

ANNUAL REPORT 2018-19



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-: COMPANY INFORMATION :-**BOARD OF DIRECTORS**

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

AUDIT COMMITTEE

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

NOMINATION & REMUNERATION COMMITTEE

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

STAKEHOLDER RELATIONSHIP COMMITTEE

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

REGISTERED OFFICE

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

WEBSITE

www.hecprojects.in

CHIEF FINANCIAL OFFICER

Mr. Pannalal J. Surti

COMPANY SECRETARY

Ms. Jeel H. Patel

BANKERS

Bank of India

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

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

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

NOTICE

Notice is hereby given that the 14th Annual General Meeting of the members of **HEC Infra Projects Limited** will be held on Friday, 27th September, 2019 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, 2019 together with the reports of Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Gaurang Parmanand Shah (DIN: 01756079), who retires by rotation and being eligible, offers himself for re-appointment.

Date: 28/08/2019

Place: Ahmedabad

By order of the Board of Directors
For, HEC Infra Projects Limited

sd/-

Jeel Patel

(Company Secretary)

Membership No.: A46202

Registered Office:

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

Tel:- +91-79-40086771-74; Web:- www.hecprojects.in;

Email:- 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 person as 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. 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 there under.
5. The Register of Members and Share Transfer Books will remain close from **Saturday, 21st September, 2019 to Friday, 27th September, 2019** (both days inclusive) for the purpose of annual closing and Annual General Meeting.
6. The Members of the company holding Shares as on Wednesday, 28th August, 2019 (Cut-off date for entitlement of Annual Report), shall be eligible for receiving the Annual Report 2018-19 along with the notice of the 14th Annual General Meeting, 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.
7. 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.
8. 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.
9. 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.
10. 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.
11. The Annual Report of the Company will be available on the Company's website, www.hecprojects.in, and on the website of respective Stock Exchange where the equity shares of the Company are listed, www.nseindia.com. 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.
12. A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Register and Share Transfer Agent as on the cut-off/ entitlement date only shall be entitled for voting at the Annual General Meeting.

13. The voting rights of Members shall be in proportion to the shares held by them in the paid up equity share capital of the Company as on Friday, 20th September, 2019 (cut-off date for entitlement of voting rights) for determining the eligibility to vote at the Meeting by Ballot Paper.
14. M/s. Jalan Alkesh & Associates, Company Secretaries has been appointed as the Scrutinizer to scrutinize the voting in a fair and transparent manner.
15. The Scrutinizer shall, immediately after the conclusion of voting at the Meeting, first count the votes cast at the Meeting. Not later than 48 hours of conclusion of the Meeting, Scrutinizer shall submit Report of voting by Ballot Paper at the Meeting, of the total votes casted in favor or against, if any, to the Chairman of the Meeting or a person as may be authorized by him in writing shall declare the result of the voting forthwith.
16. The results declared along with the Scrutinizer's Report shall also be placed on the Company's website www.hecprojects.in and the same shall be communicated to National Stock Exchange of India Limited where the shares of the Company are listed.
17. Subject to receipt of requisite number of votes, the Resolutions shall be deemed to have been passed on the date of the AGM i.e. 27th September, 2019.
18. A Map Showing the venue of the Annual General Meeting is enclosed herewith.

ANNEXURE TO ITEM NO. 2 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 Gaurang Shah (Spouse)

Date: 28/08/2019
Place: Ahmedabad

By order of the Board of Directors
For, HEC Infra Projects Limited

sd/-
Jeel Patel
 (Company Secretary)
 Membership No.: A46202

Registered Office:

Sigma 1 Corporate, Corporate House No. 6,
 Sindhu Bhavan Road, Nr. Mahan Party Plot Cross Road,
 Boadakdev, Ahmedabad- 380054.
 Tel:- +91-79-40086771-74; Web:- www.hecprojects.in;
 Email:- elect@hecproject.com

DIRECTORS' REPORT

To
The Members of
HEC Infra Projects Limited

The Directors have pleasure in presenting the 14th Annual Report of HEC Infra Projects Limited for the financial year ended 31st March, 2019.

1. Financial Results and Appropriations :

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

(₹ in Lakhs Except per Share data)

Particulars	31st March, 2019	31st March, 2018
Revenue from Operations	8008.26	8263.49
Other Income	100.49	77.91
Total Revenue	8108.75	8341.40
Profit before Interest, Depreciation , Extraordinary items & tax	688.71	871.90
Less: Interest	404.91	355.78
Depreciation	31.29	31.49
Extraordinary Items	00	00
Profit before Exceptional item & tax	252.50	484.63
Exceptional Item	00	(8.60)
Profit before Tax	252.50	493.24
Current Tax	75.00	162.00
Deferred Tax	(5.88)	(2.89)
Taxation in respect of earlier year	(11.95)	00
Net Profit after tax	195.33	334.13
Add: Balance brought forward from last year	1674.70	1340.57
Amount available for appropriation & to be c/f	1845.63	1674.70
EPS (Basic & Diluted)	9.63	16.48

The Financial Results for the Half year ended and year ended are available on the company website of the company www.hecprojects.in

2. State of Company's Affairs :

The Company has earned revenue from operation of ₹ 8008.26 Lacs during the year ended on 31st March, 2019 as against ₹ 8263.49 Lacs earned during the previous year ended on 31st March, 2018, with a fall of 3% as compared to previous year. The Company has also earned other income of ₹ 100.49 Lacs during the year under review as against ₹ 77.91 Lacs earned during the previous year, with an increase in 29% as Compared to previous year.

The Company earned Profit Before Tax (PBT) of ₹ 252.50 Lacs and Profit After Tax (PAT) of ₹ 195.34 Lacs during the year ended on 31st March, 2019 as compared to previous year ended

on 31st March, 2018 ₹ 493.24 Lacs and ₹ 334.13 Lacs respectively, showing a fall of 48.81% in Profit Before Tax and 41.54% in Profit After Tax (PAT).

3. Change in Nature of Business :

During the year under review, there has been no change in the nature of business of the Company.

4. Material Changes and Commitment affecting financial position :

There is no material change and commitments affecting the financial position of the Company, which has occurred during the financial year 2018-19 and till the date of this Board's Report.

5. Reserves and Surplus :

The Opening Balance of Surplus of Profit and Loss as shown in the Reserves and Surplus is ₹ 1674.70 Lacs. The whole of net profit for the year of ₹ 195.34 Lacs is transferred to Surplus of Profit and Loss as shown in the Reserves and Surplus. The Closing Balance of Surplus of Profit and Loss as shown in the Reserves and Surplus is ₹ 1845.63 Lacs. The Opening and Closing Balance of Securities Premium stands at ₹ 741.03 Lacs. The Opening and Closing Balance of General Reserves stands at ₹ 10.00 Lacs.

6. Dividend :

Since your Company has entered into commitments of long term which are Capital intensive in nature and to fund the long term capital investments, the Board of Directors feel that long term capital investments will provide higher returns in near future and therefore the Board feels that in the years to come it will enhance its ability to recommend higher dividend and therefore in order to increase stakeholders wealth the Board do not recommend dividend for this year.

7. Deposits :

The Company has not invited or accepted any deposit in contravention of the provision of the Companies Act, 2013 during the year ended 31st March, 2019.

Pursuant to Rule 2(1) (c) (viii) of Companies (Acceptance of Deposit) Rules, 2014 an aggregate amount of deposit taken from the Directors is ₹ 855.15 Lacs.

The Directors have given a declaration stating that the amount deposited is out of own funds and not by way of borrowing from others.

8. 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.

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

The details of loans and investments, if any, are specified in the notes to the Balance Sheet. The Company has not provided any guarantee or Security for the loans availed by others.

10. 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 details regarding foreign exchange earnings and expenditure, if any, is specified in the notes to the Balance Sheet.

11. 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 for the financial year ended 31st March, 2019, the applicable accounting standards have been followed and there are no material departures from the same;
- (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 31st March, 2019 and of the Profit & Loss of the Company for financial year ended 31st March, 2019;
- (iii) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 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.

12. 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**.

13. Directors and Key Managerial Personnel :

Director :

Your Board Comprised of 5 (Five) Directors which includes 1 (One) Managing Director, 1 (One) Executive Director and 3 (Three) Non-Executive Independent Directors. Your Directors on the Board possess experience, competency and are renowned in their respective fields. All Directors are liable to retire by rotation except independent Directors.

In accordance with the provision of Section 152(6) of the Companies Act, 2013 and Articles of Association of the Company, Mr. Gaurang Parmanand Shah, retires by rotation and being eligible, has offered himself for re-appointment. Item seeking your approval on the above re-appointment is included in the Notice convening the Annual General Meeting.

During the year, there is no change in the Board of Directors, none of the Directors have been appointed and resigned.

Key Managerial Personnel :

During the year under review, there was no change in the Key Managerial Personnel of the Company for the financial year ended 31st March, 2019.

14. Declaration by Independent Director :

The Company has received necessary declaration from each independent Director under Section 149(7) of the Companies Act, 2013, that he/ she meets the criteria of Independence as prescribed under Section 149(6) of the Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

15. Annual Performance Evaluation :

The Company has in place a criteria for performance evaluation of Independent Directors, Board, Committees and other individual Directors which include performance evaluation of the non-executive directors and executive directors.

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

16. Extract of Annual Return :

Pursuant to the provisions of Section 134(3) (a) of the Companies Act, 2013, the extract of Annual Return in prescribed format form part of the Directors' Report as **Annexure-B**.

17. Auditors and Auditor's Report :

Statutory Auditor & Audit Report:

Pursuant to provision of Section 139 and other applicable provisions, if any of the Companies Act, 2013 and the Rules made thereunder, M/s. Parth P. Shah & Co., Chartered Accountants (Firm Registration Number: 141540W) were appointed as the Statutory Auditor of the Company to hold office for the period of 5 (five) consecutive years by the members at the Extraordinary General Meeting held on 16th December, 2015 till the conclusion of 15th Annual General Meeting of the company (for the financial year 2020) subject to ratification by the members at every Annual General Meeting.

It may be noted that pursuant to the amended provisions of Section 139 (as amended by the companies Amendment Act, 2017), ratification of statutory auditors appointment is not required at

every Annual General Meeting. Accordingly, the 14th Annual General Meeting Notice does not carry any resolution on ratification of appointment of Statutory Auditors.

Further, they have confirmed their eligibility to the effect that their appointment, if made, would be within the prescribed limits under the act and that they are not disqualified for the appointment.

The Notes on financial statement referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The Auditor's Report for the financial year ended 31st March, 2019 does not contain any qualification, reservation or adverse remark. The Auditor's Report is enclosed with the financial statements in this Annual Report.

Secretarial Auditor and Secretarial Audit Report

Pursuant to provision of Section 204 of the Companies Act, 2013, the Board of Directors of the Company appointed M/s. Jalan Alkesh & Associates, Practicing Company Secretary, as the Secretarial Auditor of the company for the financial year ended 31st March, 2019. The Secretarial Audit Report relating thereto is annexed herewith as an **Annexure-C** to this Report.

The Secretarial Auditor's Report for the financial year ended 31st March, 2019 does not contain any qualification, reservation or adverse remark.

Internal Auditor :

M/s. N. K. Kapadia & Co., a reputed firm of Chartered Accountants, is the Internal Auditors of the Company. The Audit Committee of the Board of Directors in consultation with the Internal Auditors formulates the scope, functioning, periodicity and methodology for conducting the internal audit.

None of the Auditors of the company have reported any fraud as specified under the second proviso of Section 143 (12) of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force).

Cost Auditor :

The provision of Cost Audit is not applicable to the Company; hence Company has not appointed cost Auditor.

18. Company's policy on Director's, KMPs & other employees appointment & remuneration including criteria for determining Qualification, Attributes, Independence, etc. :

The Company has formulated and adopted the Remuneration Policy in accordance with the provisions of Companies Act, 2013 read with the Rules issued thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The said Policy of the Company, inter alia, provides the criteria for appointment of Executive, Non-Executive and Independent Directors on the Board of Directors of the Company and persons in the Senior Management of the Company, their remuneration including determination of qualifications, Positive attributes, independence of Directors and other matters as provided under sub-section (3) of Section 178 of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force). The Policy is also available on the website of the Company www.hecprojects.in

19. Details on Internal Financial Controls Related to Financial Statements :

Your Company has in place adequate internal control systems commensurate with the size of its operations. These systems enable the Company to comply with applicable laws and standard guidelines to protect Company's interest against financial losses and unauthorized use. Further, Company has appointed Internal Auditor. The Audit Committee and Board of Directors periodically reviewed the internal audit report. The Audit Committee actively reviews the adequacy and effectiveness of internal control systems and suggests improvements for strengthening them in accordance with the changes in the business dynamics, if required.

20. 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. The Policy is available for at the Website of the Company <https://www.hecprojects.in/investors/>

21. Industrial Relation :

The Relations between the employees and management have remained cordial and harmonious during the year under review.

22. Credit Rating :

During the year Credit Analysis & Research Limited (CARE) has reaffirmed the credit rating of the company "CARE BBB-"(Outlook: Stable)for its Long Term borrowing and 'CARE A3' for its short term borrowing.

23. Segment Reporting :

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

24. Number of Board Meeting :

During the year 8 (Eight) meeting were held on 30th May, 2018, 24th July, 2018, 30th August, 2018, 17th October, 2018, 3rd November, 2018, 26th December, 2018, 21th February, 2019 and 30th March, 2019. The particulars of Directors, their attendance during the financial year 2018-19 has been disclosed in the Corporate Governance Report forming part of this Annual Report.

25. Composition of Audit Committee :

The Audit Committee Comprises of the following Members:

Name	Designation	Status
Mr. Sachin K. Kansal	Non- Executive Independent Director	Chairman
Mr. Asit R. Shah	Non- Executive Independent Director	Member
Mrs. Ritu A. Jalan	Non- Executive Independent Director	Member

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.

26. Significant and material orders passed by the Regulators or Courts or Tribunal :

There are no significant and material order passed by the regulators or courts or tribunals impacting the going concern status and the Company's operations in future.

27. Secretarial Standard :

The Directors state that applicable Secretarial Standards, i.e. SS-1 and SS-2, relating to 'Meetings of the 'Board of Directors' and 'General Meetings', respectively, have been duly followed by the Company.

28. Vigil Mechanism/ Whistle Blower Policy :

Pursuant to the provision of Section 177(9) of the Companies Act, 2013 read with Rule 7 of Companies (Meeting of Board and its Power) Rules, 2014 and Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company has formulated 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.

29. 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 Committee.

30. Particulars of contracts or arrangements with related party :

During the financial year under review, all contracts / arrangements / transactions entered by the Company with related parties were in ordinary course of business and on arms' length basis. The details of contracts and arrangements with Related Parties of your Company for the financial year ended 31st March, 2019, are given in notes to the Financial Statements, forming part of this Annual Report.

All related party transactions have been approved by the Audit Committee and the Board of Directors of your Company and are reviewed by them on periodic basis. Omnibus approvals are taken for transactions which are repetitive in nature. The details of the related party transactions during the year under review are provided in Form AOC-2, which is attached as **Annexure-D** to this report.

In accordance with the provisions of the SEBI Listing Regulations, the Company has formulated a Related Party Transactions Policy (the Policy). The Policy, as approved by the Board, is available on your Company's website <http://www.hecprojects.in/investors>.

31. Management Discussion and Analysis Report & Corporate Governance Report:

As required under Schedule V (B) and (C) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, "Management Discussion and Analysis Report" as well as "Corporate Governance Report", are attached as a separate section forming part of this Annual Report.

Further, during the year under review, the Company has complied with all the mandatory requirements of the Corporate Governance. 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 annexed to this Report as an **Annexure-E**.

32. Listing :

Listing The Equity Shares of the Company continue to remain listed on National Stock Exchange of India Limited (NSE) SME Platform. The Company has paid necessary listing fees for the year 2019-20.

33. 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. Your company has a well formulated an Anti-harassment policy in line with the requirement of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. The objective of the policy is to prohibit, prevent and address issues of sexual harassment at the workplace. The Company has also constituted an internal complaint committee pursuant to Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013.

The policy covers all employees (permanent, contractual, temporary, trainees) 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 2018-19, no case of Sexual Harassment was reported.

34. 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

Gaurang Shah
(Chairman & Managing Director)
DIN : 07956079

Date: 28/08/2019
Place: Ahmedabad

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 2018-19 is as follows:

(Amount in ₹)

Sr. No.	Name of Directors	Total Remuneration*	Median Remuneration	Ratio
1.	Mr. Gaurang Parmanand Shah	3,028,008	349,245	8.67:1
2.	Mrs. Rupal Gaurang Shah	2,173,996	349,245	6.22:1
3.	Mrs. Ritu Ashish Jalan	28,000	349,245	0.08:1
4.	Mr. Sachin Kanwarlal Kansal	24,500	349,245	0.07:1
5.	Mr. Asit Ramniklal Shah	21,000	349,245	0.06:1

* Total remuneration of Directors including sitting fees paid to Independent Directors for the financial year 2018-19.

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 2018-19 are as follows :

Name of the Directors, Chief Financial Officer, Chief Executive Officer, Company Secretary, Manager	Designation	Percentage increase / decrease in remuneration*
Mr. Gaurang Parmanand Shah	Managing Director	0.26
Mrs. Rupal Gaurang Shah	Executive Director	-7.45
Mrs. Ritu Ashish Jalan	Independent Director	-
Mr. Sachin Kanwarlal Kansal	Independent Director	-
Mr. Asit Ramniklal Shah	Independent Director	-
Mr. Pannalal Jatashanker Surti	Chief Financial Officer	3.23
Ms. Jeel Hareshbhai Patel	Company Secretary	16.85

* Percentage Increase/decrease in remuneration for the Independent Directors is not reported because the remuneration for the earlier year is zero.

C. The percentage increase in the median remuneration of employees in the financial year 2018-19 :

(Amount in ₹)

	2018-19	2017-18	Increase (%)
Median Remuneration of Employees	349,245	331,742	5.28

D. There were 53 Employees on the rolls of company as on 31st March, 2019.

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 ₹)

	2018-19	2017-18	Increase/Decrease (%)
Average salary of all employees (other than Managerial Personnel)	416,208	383,513	9
Managerial Personnel:			
Gaurang Parmanand Shah	3,028,008	3,020,136	0.26
Rupal Gaurang Shah	2,173,996	2,348,996	-7.45

The increase in average salary of employees is due to increase in the number of employees during the financial year 2018-19.

F. 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.

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

- None of the employees of the company employed throughout the financial year 2018-19 and were paid remuneration not less than ₹ 1.02 Crores per annum.
- None of the employees employed for a part of the financial year 2018-19 at a rate which, in aggregate, was not less than ₹8.50 Lacs per month.
- 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: 28/08/2019
Place: Ahmedabad

Gaurang Shah
(Chairman & Managing Director)
DIN : 07956079

**ANNEXURE - B
EXTRACT OF ANNUAL RETURN**

FORM No. MGT-9

[Pursuant to Section 92 (3) of the Companies Act, 2013 and
Rule 12(1) of the Company (Management & Administration) Rules, 2014]

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: investor@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	98.76

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	
A. PROMOTERS									
(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	-	-	-	-	-	-	-	-	-
Sub Total A(1)	1488432	0	1488432	73.41	1488432	0	1488432	73.41	00
(2) FOREIGN									
a) NRI-individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
Sub Total A(2)	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter (A)=(A)(1)+ (A)(2)	1488432	0	1488432	73.41	1488432	0	1488432	73.41	00
B. PUBLIC SHAREHOLDING									
(1) INSTITUTIONS									
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)	-	-	-	-	-	-	-	-	-
Sub Total B(1)	-	-	-	-	-	-	-	-	-
(2) NON- INSTITUTIONS									
a) Bodies Corp.									
i) Indian	259040	0	259040	12.78	289200	0	289200	14.26	1.48
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									

i) Individuals shareholders holding nominal shares capital upto ₹ 1 Lac	193760	0	193760	9.55	185200	0	185200	9.13	-0.42
ii) Individuals shareholders holding nominal shares capital in excess of ₹ 1 lac	74400	0	74400	3.67	56400	0	56400	2.78	-0.89
c) Any others									
-Clearing Member	0	0	0	0	1200	0	1200	0.06	0.06
-Hindu Undivided Family	12000	0	12000	0.59	7200	0	7200	0.36	-0.23
Sub Total B(2)	539200	0	539200	26.59	539200	0	539200	26.59	0
Total Public Share Holding (B)= (B)(1)+(B)(2)	539200	0	539200	26.59	539200	0	539200	26.59	0
C. Shares held by Custodian For ADRs/GDRs	0	0	0	0	0	0	0	0	0
GRAND TOTAL (A + B + C)	2027632	0	2027632	100	2027632	0	2027632	100	0

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	-	-
	Total	1488432	73.41	-	1488432	73.41	-	-

iii. Change in Promoter & Promoter's Groups Shareholding :

There is no Change in the Shareholding of Promoters & Promoter Group.

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
1.	Wealth First Portfolio Managers (Marker Maker)				
	At the beginning of the year	142800	7.0426	142800	7.0426
	Date wise Increase/ Decrease in Shareholding during the year :				
	Purchase 06-Apr-2018	1200	0.0591	144000	7.1018
	Purchase 08-Jun-2018	1200	0.0591	145200	7.1610
	Purchase 20-Jul-2018	1200	0.0591	146400	7.2202
	Purchase 07-Sep-2018	2400	0.1183	148800	7.3386
	Purchase 14-Sep-2018	1200	0.0591	150000	7.3977
	Purchase 21-Sep-2018	1200	0.0591	151200	7.4569
	Purchase 05-Oct-2018	1200	0.0591	152400	7.5161
	Purchase 12-Oct-2018	3600	0.1775	156000	7.6937
	Purchase 02-Nov-2018	1200	0.0591	157200	7.7528
	Purchase 28-Dec-2018	4800	0.2367	162000	7.9896
	Purchase 31-Dec-2018	7200	0.3550	169200	8.3447
	Purchase 04-Jan-2019	6000	0.2959	175200	8.6406
	Purchase 18-Jan-2019	1200	0.0591	176400	8.6998
	Purchase 25-Jan-2019	1200	0.0591	177600	8.7589
	Purchase 01-Feb-2019	1200	0.0591	178800	8.8181
	Purchase 22-Feb-2019	1200	0.0591	180000	8.8773
	Sale 29-Mar-2019	-6000	0.2959	174000	8.5814
	At the End of the year	174000	8.5814	174000	8.5814
	Having Same PAN				
1.	Wealth First Portfolio Managers P L				
	At the beginning of the year	0	0.0000	0	0.0000
	Date wise Increase/ Decrease in Shareholding during the year:				
	Purchase 28-Dec-2018	6000	0.2959	6000	0.2959
	Sale 31-Dec-2018	-3600	0.1775	2400	0.1183
	Sale 04-Jan-2019	-2400	0.1183	0	0.0000
	Purchase 29-Mar-2019	1200	0.0591	1200	0.0591
	At the End of the year	1200	0.0591	1200	0.0591

2.	Sumanju Projects & Services Limited				
	At the beginning of the year	62400	3.0774	62400	3.0774
	Date wise Increase/ Decrease in Shareholding during the year	0	0	0	0
	At the End of the year	62400	3.0774	62400	3.0774
	Having Same PAN				
2.	Sumanju Projects & Services Limited				
	At the beginning of the year	45600	2.2489	45600	2.2489
	Date wise Increase/ Decrease in Shareholding during the year	0	0	0	0
	At the End of the year	45600	2.2489	45600	2.2489
3.	Nitinkumar Jayantilal Patel				
	At the beginning of the year	25200	1.2428	25200	1.2428
	Date wise Increase/ Decrease in Shareholding during the year:	0	0	0	0
	At the End of the year	25200	1.2428	25200	1.2428
4.	Ashish Navnitlal Shah				
	At the beginning of the year	18000	0.8877	18000	0.8877
	Date wise Increase/ Decrease in Shareholding during the year:				
	Sale 21-Dec-2018	-9600	0.4734	8400	0.4142
	Sale 28-Dec-2018	-8400	0.4142	0	0.0000
	Purchase 30-Mar-2019	4800	0.2367	4800	0.2367
	At the End of the year	4800	0.2367	4800	0.2367
5.	Sahil Gupta				
	At the beginning of the year	15600	0.7693	15600	0.7693
	Date wise Increase/ Decrease in Shareholding during the year :				
	Sale 29-Jun-2018	-2614	0.1289	12986	0.6404
	Purchase 27-Jul-2018	2614	0.1289	15600	0.7693
	Sale 16-Nov-2018	-15600	0.7693	0	0.0000
	At the End of the year	0	0.0000	0	0.0000
	Having Same PAN				
5.	Sahil Gupta				
	At the beginning of the year	0	0	0	0
	Date wise Increase/ Decrease in Shareholding during the year:				
	Purchase 16-Nov-2018	15600	0.7693	15600	0.7693
	At the End of the year	15600	0.7693	15600	0.7693

6.	Ilesh Pursothamdas Shah				
	At the beginning of the year	15600	0.7693	15600	0.7693
	Date wise Increase/ Decrease in Shareholding during the year:	0	0	0	0
	At the End of the year	15600	0.7693	15600	0.7693
7.	Amit Ranjan Das				
	At the beginning of the year	9600	0.4734	9600	0.4734
	Date wise Increase/ Decrease in Shareholding during the year:	0	0	0	0
	At the End of the year	9600	0.4734	9600	0.4734
8.	Vimalbhai Gandalal Patel Jt1 : Ankit Kantilal Patel				
	At the beginning of the year	9600	0.4734	9600	0.4734
	Date wise Increase/ Decrease in Shareholding during the year :				
	Sale 20-Apr-2018	-1200	0.0591	8400	0.4142
	Sale 25-May-2018	-1200	0.0591	7200	0.3550
	At the End of the year	7200	0.3550	7200	0.3550
9.	Tapan Pinakin Anandjiwala				
	At the beginning of the year	8400	0.4142	8400	0.4142
	Date wise Increase/ Decrease in Shareholding during the year:	0	0	0	0
	At the End of the year	8400	0.4142	8400	0.4142
	Having Same PAN				
9.	Tapan Pinakin Anandjiwala				
	At the beginning of the year	3600	0.1775	3600	0.1775
	Date wise Increase/ Decrease in Shareholding during the year:	0	0	0	0
	At the End of the year	3600	0.1775	3600	0.1775
10.	Janakbhai Jayantilal Jani				
	At the beginning of the year	7200	0.3550	7200	0.3550
	Date wise Increase/ Decrease in Shareholding during the year:	0	0	0	0
	At the End of the year	7200	0.3550	7200	0.3550

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.	Mr. Gaurang Parmanand Shah (Chairman & Managing Director)	1144982	56.47	1144982	56.47
2.	Mrs. Rupal Gaurang Shah (including 12400 equity shares jointly held with Mr. Gaurang Shah)	243400	12.00	243400	12.00
3.	Mrs. Ritu Ashish Jalan	NIL	NIL	NIL	NIL
4.	Mr. Sachin Knawarlal Kanasal	NIL	NIL	NIL	NIL
5.	Mr. Asit Ramniklal Shah	NIL	NIL	NIL	NIL
6.	Mr. Pannalal Jatashanker Surti	100	00	100	00
7.	Ms. Jeel Hareshbhai Patel	NIL	NIL	NIL	NIL

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	203,200,405	55,334,053	626,200	258,534,458
ii) Interest due but not paid	00	00	00	00
iii) Interest accrued but not due	00	00	00	00
Total (i+ii+iii)	203,200,405	55,334,053	626,200	258,534,458
Change in indebtedness during the financial year				
i) Addition	1,346,827,199	84,557,074	0	1,431,384,273
ii) Reduction	1,370,923,065	32,885,859	0	1,403,808,924
Net Change	(24,095,866)	51,671,215	0	27,575,349
Indebtedness at the end of the financial year				
i) Principal Amount	179,104,539	107,005,268	626,200	286,109,807
ii) Interest due but not paid	0	0	00	0
iii) Interest accrued but not due	0	0	00	0
Total (i+ii+iii)	179,104,539	107,005,268	626,200	286,109,807

* Deposit excluded by virtue of Companies (Acceptance of Deposits) Rules 2014 are not considered.

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	3,028,008	2,173,996	5,202,004
	(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	-	-	-
	Total (A)	3,028,008	2,173,996	5,202,004
	Ceiling as per the Act	As per Companies Act, 2013 and Schedule V of the Companies Act	As per Companies Act, 2013 and Schedule V of the Companies Act	

B. Remuneration to other director:

Sr. No.	Particulars of Remuneration	Name of Director/ Manager			Total Amount (In ₹)
		Mrs. Ritu Jalan	Mr. Sachin Kansal	Mr. Asit Shah	
1	Independent Directors				
	• Fee for attending board/committee meetings	28,000	24,500	21,000	73,500
	• Commission	-	-	-	-
	• Others, please specify	-	-	-	-
	Total (1)	28,000	24,500	21,000	73,500
	Other Non-Executive Directors	-	-	-	-
	• Fee for attending board/committee meetings	-	-	-	-
	• Commission	-	-	-	-
	• Others, please specify	-	-	-	-
	Total (2)	-	-	-	-
	Total (B)= (1+2)	28,000	24,500	21,000	73,500
	Total Managerial Remuneration	-	-	-	-
	Over all Ceiling as per the Act	As per Companies Act 2013			

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	566,852	402,609	969,461
	(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	-	-	-
	Total	566,852	402,609	969,461

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)
A. COMPANY					
Penalty					
Punishment			N.A.		
Compounding					
B. DIRECTORS					
Penalty					
Punishment			N.A.		
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment			N.A.		
Compounding					

For and on behalf of Board of Directors

Gaurang Shah
 (Chairman & Managing Director)
 DIN : 07956079

 Date: 28/08/2019
 Place: Ahmedabad

ANNEXURE- C**Secretarial Audit Report for the Financial Year ended on 31st March, 2019**

[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, 2019 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, 2019 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 – Not Applicable during the year under review. ;

- (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 – Not Applicable during the year under review.
- (h) The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998 – Not Applicable during the year under review.

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. Goods and Sales Tax Act
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

However the above is subject to Delay in submission of forms for release of pledged shares to Stock Exchange.

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**

Date : 28/08/2019

Place : Ahmedabad

**ALKESH JALAN
PROPRIETOR**

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

Place: Ahmedabad
Date: 28/08/2019

SD/-
Alkesh Jalan
(Proprietor)
Membership No. – 15677
Firm Registration No. - 4580

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)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section(1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

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

There was no contracts or arrangements or transactions entered into during the year ended 31st March, 2019, which were not at arm's length basis.

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	Gaurang Shah and Rupal Shah are Directors and Shareholder of 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	The Value of Transaction during the year is ₹ 27,008,780/- Only and the terms of Transaction/ arrangement are specified in the respective Bill
Date of Approval by the Board	28th March, 2018
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 also directly and 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	The value of Transaction during the year is ₹ 8,686,706. Only and the terms of Transaction/ arrangement are specified in the respective Bill
Date of Approval by the Board	28th March, 2018
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 directly and indirectly interested through their Relatives.
Nature of Contract/ Arrangement/ Transaction	By Leave and License Agreement
Duration of the contracts/arrangements or transactions	11 Months
Terms of the contracts/Arrangements/Transactions including the value, if any	The value of Transaction during the year is ₹ 371,700/- Only and terms of the contract/Arrangement are mentioned in the Leave and License Agreement.
Date of Approval by the Board	28th March, 2018
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 directly or indirectly interested through their Relatives.
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	The value of Transaction during the year is ₹ 156,600/- Only and the terms of Transaction/ arrangement are specified in the respective Bill.
Date of Approval by the Board	28th March, 2018
Amount paid as advances, if any	NIL

Particulars	Information
Name(s) of the related party	Rahul G. Shah & Company
Nature of relationship	A Proprietorship in which Mr. Rahul Shah, a son of Mr. Gaurang Shah and Mrs. Rupal Shah, is a Proprietor. Thus Both Mr. Gaurang Shah and Mrs. Rupal Shah are directly interested through their relatives.
Nature of Contract/ Arrangement/ Transaction	Availing and Rendering of any services
Duration of the contracts/arrangements or transactions	N.A
Terms of the contracts or arrangements or transactions including the value, if any	The value of transaction during the year is ₹ 680,860/- Only and the terms of Transaction/ arrangement are specified in the respective Bill
Date of Approval by the Board	28th March, 2018
Amount paid as advances, if any	NIL

Particulars	Information
Name(s) of the related party	Ms. Priya Gaurang Shah
Nature of relationship	Ms. Priya Shah is a daughter of Mr. Gaurang Shah and Mrs. Rupal shah, hence she is a relative of Mr. Gaurang Shah and Mrs. Rupal Shah
Nature of Contract/ Arrangement/ Transaction	Appointment to any office or place of profit in the company.
Duration of the contracts/arrangements or transactions	N.A
Terms of the contracts or arrangements or transactions including the value, if any	The value of Transaction during the year is ₹ 869,596/- Only
Date of Approval by the Board	28th March, 2018
Amount paid as advances, if any	NIL

Particulars	Information
Name(s) of the related party	Lumos Building Automation Private Limited
Nature of relationship	Gaurang Shah has an indirect relationship with the Director of the company. Relative of Director of the company is also a relative of Gaurang Shah.
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	The Value of Transaction during the year is ₹3,189,257/- Only and the terms of Transaction/ arrangement are specified in the respective Bill
Date of Approval by the Board	28th March, 2018
Amount paid as advances, if any	NIL

For and on behalf of Board of Directors

Gaurang Shah
(Chairman & Managing Director)
DIN : 07956079

Date: 28/08/2019
Place: Ahmedabad

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, 2019, as stipulated in Schedule V of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 for the period ended 31st March, 2019.

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)

Place : Ahmedabad
Date : 28/08/2019

(Parth Shah)
Proprietor
M. No. 167721
Firm Registration No. 141540W

CORPORATE GOVERNANCE REPORT

A report on compliance with the principles of Corporate Governance as prescribed by SEBI in Chapter IV read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) is given below:

1. Company’s Philosophy on Corporate Governance :

Your Company is committed to adopt the best practices of Governance Practice. Corporate Governance envisages commitment of the Company towards the attainment of high levels of transparency, accountability and equity with the ultimate objective of increasing long-term shareholder value, keeping in view the needs and interests of all other stakeholders. For the company, Corporate Governance is all about maintaining a valuable relationship and trust with all stakeholders. We consider stakeholders as partners in our success. We remain committed to maximizing stakeholders’ value, be it shareholders, employees, suppliers, customers, investors etc. Your Company also believes that good Corporate Governance makes good business sense. Your Company believes in fair dealing, strengthening disclosure practices, timely and appropriate compliance of the applicable regulations and strategic guidance and monitoring by the Board.

2. Board of Directors :

As on 31st March, 2019, there are total 05 (Five) Directors on the Board of Directors. The Board of directors of the Company comprises of 01 (One) Managing Director, 01 (One) Executive Director and 03 (Three) Non-Executive Independent Director.

The Board of Directors of the Company comprises of an optimum combination of Executive and Non-Executive Directors, which is in conformity with the Listing Regulations as of the year ended 31st March 2019. The Chairman of the Board is an Executive Director.

Number of Board Meeting held with dates and attendance:

Date	Board Strength	No. of Directors Present
30th May, 2018	5	5
24th July, 2018	5	5
30th August, 2018	5	5
17th October, 2018	5	5
03rd November, 2018	5	5
26th December, 2018	5	5
21st February, 2019	5	4
30th March, 2019	5	5

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

Name of Director	Category	Attendance at meetings during 2018-19		No. of Other Directorship	No. of Chairmanship and Membership in other Companies Committee	
		Board Meeting	Last AGM		As Chairman	As Member
Mr. Gaurang Shah	Managing Director	8	Yes	1*	Nil	Nil
Mrs. Rupal Shah	Executive Director	8	Yes	1*	Nil	Nil
Mrs. Ritu Jalan	Independent Director	8	Yes	--	Nil	Nil
Mr. Sachin Kansal	Independent Director	8	Yes	1#	02	01
Mr. Asit Shah	Independent Director	7	Yes	1*	Nil	Nil

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

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, 2019.

Name of Director	Number of Shares held
Mr. Gaurang Shah	1144982
Mrs. Rupal Shah	243400 (including Jointly held with Mr. Gaurang Shah)
Mrs. Ritu Jalan	Nil
Mr. Sachin Kansal	Nil
Mr. Asit Shah	Nil

3. Board Committees :

(a) Audit Committee :

Composition of Audit Committee :

The Audit Committee of the Board, comprises three Directors namely Mr. Sachin Kanwarlal Kansal, Mr. Asit Ramniklal Shah and Mrs. Ritu Ashish Jalan. 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.

The Audit Committee's composition and terms of reference are in compliance with the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Members of the Audit Committee possess requisite qualifications and expertise.

Terms of Reference :

The Audit Committee is empowered, pursuant to its terms of reference and its role, inter alia,

includes the following :

- oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;
- approval of payment to statutory auditors for any other services rendered by the Statutory auditors;
- reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - a. matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
 - b. changes, if any, in accounting policies and practices and reasons for the same;
 - c. major accounting entries involving estimates based on the exercise of judgment by management;
 - d. significant adjustments made in the financial statements arising out of audit findings;
 - e. compliance with listing and other legal requirements relating to financial statements;
 - f. disclosure of any related party transactions;
 - g. modified opinion(s) in the draft audit report;
- reviewing, with the management, the quarterly/ half yearly financial statements before submission to the board for approval;
- reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
- reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- approval or any subsequent modification of transactions of the listed entity with related parties;
- scrutiny of inter-corporate loans and investments;
- valuation of undertakings or assets of the listed entity, wherever it is necessary;
- evaluation of internal financial controls and risk management systems;
- reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- Formulating the scope, functioning, periodicity and methodology for conducting the internal audit
- reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- discussion with internal auditors of any significant findings and follow up there on;
- reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- discussion with statutory auditors before the audit commences, about the nature and scope

- of audit as well as post-audit discussion to ascertain any area of concern;
- to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- to review the functioning of the whistle blower mechanism;
- approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
- Monitor implementation and compliance with the Company's Code of Conduct for Prohibition of Insider Trading.
- The audit committee shall mandatorily review the following information:
 - a) management discussion and analysis of financial condition and results of operations;
 - b) statement of significant related party transactions (as defined by the audit committee), submitted by management;
 - c) management letters / letters of internal control weaknesses issued by the statutory auditors;
 - d) internal audit reports relating to internal control weaknesses; and
 - e) the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
- To perform such other functions as may be necessary or appropriate for the performance of its duties;
- Carry out any other function as is mandated by the Board from time to time and/or enforced by any statutory notification, amendment or modification, as may be applicable.

Meeting Details :

During the Financial Year 2018-19, 04 (Four) meetings of the Audit Committee were held on 30th May, 2018, 30th August, 2018, 03rd November, 2018 and 21st February, 2019. The intervening gap between two Meetings did not exceed 120 days.

Attendance of each Member at the Audit Committee meeting held during the year:

Sr. No.	Name	No. of meeting attended
1.	Mr. Sachin Kanwarlal Kansal	04
2.	Mr. Asit Ramniklal Shah	03
3.	Mrs. Ritu Ashish Jalan	04

(b) Nomination and Remuneration Committee:

Composition of Nomination and Remuneration Committee:

The Nomination and Remuneration Committee of the Board, comprises of three Directors viz. Mr. Sachin Kanwarlal Kansal, Mr. Asit Ramniklal Shah and Mrs. Ritu Ashish Jalan. 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.

The Nomination and Remuneration Committee's composition and terms of reference are in compliance with the provisions of the Companies Act, 2013 and Regulation 19 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Terms of Reference:

The Nomination and Remuneration Committee is empowered, pursuant to its terms of reference and its role, inter alia, includes the following:

- Formulate and review the criteria for determining qualifications, positive attributes and independence of a Director, and recommend to the Board a policy and any changes thereto, relating to the remuneration for the Directors, Key Managerial Personnel and other employees
- Formulate the criteria for evaluation of Independent Directors and the Board and recommend the same for approval
- Devise a policy on Board diversity
- Identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and to recommend to the Board their appointment, re-appointment and / or removal
- Recommend / review remuneration of the Managing Director/ Whole-time Director/ Executive Director (s), based on their performance and defined assessment criteria
- Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- Perform such other functions as may be necessary or appropriate for the performance of its duties
- Carry out any other function as is mandated by the Board from time to time and/or enforced by any statutory notification, amendment or modification, as may be applicable

Meeting Details:

During the Financial Year 2018-19, 01 (One) meeting of the Nomination and Remuneration Committee were held on 30th August, 2018.

The attendance of the members at the Nomination and Remuneration meetings held during the year is as under:

Sr. No.	Name	No. of meeting attended
1.	Mr. Sachin Kanwarlal Kansal	01
2.	Mr. Asit Ramniklal Shah	01
3.	Mrs. Ritu Ashish Jalan	01

Performance Evaluation Criteria for independent Directors:

The Nomination and Remuneration Committee has devised criteria for evaluation of the performance of the Board, the committees, individual Directors and chairman of the Board. The said criteria, inter-alia, provides certain parameters like attendance, contribution at Board and Committee Meetings, understanding of Company’s operations and key competency / area of knowledge, application of knowledge and experience in strategy consideration, interpersonal skills, independence and judgment and compliance with the Code of Conduct which are considered by the Committee and/or the Board while evaluating the performance of each Director.

Remuneration of Directors:

The Company has Remuneration Policy for Directors, Key Managerial Personnel and other employees, recommended by the Nomination and Remuneration Committee and approved by the Board of Director,

and is available at the Website of the Company www.hecprojects.in. Further, the Company has also devised criteria for performance evaluation of Independent Directors, Board and Committees.

There are no pecuniary relationship or transaction entered in to by the Company with any of the Directors of the Company except as disclosed herein below as regards the remuneration including the sitting fees paid to them.

The aggregate remuneration paid for the year ended 31st March, 2019 to Mr. Gaurang Shah, Managing director was ₹ 30.28 Lacs and Mrs. Rupal Shah, Executive Director was ₹ 21.73 Lacs.

During the year 2018-19, paid sitting fees to each Non-Executive Directors for attending the meeting of the Board of Directors and the Committee thereof @ 3500 per meeting. The Board of Directors in their meeting held on 17th October, 2018 passed a resolution to pay the sitting fees to the each Non-Executive Directors for attending the meeting of the Board of Directors and the Committee thereof with immediate effect.

The company has not paid any commission to any Directors for the year 2018-19.

During the year under review, the company does not provide any Bonus or stock options to the Directors of the company.

(c) Stakeholder 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 Ramniklal Shah, Mrs. Ritu AshishJalan and Mr. Gaurang Parmanand Shah. Mr. Asit Ramniklal Shah is the Chairman of the Stakeholder Relationship Committee.

The Stakeholder relationship committee is primarily responsible to consider and resolve the grievances of the security holders of the listed entity including complaints related to transfer of shares, non-receipt of annual report and non-receipt of declared dividends.

The Stakeholder relationship Committee's composition and the terms of reference are in compliance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 20 of the Listing Regulations. The terms of reference are available at the website of the Company www.hecprojects.in.

Compliance Officer:

Ms. Jeel Patel, Company Secretary of the Company, is designated as the Compliance Officer of the Company as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

4. Investor Grievance Redressal Status:

The status of Investors' Complaints as on 31st March, 2019, is as follows:

No. of complaints as on 1st April, 2018	00
No. of complaints received during the Financial Year 2018-19	00
No. of complaints resolved upto 31st March, 2019	00
No. of complaints pending as on 31st March, 2019	00

5. Separate meeting of Independent Directors:

During the year under review, a Separate Meeting of Independent Directors was held on 12th March, 2019 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.

6. Familiarization Programme:

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 and Companies plans and operations and Business operations and functioning of various departments of the Company etc.

The detailed familiarization programme for Independent Directors is available on the website of the company at www.hecprojects.in.

7. General Body Meeting:

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

Financial Year	Date	Time	Location	Whether any special resolutions passed at AGM and (No. of such resolution passed)
2015-16	24th September, 2016	11:00 a.m.	Sigma 1 Corporates, Corporate House No. 6, Sindhu Bhavan Road, Nr. Mahan Party Plot Cross Road, Bodakdev, Ahmedabad-380054.	- To Approve Related Party Transaction
2016-17	29th September, 2017	11:00 a.m.	Sigma 1 Corporates, Corporate House No. 6, Sindhu Bhavan Road, Nr. Mahan Party Plot Cross Road, Bodakdev, Ahmedabad-380054.	- To Approve Related Party Transaction
2017-18	29th September, 2018	11:00 a.m.	Sigma 1 Corporates, Corporate House No. 6, Sindhu Bhavan Road, Nr. Mahan Party Plot Cross Road, Bodakdev, Ahmedabad-380054.	- NIL

Special Resolution(s) passed through Postal Ballot:

There has been no resolution passed through postal ballot during the financial year 2018-19. None of the businesses proposed to be transacted at the ensuing 14th Annual General Meeting require passing a special resolution through postal ballot.

8. Means of Communication:**(a) Financial Result:**

The Half Yearly and Yearly Financial Result of the company are submitted to stock exchange and also disclosed at the website of the company i.e. www.hecprojects.in

(b) NSE Electronic Application Processing System (NEAPS):

NEAPS is a web-based application designed by NSE for corporates. All periodical compliance filings like shareholding pattern, Financial Result, statement of investor complaints among others, are filed electronically on NEAPS.

(c) SEBI Complaints Redress System (SCORES):

The investor complaints are processed in a centralized web-based complaints redress system. The salient features of this system are: Centralized database of all complaints, online upload of Action Taken Reports (ATRs) by concerned companies and online viewing by investors of actions taken on the complaint and its current status.

(d) Company Website:

In compliance of Regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate dedicated section under “Investors” on the Company’s website gives information on Annual Report, Half yearly and yearly Financial Results, various announcements made by the company along with the applicable policies of the company are also available on the Company’s website www.hecprojects.in.

9. General Shareholder Information**a) Annual General Meeting- Date, Time and venue:**

14th Annual General Meeting of the company will be held on Friday, 27th September, 2019 at 11:00 a.m. at the registered office of the company situated at Sigma 1 Corporates, Corporate House no. 6, Nr. Mahan Party Plot, Sindhu Bhvan Road, Bodakdev, Ahmedabad- 380054.

b) Financial Year:

1st April to 31st March every year

c) Dividend Payment Date:

Not Applicable.

d) Name & Address of Stock Exchange(s) at which the listed entity’s securities are listed and a confirmation about payment of annual listing fees to each of such stock exchange(s):

The Equity Shares of the company are listed on National Stock Exchange of India Limited (Emerge Platform). The company confirms that Annual Listing Fees for the year 2019-20 has been paid by the Company to NSE Ltd.

e) Stock Code:

NSE Ltd (Emerge SME Platform): Symbol: HECPROJECT
Series: SM
ISIN: INE558R01013

f) 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, 2019:

Sr. No.	Month(s)	High Price	Low Price	Volume
1.	April, 2018	160	145	8400
2.	May, 2018	158	158	1200
3.	June, 2018	150.1	150.1	1200
4.	July,2018	142.6	142.6	1200
5.	August, 2018	--	--	--
6.	September, 2018	163	147	6000
7.	October, 2018	146.25	125.15	7200
8.	November, 2018	--	--	--
9.	December, 2018	142	123.2	36000
10.	January, 2019	144.6	124.05	4800
11.	February, 2019	125	118.75	3600
12.	March, 2019	133	124	6000

[Source: NSE website]

g) In case the securities are suspended from trading, the directors report shall explain the reason thereof: Not Applicable

h) Registrar to an issue and Share 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

i) 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.

j) Distribution of Shareholding as on 31st March, 2019:

No. of Equity Shares	No. of Shareholders	% to total Shareholder	No. of shares held	% to total Shareholding
1 - 100	6	6.1855	600	0.0296
101 - 500	0	0.0000	0	0.0000
501 - 1000	0	0.0000	0	0.0000
1001 - 2000	47	48.4536	56400	2.7816
2001 - 3000	11	11.3402	26218	1.2930
3001 - 4000	6	6.1856	21600	1.0653
4001 - 5000	8	8.2474	37732	1.8609
5001 -10000	9	9.2784	64800	3.1958
10000 - And Above	10	10.3093	1820282	89.7738
Total	97	100.0000	2027632	100.0000

k) Shareholding Pattern as on 31st March, 2019:

Category	No. of shares held	%
A) Promoters and Promoter Group		
a) Individual	1394932	68.80
b) Body Corporate	93500	4.61
Total Shareholding of Promoter & Promoter Group (A)	1488432	73.41
B) Public Shareholding		
I) Institutions:		
a) Market Maker	174000	8.58
Sub-total (B) (I)	174000	8.58
II) Non-Institutions:		
a) Body Corporate	115200	5.68
b) Individual		
- shares up to Rs. 2 Lakh	216400	10.67
- shares in excess of Rs. 2 Lakh	25200	1.24
c) Clearing Member	1200	0.06
d) Hindu Undivided Family	7200	0.36
Sub-total (B) (II)	365200	18.01
Total Public Shareholding (B)= (B)(I) + (B)(II)	539200	26.59
Total Shareholding (A+B)	2027632	100

l) 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, 2019.

m) Outstanding ADRs/ GDRs/ Warrants/ Convertible instruments and their impact on equity: The Company has not issued any GDRs / ADRs/ Warrants or any other instrument, which is convertible into Equity Shares of the Company.

n) Commodity price risk or foreign exchange risk and hedging activities:

The nature of Business of the company does not involve commodity price risk, foreign exchange risk, and accordingly does not require hedging activity.

o) Plant Location: Not Applicable

p) Address for Correspondence:

HEC INFRA PROJECTS LIMITED

CIN: L45200GJ2005PLC046870

Sigma 1 Corporate, Corporate House No. 6, Sindhu Bhawan Road,
Nr. Maan Party Plot Crossroad, Bodakdev, Ahmedabad-380 054.

Tel No: +91-79-40086771 - 74; Fax No: +91-79-40086771

E-mail: elect@hecproject.com

CAMEO CORPORATE SERVICES LIMITED

Subramanian Building No.1, Club House Road,
Chennai-600002, Tamilnadu.

Tel: +91-44-28460390, Fax: +91-44-28460129

E-mail: investor@cameoindia.com

q) List of all credit rating :

List of all credit ratings obtained by the entity along with any revisions thereto during the relevant financial year, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilization of funds, whether in India or abroad.

The Company has obtained its credit ratings from Care Ratings Limited. The rating for the financial year 2018-19 is as follows:

Facilities	Amount (Rs. Crore)	Ratings	Remarks
Long-term Bank Facilities	16.19	CARE BBB-; Stable (Triple B Minus; Outlook: Stable)	Revised from CARE BBB; Stable(Triple B; Outlook: Stable)
Short-term Bank Facilities	22.00	CARE A3 (A Three)	Reaffirmed

Total Facilities Rated: 38.19 (Rs. Thirty Eight Crore Nineteen Lakh Only)

10. Other Disclosure:

I. Disclosure on materially significant related party transactions that may have potential conflict with the interest of listed entity at large:

All transaction entered into by the Company with related parties, during the financial year 2018-19 with related parties were in its 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 2018-19, 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, strictures imposed on the listed entity by stock exchange (s) or the board or any statutory, on any matter related to capital markets, during the last three years:

There has been no instance of non-compliance by the Company on any matter related to capital markets during last three years, and hence, no penalties or strictures have been imposed on the Company by Stock Exchanges or SEBI or any other statutory authority.

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

The Company promotes ethical behavior in all its business activities and has put in place a mechanism for reporting illegal or unethical behavior. The Company has a Vigil Mechanism/ Whistle Blower Policy pursuant to provision of Companies Act, 2013 and SEBI (LODR) Regulations, 2015, in which the employees are free to report violations of applicable laws and regulations and the Code of Conduct. Employees may report to the Chairman of the Audit Committee. During the year under review, no employee was denied access to the Audit Committee. During the year under review, no protected disclosure concerning any reportable matter in accordance with the Vigil Mechanism/Whistle Blower Policy of the Company was received by the Company.

The details of Vigil Mechanism/ Whistle Blower Policy are available on the website of the Company at the link: <http://hecprojects.in/investors>

IV. Details of compliance with mandatory requirements and adoption of the non-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 transaction:

The Company has formulated a Policy on Related Party Transactions and put up on its website and can be accessed at the link: <http://www.hecprojects.in/investors/>

VI. The Company has not raised funds through preferential allotment or qualified institutions placement as specified under regulation 32 (7A).

VII. A Certificate received from Jalan Alkesh & Associates, Company Secretaries, as to none of the Directors of the company are debarred or disqualified from being appointed or continuing as a Directors of the Companies is annexed to this report.

VIII. The Board of Directors have accepted all recommendation of all the committee of the Board during Financial Year 2018-19.

IX. Total fees for all services paid by the Listed Entity, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the Statutory Auditor is a part.

Description of Services	Amount (In Rupees)
Audit Fees	175000
Limited Review Certification	45000
Taxation Matters	25000
Total	245000

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

- a) Number of Complaints filed during the financial year: Nil
- b) Number of Complaints disposed of during the financial year: Nil
- c) Number of Complaints pending as on end of the financial year: Nil

10. Certificate on Compliance with Code of Conduct:

The Board of Directors has laid down the Code of Conduct for all the Board Members and members of the senior management. The Code is also placed on the Company's website i.e. www.hecprojects.in/investors/. A certificate from the Managing Director, affirming compliance of the said Code by all the Board Members and members of the senior management to whom the Code is applicable, is annexed separately to this report.

11. CEO/CFO Certificate:

As required under Regulation 17(8) read with Part B of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the CEO/CFO certificate for the financial year 2018-19 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.

Annexure to Corporate Governance Report of HEC Infra Projects Limited

Declaration regarding Affirmation of Code of Conduct

As provided under the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby confirm that the Board and Senior Management have affirmed complied with the Code of Conduct for the financial year ended 31st March, 2019.

For and on behalf of Board of Directors

Date: 28/08/2019
Place: Ahmedabad

Gaurang Shah
(Chairman & Managing Director)
DIN :07956079

Certificate of Non-Disqualification of Directors

(pursuant to Regulation 34(3) and Schedule V Para C clause (10) (i) of the SEBI (listing obligations and Requirements) Regulations, 2015)

To,
The Members of
HEC Infra Projects Limited
Sigma 1 Corporates, Corporate House No. 6,
Sindhu Bhavan Road, Nr. Maan Party Plot Cross Road,
Bodakdev, Ahmedabad-380054

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of HEC Infra Projects Limited having CIN: L45200GJ2005PLC046870 and having registered office at Sigma 1 Corporates, Corporate House No. 6, Sindhu Bhavan Road, Nr. Maan Party Plot Cross Road, Bodakdev, Ahmedabad-380054 (hereinafter referred to as 'the company'), produced before us by the Company for the purpose of issuing this certificate in accordance with Regulation 34(3) read with Schedule V Para-C clause (10) (i) of the SEBI (listing obligations and Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verification (including Directors Identification Number (DIN) status at the Portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers we hereby certify that none of the Directors on the Board of the company as stated below for the Financial Year ending on 31st March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of Appointment in Company
1.	Mr. Gaurang Parmanand Shah	01756079	06/10/2005
2.	Mrs. Rupal Gaurang Shah	01756092	06/10/2005
3.	Mrs. Ritu Ashish Jalan	06891569	30/09/2015
4.	Mr. Sachin Kanwarlal Kansal	03566139	10/10/2015
5.	Mr. Asit Ramniklal Shah	05285162	19/12/2015

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

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

**Alkesh Jalan
Proprietor
ACS No.: 15677
C.P. No.: 4580**

**Date: 28/08/2019
Place: Ahmedabad**

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: 30/05/2019
Place: Ahmedabad

Chief Finance Officer
Pannalal J. Surti

MANAGEMENT DISCUSSION 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 Bodakdev, Ahmedabad - Gujarat. The Company is incorporated since 2005 and has experience in the field of Electro-Mechanical contracting work from last 26 years, as before the incorporation of the Company, the Business was undertaken in the name of Harsh Electric Corporation for 14 years.

The Company has wide experience in the field of Electrical, Electro-Mechanical, Civil and Instrumentation work. The company also has experience in providing wide range of Services in the field of Design, Supply, Installation, Testing & Commissioning of Transmission Lines, Switchyards up to 220KV/132KV/66KV/33KV & 11KV sub-station, Solar rooftop and power plants, Water pumping stations along with SCADA and communication facilities.

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, Malls, Multiplexes, Hospitals, Airports, SEZ and for various government PSU. We have successfully executed different High voltage to Low voltage 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:

India continues to remain the fastest growing major economy in the world in 2018-19, despite a slight moderation in its GDP growth from 7.2 per cent in 2017-18 to 6.8 per cent in 2018-19. On the other hand, the world output growth declined from 3.8 per cent in 2017 to 3.6 per cent in 2018. India's growth of real GDP has been high with average growth of 7.5 per cent in the last 5 years. The Indian economy grew at 6.8 per cent in 2018-19, thereby experiencing some moderation in growth when compared to the previous year. This moderation in growth momentum is mainly on account of lower growth in 'Agriculture & allied', 'Trade, hotel, transport, storage, communication and services related to broadcasting' and 'Public administration & defence' sectors.

On the external front, current account deficit (CAD) increased from 1.9 per cent of GDP in 2017-18 to 2.6 per cent in April-December 2018. The widening of the CAD was largely on account of a higher trade deficit driven by rise in international crude oil prices (Indian basket). The trade deficit increased from US\$ 162.1 billion in 2017-18 to US\$ 184 billion 2018-19. Merchandise imports reduced from 21.1 per cent to 10.4 per cent. Growth in service exports and imports in US dollar terms declined to 5.5 per cent and 6.7 per cent respectively in 2018-19, from 18.8 per cent and 22.6 per cent respectively in 2017-18.

Rupee depreciated by 7.8 per cent vis-à-vis US dollar, 7.7 per cent against Yen, and 6.8 per cent against Euro and Pound Sterling in 2018-19. During 2018-19, Indian rupee traded with a depreciating trend against US dollar and touched Rs. 74.4 per US dollar in October 2018 before recovering to Rs. 69.2 per US dollar at end March 2019.

Gross Value Added reflected a decline in economic activity, registering a growth of 6.6 per cent in 2018-19, lower than 6.9 per cent in 2017-18. Growth of net indirect taxes was 8.8 per cent in 2018-19, lower than that of 2017-18 on account of loss of momentum of economic activity.

Service sector is the most dynamic sector in the economy and has remained the key driver of economic growth along with being a major contributor to GVA and export basket of the Indian Economy. Service exports has become one of the mainstay of India's total exports increasing manifold, from Rs. 0.746 lakh crore in 2000-01 to Rs. 14.389 lakh crore in 2018-19, raising its share in total exports from 26.8 per cent to 38.4 per cent. Share of India in world service exports has also increased from 2 per cent in 2005 to 3.5 per cent in 2017. This share is much higher than that of manufacturing exports which stands at 1.8 per cent in 2017.

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

The Indian engineering sector is divided into two major segments - heavy engineering and light engineering. The turnover of capital goods industry in India is estimated at US\$ 70 billion in 2017 and is expected to grow to US\$ 115.17 billion by 2025. Likewise, electrical equipment production is expected to reach US\$ 100 billion by FY 2021-22 from US\$ 27.3 billion in 2017-18. The electrical equipment industry grew 13.7 per cent year-on-year during April 2018-January 2019.

Comparative advantage vis-à-vis peers in terms of manufacturing costs, market knowledge, technology and creativity has been a driving force for engineering exports from India. India's engineering exports reached an all-time high in FY19, surpassing the US\$ 80 billion mark. Engineering exports grew 6.32 per cent year-on-year to US\$ 81.02 billion in FY19. Engineering exports reached US\$ 6.49 billion in April 2019.

Companies engaged in the engineering sector are virtually on a roll. Capacity creation in sectors like infrastructure, power, mining, oil & gas, refinery, steel, automotive, and consumer durables has been driving demand in the engineering sector. Separately, the approval of significant number of special economic zones (SEZs) across the country and the development of the Delhi Mumbai Industrial Corridor (DMIC) across seven states is expected to further bolster the engineering sector.

Foreign Direct Investment (FDI) allowed 100 per cent through the automatic route, and initiatives like 'Make in India', major international players have entered the Indian engineering sector due to significant growth opportunities available. Miscellaneous mechanical and engineering industries have received FDI inflows worth US\$ 3.58 billion during April 2000 to March 2019.

○ **Engineering Services:**

HEC is a leading EPC player in the field of Electro-Mechanical, solar Projects, Lighting and ELV System. It offers integrated solutions and end-to-end services ranging from design, supply, installation and commissioning of overhead transmission lines, substations, underground cable laying, Switchyard, distribution networks, power quality improvement projects, infrastructure electrification, solar PV plants, battery energy storage system and mini / micro grid projects.

➤ **TRANSMISSION PROJECTS:**

HEC has providing EPC solution in providing transmission Projects and having core strength of handling engineering solutions in EPC projects from procurement to construction services. The areas of service in Transmission project is of Switchyard, Overhead Transmission Line, and cable laying. The Company's substation business focuses on providing turnkey solutions for extra high voltage air insulated / gas insulated substations for utilities and power plants, EHV cable & communication backbone networks and complete electrical & instrumentation solutions for various infrastructure projects. The Company has a

wide experience for execution of projects on Turnkey basis for Switchyard up to 220 KV, Overhead transmission line up to 220 KV, and underground cable laying up to 66 KV, Air insulated substations up to 220KV, Smart distribution sub-station and SCADA systems.

During the year the company has executed switchyard work for HPCL-Mittal Pipelines Ltd. The company has also working for Switchyard and Cable laying work at Gujarat Energy Transmission Corporation Limited, Vadodara.

➤ **WATER PUMPING STATIONS:**

HEC has the ability to provide turnkey projects to clients who are seeking single company approach to project design and implementation. Our vast knowledge and experience in the water pumping station link us to the best resourced companies in the world capable of implementing complete package projects. The Company executes various projects on turnkey basis involving mechanical, electrical instrumentations in government, private and industrial pumping schemes. The Company has in house manufacturing (by way of manufacturing by sister concern companies) of HT panels, LT panels and Distribution Boards (DB) which gives added advantage to end clients. We have executed pumping projects which includes HT Motors up to 6.6 KV along with PLC, SCADA & Automation systems.

During the year the company has executed various projects for Ahmedabad Municipal Corporation and Gujarat Water Infrastructure Ltd.

➤ **SOLAR:**

HEC provides end to end solution EPC (Engineering procurement and construction) in PV solar plants. Installation of medium/large scale grid solar power plants. The Company provides services starting from designing stage till Operations and Maintenance of Projects, guiding customers in government policy issues, land procurement issues, provide the project reports for and approvals for solar plants. HEC also provides roof top solar solutions in Solar PV solution with and without battery backup. We have also provide solutions for specific requirements for any type of roof top such as flat concrete rooftop, metallic rooftop, inclined and tiled rooftop. The Company has executed Rooftop projects for more than 1MW and Solar Park up to 5 MW till the 31st March, 2019.

➤ **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. During the year under review, the company has executed projects for Ahmedabad Municipal Corporation, HSCC (I) Limited and Ahmedabad Urban Development Authority and MEGA Metro Project, Ahmedabad.

➤ **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 TV Distribution. During the year 2018-19, the company has executed project for Central Public Works Department, IIT Gandhinagar and MEGA Metro Project, Ahmedabad.

○ Risk & Concern:

The Company recognizes that risk is inherent in every business activity. Effectively managing these risks is key to achieving our strategic objectives and the long-term sustainable growth of the 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 Company has framed a comprehensive Risk Management Policy which inter-alia lays down detailed process and policies in the various facets of the risk management function.

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.

○ Internal Control System and their adequacy:

The Company has adequate internal control systems appropriate for the business commensurate with the size and nature of its business having regard to efficiency of operations and for compliance with applicable laws. 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 Identification, treatment and mitigation of risk time to time. The controls are reviewed periodically and strengthened in view of changed processes, systems and regulations. In addition, the external auditor and internal auditors of the company carries out periodical review of the functioning and suggest changes if required.

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.

○ Human Resource & Safety:

Our Company believes that the human capital is key to bring in progress. The Company believes in maintain cordial relation with its employees which is one of the key pillars of the Company's business. The Company's HR policies and practices are built on core values of Integrity, Passion, Speed, and Commitment. The Company's focus is on recruitment of good talent and retention of the talent pool. The Company is hopeful and confident of achieving the same to be able to deliver results and value for our shareholders. As on 31st March, 2019, the total employees on the Company's rolls stood at 53.

○ Financial Performance:

During the financial year 2018-19, Total Revenue declined by 3 % to ₹8108.75 Lakhs. Profit before tax and Profit after tax turned negative to ₹252.50 Lakhs and ₹195.33 Lakhs respectively.

Particulars	For the year ended on	
	31st March, 2019	31st March, 2018
Revenue from Operations	8008.26	8263.49
Other Income	100.49	77.91
Total Revenue	8108.75	8341.40
Purchase of Stock-in-Trade	5317.89	5552.27
Changes in Inventories of Finished Goods, WIP and Stock-in-Trade	-262.74	-371.41
Employee Benefit Expenses	476.47	316.72
Other Expenses	1888.42	1971.92
Total Expenditure	7856.25	7856.76
EBIDT	688.71	871.90
Finance Cost	404.91	355.78
Depreciation and Amortization	31.29	31.49
Profit Before Extraordinary Item and Tax	252.50	484.63
Extraordinary Items	0.00	0.00
Profit Before Tax	252.50	493.24
Net Tax Expenses	57.17	159.11
Profit for the year	195.33	334.13

○ Opportunity and Threat:

Opportunity:

- Strategic Joint Venture strengthening business
- Entering in to a New projects
- Favorable contract terms
- Reliable Investors
- Favorable financing method according to the advance rate and payment dynamics
- Developing a Functional and coordinated Project team

Threat:

- Rise in cost of material, cost of transportation may affect the margin
- Changes in Government Policies
- Intense competition may reduce profitability
- Act of God
- Client Dissatisfaction
- Customers inability to pay

INDEPENDENT AUDITOR'S REPORT

To
The Members of
HEC INFRA PROJECTS LIMITED.

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of HEC INFRA PROJECTS LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March 2019, and the Statement of Profit and Loss and the Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Accounting Standards prescribed under section 133 of the Act read with the Companies (Accounting Standards) Rules, 2006, as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2019, its profit/loss and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. We have determined that there are no key audit matters to communicate in our report.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the Directors' Report including Annexures to the Directors' Report, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(I) of the Act, we are also

responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the

Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure A”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company’s internal financial controls over financial reporting.

- g) With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of section 197(16) of the Act, as amended,

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- h) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company does not have any pending litigations which would impact its financial position.
- 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 were required to be transferred to the Investor Education and Protection Fund by the Company.

2. As required by the Companies (Auditor’s Report) Order, 2016 (“the Order”) issued by the Central Government in terms of Section 143(11) of the Act, we give in “Annexure B” a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

**(PARTH SHAH)
Proprietor**

Membership No: 167721

**Place : Ahmedabad
Date : 30/05/2019**

ANNEXURE - A TO THE AUDITORS' REPORT

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **HEC INFRA PROJECTS LIMITED**. ("The Company") as of 31 March 2019 in conjunction with our audit of the financial statements of the Company for the year ended on 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 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") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's 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 a basis for our audit opinion on the Company's internal financial controls 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 purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the

maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2019, 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 : 30/05/2019**

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

ANNEXURE-B TO THE AUDITORS' REPORT

The Annexure referred to in our report to the members of HEC INFRA PROJECTS LIMITED for the year ended 31st March, 2019.

On the basis of the information and explanation given to us during the course of our audit, we report that:

1. (a) The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
(b) These fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies were noticed on such verification.
(c) Total Assets of company includes Immovable property also and the title deeds of immovable properties are held in the name of the company.
2. Physical verification of inventory has been conducted at reasonable intervals by the management and there is no material discrepancies were noticed.
3. 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 clause (3) of the order is not applicable.
4. 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.
5. The company has not accepted any deposits.
6. To the best of our knowledge and as explained, the Central Government has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013.
7. (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, duty of Customs, Goods and Service Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.

According to the information and explanations given to us and the records of the Company examined by us, in our opinion, no undisputed amounts payable as at March 31, 2019 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of Provident Fund, Employees' State Insurance, Income Tax, Wealth Tax, Duty Of Customs, Goods and Service Tax or Cess, which have not been deposited on account of any dispute.
8. 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, financial institutions or government, nor has it issued any debentures.
9. The company has not raised any money by way of initial public offer, further public offer (including debt instruments) or term loans. Accordingly, the provisions of clause 3(9) of the order are not applicable to the company.

10. 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 under audit.
11. 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.
12. Company is not a Nidhi Company. Accordingly, paragraph 3(12) of the order is not applicable.
13. 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.
14. The company hasn't made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
15. The company hasn't entered into any non-cash transactions with directors or persons connected with him.
16. The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

**Place: Ahmedabad
Date : 30/05/2019**

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

BALANCE SHEET AS AT 31st March, 2019

(Amount in ₹)

PARTICULARS	Notes	As at 31st March, 2019	As at 31st March, 2018
<u>EQUITY AND LIABILITIES :</u>			
Shareholder's Funds			
(a) Share Capital	2	20,276,320	20,276,320
(b) Reserves and Surplus	3	259,666,900	242,573,740
		279,943,220	262,850,060
Non-Current Liabilities			
(a) Long Term Borrowings	4	125,745,446	91,257,174
(b) Deferred Tax Liability (Net)		1,750,100	2,338,445
(c) Other Long Term Liabilities	5	626,200	626,200
(d) Long Term Provisions		0	0
		128,121,746	94,221,819
Current Liabilities			
(a) Short Term Borrowings	6	151,870,942	167,277,283
(b) Trade Payables			
Total outstanding dues to micro and small enterprise		14,737,457	0
Total outstanding dues to creditors other than micro and small enterprise	7	329,035,322	375,670,707
(c) Other Current Liabilities	8	8,493,421	1,873,939
(d) Short Term Provisions	9	0	22,385,841
		504,137,142	567,207,770
TOTAL EQUITY AND LIABILITIES		912,202,108	924,279,649
<u>ASSETS :</u>			
Non-current Assets :			
(a) PROPERTY PLANT & EQUIPMENT:	10		
(i) Tangible Assets		22,355,657	24,444,119
(ii) Intangible Assets		0	0
(iii) Capital Work-in-progress		0	0
(b) Other Non Current Assets	11	94,896,338	141,602,616
(c) Non-current Investments		0	0
		117,251,995	166,046,735
Current Assets :			
(a) Inventories	12	93,976,524	67,702,365
(b) Trade Receivables	13	308,609,145	489,765,773
(c) Cash and Cash Equivalents	14	44,466,966	54,054,882
(d) Short Term Loans & Advances	15	347,897,478	146,709,894
		794,950,113	758,232,914
TOTAL ASSETS		912,202,108	924,279,649

The accompanying notes are an integral part of accounts.

Significant Accounting Policies

Notes to Balance Sheet and Statement of Profit and Loss Account

Contingent Liability & Commitments

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 : 30.05.2019

(GAURANG SHAH)

MANAGING DIRECTOR

DIN: 01756079

(P J SURTI)

CHIEF FINANCIAL OFFICER

FOR & On behalf of Board of
HEC INFRA PROJECTS LIMITED
(RUPAL SHAH)

DIRECTOR

DIN: 01756092

(JEEL PATEL)

COMPANY SECRETARY

Mem No.: A46202

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st March, 2019
(Amount in ₹)

PARTICULARS		Notes	For the year ended 31st March, 2019	For the year ended 31st March, 2018
I	Revenue from Operations	16	800,826,343	826,348,860
II	Other Income	17	10,048,723	7,790,917
II	Total Revenue (I + II)		810,875,066	834,139,777
IV	Expenses :			
	(a) Purchase of Stock-in-Trade		531,789,438	555,226,905
	(b) Changes in Inventories of Finished Goods, Work-in-progress and Stock-in-Trade	18	(26,274,159)	(37,141,140)
	(c) Employee Benefit Expense	19	47,647,259	31,671,745
	(d) Financial Costs	20	40,491,067	35,577,905
	(e) Depreciation and Amortization Expense		3,129,226	3,149,129
	(f) Other Expenses	21	188,841,758	197,191,922
	Total Expenses		785,624,589	785,676,466
V	Profit before Exceptional and Extraordinary items and tax		25,250,477	48,463,311
VI	Exceptional Items		0	(860,389)
VII	Profit before extraordinary items and tax		25,250,477	49,323,700
VIII	Extraordinary Items		0	0
IX	Profit before Tax		25,250,477	49,323,700
X	Tax Expense :			
	(1) Current tax		7,500,000	16,200,000
	(2) Deferred Tax (Liability Reversed)		(588,345)	(289,747)
XI	Profit/(Loss) from the period from continuing operations		18,338,822	33,413,447
XII	Taxation in respect of the Earlier Years / (Written back)		(1,194,760)	0
XIII	Profit/(Loss) for the period		19,533,582	33,413,447
XIV	Earning per Equity Share Of Rs. 10/- each (P. Y : Rs. 10/-)	22		
	(1) Basic		9.63	16.48
	(2) Diluted		9.63	16.48

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 - 26

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 : 30.05.2019

**FOR & On behalf of Board of
HEC INFRA PROJECTS LIMITED**
(GAURANG SHAH)
MANAGING DIRECTOR
DIN: 01756079

(P J SURTI)
CHIEF FINANCIAL OFFICER

(RUPAL SHAH)
DIRECTOR
DIN: 01756092

(JEEL PATEL)
COMPANY SECRETARY
Mem No.: A46202

Cash Flow Statement for the year ended on 31st March, 2019

(Amount in ₹)

PARTICULARS	For the Year ended 31st March, 2019	For the Year ended 31st March, 2018
A Cash flow from Operating Activities		
Net Profit Before Tax	25,250,477	49,323,700
Adjustment for:		
Depreciation	3,129,226	3,149,129
Interest Paid (Net)	40,491,067	35,577,905
(profit)/Loss On Sale Of Fixed Assets	0	78,343
Gratuity Provision	0	(860,389)
Excess Depreciation Written Back	0	0
Rent Received	(3,120,600)	(3,288,610)
Interest Income	(6,057,733)	(4,502,307)
Operatring Profit before Working Capital Changes	59,692,437	79,477,771
Adjustment for:		
(Increase)/Decrease in Inventories	(26,274,159)	(37,141,140)
(Increase)/Decrease in Trade Receivables	181,156,628	(156,770,774)
(Increase)/Decrease in Other Current Assets	(201,187,584)	(19,757,313)
Increase/(Decrease) in Trade Payables	(31,897,928)	128,787,147
Increase/(Decrease) Other Current Liabilities	6,619,482	(11,062,026)
Increase/(Decrease)Short term provisions	(22,385,841)	16,890,533
Increase/(Decrease) Other Non Current Liabilities	(588,345)	(1,988,584)
Cash Generated from Operation	(34,865,310)	(1,564,386)
Direct Tax	5,716,895	15,910,253
Net Cash flow from Operating Activities (A)	(40,582,205)	(17,474,639)
B Cash flow from Investing Activities		
Purchase of Fixed Assets including capital Work in Process(Net)	(1,040,764)	(2,699,975)
Sale of Fixed Assets	0	255,000
Rent Received	3,120,600	3,288,610
Net Cash flow from Investing Activities (B)	2,079,836	843,635
C Cash flow from Financing Activities		
Proceeds From Borrowings	19,081,931	44,594,730
(Increase)/Decrease in Other Non-Current Assets	46,706,278	4,371,118
Interest Paid	(40,491,067)	(35,577,905)
Interest Income	6,057,733	4,502,307
Dividend Paid	(2,440,422)	(2,440,422)
Net Cash flow from Financing Activities (C)	28,914,453	15,449,828
Net Increase in cash & Cash Equivalaents [(A)+(B)+©]	(9,587,916)	(1,181,176)
Opening Balnce - Cash & Cash Equivalaents	54,054,882	55,236,058
Closing Balnce - Cash & Cash Equivalaents	44,466,966	54,054,882

Notes to the Cashflow Statement :

1 All figures in bracket are Outflow.

2 The above Cash flow statment has been prepared under the ' Indirect method ' as set 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

(PARTH P. SHAH)

PROPRIETOR

Mem. No. 167721

Place : Ahmedabad

Date : 30.05.2019

FOR & On behalf of Board of

HEC INFRA PROJECTS LIMITED

(GAURANG SHAH)

MANAGING DIRECTOR

DIN: 01756079

(P J SURTI)

CHIEF FINANCIAL OFFICER

(RUPAL SHAH)

DIRECTOR

DIN: 01756092

(JEEL PATEL)

COMPANY SECRETARY

Mem No.: A46202

NOTES FORMING PART OF ACCOUNTS

NOTE 1 : 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 mainly 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 Property Plant & Equipment

- (a) Property plant & Equipment 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 days 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:

HEC provides for gratuity, A defined benefit retirement plan (the "Gratuity Plan") covering eligible employees. In accordance with the payment of Gratuity Act, 1972, the gratuity plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of the employment. Liabilities with regard to the gratuity plan are determined by actuarial valuation as of the balance sheet date based upon which, the company contributes all the ascertained liabilities to "HEC INFRA PROJECTS LIMITED EGGAS" (the "Trust") Trustees administer contributions made to the trust and contributions are invested in specific investments as permitted by law.

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 it 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 204898 (Previous year : Nil) and Income in Foreign Currency is Rs. 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 31.3.2019 other than disclosed in balance sheet.
- vi) Import of goods calculated on CIF basis is 52682812.
- 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 31.03.2019

NOTE - 2 SHARE CAPITAL :

(Amount in ₹)

PARTICULARS	As at 31st March, 2019	As at 31st March, 2018
Authorised 2100000 Equity Shares of Rs.10/- each (Previous Year 2100000 Equity Shares of Rs.10/- each)	21,000,000	21,000,000
	21,000,000	21,000,000
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
	20,276,320	20,276,320

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

PARTICULARS	Opening	Addition (Buy Back)	Closing
Year ended 31.03.2019			
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 31.03.2018			
No Of Equity Shares with voting rights	2,027,632	0	2,027,632
Amt(Rs.)	20,276,320	0	20,276,320

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

PARTICULARS	As at 31st march, 2019		As at 31st march, 2018	
	Nos.	% Holding	Nos.	% Holding
Name				
Gaurang Parmananddas Shah	1,144,982	56.47%	1,144,982	56.47%
Rupal Gaurang Shah [^]	243,400	12.00%	243,400	12.00%
Wealth first portfolio managers	175,200	8.64%	142,800	7.04%
Sumanju projects & services limited	108,000	5.33%	115,000	5.67%

[^] : 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

2.3 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 par Share.

2.4 DIVIDEND

During the year company has paid Dividend Rs.1 Per share for the FY:2017-18

The board of directors has not proposed any dividend for the current financial year 2018-19 in the board meeting

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

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

2.7 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

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

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

2.10 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:

(a) 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, 2019	As at 31st March, 2018
Profit & Loss Account :		
- Balance B/f.	167,470,260	134,056,813
- Net Profit for the year	19,533,582	33,413,447
- Dividend on equity shares	(2,027,632)	0
- Tax on Dividend on equity shares	(412,790)	0
Depreciation in respect of assets whose useful life is over	0	0
	184,563,420	167,470,260
Security Premium		
Opening Balance	74,103,480	74,103,480
Add : Premium received on issue of shares	0	0
Balance during the year	74,103,480	74,103,480
General Reserve	1,000,000	1,000,000
	1,000,000	1,000,000
Total	259,665,900	242,573,740

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

PARTICULARS	As at 31st March, 2019	As at 31st March, 2018
Unsecured Loans :		
From Directors and Others (At variable rates - Repayable on demand)	85,514,539	55,334,053
	85,514,539	55,334,053
Secured Loans :		
Term Loan from Banks :	40,230,907	35,923,121
	40,230,907	35,923,121
Total	125,745,446	91,257,174

4.1 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 ₹
Bank of India loan secured against office building	11.75%^	Monthly	80	138,889
ICICI Bank Limited loan is secured by Hyundai Creta	8.50%^	Monthly	44	24,624
SIDBI	13.75%^	Monthly	68	550,000

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

Company has taken secured loan facility from SIDBI "Small Industries Development Bank of India" . The same has been secured by subservient charge on all the movable and immovable assets of the borrower already charged to Bank of India. Such charges would be subservient to all the existing and prospective charges created/ to be created by the borrower on the said assets in favour of Bank of India, which has extended/would extend business loans (viz. term loans for machineries, business premises and working capital) to the borrower for the same business for which SIDBI has extended the sub-debt. All such aforesaid lenders would be referred to as " Senior Secured Lenders". Company has also given irrevocable and unconditional guarantee of directors 1) Shri Gaurang P shah 2) Rupal G Shah and all such persons holding a stake of more than 10% in the company. Over and above this, company has also liened Fixed deposit amounting to Rs.2500000.

NOTE - 5 : OTHER LONG TERM LIABILITY

(Amount in ₹)

PARTICULARS	As at 31st March, 2019	As at 31st March, 2018
Deposit from Tenant	626,200	626,200
Total	626,200	626,200

NOTE - 6 : SHORT TERM BORROWINGS

(Amount in ₹)

PARTICULARS	As at 31st March, 2019	As at 31st March, 2018
Loan Repayable on Demand (Secured)		
Cash Credit and L/C from Bank	130,380,212	167,277,283
Loans from Financial Institutions (Unsecured)	21,490,730	0
Total	151,870,942	167,277,283

6.1 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, 2019	As at 31st March, 2018
Sundry Creditors for Goods and Expenses & Govt. dues	343,772,779	375,670,707
Total	343,772,779	375,670,707

NOTE - 8 : OTHER CURRENT LIABILITIES

(Amount in ₹)

PARTICULARS	As at 31st March, 2019	As at 31st March, 2018
Current Portion of Term Loans (Due Within Next 12 Months)	8,493,421	1,873,939
Total	8,493,421	1,873,939

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

PARTICULARS	As at 31st March, 2019	As at 31st March, 2018
Provision for tax(Net of Advance tax & TDS)	0	22,385,841
Total	0	22,385,841

NOTE - 10 : PROPERTY PLANT & EQUIPMENT: (AT COST)
(Amount in ₹)

PARTICULARS	GROSS BLOCK			DEPRECIATION				NET BLOCK		
	Up to 31-03-2018	Additions During the Year	Sales During the Year	Up to 31-03-2019	Up to 31-03-2018	For the Year	Deduction During the Year	Up to 31-03-2019	As on 31-03-2019	As on 31-03-2018
BUILDING	19,938,619	0	0	19,938,619	3,672,493	736,001	0	4,408,494	15,530,125	16,266,126
PLANT & MACHINERY	1,692,410	0	0	1,692,410	850,827	153,891	0	1,004,718	687,692	841,583
COMPUTER	3,489,773	204,318	0	3,694,091	2,535,705	268,115	0	2,803,820	890,271	954,068
FURNITURE & FIXTURE	5,773,965	0	0	5,773,965	4,280,886	710,074	0	4,990,960	783,005	1,493,079
OFFICE EQUIPMENT	6,410,408	717,446	0	7,127,854	4,535,658	582,876	0	5,118,534	2,009,320	1,874,750
VEHICLES	6,470,789	119,000	0	6,589,789	3,456,276	678,269	0	4,134,545	2,455,244	3,014,513
TOTAL	43,775,964	1,040,764	0	44,816,728	19,331,845	3,129,226	0	22,461,071	22,355,657	24,444,119
PREVIOUS YEAR	42,412,457	2,699,975	1,336,468	43,775,964	17,185,841	3,149,129	1,003,125	19,331,845	24,444,119	

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

PARTICULARS	As at 31st March, 2019	As at 31st March, 2018
Debtors Over 12 Months		
Outstanding from related parties	648,903	322,500
Outstanding from other parties	60,251,775	137,963,516
Fixed Deposits with bank Maturing After 12 Months	33,995,660	3,316,600
Total	94,896,338	141,602,616

NOTE - 12 : INVENTORIES
(Amount in ₹)

PARTICULARS	As at 31st March, 2019	As at 31st March, 2018
(a) Closing Stock of Goods (Valued at Cost or Market Price whichever is lower and as taken, valued and certified by Director)	93,976,524	67,702,365
Total	93,976,524	67,702,365

NOTE - 13 : TRADE RECEIVABLES
(Amount in ₹)

PARTICULARS	As at 31st March, 2019	As at 31st March, 2018
(a) Outstanding for more than six months		
Unsecured, Considered Good		
Outstanding from related parties	174,037	123,428
Outstanding from other parties	26,445,482	97,878,378
Considered Doubtful	0	0
(b) Others		
Unsecured, Considered Good		
Outstanding from related parties	0	202,975
Outstanding from other parties	281,989,626	391,560,992
Total	308,609,145	489,765,773

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

PARTICULARS	As at 31st March, 2019	As at 31st March, 2018
(a) Cash on Hand	79,785	1,028,137
(b) Bank Balances in Current Accounts		0
(c) In Fixed deposit accounts		
with Bank of India*	41,681,830	
with Small Industries Development Bank of India#	2,705,351	53,026,882
Total	44,466,966	54,054,882

* This fixed deposit is liened in favour of Bank of India as Cash margin for Bank guarantee limits utilized from the Bank.

This fixed deposit is liened in favour of SIDBI as security towards loan of Rs. 4 crore sanctioned.

NOTE - 15 : SHORT TERM LOANS AND ADVANCES
(Amount in ₹)

PARTICULARS	As at 31st March, 2019	As at 31st March, 2018
(Unsecured, Considered Good)		
(a) Advances recoverable in Cash or kind or for Value to be Received	345,383,052	146,709,894
(b) TDS (Net of Tax Provision)	2,514,426	0
Total	347,897,478	146,709,894

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

PARTICULARS	As at 31st March, 2019	As at 31st March, 2018
Sale of Goods		
Domestic sale of goods (Electrical, Electronics & Other goods as per tenders requirement)	505,857,035	628,770,508
	505,857,035	628,770,508
Sale Of Services		
Domestic sale of services Electro Mechanical Engineering Services	294,969,308	197,578,352
	294,969,308	197,578,352
Total	800,826,343	826,348,860

NOTE - 17 : OTHER INCOME
(Amount in ₹)

PARTICULARS	As at 31st March, 2019	As at 31st March, 2018
Discounts & write offs (Net)	870,390	0
Interest & Misc Income	6,057,733	4,502,307
Rent Received	3,120,600	3,288,610
Total	10,048,723	7,790,917

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

PARTICULARS	As at 31st March, 2019	As at 31st March, 2018
Closing Stock of Finished Goods	93,976,524	67,702,365
Opening Stock of Finished Goods	67,702,365	30,561,225
Decrease /(Increase) in Finished Goods	(26,274,159)	(37,141,140)
Total	(26,274,159)	(37,141,140)

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

PARTICULARS	As at 31st March, 2019	As at 31st March, 2018
Staff Salary & Bonus	40,309,357	24,082,605
Staff Welfare	46,570	435,673
Employers contribution to Provident Fund	1,989,232	1,429,553
Gratuity Expense	441,238	354,782
Directors' Remuneration & Sitting Fees	4,860,862	5,369,132
Total	47,647,259	31,671,745

NOTE - 20 : FINANCIAL COST
(Amount in ₹)

PARTICULARS	As at 31st March, 2019	As at 31st March, 2018
Bank Charges & Interest	20,570,814	21,653,258
Interest to Depositors	7,361,542	4,616,173
Interest of Vehicle Loan	88,593	59,440
Interest on Term Loan	1,263,648	1,407,563
Other Interest Expenses	11,206,470	7,841,471
Total	40,491,067	35,577,905

NOTE - 21 : OTHER EXPENSES
(Amount in ₹)

PARTICULARS	As at 31st March, 2019	As at 31st March, 2018
Advertisement Expenses	29,420	0
Auditors' Remuneration:		
- Audit Fees	175,000	175,000
- Limited Review Certification	45,000	45,000
- Taxation Matters	25,000	25,000
Brokerage Charges	50,000	50,065
Computer & Internet Expenses	46,675	184,364
Consultancy Charges	15,767,697	12,359,488
Design & Drawings Charges	25,000	0
Donation	123,500	0
Electricity	508,101	223,150
Foreign Exchange Loss	1,633,884	0
Godown Rent & Expenses	966,210	966,396
Inspection Charges	127,027	414,602
Insurance	7,583,790	742,619
Labour Charges	122,731,881	130,899,797

Legal charges	434,658	1,115,510
Loss on sale of Assets	0	78,343
Office Expenses & Office upkeep	1,552,039	1,129,234
Petrol & Diesel & Conveyance	2,047,794	1,807,570
Postage and Courier Expenses	136,085	134,137
Printing & Stationary	746,887	646,080
Profession Tax	2,400	2,400
Registration Fees	39,000	11,500
Repairs and Maintenance	1,265,838	796,488
Sales Promotion Expenses	548,683	801,798
Municipal Tax	167,393	174,010
Service Tax, VAT & GST Expense	864,917	3,352,870
Site Expenses	19,419,662	28,927,821
Subscription Expenses	107,010	76,600
Telephone	230,107	349,763
Tender Charges	249,560	288,600
Testing Charges	345,599	423,450
Transportation	5,973,755	6,663,900
Travelling	4,304,675	3,999,314
Vehicle Repairs & Maintenance Expenses	567,511	327,053
Total	188,841,758	197,191,922

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

PARTICULARS	As at 31st March, 2019	As at 31st March, 2018
Net Profit After Tax available for Equity Share Holders	19,533,582	33,413,447
Equity shares outstanding at the beginning of the year	2,027,632	2,027,632
Equity shares allotted during the year pursuant to IPO	0	0
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	2,027,632
Basic Earning Per Share	9.63	16.48
Diluted Earning Per share	9.63	16.48

NOTE - 23

RELATED PARTY DISCLOSURE

Party where control exists

Key Management Personnel & their relatives:

SHRI GAURANG PARMANANDDAS SHAH
 SMT RUPAL GAURANG SHAH
 PRIYA GAURANG SHAH
 SHRI PANNALAL J SURTI
 JEEL PATEL
 RAHUL GAURANG SHAH

GROUP COMPANIES / SISTER CONCERN

PR ELECTRICALS
 HIGHVOLT POWER & 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
 RAHUL G SHAH & CO.

(Amount in ₹)

PARTICULARS	NATURE OF PAYMENT	2018-19	2017-18	NATURE OF RELATION
SHRI GAURANG SHAH	Director REMUNERATION (GROSS)	3,028,008	3,020,136	MANAGING DIRECTOR
	INT. ON DEPOSIT	5,322,655	3,721,250	
	CLOSING BALANCE	49,714,825	43,841,786	
SMT RUPAL GAURANG SHAH	Director REMUNERATION (GROSS)	2,173,996	2,348,996	DIRECTOR
	INT. ON DEPOSIT	2,107,488	826,324	
	CLOSING BALANCE	35,799,714	11,492,267	
PRIYA GAURANG SHAH	SALARY	869,596	939,596	RELATIVE OF DIRECTOR
RAHUL G. SHAH & Co.	PURCHASE/SERVICE BILLS	680,860	1,271,186	RELATIVE OF DIRECTOR
HIGHVOLT POWER & CONTROL SYSTEMS PRIVATE LIMITED	PURCHASE/SERVICE BILLS	27,008,780	22,657,348	RELATIVE OF DIRECTOR
SWATI SWITCH GEARS (I) PRIVATE LIMITED	PURCHASE/SERVICE BILLS	8,686,706	13,497,835	COMPANY IN WHICH DIRECTOR IS INTERESTED
BRAINSCAPE SOLUTIONS PRIVATE LIMITED	RENT RECEIVED	371,700	311,250	COMPANY IN WHICH DIRECTOR IS INTERESTED
BRAINSCAPE SOLUTIONS PRIVATE LIMITED	PROFESSIONAL FEES PAID	156,600	409,507	COMPANY IN WHICH DIRECTOR IS INTERESTED
LUMOS BUILDING AUTOMATION PRIVATE LIMITED	PURCHASE/SERVICE BILLS	3,189,257	0	ENTERPRISE IN WHICH DIRECTOR IS INTERESTED
SHRI PANNALAL J. SURTI	SALARY	566,852	549,126	CHIEF FINANCIAL OFFICER
JEEL PATEL	SALARY	402,609	334,713	COMPANY SECRETARY

NOTE - 24 : CONTINGENT LIABILITY & COMMITMENTS

(Amount in ₹)

PARTICULARS	As at 31st March, 2019	As at 31st March, 2018
Corporate Bank Guarantee	187,559,480	153,796,727
Total	187,559,480	153,796,727

(a) Estimated amounts of contracts remaining to be executed which are under process - Rs. 10098.89 Lakh

(b) Estimated amounts of contracts remaining to be executed which are yet to begin - Rs. 14147.11 Lakh

NOTE - 25 : INITIAL PUBLIC OFFER

During the financial year 2015-16, 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.

FOR, PARTH P. SHAH & CO

Chartered Accountants,
FRN: 141540W

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

Place : Ahmedabad
Date : 30.05.2019

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

(GAURANG SHAH)
MANAGING DIRECTOR
DIN: 01756079

(P J SURTI)
CHIEF FINANCIAL OFFICER

(RUPAL SHAH)
DIRECTOR
DIN: 01756092

(JEEL PATEL)
COMPANY SECRETARY
Mem No.: A46202

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

Name & Address of Shareholder / Proxy holder	DP ID*	Folio No. / Client ID*	No. of Shares held

I hereby record my presence at the 14th Annual General Meeting of the Company, held on Friday, 27th September, 2019 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 / Proxy Holder**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.

*Applicable for the investors holding shares in electronic form.

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

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

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 14th Annual General Meeting of the Company, to be held on Friday, 27th September, 2019 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:

Resolution No.	Resolution
	Ordinary Business
1	Adoption of Directors’ Report, Audited Financial Statements for the year ended 31st March, 2019 and Auditors’ Report thereon.
2	Appointment of Director in place of Mr. Gaurang Parmanand Shah, who retires by rotation and being eligible, offer himself for re-appointment.

Signed this _____ day of _____ 2019

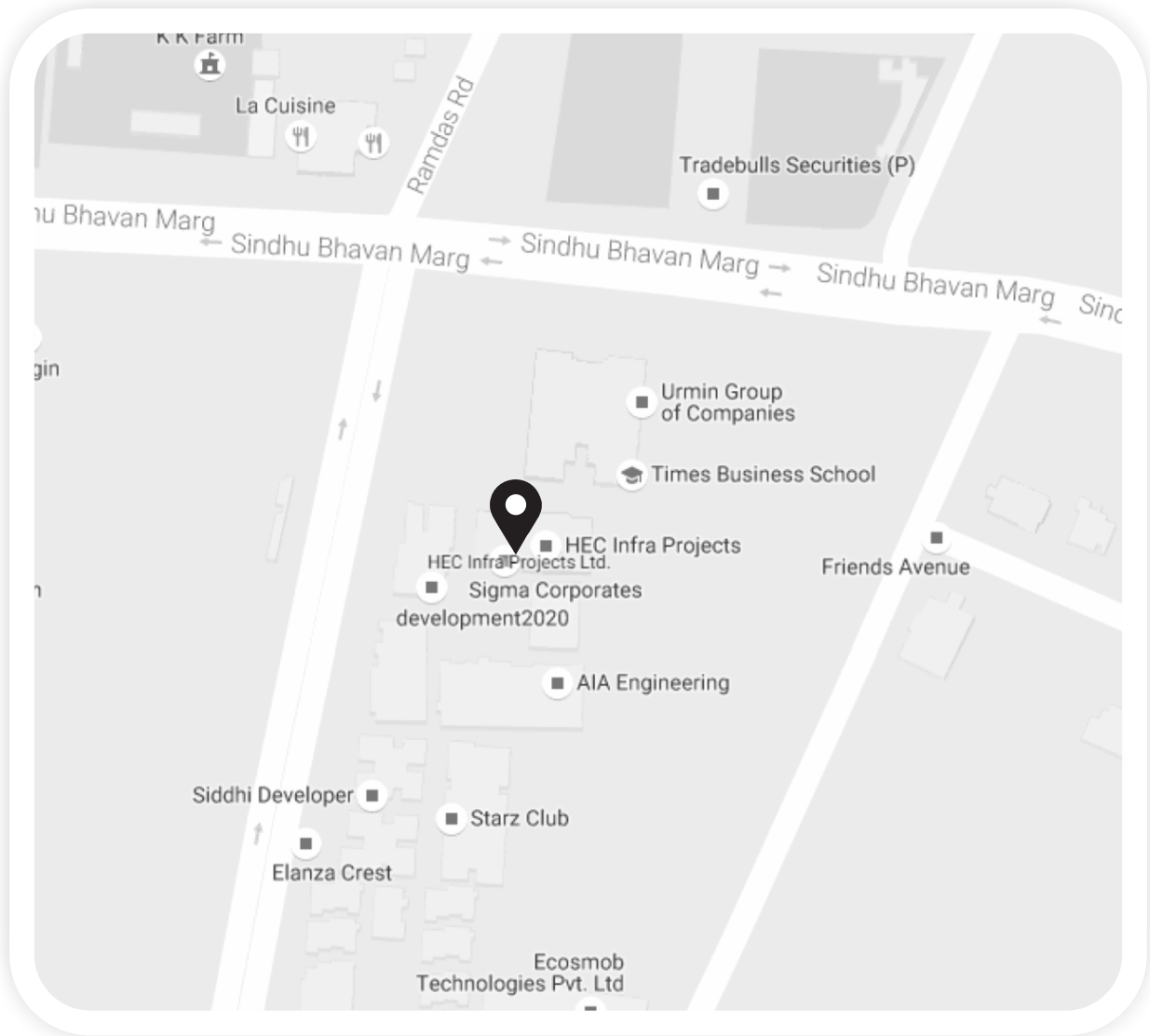
Signature of Shareholder

Signature of Proxy holder(s)

Please
affix Re 1/-
Revenue
Stamp

Note:

- 1) 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.
- 2) A Proxy need not be a member of the Company.
- 3) A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
- 4) Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.
- 5) In the case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.

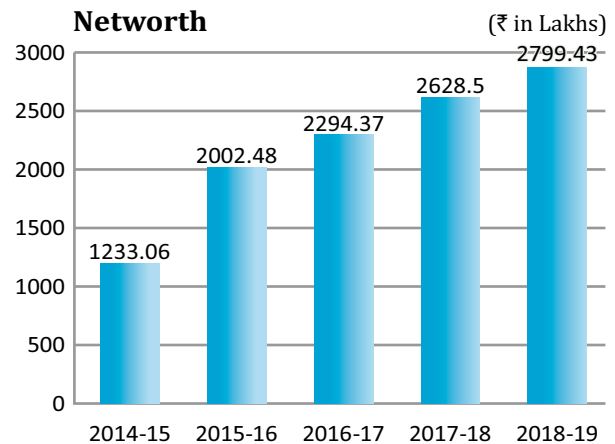
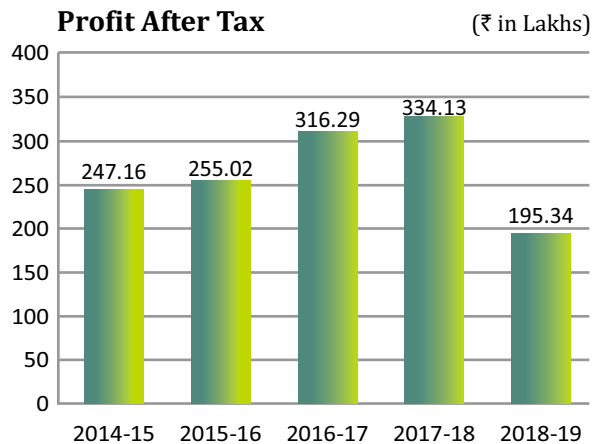
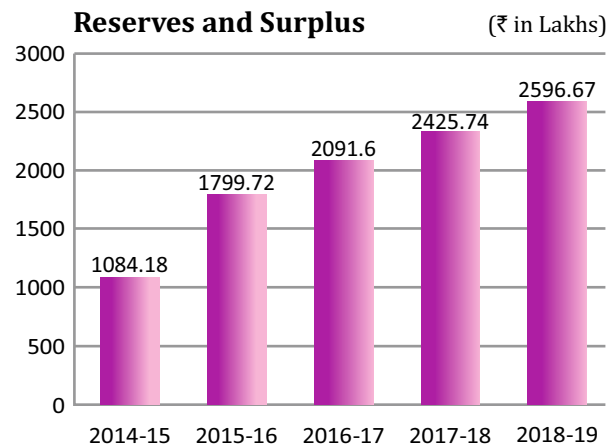
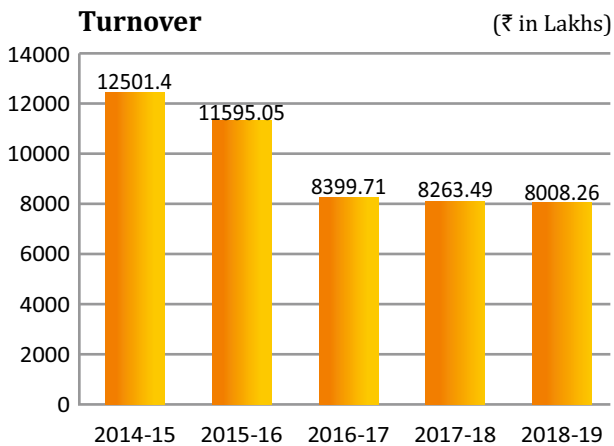


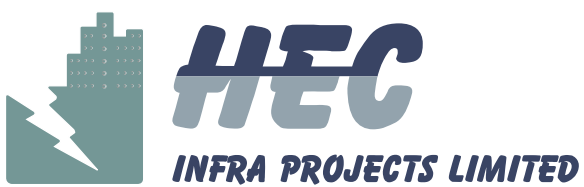
Venue for Annual General Meeting

Financial Highlights: 2018-19

(₹ in Lakhs)

	2018-19	2017-18	2016-17	2015-16	2014-15
Turnover	8008.26	8263.49	8399.71	11595.05	12501.4
Finance cost	404.91	355.78	320.66	313.25	287.09
Depreciation	31.29	31.49	31.96	31.92	37.2
EBIDT	688.71	871.9	837.04	740.39	693.28
PBT	252.5	493.24	484.36	394.07	368.99
PAT	195.34	334.13	316.29	255.02	247.16
Cash Accruals	226.63	365.62	348.25	286.94	284.36
Share Capital	202.76	202.76	202.76	202.76	148.88
Reserves and Surplus	2596.67	2425.74	2091.6	1799.72	1084.18
Total Network	2799.43	2628.5	2294.37	2002.48	1233.06
Total Liability	6322.58	6614.30	4875.09	4610.92	6731.23
Total Capital Employed	4080.65	3570.72	2822.02	2458.42	1743.53
Fixed Asset	223.55	244.44	252.27	273.34	298.89
Net Current Assets	2908.13	1910.25	1110.02	1314.07	593.76
Current ratio (In times)	1.58	1.34	1.26	1.32	1.1
Debt Equity ratio (In times)	2.26	2.52	2.12	2.3	5.46
Return on Net Worth (In times)	0.07	0.13	0.14	0.13	0.20
Return on Capital Employed (In times)	0.11	0.18	0.20	0.20	0.25
Dividend (%)	0	10	10	10	10
EPS	9.63	16.48	15.6	17.01	16.6





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, Web. : www.hecprojects.in, CIN : L45200GJ2005PTC046870