348
Proceeds From Sale Of Long Term Investment	0	0
<b>Net Cash flow from Investing Activities (B)</b>	<b>2369628</b>	<b>2492206</b>
<b>C Cash flow from Financing Activities</b>		
Proceeds From Issue of Share Capital	0	53880000
Proceeds From Borrowings	6610232	(5847600)
Purchase Of Other Non-Current Assets	(58872896)	(2012702)
Interest Paid	(32066249)	(31324981)
Interest Income	3598020	4300020
<b>Net Cash flow from Financing Activities (C)</b>	<b>(80730893)</b>	<b>18994737</b>
Net Increase in cash & Cash Equivalents [(A)+(B)+(C)]	29625994	4544778
Opening Balnce - Cash & Cash Equivalents	25610064	21065286
Closing Balnce - Cash & Cash Equivalents	55236058	25610064
	0	0

**Notes to the Cash flow Statement :**

- All figures in bracket are Outflow.
- The above Cash flow statement has been prepared under the ' Indirect method ' as sent out in Accounting Standard 3 on "Cash Flow Statement" issued by "The Institute of Chartered Accountant of India ".

**FOR, PARTH P. SHAH & CO**  
Chartered Accountants,  
FRN:141540W

**FOR & On behalf of Board of**  
**HEC INFRA PROJECTS LIMITED**

**(PARTH P. SHAH)**  
PROPRIETOR  
Mem. No. 167721

**(GAURANG SHAH)**  
MANAGING DIRECTOR

**(RUPAL SHAH)**  
DIRECTOR

**Place : Ahmedabad**  
**Date : 27.05.2017**

**(P J SURTI)**  
CFO

**(JEEL PATEL)**  
COMPANY SECRETARY

## NOTE 1 : SIGNIFICANT ACCOUNTING POLICIES

### Corporate Information :

HEC Infra Projects Limited is a public company incorporated in India. Its shares are listed on the emerge platform of the National Stock Exchange of India. The Company is engaged in the electrification services...

The significant accounting policies followed by the company are as stated below:

#### 1. 1 Accounting Policies

The financial statements of the company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the Companies (Accounts) Rules 2014 and the relevant provisions of the Companies Act, 2013. The financial statements have been prepared on an accrual basis and under the historical cost convention. The Accounts are prepared on historical cost convention and materially comply with the mandatory accounting standards issued by Institute of Chartered Accountants of India.

All the assets and liabilities have been classified as current or non current as per the company's normal operating cycle and other criteria set out in schedule III to the companies act, 2013.

#### 1.2 Use of estimates

The preparation of Financial Statements requires management to make assumptions that may affect reported amounts of assets and liabilities, the disclosure of contingent liabilities on the date of financial and the reported amounts of revenues and expense. Actual results could differ from those estimates. Any revisions to accounting estimates are recognized prospectively in current and future projects.

#### 1.3 Inventory Valuation

Inventories are valued at cost or net realizable value whichever is lower. Cost of materials is ascertained on FIFO method.

#### 1.4 Fixed Assets

(a) Fixed asset are stated at cost of acquisition or construction less accumulated depreciation and impairment losses, if any. The cost of an item of tangible fixed assets comprises its purchase price, including import duties and other non-refundable taxes or levies and any attributable costs of bringing the asset to its working condition for intended use. Any trade discount and rebates are deducted in arriving at the purchase price.

(b) Advance paid towards acquisition of tangible fixed assets outstanding at each Balance Sheet date, are shown under long-term loans and advances and cost of assets not ready for intended use before the year end, are shown as capital work-in-progress. All costs relating to the acquisition and installation of fixed assets are capitalised until the asset is ready for use.

#### c) Depreciation

Depreciation on Fixed Assets is provided on Straight Line Method (SLM) and is systematically allocated over the useful life of an asset as specified in part C of Schedule II of The Companies Act, 2013. In respect of Assets costing less than Rs. 5,000/- the rate of depreciation is taken as 100%. Depreciation is computed pro-rata with reference to the number of months of use during the year.

#### 1.5 Borrowing Costs

Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

#### 1.6 Revenue Recognition

Revenue of operating Income is recognized on accrual basis if there is reasonable certainty of its ultimate realization / collection. In respect of rent Income, revenue is recognised on accrual basis except in case where ultimate collection is considered doubtful.

#### 1.7 Investments

Investments intended to be held for more than a year are classified as long term investments. All other investments are classified as current investments. Long term investments are stated at cost. However provision (if any) for diminution is made to recognize any decline, other than temporary, in the value of investments. Current investments are stated at lower of cost or market value

on an individual investment basis.

Current Investments are carried at lower of cost and quoted / fair value, computed category wise. Long Term Investments are stated at cost. Provision for diminution in the value of long-term investments is made only if such a decline is other than temporary in the opinion of the management.

### **1.8 Accounting for employee benefits**

#### **(a) Defined Contribution Plan**

As per applicable laws the eligible employees of the company are entitled to receive benefits under the provident fund, a defined contribution plan, in which both employees and company make monthly contribution at specified percentage of the covered employee salary. The contributions as specified under the law are paid to the respective provident fund authorities as specified by law as per the scheme framed under the governing laws.

#### **(b) Defined Benefit Plan:**

The company has not formulated any specific terms of employment providing for specific requirement benefits. However as per applicable laws, the company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees at retirement, death/disablement while in employment or termination of employment, of an amount equivalent to 15 days salary with reference to the number of completed year of service and last drawn salary. The liability in respect of Gratuity is recognised in accordance with Project Unit Credit Method.

### **1.9 Tax Expense**

(a) Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the income tax act, 1961. Deferred tax is recognized, subject to consideration of prudence, on timing differences, being the difference between taxable incomes and accounting incomes that originate in one period and is capable of reversal in one or more subsequent periods.

(b) Deferred tax is measured based on the tax rate and the tax laws enacted or substantively enacted at the Balance Sheet date. Deferred tax assets are recognized only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against such deferred tax assets can be realised.

### **1.10 Contingent Liabilities**

A provision is recognized when the Company has a legal and constructive obligation as a result of a past event, for which it is probable that cash outflow will be required and a reliable estimate can be made of the amount of the obligation.

A contingent liability is disclosed when the Company has a possible or present obligation where it is not probable that an outflow of resources will be required to settle it. Contingent Liabilities are not provided for till the same are crystallised. Contingent assets are neither recognized nor disclosed.

### **1.11 General**

- i) Income and Expenditure are accounted on accrual basis for all known items.
- ii) Miscellaneous Expenditure shown in the Balance Sheet, If any, will be written off over a period of 5 years from the year in which the same is incurred.
- iii) The Company is in the process of obtaining Confirmation of Balances of Sundry Creditors, Debtors, Loans and Advances which are awaited.
- iv) Expenditure in Foreign currency is Nil (Previous year : Nil) and Income in Foreign Currency is ₹ Nil (Previous year : Nil)
- v) According to the information available with the Company regarding the suppliers who constituted a Micro Small or Medium Enterprise [ MSME] there are no amounts due to Small Scale Industrial Undertaking as on 31.3.2016
- vi) Import of goods calculated on CIF basis is NIL.
- vii) The Company operates in a Single Segment namely electrification services and hence segment reporting is not applicable.
- viii) The Company does not have any employee whose particulars are required to be disclosed pursuant to Rule 5(2) and 5(3) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

**NOTES FORMING PART OF BALANCE SHEET AND PROFIT & LOSS ACCOUNT AS ON 31.03.2017**
**NOTE - 2 SHARE CAPITAL :**
**(Amount in ₹)**

PARTICULARS	As at 31st March, 2017	As at 31st March, 2016
Authorised 2100000 Equity Shares of Rs.10/- each (Previous Year 2100000 Equity Shares of Rs.10/- each )	21,000,000	21,000,000
	<b>21,000,000</b>	<b>21,000,000</b>
Issued Subscribed and paid up 2027632 Equity Shares of Rs.10/- each fully paid up (Previous Year-2027632 Equity Shares of Rs.10/- each fully paid up)	20,276,320	20,276,320
	<b>20,276,320</b>	<b>20,276,320</b>

**Reconciliation of shares outstanding at the beginning and at the end of the reporting period**

PARTICULARS	Opening	Addition (Buy Back)	Closing
Year ended 31.03.2017			
No of Equity Shares with voting rights	2,027,632	0	2,027,632
Amt(Rs.)	20,276,320	0	20,276,320
Year ended 31.03.2016			
No Of Equity Shares with voting rights	1,488,832	538,800	2,027,632
Amt(Rs.)	14,888,320	5,388,000	20,276,320

**Details of Equity Share Holders holding Shares more than 5%**

PARTICULARS	As at 31st march, 2017		As at 31st march, 2016	
	Nos.	% Holding	Nos.	% Holding
Gaurang Parmananddas Shah	1,144,982	56.47%	1,144,982	56.47%
Rupal Gaurang Shah <sup>^</sup>	243,400	12.00%	243,400	12.00%

<sup>^</sup> : In the above given share details 12400 shares have been clubbed with Mrs. Rupal Gaurang Shah which are jointly held by Mrs Rupal Gaurang Shah & Mr Gaurang Parmananddas Shah

**TERMS/RIGHTS ATTACHED TO EQUITY SHARE**

The company has only one class of Equity Shares having a par value of Rs. 10/- per share.

Each equity Share Holder is entitled to one vote per Share.

**DIVIDEND**

The Dividend proposed by the Board of Directors is ₹ 1 per share which is subject to approval of the Share holders in the ensuing Annual General Meeting. The Company declares and pays dividends in Indian Rupees.

During the financial year 2013-14 company has issued 697666 bonus shares in the ratio of 1:1 utilising share premium account

During the financial year 2014-15 company has redeemed 93500 preference shares by way of conversion into equity shares.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders. The holders of Partly Paid Equity Shares will have to contribute unpaid amount on the the Equity

Shares held by them. As per records of the company including its register of members and other declarations received from them regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares

No Shares has been Reserved for Issue under the Employee Stock Option (ESOP).

No Share options are outstanding at the end of the year.

Pursuant to the initial public offer some of the shares are locked in from the date of allotment of fresh shares in the IPO viz. from 23rd March 2016, as under :

414000 shares held by the the promoter, for a Period of three year.

**NOTE - 3 : RESERVES AND SURPLUS**
**(Amount in ₹)**

PARTICULARS	As at 31st March, 2017	As at 31st March, 2016
Profit & Loss Account :		
- Balance B/f.	104,868,525	81,806,622
- Net Profit for the year	31,628,710	25,502,325
- Proposed Dividend on equity shares	(2,027,632)	(2,027,632)
- Tax on Proposed Dividend on equity shares	(412,790)	(412,790)
Depreciation in respect of assets whose useful life is over	0	0
	134,056,813	104,868,525
Security Premium		
Opening Balance	74,103,480	25,611,480
Add : Premium received on issue of shares	0	48,492,000
Balance during the year	74,103,480	74,103,480
General Reserve	1,000,000	1,000,000
	1,000,000	1,000,000
<b>Total</b>	<b>209,160,293</b>	<b>179,972,005</b>

**NOTE - 4 : LONG TERM BORROWINGS**
**(Amount in ₹)**

PARTICULARS	As at 31st March, 2017	As at 31st March, 2016
<b>Unsecured Loans :</b>		
From Directors ( At variable rates - Repayable on demand )	34,624,096	26,142,255
	34,624,096	26,142,255
<b>Secured Loans :</b>		
<b>Term Loan from Banks :</b>		
Secured loan against Vehicles and Office premises of the Company	12,063,348	13,934,957
	12,063,348	13,934,957
<b>Total</b>	<b>46,687,444</b>	<b>40,077,212</b>

Repayment terms and security offered for the loans are set out as below:

Particulars and security offered	Rate of Interest	Terms of repayment	Repayable In	
			Number of installments Pending	Each installment of ₹
State bank of bikaner and jaipur is secured by hypothecation of Mahindra XUV	10.45%^	Monthly	22	44,428
Bank Of India loan secured against Office Building	11.75%^	Monthly	92	138,889

^ Interest rate on loan is varying, which is linked to floating interest rate, from time to time.  
Installment includes interest.

**NOTE - 5 : OTHER NON CURRENT LIABILITY** (Amount in ₹)

PARTICULARS	As at 31st March, 2017	As at 31st March, 2016
Deposit from Tenant	601,200	601,200
<b>Total</b>	<b>601,200</b>	<b>601,200</b>

**NOTE - 6 : SHORT TERM BORROWINGS** (Amount in ₹)

PARTICULARS	As at 31st March, 2017	As at 31st March, 2016
Loan Repayable on Demand (Secured) Cash Credit and L/C from Bank	177,822,622	131,200,831
<b>Total</b>	<b>177,822,622</b>	<b>131,200,831</b>

Cash Credit facilities from Bank of India is secured by way of hypothecation of stock, book debts and other current assets of the company both present and future and is also secured by personal guarantee of directors. It is also collaterally secured by hypothecation of Plant & Machinery and Equitable mortgage of Following properties. (1) Office premises-61 6th floor, Titanium, Nr. Prahaladnagar, Ahmedabad owned by the company (2) Corporate house no 6, Sigma corporate 1, Sindhu Bhavan road, Bodakdev, Ahmedabad. Over and above this, personal property of Directors Shri Gaurang P. Shah & Smt. Rupal G. Shah's has been given as a Collateral security.

Interest rates on Cash Credit Accounts are varying, which are linked to base rate of Bank from time to time.

**NOTE - 7 : TRADE PAYABLES** (Amount in ₹)

PARTICULARS	As at 31st March, 2017	As at 31st March, 2016
Sundry Creditors for Goods and Expenses	246,883,560	279,475,635
<b>Total</b>	<b>246,883,560</b>	<b>279,475,635</b>

**NOTE - 8 : OTHER CURRENT LIABILITIES** (Amount in ₹)

PARTICULARS	As at 31st March, 2017	As at 31st March, 2016
Current Portion of Term Loans (Due Within Next 12 Months)	2,100,879	2,380,148
Proposed Dividend on equity shares	2,027,632	2,027,632
Tax on Dividend	412,790	412,790
<b>Total</b>	<b>4,541,301</b>	<b>4,820,570</b>

**NOTE - 9 : SHORT TERM PROVISIONS**
**(Amount in ₹)**

PARTICULARS	As at 31st March, 2017	As at 31st March, 2016
Provision for tax(Net of Advance tax & Tds)	5,495,308	0
<b>Total</b>	<b>5,495,308</b>	<b>0</b>

**NOTE - 10 : FIXED ASSETS : (AT COST)**
**(Amount in ₹)**

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Up to 31-03-2016	Additions During the Year	Sales During the Year	Up to 31-03-2017	Up to 31-03-2016	For the Year	Deduction During the Year	Up to 31-03-2017	As on 31-03-2017	As on 31-03-2016
BUILDING	19,938,619	0	0	19,936,619	2,200,491	736,001	0	2936492	17,002,127	17,738,128
PLANT & MACHINERY	1,692,410	0	0	1,692,410	526,317	162,255	0	688572	1,003,838	1,166,083
COMPUTER	2,823,680	558,048	0	3,381,728	2,058,083	253,340	44,175	2257248	1,114,480	765,597
FURNITURE & FIXTURE	5,611,088	52,673	0	5,663,761	2,870,981	702,946	0	3573927	2,089,834	2,740,107
OFFICE EQUIPMENT	4,901,518	512,999	0	5,414,517	3,225,395	649,897	50,676	6925968	1,488,549	1,676,123
VEHICLES	6,365,882	0	44,460	6,321,422	3,117,637	691,109	15,112	3793634	2,527,788	3,248,245
<b>TOTAL</b>	<b>41,333,197</b>	<b>1,123,720</b>	<b>44,460</b>	<b>42,412,457</b>	<b>13,998,904</b>	<b>3,195,548</b>	<b>8,611</b>	<b>1,718,5841</b>	<b>25,226,616</b>	<b>27,334,293</b>
PREVIOUS YEAR	41,486,609	998,142	1,151,554	41,333,197	11,598,052	3,191,680	790,828	13,998,904	27,334,293	29,888,563

**NOTE - 11 : OTHER NON CURRENT ASSETS**
**(Amount in ₹)**

PARTICULARS	As at 31st March, 2017	As at 31st March, 2016
Debtors Over 12 Months	132,507,962	70,325,937
Fixed Deposits with bank Maturing After 12 Months	13,465,772	16,774,901
<b>Total</b>	<b>145,973,734</b>	<b>80,339,063</b>

**NOTE - 12 : INVENTORIES**
**(Amount in ₹)**

PARTICULARS	As at 31st March, 2017	As at 31st March, 2016
(a) Closing Stock of Goods (Valued at Cost or Market Price whichever is lower and as taken, valued and certified by Director)	30,561,225	54,862,538
<b>Total</b>	<b>30,561,225</b>	<b>54,862,538</b>

**NOTE - 13 : TRADE RECEIVABLES**
**(Amount in ₹)**

PARTICULARS	As at 31st March, 2017	As at 31st March, 2016
(a) Outstanding for more then six months Unsecured, Considered Good	46,702,609	51,497,421
Considered Doubtful	0	225,459
(b) Others Unsecured, Considered Good	286,292,390	253,087,178
<b>Total</b>	<b>332,994,999</b>	<b>304,810,058</b>

**NOTE - 14 : CASH AND CASH EQUIVALENTS**
**(Amount in ₹)**

PARTICULARS	As at 31st March, 2017	As at 31st March, 2016
(a) Cash on Hand	325,271	359,978
(b) Bank Balances in Current Accounts	16,093,488	929,139
(c) In Fixed deposit accounts	38,817,299	24,320,947
<b>Total</b>	<b>55,236,058</b>	<b>25,610,064</b>

**14.1**

As per notification No. G.S.R 307(E) and Notification No. G.S.R. 308 (E) dated 30 th March 2017.  
SBNs during the period from 8th November 2016 to 30 th December 2016.

**(Amount in ₹)**

PARTICULARS	SBN	Other denomination Notes	Total
8th Nov 2016 to 30th December 2016,	616,000	12,665	628,665
Add : Withdrawal from Bank Accounts	0	170,000	170,000
Add : Receipts for permitted transactions	0	0	0
Less : Paid for permitted Transactions	0	154,928	154,928
Less : Deposited in bank accounts	616,000	0	616,000
Closing balance as at 30 december 2016	0	27,737	27,737

**NOTE - 15 : OTHER CURRENT ASSETS**
**(Amount in ₹)**

PARTICULARS	As at 31st March, 2017	As at 31st March, 2016
Short Term Loans and Advances : (Unsecured, Considered Good)		
(a) Advances recoverable in Cash or kind or for Value to be Received	126,952,581	154,311,252
(b) Advanc tax & Tds(Net of Tax Provision)	0	7,310,548
<b>Total</b>	<b>126,952,581</b>	<b>161,621,800</b>

**NOTE - 16 : REVENUE FROM OPERATIONS**
**(Amount in ₹)**

PARTICULARS	As at 31st March, 2017	As at 31st March, 2016
Sale of Goods		
Domestic sale of goods (Electrical, Electronics & Other goods as per tenders requirement)	619,935,918	1,010,993,796
	619,935,918	1,010,993,796
Sale Of Services		
Domestic sale of services Electro Mechanical Engineering Services	220,034,809	148,511,192
	220,034,809	148,511,192
<b>Total</b>	<b>839,970,727</b>	<b>1,159,504,988</b>

**NOTE - 17 : OTHER INCOME**
**(Amount in ₹)**

PARTICULARS	As at 31st March, 2017	As at 31st March, 2016
Discounts & write offs ( Net)	2,653	70,271
Interest & Misc Income	3,598,020	4,300,020
Rent Received	3,480,348	3,180,348
Admin charges received	1,417,193	557,700
<b>Total</b>	<b>8,498,214</b>	<b>8,108,339</b>

**NOTE - 18 : CHANGES IN INVENTORY**
**(Amount in ₹)**

PARTICULARS	As at 31st March, 2017	As at 31st March, 2016
Closing Stock of Finished Goods	30,561,225	54,862,538
Opening Stock of Finished Goods	54,862,538	201,627,641
Decrease /(Increase) in Finished Goods	24,301,313	146,765,103
<b>Total</b>	<b>24,301,313</b>	<b>146,765,103</b>

**NOTE - 19 : EMPLOYEE BENEFIT EXPENSES**
**(Amount in ₹)**

PARTICULARS	As at 31st March, 2017	As at 31st March, 2016
Staff Salary	25,105,572	24,560,327
Bonus	1,769,053	1,650,204
Staff Welfare	318,181	190,725
Employers contribution to Provident Fund	769,963	1,061,381
Provision for Gratuity	848,131	762,305
Directors' Remuneration & Sitting Fees	4,800,000	4,832,500
<b>Total</b>	<b>33,610,900</b>	<b>33,057,442</b>

**NOTE - 20 : FINANCIAL COST**
**(Amount in ₹)**

PARTICULARS	As at 31st March, 2017	As at 31st March, 2016
Bank Charges & Interest	23,251,918	21,395,049
Interest to Depositors	3,387,771	3,290,764
Interest of Vehicle Loan	80,608	199,728
Interest on Term Loan	1,807,999	2,413,760
Other Interest Expenses	3,537,953	4,025,680
<b>Total</b>	<b>32,066,249</b>	<b>31,324,981</b>

**NOTE - 21 : OTHER EXPENSES**
**(Amount in ₹)**

PARTICULARS	As at 31st March, 2017	As at 31st March, 2016
Advertisement Expenses	4,240	18,652
Auditors' Remuneration:		
- Audit Fees	175,000	157,000
- Limited Review Certification	45,000	28,500

- Taxation Matters	25,000	17,100
Bad Debts	0	48,991,964
Computer & Internet Expenses	519,322	99,455
Consultancy Charges	30,860,036	13,547,622
Discounts & Write offs(net)	0	135,474
Donation	465,000	
Electricity	349,774	446,727
Godown Rent & Expenses	841,635	908,267
Inspection Charges	511,660	608,780
Insurance	6,791,060	846,576
Labour Charges	147,108,156	100,911,534
Legal charges	1,216,252	641,514
Loss on sale of Assets	16,348	50,725
Office Expenses & Office upkeep	1,324,402	1,515,396
Petrol & Diesel & Conveyance	1,439,083	1,928,529
Postage and Courier Expenses	261,188	96,068
Printing & Stationary	438,438	305,434
Profession Tax	2,400	4,900
Registration Fees	39,723	121,438
Repairs and Maintenance	813,180	902,920
Sales Promotion Expenses	120,000	383,231
Municipal Tax	165,921	109,596
Service Tax & Vat	5,196,817	334,133
Site Expenses	13,378,381	19,556,913
Subscription Expenses	26,132	13,910
Telephone	465,873	370,073
Tender Charges	359,204	295,155
Testing Charges	133,466	10,249
Transportation	5,472,881	4,313,356
Travelling	3,415,366	3,862,863
Vehicle Repairs & Maintenance Expenses	223,417	295,215
<b>Total</b>	<b>222,204,355</b>	<b>201,829,269</b>

**NOTE - 22 : EARNING PER SHARE**
**(Amount in ₹)**

PARTICULARS	As at 31st March, 2017	As at 31st March, 2016
Net Profit After Tax available for Equity Share Holders	31,628,710	25,502,325
Equity shares outstanding at the beginning of the year	2,027,632	1,488,832
Equity shares allotted during the year pursuant to IPO	0	538,800
Equity shares outstanding at the end of the year	2,027,632	2,027,632
Weighted Avg. Number of Equity Shares of Rs.10/- each	2,027,632	1,499,137
Basic Earning Per Share	15.60	17.01
Diluted Earning Per share	15.60	17.01

**NOTE - 23**
**RELATED PARTY DISCLOSURE**

Party where control exists

Key Management Personnel &amp; their relatives:

SHRI GAURANG PARMANANDDAS SHAH

SMT RUPAL GAURANG SHAH

PRIYA GAURANG SHAH

SHRI YOGESH SHAH

SHRI ANIRUDHSINH GOHIL

SHRI PANNALAL J SURTI

ANIRUDHSINH GOHIL HUF

JEEL PATEL

Associates

PR ELECTRICALS

HIGHVOLT POWER &amp; CONTROL SYSTEMS PRIVATE LIMITED

SHREE KRISHNA COLD STORAGE

KALP AGRITECH PRIVATE LIMITED

SWATI SWITCH GEARS (I) PRIVATE LIMITED

PARAS ENGN PRIVATE LIMITED

BRAINSCAPE SOLUTIONS PRIVATE LIMITED

(Amount in ₹)

PARTICULARS	NATURE OF PAYMENT	2016-17	2015-16	NATURE OF RELATION
SHRI GAURANG SHAH	Director REMUNERATION (GROSS)	2,925,000	2,575,000	MANAGING DIRECTOR
	INT. ON DEPOSIT	2,544,957	2,607,462	
	CLOSING BALANCE	27,375,183	22,086,102	
SMT RUPAL GAURANG SHAH	Director REMUNERATION (GROSS)	2,275,000	2,030,000	DIRECTOR
	INT. ON DEPOSIT	842,814	673,576	
	CLOSING BALANCE	7,248,913	4,056,153	
PRIYA GAURANG SHAH	SALARY	910,000	910,000	RELATIVE OF DIRECTOR
HIGHVOLT POWER & CONTROL SYSTEMS PRIVATE LIMITED	PURCHASE/SER VICE BILLS	22,774,758	12,411,013	COMPANY IN WHICH DIRECTOR IS INETERSTED
SWATI SWITCH GEARS (I) PRIVATE LIMITED	PURCHASE/SER VICE BILLS	33,890,390	104,918,643	COMPANY IN WHICH DIRECTOR IS INETERSTED
BRAINSCAPE SOLUTIONS PRIVATE LIMITED	RENT RECEIVED	345,000	0	COMPANY IN WHICH DIRECTOR IS INETERSTED
BRAINSCAPE SOLUTIONS PRIVATE LIMITED	PROFESSIONAL FEES PAID	797,033	71,000	COMPANY IN WHICH DIRECTOR IS INETERSTED
SHREE KRISHNA COLD STORAGE	SALES/SERVICE BILLS	0	141,059	ENTERPRISE IN WHICH DIRECTOR IS INETERSTED
SHRI ANIRUDHSINH GOHIL HUF	SERVICE BILLS	0	862,863	ENTERPRISE IN WHICH DIRECTOR IS INETERSTED
SHRI YOGESH SHAH	PAYMENT TO DIRECTORS	0	170,483	DIRECTOR
SHRI ANIRUDHSINH GOHIL	PAYMENT TO DIRECTORS	0	881,200	DIRECTOR
SHRI PANNALAL J. SURTI	CHIEF FINANCIAL OFFICER (SALARY)	517,600	379,400	CHIEF FINANCIAL OFFICER (SALARY)
HEMA ADWANI	SALARY	0	36,000	COMPANY SECRETARY
JEEL PATEL	SALARY	264,395	0	COMPANY SECRETARY

**NOTE - 24 : CONTINGENT LIABILITY**

**(Amount in ₹)**

PARTICULARS	As at 31st March, 2017	As at 31st March, 2016
Corporate Bank Guarantee	169,027,535	98,986,211
Bills Discounted	24,505,697	10,759,409
<b>Total</b>	<b>193,533,232</b>	<b>109,745,620</b>

**NOTE - 25 : INITIAL PUBLIC OFFER**

During the preceding previous year, the company has made an Initial public Offer(IPO) for 538800 equity shares of Rs. 10 each. The equity shares were issued at a price of Rs. 100 per share (Including premium of Rs. 90 per share). During the year company has received RS.538.80 lacs from the proceeds received in the IPO.

**NOTE - 26**

Previous year's figures have been regrouped / recasted / reclassified wherever necessary to correspond with the current year's classification / disclosure.

Additional Information required to be given pursuant to the Schedule III of The Companies Act, 2013 are either Nil or not applicable and hence not disclosed for better presentation of accounts.

**NOTE - 27 : COMMITMENTS**

- (a) Estimated amounts of contracts remaining to be executed which are under process- Rs.17949.75 Lakh
- (b) Estimated amounts of contracts remaining to be executed which are yet to begin -Rs.11713.64 Lakh

**FOR, PARTH P. SHAH & CO**  
Chartered Accountants,  
FRN:141540W

**(PARTH P. SHAH)**  
PROPRIETOR  
Mem. No. 167721

Place : Ahmedabad  
Date : 27.05.2017

**FOR & On behalf of Board of  
HEC INFRA PROJECTS LIMITED**

**(GAURANG SHAH)**  
MANAGING DIRECTOR

**(RUPAL SHAH)**  
DIRECTOR

**(P J SURTI)**  
CFO

**(JEEL PATEL)**  
COMPANY SECRETARY

**HEC INFRA PROJECTS LIMITED**

CIN : L45200GJ2005PLC046870

Registered Address: Sigma 1 Corporate, Corporate House No. 6, Sindhu Bhawan Road,  
Nr. Maan Party Plot Cross Road, Bodakdev, Ahmedabad, Gujarat, India - 380054

Tel : 91-79-40086771 – 74

Website : www.hecprojects.in

Email Id : elect@hecproject.com

**ATTENDENCE SLIP**

<b>Shareholder / Proxy holder</b>	<b>DP ID*</b>	<b>Client ID*</b>	<b>Folio</b>	<b>No. of Shares held</b>

I hereby record my presence at the 12th Annual General Meeting of the Company, held on Friday, 29th September, 2017 at 11.00 a.m. at the Registered office of the Company Situated at Sigma 1 Corporates, Corporate house no. 6, Sindhu Bhavan Road, Nr. Maan Party Plot Cross Road, Bodakdev, Ahmedabad- 380054.

-----  
SIGNATURE OF THE SHAREHOLDER OR PROXY**NOTES:**

1. Shareholders / Proxy holders are requested to bring the Attendance Slip with them when they come to the Meeting and hand it over at the gate after affixing their signature on it.

**FORM NO MGT 11 - PROXY FORM**

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

**HEC INFRA PROJECTS LIMITED**

Reg. Offi: Sigma-1 Corporates, Corporate House No. 6, Sindhu Bhavan Road,  
Nr. Mann Party Party Plot Cross Road, Boadakdev, Ahmedabad- 380054.

**CIN: L45200GJ2005PLC046870**

<b>Name of the Member(s)</b>	
<b>Registered Address :</b>	
<b>E mail Id :</b>	
<b>Folio No / Client ID:</b>	
<b>DP ID :</b>	

I / We, being the member(s) holding.....Shares of the above named Company, hereby appoint:

(1) Name ..... Address .....

Email ID..... Signature.....or failing him/her

(2) Name ..... Address .....

Email ID..... Signature.....or failing him/her

(3) Name ..... Address .....

Email ID..... Signature.....or failing him/her

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 12th Annual General Meeting of the Company, to be held on Friday, 29th September, 2017 at 11.00 a.m. at the Registered office of the Company Situated at Sigma 1 Corporates, Corporate house no. 6, Sindhu Bhavan Road, Nr. Maan Party Plot Cross Road, Bodakdev, Ahmedabad- 380054 and at any adjournment thereof in respect of such resolutions as are indicated below:

<b>Resolution No.</b>	<b>Resolution</b>
	<b>Ordinary Business</b>
1	Adoption of Directors' Report, Audited Financial Statements for the year ended 31st March, 2017 and Auditors' Report thereon.
2	Declaration of Dividend on Equity Shares for the year 2016-17.
3	Re-appointment of Mr. Gaurang Shah who retires by rotation.
4	Ratify the appointment of M/s Parth P. Shah & Co., Chartered Accountants, as Statutory Auditors of the Company.
	<b>Special Business:</b>
5	Approval of Related Party Transaction

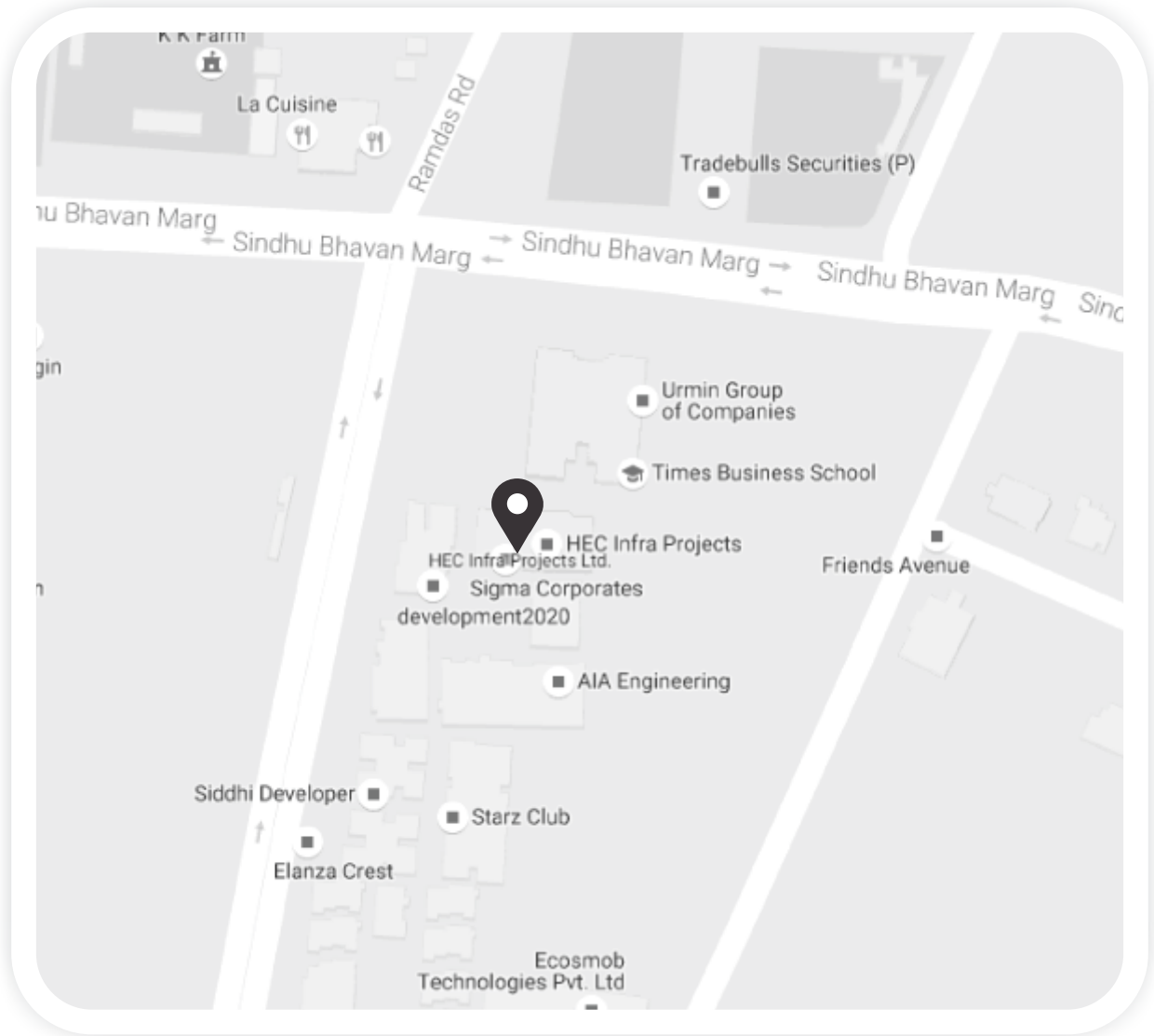
Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2017

\_\_\_\_\_  
Signature of Shareholder

\_\_\_\_\_  
Signature of Proxy holder(s)

Please affix Re 1/- Revenue Stamp
--

**Note: This Form of Proxy in order to be effective, should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.**



## Venue for Annual General Meeting

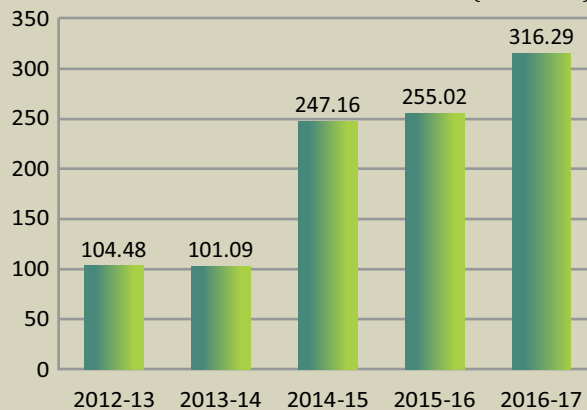
## Financial Highlights

(₹ in Lakhs)

	2016-17	2015-16	2014-15	2013-14	2012-13
Turnover	8399.71	11595.05	12501.4	6046.11	5971.38
PBT	484.36	394.07	368.99	160.64	149.94
PAT	316.29	255.02	247.16	101.09	104.48
EBIDT	837.04	740.39	693.28	457.09	434.78
Finance cost	320.66	313.25	287.09	278.77	267.11
Depreciation	31.96	31.92	37.2	17.69	17.82
Cash Accruals	348.25	286.94	284.36	118.78	122.3
Share Capital	202.76	202.76	148.88	148.88	79.12
Reserves and Surplus	2091.6	1799.72	1084.18	863.66	841.58
Total Networth	2294.37	2002.48	1233.06	1012.54	920.69
Total Liability	4875.09	4610.92	6731.23	4625.67	3676.04
Total Capital Employed	2761.23	2403.25	1692.31	1607.69	1546.46
Fixed Asset	252.27	273.34	298.89	316.48	319.87
Net Current Assets	1110.02	1314.07	593.76	636.18	686.49
Debt Equity ratio	2.12	2.3	5.46	4.57	3.99
Operation EBIT	7.16	4.53	3.78	4.34	4.41
Profit After Tax (%)	3.765487	2.199387	1.98	1.67	1.75
Return on Net Worth	13.79	12.74	20.04	9.98	11.35
Return on Capital Employed	0.21	0.21	0.26	0.15	0.16
Dividend (%)	10	10	10	10	10
EPS	15.6	17.01	16.6	14.49	14.98

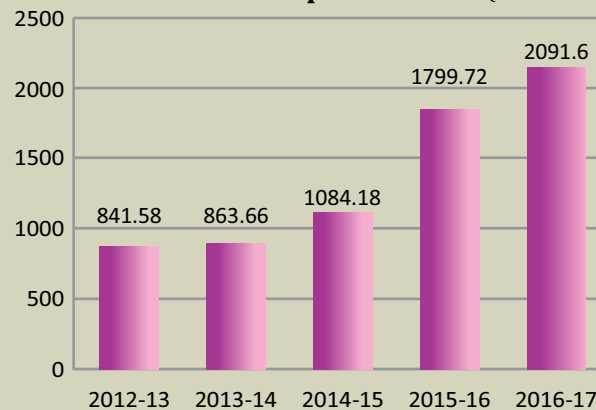
### Profit After Tax

(₹ in Lakhs)



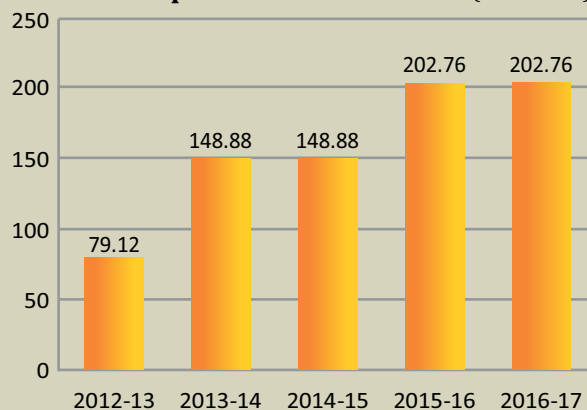
### Reserves and Surplus

(₹ in Lakhs)



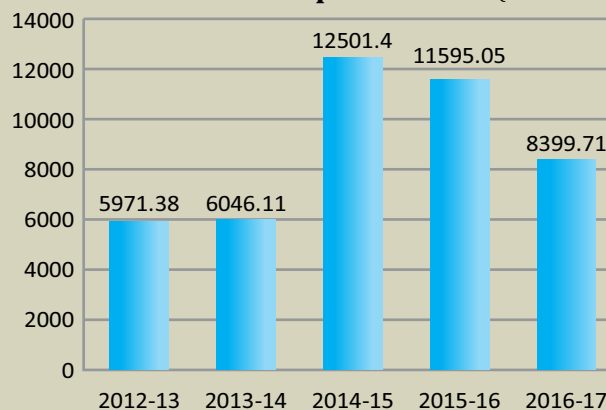
### Share Capital

(₹ in Lakhs)



### Revenue From Operations

(₹ in Lakhs)





**HEC**

**INFRA PROJECTS LIMITED**

Sigma-1 Corporates, Corporate House No. 6, Sindhu Bhavan Road, Nr. Mann Party Plot Cross Road,  
Bodakdev, Ahmedabad - 380 054. Gujarat, India. Telefax : +91 - 79 - 4008 6771-74.  
E-mail : [elect@hecproject.com](mailto:elect@hecproject.com), Web. : [www.hecprojects.in](http://www.hecprojects.in), CIN : L45200GJ2005PTC046870