Date: 15th July, 2019

To
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai- 400001

Scrip Code- **541019**

To
National Stock Exchange of India Ltd
Exchange Plaza, C-1,Block -G
Bandra Kurla Complex,
Mumbai- 400051

Scrip Code- **HGINFRA**

Sub: Notice of 17th Annual General Meeting (AGM) and Annual Report 2018-19

Dear Sir/Madam,

In compliance with the SEBI (listing obligation and disclosure Requirements) regulations, 2015, please find enclosed the Notice of the 17th AGM and Annual Report for the fiscal 2019. The same will be made available on the Company Website, at https://www.hginfra.com/investors-relation.html#btn-annual.

The schedule of AGM is set out below-

Events	**Date**
Record date / cut-off date to vote on AGM resolutions/ payment of dividend	2nd August, 2019
Book closure date for AGM and Dividend	3rd August, 2019 to 9th August, 2019
Commencement of E-voting	6th August, 2019 from 9.00 A.M
End of E-voting	8th August, 2019 at 5.00 P.M
AGM	9th August, 2019
Dividend Payout date	On or before Saturday 7th September 2019

This is for your information and record.

Thanking you.

Yours faithfully
For H.G. Infra Engineering Limited

9/7/19 Mehra

Ankita Mehra
Company Secretary & Compliance Officer

H.G. Infra Engineering Limited III Floor Sheel Mohar Plaza A-1 Tilak Marg C-Scheme Jaipur

H. G. INFRA ENGINEERING LTD.
(Erstwhile known as H.G. Infra Engineering (P) Ltd.)

Visit us at : www.hginfra.com
E-mail : info@hginfra.com
Corp. Office : III Floor, Sheel Mohar Plaza, A-1, Tilak Marg, C-Scheme Jaipur-302001 (Raj.)
Regd. Office : 14, Panchwati Colony, Ratanada, Jodhpur-342001 (Raj.)
Tel. : +91 141 4106040 - 41
Fax : +91 141 4106044
Tel. : +91 291 2000307

Profiting From

Discipline

Annual Report 2018-19

H.G. INFRA ENGINEERING LIMITED

Forward-looking statement

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

Big numbers at H.G. Infra Engineering Limited

16
Years of track record in project execution

33
Projects under execution

1,800+
Number of owned equipment items

7
States where projects have been executed

3,500+
Qualified and experienced employees

2,010
Revenues, FY2018-19 (₹ crore)

6,220
Order Book, March 31, 2019 (₹ crore)

303
EBITDA, FY2018-19

15%
EBITDA margin, FY2018-19

124
PAT, FY2018-19 (₹ crore)

6%
PAT margin, FY2018-19

611
Gross Block, March 31, 2019

1,845
Market capitalization, March 31, 2019

Content

Profiting from Discipline

In a challenging business marked by a number of external variables, increased profits are derived from the capacity to look within.

This capacity is defined by the ability to be cautious in project selection, clarity in the margins required from each project, comprehensive study of project requirements, responsible bidding, better planning, and competent resource deployment.

At H.G. Infra Engineering Limited, the cumulative impact of these various initiatives came down to three words.

Profiting from Discipline.

We continued to profit from our operating discipline in 2018-19, growing faster than the sectoral average

In the first annual report of our Company last year following our initial public offer, we had indicated an annual revenue growth of 30%, which we later revised upward. I am pleased to report that we achieved our guidance with ₹2,010 crore revenue, a 44% growth in 2018-19. The Company reported profitable growth for the year with percentage growth in bottom-line of 47% being higher than the percentage increase in our topline. This was achieved through our established culture of operational discipline, our competitiveness in an exciting segment and our desire to grow into one of the most successful companies in India's infrastructure sector.

At HG Infra, we are attractively placed to carve out larger projects. In the last five years, we strengthened our project qualification eligibility from ₹1,120 crore to ₹1,750 crore (as on March 31, 2019). Besides, our net worth strengthened from ₹541 crore to ₹659 crore.

To most it will appear as if our 2018-19 performance was derived from smooth sailing at a time of unprecedented sectoral growth. I must apprise our stakeholders that the reality was far more challenging than what may appear - for some good reasons.

One, the increase in concurrent multi-locational projects and larger size projects presented us with the challenge to manage this growth in a controlled manner. **Two,** we needed to complete projects on schedule, generate cash flows and reinvest in the business with the objective of enhancing multi-year business sustainability. **Three,** there was a challenge of growing our order book that would sustain our prospective growth and profitability.

During the course of the year, the Company practiced what it had always professed – the need to be disciplined across market cycles, contract sizes and projects. As a result of our bidding discipline that we demonstrated during the year under review, order inflows were slow during the initial part of the financial year under review. However, we were convinced that what we were doing was absolutely right from the perspective of long-term business success and sustainability.

I am happy to communicate that our discipline was vindicated. The Company received ₹3,891 crore orders during the year at its desired IRR, strengthening its overall order book from ₹4,607 crore as on March 31, 2018 to ₹6,222 crore as on March 31, 2019. We ended the financial year under review with the integrity of our Balance Sheet intact, our receivables cycle virtually unchanged and our gearing at 0.57 (compared with 0.75 in the previous financial year), which indicate that the Company is attractively placed to generate sustainable growth from this point onwards.

At HG Infra, we are engaged in building

more than just roads, highways and infrastructure projects. We are engaged in building an institution across the long-term. At the core of our commitment lies the strength of our governance process. At our company, the word 'governance' carries an over-riding connotation: the position and respect to be completely trusted by all stakeholders at all times.

I am pleased to communicate that the Company deepened its governance commitment during the course of the year under review. This commitment was most visible in the strengthening of the Board of Directors and people competencies. The Company strengthened its Board through the appointment of a retired member of Indian Administrative Service. The execution team was also strengthened over the last few years with professionals joining across teams and functions including a new COO. Besides, the Company added over 670 employees through the year, connecting order book throughput at one level with an enhanced ground-level ability to deliver at the other. We believe that by plugging the various managerial and competence gaps, we are creating a well-rounded organization that is more attractively placed today to capitalize on sectoral opportunities than ever.

We reinforced our commitment to deliver projects on schedule through a sustained investment in cutting-edge technologies and equipment. The Company invested proactively in SAP, the benefits of which were reflected during the last financial year. The SAP investment did not just help moderate costs; it also strengthened project control across 33 operating sites in seven States. Besides, the Company continued to invest in capital equipment, making it possible to reduce the external hiring of equipment (and related rentals), enhance equipment availability, rotate our equipment faster and complete projects on schedule.

Our discipline has been validated across the last number of years, making us one of the fastest growing medium-sized road building companies in India. We have grown at a CAGR of 39% over the last three years with profit growth of 52%. Our order book has grown 4x during the last four-year period. Our order book at the close of 2018-19 provided a revenue visibility across 2-3 years.

To defray the risks that could possibly arise from an excessive dependence on the road sector, the Company extended into adjacent business spaces like aviation infrastructure and water supply projects.

Through this validated discipline, the Company expects to sustain its ongoing growth, enhancing respect across our business eco-system and increasing value in the hands of all those associated with our company.

Harendra Singh,
Chairman and Managing Director

At HG Infra, we profit from discipline by...

The widening acceptance that successful companies in a challenging sector are inevitably those that are consistently disciplined

The knowledge of which projects will enhance the Company's profitability – and which will not

The courage to walk away from bidding projects that do not match the Company's desired IRR benchmark

The capacity to grow the business while amortising fixed costs more effectively

The ability to deploy every employee and equipment productively across locations, time and projects

The readiness to invest in cutting-edge technologies that enhance real-time project awareness

The priority to monitor and control project deviations with speed and sensitivity

The capacity to sustain a culture of urgency that makes it possible to deliver challenging projects on schedule

Corporate overview

Background and promoters

H.G. Infra Engineering Limited (HGIEL) is primarily engaged in the construction of infrastructure projects like highways, roads and bridges. Over the years, the Company has evolved into one of the leading road infrastructure development companies in India. The Company also executes civil construction projects like extension & grading of runways, railways & land development as well as water pipeline projects.

The Company (erstwhile known as H.G. Infra Engineering Private Limited) was incorporated in 2003 by Mr. Hodal Singh, possessing more than 40 years of experience in the construction sector. The Company is presently being stewarded by Harendra Singh who possesses about 20 years of experience in the infrastructure development sector.

Presence

The Company enjoys a strong presence in seven Indian States - Rajasthan, Haryana, Uttar Pradesh, Maharashtra, Goa, Uttarakhand and Arunachal Pradesh. Nearly 37% of its revenues were derived from Rajasthan and 30% from Haryana during the year under review.

Customers

The Company addresses projects from NHAI and MoRTH as well as private players like Tata Projects Limited and IRB. It is pre-qualified to bid independently on an annual basis for EPC bids by NHAI and MoRTH for contract values up to ₹1,750 crore based on its technical and financial capacity as on March 31, 2019. The Company is pre-qualified Hybrid Annual Model projects of ₹1,800 crore, The Company is also registered as grade AA Class contractor with PWD, Rajasthan, and SS Category with Military Engineering Services (MES).

Project: Four laning of Kaithal Rajasthan border section of NH-123/65 in Haryana

Project value: ₹401 crore

Status: Completed in FY2019.

Order book

As of March 31, 2019, the Company had an order book of ₹6,222 crore (~3.1x FY19 revenues) comprising 33 projects (31 in road & highway and one in water pipeline and runway construction each). Nearly 71% of the order book comprised government companies. Nearly 37% of the order book comprised projects in Rajasthan and Haryana.

Certifications and awards

- Certified for Quality Management System Certificate ISO 9001:2015
- Certified for Health & Safety Management System Certificate OHSAS 18001:2007
- Certified for Environmental Management System Certificate ISO 14001:2004
- Letter of appreciation in 2012 from L&T for being the most quality consciousness sub-contractor
- Received bonus from PWD for the early completion of the widening and strengthening of NH-96 Faizabad-Allahabad Road in Uttar Pradesh
- Pre-qualified to bid independently for bids by NHAI and MoRTH for contract values up to ₹1,750 crore

Our tangible strengths

Gross block (₹ crore)

2016-17	2017-18	2018-19
229	490	611

The Company's fleet of modern construction equipment comprised crushers, compactors, graders, loaders, pavers, mixers, dumpers, excavators, rollers, sprayers, compressors and tractors. The fleet of modern construction equipment increased to 1,802 in FY19 from 1,275 in FY18. The Company invested significantly over the years to create a strong equipment bank.

- Drives timely deployment
- Ensures efficient project management
- Control on project execution
- Optimizes margins

Manpower

2016-17	2017-18	2018-19
1,497	2,894	3,570

Employee expense as a % of revenue

2016-17	2017-18	2018-19
3.9%	5.4%	5.9%

The Company strengthened its employee base to man growing business requirements. The proportion of skilled and highly-skilled employees accounted for over 84% of all employees at the close of 2018-19.

The Company focused continuously on upskilling and training the team in line with the latest global trends in the sector.

- Real time project monitoring
- Control on supply chain
- Inventory control
- Cost optimization

The Company invested in cutting-edge technologies, which helped in enhancing process efficiency while saving time and costs. The Company has implemented SAP in FY19.

Our competence and credibility

The orders that we were awarded in 2018-19

Project: Hapur Moradabad - EPC project
State: Uttar Pradesh
Nature of work: Six-laning
Awarding authority: IRB

Value
₹1,172 crore

Project: SH-44 section of Delhi-Vadodara Green Field Alignment (NH-148N) – EPC project
State: Rajasthan
Nature of work: Eight-laning
Awarding authority: NHAI

Value
₹997 crore

Project: Narnaul Bypass-Ateli Mandi to Narnaul section of NH-11 – HAM Project
State: Haryana
Nature of work: Six-laning
Awarding authority: NHAI

Value
₹952 crore

Project: Rewari-Ateli Mandi section of NH-11 – HAM Project
State: Haryana
Nature of work: Four-laning
Awarding authority: NHAI

Value
₹580 crore

Project: Greenfield International Airport at MOPA
State: Goa
Nature of work: Runway, taxiway and apron
Awarding authority: Megawide Construction DMCC

Value
₹189 crore

Key EPC Projects under execution

Project: Maharashtra MoRTH Projects
State: Maharashtra
Nature of work:
Awarding authority: MoRTH

Value
₹1,905 crore

Project: Hapur Bypass to Moradabad - EPC Project
State: Uttar Pradesh
Nature of work: Six-laning
Awarding authority: IRB

Value
₹1,172 crore

Project: SH-44 section of Delhi-Vadodara Greenfield Alignment (NH-148N) – EPC project
State: Rajasthan
Nature of work: Eight-laning
Awarding authority: NHAI

Value
₹997 crore

Project: Gulabpura-Chittorgarh
State: Haryana
Nature of work: Six-laning
Awarding authority: IRB

Value
₹712 crore

Project: Chittorgarh-Udaipur
State: Rajasthan
Nature of work: Six-laning
Awarding authority: Tata Projects

Value
₹483 crore

Notable completed projects in 2018-19

Project: Kaithal Haryana NH-152
State: Haryana
Nature of work: Four-laning
Awarding authority: IRB

Value
₹401 crore

Project: Uncha-Nagla-Khanuawa-Roppas-Dholpur section of NH-123
State: Rajasthan
Nature of work: Widening, strengthening and two-laning,
Awarding authority: NHAI

Value
₹261 crore

Project: Sitarganj-Tanakpur section of NH-125
State: Uttarakhand
Nature of work: Two-laning
Awarding authority: NHAI

Value
₹243 crore

Project: Tonk –Sawai Madhopur section of NH-116
State: Rajasthan
Nature of work: Two-laning
Awarding authority: NHAI

Value
₹216 crore

Project: Manoharpur and Dausa on NH 11A
State: Rajasthan
Nature of work: Two-laning
Awarding authority: NHAI

Value
₹198 crore

HAM projects under execution

Project: Narnaul Bypass-Ateli Mandi to Narnaul section of NH-11 – HAM Project
State: Haryana
Nature of work: Six-laning
Awarding authority: NHAI

Value
₹952 crore

Project: Gurgaon-Soha (Pkg-II)
State: Haryana
Nature of work: Eight-laning
Awarding authority: NHAI

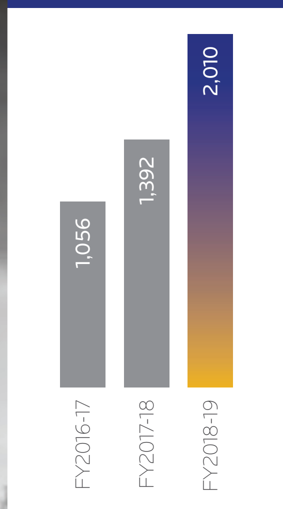
Value
₹606 crore

Project: Rewari-Ateli Mandi
State: Haryana
Nature of work: Four-laning
Awarding authority: NHAI

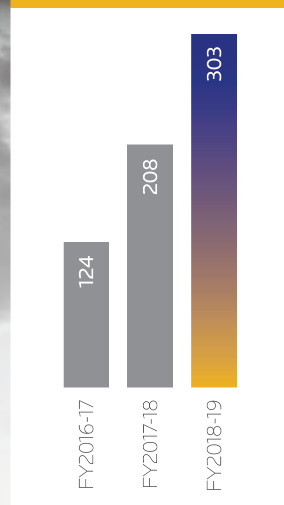
Value
₹580 crore

Our performance over the years

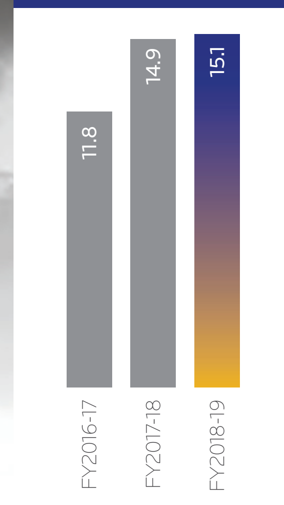
Revenues (₹ crore)



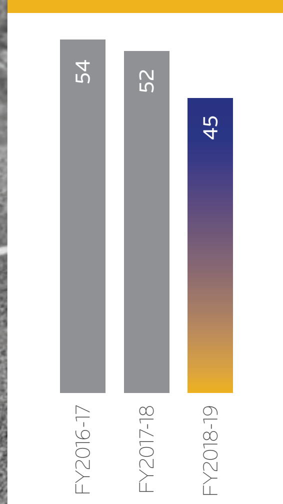
EBITDA (₹ crore)



EBITDA margin (%)

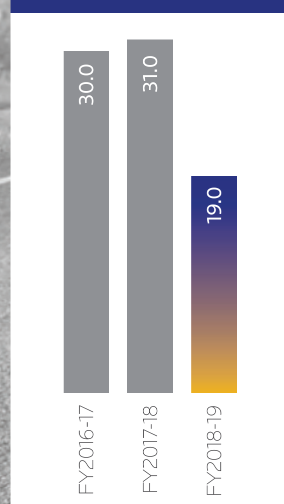


Working capital management (days)



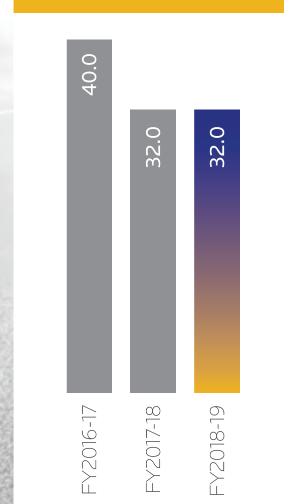
- Debtors days is calculated as average trade receivables / revenue from operations
- Inventory days is calculated as average inventory / cost of materials
- Creditors days is calculated as average trade payables / (cost of materials + contract & site expenses)

Return on net worth (%)



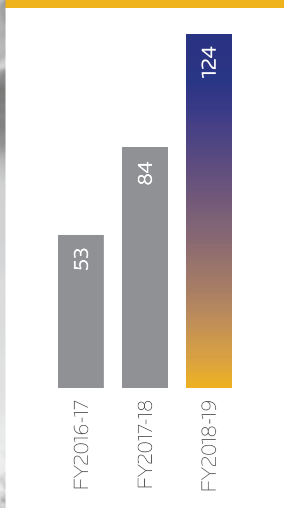
- Return on net worth is calculated as PAT/ Networth x 100
- IPO proceeds are excluded from RoNW for FY18

Return on employed capital (%)

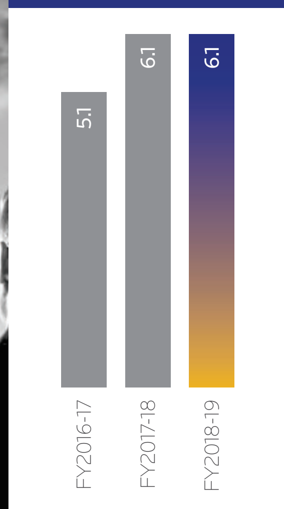


- ROCE is calculated as EBIT/(Total Assets-Current Liabilities)
- IPO proceeds were excluded from FY18

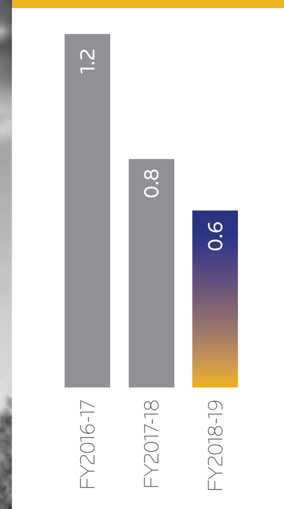
PAT
(₹ crore)



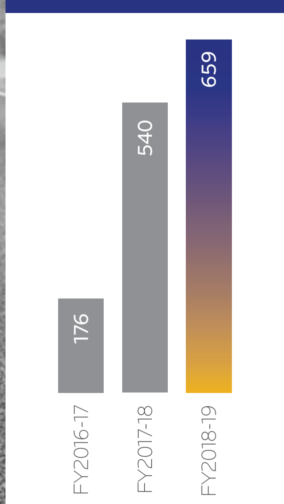
PAT margin
(%)



Debt-equity ratio
(x)

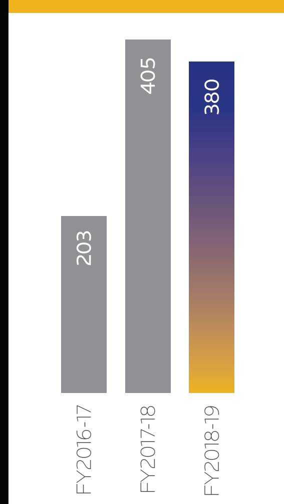


Net worth
(₹ crore)



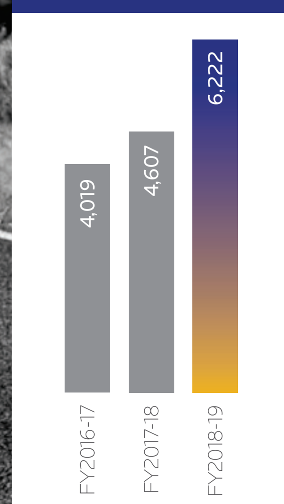
- IPO proceeds were included in FY18

Total debt
(₹ crore)



- Debt was calculated as: Long Term + Short-Term borrowings + current portion of Long-Term Borrowings

Order book
(₹ crore)



How we transformed our business with speed and sensitivity

We were once a sub-contractor to the principal contractor

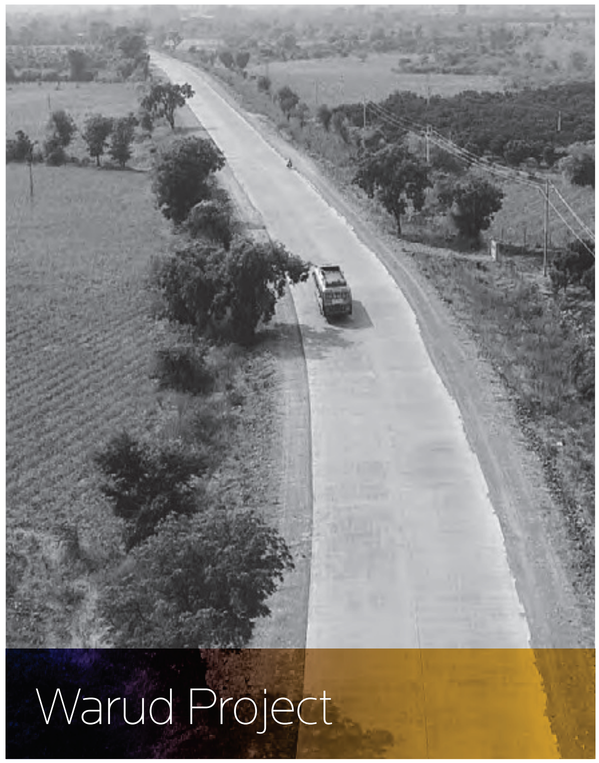
- We generated 55% revenues from sub-contracted projects five years back
- We established a reputation for quality construction and timely delivery
- We began to bid independently for projects
- 71% of our revenues are derived from directly-contracted projects today

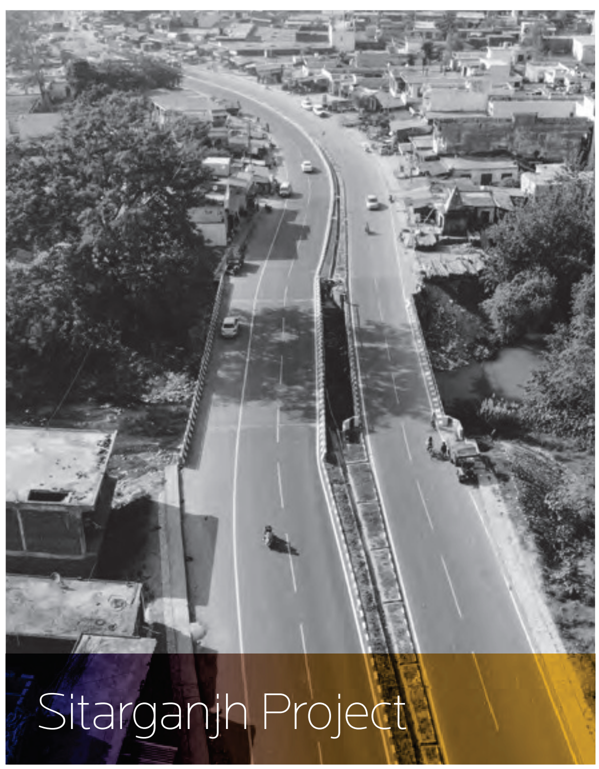
We were present in one state (Rajasthan) for 5 years until 2007

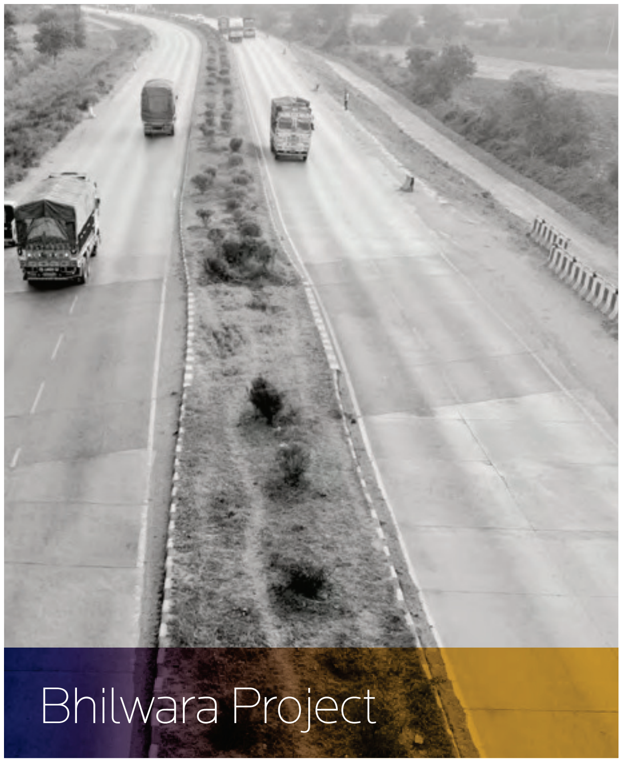
- We generated all projects from one State until 2007
- We extended to a second state (Uttar Pradesh) in 2008
- Since then we have extended to contiguous States
- We are present in seven States today

We own most of the equipment today

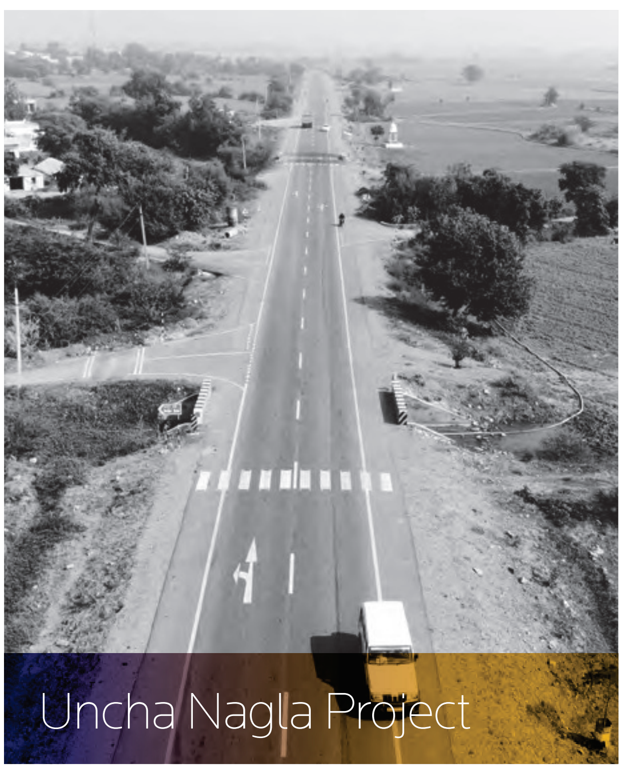
- We recognised the need to directly own cutting-edge construction equipment
- The Company invested ₹495 crore in equipment ownership in four years ending FY19
- Direct ownership enhanced equipment availability, utilisation and moderated rentals outgo
- The Gross Block as on March 31, 2019 stood at ₹611 crore







Bhilwara Project



Uncha Nagla Project

We were a promoter-driven company for a number of initial years

- We recognized the need to professionalise to implement better and faster
- We increased employees and created a new management pyramid
- This pyramid comprises Board members, business heads, senior management and site professionals
- The business balances promoter and professional interests today with over 80% skilled manpower

We needed to exercise greater project control if we needed to grow

- We recognized the need to invest in digital technologies to enhance our overall competitiveness
- The Company invested in the cutting-edge SAP Hana 4
- This technology enhanced a real-time understanding of project realities
- The technology enhanced cost awareness, bidding competence, checks and balances

Our people

Board of Directors

Mr. Harendra Singh
Chairman and Managing Director

- 25+ years of experience in the construction industry
- Holds Bachelor's degree in Engineering (civil)
- Awarded twice by the Indian Achievers Forum for his outstanding achievement in business and social service

Mr. Vijendra Singh
Whole-time Director

- 27 years of experience in the construction industry
- Responsible for the overall functioning of the Company

Mr. Dinesh Kumar Goyal
Non-Executive Non Independent

- Retired IAS officer, has more than 40 years experience in working in a senior position in departments such as finance, Energy, Public Works, Road & Highway & others

Ms. Pooja Hemant Goyal
Independent Director

- Holds a Bachelor's degree in Commerce and a Master's degree in law
- Over 5 years of experience in the legal industry

Mr. Onkar Singh
Independent Director

- Retired IAS officer with 20 years of experience.
- Has been a Collector and District Magistrate in Rajasthan.
- Holds a Bachelor's and Master's Degree in Commerce and Philosophy.

Mr. Ashok Kumar Thakur
Independent Director

- Holds a Master's degree in Commerce from Lucknow University
- Over 37 years of experience in the banking industry

Experienced senior management

Mr. Rajeev Mishra
Chief Financial Officer

- 18 years of experience in the banking and real estate industry
- Holds a Master's degree in Business Administration and Diploma in Human Resource Development from the National Institute of Industrial Research and Development

Mr. Raja Dutta
Chief Operating Officer

- 20 years of experience in the construction industry; highly skilled in project execution
- Strong finance professional with a Management Education Program focused in Business Administration and Management, General from IIM, Ahmedabad

Our functional heads

Mr. Ajay Kumar Gupta
AVP - Plant & Equipment

- Holds a Bachelor's degree in Mechanical Engineering from the U.P. Tech Board
- Over 34 years of experience in the field of construction plants and equipment

Mr. Sudhir Jain
Project Director

- Holds a Bachelor's degree in Civil Engineering from the University of Madras
- Over 7 years of experience in the field of engineering

Mr. Vinod Agarwal
AVP - Commercials and Accounts

- Holds a Bachelor's degree and a Master's degree in Commerce from Rajasthan University
- Over 30 years of experience in the field of finance

Mr. Rakesh Shivran
Senior GM - Civil

- Holds a Bachelor's degree in Engineering and a Master's degree in Transportation Engineering
- Over 14 years of experience in the field of engineering

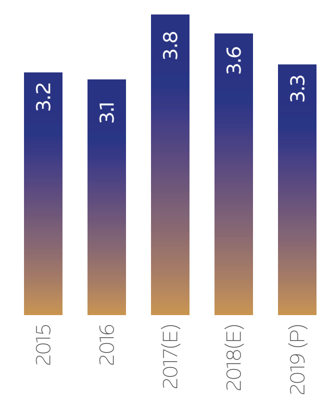
Mr. Satish Kumar Sharma
Senior GM - Planning and Quality Standard

- Holds a Bachelor's degree in civil engineering from the University of Madras
- Over 7 years of experience in the field of engineering

Management discussion and analysis

Global economic overview

The global economic growth was weaker in 2018 by 20 bps compared with 3.8% growth in 2017, largely on account of the failure of Brexit negotiations, tightened financial conditions, geopolitical tension and higher crude oil costs. Global growth was revised downwards to 3.3% in the IMF's April 2019 forecast, which makes India, growing at around twice the global growth rate, one of the most attractive economies to be present in. *(Source: World Economic Outlook).*



[Source: World Economic Outlook, January 2019] E: Estimated; P: Projected

Indian economic overview

India retained its position as the sixth-largest and fastest-growing economy in 2018-19. After growing 7.2% in 2017-18, the Indian economy grew at 6.8% in 2018-19. The principal developments during the year comprised a sustained increase in per capita incomes, decline in national inflation, steadying interest rates, declining crude oil prices, sustained government spending in digitisation, renewable energy capacity and infrastructure building.

However, the year under review was also marked by weakened consumer sentiment in the second half of the financial year. This was on account of a large non-banking financial company announcing its inability to address liabilities. This affected credit expansion, financial markets and consumer sentiment.

In 2018, the country attracted more foreign inflows than China - ~US$ 38 billion, higher than China's US$ 32 billion. India witnessed a 23-notch jump to a record 77th position in the World Bank's latest report on the ease of doing business that captured the performance of 190 countries. The rupee rebounded after touching a low of ₹74.45 to a dollar to close the financial year at ₹69.44.

The key government initiatives during the year under review comprised bank recapitalisation scheme, sustained infrastructure expansion, increased minimum Support Price announced for 22 mandated kharif and rabi crops and FRP for sugarcane, implementation of The Insolvency and Bankruptcy code (Amendment), Ordinance 2018, announcement of Pradhan Mantri Kisan Samman Nidhi (assuring marginalised farmers with a steady income support) and sustenance of the Direct Benefit Transfer initiative.

Assuming no major global and domestic political shocks, India's markets are expected to perform better due to increased government spending following the 2019 national elections and a projected earnings revival. The result is that India is expected to grow at 7.1% in FY2019-20.

(Source: CSO, Fitch, Economic Times, Business Standard, IBEF, Business Today, India Today)

Indian road infrastructure sector overview

The infrastructure sector is the second-largest employer in India with the sector's output increasing by 4.3% during FY2018-19. The Indian Government increased infrastructural allocation by ₹1 lakh crore to ₹5.97 lakh crore in FY19.

There is widespread recognition that improving the country's road infrastructure will have a direct bearing on the country's global competitiveness and economic growth.

The total expenditure of the Ministry of Road Transport and Highways for 2018-19 was estimated at ₹71,000 crore, 16% higher than the revised estimates for FY2017-18. In FY2018-19, revenue expenditure of this Ministry stood at an estimated ₹11,560 crore while capital expenditure was around ₹59,440 crore.

The Indian road building sector faces one of its most exciting periods, encouraged by the Bharatmala plan for developing 34,800km of roads under Phase 1 by 2022, costing ₹5.35 trillion investments. The plan envisages connectivity from factory to market by linking industrial / economic corridors via road connectivity between railways, ports and coastal / border roads. The Central Government strengthened the overarching sectoral climate: it streamlined the exit policy to enable developers to invest in new projects. Land acquisition was expedited and a one-time fund infusion scheme introduced to resurrect languishing road building projects.

Even as NHAI ordering picked up in FY18 after the announcement of the Bharatmala plan, pace slackened in FY19 following delayed financial closures and ordering in FY2019 (till February 2019) was muted (estimated at 600-700 km) because most HAM projects were delayed.

FY 2019 was declared as the 'Year of Construction' as the Ministry of Roads and Transport (MoRTH) targeted constructing at least 12,000km of highways during the year with NHAI accounting for 6000km / 9,700km by MoRTH and 720km by NHIDCL – an average 33km/ day vis-à-vis 27km/ day constructed in FY18. However, year on year growth was 16.5% against a minimum target of 22%, indicating that the execution will spill into FY20.

While most projects awarded till FY18 were brownfield capex, the focus will now be on greenfield expressways. NHAI identified 52 greenfield corridors covering around 2,000 km.

The Central Government enhanced allocation under Pradhan Mantri Gram Sadak Yojana to ₹19,000 crore from ₹15,500 crore in the revised estimate for 2018-19. Construction of rural roads trebled under Pradhan Mantri Gram Sadak Yojana and some 15.8 lakh habitations were connected with pucca roads. In FY19, the expenditure on National Highways was likely to have exceeded ₹2 lakh crore, of which ~₹1 lakh crore was funded from extra-budgetary resources (including NHAI borrowings and monetisation of existing national highways) and >₹70,000 crore through budgetary grants and tolls.

The total length of national highways increased from ~91,287 kilometres in 2014 to ~131,326 kilometres in 2018 followed by the Central Government's decision to declare ~39,040 kilometres length of state highways as new national highways. In FY2019, 10,800 kilometres of highways had been constructed compared to 9,829 kilometres during the corresponding period of the previous year. The Ministry of Road Transport and Highways had fixed an overall target to award 15,000 km projects in FY19 compared to 17,055 kilometres, which was awarded during the previous year. During the year under review, India emerged as the fastest highway developer in the world, constructing an average 27 kilometres of highways a day.

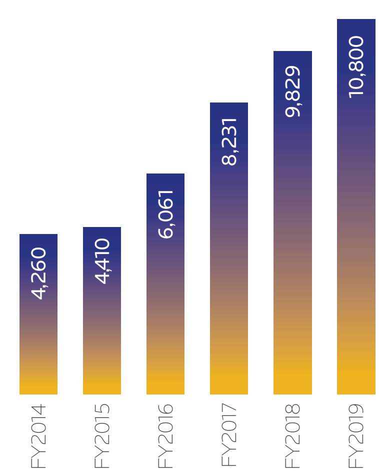
NHAI continued to award contracts at a brisk pace, especially under the HAM model (in which costs were shared by the NHAI and the vendor), with award of contracts going up ten-fold in the last couple of years. The Central Government's thrust on building highway infrastructure continues, with allocation to the NHAI placed at a healthy ₹36,691 crore for 2019-20.

(Source: CARE, Hindu Business Line, Ind-Ra, CRISIL, Credit Suisse, Bloomberg Quint, ET, moneycontrol; Reuter; Times of India;IBEF)

Outlook

The Indian roads and highways market is projected to reach US$ 24.12 billion by 2027, on account of increasing governmental emphasis via initiatives such as Bharatmala, SARDP-NE and Smart Cities Mission, among others, aimed at developing, expanding and upgrading roads, highways and expressways in the country. Moreover, rising population and investment-enabling policy measures such as HAM are expected to influence the country's roads and highways sector. The Government of India aims to complete 200,000 kilometres of national highways by 2022. *(Source: Tech Sci Research)*

Highway construction in India (in kilometres)



Hybrid annuity model: The Hybrid Annuity Model (HAM), a combination of EPC (40%) and annuity revenues (60%) with reduced capital requirement from the concessionaire (~60% vs 100% in case of BOT), grew from 10% since introduction in FY16 to ~49% in FY19-end in terms of the lengths of projects awarded. The Central Government rolled out more than 60 projects worth more than US$ 10 billion based on HAM. By balancing risk between private and public partners, HAM enhanced public-private partnership activity. Hybrid annuity models helped enhance the mobilization of funds backed by a sovereign guarantee from the government related to annuity payments, helping road construction companies become insulated from regulatory and economic shocks.

Advantages of HAM

- Dispersal of financial risk between the government and private players
- Moderates excessive dependence on banks for loans
- Room for private players to raise funds through the equity route.
- Returns generated with the commencement of construction
- Engagement independent of toll collection
- WPI-linkage irrelevant; no traffic-based risk related to toll collection
- Better revenue visibility with O&M and bi-annual annuities

Company's financial review

Revenue from operations: Revenue during the year stood at ₹2,010 crore, increasing 44% over ₹1,393 crore in FY2018-19.

EBITDA: Revenue during the year stood at ₹303 crore, increasing 46% over ₹208 crore in FY2018-19.

Profit before tax: The Company registered a profit before tax of ₹190 crore compared to ₹119 crore in the previous year.

Profit after tax: The Company registered a profit after tax of ₹124 crore compared to ₹84 crore in the previous year.

Key ratios

Particulars	2018-2019	2017-2018
EBITDA/Turnover	15.1%	14.9%
Debt/EBITDA	1.2	2.0
Debt-equity ratio	0.6	0.8
Return on equity (%)	19.0%	31.0%
Earnings per share	18.9	15.4

Risk management

Manpower risk: There is an urgent requirement of qualified and talented manpower to look after day-to-day operations

Mitigation: The Company's employee strength stood at 3,570 on March 31, 2019 for FY2018-19. Over 80% were skilled and semi-skilled workers comprising qualified engineers and management professionals. The Company also strengthened worker training to equip them with necessary skills.

Liquidity risk: A liquidity crunch could adversely affect day-to-day operations

Mitigation: The Company strengthened cash flows by reducing the working capital cycle to 46 days during FY2018-19 from 52 days during FY2017-18, improving its debt-equity ratio to 0.57.

Costs risk: Delayed projects can lead to an increase the project costs and debt.

Mitigation: The Company forecasts outcomes and bids for profitable projects secured by a structured and sequenced plan of action leading to timely project implementation. The Company invested in business strengthening processes and practices directed to accelerate project progress.

Competion: The bidding for infrastructural projects can be competitive, reducing margins.

Mitigation: The Company consciously selected to not bid for projects where its forecasted profitability was below its desired rate of return.

Internal control system and adequacy

The Company has adequate internal control system running throughout the organisation. Internal processes of the Company commensurate with our nature of business. The Company has appointed internal auditor who audits the adequacy and effectiveness of the internal control system as laid down by the management and suggests improvements as required. The audit committee periodically reviews the audit plans, internal audit reports and adequacy of internal controls and risk management.

Cautionary statement

Statements in the management's discussion and analysis report describing the Company's projection, estimates, expectations or predictions may be 'forward-looking statements' within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that would make a difference to the Company's operations include demand-supply conditions, raw material prices, change in governmental regulations, tax regimes, economic developments within the country and other factors such as litigation and labor negotiations.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Harendra Singh
Chairman & Managing Director
DIN-00402458

Mr. Vijendra Singh
Whole Time Director
DIN-01688452

Mr. Dinesh Kumar Goyal
Non-Executive Director
DIN-02576453

Mr. Ashok Kumar Thakur
Independent Director
DIN-07573726

Mr. Pooja Hemant Goyal
Independent Director
DIN-07813296

Mr. Onkar Singh
Independent Director
DIN-07853887

COMMITTEES OF THE BOARD

AUDIT COMMITTEE

Mr. Ashok Kumar Thakur
Chairman

Mr. Onkar Singh
Member

Mr. Harendra Singh
Member

NOMINATION & REMUNERATION COMMITTEE

Mr. Onkar Singh
Chairman

Mr. Ashok Kumar Thakur
Member

Mrs. Pooja Hemant Goyal
Member

CORPORATE SOCIAL RESPONSIBILTY COMMITTEE

Mr. Harendra Singh
Chairman

Mr. Vijendra Singh
Member

Mr. Onkar Singh
Member

STAKEHOLDER RELATIONSHIP COMMITTEE

Mr. Onkar Singh
Chairman

Mr. Harendra Singh
Member

Mr. Vijendra Singh
Member

CHIEF FINANCIAL OFFICER

Mr. Rajeev Mishra

COMPANY SECRETARY & COMPLIANCE OFFICER

Mrs. Ankita Mehra

AUDITORS

M/s Price Waterhouse & Co.
Chartered Accountants LLP
252, Veer Savarkar, Marg, Shivaji Park,
Dadar, Mumbai- 400028

SECRETARIAL AUDITORS

M/s ATCS & ASSOCIATES,
Company Secretaries
23 KA-4, Jyoti Nagar, Near Vidhan
Sabha, Jaipur-302005(Raj)

COST AUDITORS

M/s Rajendra Singh Bhati
Hari Om Tower Manji Ka Hatha Paota,
Jodhpur- 342003 (Raj)

INTERNAL AUDITORS

M/s Tibrewal Chand & Co,
Chartered Accountants
1402, Ivy Tower, Nahar Amrit Shakti,
Chandiwali Powai,
Andheri East, Mumbai-400072

REGISTERED OFFICE

14, Panchwati Colony, Ratanada
Jodhpur
Rajsthan-342001
Tel: 0291-2515327
Fax no: 0291-2515327
Email ID-cs@hginfra.com

CORPORATE OFFICE

III Floor, Sheel Mohar Plaza, A-1 Tilak
Marg, C-Scheme
Rajasthan, Jaipur-302001
Tel: 0141-4106040-41
Fax no: 0141-4106044
Email ID-cs@hginfra.com

REGISTRAR & SHARE TRANSFER AGENT FOR EQUITY SHARES

Link Intime India Private Limited
Address:- Noble Heights 1st Floor,Plot
No. NH-2, C-1 Block,
LSC near Savitri Market, Janakpuri,
New Delhi 110058
Tel: 011-41410592-94
Fax no: 011-41410591
Email ID-delhi@linkintime.co.in

BANKERS

HDFC Bank Limited
G/20/22, Time Square Multiplex,
10, Central Spine, Vidhyadhar Nagar,
Jaipur, Rajasthan 302023

ICICI Bank Limited
SMEAF, IV Floor, Block No 4, JSEL
Building, Malviya Nagar, Jaipur 302017

Punjab National Bank
Mid Corporate Branch, Chamber
Bhawan, M.I Road, Jaipur, Rajasthan

Union Bank of India
Sadar Bazar, Mt. Abu -307501

Oriental Bank of Commerce
Umrao Complex, M.I Road,
Jaipur-302001

Bank of Baroda
Nehru Place Branch, LalKothi, Tonk
Road, Jaipur-302001

State Bank of India
Mid Corporate Group, Commercial
Branch "Param Siddhi Complex"
Near Mahakant Building Ellisbridge,
Ahemdabad-380006

Yes Bank Ltd
Emerging Corporate Banking, Yes
Bank Limited, D-12, Mahatma Gandhi
Road, South Extension –II
New Delhi -110049

IDFC Bank Ltd
Sood Tower, 4th Floor, East Wing,
Barakhamba Road, New Delhi 110001

Indusind Bank
Ground Floor, Sangam Complex,
Church Road, Off Mirzaismail Road,
Jaipur Rajasthan.302001

RBL Bank
Upper Ground Floor, Hansalya
Building, 15 Barakhamba Road,
Cannaught Place, New Delhi-11001

Axis Bank
2nd Floor 3rd Eye One Building CG
Road, Ahemdabad.

Directors Report

Dear Shareholders,

Your Directors have pleasure in presenting the 17th Annual Report on the business, operations and financial performance of H.G. Infra Engineering Ltd. (the Company) along with the Audited Financial Statements for the Financial Year ended March 31st, 2019. The consolidated performance of the Company and its subsidiary has been referred to wherever required.

FINANCIAL RESULTS

The Financial Performance of the Company for the financial year ended on 31st March, 2019 is as follows-:

(Amount in ₹ Millions)

Particulars	Standalone		Consolidated	
	31.03.2019	31.03.2018	31.03.2019	31.03.2018
Gross Revenue	20213.49	13973.91	20259.34	13973.91
Total expenses	18311.04	12786.31	18343.84	12786.31
Profit / (loss) before tax	**1902.45**	**1187.60**	**1944.04**	**1187.60**
Tax expenses				
Current tax	689.26	383.74	693.06	383.74
Deferred tax	(22.49)	(38.78)	(22.45)	(38.78)
Total Tax Expense	666.77	344.96	670.61	344.96
Profit After Tax	**1235.68**	**842.64**	**1273.43**	**842.64**
Other comprehensive income Items that will not be reclassified to profit or loss (Net of Taxes)	(12.96)	(0.94)	(12.96)	(0.94)
Total Comprehensive Income for the year	**1222.72**	**841.70**	**1260.47**	**841.70**

REVIEW OF OPERATIONS/STATE OF AFFAIRS OF THE COMPANY, ITS SUBSIDIARIES

Review of Operations /State of Affairs of the Company

There has been no change in the nature of business of your Company during the Financial Year 2018-2019.

During the year under review, your Company reported a growth of 45% over the previous year. At Standalone level, the Revenue from Operations increased amounted to 20213.49 Million as against 13973.91 Million in the previous year. The Net Profit before Tax amounted to 1902.45 Millions as against 1187.60 Million in the previous year. The Net Profit for the year amounted to 1235.68 Million against` 842.64 Million reported in the previous year and total comprehensive income for the year amounted to ` 1222.72 Million as against ` 841.70 Million in the previous year.

At Consolidate level, the Revenue from Operations increased amounted to 20259.34 Million as against 13973.91 Million in the previous year. The Net Profit before Tax amounted to 1944.04 Millions as against 1187.60 Million in the previous year. The Net Profit for the year amounted to 1273.43 Million against ` 842.64 Million reported in the previous year and total comprehensive income for the year amounted to1260.47 Million as against ` 841.70 Million in the previous year.

Review of Operations /State of Affairs of the Subsidiaries

During the Financial Year 2018-2019 Our Company has one Wholly Owned Subsidiary, viz. "**Gurgaon Sohna Highway Private Limited**" which is a unlisted subsidiary Mr. Onkar Singh an Independent Director of the Company has been appointed as a Director on the Board of said subsidiary. The minutes of the subsidiary Company are periodically placed before the Board and reviewed by the Board of Directors. The Policy for determining subsidiaries has been uploaded and can be accessed on the Company's website www.hginfra.com

The Audited Consolidated Financial Statements for the Financial Year ended 31st March, 2019, based on the financial statements received from Subsidiaries, as approved by their respective Board of Directors, have been prepared in accordance with relevant Indian Accounting Standards issued by the Institute of Chartered Accountants of India and forms an integral part of this Annual Report.

BUSINESS OVERVIEW

Order Inflow and Order Book

During the Financial Year Company won multiple big-ticket size orders.

➢ This includes ₹ 1,172 Cr project involving six laning of Hapur Bypass to Moradabad from IRB

- ➢ We also won EPC order from NHAI in the state of Rajasthan valued at ₹ 997 cr.
- ➢ Another big-ticket project was ₹ 952 cr Narnaul Bypass HAM project.

2 HAM projects that we received during the year have a lot of synergy benefits. Since they are adjacent to each other, these will help in efficient deployment of our machines and manpower. The common base camp will lead to cost optimization. Both the projects are under financial closure and we expect to achieve them soon.

Taking all these projects into count,the total order inflow for the year was ₹ 3648 Cr. of the total order received this year, three orders are EPC Contracts aggregating to ₹ 2359 Cr and the remaining contract to the tune of ₹ 1289 Cr are HAM Projects.

Order book as on 31st March 2019 stood at ₹ 6,222 crore out of the total order book, 71% are government contracts and 29% are from private clients.

Major projects completed in FY19

Sitarganj:- NHAI's EPC project of Two-laning with paved shoulders of Sitarganj-Tanakpur section of NH-125 in Rajasthan Value – ₹ 2,431 million.

Manoharpur:- NHAI's EPC project of Two-laning with paved shoulders of Manoharpur and Dausa on NH 11A in Rajasthan Value – ₹ 1,982 million

Uncha–Nagla:- NHAI's EPC project of Widening, strengthening and 2- laning of Uncha-Nagla- Khanuawa-Roppas- Dholpur section of NH-123 in Rajasthan Value – ₹ 2,611 million

Tonk-Madhopur:- NHAI's EPC project of Two-laning with paved shoulders of Tonk –SawaiMadhopur section of NH-116 in Rajasthan Value – ₹ 2,161 million

Kaithal-IRB's BOQ project of four – laning of Kaithal – Rajasthan border section of NH-123/ 65 in Haryana Value – ₹ 4,011 million

Company has shown sign of excellence in all financial and operational parameters which has been applauded by PWC, our Statutory Auditors, our investors and other Stakeholders. The Company has featured in many Business magazines like "Fortune 500","CEO magazine",outlook magazine" and has been honoured by CNBC for "Best Infrastructure Company" in Rajasthan Ratan Award.

DIVIDEND

The Board of Directors of your Company recommend a Final Dividend for the Financial Year 2018-19 at the rate of 5% (Five per cent) i.e. 0.50 (Rupees Fifty Paisa Only) per Equity Share of Face Value of 10/- (Rupees Ten Only) each, subject to approval of the Members at the ensuing, 17th (Seventeenth) Annual General Meeting.

The Dividend will be paid to the Shareholders whose names appear in the Register of Members of the Company as on Friday, August 2, 2019 and in respect of shares held in dematerialised form, it will be paid to Shareholders whose names are furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL), as the beneficial owners as on that date.

TRANSFER TO RESERVES

The Company is not proposing to transfer any amount to the General Reserves of the Company out of the profits made during the Year. The Total other Equity (including securities premium Reserves, General Reserves, Surplus in the statement of profit and Loss and and other Comprehensive income) as on March 31st, 2019 is ₹ 5978.10 (on Consolidate Basis) million as against the Paid- up Capital of ₹ 651.71 million.

DEPOSITS

During the year ended 31st March, 2019, the Company has not accepted deposits from the public falling within the ambit of Section 73 of the Companies Act, 2013 and the Rules framed there under and hence no amount on account of principal or interest on public deposits was outstanding as on the date of the Balance Sheet.

DIRECTORS RESPONSIBILITY STATEMENT

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory, costand secretarial auditors including audit of internal financial controls over financial reporting by the statutory auditors and the reviews performed by the management and the relevant Board committees, including the audit committee, the Board is of the opinion that the Company's internal financial controls were adequate and operating effectively during theFY 2018-19.

Pursuant to Section 134(5) of the Companies Act, 2013, the Board of Directors, to the best of its knowledge and ability, confirm that:

i. In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.

ii. They have selected such accounting policies and applied them consistently and made Judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period.

iii. They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

iv. They have prepared the annual accounts on a going concern basis.

v. They have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and operating effectively.

vi. The directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

CAPITAL STRUCTURE OF THE COMPANY

The Current Capital Structure of the Company is given below:-

Authorised Capital:-

During the Financial Year 2018-19 the Authorised Capital of the Company is ₹ 80,00,00,000/- (Rupees Eighty Crore Only) divided into 8,00,00,000 (Eight Crore Equity Share) Equity Shares of ₹ 10/- (Rupees Ten Each).

Issued Capital:-

During the Financial Year 2018-19 the Issued Capital of the Company is ₹ 65,17,11,110/- (Rupees Sixty Five Crore Seventeen Lakh Eleven Thousand One Hundred Ten Only) divided into 65171111 (Six Crore Fifty One lakh Seventy One thousand one hundred Eleven Equity Shares) Equity Shares of ₹ 10/- (Rupees Ten Each).

Subscribed & Paid up Capital:-

During the Financial Year 2018-19 the Subscribed & paid up Capital of the Company is ₹ 65,17,11,110/- (Rupees Sixty Five Crore Seventeen Lakh Eleven Thousand One Hundred Ten Only) divided into 65171111 (Six Crore Fifty One lakh Seventy One thousand one hundred Eleven Equity Shares) Equity Shares of ₹ 10/- (Rupees Ten Each).

Utilization of the IPO Proceeds (2018-19)

The status of the utilisation of the Proceeds of the IPO and division thereon are as under:-

Particulars	Amount in Crores
Gross Proceeds of the Issue	300.00
Less-Issue related expenses	22.25
Net Proceeds of the Issue	277.75
(Less) Utilization of IPO Proceeds up-to March 31,2019	251.17
Funds to be utilized (remain invested in Bank Fixed Deposits) and current account)	26.58

EXTRACT OF ANNUAL RETURN

As provided under Section 92 of the Act and rules framed thereunder, the extract of annual return in Form MGT-9 is given in **Annexure-I** which forms part of this report.

INFORMATION ABOUT SUBSIDIARY/ JOINT VENTURE/ ASSOCIATE COMPANY:

The Company has 1(one) wholly owned subsidiary as on March 31, 2019. (GURGAON SOHNA HIGHWAY PRIVATE LIMITED incorporated on 06.04.2018). There are 4 (four) Joint Venture and 1 (one) Associate within the meaning of Section 2(6) of the Companies Act, 2013 ("Act").

Pursuant to Section 129 (3) of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014 a Statement containing salient features of the financial statements of Subsidiaries/Associate Companies/Joint Ventures is given in Form AOC-1 as **Annexure-II** and forms an integral part of this Annual Report.

Further, pursuant to the provisions of Section 136 of the Act, the financial statements of the Company, consolidated financial statements along with relevant documents and separate audited financial statements in respect of subsidiaries, are available on the website of the Company.

BOARD OF DIRECTORS AND MEETINGS

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

The Board meets at regular intervals to discuss and decide on Company / Business policy and strategy apart from other Board business. The Board exhibits strong operational oversight with regular presentations in every quarterly meeting. The Board /Committee meetings are pre-scheduled and a tentative annual calendar of the Board and Committee meetings is circulated to the Directors well in advance to help them plan their schedule and ensure meaningful participation in the meetings. Only incase of special and urgent business, if the need arises, the Board's/Committee's approval is taken by passing resolutions through circulation or by calling Board/ Committee meetings at short notice, as permitted by law.

The Agenda for the Board and Committee meetings includes detailed notes on the items to be discussed to enable the Directors to take an informed decision.

The Board of Directors had held four meetings during FY 2018-19. For further details, please refer to the Corporate Governance Report, which forms part of this Annual Report. The intervening gap between the meetings was within the period prescribed under the Act and the Listing Regulations.

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

The Company has designed and implemented a process driven framework for Internal Financial Controls ("IFC") within the meaning of the explanation to Section 134(5)(e) of the Companies Act, 2013 read with Rule 8(5)(viii) of the Companies(Accounts) Rules, 2014, The Company has appropriate internal control systems for business processes with regard to its operations, financial reporting and compliance with applicable laws and regulations. It has documented policies and procedures covering financial and operating functions and processes. These policies and procedures are updated from time to time and compliance is monitored by the internal audit function as per the audit plan. The Company continues its efforts to align all its processes and controls with best practices.

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

These are detailed in the Management Discussion and Analysis Report.

DECLARATION BY INDEPENDENT DIRECTOR'S UNDER SUB SECTION (6) OF SECTION 149

INDEPENDENT DIRECTOR

Company having three (3) Independent Directors which are in accordance with the requirement of Listing Regulation as well as under the Companies Act, 2013.

The Company has received necessary declaration from all the three Independent Directors to the effect that they meet the criteria of independence as provided under Section 149(6) of the Companies Act, 2013 and Regulation 16(b) of SEBI (LODR) Regulations, 2015. In the opinion of the Board, they fulfil the conditions specified in the Act and the Rules made there under for the appointment as Independent Directors and are Independent of the Management

WOMEN DIRECTOR

In terms of the provisions of Section 149 of the Companies Act, 2013 and Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and pursuant to the Amendments in Listing Regulations based on the recommendations of the Kotak Committee. Company has complied with the requirement of having at least one Woman Independent Director on the Board of the Company Ms. Pooja Hemant Goyal, Independent Director is the Women Director of the Company.

The details of meeting of Independent Director and Criteria for Evaluation of Independent Director and the Board are explained in the Corporate Governance Report.

FAMILIARIZATION PROGRAM FOR INDEPENDENT DIRECTOR

As trustees of shareholders, Independent Directors play a pivotal role in upholding Corporate Governance norms and ensuring fairness in decision making. Being experts invarious fields, they also bring Independent Judgement on matters of strategy, risk management, controls and business performance.

At the time of appointing a new Independent Director, a formal letter of appointment is given to the Director inter alia; explaining the role, duties and responsibilities of the Director. The Director is also explained in detail the Compliances required from him / her under the Act, SEBI Regulations and other relevant regulations.

By way of an introduction to the Company, presentations are also made to the newly appointed Independent Director on relevant information like overview of the Company's businesses, market and business environment, growth and performance, organisational set up of the Company, governance and internal control processes.

On-going familiarisation program aims to provide insights into the Company and the business environment to enable all the Independent Directors to be updated of newer challenges, risks and opportunities relevant in the Company's context and to lend perspective to the strategic direction of the Company.

The details for familiarisation program for the Independent Directors are put up on the website of the Company. As required under Regulation 46(2)(i) of the Listing Regulations,the details of familiarisation programmes conducted during FY2018-19 is also put on the Company's website and the same can be accessed at the link : https://www.hginfra.com/pdf/Details%20of%20Familiarization%20programme%20Imparted.pdf

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

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

- Qualifications – The Board nomination process encourages diversity of thought, experience, knowledge, age and gender. It also ensures that the Board has an appropriate blend of functional and industry expertise.
- Positive Attributes - Apart from the duties of Directors as prescribed in the Act the Directors are expected to demonstrate high standards of ethical behaviour, communication skills and independent judgment. The Directors are also expected to abide by the respective Code of Conduct as applicable to them.

- ➢ Independence - A Director will be considered independent if he / she meets the criteria laid down in Section 149(6) of the Act, the Rules framed thereunder and Regulation 16(1)(b) of the Listing Regulations.

For more details, please refer to the Corporate Governance Report, which is a part of this report

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

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

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

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

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

In a separate meeting of Independent directors, performance of non-independent directors and the board as a whole was evaluated. The Independent Directors in the said meeting also evaluated the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties. Additionally, the Chairman of the Board was also evaluated on key aspects of his role, taking into account the views of executive directors and non-executive directors in the aforesaid meeting. The above evaluations were then discussed in the board meeting that followed the meeting of the Independent directors and NRC, at which the performance of the board, its committees and individual directors was also discussed. Performance evaluation of Independent directors was done by the entire board, excluding the independent director being evaluated.

For details of previous year Annual Evaluation, please refer to the Annual Report for the Financial Year 2017-18, which is accessed through https://www.hginfra.com/pdf/annual-report-2017-18-latest.pdf

Details of Criteria for Evaluation of Independent Director and the Board, please refer to the Corporate Governance Report, which is a part of this report

CREDIT RATING

HGIEL financial discipline and prudence is reflected in the strong credit rating ascribed by rating agencies. The Table below depicts the Credit Rating profile:

Instrument	Rating Agencies	Previous Rating	Current Rating
Long Term Credit	ICRA	ICRA A-	ICRA A
Short Term Credit	ICRA	ICRA A2 +	ICRA A1

For details of credit rating, please refer to the Corporate Governance Report, which is a part of this report

COMMITTEES OF THE BOARD

Details of all the Committees along with their terms of reference, composition and meetings held during the year is provided in the Corporate Governance Report, which is a part of this report.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Board of Directors has formulated a Whistle Blower Policy/ Vigil Mechanism which is in Compliance with the provisions of Section 177 (10) of the Companies Act, 2013. During the Financial Year 2018-2019 the Policy was modified in the Board Meeting held on 01st Day of February, 2019.

The Company's Whistle Blower Policy/Vigil Mechanism encourages Directors and employees to bring to the Company's attention, instances of unethical behaviour, and actual or suspected incidents of fraud or violation of the Code of Conduct that could adversely impact the Company's operations, business performance and / or reputation.

Company investigates such incidents, when reported, in an impartial manner and takes appropriate action to ensure that requisite standards of professional and ethical conduct are always upheld. It is the Company's Policy to ensure that no employee is victimised or harassed for bringing such incidents to the attention of the Company. The practice of the Whistle Blower Policy/Vigil Mechanism is overseen by the Audit Committee and no employee has been denied access to the Committee. The Whistle-blower Policy is available on the Company's corporate website www.hginfra.com

NOMINATION & REMUNERATION POLICY

As per sub-Section (1) of Section 178 of the Companies Act, 2013 as well as the Listing regulations, the Nomination & Remuneration Policy of the Company has revised on 23rd May, 2018 and 1st February 2019 as recommend by the Nomination & Remuneration Committee of the Company.

The details of the policy are explained in the Corporate Governance Report and same is also available on the Company Website www.hginfra.com.

SELECTION AND PROCEDURE FOR NOMINATION AND APPOINTMENT OF DIRECTORS

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

The NRC makes recommendations to the Board in regard to appointment of new Directors and Key Managerial Personnel ("KMP") and senior management. The role of the NRC encompasses conducting a gap analysis to refresh the Board on a periodic basis, including each time a Director's appointment or re-appointment is required. The NRC is also responsible for reviewing the profiles of potential candidates vis-à-vis the required competencies, undertake a reference and due diligence and meeting of potential candidates prior to making recommendations of their nomination to the Board. The appointee is also briefed about the specific requirements for the position including expert knowledge expected at the time of appointment.

CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

All transactions entered with Related Parties for the year under review were entered on arm's length basis and in the ordinary course of business and that the provisions of Section 188(1) ofthe Companies Act, 2013 and the Rules made there under were not attracted.

The particulars of contracts or arrangements with related parties referred to in Section 188(1) is prepared in Form AOC-2 pursuant to Section 134(3)(h) of the Act and Rule 8(2) of the Companies(Accounts) Rules, 2014 and the same is annexed to the Board's Report as Annexure-III.

All Related Party Transactions are placed before the Audit Committee and the Board for approval. The Company has a process in place to periodically review and monitor Related Party Transactions. Omnibus approval was obtained on a yearly basis for transactions which are of repetitive nature. All the related party transactions were in the ordinary course of business and at arm's length. The Audit Committee and the Board have approved the Related Party Transactions Policy and the same has been uploaded on the Company's website www.hginfra.com.

CORPORATE SOCIAL RESPONSIBILITY

As a part of its initiatives under "Corporate Social Responsibility" the Company has framed Corporate Social Responsibility Policy (CSR Policy) in terms of which, the Company has undertaken projects in the areas of environment, animal, education, health care etc. These projects are largely in accordance with Schedule VII of the Companies Act, 2013. As required under Section 134 (3)(o) and Policy Rule 9 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Annual Report on CSR activities, forming part of the Directors' Report, is annexed as Annexure-IV.

RISK MANAGEMENT

Risk management comprises all the organizational rules and actions for early identification of risks in the course of doing business and the management of such risks.In terms of regulation 17(9)(b) of the Listing Regulations, the Board of Directors adopted a Risk Management Policy of the Company. On the recommendation of Audit Committee, Board has revised Risk Management Policy Twice a year i.e (Board Meeting held on 30.07.2018 & 01.02.2019).

The objective of Risk Management Policy at H.G. Infra is to preserve shareholder value to the extent practically feasible and to ensure sustainable business growth with stability by identifying and mitigating major operating, and external business risk. In order to achieve the key business objectives, the policy establishes a structured and disciplined approach to Risk Management, including the development of the Risk Register, in order to guide decisions on risk related issues. The specific objectives of the Risk Management Policy are:-

1) To ensure that all the current and future material risk exposures of the Company are identified, assessed, mitigated, monitored and reported.
2) To establish a frame work for the Company's risk management process and to ensure Company wide implementation.
3) To ensure systematic and uniform assessment of risks related with construction projects.
4) To enable compliance with appropriate regulations, wherever applicable, through the adoption of best practices.
5) To assure business growth with financial stability.

The effectiveness of Risk Mitigation plans shall be ensured through proper monitoring, evaluation of outcomes of mitigation plans and to look for the scope of its applicability in other areas in order to achieve overall objective of this policy.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUTGO

The information required to be disclosed pursuant to Section 134(3)(m) of the Companies act, 2013 read with Rule 8 of companies (Accounts) Rules,2014, the particulars of technology absorption and foreign exchange earnings and outgo is provided as under.

PARTICULARS		REMARKS
A)	CONSERVATION OF ENERGY:	
	the steps taken or impact on conservation of energy;	The Operations of the Company are not energy intensive. However the Company always focuses on conservation of energy, wherever possible. Continuous additional investments are made in phases to replace old machinery with newer more sophisticated and more fuel efficient ones. The replacement theory is applied in repairs and renewals.
	the steps taken by the Company for utilizing alternate sources of energy;	
	the capital investment on energy conservation equipments	
B)	TECHNOLOGY ABSORPTION:	
	the efforts made towards technology absorption;	Timely completion of the projects as well as meeting the budgetary requirements are the two critical areas where different techniques help to a great extent. Many innovative techniques have been developed and put to effective use in the past and the efforts to develop new techniques continue unabated.
	the benefits derived like product improvement, cost reduction, product development or import substitution;	Nil
	in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)- (a) the details of technology imported; (b) the year of import; (c) whether the technology been fully absorbed; (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; Not applicable since 5 years period is over	Nil
	the expenditure incurred on Research and Development	Nil
C)	FOREIGN EXCHANGE EARNINGS AND OUTGO:	
	The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outflow during the year in terms of actual outflows	Nil (Inflow) ₹ 4,55,355/- (Outflow)

CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION AND ANALYSIS

The Company has complied with the Corporate Governance requirements under the Act and Listing Regulations. A separate section on Corporate Governance along with a certificate from the practicing Company Secretary confirming compliance is annexed as **Annexure-V** and forms part of this report.

A detailed report on Management Discussion and Analysis forms an integral part of this report and also covers the consolidated operations reflecting the global nature of our business.

AUDITOR'S OF THE COMPANY

Statutory Auditor

At the 15th Annual General Meeting held on Friday, September 08, 2017, the Shareholders had approved the appointment of **M/s. Price Waterhouse & Co Chartered Accountants LLP (FRN 304026E/E300009)** as the Statutory Auditors for a period of 5 years commencing from the conclusion of the 15th Annual General Meeting until the conclusion of the 20th Annual General Meeting to be held in the year 2022, subject to ratification by the Shareholders every year, if so required under law. Pursuant to the recent amendment to Section 139 of the Act effective May 7, 2018, ratification by Shareholders every year for the appointment of the Statutory Auditors is no longer required and accordingly the Notice of ensuing Annual General Meeting does not include the proposal for seeking Shareholders approval for ratification of Statutory Auditors appointment.

M/s. Price Waterhouse & Co, Chartered Accountants LLP (FRN 304026E/E300009) has furnished a certificate of their eligibility and consent under Section 139 and 141 of the Act and the Companies (Audit and Auditors) Rules 2014 for their continuance as the Auditors of the Company for the FY

2019-20. In terms of the Listing Regulations, the Auditors have confirmed that they hold a valid certificate issued by the Peer Review Board of the ICAI.

The Statutory Auditors of the Company have submitted Auditors' Report on the Financial Statements (standalone and consolidated) of the Company for the Financial Year ended 31st March, 2019. The Company is generally regular in depositing undisputed statutory dues in respect of provident fund, employees state insurance, income tax and goods and service tax though there has been slight delay in few cases and is regular in depositing undisputed statutory dues in respect of professional tax, as applicable with the appropriate authorities.

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

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

Secretarial Auditor & Secretarial Audit Report

In terms of Section 204 of the Act, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Audit Committee recommended and the Board of Directors has re-appointed **M/s. ATCS & Associates**, Company Secretaries as the Secretarial Auditors of the Company to conduct Secretarial Audit for the Financial Year 2019-20.

The Secretarial Audit was carried out by **M/s. ATCS & Associates**, a firm of Company Secretaries in Practice for the Financial Year 2018-2019.

The Report given by the Secretarial Auditors is annexed as **Annexure-VI** and forms an integral part of this Board's Report. There has been no qualification, reservation or adverse remark or disclaimer in their Report except the following:

i. The Company has submitted the Monitoring Agency Report to stock exchange(s) on which its equity shares are listed after the expiry of 45 days from the end of March, 2018 quarter as prescribed in Regulation 16(4) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.

Reply by Board:

The Company is taking necessary step to ensure timely compliance of monitoring agency report in future and submit to stock exchange within time.

Cost Auditor

The Company has re-appointed M/s. Rajendra Singh Bhati & Co, Cost Accountants (FRN101983), Jodhpur,(Raj.) as Cost Auditors of the Company for the Financial year 2019-2020. They have furnished a Certificate to the effect that their appointment, if made, would be in accordance with the provisions of Section 148 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014.

As required under the Companies Act, 2013, a resolution seeking member's approval for the remuneration payable to the Cost Auditor forms part of the Notice convening the Annual General for their ratification.

Internal Auditor

M/s. Tibrewal Chand & Co., Chartered Accountants, have been re-appointed as Internal Auditors of the Company for the Financial Year 2019-2020 and the reports of the Internal Auditors are reviewed by the Audit Committee from time to time. The observations and suggestions of the Internal Auditors are reviewed and necessary corrective/preventive actions are taken in consultation with the Audit Committee.

Reporting Of Fraud by Auditors

During the Financial year 2018-2019, the Auditors has not reported any instances of frauds committed in the Company by its Officers or Employees to the Audit Committee under section 143(12) of the Companies Act,2013.

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

Since the Company is a Construction Company, pursuant to the provisions of Section 186(11) of the Companies Act, 2013, except Section 186(1), nothing contained in section 186 of the Companies Act, 2013 shall apply to a loan made, guarantee given and security provided by a Company engaged in the business of providing infrastructure facilities. However, the details of loans, guarantees, and investments as required by the provisions of Section 186 of the Companies Act, 2013 and the rules made there under are set out in the Notes to the Standalone Financial Statements of the Company.

INVESTOR GRIEVANCE REDRESSAL

As per regulation 13 of SEBI (Listing Obligation & disclosure Requirements), Regulations 2015 the number of complaints received and resolved to the satisfaction of investors during the year under review. There were no pending complaint or share transfer cases as on 31st March, 2019, as per the certificate given by RTA.

RECONCILIATION OF SHARE CAPITAL AUDIT REPORT

Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. This audit is carried out every quarter and the report thereon is submitted to the Stock Exchanges where the Company's shares are listed. The audit confirms that the total Listed and Paid-up Capital is in agreement with the aggregate of the total number of shares in dematerialised form (held with NSDL and CDSL) and total number of shares in physical form.

CODE OF CONDUCT

Your Company is committed to conducting its business in accordance with the applicable laws, rules and regulations and highest standards of business ethics. In recognition thereof, the Board of Directors has implemented a Code of Conduct for adherence by the Directors, Senior Management Personnel and Employees of the Company. The Code of Conduct is dealing with ethical issues and also foster a culture of accountability and integrity. The Code in accordance with the requirements of SEBI (LODR) Regulations, 2015 has been posted on the Company's website www.hginfra.com. All the Board Members and Senior Management Personnel have confirmed compliance with the Code.

CONFLICT OF INTERESTS:

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

SIGNIFICANT AND MATERIAL ORDERS PASSED BY REGULATORS OR COURTS:

During the Financial Year 2018-2019 penalty imposed on the Company of ₹ 30,000/- in a Compounding order Dated-23.10.2018(NWR)/441/Section 148 (6) /404/2018/3732 passed by Regional Director, Ahmedabad, Gujarat against an application filled by the Company U/S 441 of the Companies Act, 2013 for Compounding of offence under Section 148 of the Companies Act, 2013.

DISCLOSURE IN REFERENCE OF SUB RULE 1 CLAUSE (C) SUB CLAUSE (VIII) OF RULE 2 OF COMPANIES (ACCEPTANCE OF DEPOSITS) RULES2014

During the period under review the Company has accepted loan/borrowing from its Director and they have given declaration that the amount given from their owned funds only and does not falls under the definition of deposits.

The details of monies accepted are as under:-

Name of Director	Amount Taken (₹ In Million)
Mr. Harendra Singh	523.13
Mr. Vijendra Singh	160.00

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

The Company has adopted zero tolerance for sexual harassment at workplace and has formulated a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules framed thereunder for prevention and redressal of complaints of sexual harassment at workplace. Awareness programs were conducted at various locations of the Company.

The Company has complied with provisions relating to the constitution of Internal Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

During the Financial Year ended 31st March, 2019, the Company has not received any Complaints pertaining to Sexual Harassment.

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

In accordance with Section 178 and other applicable provisions of the Act read with the Rule 6 of the Companies (Meeting of Boards and its Powers) Rules, 2014 issued there under and Regulation 19 of the LODR, 2015, the Board of Director formulated the Nomination and Remuneration Policy of your Company on the recommendations of the Nomination and Remuneration Committee.

The salient aspects covered in the Nomination and Remuneration Policy, covering the policy on appointment and remuneration of Directors and other matters have been outlined in the Corporate Governance Report which forms part of this Report.

The Managing Director and Whole-time Directors of your Company do not receive remuneration from any of the subsidiaries of your Company. The information required under Section 197 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of Directors/employees of your Company is set out in Annexure-VII.

CHANGE IN DIRECTOR AND KEY MANAGERIAL PERSONNEL

During the Financial Year 2018-19 the Mr. Girish Pal Singh, has resigned from the post of Directorship & Mr. Dinesh Kumar has appointed as an Executive Director of the Company in the Board Meeting held on 23rd, May 2018.

Further Mr. Dinesh Kumar Goyal has resigned from the post of a Executive Director in the Board Meeting held on 01st, February 2019 and continuing as a Non- Executive Director of the Company. Company received a letter dated 24.01.2019 from Mr. Goyal and the same has intimated to the Bombay Stock Exchange and National Stock Exchange of India and also available on the Company website www.hginfra.com

Details of Change in Directors and Key Managerial Personnel

Name of Director	Designation	Date of Change	Nature of Change
Mr.Harendra Singh	Managing Director	NA	NA
Mr.Vijendra Singh	Whole Time Director	NA	NA
Mr. Girish Pal Singh	Non-Executive Director	23.05.2018	Resignation
Mr. Ashok Kumar Thakur	Independent Director	NA	NA
Mr.PoojaHemant Goyal	Independent Director	NA	NA
Mr. Onkar Singh	Independent Director	NA	NA
Mr. Dinesh Kumar Goyal	Non Executive Director	23.05.2018 & 01.02.2019	Appointment as a Executive Director Change in Designation from Executive to Non Executive Director

Retirement by Rotation-

Mr. Harendra Singh, (DIN-00402458),Managing Director of the Company whose period of office is liable to retire by rotation pursuant to provisions of Companies Act,2013 and as per the Article of Association of the Company retires by rotation at the ensuing AGM and being eligible offers himself for re-appointment.

The Notice Convening the Annual General Meeting includes the proposal for the above appointments/re-appointment.

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

INSURANCE

All the properties including buildings, plant and machinery and stocks have been adequately insured.

HEALTH, SAFETY AND ENVIRONMENT PROTECTION

Company's Health and Safety Policy commits to comply with applicable legal and other requirements connected with occupational Health, Safety and Environment matters and provide a healthy and safe work environment to all employees of the Company.

HUMAN RESOURCE DEVELOPMENT

A major part of the Company strategy is satiated towards our employees whose relentless support and devotion took our Company to great heights. With construction that binds the nation, our employees have been our core strength to deepen the roots. Therefore, as recognition of their perseverance and endeavour, HGIEL bears the responsibility of their welfare providing them with many social amenities including Medical Expense, Provident Fund, Gratuity, and Leave Travel Allowance. A dedicated and competitive talent is braced in the mould of the vision and mission of the Company. The potential of each employee is advanced and skills are honed due to the provision of right opportunities to grow. This includes regular in-house and external training along for knowledge and skill development. A value-driven work environment with satisfaction and appreciation as well as professionalism has led us build an excellent team. This year saw a lot of reforms and changes in the approach and execution of different activities relating to welfare and maintenance of our workforce with added focus on KRA's of all employees as well as implementation of SAP Success Factor for the daily activities in Human Resources. We are having 3500+employees including employees of subsidiary companies as on 31st March, 2019.

SECRETARIAL STANDARDS

The Company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India on Board and General Meetings.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

During the Financial Year 2018-19 Company was awarded by new Hybrid Annuity Projects ("HAM").For domiciling of the said Projects Company required to incorporate SPV and After the Closure of Financial Year 2018-2019 Company have Incorporated two new "SPV" Special Purpose Vehicle.

1. H.G. Ateli Narnaul Private Limited-Company has incorporated this "SPV" Special Purpose Vehicle for domiciling a project allotted by National Highway Authority of India for Construction of proposed Narnaul Bypass (design length 24.0 km)-Ateli Mandi to Narnaul Section of NH-11 from km 43.445 to km 56.900 (design length 14.0 km) as an Economic Corridor-Feeder route Pkg-II in the State of Haryana on Hybrid Annuity Mode. The Company Incorporated in the State of Rajasthan, India as Wholly Owned Subsidiary of the Company.

2. H.G. Rewari Ateli Highway Private Limited-Company has incorporated this "SPV" Special Purpose Vehicle for domiciling a project allotted by National Highway Authority of India for "Upgradation of Four Lane of Rewari-Ateli Mandi Section of NH-11 from km 11.780 at Rewari to Ex. Km 43.445 near AteliMandi (designed length 30.45 km) as Feeder Route Pkg-III in the State of Haryana on Hybrid Annuity Mode. The Company Incorporated in the State of Rajasthan, India as Wholly Owned Subsidiary of the Company.

INSIDER TRADING CODE

As per the provisions of Securities and Exchange Board of India ("SEBI" or "the Board") vide Notification No.LADNRO/GN/2014-15/21/85 has issued SEBI (Prohibition of Insider Trading) Regulations, 2015 the Company have revised the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information and the same is also available at Company Website www.hginfra.com. The code is applicable to all who covered under "Legitimate purposes" and Legitimate purpose shall include sharing of unpublished price sensitive information in the ordinary course of business by an insider with partners, collaborators, lenders, customers, suppliers, merchant bankers, legal advisors, auditors, insolvency professionals or other advisors or consultants, provided that such sharing has not been carried out to evade or circumvent the prohibitions of the Regulations.

TRANSFER OF UNCLAIMED DIVIDEND AND EQUITY SHARES TO IEPF

Pursuant to applicable provisions of the Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, all unpaid or unclaimed dividends are required to be transferred by the Company to the Investors Education & Protection Fund (IEPF) established by the Central Government, after completion of 7 (seven) years. Further, according to the aforesaid Rules, shares in respect of which dividend has not been paid or claimed by the shareholders for 7 (seven) consecutive years or more shall also be transferred to the demat account created by the IEPF Authority. This Provision is not applicable to your Company.

INDUSTRIAL RELATIONS

Our business is dependent on highway construction projects undertaken by large Indian and on infrastructure projects undertaken by government authorities funded by governments or by international and multilateral development finance institutions. We therefore must develop and maintain strategic alliances with other construction developers that undertake contracts for such infrastructure development projects and we intend to continue to explore entering into Joint ventures, consortia or sub-contract relationships for specific projects with certain of these EPC contractors. In addition, we develop and maintain relationships and pre-qualified status with certain major clients and obtaining a share of contracts from such clients.

GENERAL DISCLOSURES

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

1. As per rule 4(4) the Companies (Share Capital and Debentures) Rules, 2014, the Company has not issued equity shares with differential rights as to dividend, voting or otherwise.
2. As per rule 8(13) the Companies (Share Capital and Debentures) Rules, 2014, the Company has not issued shares (including sweat equity shares) to employees of the Company under any scheme.
3. As per rule 12(9) the Companies (Share Capital and Debentures) Rules, 2014, the Company has not issued equity shares under the scheme of employee stock option.

APPRECIATION

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

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

Harendra Singh
Chairman & Managing Director
DIN-00402458

Place-Jaipur
Date-24.05.2019

Annexure I to Board's Report

FORM MGT-9

EXTRACT OF ANNUAL RETURN

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

0 I. REGISTRATION & OTHER DETAILS:

1	CIN	L45201RJ2003PLC018049
2	Registration Date	Januray 21, 2003
3	Name of the Company	H.G. INFRA ENGINEERING LIMITED (PART IX) [Erstwhile known as H.G. INFRA ENGINEERING PRIVATE LIMITED (PART IX)]
4	Category/Sub-category of the Company	Company Limited by Shares
		Public Non Government Company
5	Address of the Registered office & contact details	Address: 14, PANCHWATI COLONY, RATANADA, JODHPUR - 342001, Rajasthan Telephone: 0291-2515327 E-mail: cs@hginfra.com Website, if any : www.hginfra.com
6	Whether listed company	Yes
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Name: Link Intime India Private Limited Address: 44, Community Center 2nd Floor, Naraina Industrial Area, Phase I, Near PVR, Naraina, New Delhi - 110028 Telephone: 011-4141 0592/93/94 Fax Number: 011-4141 0591 Email Address: priyadarshan.waila@linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

S. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Construction of Roads, Highways and Bridges	45203	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Gurgaon Sohna Highway Private Limited Reg. off.: III Floor, Sheel Mohar Plaza, A-1, Tilak, Marg, C-Scheme, Jaipur Rajasthan 302001	U45400RJ2018PTC060833	Wholly owned Subsidiary	100	2(87)

Notes: Incorporated on 06.04.2018

IV. SHARE HOLDING PATTERN

(Equity share capital breakup as percentage of total equity)

(i) Category-wise Share Holding

Category of Shareholders	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	4,80,60,000.00	-	4,80,60,000.00	73.74	4,80,60,005.00	-	4,80,60,005.00	73.74	0.00
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub Total (A) (1)	**4,80,60,000.00**	**-**	**4,80,60,000.00**	**73.74**	**4,80,60,005.00**	**-**	**4,80,60,005.00**	**73.74**	**0.00**
(2) Foreign									
a) NRI Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Any other	-	-	-	-	-	-	-	-	-
Sub Total (A) (2)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
TOTAL (A)	**4,80,60,000.00**	**-**	**4,80,60,000.00**	**73.74**	**4,80,60,005.00**	**-**	**4,80,60,005.00**	**73.74**	**0.00**
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	1,12,06,820.00		1,12,06,820.00	17.20	1,05,49,539.00		1,05,49,539.00	16.19	(1.01)
b) Banks / FI	-	-	-	-	86,069.00		86,069.00	0.13	0.13
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-		-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) Foreign Portfolio Investors/Foreign Institutional Investors	14,833.00		14,833.00	0.02	10,19,959.00		10,19,959.00	1.57	1.54
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	**1,12,21,653.00**	**-**	**1,12,21,653.00**	**17.22**	**1,16,55,567.00**	**-**	**1,16,55,567.00**	**17.88**	**0.67**
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	35,22,819.00	-	35,22,819.00	5.41	23,90,511.00	-	23,90,511.00	3.67	(1.74)
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	13,87,868.00	-	13,87,868.00	2.13	13,21,543.00	-	13,21,543.00	2.03	(0.10)
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	4,01,075.00	-	4,01,075.00	0.62	3,18,429.00	-	3,18,429.00	0.49	(0.13)

Category of Shareholders	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	
c) Others NBFC Registered with RBI	-	-	-	-	7,59,931.00	-	7,59,931.00	1.17	1.17
Hindu Undivided Family	80,930.00	-	80,930.00	0.12	94,639.00	-	94,639.00	0.15	0.02
Non Resident Indians	32,432.00	-	32,432.00	0.05	1,35,141.00	-	1,35,141.00	0.21	0.16
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals			-	-			-	-	-
Clearing Members	4,64,334.00	-	4,64,334.00	0.71	4,35,345.00	-	4,35,345.00	0.67	(0.04)
Trusts	-	-	-	-	-	-	-	-	-
Foreign Bodies - D R	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	**58,89,458.00**	**-**	**58,89,458.00**	**9.04**	**54,55,539.00**	**-**	**54,55,539.00**	**8.37**	**(0.67)**
Total Public (B)	**1,71,11,111.00**	**-**	**1,71,11,111.00**	**26.26**	**1,71,11,106.00**	**-**	**1,71,11,106.00**	**26.26**	**(0.00)**
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	6,51,71,111.00	-	6,51,71,111.00	100.00	6,51,71,111.00	-	6,51,71,111.00	100.00	-

(ii) Shareholding of Promoter

Sl. no.	Shareholder's 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 shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	HODAL SINGH	61,73,076.00	9.47	-	61,73,076.00	9.47	-	-
2	GIRISHPAL SINGH	1,24,18,058.00	19.05	-	1,24,18,058.00	19.05	-	-
3	VIJENDRA SINGH	1,17,23,600.00	17.99	-	1,17,23,600.00	17.99	-	-
4	HARENDRA SINGH	1,43,51,516.00	22.02	-	1,43,51,516.00	22.02	-	-
5	POONAM SINGH	4,66,875.00	0.72	-	4,66,875.00	0.72	-	-
6	NISHA SINGH	8,26,875.00	1.27	-	8,26,875.00	1.27	-	-
7	VAIBHAV CHOUDHARY	13,50,000.00	2.07	-	13,50,005.00	2.07	-	-
8	HARENDRA SINGH-HUF	7,50,000.00	1.15	-	7,50,000.00	1.15	-	-
TOTAL		4,80,60,000.00	73.74	-	4,80,60,005.00	73.74	-	-

Notes:

Percentage calculated on the paid up share capital (6,51,71,111 Shares) as at the beginning and end of the year.

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. no.	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of Shares	% of total shares	No. of Shares	% of total shares
1	HODAL SINGH						
	At the beginning of the year			61,73,076.00	9.47	61,73,076.00	9.47
	Changes during the year			-	-	-	-
				No Change	-	No Change	-
				-	-	-	-
	At the end of the year			61,73,076.00	9.47	61,73,076.00	9.47
2	GIRISHPAL SINGH						
	At the beginning of the year			1,24,18,058.00	19.05	1,24,18,058.00	19.05
	Changes during the year			-	-	-	-
				No Change	-	No Change	-
				-	-	-	-
	At the end of the year			1,24,18,058.00	19.05	1,24,18,058.00	19.05

Sl. no.	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of Shares	% of total shares	No. of Shares	% of total shares
3	VIJENDRA SINGH						
	At the beginning of the year			1,17,23,600.00	17.99	1,17,23,600	17.99
	Changes during the year			-	-	-	-
				No Change	-	No Change	-
				-	-	-	-
	At the end of the year			1,17,23,600.00	17.99	1,17,23,600	17.99
4	HARENDRA SINGH						
	At the beginning of the year			1,43,51,516.00	22.02	1,43,51,516.00	22.02
	Changes during the year			-	-	-	-
				No Change	-	No Change	-
				-	-	-	-
	At the end of the year			1,43,51,516.00	22.02	1,43,51,516.00	22.02
5	POONAM SINGH						
	At the beginning of the year			4,66,875.00	0.72	4,66,875.00	0.72
	Changes during the year			-	-	-	-
				No Change	-	No Change	-
				-	-	-	-
	At the end of the year			4,66,875.00	0.72	4,66,875.00	0.72
6	NISHA SINGH						
	At the beginning of the year			8,26,875.00	1.27	8,26,875.00	1.27
	Changes during the year			-	-	-	-
				No Change	-	No Change	-
				-	-	-	-
	At the end of the year			8,26,875.00	1.27	8,26,875.00	1.27
7	VAIBHAV CHOUDHARY						
	At the beginning of the year			13,50,000.00	2.07	13,50,000.00	2.07
	Changes during the year			-	-	-	-
		17.08.2018	Market Purchase	5.00	0.00	13,50,005.00	2.07
				-	-	-	-
	At the end of the year			13,50,005.00	2.07	13,50,005.00	2.07
8	HARENDRA SINGH-HUF						
	At the beginning of the year			7,50,000.00	1.15	7,50,000.00	1.15
	Changes during the year			-	-	-	-
				No Change	-	No Change	-
				-	-	-	-
	At the end of the year			7,50,000.00	1.15	7,50,000.00	1.15

NOTE:

1. During the Fianncial Year, Mr. Vaibhav Choudhary has purchased 5 Equity Shares from open market on 17.08.2018
2. Percentage calculated on the paid up share capital (6,51,71,111 Shares) as at the beginning and end of the year.

(iv) Shareholding Pattern of top ten Shareholders

(Other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. no.	For each of the Top 10 shareholders	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of Shares	% of total shares	No. of Shares	% of total shares
1	L & T Mutual Fund Trustee Limited-L&T Emerging Business Fund						
	At the beginning of the year			36,82,155.00	5.65%	36,82,155.00	5.65%
	Changes during the year	27.04.2018	Transfer	78,400.00	0.12%	37,60,555.00	5.77%
	Changes during the year	18.05.2018	Transfer	25,000.00	0.04%	37,85,555.00	5.81%
	Changes during the year	15.06.2018	Transfer	26,600.00	0.04%	38,12,155.00	5.85%
	Changes during the year	13.07.2018	Transfer	24,378.00	0.04%	38,36,533.00	5.89%
	Changes during the year	20.07.2018	Transfer	57,622.00	0.09%	38,94,155.00	5.98%
	Changes during the year	31.12.2018	Transfer	1,00,000.00	0.15%	39,94,155.00	6.13%
	Changes during the year	29.03.2019	Transfer	1,50,200.00	0.23%	41,44,355.00	6.36%
	At the end of the year			41,44,355.00	6.36%	41,44,355.00	6.36%
2	Reliance Capital Trustee Co. Ltd.-A/C Reliance Small Cap Fund						
	At the beginning of the year			22,43,148.00	3.44%	22,43,148.00	3.44%
	Changes during the year	03.08.2018	Transfer	2,06,853.00	0.32%	24,50,001.00	3.76%
	Changes during the year	29.09.2018	Transfer	4,518.00	0.01%	24,54,519.00	3.77%
	Changes during the year	05.10.2018	Transfer	1,00,000.00	0.15%	25,54,519.00	3.92%
	Changes during the year	31.12.2018	Transfer	5,00,000.00	0.77%	30,54,519.00	4.69%
	Changes during the year	04.01.2019	Transfer	5,00,000.00	0.77%	35,54,519.00	5.45%
	Changes during the year	01.02.2019	Transfer	3,070.00	0%	35,57,589.00	5.46%
	Changes during the year	08.02.2019	Transfer	10,000.00	0.02%	35,67,589.00	5.47%
	Changes during the year	01.03.2019	Transfer	50,000.00	0.08%	36,17,589.00	5.55%
	Changes during the year	22.03.2019	Transfer	(50,000.00)	(0.08%)	35,67,589.00	5.47%
	At the end of the year			35,67,589.00	5.47%	35,67,589.00	5.47%
3	Aditya Birla Sun Life Insurance Company Limited						
	At the beginning of the year			5,67,407.00	0.87%	5,67,407.00	0.87%
	Changes during the year	06.04.2018	Transfer	1,83,000.00	0.28%	7,50,407.00	1.15%
	Changes during the year	20.04.2018	Transfer	90,000.00	0.14%	8,40,407.00	1.29%
	Changes during the year	27.04.2018	Transfer	(9,948.00)	-0.02%	8,30,459.00	1.27%
	Changes during the year	04.05.2018	Transfer	7,000.00	0.01%	8,37,459.00	1.29%
	Changes during the year	15.06.2018	Transfer	1,30,000.00	0.20%	9,67,459.00	1.48%
	Changes during the year	03.08.2018	Transfer	63,000.00	0.10%	10,30,459.00	1.58%
	Changes during the year	09.11.2018	Transfer	21,000.00	0.03%	10,51,459.00	1.61%
	Changes during the year	21.12.2018	Transfer	97,220.00	0.15%	11,48,679.00	1.76%
	Changes during the year	22.02.2019	Transfer	3,760.00	0.01%	11,52,439.00	1.77%
	Changes during the year	15.03.2019	Transfer	11,232.00	0.02%	11,63,671.00	1.79%
	At the end of the year			11,63,671.00	1.79%	11,63,671.00	1.79%
4	Usaa Mutual Fuds Trust, Emerging Markets Fund						
	At the beginning of the year			-	0.00%	-	0.00%
	Changes during the year	08.06.2018	Transfer	81,087.00	0.12%	81,087.00	0.12%
	Changes during the year	15.06.2018	Transfer	1,74,417.00	0.27%	2,55,504.00	0.39%
	Changes during the year	22.06.2018	Transfer	(8,497.00)	-0.01%	2,47,007.00	0.38%
	Changes during the year	06.07.2018	Transfer	1,87,635.00	0.29%	4,34,642.00	0.67%
	Changes during the year	13.07.2018	Transfer	1,09,533.00	0.17%	5,44,175.00	0.83%
	Changes during the year	20.07.2018	Transfer	42,607.00	0.07%	5,86,782.00	0.90%

Sl. no.	For each of the Top 10 shareholders	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of Shares	% of total shares	No. of Shares	% of total shares
	Changes during the year	21.09.2018	Transfer	1,03,263.00	0.16%	6,90,045.00	1.06%
	Changes during the year	29.09.2018	Transfer	97,055.00	0.15%	7,87,100.00	1.21%
	Changes during the year	05.10.2018	Transfer	11,381.00	0.02%	7,98,481.00	1.23%
	Changes during the year	12.10.2018	Transfer	1,32,135.00	0.20%	9,30,616.00	1.43%
	Changes during the year	19.10.2018	Transfer	1,13,928.00	0.17%	10,44,544.00	1.60%
	Changes during the year	08.02.2019	Transfer	(15,169.00)	-0.02%	10,29,375.00	1.58%
	Changes during the year	15.02.2019	Transfer	(40,389.00)	-0.06%	9,88,986.00	1.52%
	Changes during the year	22.02.2019	Transfer	(17,199.00)	-0.03%	9,71,787.00	1.49%
	Changes during the year	08.03.2019	Transfer	(70,031.00)	-0.11%	9,01,756.00	1.38%
	Changes during the year	15.03.2019	Transfer	(49,376.00)	-0.08%	8,52,380.00	1.31%
	At the end of the year			8,52,380.00	1.31%	8,52,380.00	1.31%
5	Choice Finserv Private Limited						
	At the beginning of the year			-	0.00%	-	0.00%
	Changes during the year	22.06.2018	Transfer	6,15,217	0.94%	6,15,217	0.94%
	Changes during the year	30.06.2018	Transfer	3,20,000	0.49%	9,35,217	1.44%
	Changes during the year	13.07.2018	Transfer	2,10,000	0.32%	11,45,217	1.76%
	Changes during the year	20.07.2018	Transfer	74,141	0.11%	12,19,358	1.87%
	Changes during the year	27.07.2018	Transfer	48,287	0.07%	12,67,645	1.95%
	Changes during the year	03.08.2018	Transfer	64,258	0.10%	13,31,903	2.04%
	Changes during the year	10.08.2018	Transfer	24,199	0.04%	13,56,102	2.08%
	Changes during the year	17.08.2018	Transfer	(15,676)	-0.02%	13,40,426	2.06%
	Changes during the year	24.08.2018	Transfer	11,000	0.02%	13,51,426	2.07%
	Changes during the year	07.09.2018	Transfer	(34,213)	-0.05%	13,17,213	2.02%
	Changes during the year	19.10.2018	Transfer	(15,289)	-0.02%	13,01,924	2.00%
	Changes during the year	26.10.2018	Transfer	(2,359)	0.00%	12,99,565	1.99%
	Changes during the year	02.11.2018	Transfer	(54,638)	-0.08%	12,44,927	1.91%
	Changes during the year	09.11.2018	Transfer	(94,000)	-0.14%	11,50,927	1.77%
	Changes during the year	23.11.2018	Transfer	(37,618)	-0.06%	11,13,309	1.71%
	Changes during the year	30.11.2018	Transfer	2,103	0.00%	11,15,412	1.71%
	Changes during the year	04.01.2019	Transfer	(3,50,000)	-0.54%	7,65,412	1.17%
	Changes during the year	22.02.2019	Transfer	10,500	0.02%	7,75,912	1.19%
	Changes during the year	08.03.2019	Transfer	(21,500)	-0.03%	7,54,412	1.16%
	At the end of the year			7,32,912	1.12%	7,32,912	1.12%
6	IDFC Infrastructure Fund						
	At the beginning of the year			5,81,065	0.89%	5,81,065	0.89%
	Changes during the year	20.04.2018	Transfer	(12,940)	-0.02%	5,68,125	0.87%
	Changes during the year	27.04.2018	Transfer	(17,635)	-0.03%	5,50,490	0.84%
	Changes during the year	04.05.2018	Transfer	(8,970)	-0.01%	5,41,520	0.83%
	Changes during the year	11.05.2018	Transfer	(3,086)	0.00%	5,38,434	0.83%
	Changes during the year	25.05.2018	Transfer	(3,705)	-0.01%	5,34,729	0.82%
	Changes during the year	01.06.2018	Transfer	(19,312)	-0.03%	5,15,417	0.79%
	Changes during the year	06.07.2018	Transfer	1,52,871	0.23%	6,68,288	1.03%
	Changes during the year	13.07.2018	Transfer	41	0.00%	6,68,329	1.03%
	Changes during the year	01.02.2019	Transfer	(8,844)	-0.01%	6,59,485	1.01%

Sl. no.	For each of the Top 10 shareholders	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of Shares	% of total shares	No. of Shares	% of total shares
	Changes during the year	08.02.2019	Transfer	(3,513)	-0.01%	6,55,972	1.01%
	Changes during the year	08.03.2019	Transfer	(13,676)	-0.02%	6,42,296	0.99%
	At the end of the year			6,42,296	0.99%	6,42,296	0.99%
7	DSP India T.I.G.E.R. Fund						
	At the beginning of the year			5,99,995	0.92%	5,99,995	0.92%
	Changes during the year	06.04.2018	Transfer	45,851	0.07%	6,45,846	0.99%
	Changes during the year	25.05.2018	Transfer	(29,063)	-0.04%	6,16,783	0.95%
	Changes during the year	30.06.2018	Transfer	(13,500)	-0.02%	6,03,283	0.93%
	Changes during the year	27.06.2018	Transfer	25,707	0.04%	6,28,990	0.97%
	Changes during the year	01.02.2019	Transfer	(4,260)	-0.01%	6,24,730	0.96%
	Changes during the year	08.02.2019	Transfer	(65)	0.00%	6,24,665	0.96%
	Changes during the year	15.03.2019	Transfer	13,828	0.02%	6,38,493	0.98%
	At the end of the year			6,38,493	0.98%	6,38,493	0.98%
8	Smeaton Developers Private Limited						
	At the beginning of the year			-	0.00%	-	0.00%
	Changes during the year	22.06.2018	Transfer	5,00,000	0.77%	5,00,000	0.77%
	At the end of the year			5,00,000	0.77%	5,00,000	0.77%
9	Aditya Birla Sun Life Trustee Private Limited A/C Aditya Birla Sun Life Infrastructure Fund						
	At the beginning of the year			13,08,023	2.01%	13,08,023	2.01%
	Changes during the year	06.04.2018	Transfer	(1,11,473)	-0.17%	11,96,550	1.84%
	Changes during the year	13.04.2018	Transfer	(53,000)	-0.08%	11,43,550	1.75%
	Changes during the year	20.04.2018	Transfer	(1,13,150)	-0.17%	10,30,400	1.58%
	Changes during the year	27.04.2018	Transfer	(1,21,391)	-0.19%	9,09,009	1.39%
	Changes during the year	11.05.2018	Transfer	(19,872)	-0.03%	8,89,137	1.36%
	Changes during the year	25.05.2018	Transfer	(25,000)	-0.04%	8,64,137	1.33%
	Changes during the year	01.06.2018	Transfer	(6,700)	-0.01%	8,57,437	1.32%
	Changes during the year	08.06.2018	Transfer	(88,630)	-0.14%	7,68,807	1.18%
	Changes during the year	15.06.2018	Transfer	(10,492)	-0.02%	7,58,315	1.16%
	Changes during the year	22.06.2018	Transfer	(32,200)	-0.05%	7,26,115	1.11%
	Changes during the year	30.06.2018	Transfer	(55,000)	-0.08%	6,71,115	1.03%
	Changes during the year	06.07.2018	Transfer	(1,89,000)	-0.29%	4,82,115	0.74%
	At the end of the year			4,82,115	0.74%	4,82,115	0.74%
10	KOTAK INFRASTRUCTURE & ECONOMIC REFORM FUND						
	At the beginning of the year			4,37,015	0.67%	4,37,015	0.67%
	Changes during the year	07.09.2018	Transfer	(37,015)	-0.06%	4,00,000	0.61%
	Changes during the year	18.01.2019	Transfer	5,000	0.01%	4,05,000	0.62%
	Changes during the year	15.03.2019	Transfer	(5,000)	-0.01%	4,00,000	0.61%
	At the end of the year			4,00,000	0.61%	4,00,000	0.61%

Notes: Percentage calculated on the paid up share capital (6,51,71,111 Shares) as at the beginning and end of the year.

(V) Shareholding of Director and Key Managerial Personnel

Sl. no.	Shareholding of each Directors and each Key Managerial Personnel	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of Shares	% of total shares	No. of Shares	% of total shares
1	**Mr. VIJENDRA SINGH**						
	At the beginning of the year			1,17,23,600	17.99%	1,17,23,600	17.99%
	Changes during the year			NIL	NIL	NIL	NIL
	At the end of the year			1,17,23,600	17.99%	1,17,23,600	17.99%
2	**Mr. HARENDRA SINGH**						
	At the beginning of the year			1,43,51,516	22.02%	1,43,51,516	22.02%
	Changes during the year			NIL	NIL	NIL	NIL
	At the end of the year			1,43,51,516	22.02%	1,43,51,516	22.02%
3	**Mr. DINESH KUMAR GOYAL**						
	At the beginning of the year			-	0.00%	-	0.00%
	Changes during the year	May, 2018	Market Purchase	1,000	0.0015%	1,000	0.0015%
	At the end of the year			1,000	0.0015%	1,000	0.0015%
4	**Mr. RAJEEV MISHRA**						
	At the beginning of the year			55	0.0001%	55	0.0001%
	Changes during the year			NIL	NIL	NIL	NIL
	At the end of the year			55	0.0001%	55	0.0001%

Notes:

1. Percentage calculated on the paid up share capital (6,51,71,111 Shares) as at the beginning and end of the year.
2. KMP as defined under section 2(51) of the Companies Act, 2013
3. KMP as defined under IND AS 24, Related Party Disclosure, appointed by the Board.
4. The Following Directors and KMP did not hold shares during Fiscal 2019:
   a) Mr. Ashok Kumar Thakur - Independent Director
   b) Ms. Pooja Hemant Goyal - Independent Director
   c) Mr. Onkar Singh - Independent Director
   d) Ms. Ankita Mehra - Company Secretary
5. During the Financial Year Mr. Dinesh Kumar Goyal has purchased 1000 Equity Shares from open market in May, 2018

V. INDEBTEDNESS OF THE COMPANY INCLUDING INTEREST OUTSTANDING/ACCRUED BUT NOT DUE FOR PAYMENT.

(Amount in ₹)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	3,20,83,72,975.00	1,78,40,868.00	-	3,22,62,13,843.00
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**3,20,83,72,975.00**	**1,78,40,868.00**	**-**	**3,22,62,13,843.00**
Change in Indebtedness during the financial year				
* Addition	2,73,19,23,138	-	-	2,73,19,23,138
* Reduction	2,78,05,25,052.00	1,78,40,868.00		(3,22,62,13,843.00)
Net Change	**4,86,01,914.00**	**1,78,40,868.00**	**-**	**6,64,42,782.00**
Indebtedness at the end of the financial year				
i) Principal Amount	3,15,97,71,061.00	-	-	3,15,97,71,061.00
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**3,15,97,71,061.00**	**-**	**-**	**3,15,97,71,061.00**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount ₹
	Name	Harendra Singh	Vijendra Singh	Dinesh Kumar Goyal	
	Designation	Managing Director	Whole-Time Director	Executive Director	
1	Gross salary	2,16,00,000	1,20,00,000	27,00,000	3,63,00,000
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961				-
	(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, (Bonus)		-	-	-
	Total (A)	2,16,00,000	1,20,00,000	27,00,000	3,63,00,000
	Ceiling as per the Act	Ceiling as per the Act (As per Part-II of Schedule V of the Companies Act, 2013)			

B. Remuneration to other Directors

SN.	Particulars of Remuneration	Name of Directors				Total Amount (₹/Lac)
		Mr. Ashok Kumar Thakur	Ms. Pooja Hemant Goyal	Mr. Onkar Singh	Mr. Girishpal Singh	
1	Independent Directors	-	-	-		
	Fee for attending board committee meetings	3,30,000.00	2,20,000.00	3,70,000.00	80,000.00	10,00,000.00
	Commission	-	-	-		-
	Others, please specify	-	-	-		-
	Total (1)	3,30,000.00	2,20,000.00	3,70,000.00	80,000.00	10,00,000.00
2	Other Non-Executive Directors	Dinesh Kumar Goyal				-
	Fee for attending board committee meetings	-	-	-		-
	Commission	-	-	-		-
	Others, please specify (Professional Fees)	2,20,000.00	-	-		2,20,000.00
	Total (2)	2,20,000.00	-	-		2,20,000.00
	Total (B)=(1+2)	5,50,000.00	2,20,000.00	3,70,000.00	80,000.00	12,20,000.00
	Total Managerial Remuneration	5,50,000.00	2,20,000.00	3,70,000.00	80,000.00	12,20,000.00
	Overall Ceiling as per the Act	Not Applicable				

Note:

1) Mr. Girishpal Singh has been resigned from the post of Director on 23rd May, 2018

2) Mr. Dinesh Kumar Goyal appointed as Executive Director on 23rd May, 2018 and during the year designation of Mr. Dinesh Kumar Goyal has been changed from Executive to Non-Executive Director w.e.f. 25th January, 2019

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

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount (₹/Lac)
	Name	Rajeev Mishra		Ankita Mehra	
	Designation	CEO	CFO	CS	
1	Gross salary	-	20,46,000	4,38,000	24,84,000
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-	-
	(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 (Bonus)	-	-	-	-
	Total	-	20,46,000/-	4,38,000/-	24,84,000/-

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	-	-	-	-	-
Compounding	Section 148 of the Companies Act, 2013	The Company has compounded under section 441 of the Companies Act, 2013, committed under section 148 of the Companies	Order of Regional Director for payment of Compounding Fees amounting to ₹ 30,000/-	Regional Director	NA
B. DIRECTORS					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	Section 148 of the Companies Act, 2013	The Company has compounded under section 441 of the Companies Act, 2013, committed under section 148 of the Companies	Order of Regional Director for payment of Compounding Fees amounting to ₹ 30,000/-	Regional Director	NA
C. OTHER OFFICERS IN DEFAULT					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding					

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

Harendra Singh
Chairman & Managing Director
DIN-00402458

Place-Jaipur
Date-24.05.2019

Annexure II to Board's Report

FORM -AOC - 1

(Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of the Companies (Accounts) Rules, 2014)

Statement containing Salient features of the financial statement of
Subsidiaries / Associates / Joint Ventures as per the Companies Act 2013

Part "A" Subsidiaries

(Amount in ₹ Lakhs)

Sr No.	Name of subsidiary	Reporting currency and exchange rate as on the last date of the relevant Financial Year in the case of foreign subsidiaries	Share capital	Reserve & surplus	Total assets	Total liablities	Invest-ments	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Proposed dividend	% of Share-holding
1	Gurgaon Sohna Highway Private Limited	NA	2000	99.67	2945.98	2945.98	35.12	2744.73	138.09	-	99.67	-	100%

1. Names of subsidiaries which are yet to commence operations -NA
2. Names of subsidiaries which have been liquidated or sold during the year- NA

Part "B": Associates and Joint Ventures

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

(Amount in ₹ Lakhs)

Sr. No.	Name of Associates and Joint Ventures	Latest audited Balance Sheet Date	Date on which the Associate or Join Venture was associated	Shares of Associate/ Joint Ventures held by the company on the year end: No: Amount of Investment in Associate/Joint Venture: Extent of Holding%	Description of how there is significant influence	Reason why the associate/ Joint Venture is not Consolidated	Net Worth attributable to shareholding as per latest audited Balance Sheet	Profit or Loss for the year: 1. Considered in Consolidated 2. Not Considered in Consolidated
1	HGIEPL-RPS (JV)	02/05/2019	31/05/2013	51%	As Holding 51% and RPS Holding 49%	N/A	24.0045	3.55737
2	HGIEPL-COLOSAL (JV)	02/05/2019	10/01/2014	70%	As Holding 70% and COLOSAL holding 30%	N/A	18.75871	(0.08177)
3	HGIEPL-RANJIT BUILCON (JV)	02/05/2019	27/04/2015	30%	As Holding 30% and Ranjit Buildcon Holding 70%	N/A	50.82956	11.03844
4	TPL-HGIEPL (Associate)	-	11/11/2016	26%	As Holding 26% and TPL Holding 74%	-	-	-
5	HGIEPL-MGCPL (JV)	02/05/2019	24/09/2015	30%	As Holding 30% and MGCPL holding 70%	N/A	18.76026	18.76025

1. Names of associates or joint ventures which are yet to commence operations. : NA
2. Names of associates or joint ventures which have been liquidated or sold during the year: NA

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

	Harendra Singh	**Rajeev Mishra**	**Ankita Mehra**
Place-Jaipur	Chairman & Managing Director	Chief Financial Officer	Company Secretary
Date-24.05.2019	DIN-00402458		M. No. - A33288

Annexure III to Board's Report

FORM AOC -2

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

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

Details of contracts or arrangements or transactions not at Arm's length basis

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

Details of contracts or arrangements or transactions at Arm's length basis

(Amount in ₹ Lakhs)

S. No	Name of related party and Nature of Relationship	Nature of Contract/ Arrangement/ Transactions	Duration of the Contract/ Arrangement/ Transactions	Monetary Value of Contract	Salient terms of the Contract or Arrangement or Transactions including the value, if any	Date(s) of Approval by the Board	Amount paid as advance, if any
1	H.G.Infra Toll Way Pvt. Ltd. (Associate Company)	Transaction/s/ Arrangements/ Contracts of Purchase/Sale of Goods / Services	2018-19	1053.94	Arm's length basis/ Prevailing Market Price	20.01.2018	-
2	Gurgaon Sohna Highway Pvt. Ltd (Wholly owned Subsidiary of H.G. Infra)	Providing of Services	As per terms of contract	51,500	EPC Contract	23.05.2018	-
		Sale of Property	N/A	33.25	Sale deed	NA	-
3	High Grade Infra Projects Pvt. Ltd. (Company in which director is interested)	Transaction/s/ Arrangements/ Contracts of Purchase/Sale of Goods / Services	2018-19	485.85	Arm's length basis/ Prevailing Market Price	20.01.2018	-
4	Mahadev Stone Crusher(Firm in which Director is interested)	Transaction/s/ Arrangements/ Contracts of Purchase/Sale of Goods / Services	2018-19	95.20	Arm's length basis/ Prevailing Market Price	20.01.2018	-
5	Mr. Hodal Singh (Father of Mr. Harendra Singh & Mr. Vijendra Singh)	Rent Agreement	2018-19	1.323	Premises on Rent	20.01.2018	-
6	Mr. Girish Pal Singh (Promoter and brother of Mr. Harendra Singh & Mr. Vijendra Singh)	Rent Agreement	2018-19	3.96	Premises on Rent	20.01.2018	-
7	Mr. Vaibhav Choudhary (Son of Promoter Mr. Girish pal Singh)	Holding office or Place of profit in the Company	As per term of Contract	84.00	Salary	20.01.2018	-
8	Mr.Rohit Choudhary (Son of Promoter Mr. Girish Pal Singh)	Holding office or Place of profit in the Company	As pet term of Contract	8.4	Salary	20.01.2018	-

S. No	Name of related party and Nature of Relationship	Nature of Contract/ Arrangement/ Transactions	Duration of the Contract/ Arrangement/ Transactions	Monetary Value of Contract	Salient terms of the Contract or Arrangement or Transactions including the value, if any	Date(s) of Approval by the Board	Amount paid as advance, if any
9	HGIEPL-MGCPL-JV	Transaction/s/ Arrangements/ Contracts of Purchase/Sale of Goods / Services	2018-19	200.58	Arm's length basis/ Prevailing Market Price	20.01.2018	-
10	HGIEPL-TPL-JV	Transaction/s/ Arrangements/ Contracts of Purchase/Sale of Goods / Services	2018-19	30250.4	Arm's length basis/ Prevailing Market Price	20.01.2018	-
11	Ridhima Choudhary (Daughter of director Mr.HarendraSingh)	Availing of Services	As per term of Contract	6.00	Contract of Service	20.01.2018	-
12	HG Trader (firm in which director is interested)	Transaction/s/ Arrangements/ Contracts of Purchase/Sale of Goods / Services	2018-19	0.03564	Arm's length basis/ Prevailing Market Price	20.01.2018	-

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

Harendra Singh
Chairman & Managing Director
DIN-00402458

Place-Jaipur
Date-24.05.2019

Annexure IV to Board's Report

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

As at the Financial Year ended March 31, 2019

[Pursuant to Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014]

1. A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or Programme:

The Corporate Social Responsibility Policy ("Policy") of the Company is in line with the provisions of Section 135 of the Companies Act 2013 ("Act") read with Schedule VII to the Act and the Companies (Corporate Social Responsibility Policy) Rules,2014 ("Rules"). The Corporate Social Responsibility (CSR) Policy of the Company is available at https://www.hginfra.com/pdf/Policy%20on%20CSR.pdf

The Company is committed towards its work and its CSR policy by making a big and lasting difference through Sustainability and Corporate Social Responsibility and Company strives to achieve this by being the consumer's first choice in sustainably fullfillment of its object.

The Company focuses its CSR initiatives on such areas, where it could provide maximum benefits to the society at large and also focus on Climate Change, Water Management, Sustainable Sourcing, Waste Management and Community Development.

Our CSR Policy focuses on following thrust areas of improving awareness of communities towards education, health, Flora & Fauna, sanitation and rural development etc. and also undertake such CSR projects, where societal needs are high or in special situations (natural disasters etc.).

The objective of the Policy shall be achieved by being knowledgeable, responsive and trustworthy, and by adopting environmentally and socially-friendly technologies, business practices and innovation, while pursuing long-term growth aspirations and the enhancement of stakeholder value.

2. Objective of the Policy

- lay down the broad guidelines for the Company to undertake its CSR projects/ programme / activities;
- set up the approach of the Company towards the CSR initiatives;
- define the CSR activities that the Company undertakes to carry out;
- Fix the timelines, monitoring and implementation mechanism with respect to CSR activities.

3. Proposed Projects and Programs

The Company, as a part of CSR provides infrastructure and other support to the educational institutions and improved sanitation facilities in Government Girls school, providing safe drinking water facilities, renovation of basic facilities at Government Schools and Primary Health care centers.

The identification and finalization of projects / programme / activities is in conformity with Schedule VII of the Act. The summary of CSR Policy is available on Company Website at: https://www.hginfra.com/pdf/Policy%20on%20CSR.pdf

4. The Composition of the CSR Committee as on 31st March, 2019.

HGIEL has constituted a robust governance structure to oversee the implementation of the CSR projects, in compliance with the requirements of Section 135 of the Companies Act, 2013. The CSR governance structure of HGIEL is headed by CSR Committee of the Board. The CSR Committee grants auxiliary power to the Working Committee of the Company to act on their behalf.

The Company has constituted a CSR Committee of the Board of Directors. The members of the CSR committee as on March 31, 2019 are:

NAME	DESIGNATION
Mr. Harendra Singh	Chairman
Mr. Vijendra Singh	Member
Mr. Onkar Singh	Member

5. Details of CSR Spend.

PARTICULARS	AMOUNT
Average Net Profit of the Company for last 3 F.Y.:	81,17,57,673/-
Prescribed CSR Expenditure:	1,62,35,153.46/-
Details of CSR spent during the financial year 2018-19:	
a) Total amount to be spent for the financial year:	1,62,35,153.46/-
b) Amount spent for the Financial Year:	1,33,40,985/-
c) Amount unspent for the Financial Year:	28,94,168.46/-

6. **Manner in which the amount spent during the financial year is detailed below:**

1	2	3	4	5	6	7	8
S. No.	CSR Project or Activity Identified	Sector in which the Project is Covered	Projects or Programmes- 1. Local area or other 2. Specify the State and District where Projects or Programmes were undertaken	Amount Outlay (Budget) Project or Programme wise (₹)	Amount Spent on the Projects or Programmes Sub-heads: 1. Direct Expenditure on projects or 2. Programmes Overheads (₹)	Cumulative Expenditure upto the reporting period (₹)	Amount Spent: Direct or through implementing agency
1.	Promotion of Education/ Environment/ Safe Drinking Water/Health Care/Animal Welfare & Humanity	Promoting Education Eradicating Hunger, Promoting preventive healthcare, Promoting Preventive healthcare and sanitation and safe drinking water Ensuring environmental sustainability Rural Development projects	Rajasthan & Maharashtra. ENVIRONMENT (Harit Utsav) ➢ Tree Plantation in Government School and public Places at site levels. ➢ Water harvesting and conservation efforts of land under irrigation since Inception. ➢ Formation of Wells & Water facility in rural area under Mukhya Mantri Jal Swavlamban Abhiyan. EDUCATION –(H.G.Ki Pathshala) ➢ Enhancing vocational skills in School Students, Distribution of Stationary through Utkarsh Star Mitra Mandal. ➢ Distribution of School table and Bench set, Almirah, Chairs, Computer Set-Primary Senior Secondary School in Jamvaramgarh. ➢ Donation for Execution of Science Fair under Doosra Dashak Project through NGO) at Village BAAP. ➢ Supporting educational institutions and Improved sanitation facilities in Girls school in the working areas which immediately benefited approx. DRINKING WATER FACILITY –(Neer) ➢ Provided Drinking Water Facility, Establishment of Water Coller. ANIMAL WELFARE- ➢ Donation to Dhani Mata Goshala. & Gurunank Anath Ashram & Charitable OTHERS Donation to Confetti Box for execution of Workshops for childrens on Art, Holistic Learning and Knowledge & Fun.	1,62,35,153.46/-	1,33,40,985/-	1,33,40,985/-	Directly and through Implementing agency
Total				1,62,35,153.46/-	1,33,40,985/-	1,33,40,985/-	

7. **Reasons for not spending the full amount allocated for CSR activities:**

The Company has been spending on the CSR programs under the Companies Act, 2013. The Company has finalized certain other quality project under CSR in the field of health and education but due to some challenges the same could not be concluded in the last of financial year 2018-19.

The Board had a consensus that the unspent portion of ₹ 28.94 Lakh be carried forward and be spent in the FY 2019-2020 in addition to the CSR requirements for the next year..

8. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR policy, is in compliance with CSR objectives and policy of the Company: Through this Report, the Company seeks to communicate its commitment towards CSR to the Ministry of Corporate Affairs. The implementation and monitoring of our CSR Policy complies with the CSR objectives and policies as laid down in this Report. The Board of the Company and the CSR Committee is responsible for the integrity and the objectivity of all the information provided in the disclosure above. All the projects reported have been considered and undertaken with the best of our intentions to contribute to the greater good of the society. We have undertaken and implemented these projects with careful consideration and these projects are aligned with our vision as provided in our CSR Policy. In line with the requirements of the Companies Act, 2013, we have also instituted monitoring mechanisms to ensure the projects go on smoothly as planned.

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

Harendra Singh
Chairman & Managing Director
DIN-00402458

Place-Jaipur
Date-24.05.2019

Annexure V to Board's Report

CORPORATE GOVERNANCE REPORT

Corporate governance is set of principles or guidelines on which a company is governed. It ensures that the corporate works in a way it supposed to work to achieve the desired goals. It makes the corporations accountable to each stakeholder including, directors, shareholders, employees, customers etc. The term governance itself explains the meaning that it is an act of managing a corporate entity. The entity of a corporation is separate from its officials which makes corporate governance an important subject to study. Corporate governance plays an important role to protect the rights of thousands of shareholders, who have ownership in the company but do not play an active role in governing day to day business activities.

COMPANY'S PHILOSOPHY

H.G. INFRA ENGINEERING LIMITED ('the Company' or 'HGIEL') has always been committed to maintain sound corporate governance standards and ethical business practices. This involves institutionalizing the Company's philosophy on corporate governance across business activities, which is based on the principles of accountability, transparency, responsibility and fairness in all aspects of its operations. The Company has an active and Independent Board of Directors that provides supervisory, strategic advice and direction. Your Company believes that all actions and plans should be supported by adequate systems and procedures in order to ensure that the decision making process across different levels of management is well-informed and conforms to the highest standards of corporate behavior.

Appropriate Governance Structure with Defined Roles and Responsibilities:

The Company has put in place an internal governance structure with defined roles and responsibilities of every constituent of the system. The Company's shareholders appoint the Board of Directors, which in turn governs the Company. The Board has established 6 (Six) Committees to discharge its responsibilities in an effective manner. H.G. Infra's Company Secretary acts as the Secretary to all the Committees of the Board. The Chairman and Managing Director (CMD) and the Whole-time Directors provide overall direction and guidance to the Board. In the operations and functioning of the Company, they are assisted by a core group of senior level executives.

MANAGEMENT INITIATIVES FOR CONTROLS AND COMPLIANCE

We reinforced our commitment to deliver projects on schedule through a sustained investment in cutting-edge technologies and equipment. The company invested proactively in SAP, the benefits of which were reflected during the last financial year. The SAP investment did not just help moderate costs; it also strengthened project control across operating sites in states. Besides, the company continued to invest in capital equipment, making it possible to reduce the external hiring of equipment (and related rentals), enhance equipment availability, rotate our equipment faster and complete projects on schedule.

Corporate Governance Guidelines:

SEBI has constituted a committee on June 2, 2017, under the Chairmanship of Uday Kotak, to address corporate governance gaps and to enhance long term standards necessary to shape a strong and resilient governance apparatus for listed companies in India. SEBI, at its board meeting held on March 28, 2018, accepted several recommendations of the Kotak Committee with or without modifications along with timelines for implementation. We welcome the steps taken by SEBI based on recommendations of the Kotak Committee, which we are sure will go a long way in improving the corporate governance practices in the Indian listed entities.

The Board has defined a set of corporate governance best practices and guidelines to help fulfill our corporate responsibility towards our stakeholders. These guidelines ensure that the Board will have the necessary authority and processes to review and evaluate our operations as and when required. Further, these guidelines allow the Board to make decisions that are independent of the Management. The Board may change these guidelines regularly to achieve our stated objectives.

BOARD OF DIRECTORS

Mr. Harendra Singh

Chairman and Managing Director

Mr. Harendra Singh has been on the Board of H.G. Infra since its incorporation and was reappointed in the board for a period of five years with effect from May 15, 2017. He holds a bachelor's degree in Engineering (Civil) from Jodhpur University and has garnered 25 years of experience in the construction industry. For his outstanding achievement in business and social service, he has received awards from the Indian Achievers Forum in August and November, 2016.

As on March 31, 2019, Mr. Harendra Singh held 1,43,51,516 equity shares of the Company

Mr. Vijendra Singh

Whole Time Director

Responsible for the overall functioning of the Company, Mr. Vijendra Singh has been on the Board of H.G. Infra since its incorporation. After garnering a basic education, he amassed 27 years of experience in the construction industry. He was reappointed as a member of the Board for a period of five years with effect from May 15, 2017

As on March 31, 2019, Mr. Vijendra Singh held 1,17,23,600 equity shares of the Company

Mr. Dinesh Kumar Goyal
Non-Executive Director

After retiring from the post of Additional Chief Secretary, Horticulture, Government of Rajasthan in 2013, Mr. Dinesh Kumar Goyal became the Executive Director of H.G. Infra w.e.f 23.05.2018. He has more than 40 years of experience in top level positions of different departments, including Finance, Energy, Public Works, Road & Highway, Land Development, and Labour & Employment, among others. Academically, he holds a Ph.D. from Birla Institute of Technology & Science and M.Sc. from London School of Economics, UK.

As on March 31, 2019, Mr. Dinesh Kumar Goyal held 1000 equity shares of the Company

Mr. Ashok Kumar Thakur
Independent Director

With a master's degree in commerce from Lucknow University, Mr. Ashok Kumar Thakur has over 37 years of experience in the banking industry. He has been an Independent Director on the Board of H.G. Infra with effect from May 15, 2017. Prior to this, he has held various positions at Union Bank of India, including general manager (Kolkata zone) and deputy general manager (regional head) at Kolkata and Chandigarh. He has also been chairman at the Rewa Siddhi Gramin Bank.

As on March 31, 2019, Mr. Ashok Kumar Thakur did not hold any shares of the Company

Mrs. Pooja Hemant Goyal
Independent Director

An Independent Director of our Company, Ms. Pooja Hemant Goyal holds a bachelor's degree in commerce and a master's degree in law, both from Jiwaji University, Gwalior, Madhya Pradesh, after which she acquired five years of experience in the legal industry. She has been on the Board of H.G. Infra with effect from May 15, 2017. Prior to this, she has been associated with N. N. Vechalekar & Co., Advocates.

As on March 31, 2019, Mrs. Pooja Hemant Goyal did not hold any shares of the Company

Mr. Onkar Singh
Independent Director

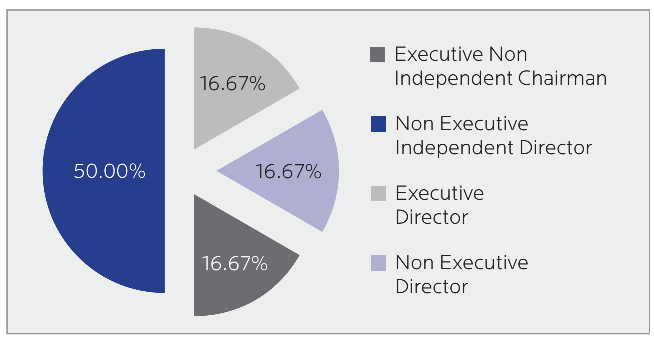
A retired Indian Administrative Service officer, Mr. Onkar Singh joined our Board on September 8, 2017 and is currently an Independent Director at H.G. Infra. He holds a bachelor's and master's degree in commerce and a master's degree in philosophy, as well, all from Rajasthan University, Jaipur. He has over 20 years of experience in the economic administration and rural development sector and has previously worked in the tribal area development department, Udaipur, as a junior research officer, in the education department, government secretariat, Jaipur as an evaluation officer and in the rural development department, Jaipur as a project director. He has also been the collector and district magistrate in certain districts in the state of Rajasthan. Further, he was the divisional commissioner at Kota and also held the designation of vice-chancellor at the Agriculture University, Kota, Kota University and Technical University, Kota.

As on March 31, 2019, Mr. Onkar Singh did not hold any shares of the Company

Size and Composition of the Board
We believe that or Board needs to have an optimum combination of Executive, Non-Executive Directors and Independent Directors to maintain its independence, and separate its function of governance and management. Listing Regulation mandate that for a company with executive chairman, at least half of the board of directors should be independent directors and as per SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, at least one independent woman director on Board of Directors.

As on March 31st, 2019, our Board compromised Six members, consisting of one executive chairman, one executive Director, one non-executive director & three Non-Executive Independent Director (out of which one independent women director). Independent Director constitutes 50% of the Board Strength as per the requirement of Companies Act, 2013 and Listing Regulations. The Board periodically evaluates the need for change in its size and composition.

Size and Composition of the Board



Board Meetings
The Company Secretary draft the agenda for each meeting, along with explanatory notes and distribute these in advance to directors of the Company. Every Board member can suggest the inclusion of additional items in the agenda. The Board meets at least once a quarter to review the quarterly, result and other items on the agenda, and also on the occasion of the AGM. Additional meeting are held when necessary. Independent Directors are expected to attend at-least four

Board Meeting in a year. The Board members are expected to rigorously prepare for attend and participate in Board and applicable committee meetings.

During the year ended March 31, 2019, 4 (Four) Board Meetings were held. These were held on **(1) May 23, 2018; (2) July 30, 2018; (3) November 03, 2018; (4) February 01, 2019**

The maximum time gap between any two consecutive meetings did not exceed one hundred and twenty days.

Frequency of and quorum etc. at these meetings were in conformity with the provisions of the Companies Act, 2013, Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015 and Secretarial Standard 1 issued by ICSI under Section 118 of Companies Act, 2013. All the Board members, KMPs and the senior management staff have affirmed compliance with the Code of Conduct during the year ended on 31st March, 2019.

Attendance of Director of the Board Meeting during fiscal 2019 and at the last Annual General Meeting (AGM) held on September, 10, 2018 and the details of directorships (as per the provisions of Section 165 of the Companies Act, 2013) as on March 31, 2019, are as under:

Name of Directors	Category	AGM Sept 10, 2018	Board Meeting Number				Held during Tenure (A)	Attended (B)	% of Attendance
			1	2	3	4			
Mr. Harendra Singh (Chairman) DIN: 00402458	Executive Director	✓	✓	✓	✓	✓	4	4	100
*Mr. Girish Pal Singh DIN: 00487476	Non -Executive Director	-	✓	-	-	-	1	1	100
Mr. Vijendra Singh DIN: 01688452	Executive Director	✓	✓	✓	✓	✓	4	4	100
Mr. Dinesh Kumar Goyal DIN-02576453	Non -Executive Director	✓	-	✓	✓	✓	3	3	100
Mr. Ashok Kumar Thakur DIN: 07573726	Non –Executive Independent Director	✓	✓	✓	✓	✓	4	4	100
Mr. Onkar Singh DIN: 07853887	Non –Executive Independent Director	✓	✓	✓	✓	✓	4	4	100
Mrs. Pooja Hemant Goyal DIN: 07813296	Non –Executive Independent Director	✓	✓	✓	✓	✓	4	4	100

✓ Attended in Person/through video conference.

***Notes:**

None of the directors hold directorships in more than 20 companies of which directorships in public companies does not exceed 10 in line with the provisions of Section 165 of the Act.

During the Financial Year 2018-19 the Mr. Girish Pal Singh, has resigned from the post of Directorship on May 23rd, 2018 & Mr. Dinesh Kumar Goyal (DIN 02576453) was appointed as Executive Whole-time Director with effect from May 23rd, 2018 and the same was approved by the Shareholders at the Annual General Meeting held on September 10th, 2018.

Further the designation of Mr. Dinesh Kumar Goyal has been changed from Executive to Non-Executive Director w.e.f January 25th, 2019 and the same has been approved by the Board of Director at their meeting held on February 1st, 2019.

Details of Committee Chairmanship and Committee memberships held by the directors as on March 31, 2019, are as under:

Name of the Director	Designation	Age	No. of directorships in other Listed Companies	No. of other Board Committees of which Member/Chairperson	
				Member	Chairperson
Mr. Harendra Singh	Managing Director	52	-	3	1
Mr. Vijendra Singh	Whole-time Director	54	-	2	-
Mr. Dinesh Kumar Goyal	Non- Executive Director	66	2		-
Mr. Ashok Kumar Thakur	Independent Director	65	2	2	1
Mr. Onkar Singh	Independent Director	63	-	4	1
Mrs. Pooja Hemant Goyal	Independent Director	41	1	1	-

Notes:

I. Including directorship in H.G. INFRA ENGINEERING LIMITED (PART IX).

II. No director holds membership of more than 10 committees of board nor is a chairman of more than 5 committees across board, of all listed entities.

III. No independent director of the Company holds the position of independent director in more than 7 listed companies as required under the Listing Regulations.

IV. The information provided above pertains to the following committees in accordance with the provisions of Regulation 26(1)(b) of the Listing Regulations: (i) Audit Committee and (ii) Stakeholders Relationship Committee.

V. The Committee memberships and chairmanships above exclude memberships and chairmanships in private companies, foreign companies and in Section 8 companies.

Details of Directorship in Other Listed Entities

Name of the Director	Name of listed entities	Category of Directorship
Mr. Harendra Singh	Nil	Nil
Mr. Girish Pal Singh	Nil	Nil
Mr. Vijendra Singh	Nil	Nil
Mr. Dinesh Kumar Goyal	a. SPML Infra Limited. b. The BYKE Hospitality Limited.	Independent director
Mr. Ashok Kumar Thakur	a. Navkar Corporation Limited b. Choice International Limited	Independent director
Mr. Onkar Singh	Nil	Nil
Ms. Pooja Hemant Goyal	a. Navkar Corporation Limited	Independent director

Materially significant related party transactions/ Disclosure of relationship between Director inter-se;

There have been no materially significant related party transactions, monetary transactions or relationships between the Company and its directors, the Management, subsidiaries or relatives, except as detailed below.

Detailed information on materially significant related party transactions is enclosed as Annexure-III to the Board's report.

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

Familiarization Programme for Independent Directors

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

Further, in accordance with the requirements of SEBI (LODR) Regulations, 2015, the Company also organizes Familiarization Programme for the Independent Directors to enlighten them about the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company etc.

The details of such programmes imparted to Independent Directors are available on the Company's website and can be accessed at the web link-http://www.hginfra.com/investors-relation.html#btn-gover

Key Board Qualifications, Expertise and Attributes:

The H.G. Board comprises qualified members who bring in the required skills, competence and expertise that allow them to make effective contribution to the Board and its committee. The Board members are committed to ensuring that the Board is in compliance with the highest standards of corporate governance.

The table below summarizes the key qualifications, skills and attributes which are taken into consideration while nominating candidates to serve on the Board.

Definitions of Director qualifications

Engineering	Engineering technique is the application of knowledge in the form of science, mathematics, and empirical evidence, to the innovation, design, construction, operation and maintenance of structures, machines, materials, software, devices, systems, processes, and organizations. The discipline of engineering encompasses a broad range of more specialized fields of engineering, each with a more specific emphasis on particular areas of applied mathematics, applied science, and types of application.
Planning	Extended Planning Experience for an enterprises, resulting in a practical understanding of organization, processes, strategic planning and risk management. Demonstrated strengths in developing talent, planning succession, and driving change and long - term growth.

Technical	A significant background in technology, resulting in knowledge of how to anticipate technological trends, generate disruptive innovation, and extend or create new business modules.
Finance	Leadership of a Financial Firm or management of the finance function of an enterprise, resulting in proficiency in complex financial management, capital allocation and financial reporting processes or experience in actively supervising a principal financial officer, principal accounting officer, controller, public accountant, auditor or person performing similar functions.
Legal	A particular attribute, quality, property, or possession that an individual must have in order to be eligible to fill an office or perform a public duty or function.
Board service and Corporate Governance	Service on a public company board to develop insight about maintaining board and management accountability, protecting shareholder interests, and observing appropriate integration plans.
Administrative	Skills that are required for success in administration, such as communicating, computing, organizing, planning, scheduling, or staffing.

In the table below, the specific area of focus or expertise of Individual Board members have been highlighted. However the absence of mark against member's name does not necessarily mean the member does not possess the corresponding qualification or skills.

Name of Directors	Area of Operation						
	Engineering	Planning	Technical	Finance	Legal	Board service and Corporate Governance	Administrative
Mr. Harendra Singh	✓	✓	✓	✓	✓	✓	-
Mr. Vijendra Singh	✓	✓	✓	-	-	✓	-
Mr. Dinesh Kumar Goyal	✓	-	-	✓	-	✓	✓
Mr. Ashok Kumar Thakur	-	-	-	✓	-	✓	-
Ms. Pooja Hemant Goyal	-	-	-	-	✓	✓	-
Mr. Onkar Singh	-	-	-	-	-	✓	✓

Note:
The Board is always responsible for the selection of new director(s). The Board delegated the selection procedure and process to the nomination and remuneration committee. The committee based on the defined criteria, makes recommendation to the Board on the induction of new Director

Independent Director:

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

All the Independent Directors have given their declarations under section 149 (6) and section 149 (7) of the Companies Act, 2013 and the Rules made thereunder. In the opinion of the Board, the Independent Directors fulfil the conditions relating to their status as an Independent Director as specified in section 149 of the Companies Act, 2013 read with rules made thereunder as well as Regulation 16 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force).

Detailed Reasons for the Resignation of an Independent Director

During the Financial year 2018-19, No Independent Director has resigned from the post of Directorship as Independent Director.

BOARD COMMITTEES

To focus effectively on the issues and ensure expedient resolution of the diverse matters, the Board has constituted a set of Committees of Directors with specific terms of reference / scope. The committee operates as empowered agents of the Board. The inputs and details required for the decision is provided by the operating managers.

The Board, as on 31st March, 2019, had six committees: Audit Committee, Nomination & Remuneration Committee, Stakeholders' Relationship Committee, Corporate Social Responsibility Committee, Finance Committee and Management Committee

Details of the Committees of the Board and other related information are as follows:

BOARD AND COMMITTEE COMPOSITION

Name of Directors	Board	Audit Committee	Nomination & Remuneration Committee	Stakeholders' Relationship Committee	Corporate Social Responsibility Committee	Finance Committee	Management Committee
Mr. Harendra Singh	○	†	-	†	○	○	○
Mr. Vijendra Singh	†	-	-	†	†	†	†
Mr. Dinesh Kumar Goyal	†	-	-	-	-	†	†
Mr. Ashok Kumar Thakur	†	○	†	-	-	-	-
Ms. Pooja Hemant Goyal	†	-	†	-	-	-	-
Mr. Onkar Singh	†	†	○	○	†	-	-
Total no. of members	6	3	3	3	3	3	3

○ Chairperson † Member

Note: The IPO (Initial Public Offering) Committee, constituted on September 11, 2017, was dissolved on May 23, 2018

Currently, there are four Mandatory Committees of the Board viz. Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee and Corporate Social Responsibility Committee, appointed by the Board, which focus on specific areas and take informed decisions within their delegated authority. The Committees also make specific recommendations to the Board on various matters within their terms of reference from time-to-time. Matters requiring the Board's attention/approval are generally placed before the Board by the respective Committee's Chairman. The role and composition of these Committees, the number of meetings held during the financial year and the related attendance there-at are explained in the following paragraphs.

AUDIT COMMITTEE:

Our Audit Committee comprised Two Non-Executive Independent Directors and One Executive Director as on 31st March, 2019:

Mr. Ashok Kumar Thakur	(Chairman)
Mr. Onkar Singh	(Member)
Mr. Harendra Singh	(Member)

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

Objective:

The Audit Committee has been constituted as per Section 177 of the Companies Act, 2013, and the guidelines set out in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015.

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

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

The Committee, accordingly, monitors various issues which include accounting and financial reporting process of the Company, maintenance of adequate internal financial controls, audit of the Company's financial statements, the appointment, independence and performance of the statutory as also the internal auditors, secretarial auditors and the Company's risk management policies. The Committee reviews the pending litigation cases against the Company as well as show cause notices received from various authorities. The Audit Committee also reviews the periodic internal and statutory auditors' reports.

Audit Committee Attendance

The audit committee held four meetings during the year ended March 31, 2019. These were held on (1) May 23rd, 2018, (2) July 30th, 2018, (3) November 3rd, 2018 and (4) February 1st, 2019.

The attendance details of the audit committee meetings are as follows:

Name of Directors	Board Meeting Number				Held during Tenure (A)	Attended (B)	% of attendance (B/A)
	1	2	3	4			
Mr. Ashok Kumar Thakur	✓	✓	✓	✓	4	4	100
Mr. Onkar Singh	✓	✓	✓	✓	4	4	100
Mr. Harendra Singh	✓	✓	✓	✓	4	4	100

✓ Attended in Person/through video conference

Audit Committee meeting

Attended in Person/through video conference

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

A. The role of the audit committee shall include the following:

i. oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

ii. recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;

iii. approval of payment to statutory auditors for any other services rendered by the statutory auditors;

iv. reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:

   a. matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the 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 significant adjustments made in the financial statements arising out of audit findings;

   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. qualifications in the draft audit report

v. reviewing, with the management, the quarterly financial statements before submission to the board for approval

vi. reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/ prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter.

vii. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;

viii. approval or any subsequent modification of transactions of the listed entity with related parties;

ix. scrutiny of inter-corporate loans and investments

x. valuation of undertakings or assets of the listed entity, wherever it is necessary;

xi. evaluation of internal financial controls and risk management systems;

xii. reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

xiii. reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

xiv. Discussion with internal auditors of any significant findings and follow up there on;

xv. reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;

xvi. discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern

xvii. to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

xviii. to review the functioning of the whistle blower mechanism;

xix. Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;

xx. Carrying out any other function as is mentioned in the terms of reference of the audit committee;

xxi. Reviewing the utilization of loans and/ or advances from/

investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans/ advances/ investments existing as on the date of coming into force of this provision.

B. Mandatorily review the following:

a) Management Discussion and Analysis of financial conditions 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;

e) The appointment, removal and terms of remuneration of the chief internal auditor;

f) statement of deviations:

   i. Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).

   ii. Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/ notice in terms of Regulation 32(7).

NOMINATION AND REMUNERATION COMMITTEE

Our Nomination and Remuneration Committee comprised Three Non-Executive Independent Directors as on 31st March, 2019:

Mr. Onkar Singh	(Chairman)
Mr. Ashok Kumar Thakur	(Member)
Ms. Pooja Hemant Goyal	(Member)

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

Objective

The Nomination and Remuneration Committee has been constituted as per provisions of Section 178 of Companies Act, 2013, the rule framed there-under and Regulation 19 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The purpose of the committee is to screen and review individuals qualified to serve as executive directors, non-executive directors and independent directors, consistent with criteria approved by the Board, and to recommend, for approval by the Board, nominees for election at the AGM.

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

The functions of the Committee are as per the provisions of the Listing Regulations and Companies Act, 2013 besides others which may be delegated to it by the Board. The Committees' role is to recommend the appointment, remuneration, etc. of Directors, Key Managerial Personnel and Senior Management Staff, to fix the criteria for appointment of Directors, KMPs & senior management staff and also to evaluate the performance.

Nomination and Remuneration Committee Attendance

The nomination and remuneration committee held two meetings during the year ended March 31, 2019. These were held on (1) May 23rd, 2018, and (2) February 1st, 2019.

The attendance details of the nomination and remuneration committee meetings are as follows:

Nomination And Remuneration Committee Meeting

Name of Directors	Committee meeting number		Held during Tenure (A)	Attended (B)	% of attendance (B/A)
	1	2			
Mr. Onkar Singh	✓	✓	2	2	100
Mr. Ashok Kumar Thakur	✓	✓	2	2	100
Ms. Pooja Hemant Goyal	✓	✓	2	2	100

✓ Attended in Person/through video conference

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

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

ii. Formulation of criteria for evaluation of independent directors and the Board;

iii. Devising a policy on diversity of Board of directors;

iv. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.

v. Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of directors.

vi. Recommend to the board, all remuneration, in whatever form, payable to senior management.

Performance evaluation criteria for independent directors

The Nomination and Remuneration Committee has devised criteria for evaluation of the performance of the Independent Directors. The said criteria provides certain parameters like attendance, acquaintance with business, communicate inter se board member, effective participation, domain knowledge, compliance with code of conduct, vision and strategy, benchmark established by global peers etc. which is in compliance with applicable laws, regulations and guidelines.

REMUNERATION TO DIRECTORS IN FISCAL 2018-2019

The Company pays remuneration to its Executive Director-Managing Director & Whole-time Director and others by way of Salary, perquisites and allowances. Salary is paid within the range as approved by the Shareholders and as per Companies Act, 2013. The Board approves all the revisions in salary, perquisites and allowances subject to the overall ceiling prescribed by Section 197 and 198 of the Companies Act, 2013. The Non-Executive Independent Directors have not been paid any remuneration except sitting fees during the financial year 2018-19. The Non-Executive Non-Independent director has been paid for rendering professional service.

Given below are the details of remuneration paid to Directors during the financial year 2018-19: (Amount in ₹ Lakhs)

Name of Director	Salary	Sitting fees	Bonus	Stock option	Others	Total Remuneration
Executive Director (Managing Director/ Whole Time director)						
Mr. Harendra Singh	216	-	-	-	-	216
Mr. Vijendra Singh	120	-	-	-	-	120
Non-Executive Director						
*Mr. Girishpal Singh	-	0.80	-	-	-	0.80
**Mr. Dinesh Kumar Goyal	27	-	-	-	2.20***	29.20
Non-Executive Independent						
Mr. Ashok Kumar Thakur	-	3.30	-	-	-	3.30
Mr. Onkar Singh	-	3.70	-	-	-	3.70
Ms. Pooja Hemat Goyal	-	2.20	-	-	-	2.20

* Mr. Girishpal Singh has resigned from the post of directorship on 23.05.2018.

**Designation of Mr. Dinesh Kumar Goyal has been changed from executive to non-Executive director w.e.f. 25.01.2019

***For rendering professional services

STAKEHOLDERS RELATIONSHIP COMMITTEE

Our Stakeholders' Relationship Committee comprised One Non-Executive Director and Two Executive Director as on 31st March, 2019:

Mr. Onkar Singh	(Chairman)
Mr. Harendra Singh	(Member)
Mr. Vijendra Singh	(Member)

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

Objective:

In compliance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 18 of The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has constituted the Stakeholders Relationship Committee.

The Committee is empowered to consider and resolve the grievances of security/stakeholders of the Company. The Chairperson of the Committee is required to attend general meetings of the Company.

The Committee composition and terms of reference are in compliance with the provisions of Companies Act, 2013 and Regulation 20 of the Listing Regulations.

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

Stakeholders' Relationship Committee Attendance

The Stakeholders' Relationship Committee held one meeting during the year ended March 31, 2019. This was held on (1) May 23rd, 2018.

The attendance details of the Stakeholders' Relationship committee meetings are as follows:

Name of Directors	Committee meeting number May 23rd, 2018	Held during Tenure (A)	Attended (B)	% of attendance (B/A)
Mr. Onkar Singh	✓	1	1	100
Mr. Harendra Singh	✓	1	1	100
Mr. Vijendra Singh	✓	1	1	100

✓ Attended in Person/through video conference

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

(1) Resolving the grievances of the security holders of the listed entity including complaints related to transfer/ transmission of shares, non - receipt of annual report, non- receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.

(2) Review of measures taken for effective exercise of voting rights by shareholders.

(3) Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.

(4) Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/ annual reports/statutory notices by the shareholders of the company.

Complaints Received and Re-Solved During the Year:
The details of the complaints resolved during the year ended March 31, 2019 are as follows:-

Number of shareholders complaints received so far	Number of shareholders complaints resolved	Number not solved to the satisfaction of shareholders	Number of pending complaints.
1	1	0	0

CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

Our Corporate Social Responsibility Committee comprised Two Executive Director and One Non-Executive Independent Director as on 31st March, 2019:

Mr. Harendra Singh	(Chairman)
Mr. Vijendra Singh	(Member)
Mr. Onkar Singh	(Member)

Objective

The Company has a Corporate Social Responsibility (CSR) Committee in compliance with the provisions of Section 135 of the Companies Act, 2013. The terms of reference, inter-alia includes formulation of the CSR policy and to indicate the activities to be undertaken, recommend spending under CSR, monitoring of CSR policy and to perform functions as defined and covered under the Companies Act, 2013.

The CSR Committee was set up to formulate and monitor the CSR policy of the company. The CSR committee adopted a policy that outlines the company's objectives of catalyzing economic development that positively improves t quality of life for the society, and aims to be a responsible corporate citizen and create positive impact through its activities on the environment, communities and stakeholders.

Corporate Social Responsibility Committee Attendance

The Corporate Social Responsibility committee held one meeting during the year ended March 31, 2019. This was held on (1) May 23rd, 2018.

The attendance details of the Corporate Social Responsibility committee meetings are as follows:

Name of Directors	Committee meeting number	Held during Tenure (A)	Attended (B)	% of attendance (B/A)
	May 23rd, 2018			
Mr. Harendra Singh	✓	1	1	100
Mr. Vijendra Singh	✓	1	1	100
Mr. Onkar Singh	✓	1	1	100

✓ Attended in Person/through video conference

FINANCE COMMITTEE

Our Finance Committee comprised Two Executive Directors and One Non-Executive Director as on 31st March, 2019:

Mr. Harendra Singh	(Chairman)
Mr. Vijendra Singh	(Member)
Mr. Dinesh Kumar Goyal	(Member)

Objective

The Purpose of the Committee is to advise the Board of Directors on matter relating to Finance and in connection with availing of finance facilities/borrow monies, invest the funds of the company, grant loans or give guarantee or provide security in respect of loans and other related matters borrowings in accordance with applicable provisions of the Companies Act, 2013.

Finance Committee Attendance

The Finance committee held ten meetings during the year ended March 31, 2019. This was held on **(1)** April 28th, 2018, **(2)** July 17, 2018, **(3)** July 30, 2018, **(4)** August 28, 2018, **(5)** September 6, 2018, **(6)** November 5, 2018, (7) December 20, 2018, **(8)** February 02, 2019, **(9)** March 02, 2019, **(10)** March 15, 2019.

The attendance details of the Finance committee meetings are as follows:

Name of Directors	Committee meeting number										Held during Tenure (A)	Attended (B)	% of Attendance
	1	2	3	4	5	6	7	8	9	10			
Mr. Harendra Singh	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	10	10	100
Mr. Vijendra Singh	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	10	10	100
Mr. Dinesh Kumar Goyal	-	✓	✓	✓	✓	✓	✓	✓	-	-	9	7	77.77

✓ Attended in Person/through video conference.

MANAGMENT COMMITTEE

Our Management Committee comprised Two Executive Directors and One Non-Executive Director as on 31st March, 2019:

Mr. Harendra Singh (Chairman)
Mr. Vijendra Singh (Member)
Mr. Dinesh Kumar Goyal (Member)

Objective

The Purpose of the Committee is to advise the Board of Directors on matter relating to Bidding of Tender, Execution of Agreements and entire day to day business activities of the Company.

i. Execution & Signing of all agreements, undertakings, applications, returns, papers, receipts and all documents in connection with bidding projects related to the National Highway Authority of India, Ministry of Road Transport and Highway, Public Works Department and other Government and Private Authority.

ii. Execution & Signing of all documents related to Joint Ventures

iii. Registration with Statutory Authority.

iv. Execution & Signing of Documents in case of Opening, Transfer & Closing of Current/Saving account.

v. Availing Internet Banking Services/Cash Management Services/Mobile Banking and any other services from Bank as required by the Company.

vi. Authorization for Legal matters.

Any other matter related to day to day Business operations of the Company with the following Directors.

Management Committee Attendance

The Management committee held seven meetings during the year ended March 31, 2019. This was held on (1) April 20, 2018, (2) May 30, 2018, (3) June 26, 2018, (4) August 10, 2018, (5) November 13, 2018, (6) February 02, 2019, (7) March 12, 2019.

The attendance details of the Management committee meetings are as follows:

Name of Directors	Committee meeting number							Held during Tenure (A)	Attended (B)	% of Attendance
	1	2	3	4	5	6	7			
Mr. Harendra Singh	✓	✓	✓	✓	✓	✓	✓	7	7	100
Mr. Vijendra Singh	✓	✓	✓	✓	✓	✓	✓	7	7	100
Mr. Dinesh Kumar Goyal	-	✓	✓	✓	-	✓	✓	6	5	83.33

✓ Attended in Person/through video conference.

MEETING OF INDEPENDENT DIRECTORS

As required under the provisions of Companies Act, 2013 and Regulation 27 of The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate meeting of Independent Directors of the Company was held on 3rd November, 2018 wherein Independent Directors reviewed the performance of Non-Independent Directors including chairman and the Board as a whole, taking into account the views of Executive Directors and Non-Executive Directors and assessed the adequacy quality, quantity and timeliness of flow of information between the Company's management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

The attendance details of the Independent Director meetings are as follows:

Independent Directors Meeting

Name of Directors	Committee meeting	Held during tenure(A)	Attended (B)	% of attendance (B/A)
	03.11.2018			
Mr. Onkar Singh	✓	1	1	100
Mr. Ashok Kumar Thakur	✓	1	1	100
Ms. Pooja Hemant Goyal	✓	1	1	100

✓ Attended in Person/through video conference.

Criteria for Evaluation of Independent Director and the Board:

Following are the criteria for evaluation of performance of Directors:

Executive Director: The Executive Directors shall be evaluated on the basis of targets / criteria given to Executive Directors by the Board from time to time.

Non-Executive / Independent Director: The Non-Executive / Independent Directors shall be evaluated on the basis of the following criteria i.e. whether they:

a. Act objectively and constructively while exercising their duties;

b. Exercise their responsibilities in a bona fide manner in the interest of the Company

c. Devote sufficient time and attention to their professional obligations for informed and balanced decision making;

d. Do not abuse their position to the detriment of the Company or its shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person;

e. Refrain from any action that would lead to loss of his independence;

f. Inform the Board immediately when they lose their independence;

g. Assist the Company in implementing the best corporate governance practices;

h. Strive to attend all meetings of the Board of Directors and the Committees;

i. Participate constructively and actively in the committees of the Board in which they are chairpersons or members

j. Moderate and arbitrate in the interest of the Company as a whole, in situations of conflict between management and shareholder's interest;

k. Abide by Company's Memorandum and Articles of Association, Company's policies and procedures including code of conduct, insider trading guidelines etc.

GENERAL BODY MEETINGS

a) Location and time, where last three AGM's held:

The last three Annual General Meetings were held as under:

Financial Year	Date	Time	Venue
2015-16	30thSep, 2016	11:00 AM	14, Panchwati Colony, Ratanada Jodhpur-342001 Rajasthan
2016-17	8thSep, 2017	3:00 PM	14, Panchwati Colony, Ratanada Jodhpur-342001Rajasthan
2017-18	10th Sep, 2018	10.00 A.M	Hotel Radisson, Gaurav Path Road, 8, Residency RD, Jodhpur, Rajasthan 342001

b) Whether any Special Resolution passed in previous three AGM's:

Financial Year	Particulars of Special Resolutions passed in the AGM
2015-16 30th Sep, 2016	Adoption of New Set of Articles of Association as per Companies Act, 2013
2016-17 8th Sep, 2017	• Approval for Raising Money through further Issue of Securities and offer for sale by certain existing shareholders • Approval for increase in FPI Limits • Approval for increase in NRI Limits
2017-18 10th Sep, 2018	• To make Investments, give Loans, Guarantees and provide Securities under section 186 of the Companies Act,2013 • Power to Borrow funds under section 180(1)(c) of the Companies Act,2013 • Creation of Mortgage and Charge on the assets of the Company • Place of keeping and inspection of registers, returns, etc • To approve Employees Stock Option Plan 2018 • To extend approval of Employees Stock Option Plan 2018 to the Employees of Subsidiary Company (ies) • Change in registered office of the Company within the state.

Extra Ordinary General Meeting

Details of Extra Ordinary General Meeting held during the Financial Year 2018-19

There was no EGM held during the financial year 2018-19

Whether Any Special Resolution Passed Last Year through Postal Ballot-

No special resolution was passed through postal ballot last year.

Whether Any Special Resolution is proposed to be conducted through Postal Ballot

No Special Resolution requiring to be passed through special resolution is being proposed at ensuing Annual General Meeting of the Company.

COMMUNICATION TO THE SHAREHOLDERS

The Quarterly Report, along with additional information and official news release, are posted on our website at https://www.hginfra.com/index.html. The Reports containing Audited financial statements (Standalone and Consolidated), Board's Report, Management Discussion & Analysis (MD&A) Report, Auditor's Report and other information are circulated to members and others who are entitled to it. Moreover, the Quarterly/Annual Results and official news releases are generally published in the Danik Navjyoti Hindi Language (Jodhpur, Rajasthan) Business Remedies, and Business Standards English Language (all editions).

The Shareholder can access the details of corporate governance policies, Board Committee Charters, Memorandum and Article of Association, shareholding pattern, Financial Information on the Company's website https://www.hginfra.com/index.html. The website also displays all official press releases issued by the Company. The Shareholder can also visit https://www.bseindia.com & https://www.nseindia.com where the investor can view all the statutory filling of the Company.

Other information such as press release, stock exchange disclosure and presentation made to investor and analysts etc. are regularly updated on the Company's website.

GENERAL SHAREHOLDER INFORMATION

Corporate

H.G. Infra Engineering Limited (HGIEL) was incorporated in Jodhpur, in 2003, as H.G. Infra Engineering Private Limited, a private limited company under the Companies Act, 1956. The name of the company was changed to H.G. Infra Engineering Limited in June, 2017, when the company became a Public Limited Company. We made an Initial Public Offering in March, 2018 and were listed to BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) and are regularly traded on both the exchanges w.e.f. March 09, 2018.

HGIEL is primarily engaged in the construction of infrastructure projects like highways, roads and bridges. Over the years, the Company has evolved into one of the leading road infrastructure development companies in India. The Company also executes civil construction projects like extension and grading of runways, railways and land development. The Company diversified into water pipeline projects in the last few years, strengthening its positioning as a Company dedicated to the creation of robust national infrastructure.

17th Annual General Meeting

Date & Time: 09.08.2019 & 10.00 A.M

Venue: Hotel: Radisson, Gaurav Path Road, 8, Residency, RD, Jodhpur

E-Voting Dates: Tuesday 6th Aug. 2019 @9:00A.M to Thursday 8th Aug 2019 @ 5:00P.M.

Book Closure Date: Saturday 3rd August 2019 to Friday 9th Aug. 2019

Dividend Payment Date: On or before Saturday 7th Sep 2019

Financial Year

The Company's Financial Year begins on April 1st and ends on March 31st every year.

Listing on Stock Exchange

Name: BSE Limited (BSE)

Address: Phiroje Jeejeebhoy Towers, Dalal Street, Mumbai-400 001

Stock Code(s): 541019

Name: NATIONAL STOCK EXCHANGE OF INDIA LTD (NSE)

Address: Exchange Plaza", Plot no. C-1, G Block, Bandra-Kurla Complex, Bandra (E), Mumbai- 400 051

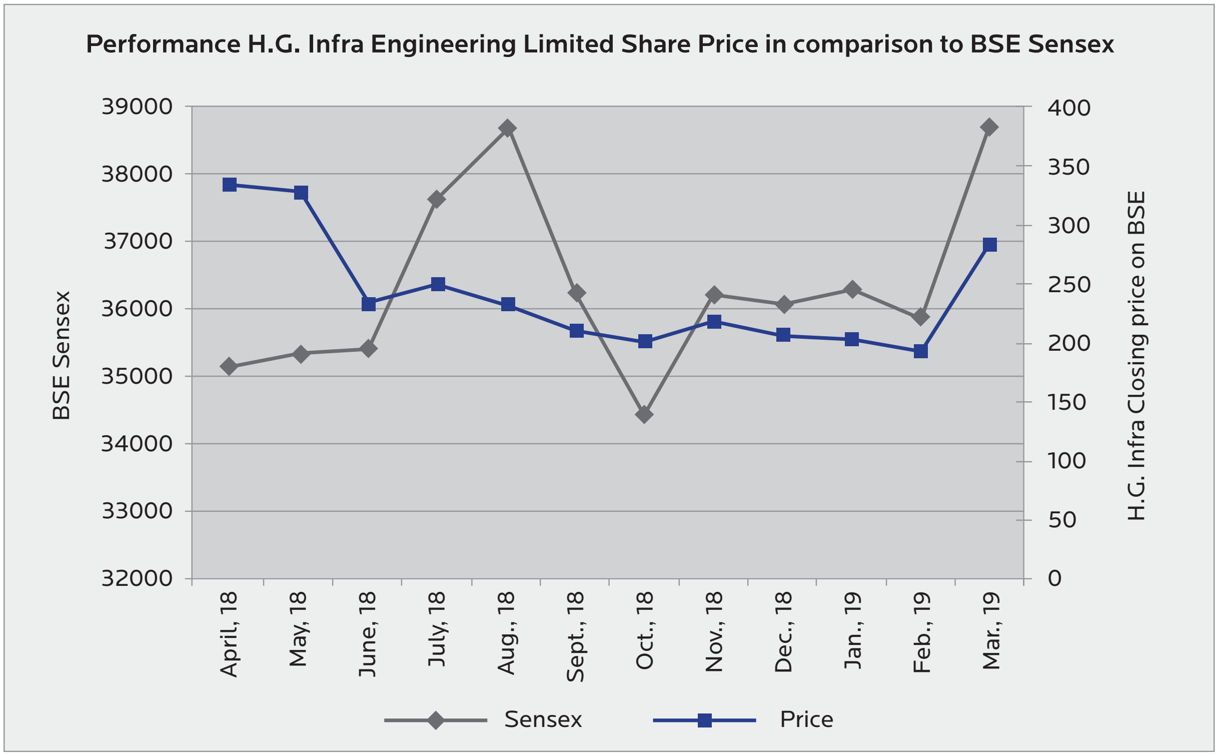
Stock Code(s): HGINFRA

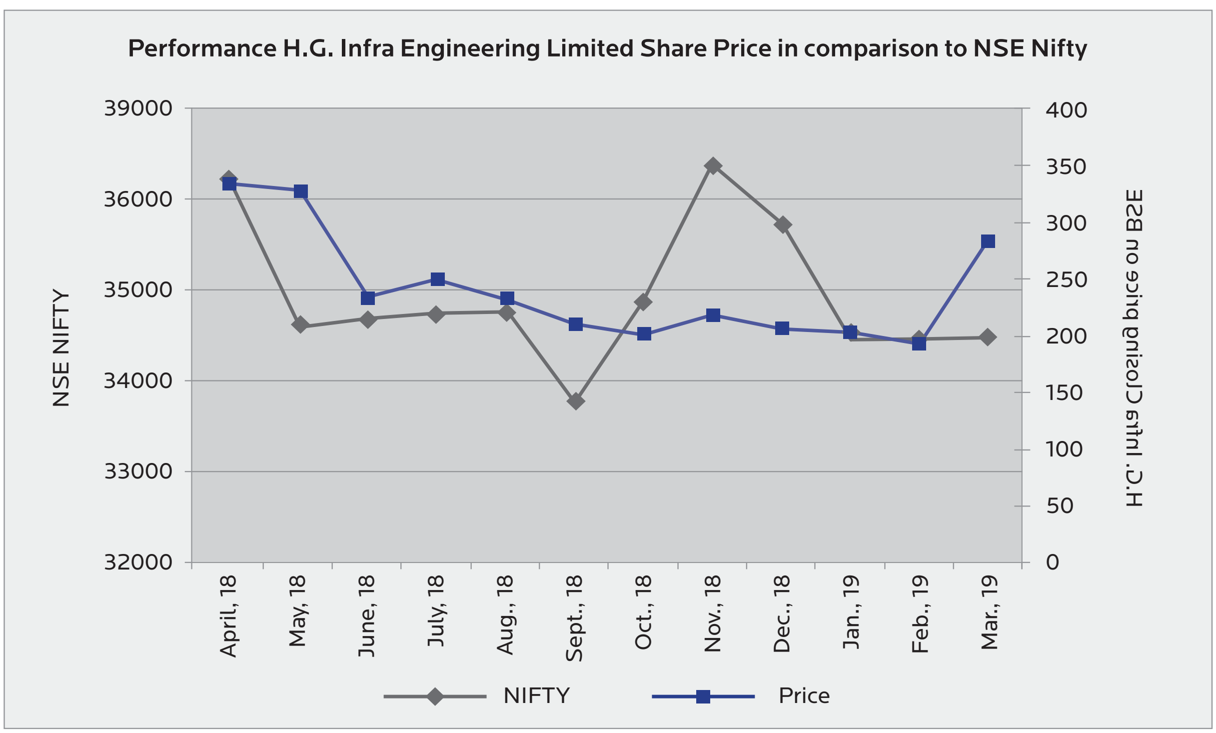
ISIN for Depositories -INE926X01010

The Company has paid the listing fees to BSE and NSE and the custodian charges to National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) ended 31st March, 2019.

Stock Performance in comparison to broad-based Indices:

The Chart below shows the comparison of the Company's share price movement on BSE vis-à-vis the movement of the BSE Sensex and NSE Nifty for the Financial Year ended 31st March, 2019 (based on month end closing):


Performance H.G. Infra Engineering Limited Share Price in comparison to BSE Sensex
39000
38000
37000
36000
35000
34000
33000
32000
BSE Sensex
400
350
300
250
200
150
100
50
0
H.G. Infra Closing price on BSE
April, 18
May, 18
June, 18
July, 18
Aug., 18
Sept., 18
Oct., 18
Nov., 18
Dec., 18
Jan., 19
Feb., 19
Mar., 19
Sensex
Price


Performance H.G. Infra Engineering Limited Share Price in comparison to NSE Nifty
39000
36000
35000
34000
33000
32000
NSE NIFTY
400
350
300
250
200
150
100
50
0
H.G. Infra Closing price on BSE
April, 18
May, 18
June, 18
July, 18
Aug., 18
Sept., 18
Oct., 18
Nov., 18
Dec., 18
Jan., 19
Feb., 19
Mar., 19
NIFTY
Price

Stock Market Price Data:

Details of share price from 1st April, 2018 to 31st March, 2019 high/low market prices of the Company's equity shares traded on BSE Limited, Mumbai and National Stock Exchange of India Ltd., Mumbai, during the last financial year are as follows:

MONTH	BSE		NSE	
2018-19	High	Low	High	Low
April	355.75	298.00	355.00	298.00
May	343.90	323.65	350.00	323.60
June	332.00	232.95	333.00	230.60
July	277.35	234.00	277.80	232.80
August	249.65	233.50	250.00	233.00
September	250.00	205.00	249.35	190.00
October	247.10	170.20	250.50	170.00
November	245.00	196.00	230.00	184.00
December	234.00	193.65	230.00	192.05
January	217.15	184.30	220.00	183.00
February	216.25	172.70	216.45	172.70
March	300.00	193.15	290.05	193.00

Sources: BSE and NSE Website

Share Transfer Systems:

M/S. LINK INTIME INDIA PVT LTD is the Company's Registrar and Share Transfer Agent (RTA) for carrying out share related activities like transfer of shares, transmission of shares, transposition of shares, name deletion, change of address, amongst others.

The Board of Directors of the Company have delegated the authority to approve the transfer of shares, transmission of shares, requests for deletion of name of the shareholder etc. to the designated officials of the Company. However, the transaction in respect of issuance of duplicate share certificates, split, rematerialisation, consolidation and renewal of Share Certificates are approved by the Shareholder's Committee of the Board of Directors of the Company.

All the documents received from shareholders are scrutinized by the Company's RTA. The shares lodged for transfer, etc. are processed and share certificates duly endorsed are returned within the stipulated time, subject to documents being valid and complete in all respects.

In all cases of transfer of shares in physical mode an intimation letter is being sent to transferor(s) informing them of the lodgement of shares for transfer and in case of any objection to said transfer to revert within fifteen days with copy to transferee(s).

A summary of approved transfers, transmissions, deletion requests, etc. are placed before the Board of Directors from time to time as per the Listing Regulations.

The Company obtains from a Company Secretary in practice, half yearly certificate of compliance with the share transfer formalities as required under Regulation 40(9) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and files a copy of the certificate with the Stock Exchanges.

Distribution of Shareholding:

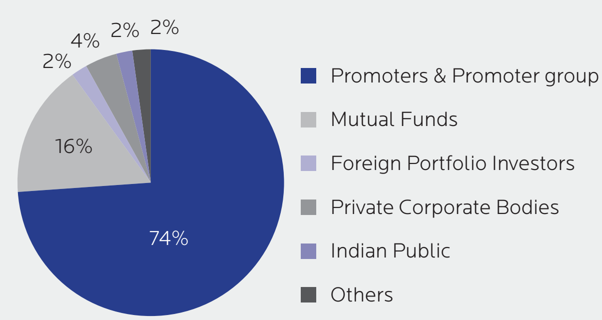
Distribution of shareholding of shares of the Company as on 31st March, 2019 is as follows:

No. of equity Shares held	No. of Shareholders	No. of Shares held	% of Equity Capital
1- 500	14896	958,719	1.4711
501-1000	182	137,929	0.2116
1001-5000	160	343,693	0.5274
5001-10000	22	148,279	0.2275
10001 & Above	65	63,582,491	97.5624
TOTAL	15325	6,51,71,111	100

Shareholding Pattern as on March 31st, 2019:

Sr. No	Category of Shareholders	Number of Shares held	Shareholding (%)
1	Promoters & promoter group	48,060,005	73.74
2	Mutual Funds	10,549,539	16.187
3	Banks, Financial Institutions, Insurance Companies (Central/State Govt. Institutions, Non-Government Institutions	85,759	0.1316
4	Foreign Portfolio Investors	1,019,959	1.565
5	Private Corporate Bodies	2,390,511	3.6681
6	Indian Public	1,639,972	2.5164
7	NRIs/OCBs /Foreign Nationals	135,141	0.2074
8	Any other	1,290,225	1.9798
	TOTAL	65,171,111	100

Category-wise-shareholding (%) (Round Off)



Dematerialization of Shares and Liquidity:

HGIEL Shares are tradable in the Electronic Form only. We have established connectivity with the National Security Depository Limited and Central Depositary Services (India) Limited (CDSL) M/s. Link Intime India Pvt. Ltd through, Registrar and Share Transfer Agents. The ISIN allotted to our shares under the Depository system is INE926X01010.

As on 31st, March 2019 100% shareholding of the Company is in dematerialized form in compliance with Regulation 31(2) of the Listing Regulations.

Category	No. of Shareholders	Shareholders (%)	No. of Shares held	Voting Strength (%)
Physical	-	-	-	-
Electronic	15325	100%	65171111	100%
Total	**15325**	**100%**	**65171111**	**100%**

Outstanding GDR's /ADR's / Warrants or any Convertible instruments, conversion date and likely impact on equity:

The Company does not have any outstanding GDRs/ADRs/Warrants/Convertible Instruments as on 31st March, 2019.

Commodity Price Risk and commodity hedging activities:

Presently, the Company is not dealing in commodities and commodity hedging activities.

Plant Location

S. No	Place	State	Mode
1	Uncha Nagla	Rajasthan	EPC
2	Manoharpur Dausa	Rajasthan	EPC
3	Tonk Swaimadhopur	Rajasthan	EPC
4	Gurgaon-Nuh-(Rajiv chowk)	Rajasthan	EPC
5	Balotra	Rajasthan	EPC
6	Banar Bhopalgarh	Rajasthan	EPC
7	Bhawi - Pipar	Rajasthan	EPC
8	Jodhpur -Marwar Junction	Rajasthan	EPC
9	Kundal to Jhadol	Rajasthan	EPC
10	Sunel 20/0 to 35/775	Rajasthan	EPC
11	Tonk (Gammon)	Rajasthan	BOQ
12	Chittorgarh (Tata) Project	Rajasthan	BOQ
13	Bhilwara-Gulabpura (IRB)	Rajasthan	BOQ
14	Delhi Vadodara	Rajasthan	EPC
15	Nandgaon-Morshi Pkg-1	Maharashtra	EPC
16	Morshi-Wardhariver Pkg-2	Maharashtra	EPC
17	Warud-Katol (60-100) Pkg-3	Maharashtra	EPC
18	Morshi-Achalpur Pkg-4	Maharashtra	EPC
19	Bhandara-Ghotitok (166-205) P-5	Maharashtra	EPC
20	Amdi-Saoner (226-265) P-6	Maharashtra	EPC
21	Kolde-Prakasha-Khetia P-7	Maharashtra	EPC
22	Kaithal (MRM)	Haryana	BOQ
23	Hapur Morradabad	Uttar Pradesh	BOQ
24	Rewari Ateli Mandi	Haryana	HAM
25	Narnual Bypass	Haryana	HAM
26	Runway at Airport at MOPA Goa	Goa	EPC
27	Civil Work (GE MES 19.32 CA 19, GE MES 13.92 CA 36, GE MES 41.80 CA 23, GE MES 12.00 CA 65)	Rajasthan	MES
28	Civil Work (CEJZ/MTR-08/2016-17)	Mathura	MES

Address for Correspondence:

Registrar and Share Transfer Agent

The Company has appointed M/s Link Intime India Pvt. Ltd as Common Agency for share registry work both for electronic and physical mode of shares. Shareholders can make correspondence at the following addresses for share transfer matters and other grievances, if any:-

M/s. Link Intime India Pvt. Ltd
44 Community Center, 2nd Floor,
Naraina Industrial Area, Phase I,
Near PVR, Naraina,
New Delhi – 11002

H.G. Infra Engineering Limited (PART IX)
CIN: L45201RJ2003PLC018049

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

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

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

Credit Rating

HGIEL financial discipline and prudence is reflected in the strong credit rating ascribed by rating agencies. The Table below depicts the Credit Rating profile:

Instrument	Rating Agencies	Previous Rating	Current Rating
Long Term Credit	ICRA	ICRA A-	ICRA A
Short term Credit	ICRA	ICRA A2 +	ICRA A1

Rating Definition:

ICRA A-: Instruments with this rating are considered to have adequate degree of safety regarding timely servicing of financial obligations. Such instruments carry low credit risk. This rating is one notch lower than rating ICRA A.

ICRA A: Instruments with this rating are considered to have adequate degree of safety regarding timely servicing of financial obligations. Such instruments carry low credit risk.

ICRA A1: Instruments with this rating are considered to have very strong degree of safety regarding timely payment of financial obligation. Such instruments carry lowest credit risk.

ICRA A2+: Instruments with this rating are considered to have strong degree of safety regarding timely payment of financial obligations. Such instruments carry low credit risk.

OTHER DISCLOSURES:

Details of Non-Compliance

No Penalty has been imposed by any stock exchange, SEBI, nor has there been any instance of non-compliance with any legal requirements, or on matter relating to the capital market over the last three years.

Establishment of vigil mechanism, whistle blower policy

Pursuant to Section 177(9) and (10) of the Companies Act, 2013, and Regulation 22 of SEBI (LODR) Regulations, 2015, the Company has a Whistle Blower policy for establishing a vigil mechanism for Directors and employees. The policy has been hosted on the website of the Company a https://www.hginfra.com/investors-relation.html#btn-gover. We affirm that no personnel has been denied access to the Audit Committee.

Vigil Mechanism /Whistle Blower Policy

In compliance of Section 177 of the Companies Act, 2013 and as per regulation 22of SEBI (LODR) Amendment, 2018 the Company has formulated Vigil Mechanism/Whistle Blower Policy that aims to provide a channel to the Directors and employees to report genuine concerns about unethical behavior, actual or suspected fraud or violation of the Standards, Code of Conduct or policy adopted by the Company from time to time. HGIEL is committed to conduct its business in accordance with applicable laws, rules and regulations and the highest standards of business ethics and to full and accurate disclosures. The Company believes in the conduct of the affairs of its constituents in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behavior. Any actual or potential violation of these Standards, howsoever insignificant or perceived as such, would be a matter of serious concern for the Company. The role of the Directors, Employees in pointing out such violations of these Standards cannot be undermined.

Compliance with mandatory requirements:

The Company has complied with all mandatory requirements of Regulation 34(3) read with Schedule V of the Listing Regulations.

In compliance with Regulation 34 of the Listing Regulations, a Certificate from the Auditors on its compliances form an integral part of this Annual Report.

Web link where policy for determining 'material' subsidiaries & is disclosed.

The policy has been hosted on the website of the Company at https://www.hginfra.com/investors-relation.html#btn-gover

Disclosure of commodity price risks and commodity hedging activities

The Company has in place a mechanism to inform the Board members about the Risk assessment, mitigation plans and periodical reviews faced by the Company. Risk based internal audit plan is approved by the Audit Committee which also reviews adequacy and effectiveness of the Company's internal Financial controls. The Audit Committee is periodically briefed on the steps taken to mitigate the risks.

The Company does not indulge in commodity hedging activities.

Disclosure with respect to Demat suspense account/ unclaimed suspense account

All the Corporate benefit against those shares like bonus shares, split, dividend etc, would also be transferred to Unclaimed Suspense Account of the Company. The voting rights on shares lying in unclaimed suspense account shall remain frozen till the rightful owner claims the shares.

Presently, the Company does not any unclaimed corporate benefits.

Details of utilization of funds raised through Preferential Allotment or Qualified Institutions placements as specified under Regulation 32 (7A)

During the Year, the company has not made any Preferential Allotment or Qualified Institutions placements as specified under Regulation 32 (7A). Hence, reporting is not applicable to the Company.

A certificate from a Company Secretary in practice that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or

continuing as Directors of Companies by the Board/ Ministry of Corporate Affairs or any such Statutory Authority.

In compliance with Regulation 34 of the Listing Regulations, a Certificate from the Auditors on its compliances forms an integral part of this Annual Report.

Recommendation of any Committee of the Board which is mandatorily required

All the recommendation of the committees are submitted to the Board for their approval. During the year all the recommendation of the Committees were accepted by the Board.

Details of total fees paid to Statutory Auditors

The details of total fees for all services paid by the Company and its subsidiaries, 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, are as follows-

(Amount in ₹ Millions)

Type of service	Fiscal 2018-2019	Fiscal 2017-2018
Audit fees	4.63	6.94
Certification fees	0.98	0.47
Others	0.22	0.48
Total payment to Auditors	**5.83**	**7.89**

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

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

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

During the Financial Year 2018-19 no compliant were received by the Company and the same were investigated in accordance with the procedures prescribed and adequate steps were taken to resolve them.

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

No. of complaints filed during the Financial Year	No. of Complaints disposed of during the Financial Year	No. of Complaints pending as on end of the Financial Year
Nil	Nil	Nil

Non Compliance of Any Requirement of Corporate Governance Report of Sub-Paras (2) To (10) Above, With Reasons Thereof Shall Be Disclosed

The Company has complied all mandatory requirements of Corporate Governance Report of Sub-Para's (2) To (10) above.

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

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

I. Shareholders Rights: Presently the company is not sending half yearly communication.

II. Modified opinion(s) in the Audit Report: It is always the company's endeavor to present unqualified financial statements. There are no audit modified opinions in the company's financial statement for the year under review.

III. Reporting of Internal Auditor: The Internal Auditor is directly reporting to Audit Committee.

Disclosures of the Compliance with Corporate Governance Requirements Specified in Regulation 17 to 27 and Clauses (B) To (I) Of Sub-Regulation (2) of Regulation 46 shall be Made in the section on Corporate Governance of the Annual Report:

Company has complied with the Corporate Governance Requirements specified in Regulation 17 to 27 and in accordance with Regulation 46(2) of Listing Regulations required information has been hosted on the Company's website https://www.hginfra.com/index.html

Code of Conduct for Prevention of Insider Trading:

The Company has adopted a Code of Conduct to regulate, monitor and report trading by insiders under the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015. This Code of Conduct also includes code for practices and Procedures for fair disclosure of unpublished price sensitive information and has been made available on the Company's website at https://www.hginfra.com/index.html

Related Party Transaction:

The Company has entered into certain transactions with its Promoters, Directors and the Management related parties in the ordinary course of business as approved by the shareholders; these transactions do not have any potential conflict with the interests of the Company at large. The Company has complied with the mandatory requirements of Listing regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015 as also with the requirements of Accounting Standard and Companies Act, 2013.

MD & CFO Certification:

The Chairman and Managing Director and the Chief Financial officer of the Company give annual certification on Financial Reporting in terms of Regulation 17(8) of Listing Regulations. a Certificate duly signed by Mr. Harendra Singh, Managing director and Mr. Rajeev Mishra Chief Financial Officer has been obtained. The Certificate is annexed to this Report.

Certificate on Compliance with the Regulation of Corporate Governance:

Certificate from the Company's secretarial Auditor, ATCS and Associates, confirming compliance with condition of corporate governance, as stipulated under Regulation 34 of the Listing Regulation is attached to this report.

DECLARATION:

All the members of the Board and senior Management Personnel of the Company have affirmed due observation of the code of the conduct, framed pursuant to Regulation 26(3) of Listing Regulations with Stock Exchange is so far as it is applicable to them and there is no non-compliance thereof during the year ended March 31, 2019.

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

Harendra Singh
Chairman & Managing Director
DIN-00402458

Place-Jaipur
Date-24.05.2019

Certificate from Company Secretary in Practice

(Pursuant to clause 10 of part C of Schedule V of LODR)

In pursuance of sub clause (i) of clause 10 of part C of Schedule V of the Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirement) regulations, 2015 (LODR) in respect of **H.G. infra Engineering Limited (PART IX) CIN: L45201RJ2003PLC018049** I hereby certify that :

On the basis of the written representation/declaration received from the Directors and taken on record by Board of Directors, as on March 31, 2019, none of the Directors on the board of the Company has been debarred or disqualified from being appointed or continuing as Director of Companies by the SEBI/Ministry of Corporate Affairs or any statutory authority.

For **ATCS & ASSOCIATES**
Company Secretaries

Sd/-
Deepak Arora
Partner
FCS No. 5104
COP No. 3641

Place: Jaipur
Date: 24.05.2019

MD/ CFO CERTIFICATION

To,
The Board of Directors
H.G. INFRA ENGINEERING LIMITED

We the undersigned, in our respective capacities as Managing Director, and Chief Financial Officer of ("the Company") to the best of our knowledge and belief certify that:

1. We have reviewed the Financial Statements and the Cash Flow Statement for the year ended 31st March, 2019 and that to the best of our knowledge and belief, we state that;

   ➢ These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading, and

   ➢ These statements present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.

2. We further state that, to the best of our knowledge and belief, no transactions entered into by the Company during the year, are fraudulent, illegal of the Company's Code of Conduct.

3. We are responsible for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting of the Company and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps that we have taken or propose to take to rectify these deficiencies.

4. We have indicated to the Auditors and the Audit Committee:

   a) Significant changes, if any, in internal control over financial reporting during the year;

   b) Significant changes, if any, in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

   c) Instances of significant fraud of which we 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 or financial reporting.

	Sd/-	Sd/-
Place: Jaipur	**Harendra Singh**	**Rajeev Mishra**
Date: 24.05.2019	Chairman & Managing Director	Chief Financial Officer

DECLARATION OF CODE OF CONDUCT

This is to confirm that the company has adopted a code of conduct for its Board of Directors and Senior Management Personnel. This Code is available at the Company's Registered Office.

For the purposes of this declaration, Senior Management Personnel means the Personnel who are members of the core management team, including persons in the cadre of functional heads and above but excluding Board of Directors as on March 31, 2019.

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

Sd/-
Harendra Singh
Chairman & Managing Director

Place: Jaipur
Date: 24.05.2019

CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members,
H.G. INFRA ENGINEERING LIMITED (PART IX)
[Erstwhile known as H.G. INFRA ENGINEERING PRIVATE LIMITED (PART IX)]
14, PANCHWATI COLONY, RATANADA
JODHPUR – 342001 (Rajasthan)

We have examined the compliance of the conditions of Corporate Governance by H.G. INFRA ENGINEERING LIMITED(PART IX) [Erstwhile known as H.G. INFRA ENGINEERING PRIVATE LIMITED (PART IX)] ("the Company") for the year ended on March 31, 2019, as stipulated under Regulations 17 to 27, clauses (b) to (i) of sub regulation (2) of Regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

The compliance of the conditions of Corporate Governance is the responsibility of the management of the Company. Our examination was limited to the review of procedures and implementation thereof, as adopted by the Company for ensuring compliance with conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended on March 31, 2019.

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

For **ATCS & ASSOCIATES**
Company Secretaries

Sd/-
Deepak Arora
Partner
FCS No. 5104
COP No. 3641

Place: Jaipur
Date: 24.05.2019

Annexure VI to Board's Report

Form No. MR-3

SECRETARIAL AUDIT REPORT

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

To,
The Members,
H.G. INFRA ENGINEERING LIMITED (PART IX)
[Erstwhile known as H.G. INFRA ENGINEERING PRIVATE LIMITED (PART IX)]
14, PANCHWATI COLONY, RATANADA
JODHPUR – 342001 (Rajasthan)

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2019 ('Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2019 according to the provisions of:

(i) The Companies Act, 2013 ('the Act') and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

   (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

   (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

   (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

   (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

   (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the Company during the Audit Period)

   (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 to the Company during the Audit Period)

   (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not applicable as the Company has not bought back/proposed to buy-back any of its securities during the financial year under review.); and

   (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

(vi) As confirmed by the management, there are no sector specific laws that are applicable specifically to the company.

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

i. Secretarial Standards with regard to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India;

ii. The Listing Agreements entered into by the Company with National Stock Exchange of India Limited and BSE Limited and SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except to the extent as mentioned below:-

i. The Company has submitted the Monitoring Agency Report to stock exchange(s) on which its equity shares are listed after the expiry of 45 days from the end of March, 2018 quarter as prescribed in Regulation 16(4) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and Woman Director. 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 Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance as required, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

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

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

i. During the audit period the Company has obtained shareholder's approval in the Annual General Meeting held on 10th Day of September, 2018, for the following items:

    a) Inter corporate Loans and Investment in excess of limit prescribed under Section 186 of the Act not exceeding ₹ 5000 crore (Rupees Five Thousand Crore Only)

    b) Increase in borrowing limits under Section 180 (1) (c) of the Companies Act, 2013 not exceeding ₹ 5000 crore (Rupees Five Thousand Crore Only)

    c) Increase to sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the company under Section 180 (1) (a) of the Companies Act, 2013 not exceeding ₹ 5000 crore (Rupees Five Thousand Crore Only)

    d) Approval of Employee Stock Option Plan 2018 and to extend the Employee Stock Option Plan 2018 to the Employee(s) of Subsidiary Company.

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

For ATCS & ASSOCIATES
Company Secretaries

Sd/-
Deepak Arora
Partner
FCS No. 5104
COP No. 3641

Place: Jaipur
Date: 24.05.2019

Annexure A

To,
The Members,
H.G. INFRA ENGINEERING LIMITED (PART IX)
[Erstwhile known as H.G. INFRA ENGINEERING PRIVATE LIMITED (PART IX)]
14, PANCHWATI COLONY, RATANADA
JODHPUR – 342001 (Rajasthan)

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

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

For ATCS & ASSOCIATES
Company Secretaries

Sd/-
Deepak Arora
Partner
FCS No. 5104
COP No. 3641

Place: Jaipur
Date: 24.05.2019

Annexure VII to Board's Report

PARTICULAR OF EMPLOYEES

(A) Information as per Rule 5(1) of the companies (Appointment and remuneration of Managerial Personnel) Rules, 2014

1. Ratio of Remuneration of Directors to Median Remuneration of Employee:

S. No.	Name	Designation	Remuneration of Director/KMP for the Financial Year 2018-19	Ratio of Remuneration to MRE[1] (Median Remuneration of Employee)	% increase / (decrease) in Remuneration
A	B	C	D	E	F
01.	Mr. Harendra Singh	Managing Director	2,16,00,000/-	128	0.00
02.	Mr. Vijendra Singh	Whole Time Director	1,20,00,000/-	71.11	0.00
03.	Mr. Dinesh Kumar Goyal[1]	Non-Executive Director	27,00,000/-	16	NA
04.	Mr. Ashok Kumar Thakur[2]	Independent Director	3,30,000/-	0.00	NA
05.	Mrs. Pooja Hemant Goyal[2]	Independent Director	2,20,000/-	0.00	NA
06.	Mr. Onkar Singh[2]	Independent Director	3,70,000/-	0.00	NA
07.	Mr. Rajeev Mishra	Chief Financial Officer	20,46,000/-	12.12	10
08.	Ms. Ankita Mehra	Company Secretary	4,38,000/-	2.60	37.74
09.	Mr. Girishpal Singh[3]	Non-Executive Director	80,000/-	0.00	NA

[1] Mr. Dinesh Kumar Goyal was appointed as Executive Director on 23rd May, 2018 and during the year designation of Mr. Dinesh Kumar Goyal changed from Executive to Non-Executive Director w.e.f. 25th January, 2019. Further, remuneration shown in above table is upto 25th January, 2019 and after that he has been paid Professional Fees of ₹ 1,00,000/- per month (which is not shown in above table)

[2] Independent Director of the Company are entitled for sitting fees as per the statutory provisions of the Companies Act, 2013 and within the limit. The Details of sitting fees of Independent Director are provided in the Corporate Governance report. The ratio of remuneration and percentage increase for Independent Directors is not considered for the purpose above.

[3] During the Financial year Mr. Girishpal Singh has resigned from the post of Non-Executive directorship w.e.f. 23rd May, 2018 and has been paid Sitting Fees. Hence ratio of remuneration and percentage increase for Non-Executive Director is not considered for the purpose above.

2. The percentage increase in gross remuneration of CFO was 10% and of Company Secretary was 37.74% during the year

3. The median remuneration of employees of the Company during the Financial Year was ₹ 1,68,750/- per annum and ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year is provided in the column E of given table.

   However, the Company is working in Infrastructure sector and major employees of the Company are in unskilled category i.e. Labour and Driver etc. Hence, the ratio of remuneration of each director to the median remuneration of the employees of the Company is generally high.

4. Number of permanent employees on the rolls of Company was 3359 employees as on 31st March, 2019.

5. There is increase of 19.71% in average salary of employees other than the managerial personnel during the financial year as compared to previous year, while 12.62% increase in average salary of managerial personnel during the financial year as compared to previous year.

6. It is hereby affirmed that the remuneration paid is as per the Policy for Remuneration of the Directors, Key Managerial Personnel and other Employees.

   Justification: To value the significant leadership of KMP's and Joint contribution of all staff, Company has rewarded them with substantial raise in remuneration resulting in hike of 12.62% for KMP's and 19.71% of all staff (other than KMP's)

(B) Information as per Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

a) Details of Top ten employees as per remuneration as on 31st March, 2019:

S. No.	Employee Name	Designation, nature of Employment	Educational Qualification	Age (years)	Experience (Years)	Date of joining	Remuneration Paid	Previous Employer	Relation with Director or manager if any
01.	Harendra Singh	Managing Director	BE (Civil)	52	25	21.01.2003	2,16,00,000/-	-	Brother of Vijendra Singh-Director
02.	Vijendra Singh	Whole Time Director	Basic Education	54	27	21.01.2003	1,20,00,000/-	-	Brother of Harendra Singh-Managing Director
03.	Vaibhav Choudhary	Project Controller	MBA	32	13	01.04.2009	84,00,000/-	-	Son of Promoter
04.	Raja Dutta	Chief Operating Officer	Global Leadership Developmental Program (GLDP), MBA, QPMP-Level D, BE (Civil/ Construction)	44	22	09.05.2018	72,54,678/-	L & T	
05.	Sudhir Jain	Assistant Vice President	BE (Civil)	56	30	06.09.2014	41,51,109/-	L&T IDPL	-
06.	Vibhav Pathak	Assistant Vice President	BE (Civil)	53	27.1	19.04.2017	43,38,907/-	Oriental Structural	-
07.	Vinod Kumar Agrawal	Assistant Vice President	ICWA & M. Com	52	32	03.12.2016	37,57,314/-	Kalpatru Group	-
08.	Abhay Madhukar Paratkar	Assistant Vice President	BE (Civil)	51	27	29.01.2018	35,99,065/-	IL & FS	-
09.	C.P. Kasture	Vice President	BE (Civil)	61	40	15.05.2017	34,71,250/-	Sunil Hitech Engineers Ltd	-
10.	Rakesh Kumar Shivran	Sr. General Manager	ME (Transportation) & BE (Civil)	46	22	19.04.2010	35,59,705/-	SNC Lavalin	-

1. There are no Employees employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the Managing Director or Whole-time Director or Manager and who holds by himself/herself or along with his/her spouse and dependent children, not less than two percent of the equity shares of the company.

2. Except Mr. Harendra Singh, Managing Director, Mr. Vijendra Singh, Whole Time Director and Mr. Vaibhav Choudhary son of promoter holds more than 2% paid up capital of the Company i.e. 22.02%, 17.99% and 2.07% respectively and further no other employee of the Company hold such percentage of equity shares within the meaning of clause (iii) of rule 5(2) of the Companies(Appointment and Remuneration of Managerial Personnel) Rules, 2014

b) (i) Employees specified at **Sr. No. 1 and 2** was falling under criteria prescribed in Rule 5(2)(i) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

(ii) No employee of the Company was falling under criteria prescribed in Rule 5(2)(ii) & 5(2)(iii) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

FINANCIAL SECTION

Independent Auditor's Report

To
The Members of
H. G. Infra Engineering Limited

Report on the audit of the Standalone financial statements

Opinion

1. We have audited the accompanying standalone financial statements of H. G. Infra Engineering Limited ("the Company"), which comprise the balance sheet as at March 31, 2019, and the statement of Profit and Loss (including Other Comprehensive Income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information, in which are incorporated 4 jointly controlled operations as referred to in Note 49 in the standalone financial statements.

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and profit, changes in equity and its cash flows for the year ended on that date.

Basis for opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities 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 together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Estimation of contract cost and revenue recognition (Refer to note 1(f)(i), 2(d), 28 and 50 of the standalone financial statements) Contract revenue amounting to ₹ 20,089.46 Million for engineering, procurement and construction contracts which usually extends over a period of 2-3 years, contract prices are fixed / subject to price variance clauses. The contract revenue is measured based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs, except where this would not be representative of the stage of completion. This method requires the Company to perform an initial assessment of total estimated cost and further, reassess the total construction cost at each reporting period to determine the appropriate percentage of completion.	Our procedures over the recognition of construction revenue included the following: • Understood and evaluated the design and tested effectiveness of key internal financial controls, including those related to review and approval of estimated project cost and review of provision for estimated loss by the authorised representatives. • For sample of contracts, we obtained the percentage of completion calculations, agreed key contractual terms back to signed contracts, tested the mathematical accuracy of the cost to complete calculations and re-performed the calculation of revenue recognized during the year based on the percentage of completion. • For costs incurred to date, we tested samples to appropriate supporting documentation and performed cut off procedures.

Key audit matter	How our audit addressed the key audit matter
On transition to Indian Accounting Standard (IND AS) 115, Revenue from Contracts with Customers w.e.f. April 1, 2018, the management has performed a detailed evaluation of the implications under the new standard and has concluded that there are no material implications on account of applicability of Ind AS 115 on revenue recognition. We considered the estimation of construction contract cost as a key audit matter given the involvement of significant management judgement which has consequential impact on revenue recognition.	• To test the forecasted cost to complete, we obtained the breakdown of forecasted costs and tested elements of the forecast by obtaining executed purchase orders and agreements, evaluating reasonableness of management's judgements / and assumptions using past trends and comparing the estimated costs to the actual costs incurred for the similar completed projects. • Checked the implications and related disclosures in the financial statements pursuant to applicability of Ind AS 115. Based on the procedures performed above, we considered manner of estimation of contract cost and recognition of revenue to be reasonable.
Valuation of accounts receivable (including contract assets) in view of risk of credit losses (Refer to the Note 38, Note 52, Note 6 and Note 10 – Trade receivables). Accounts receivables is a significant item in the Company's standalone financial statements amounting to ₹ 7,924.42 Million as of March 31, 2019 and provisions for impairment of receivables is an area which is influenced by management's estimates and judgment. The provision for impairment of receivables amounted to ₹ 85.24 million (whereof new provisions amounted to ₹ 85.24 million for financial year 2018-19). The Company has a concentration of credit exposure on certain customers, which include government and private organisations as well where there are delays in collections due to various reasons. Further, there is a legal case with respect to one government organisation. The management has assessed the appropriateness of provisions recognised, as applicable, on receivables, basis factors such as the credit risk of the customer, status of the project, discussions with the customers and contractual terms. This involves significant judgement. Given the relative significance of these receivables to the financial statements and the nature and extent of audit procedures involved to assess the recoverability of receivables, we determined this to be a key audit matter.	Our audit incorporated the following procedures, among others, with regards to provisioning of receivables; • Understanding, Evaluating the design and testing the operating effectiveness of key controls in relation to determination of estimated credit loss. • Obtaining confirmation from parties, on a sample basis, with respect to outstanding balances. • Inquiry procedures with senior management of the Company regarding status of collectability of the receivable. • For material balances, the basis of provision was discussed with the audit committee. • Review of correspondences with the customers. • Assessing the inputs used by the Management to determine the amount of allowances by considering factors such as credit risk of the customer, cash collections, past history and status of the project, and correspondence with customers. Based on our work as stated above, no significant deviations were observed in respect of management's assessment of valuation of accounts receivables.

Other Information

5. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the annual 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 in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

   We have nothing to report in this regard.

Responsibilities of management for the standalone financial statements

6. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of 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.

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

Auditor's responsibilities for the audit of the standalone financial statements

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

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

   - Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

   - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.

   - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

   - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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.

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

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

12. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure

about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

13. We did not audit the financial statements of 4 jointly controlled operations whose financial statements reflect total assets of ₹ 50.13 million and net assets of ₹ 15.24 million as at March 31, 2019, total revenue of ₹ 751.35 million, net profit before tax of ₹ 4.69 million and net cash flows amounting to ₹ 7.40 million for the year ended on that date, as considered in the standalone Ind AS financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion on the standalone Ind AS financial statements insofar as it relates to the amounts and disclosures included in respect of these jointly controlled operations and our report in terms of sub-section (3) of Section 143 of the Act including report on Other Information insofar as it relates to the aforesaid jointly controlled operations, is based solely on the reports of the other auditors.

    Our opinion is not modified in respect of this matter.

Report on other legal and regulatory requirements

14. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

15. As required by Section 143(3) of the Act, we report that:

    (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

    (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and report of other auditors.

    (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and Cash Flow Statement dealt with by this Report are in agreement with the books of account of the Company and jointly controlled operations.

    (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

    (e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 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".

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

        i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 45 and 52 to the standalone financial statements;

        ii. The Company assesses periodically the foreseeable losses on all its long term contracts. As at end of the year under report there were no such foreseeable losses. The Company did not have any derivative contracts as at the date of Balance sheet.

        iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

        iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2019.

For Price Waterhouse & Co Chartered Accountant LLP
Firm Registration Number: 304026E/E-300009

Priyanshu Gundana
Partner
Membership Number: 109553

Place: Jaipur
Date: May 24, 2019

Annexure A to Independent Auditors' Report

Referred to in paragraph 15(f) of the Independent Auditors' Report of even date to the members of H.G. Infra Engineering Limited on the standalone financial statements for the year ended March 31, 2019

Report on the Internal Financial Controls with reference to standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls with reference to standalone financial statements of H.G. Infra Engineering Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date. Reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of the adequacy of internal financial controls over financial reporting is not applicable to 4 jointly controlled operations.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to standalone financial statements.

Meaning of Internal Financial Controls with reference to standalone financial statements

6. A company's internal financial controls with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to standalone financial statements

7. Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or

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

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 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 Price Waterhouse & Co Chartered Accountant LLP
Firm Registration Number: 304026E/E-300009

Priyanshu Gundana
Partner
Membership Number: 109553

Place: Jaipur
Date: May 24, 2019

Annexure B to Independent Auditors' Report

Referred to in paragraph 14 of the Independent Auditors' Report of even date to the members of H.G. Infra Engineering Limited on the standalone financial statements as of and for the year ended March 31, 2019

1. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.

   (b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.

   (c) The title deeds of immovable properties, as disclosed in Note 3 on fixed assets to the standalone financial statements, are held in the name of the Company.

2. The physical verification of inventory have been conducted at reasonable intervals by the Management during the year. The discrepancies noticed on physical verification of inventory as compared to book records were not material.

3. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.

4. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of the loans and investments made, and guarantees and security provided by it. Also refer note 47 of the standalone financials statements.

5. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.

6. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

7. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of provident fund, Employees' state insurance, income tax and goods and service tax though there has been a slight delay in a few cases and and is regular in

depositing undisputed statutory dues in respect of, professional tax, as applicable, with the appropriate authorities. Also refer note 45(b) to the financial statements regarding management's assessment on certain matters relating to provident fund.

(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income-tax, sales tax, service-tax, duty of customs, and duty of excise or value added tax or goods and service tax which have not been deposited on account of any dispute.

8. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank or Government or dues to debenture holders as at the balance sheet date.

9. In our opinion, and according to the information and explanations given to us, the moneys raised by way of initial public offer (IPO) and term loans have been applied for the purposes for which they were obtained except in case of IPO funds amounting to ₹ 265.85 Million pending utilization, the amounts have been parked in fixed deposits and current account with bank. (Refer Note 17 (g))

10. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.

11. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

12. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.

13. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act.

14. The Company has not entered into any non cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.

15. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For Price Waterhouse & Co Chartered Accountant LLP
Firm Registration Number: 304026E/E-300009

Priyanshu Gundana
Partner
Membership Number: 109553

Place: Jaipur
Date: May 24, 2019

Standalone Balance Sheet as at March 31, 2019

(Amount in ₹ Millions)

Particulars	Note	As at March 31, 2019	As at March 31, 2018
ASSETS			
Non-current assets			
Property, plant and equipment	3	4,584.83	4,114.28
Capital work-in-progress	3	-	85.73
Intangible assets	4	34.09	4.74
Financial assets			
i. Investment	5	200.00	-
ii. Trade receivables	6	29.70	48.54
iii. Other financial assets	7	119.63	142.13
Deferred tax assets	36(b)	83.79	61.30
Non-currrent tax assets	36(e)	11.01	15.75
Other non-current assets	8	78.21	185.92
Total non-current assets		**5,141.26**	**4,658.39**
Current assets			
Inventories	9	1,160.97	1,067.53
Financial assets			
i. Trade receivables	10	6,213.97	4,294.28
ii. Cash and cash equivalents	11	30.99	64.18
iii. Bank balances other than (ii) above	12	971.26	2,225.13
iv. Loans	13	12.91	2.58
v. Other financial assets	14	-	2,032.82
Contract assets	15	1,595.51	-
Other current assets	16	554.03	499.44
Total current assets		**10,539.64**	**10,185.96**
Total assets		**15,680.90**	**14,844.35**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	17	651.71	651.71
Other equity			
Reserves and surplus	18	5,940.35	4,756.92
Total equity		**6,592.06**	**5,408.63**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
i. Borrowings	19	593.13	1,246.98
ii. Trade Payables	20	533.09	487.85
Employee benefit obligations	21	41.75	0.73
Total non-current liabilities		**1,167.97**	**1,735.56**
Current liabilities			
Financial liabilities			
i. Borrowings	22	1,823.42	1,761.73
ii. Trade payables			
(a) total outstanding dues of micro and small enterprises	23	56.65	-
(b) total outstanding dues other than (ii) (a) above	23	3,404.14	2,793.43
iii. Other financial liabilities	24	1,435.58	1,332.89
Contract liabilities	25	872.55	-
Employee benefit obligations	26	121.04	92.60
Other current liabilities	27	52.78	1,671.76
Current tax liabilities	36(d)	154.72	47.75
Total current liabilities		**7,920.87**	**7,700.16**
Total liabilities		**9,088.84**	**9,435.72**
Total equity and liabilities		**15,680.90**	**14,844.35**

The above standalone balance sheet should be read in conjunction with the accompanying notes.
As per our report of even date.

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration No. 304026E / E-300009

Priyanshu Gundana
Partner
Membership Number: 109553

Place: Jaipur
Date: May 24, 2019

For and on behalf of the Board of Directors
H. G. Infra Engineering Limited
CIN: L45201RJ2003PLC018049

Harendra Singh
Chairman and Managing Director
DIN: 00402458

Rajeev Mishra
Chief Financial Officer

Ankita Mehra
Company Secretary
Membership No: A33288

Standalone Statement of Profit and Loss for the year ended March 31, 2019

(Amount in ₹ Millions)

Particulars	Note	Year ended March 31, 2019	Year ended March 31, 2018
Revenue from operations	28	20,098.32	13,927.25
Other income	29	115.17	46.66
Total income		**20,213.49**	**13,973.91**
Expenses			
Cost of materials consumed	30	8,919.31	5,462.38
Contract and site expenses	31	6,665.36	5,474.70
Employee benefits expense	32	1,191.06	761.44
Finance costs	33	490.29	400.59
Depreciation and amortisation expense	34	754.54	539.17
Other expenses	35	290.48	148.03
Total expenses		**18,311.04**	**12,786.31**
Profit before tax		**1,902.45**	**1,187.60**
Income tax expense			
- Current tax	36(a)	689.26	383.74
- Deferred tax	36(a)	(22.49)	(38.78)
Total tax expense		**666.77**	**344.96**
Profit after tax		**1,235.68**	**842.64**
Other comprehensive income			
Items that may be reclassified to profit or loss		-	-
Items that will not be reclassified to profit or loss			
Remeasurements of post-employment benefit obligations		(19.92)	(1.45)
Income tax relating to these items		6.96	0.51
Other comprehensive income for the year		**(12.96)**	**(0.94)**
Total comprehensive income for the year		**1,222.72**	**841.70**
Earnings per equity share of ₹10 each	48		
Basic earnings per share (Amount in ₹)		18.96	15.39
Diluted earnings per share (Amount in ₹)		18.96	15.39

The above standalone statement of profit and loss should be read in conjunction with the accompanying notes.
As per our report of even date.

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration No. 304026E / E-300009

Priyanshu Gundana
Partner
Membership Number: 109553

Place: Jaipur
Date: May 24, 2019

For and on behalf of the Board of Directors
H. G. Infra Engineering Limited
CIN: L45201RJ2003PLC018049

Harendra Singh
Chairman and Managing Director
DIN: 00402458

Rajeev Mishra
Chief Financial Officer

Ankita Mehra
Company Secretary
Membership No: A33288

Standalone Cash Flow Statement for the year ended March 31, 2019

(Amount in ₹ Millions)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
A) Cash flow from operating activities		
Profit before tax	1,902.45	1,187.60
Adjustments for:		
Depreciation and amortisation expense	754.54	539.17
Interest Income from financial assets of amortised cost	(91.81)	(37.73)
Loss allowances	85.24	-
Net gain/ (loss) on disposal of property, plant and equipment	(0.10)	1.32
Net unrealised (gain) / loss on exchange differences	-	7.78
Net finance costs	490.29	400.59
Operating Profit before Working Capital Changes	**3,140.61**	**2,098.73**
Changes in working capital:		
(Increase) in trade receivables	(1,986.09)	(2,504.97)
(Increase) in inventories	(93.44)	(575.49)
(Increase) / decrease in other current financial assets	2,032.82	(1,741.92)
(Increase) in contract assets (Refer note 50.4)	(1,595.51)	-
(Increase) / decrease in other current assets	(54.59)	(203.14)
(Increase) in other non current financial assets	(12.25)	(10.54)
Decrease in other non current assets	13.17	11.76
Increase in trade payables	712.60	2,116.44
Increase in contract liabilities (Refer note 50.4)	872.55	-
Increase / (decrease) in other current financial liabilities	(29.07)	14.45
(Decrease) / increase in other current liabilities	(1,618.99)	1,076.32
Increase in employee benefit obligations	56.50	44.87
Decrease in current loans	-	7.33
Cash generated from operations	1,438.31	333.84
Income taxes paid (Net of refunds)	(577.55)	(411.59)
Net cash generated from / (used in) Operating Activities	**860.76**	**(77.75)**
B) Cash Flow From Investing Activities		
Investment in a subsidiary	(200.00)	-
Payment for property, plant and equipment	(1,288.35)	(2,584.51)
Sale of property, plant and equipment	6.37	61.64
Fixed deposits (placed) / redemption of fixed deposits (Net)	1,288.62	(1,976.86)
Interest received	91.81	37.73
Loan to employees and related parties	(10.33)	-
Net Cash (used in) Investing Activities	**(111.88)**	**(4,462.00)**

Standalone Cash Flow Statement for the year ended March 31, 2019

(Amount in ₹ Millions)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
C) Cash Flow From Financing Activities		
Proceeds from / (Repayment) of Borrowings (Net)	(65.81)	1,214.33
Proceeds from / (Repayment) of Loans taken from Directors (Net)	(188.62)	807.17
Proceeds from Issue of Shares	-	3,000.00
Dividend paid to Company's shareholders (including dividend distribution tax of ₹ 6.70 million)	(39.29)	-
Share Issue Costs	-	(194.42)
Finance cost paid	(488.35)	(393.46)
Net Cash generated from Financing Activities	**(782.07)**	**4,433.62**
Net increase in cash and cash equivalents	**(33.19)**	**(106.13)**
Cash and Cash Equivalents as at the beginning of the year	64.18	170.31
Cash and cash equivalents at the end of the year	**30.99**	**64.18**
Reconciliation of Cash and cash equivalents as per the cash flow statement		
Cash and cash equivalents comprise of the following:		
Cash on hand	3.24	4.82
Bank Balance on current account	27.75	59.36
Total	30.99	64.18

The above statement of cash flow should be read in conjunction with the accompanying notes.

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration No. 304026E / E-300009

Priyanshu Gundana
Partner
Membership Number: 109553

Place: Jaipur
Date: May 24, 2019

For and on behalf of the Board of Directors
H. G. Infra Engineering Limited
CIN: L45201RJ2003PLC018049

Harendra Singh
Chairman and Managing Director
DIN: 00402458

Rajeev Mishra
Chief Financial Officer

Ankita Mehra
Company Secretary
Membership No: A33288

Standalone Statement of Changes in Equity for the year ended March 31, 2019

A. Equity share capital

(Amount in ₹ Millions)

Particulars	Amount
As at March 31, 2017	180.20
Changes in equity share capital (Refer Note 17(d) and 17(g))	471.51
As at March 31, 2018	651.71
Changes in equity share capital	-
As at March 31, 2019	651.71

B. Other equity

(Amount in ₹ Millions)

Particulars	Attributable to owners of H.G. Infra Engineering Limited		
	Reserves and surplus		Total other equity
	Securities premium reserve	Retained earnings	
As at April 1, 2017	**-**	**1,581.15**	**1,581.15**
Profit for the year	-	842.64	842.64
Items that will not be reclassified to profit or loss			
Add: Remeasurements of post-employment benefit obligations	-	(1.45)	(1.45)
Less: Income tax relating to these items	-	0.51	0.51
Total comprehensive income for the year	**-**	**841.70**	**841.70**
Issue of equity shares (Initial public offering - net of transaction costs - Refer Note 17(g))	2,694.47	-	2,694.47
Less: Bonus share issue (Refer Note 17(d))	-	360.40	360.40
As at March 31, 2018	**2,694.47**	**2,062.45**	**4,756.92**
Profit for the year	-	1,235.68	1,235.68
Items that will not be reclassified to profit or loss			
Add: Remeasurements of post-employment benefit obligations	-	(19.92)	(19.92)
Less: Income tax relating to these items	-	6.96	6.96
Total comprehensive income for the year	**-**	**1,222.72**	**1,222.72**
Less: Dividend Paid	-	32.59	32.59
Less: Dividend distribution tax	-	6.70	6.70
As at March 31, 2019	**2,694.47**	**3,245.88**	**5,940.35**

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration No. 304026E / E-300009

Priyanshu Gundana
Partner
Membership Number: 109553

Place: Jaipur
Date: May 24, 2019

For and on behalf of the Board of Directors
H. G. Infra Engineering Limited
CIN: L45201RJ2003PLC018049

Harendra Singh
Chairman and Managing Director
DIN: 00402458

Rajeev Mishra
Chief Financial Officer

Ankita Mehra
Company Secretary
Membership No: A33288

Background

H.G. Infra Engineering Limited ("the Company") is a public limited Company listed on the Bombay Stock Exchange and National Stock Exchange on March 9, 2018 (Refer note 17(g)). Its registered office is at 14, Panchwati Colony, Ratanada, Jodhpur – 342001, Rajasthan, India.

The Company is engaged in Engineering, Procurement and Construction (EPC), Maintenance of roads, bridges, flyovers and other infrastructure contract works.

These financial statements were authorized to be issued by the board of directors on May 24, 2019.

Note 1 Significant Accounting Policies

This note provides a list of the significant accounting policies adopted in the preparation of these standalone financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of preparation

(i) Compliance with Ind AS

The financial statements of the Company comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) read with Rule 4 of the Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act.

(ii) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:

- Certain financial assets and financial liabilities measure at fair value;
- Assets held for sale – Measured at fair value less cost to sell; and
- defined benefit plans - plan assets measured at fair value

(iii) Standards issued but not yet effective

In March 2019, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) Second Amendment Rules, 2019, notifying Ind AS 116, 'Leases'. This will replace Ind AS 17, Leases. Ind AS 116 sets out the principles of recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases on their balance sheet. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets and 'short term' leases. At the commencement date of a lease, lessees are required to recognise a lease liability for the obligation to make lease payments and a right-to-use asset for the right to use the underlying asset for the lease term. Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-to-use asset.

The new standard is mandatory for financial years commencing on or after April 1, 2019. The standard permits either full retrospective or a modified retrospective approach for the adoption. The Company plans to adopt Ind AS 116 using modified retrospective approach.

The Company is in the process of identifying and implementing changes to our processes to meet the standard's updated reporting and disclosure requirements, as well as evaluating the internal control changes required, if any, during the implementation and continued application of new standard. The Company will elect to use the exemptions proposed by the standard on lease contracts for which the lease terms ends within 12 months as on the date of initial application, and lease contracts for which the underlying asset is of low value.

(iv) New and amended standards adopted by the Company

The Company has applied the following standards and amendments for the first time for their annual reporting period commencing April 1, 2018:

- Ind AS 115, Revenue from Contracts with Customers
- Appendix B, Foreign Currency Transactions and Advance Consideration to Ind AS 21, The Effects of Changes in Foreign Exchange Rates

- Amendment to Ind AS 12, Income Taxes
- Amendment to Ind AS 28, Investments in Associates and Joint Ventures and Ind AS 112, Disclosure of Interests in Other Entities

There is no material impact of Ind AS 115, Revenue from Contracts with Customers on the Company (Refer note 50) except related to disclosures in the financial statement. Other amendments listed above does not have any material impact on the current period and are not expected to significantly affect the future period.

(b) Operating Cycle

Assets and liabilities other than those relating to long-term contracts (i.e. construction contracts) are classified as current if it is expected to realize or settle within 12 months after the balance sheet date.

(c) Joint control operation

The Company recognises its direct right to the assets, liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been incorporated in the financial statements under the appropriate headings. Details of the joint operation are set out in note 49.

(d) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM). The Managing Director of the Company has been identified as CODM and he assesses the financial performance and position of the Company, and makes strategic decisions. Refer Note 40 for segment information.

(e) Foreign currency translation

(i) Functional and presentation currency

Items included in the standalone financial statements of the entity are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The standalone financial statements are presented in Indian rupee, which is Companies functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognized in profit or loss.

(f) Revenue recognition

The Company derives revenue principally from following streams:

- Construction contracts
- Sale of Services (Operation and Maintenance contracts)
- Sale of products (Revenue from sale of processed aggregates)

(i) Construction contracts

The Company recognises revenue from engineering, procurement and construction contracts ('EPC') over the period of time, as performance obligations are satisfied over time due to continuous transfer of control to the customer. EPC contracts are generally accounted for as a single performance obligation as it involves complex integration of goods and services.

The performance obligations are satisfied over time as the work progresses. The Company recognises revenue using input method (i.e percentage-of-completion method), based primarily on contract cost incurred to date compared to total estimated contract costs. Changes to total estimated contract costs, if any, are recognised in the period in which they are determined as assessed at the contract level. If the consideration in the contract includes price variation clause or there are amendments in contracts, the Company estimates the amount of consideration to which it will be entitled in exchange for work performed.

Due to the nature of the work required to be performed on many of the performance obligations, the estimation of total revenue and cost at completion is complex, subject to many variables and requires significant judgment. Variability in the transaction price arises primarily due to liquidated damages, price variation clauses, changes in scope, incentives, discounts, if any. The Company considers its experience with similar transactions and expectations regarding the contract in estimating the amount of variable consideration to which it will be entitled and determining whether the estimated variable consideration should be constrained. The Company includes estimated amounts in the transaction price to the extent it is probable that a significant reversal of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is resolved. The estimates of variable consideration are based largely on an assessment of anticipated performance and all information (historical, current and forecasted) that is reasonably available.

Progress billings are generally issued upon completion of certain phases of the work as stipulated in the contract. Billing terms of the over-time contracts vary but are generally based on achieving specified milestones. The difference between the timing of revenue recognised and customer billings result in changes to contract assets and contract liabilities. Payment is generally due upon receipt of the invoice, payable within 90 days or less. Contractual retention amounts billed to customers are generally due upon expiration of the contract period.

The contracts generally result in revenue recognised in excess of billings which are presented as contract assets on the statement of financial position. Amounts billed and due from customers are classified as receivables on the statement of financial position. The portion of the payments retained by the customer until final contract settlement is not considered a significant financing component since it is usually intended to provide customer with a form of security for Company's remaining performance as specified under the contract, which is consistent with the industry practice. Contract liabilities represent amounts billed to customers in excess of revenue recognised till date. A liability is recognised for advance payments and it is not considered as a significant financing component because it is used to meet working capital requirements at the time of project mobilisation stage. The same is presented as contract liability in the statement of financial position.

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by management.

For construction contracts the control is transferred over time and revenue is recognised based on the extent of progress towards completion of the performance obligations. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

(ii) Sale of Services operation and maintenance contracts

Revenue from providing operating and maintenance services is recognised in the accounting period in which the services are rendered. Invoices are issued according to contractual terms and are usually payable as per the credit period agreed with the customer.

(iii) Sale of products (Revenue from sale of processed aggregates.)

Revenue from sale of products is recognised upon satisfaction of performance obligations, i.e. at a point of time, which occurs when the control is transferred to the customer.

(iv) Insurance claims

Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect ultimate collection.

(v) Other income

All other income is accounted on accrual basis when no significant uncertainty exist regarding the amount that will be received.

(g) Income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences.

(i) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. The provision for current tax is made at the rate of tax as applicable for the income of the previous year as defined under the Income tax Act, 1961.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

(ii) Deferred tax

Deferred tax is recognized using the Balance Sheet approach on temporary differences at the reporting date arising between the tax bases of assets and liabilities and their carrying amounts as per standalone financial statements as at the reporting date.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, depreciation carry-forwards and unused tax credits could be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax assets to be recovered.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Current and deferred tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

(h) Leases

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the company are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

(i) Impairment of non-financial assets

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

(j) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

(k) Trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Company holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance.

(l) Inventories

Inventories are stated at lower of cost and net realizable value.

Cost of raw material, stores and spare parts and construction materials includes cost of purchases and other cost incurred in bringing the inventories to the present location and condition. Cost is determined using weighted average method.

Cost of work-in-progress comprises of raw material, direct labour, other direct costs and an appropriate proportion of variable and fixed overhead expenditure. Cost is determined using weighted average method.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to complete the contract.

(m) Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognized for any initial or subsequent write-down of the asset to fair value less costs to sell. A gain is recognized for any subsequent increases in fair value less costs to sell of an asset, but not in excess of any cumulative impairment loss previously recognized. A gain or loss not previously recognized by the date of the sale of the non-current asset is recognized at the date of de-recognition.

Non-current assets are not depreciated or amortized while they are classified as held for sale.

Non-current assets classified as held for sale are presented separately from the other assets in the balance sheet.

(n) Investments

Investment in equity shares of subsidiaries are measured at cost. Investments in equity instruments are measured at fair value through other comprehensive income.

The Company classifies its financial assets in the measurement categories as those to be measured subsequently at fair value (through other comprehensive income or through profit and loss) and those measured at amortised cost. The classification depends on the Company's business model for managing the financial asset and the contractual terms of the cash flows. (Refer note 1(o))

(o) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument.

Financial Assets:

Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through the Statement of Profit or Loss), and
- those measured at amortized cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

Initial recognition and measurement

Financial assets are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through Statement of Profit or Loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed of in the Statement of Profit or Loss.

Subsequent measurement

After initial recognition, financial assets are measured at:

- fair value (either through other comprehensive income or through profit or loss), or
- amortized cost

Debt instruments

Subsequent measurement of debt instruments depends on the Company business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

- Amortized Cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains / (losses). Impairment losses are presented as separate line item in the statement of profit and loss.

- Fair Value through Other Comprehensive Income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses, which are recognized in the Statement of Profit and Loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

- Fair Value through Profit or Loss (FVTPL): Assets that do not meet the criteria for amortized cost or FVOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss is recognized in profit or loss in the period in which it arises. Interest income from these financial assets are recognized in the Statement of profit and loss.

Equity instruments

The Company subsequently measures all equity investments at fair value. Where the Company management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments are recognised in profit or loss as other income when the Company right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in other gain/ (losses) in the statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Impairment of Financial Assets

Assets are tested for impairment on an annual basis and whenever there is an indication that the recoverable amount is less than its carrying amount based on a number of factors including operating results, business plans, future cash flows and economic conditions. The recoverable amount is determined based on higher of value-in-use and fair value less cost to sell.

Market related information and estimates are used to determine the recoverable amount. Key assumptions on which management has based its determination of recoverable amount include estimated long term growth rates, weighted average cost of capital and estimated operating margins. Cash flow projections take into account past experience and represent management's best estimate about future developments.

Impairment of Trade Receivables

The impairment provisions for trade receivables are based on assumption about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculations, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

Derecognition of Financial Assets

A financial asset is derecognized only when:

- the Company has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognized. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognized.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognized if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognized to the extent of continuing involvement in the financial asset.

Income Recognition

Interest income

Interest income from financial assets at fair value through profit or loss is disclosed as interest income within other income. Interest income on financial assets at amortised cost and financial assets at FVOCI is calculated using the effective interest method is recognised in the statement of profit and loss as part of other income.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

Financial Liabilities:

Initial recognition and measurement

Financial liabilities are initially measured at its fair value plus or minus, in the case of a financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the issue/origination of the financial liability.

Subsequent Measurement

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held- for- trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in statement of profit and loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in statement of profit and loss. Any gain or loss on derecognition is also recognized in statement of profit and loss.

Derecognition

A financial liability is derecognized when the obligation specified in the contract is discharged, cancelled or expires.

(p) Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount is reported in the Balance Sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

(q) Property, plant and equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less accumulated depreciation and impairment. Historical Cost comprises of the purchase price including import duties and non-refundable taxes and directly attributable expenses incurred to bring the asset to the location and condition necessary for it to be capable of being operated in the manner intended by management.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognized as at April 1, 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Depreciation methods, rates and residual value

Depreciation is provided on a pro-rata basis on the written down value (WDV) / Straight Line Method (SLM) over the estimated useful lives of the assets, based on technical evaluation done by management's expert, which are higher than those specified by Schedule II to the Companies Act, 2013, in order to reflect the actual usage of the assets. The useful life, residual value and the depreciation method are reviewed at least at each financial year end. If the expectations differ from previous estimates, the changes are accounted for prospectively as a change in accounting estimate.

The management estimates useful lives of the tangible fixed assets as follows:

	Life in year	Depreciation method
• Building	60	SLM
• Plant and machinery	20/15	WDV
• Shuttering	5	SLM
• Computers	3	SLM
• Furniture and fixtures	10	SLM
• Vehicles	8	WDV

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains/ (losses). (Also refer note 51 and 2(a)).

(r) Intangible assets

Intangible assets are stated at acquisition cost, net of accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortized on a Straight Line Method (SLM) basis over their estimated useful lives.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of its intangible assets recognized as at April 1, 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the intangible assets.

The management estimates the useful lives for the intangible asset as follows:

	Life in year	Depreciation method
• Software License	6	SLM

The amortization period and the amortization method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains/ (losses).

(s) Trade and other payables

These amounts represent liabilities for goods and services provided to the company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method.

(t) Borrowings

Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in profit or loss over the period of the borrowings using the effective interest method.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss as other gains/(losses).

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

(u) Borrowing cost

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

(v) Provisions and contingent liabilities

Provisions

Provisions are recognized when there is a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and there is a reliable estimate of the amount of the obligation.

If the effect of the time value of money is material, provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognized as interest expense.

Contingent liabilities

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company, or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

(w) Employee benefits

(i) Short term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(ii) Other long term employee benefit obligations

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation.

Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognized in profit or loss. The obligations are presented as current liabilities in the balance sheet if the company does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

(iii) Post-employment obligations

The company operates the following post-employment schemes.

- Defined benefit plan i.e. gratuity
- Defined contribution plans such as provident fund, superannuation etc.

Gratuity obligations

The liability or asset recognized in the balance sheet in respect of defined benefit gratuity plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income.

They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss as past service cost.

Defined contribution plans

The company pays contribution to defined contribution schemes such as provident fund, superannuation fund etc. The company has no further payment obligation once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognized as employee benefit expense when they are due.

(x) Contributed equity

Equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(y) Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

(z) Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- The profit attributable to owners of the company
- By the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

(aa) Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest million as per the requirement of Schedule III, unless otherwise stated.

Note 2 Critical estimates and judgements

The preparation of the financial statements requires use of accounting estimates which, by definition, will seldom equal the actual results. This note provides an overview of the areas that involved a higher degree of judgements or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

The areas involving critical estimates or judgements are:

(a) Estimation of useful life of Property, plant and equipment

The Company estimates the useful life of the Property, plant and equipment as mentioned in Note 1(p) above, which is based on the expected technical obsolescence of such assets. However, the actual useful life may be shorter or longer than the life estimated, depending on technical innovations and competitor actions (also refer note 51).

(b) Estimation of defined benefit obligation

The cost of the defined benefit gratuity plan and other post-employment employee benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation. The mortality rate is based on publicly available Indian Assured Lives Mortality (2006-08) Ultimate. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for the respective countries. Refer note 43 for key actuarial assumptions.

(c) Estimation of fair value of level 3 financial instruments

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Company uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. Refer note 37 on fair value measurements where the assumptions and methods to perform the same are stated.

(d) Revenue recognition for construction contract

Refer note 1(f) and note 50

(e) Classification of joint arrangement as a jointly control operation

The agreements in relation to the joint ventures of the company require unanimous consent from all parties for all relevant activities. The two partners have direct rights to the assets of the partnership and are jointly and severally liable for the liabilities incurred by the partnership. This entity is therefore classified as a joint operation and the Company recognises its direct right to the jointly held assets, liabilities, revenues and expenses.

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

(f) Physical verification of project material

The project material comprises of aggregates, sand, GSB, boulder, etc. The Company relies on in-house experts to perform volumetric surveys to estimate the quantity stockpiled for these inventory types. Survey quantity results, which are reported in cubic metres, are converted to tonnages using density factors. The density factors used are based on the Company's internal laboratory testing that occurred during the year and (where available) to prior year density factors for the same project material. Given the nature of the inventory, the density factors do not usually vary significantly year on year. There were no significant changes in these factors in the current year or other factors which would require a change.

Note 3 Property, plant and equipment

(Amount in ₹ Millions)

Particulars	Land	Building	Plant and Machinery	Vehicles	Computers	Furnitures and fixtures	Total
Year ended March 31, 2018							
Gross carrying amount							
Opening gross carrying amount	30.80	100.85	2,051.16	50.34	5.27	55.80	2,294.22
Additions	94.83	12.62	2,416.39	66.91	14.94	57.61	2,663.30
Disposals	-	-	(60.40)	-	-	-	(60.40)
Closing gross carrying amount	125.63	113.47	4,407.15	117.25	20.21	113.41	4,897.12
Opening accumulated depreciation	-	2.54	232.88	10.54	1.87	5.05	252.88
Depreciation charge during the year	-	4.93	484.98	25.03	6.14	16.43	537.51
Disposals	-	-	(7.55)	-	-	-	(7.55)
Closing accumulated depreciation	-	7.47	710.31	35.57	8.01	21.48	782.84
Net carrying amount as on March 31, 2018	125.63	106.00	3,696.84	81.68	12.20	91.93	4,114.28
Year ended March 31, 2019							
Gross carrying amount							
Opening gross carrying amount	125.63	113.47	4,407.15	117.25	20.21	113.41	4,897.12
Additions	7.83	50.32	1,113.22	24.96	9.65	21.83	1,227.81
Disposals	-	(2.77)	(14.75)	(1.20)	-	-	(18.72)
Closing gross carrying amount	133.46	161.02	5,505.62	141.01	29.86	135.24	6,106.21
Accumulated depreciation							
Opening accumulated depreciation	-	7.47	710.31	35.57	8.01	21.48	782.84
Depreciation charge during the year	-	2.31	701.60	28.71	6.48	11.89	750.99
Disposals	-	(0.25)	(11.17)	(1.03)	-	-	(12.45)
Closing accumulated depreciation	-	9.53	1,400.74	63.25	14.49	33.37	1,521.38
Net carrying amount as on March 31, 2019	133.46	151.49	4,104.88	77.76	15.37	101.87	4,584.83

Notes:

1) Refer Capital commitments Note 46 (a) for disclosure of contractual commitment for acquisition of property, plant and equipment.
2) Refer Note 44 for information on property, plant and equipment hypothecated and mortgaged as security by the Company.
3) Capital work-in-progress mainly comprises of Plant and Machinery.
4) Refer Note 51 for change in depreciation method and useful life.

Capital work-in-progress

Balance as at March 31, 2018	85.73
Balance as at March 31, 2019	-

Note 4 Intangible assets

(Amount in ₹ Millions)

Software License	Amount
Year ended March 31, 2018	
Gross Carrying Amount	
Opening Gross Carrying Amount	2.95
Additions	3.92
Disposals	-
Closing Gross Carrying Amount	6.87
Accumulated amortisation	0.47
Amortisation Charge during the year	1.66
Disposals	-
Closing Accumulated amortisation	2.13
Net Carrying Amount as on March 31, 2018	4.74
Year ended March 31, 2019	
Gross Carrying Amount	
Opening Gross Carrying Amount	6.87
Additions	32.90
Disposals	-
Closing Gross Carrying Amount	39.77
Accumulated amortisation	
Opening Accumulated amortisation	2.13
Amortisation charge during the year	3.55
Disposals	-
Closing Accumulated Depreciation	5.68
Net Carrying Amount as on March 31, 2019	34.09

Note 5 Non current investment)

(Amount in ₹ Millions)

Particulars	As at March 31, 2019	As at March 31, 2018
Investment in equity instruments (Fully paid-up)		
Unquoted		
20,000,000 (March 31, 2018 : Nil) equity shares of Gurgaon Sohna Highway Private Limited	200.00	-
Total non current investment	200.00	-
Aggregate amount of unquoted investments	200.00	-

Note 6 Non current trade receivables

(Amount in ₹ Millions)

Particulars	As at March 31, 2019	As at March 31, 2018
Trade receivables	49.43	48.54
Less: Loss allowance (Refer note 52)	(19.73)	-
Total non current trade receivables	29.70	48.54

Note: Non Current trade receivables represent long term retentions related to construction contracts.

Note 6 Non current trade receivables (contd.)

Break-up of security details: (Amount in ₹ Millions)

Particulars	As at March 31, 2019	As at March 31, 2018
Trade receivables considered good – Unsecured	29.70	48.54
Trade receivables which have significant increase in credit risk	19.73	-
Trade receivables – credit impaired	-	-
Total	**49.43**	**48.54**
Less: Loss allowance	(19.73)	-
Total non current trade receivables	**29.70**	**48.54**

Refer Note 38 (i) for movement of loss allowance and credit risk.

Note 7 Other non-current financial assets

(Amount in ₹ Millions)

Particulars	As at March 31, 2019	As at March 31, 2018
Margin Money deposits	90.04	124.79
Security deposits	16.30	16.46
Deposits with government authorities	13.29	0.88
Total other non-current financial assets	**119.63**	**142.13**

Note: Margin money deposits represent fixed deposits made by the Company against Bank guarantee.

Note 8 Other non-current assets

(Amount in ₹ Millions)

Particulars	As at March 31, 2019	As at March 31, 2018
Advances to related parties (Refer note 42)	7.89	-
Capital advances	13.95	108.49
Advances other than capital advances		
Balances with government authorities	56.37	77.43
Total other non-current assets	**78.21**	**185.92**

Note 9 Inventories

(Amount in ₹ Millions)

Particulars	As at March 31, 2019	As at March 31, 2018
Stores and Spares	176.52	107.06
Project materials [(including material in transit amounts to ₹ 38.75 Million) (March 31, 2018 ₹ 12.07 Million)]	984.45	960.47
Total inventories	**1,160.97**	**1,067.53**

Note 10 Trade receivables

(Amount in ₹ Millions)

Particulars	As at March 31, 2019	As at March 31, 2018
Trade receivables	5,553.40	4,148.12
Receivables from related parties (Refer note 42)	715.08	146.16
Less: Loss allowance (Refer note 52)	54.51	-
Total trade receivables	**6,213.97**	**4,294.28**

Note 10 Trade receivables (contd.)

Note: Trade receivables include retentions of ₹ 1,461.50 Million (March 31, 2018 ₹ 1,508.96 Million) related to construction contracts.

Certain retention money receivables which are contractually due after one year however which can be released early on submission of bank guarantee have been considered as current considering the past history and management expectation.

Break-up of security details: (Amount in ₹ Millions)

Particulars	As at March 31, 2019	As at March 31, 2018
Trade receivables considered good – Unsecured	6,213.97	4,294.28
Trade receivables which have significant increase in credit risk	54.51	-
Trade receivables – credit impaired	-	-
Total	**6,268.48**	**4,294.28**
Less: Loss allowance	54.51	-
Total trade receivables	**6,213.97**	**4,294.28**

Refer Note 38 (i) for movement of loss allowance and credit risk.

Note 11 Cash and cash equivalents

(Amount in ₹ Millions)

Particulars	As at March 31, 2019	As at March 31, 2018
Balances with banks		
- In current accounts	27.75	59.36
Cash on hand	3.24	4.82
Total cash and cash equivalents	**30.99**	**64.18**

Note 12 Bank balances other than cash and cash equivalents

(Amount in ₹ Millions)

Particulars	As at March 31, 2019	As at March 31, 2018
Margin money deposit	704.96	632.90
Fixed deposits of IPO proceeds pending utilisation (Refer note 17(g)(4))	266.30	1,592.23
Total bank balances other than cash and cash equivalents	**971.26**	**2,225.13**

Note: Margin money deposit represent fixed deposits made by the Company against Bank guarantee.

Note 13 Loans

(Amount in ₹ Millions)

Particulars	As at March 31, 2019	As at March 31, 2018
Loan to Subsidiary (Refer note 42 and 47)	8.70	-
Loan to employees	4.21	2.58
Total loans	**12.91**	**2.58**

Note 14 Other financial assets

(Amount in ₹ Millions)

Particulars	As at March 31, 2019	As at March 31, 2018
Unbilled revenue in respect of unfinished contracts (Refer note 15 and 50.4)	-	2,009.72
Less: Loss allowance	-	-
	-	**2,009.72**
Other receivables	-	23.10
Total other financial assets	**-**	**2,032.82**

Refer Note 38 (i) for movement of loss allowance and credit risk.

Note 15 Contract assets

(Amount in ₹ Millions)

Particulars	As at March 31, 2019	As at March 31, 2018
Contract assets (Refer note 14, 15.1 and 50.2)	1,606.51	-
Less: Loss allowance (Refer note 52)	11.00	-
Total contract assets	**1,595.51**	**-**

Note 15.1 - Contract assets

Particulars	As at March 31, 2018
Amount Due from Customers for contract works	2,009.72
	2,009.72

Note 16 Other current assets

(Amount in ₹ Millions)

Particulars	As at March 31, 2019	As at March 31, 2018
Advances to suppliers	55.01	142.36
Capital advances	130.00	-
Advance to sub contractor	15.44	14.84
Other advances		
Prepayments	104.19	87.35
Advance to employees	2.67	0.25
Goods and Services Tax (GST) recoverable	246.72	254.64
Total other current assets	**554.03**	**499.44**

Note 17 Equity share capital

(Amount in ₹ Millions)

Particulars	As at March 31, 2019	As at March 31, 2018
Authorised :		
80,000,000 (March 31, 2018 : 80,000,000) Equity Shares of ₹ 10 each	800.00	800.00
Issued		
65,171,111 (March 31, 2018 : 65,171,111) Equity Shares of ₹ 10 each	651.71	651.71
Subscribed and Paid up		
65,171,111 (March 31, 2018 : 65,171,111) Equity Shares of ₹ 10 each	651.71	651.71
Total equity share capital	**651.71**	**651.71**

Note 17 Equity share capital (contd.)

(a) Reconciliation of Number of Shares

Particulars	FY 2018-19		FY 2017-18	
	Number of Shares	Amount	Number of Shares	Amount
Balance as at the beginning of the year	6,51,71,111	651.71	1,80,20,000	180.20
Add: Bonus Shares issued during the year (Refer note (d) below)	-	-	3,60,40,000	360.40
Add: Shares issued during the year(Refer note (g) below)	-	-	1,11,11,111	111.11
Balance as at the end of the year	**6,51,71,111**	**651.71**	**6,51,71,111**	**651.71**

(b) Rights, preferences and restrictions attached to shares

The Company has one class of equity shares having a par value of ₹10 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(c) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

Equity shares	Number of Shares	% holding
Shri Hodal Singh	61,73,076	9.47%
(As at March 31, 2018)	(61,73,076)	(9.47%)
Shri Girishpal Singh	1,24,18,058	19.05%
(As at March 31, 2018)	(1,24,18,058)	(19.05%)
Shri Vijendra Singh	1,17,23,600	17.99%
(As at March 31, 2018)	(1,17,23,600)	(17.99%)
Shri Harendra Singh	1,43,51,516	22.02%
(As at March 31, 2018)	(1,43,51,516)	(22.02%)
L&T Mutual Fund Trustee Limited	41,44,355	6.36%
(As at March 31, 2018)	(36,82,155)	(5.65%)
Reliance Capital Trustee Co. Ltd	35,67,589	5.47%
(As at March 31, 2018)	(22,43,148)	(3.44%)

(d) Pursuant to the approval of the shareholders in their meeting held on September 8, 2017, the Company has issued and allotted 2 bonus equity shares of ₹ 10 each for every equity share of ₹ 10 each held by the members as on that date of the meeting and accordingly a sum of ₹ 360.40 Millions has been capitalized out of the Company's Surplus in Statement of Profit and Loss and transferred to the Share Capital Account towards issue of fully paid up bonus shares. Consequently, paid up Capital of the Company has increased by ₹ 360.40 Million and the balance in the Surplus in Statement of Profit and Loss has been reduced by an equivalent amount.

(e) There are no shares allotted as fully paid up pursuant to contracts without being received in cash since incorporation.

(f) There are no shares which are reserved to be issued under options and there are no securities issues/ outstanding which are convertible into equity shares.

(g) The Company has completed the Initial Public offering (IPO) of fresh issue of 1,11,11,111 equity shares of ₹ 10 each at an issue price of ₹ 270 per share. The equity shares of the Company were listed on Bombay Stock Exchange (BSE) and National Stock Exchange (NSE) w.e.f. March 9, 2018.

Note 17 Equity share capital (contd.)

Utilisation of funds received though Initial Public Offering (IPO) is as follows:- (Amount in ₹ Millions)

Particulars	FY 2018-19 Amount	FY 2017-18 Amount
Issue proceeds	4,620.00	4,620.00
Less: offer for sale (Note 1 below)	1,620.00	1,620.00
Net proceeds from IPO (net of amount payable to shareholders under offer for sale)	3,000.00	3,000.00
Less: Transaction cost arising on share issue (Note 2 below)	194.42	194.42
Net proceeds from IPO	2,805.58	2,805.58
Less: Amount utilised as per the objects of the issue as per prospectus (Note 3 below)	2,539.73	1,158.31
Funds to be utilised (Note 4 below)	265.85	1,647.27

Notes:

1) Out of total amount received towards offer for sale, an amount of ₹ Nil (March 31, 2018 ₹ 25.98 Million) is pending to be paid to the shareholders which has been disclosed as "Payable to directors" under Note 24.

2) The transaction cost of ₹ 194.42 Million (March 31, 2018: ₹ 194.42 Million) recorded in the books is net of GST credit amounting to ₹ 28.04 Million (March 31, 2018 : ₹ 28.04 Million) availed on such expenditure. The said expenditure has been adjusted from securities premium account. (Refer note 18) and is utilised for payment of Goods and Service Tax.

3) The amount utilised as per the objects of the issue as per prospectus of ₹ 2,397.40 Million (March 31, 2018 : ₹ 1,094.40 Million) recorded in the books is net of GST credit amounting to ₹ 114.29 Million (March 31, 2018 : ₹ 34.69 Million) availed on such expenditure. The same is utilised for the payment of GST and is considered in " Amount utilised as per the objects of the issue as per prospectus."

4) The balance unutilised amounts have been parked in fixed deposits amounting to ₹ 266.30 Million (March 31, 2018 : ₹ 1,592.23 Million) and current account balances amounting to ₹ 0.18 Million (March 31, 2018 ₹ 55.04 Million), which have been disclosed in Note 11 and 12.

Note 18 Other Equity

(Amount in ₹ Millions)

Particulars		As at March 31, 2019	As at March 31, 2018
Securities premium		2,694.47	2,694.47
Retained earnings		3,245.88	2,062.45
Total reserves and surplus		**5,940.35**	**4,756.92**
a) **Securities premium**			
Opening balance		2,694.47	-
Add: Premium on Initial public offering proceeds (Refer note 17 (g))		-	2,888.89
Less: Transaction costs arising on initial public offering (Refer note 17 (g))		-	194.42
Closing balance	(a)	**2,694.47**	**2,694.47**
b) **Retained Earnings**			
Opening balance		2,062.45	1,581.15
Add: Profit for the year		1,235.68	842.64
Less: Bonus Share (Refer note 17 (d))		-	360.40
Less: Dividend Paid		32.59	-
Less: Dividend distribution tax		6.70	-
Add: Other comprehensive income for the year		(19.92)	(1.45)
Less: Income tax relating to these items		6.96	0.51
Closing balance	(b)	**3,245.88**	**2,062.45**
Total other equity	(a+b)	**5,940.35**	**4,756.92**

Note 18 Other Equity (contd.)

Nature and purpose of reserves

Securities premium reserve

Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

Note 19 Non current borrowings

(Amount in ₹ Millions)

Particulars	As at March 31, 2019	As at March 31, 2018
Secured :		
Term Loan		
Banks (Refer note 19.1)	426.82	611.18
Financial Institutions (Refer note 19.1)	155.87	607.20
Vehicle Loan		
Banks (Refer note 19.1)	10.19	0.97
Financial Institutions (Refer note 19.1)	0.25	27.63
Total non current borrowings	593.13	1,246.98

Refer note 38 (ii) for liquidity risk management

Secured - Term Loan from banks

19.1 The details of rate of interest and repayment term loans are as under : (Amount in ₹ Millions)

S. No.	Particulars	Number of Loans outstanding as at		Amount outstanding as at		Interest Range % per annum	Balance Number of Installments as at		Frequency of Instalments	Instalments Commencing From - To
		March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018		March 31, 2019	March 31, 2018		
1	Secured - Term Loan from banks	529	492	1,097.78	1,032.60	6.60% to 14.75%	1 to 34	1 to 40	Monthly	Aug 16 to Dec 21
2	Secured - Term Loan from Financial Institution	365	290	850.17	1,193.52	3.16% to 15.11%	1 to 35	1 to 37	Monthly	June 16 to March 22
3	Vehicles loans - From Bank	75	77	31.35	25.12	7.74% to 10.51%	5 to 34	2 to 55	Monthly	Aug 15 to Feb 22
4	Vehicles loans - From Financial Institution	1	1	0.97	28.29	8.63% to 10.25%	16	28	Monthly	Aug 17 to July 20
5	Unsecured - Term Loan from Financial Institution	-	2	-	17.86	13.5% to 18.99%	-	9 to 11	Monthly	Feb 15 to Feb 19

Secured Term Loans from Banks and Financial institution

a) All term loans have been obtained for financing the asset purchased and are Secured by hypothecation of specific assets purchased out of loan, comprising Plant and Machinery and Constructions equipment.

Secured Motor Car Vehicles loans from Banks and Financial institution

a) All motor car vehicles loans are Secured by hypothecation of specific vehicles financed though the loan arrangements.

Note 20 Non-current trade payable

(Amount in ₹ Millions)

Particulars	As at March 31, 2019	As at March 31, 2018
(a) Trade payables: micro and small enterprises	-	-
(b) Trade payables: others	533.09	487.85
(c) Trade payables to related parties (Refer note 42)	-	-
Total non-current trade payable	533.09	487.85

Note: Trade Payables represents amount retained as per the terms of contract.

Note 21 Non current employee benefit obligations

(Amount in ₹ Millions)

Particulars	As at March 31, 2019	As at March 31, 2018
Provision for employee benefits		
Provision for gratuity (Refer note 43)	31.31	0.73
Provision for compensated absences (Refer note 43)	10.44	-
Total non current employee benefit obligations	41.75	0.73

Note 22 Current borrowings

(Amount in ₹ Millions)

Particulars	As at March 31, 2019	As at March 31, 2018
Secured		
Working Capital loans repayable on demand from banks *	1,180.18	929.87
Unsecured		
From Directors (refer note 42)**	643.24	831.86
Total current borrowings	1,823.42	1,761.73

* Working Capital Demand Loans and Cash Credit facilities availed from banks are secured by :

Nature of Security

Cash Credit and Working Capital from all Banks secured by:

a) First Pari Passu charge in favour of the Bank by way of Hypothecation of the Company's entire stocks of raw materials, work in progress, consumable stores spares including book debts.

b) All the bank are secured by exclusive charge on the entire movable and immovable assets of the Company (Present and Future) save and excepts assets exclusively financed by other lenders.

c) All the bank loans are secured by equitable mortgage of land and equipments mentioned in the property as per the collateral agreement.

d) All the bank loans are collaterally secured by unconditional and irrevocable personal guarantees of the promotees.

e) Cash Credit Loans from all the bank are charged as uniform margin of 25% against all components of inventory.

f) Cash credit from all the banks are secured by entire book debts for the cover period upto 90 days.

** Loan from Directors is repayable on demand and is interest free.

Note 23 Trade payables

(Amount in ₹ Millions)

Particulars	As at March 31, 2019	As at March 31, 2018
(a) Trade payables: micro and small enterprises	56.65	-
(b) Trade payables: others	3,404.04	2,793.43
(c) Trade payables to related parties (Refer note 42)	0.10	-
Total trade payables	**3,460.79**	**2,793.43**

Note - Dues from micro and small enterprises

Following disclosures required for Micro, Small and Medium Enterprises Development Act, 2006 has been determined on the basis of information available with the company.

(Amount in ₹ Millions)

Particulars	As at March 31, 2019	As at March 31, 2018
(a) The principal amount remaining unpaid to supplier as at the end of accounting year	53.00	-
(b) The interest due thereon remaining unpaid to supplier as at the end of accounting year.	2.76	-
(c) The amount of interest paid in terms of section 16, along with the amounts of the payment made to the supplier beyond the appointed day during the year	-	-
(d) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act.	0.89	-
(e) The amount of interest accrued during the year and remaining unpaid at the end of the accounting year	3.65	-
(f) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure.	-	-

Note 24 Other current financial liabilities

(Amount in ₹ Millions)

Particulars	As at March 31, 2019	As at March 31, 2018
Secured		
Current maturities of long-term borrowings		
Term Loan		
Banks (Refer note 19.1)	670.96	421.42
Financial Institutions (Refer note 19.1)	694.30	586.32
Vehicle Loan		
Banks (Refer note 19.1)	21.16	23.15
Financial Institutions (Refer note 19.1)	0.72	0.66
Unsecured		
Term Loan		
Financial Institutions (Refer note 19.1)	-	17.86
Interest accrued but not due	12.44	10.50
Payable to directors (Refer note 42)	-	25.98
Capital creditors	30.99	238.90
Other payables	5.01	8.10
Total other current financial liabilities	**1,435.58**	**1,332.89**

Note 25 Contract liabilities

(Amount in ₹ Millions)

Particulars	As at March 31, 2019	As at March 31, 2018
Contract liabilities (Refer note 25.1, 27 and 50.4)	872.55	-
Total contract liabilities	**872.55**	**-**

Note: Contract liabilities include interest accrued but not due of ₹ 2.52 Million on mobilisation advances taken by the company.

Note 25.1 - Contract liabilities

(Amount in ₹ Millions)

Particulars	As at March 31, 2018
Advance from customer	1,518.51
Interest on customer advance	37.06
	1,555.57

Note 26 Other current financial liabilities

(Amount in ₹ Millions)

Particulars	As at March 31, 2019	As at March 31, 2018
Employee benefits payable	118.48	80.76
Provision for employee benefits		
Provision for gratuity (Refer note 43)	-	10.00
Provision for compensated absences (Refer note 43)	2.56	1.84
Total short term employee benefit obligations	**121.04**	**92.60**

Note 27 Other current liabilities

(Amount in ₹ Millions)

Particulars	As at March 31, 2019	As at March 31, 2018
Payroll taxes	7.40	4.66
Statutory tax payables	33.44	88.99
Advances from customers (Refer note 25 and 50.4)	-	1,555.57
Advance received for sale of goods	9.56	11.39
Excess Contribution from JV Partner	2.38	11.15
Total	**52.78**	**1,671.76**

Note: Advances from customers include interest accrued for March 31, 2018 ₹ 37.06 Million on mobilisation advances taken by the company.

Note 28 Revenue from operations

(Amount in ₹ Millions)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Construction contracts (Refer note 50.1)	19,961.95	13,920.36
Sale of Services (Operation and Maintenance contracts) (Refer note 50.1)	127.51	-
Sale of products (Revenue from sale of processed aggregates) (Refer note 50.1)	8.86	6.89
Total revenue from operations	**20,098.32**	**13,927.25**

Note 29 Other income

(Amount in ₹ Millions)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Interest income from financial assets at amortised cost	91.81	37.73
Miscellaneous income	23.40	18.03
Net gain/(loss) on disposal of property, plant and equipment	0.10	(1.32)
Net foreign exchange differences	(0.14)	(7.78)
Total other income	**115.17**	**46.66**

Note 30 Cost of materials consumed

(Amount in ₹ Millions)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Construction Material, Stores and Spares		
Opening Stock	1,067.53	492.04
Add: Purchases	9,012.75	6,037.87
	10,080.28	6,529.91
Less: Closing Stock	1,160.97	1,067.53
Total cost of materials consumed	**8,919.31**	**5,462.38**

Note 31 Contract and site expenses

(Amount in ₹ Millions)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Sub contracting expenses	5,466.82	4,735.47
Indirect Taxes (Work Contract Tax, Labour Cess and Road Tax Expenses etc.)	254.04	153.46
Insurance expenses	26.03	12.19
Contract expenses	151.98	140.35
Hire charges for machinery and others	399.60	226.80
Site and other direct expenses	263.14	135.17
Repairs and Maintenance - plant and machinery	43.80	22.07
Technical consultancy	59.95	49.19
Total contract and site expenses	**6,665.36**	**5,474.70**

Note 32 Contract and site expenses

(Amount in ₹ Millions)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Salaries, wages and bonus	967.54	607.75
Contribution to provident and other funds (Refer note 43)	32.68	18.51
Gratuity (Refer note 43)	3.88	5.38
Leave compensation	11.16	1.10
Staff welfare expenses	175.80	128.70
Total employee benefit expenses	**1,191.06**	**761.44**

Note 33 Net finance costs

(Amount in ₹ Millions)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Interest on :		
Term loan	193.50	176.30
Working capital loan	137.13	92.73
Other borrowing cost	126.64	107.80
Bank charges	25.22	3.86
Interest on late payment of statutory dues	7.80	19.90
Total net finance costs	**490.29**	**400.59**

Note 34 Depreciation and amortisation expense

(Amount in ₹ Millions)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Depreciation of property, plant and equipment (Refer note 3)	750.99	537.51
Amortisation of intangible assets (Refer note 4)	3.55	1.66
Total depreciation and amortisation expense	**754.54**	**539.17**

Note 35 Other expenses

(Amount in ₹ Millions)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Repairs and maintenance - others	16.26	15.83
Rates and taxes	18.13	10.41
Sitting fees	1.00	1.62
Lease rent (Refer note 46 (b))	23.24	12.80
Payment to auditors(Refer note (a) below)	5.73	7.89
Advertisement and business promotion	16.22	9.70
Travelling and conveyance	21.88	15.51
Corporate social responsibility expenditure (Refer note (b) below)	13.34	9.31
Legal and professional fees	38.63	19.83
Electricity expenses	17.34	10.11
Printing and stationery	10.61	10.13
Telephone and communication	11.79	9.23
Loss allowances (Refer note 38 (i) and 52)	85.24	-
Miscellaneous expenses	11.07	15.66
Total other expenses	**290.48**	**148.03**

(a) Payment to auditors

(Amount in ₹ Millions)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Audit Fees	4.53	6.94
Certification fees	0.98	0.47
Reimbursements of expenses	0.22	0.48
Total payments to auditors	**5.73**	**7.89**

Note 35 Other expenses (contd.)

(b) Corporate social responsibility expenditure

(Amount in ₹ Millions)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Amount required to be spent as per Section 135 of the Act	16.24	9.22
Amount spent during the year on		
(i) Construction/acquisition of an asset	-	-
(ii) On purposes other than (i) above	13.34	9.31

Note 36 Taxation

36(a) - Income tax expense

(Amount in ₹ Millions)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Current tax		
Current tax on profits for the year	683.67	383.74
Adjustment for current tax of prior period	5.59	-
Total current tax expense	**689.26**	**383.74**
Deferred tax		
(Increase) in deferred tax assets	(21.86)	(40.13)
(Decrease)/increase in deferred tax liabilities	(0.63)	1.35
Total deferred tax (benefit)	**(22.49)**	**(38.78)**
Income tax expense	**666.77**	**344.96**

36(b) - Deferred tax assets

The balance comprises temporary differences attributable to:

(Amount in ₹ Millions)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Disallowance under Section 43B of Income Tax Act, 1961	15.48	4.39
Loss Allowance for trade receivable	29.79	-
Disallowances section 40(a)(ia) of Income Tax Act, 1961	-	5.81
Expenditure on Initial Public Offer (IPO)	40.76	54.35
Indexation on land	3.11	2.73
Total deferred tax assets	**89.14**	**67.28**
Timing difference between balance as per Income Tax Act, 1961 and book balance for fixed assets	(5.35)	(5.98)
Total deferred tax liablities	**(5.35)**	**(5.98)**
Net deferred tax assets	**83.79**	**61.30**

Movement in deferred tax assets

(Amount in ₹ Millions)

Particulars	As at April 1, 2017	(Charged)/ credited to profit and loss	(Charged)/ credited to OCI	Year ended March 31, 2018
Disallowance under section 43B of Income Tax Act, 1961	17.54	(13.66)	0.51	4.39
Loss allowance for trade receivable	7.15	(7.15)	-	-
Disallowance under section 40(a)(ia) of Income Tax Act, 1961	-	5.81	-	5.81
Expenses on issue of Initial Public Offer (IPO)	-	54.35	-	54.35
Indexation on land	2.46	0.27	-	2.73
Total deferred tax assets	**27.15**	**39.62**	**0.51**	**67.28**

Note 36 Taxation (contd.)

(Amount in ₹ Millions)

Particulars	As at April 1, 2018	(Charged)/ credited to profit and loss	(Charged)/ credited to OCI	Year ended March 31, 2019
Disallowance under section 43B of Income Tax Act, 1961	4.39	11.09	-	15.48
Loss allowance for trade receviable	-	29.79	-	29.79
Disallowance under section 40(a)(ia) of Income Tax Act, 1961	5.81	(5.81)	-	-
Expenses on issue of Initial Public Offer (IPO)	54.35	(13.59)	-	40.76
Indexation on land	2.73	0.38	-	3.11
Total deferred tax assets	**67.28**	**21.86**	**-**	**89.14**

Movement in deferred tax liabilities (Amount in ₹ Millions)

Particulars	As at April 1, 2017	(Charged)/ credited to profit and loss	(Charged)/ credited to OCI	Year ended March 31, 2018
Timing difference between balance as per Income Tax Act, 1961 and book balance for fixed assets	4.63	1.35	-	5.98
Total deferred tax liabilities	**4.63**	**1.35**	**-**	**5.98**

(Amount in ₹ Millions)

Particulars	As at April 1, 2018	(Charged)/ credited to profit and loss	(Charged)/ credited to OCI	Year ended March 31, 2019
Timing difference between balance as per Income Tax Act, 1961 and book balance for fixed assets	5.98	(0.63)	-	5.35
Total deferred tax liabilities	**5.98**	**(0.63)**	**-**	**5.35**

36(c) - Reconciliation of tax expense and accounting profit multiplied by statutory tax rates (Amount in ₹ Millions)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Profit before income tax expense	**1,902.45**	**1,187.60**
Statutory tax rate applicable to the Company	34.94%	34.61%
Tax expense at applicable tax rate	**664.79**	**411.00**
Tax effects of amounts which are not deductible (taxable) in calculating taxable income:		
Corporate social responsibility expenditure	4.66	3.22
Donation	0.30	0.17
Interest on late payment of statutory dues	1.99	0.50
Profit of jointly controlled operations	1.36	(1.52)
Add: Tax expense of Jointly controlled operations	-	2.02
Indexation on land	(0.39)	(0.27)
Deduction for Section 80JJAA as per Income tax Act, 1961	(13.14)	-
Interest payable to micro and small enterprises	1.27	-
Adjustment for current tax of prior period	5.59	-
Effect of change in tax rates	(0.23)	-
Others	0.53	(2.36)
IPO expenses	-	(67.81)
Income tax expense	**666.76**	**344.96**

Note 36 Taxation (contd.)

36(d) - Current tax liabilities

(Amount in ₹ Millions)

Particulars	As at March 31, 2019	As at March 31, 2018
Opening Balance	47.75	75.46
Add: Additional income tax provision	682.31	383.74
Add: Income tax adjustment for earlier years	-	-
Less: Income tax paid	(575.34)	(411.45)
Closing balance	**154.72**	**47.75**

36(e) - Income tax asset

(Amount in ₹ Millions)

Particulars	As at March 31, 2019	As at March 31, 2018
Opening Balance	15.75	15.61
Add: Advance tax paid/ (refund received)	2.21	0.14
Less: Income tax adjustment for earlier years	(5.59)	-
Less: Income tax provision created during the year	(1.36)	-
Closing balance	**11.01**	**15.75**

Note 37 Fair Value Measurements

(i) Financial instruments by category

(Amount in ₹ Millions)

Particulars	As at March 31, 2019	As at March 31, 2018
Financial assets - Amortised cost		
Trade receivables	6,243.67	4,342.82
Cash and cash equivalents	30.99	64.18
Bank balances other than cash and cash equivalents	971.26	2,225.13
Loans	12.91	2.58
Margin money deposits	90.04	124.79
Security deposits	16.30	16.46
Deposits with government authorities	13.29	0.88
Unbilled revenue in respect of unfinished contracts (Refer Note 50.4)	-	2,009.72
Other receivables	-	23.10
Total financial assets	**7,378.46**	**8,809.66**
Financial liabilities - Amortised cost		
Borrowings	3,803.69	4,058.12
Trade payables	3,993.88	3,281.28
Interest accrued	12.44	10.50
Capital creditors	30.99	238.90
Payable to directors	-	25.98
Other payables	5.01	8.10
Total financial liabilities	**7,846.01**	**7,622.88**

(ii) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are measured at amortised cost and for which fair values are disclosed in the financial statements.

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes instruments like listed equity instruments, traded bonds and mutual funds that have quoted price.

Note 37 Fair Value Measurements (contd.)

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the counter derivatives etc) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

The fair values for Non current trade receivable, Non current trade payable, Non current borrowings and deposits with original maturity of more than 12 months are calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.

(iii) Fair value of financial instruments measured at amortised cost - Level 3 (Amount in ₹ Millions)

Particulars	As at March 31, 2019		As at March 31, 2018	
	Carrying value	Fair value	Carrying value	Fair value
Financial assets				
Margin Money deposits	90.04	89.46	124.79	124.43
Total financial assets	**90.04**	**89.46**	**124.79**	**124.43**
Financial liabilities				
Borrowings	593.13	585.95	1,246.98	1,256.16
Total financial liabilities	**593.13**	**585.95**	**1,246.98**	**1,256.16**

The carrying amounts of short term loans, trade receivables, cash and cash equivalents, loans, bank balances other than cash and cash equivalents, security deposits, unbilled revenue, deposit with government authorities, other receivables, trade payables, current borrowings, current maturities of long term borrowings, Interest accrued, Capital creditors and other payables are considered to be the same as their fair values due to their short-term nature.

Note 38 Financial Risk Management

The Company's activities expose it to a variety of financial risks namely credit risk, liquidity risk and market risk. The Company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance.

(i) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Financial instruments that are subject to credit risk and concentration thereof principally consist of trade receivables, unbilled revenue, security deposits and cash and cash equivalents.

Management makes the assessment of the Credit risk on trade receivables, contract assets and unbilled revenue considering the customer profile. Customers of the company mainly consists of the government promoted entities and some large private corporates. In case of government customers which forms the majority of the revenue, credit risk is low.

Considering the nature of business, each contract and its customer is evaluated for the purpose of assessment of allowances. The reasons for allowances could be recovery of claims, disputes with customer, customers ability to pay, delays in approval by government authorities, and expected time to recover the amount. Management makes an assessment considering facts of each contract, past trends, terms of the contract and accordingly considers the need for allowances, if any.

The following table gives details in respect of percentage of revenue generated from government promoted agencies and highly rated corporate:

Particular	Year ended March 31, 2019	Year ended March 31, 2018
Revenue from government promoted agencies	76%	69%
Revenue from private corporates	24%	31%
	100%	100%

Note 38 Financial Risk Management (contd.)

The movement in allowance for lifetime expected credit loss on trade receivables is as below: (Amount in ₹ Millions)

Particular	As at March 31, 2019	As at March 31, 2018
Opening balance	-	20.66
Changes in loss allowances		
Additions	85.24	-
Bad debts written off	-	(20.66)
Closing Balance	85.24	-

(ii) Liquidity risk

Liquidity defined is as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. Company's objective is to, at all time maintain optimum levels of liquidity to meet its financial obligations. The Group manages liquidity risk by maintaining sufficient cash and cash equivalents and by having access to funding through an adequate amount of committed credit lines. In addition, processes and policies related to such risks are overseen by senior management.

Maturities of financial liabilities

The table summarises the maturity profile of company's financial liabilities based on contractual undiscounted payments:

Particulars	Less than 1 year	1 - 3 Years	Total
As at March 31, 2019			
Borrowings*	2,579.76	593.13	3,172.89
Loan from Directors	643.24	-	643.24
Trade payables	3,460.79	533.09	3,993.88
Capital creditors	30.99	-	30.99
Other payables	5.01	-	5.01
	6,719.79	**1,126.22**	**7,846.01**
As at March 31, 2018			
Borrowings*	1,989.78	1,246.98	3,236.76
Loan from Directors	831.86	-	831.86
Trade payables	2,793.43	487.85	3,281.28
Capital creditors	238.90	-	238.90
Payable to director	25.98	-	25.98
Other payables	8.10	-	8.10
	5,888.05	**1,734.83**	**7,622.88**

*Does not include interest payable for future years.

(iii) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risks i.e. interest rate risk and currency risk. Financial instruments affected by market risk include borrowings and creditors for capital expenditures.

(a) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates is very less and relates primarily to the Company's creditors for capital expenditures. The Company's foreign currency risks are identified, measured and managed at periodic intervals in accordance with the Company's policies. As at March 31, 2019 there was no foreign currency exposure.

Note 38 Financial Risk Management (contd.)

1. **Foreign currency risk exposure**

The Company's exposure to foreign currency risk at the end of the reporting periods, expressed in Euro are as follows:

Particulars	As at March 31, 2019	As at March 31, 2018
Financial liabilities		
Euro (In Millions)		
Capital creditors	-	1.77
Exposure to foreign currency risk (liabilities)	**-**	**1.77**

2. **Sensitivity**

The following table demonstrates the sensitivity to a reasonably possible change in Euro exchange rates with all other variables held constant.

(Amount in ₹ Millions)

Particulars	Change in Euro rate	Increase / (Decrease) in profit before tax	
		Year ended March 31, 2019	Year ended March 31, 2018
Increase in exchange rate	5%	-	(7.14)
decrease in exchange rate	5%	-	7.14

(b) **Interest risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to risk of changes in market rate is limited to short term working capital loans taken from banks as the Company's long term borrowings bear fixed interest rate.

The Company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

The Company manages the interest rate risk by having a balanced portfolio of fixed and variable rate borrowings. The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are as follows:

1. **Interest rate exposure**

(Amount in ₹ Millions)

Particulars	As at March 31, 2019	As at March 31, 2018
Variable rate borrowings	1,180.18	929.87
Fixed rate borrowings	1,980.27	2,296.38
Total borrowings	**3,160.45**	**3,226.25**

An analysis by maturities is provided in Liquidity risk note above.

2. **Sensitivity**

Profit or loss is sensitive to higher / lower interest expense as a result of changes in interest rates. A 20 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates. With all other variables held constant, the Company's profit before tax will be impacted by a change in interest rate as follows:

(Amount in ₹ Millions)

Particulars	Increase / (Decrease) in profit before tax	
	Year ended March 31, 2019	Year ended March 31, 2018
Increase in interest rate by 20 basis points (20 bps)	(2.69)	(1.83)
Decrease in interest rate by 20 basis points (20 bps)	2.69	1.83

Note 39 Capital Management

(a) Risk Management

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company and borrowings.

The Company aims to manage its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to our shareholders. The capital structure of the Company is based on management's judgement of the appropriate balance of key elements in order to meet its strategic and day-to day needs. We consider the amount of capital in proportion to risk and manage the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets.

The Company's aim is to translate profitable growth to superior cash generation through efficient capital management. The Company's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditors and market confidence and to sustain future development and growth of its business. The Company will take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

Note 40 Segment Reporting

The Company's managing director who is identified as the chief operating decision maker of the Company, examines the performance of the business and allocates funds on the basis of a single reportable segment i.e. 'EPC business'. The Company has no other reportable segment. The Company does not have any reportable geographical segment as it caters to the needs of only the domestic market.

Accordingly, the segment revenue, segment results, total carrying amount of segment assets and segment liability, total cost incurred to acquire segment assets and total amount of charge for depreciation during the period, is as reflected in the Financial Statements as of and for the financial year ended March 31, 2019.

Non-current assets excluding financial assets, deferred tax assets amounts to ₹ 4,837.50 Millions (March 31, 2018 ₹ 4,553.91 Millions) which are located entirely in India.

Information relating to major customers

Revenue of approximately ₹ 13,088.33 Millions (for the year ended March 31, 2018 - ₹ 9,724.60 Millions) was derived from external customers viz; National Highways Authority of India and Ministry of Road Transport and Highways, which individually accounted for more than 10% of the total revenue.

Note 41 Net Debt Reconciliation

(Amount in ₹ Millions)

Particulars	As at March 31, 2019	As at March 31, 2018
Cash and cash equivalents	30.99	64.18
Current borrowings	(1,823.42)	(1,761.73)
Current maturities of long term borrowings	(1,387.14)	(1,049.41)
Interest accured but not due	(12.44)	(10.50)
Non current borrowings	(593.13)	(1,246.98)
Net Debt	**(3,785.14)**	**(4,004.44)**

Note 41 Net Debt Reconciliation (contd.)

(Amount in ₹ Millions)

Particulars	Other assets	Liabilities from financing activities			Total
	Cash and bank balances	Non-current borrowings	Current borrowings*	Interest accrued	
Net debt as at April 1, 2017	170.31	(634.78)	(1,401.84)	(3.37)	(1,869.68)
Cash flows	(106.13)	(612.20)	(1,409.30)	-	(2,127.63)
Interest expense	-	-	-	(269.03)	(269.03)
Interest paid	-	-	-	261.90	261.90
Net debt as at March 31, 2018	**64.18**	**(1,246.98)**	**(2,811.14)**	**(10.50)**	**(4,004.44)**
Cash flows	(33.18)	653.85	(399.42)	-	221.24
Interest expense	-	-		(330.52)	(330.52)
Interest paid	-	-		328.58	328.58
Net debt as at 31 March 2019	**30.99**	**(593.13)**	**(3,210.56)**	**(12.44)**	**(3,785.14)**

* Includes working capital loans from banks repayable on demand, current maturities of long term borrowings and loan taken from directors.

Note 42 Related Party transactions

I Name of related parties and nature of relationship:

A) **Subsidiary**

Gurgaon Sohna Highway Private Limited (w.e.f. April 6, 2018)

B) **Associate**

TPL – HGIEPL JV

C) **Key Management Personnel**

Mr. Girishpal Singh - Non-Executive director (upto May 23, 2018)*

Mr. Vijendra Singh - Whole Time director *

Mr. Harendra Singh - Chairman and Managing Director *

Mr. Ashok Kumar Thakur - Non-Executive Independent director *

Mrs. Pooja Hemant Goyal - Non-Executive Independent director *

Mr. Onkar Singh - Non-Executive Independent director *

Mr. Dinesh Kumar Goyal - Executive director (w.e.f May 23, 2018 - January 24, 2019) and Non-Executive director (w.e.f. January 25, 2019) *

Mr. Rajeev Mishra - Chief financial officer*

Mrs. Ankita Mehra - Company secretary *

D) **Relatives of Key Management Personnel**

Mr. Vaibhav Choudhary - Son of Mr. Girishpal Singh *

Mrs. Poonam Singh - Wife of Mr. Vijendra Singh

Mrs. Nisha Singh - Wife of Mr. Harendra Singh

Mr. Hodal Singh - Father of Mr. Harendra Singh *

Mr. Rohit Choudhary - Son of Mr.Girishpal Singh *

Ms. Ridhima Choudhary - Daughter of Mr. Harendra Singh *

E) **Enterprises over which key management personnel and their relatives are able to exercise significant influence**

HG Stone Crusher

Harendra Singh HUF

HG Traders

Note 42 Related Party transactions (contd.)

H.G. Infra Toll Ways Private Limited *

High grade Infra projects Private Limited *

Mahadev Stone crusher *

HG Luxury Hotels Private Limited

* With whom transactions have occurred during the year

II Transactions with related parties

A) Key Management personnel compensation (Amount in ₹ Millions)

Particular	Year ended March 31, 2019	Year ended March 31, 2018
Short-term employee benefits	33.60	37.05
Post-employment benefits*	-	5.92
Director's siting fees	1.00	1.62
Total compensation	**34.60**	**44.59**

*Compensation exclude provision for gratuity and compensated absences since these are based on actuarial valuation on an overall company basis.

B) Transactions during the year (Amount in ₹ Millions)

Particular	Year ended March 31, 2019	Year ended March 31, 2018
Sale of material		
HG Traders	-	0.09
HG Stone Crusher	-	0.49
H.G. Infra Tollways Private Limited	-	0.87
Mahadev Stone crusher	9.04	-
Contract Revenue		
HGIEPL - TPL JV	3,025.04	567.42
Gurgaon Sohna Highway Private Limited	227.85	-
Interest income		
Harendra Singh – HUF	-	0.01
Sales of Fixed assets		
Gurgaon Sohna Highway Private Limited	3.33	-
Purchase of aggregate		
HG Traders	-	1.15
HG Stone Crusher	-	4.69
Contract Expenses		
H.G. Infra Tollways Private Limited	105.39	40.89
High grade Infra projects Private Limited	48.59	-
Mahadev Stone crusher	0.48	-
Rent Paid for Office		
Mr. Hodal Singh	0.13	0.13
Mr. Girishpal Singh	0.40	0.24
Sitting Fees		
Mr. Girishpal Singh	0.08	0.42
Mr. Onkar Singh	0.37	0.34
Ms. Pooja Hemant Goyal	0.22	0.40
Mr. Ashok Kumar Thakur	0.33	0.46

Note 42 Related Party transactions (contd.)

(Amount in ₹ Millions)

Particular	Year ended March 31, 2019	Year ended March 31, 2018
Remuneration paid		
Key management personnel:		
Mr. Girishpal Singh	-	2.00
Mr. Vijendra Singh*	12.00	12.00
Mr. Harendra Singh*	21.60	21.60
Mr. Hodal Singh	-	1.45
Mr. Dinesh Kumar Goyal	2.70	-
Mr. Rajeev Mishra	2.05	1.86
Mrs. Ankita Mehra	0.44	0.32
* Gratuity is not included, as it is provided on overall basis based on actuarial valuation.		
Remuneration to relatives of KMP		
Mr. Vaibhav Choudhary	8.40	8.40
Mr. Rohit Choudhary	0.84	0.84
Legal and professional fees		
Ms. Ridhima Choudhary	0.60	-
Mr. Dinesh Kumar Goyal	0.22	-
Gratuity paid		
Mr. Hodal Singh	-	1.88
Mr. Girishpal Singh	-	4.04
Insurance premium paid towards keyman term policy taken by Company		
Mr. Vijendra Singh	5.41	5.50
Mr. Harendra Singh	5.34	5.43
Mr. Vaibhav Choudhary	5.05	5.05
Loans and advances given		
Gurgaon Sohna Highway Private Limited	33.68	-
HG Luxury Hotels Private Limited	-	5.00
Harendra Singh HUF	-	0.39
Loans and advances repayment		
Gurgaon Sohna Highway Private Limited	28.31	-
HG Luxury Hotels Private Limited	-	5.00
Harendra Singh HUF	-	0.39
Loans taken from Key management personnel / directors:		
Mr. Girishpal Singh	-	263.95
Mr. Vijendra Singh	160.00	314.00
Mr. Harendra Singh	523.03	384.30
Loans taken from Relatives of Key Management Personnel		
Mr. Vaibhav Choudhary	-	9.00
Repayment of Loan to Key management personnel / directors:		
Mr. Girishpal Singh	190.88	77.21
Mr. Vijendra Singh	162.13	25.20
Mr. Harendra Singh	518.64	42.86
Repayment of Loan taken from Relatives of Key Management Personnel		
Mr. Vaibhav Choudhary	-	11.00
Mrs. Poonam Singh	-	1.00
Mrs. Nisha Singh	-	2.50
Mr. Hodal Singh	-	4.30

Note 42 Related Party transactions (contd.)

(Amount in ₹ Millions)

Particular	Year ended March 31, 2019	Year ended March 31, 2018
Repayment of Other current liabilities		
Mr. Girishpal Singh	4.33	-
Mr. Harendra Singh	4.33	-
Mr. Hodal Singh	12.99	-
Mr. Virendra Singh	4.33	-

C) Outstanding balances

(Amount in ₹ Millions)

Particular	Year ended March 31, 2019	Year ended March 31, 2018
Current borrowings		
Key management personnel / directors:		
Mr. Girishpal Singh	-	190.88
Mr. Vijendra Singh	291.37	293.50
Mr. Harendra Singh	351.87	347.48
Other Current Liabilities		
Employee benefits payable		
Mr. Vaibhav Choudhary	0.45	1.44
Mr. Vijendra Singh	0.60	1.21
Mr. Harendra Singh	0.90	3.18
Mr. Rohit Choudhary	0.02	0.02
Mr. Rajeev Mishra	0.03	0.13
Mrs. Ankita Mehra	0.03	0.03
Trade Receivables		
HGIEPL - TPL JV	646.76	146.16
Gurgaon Sohna Highway Private Limited	68.32	-
Advance to Contractor		
H.G. Infra Tollways Private Limited	7.89	-
Loans		
Gurgaon Sohna Highway Private Limited	8.70	-
Trade Payable		
High grade Infra projects Private Limited	0.01	-
Mr. Dinesh Kumar Goyal	0.09	-
Advance from customers		
HGIEPL - TPL JV	-	330.09
Contract liabilities		
HGIEPL - TPL JV	254.73	-
Other current liabilities		
Mr. Girishpal Singh (Refer Note 17(g)(1))	-	4.33
Mr. Harendra Singh (Refer Note 17(g)(1))	-	4.33
Mr. Hodal Singh ((Refer Note 17(g)(1))	-	12.99
Mr. Virendra Singh (Refer Note 17(g)(1))	-	4.33
Sitting fees payable		
Mr. Onkar Singh	-	0.31
Ms. Pooja Hemant Goyal	-	0.16
Mr. Ashok Kumar Thakur	-	0.18

Note 42 Related Party transactions (contd.)

d) Terms and conditions

All Related Party Transactions entered during the year were in ordinary course of the business and are on arm's length basis.

Note 43 Employee benefit obligations

(Amount in ₹ Millions)

Particulars	As at March 31, 2019	As at March 31, 2018
Compensated Absences	13.00	1.84
Gratuity	31.31	10.73
Total	44.31	12.57

(i) Compensated Absences

The employees of the Company are entitled to compensated absences as per the policy of the Company.

The entire amount of the provision of is presented as current, since the Company does not have an unconditional right to defer settlement for the obligation. However, based on past experience, the Company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months. The following amounts reflect leave that is not expected to be taken or paid within the next 12 months.

(Amount in ₹ Millions)

Particulars	As at March 31, 2019	As at March 31, 2018
Current leave obligations not expected to be settled within the next 12 months	10.44	-

(ii) Post employment obligations

(a) Defined Contribution Plans:

Provident fund

Employers' contribution to employees' pension scheme 1995

Employers' contribution to Employee State Insurance Corporation (ESIC)

The provident fund and pension scheme are operated by regional provident fund commissioner. Under the scheme, the Company is required to contribute a specified percentage of payroll cost to the retirement benefit schemes to fund the benefits.

The Company has recognised the following amounts in the Statement of Profit and Loss for the year:

(Amount in ₹ Millions)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Contribution to Provident Fund	10.56	7.32
Contribution to E.S.I.C	7.71	1.91
Contribution to Pension Fund	14.41	9.28
	32.68	18.51

(b) Defined Benefit Plans:

Gratuity

The company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/ termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. Contributions are made to a gratuity based upon actuarial valuation done at the year end of every financial year using "Projected Unit Credit" method. The charge on account of provision for gratuity has been included in Employee Benefits Expense in the Statement of Profit and Loss except remeasurements i.e. actuarial gains

Note 43 Employee benefit obligations (contd.)

and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability which are recognised in other comprehensive income.

The amounts recognised in the Balance Sheet and the movements in the net defined benefit obligation over the year are as follows:

(Amount in ₹ Millions)

Particular	Present Value of Obligation	Fair Value of plan Assets	Net Amount
As on April 1, 2017 (A)	**12.90**	**3.87**	**9.03**
Current service cost	3.12	-	3.12
Past service cost	1.81	-	1.81
Interest expense	0.69	0.24	0.45
Total Amount Recognised in profit and loss (B)	**5.62**	**0.24**	**5.38**
Remeasurements			
Assets, excluding amount included in interest expense/(income)	-	(0.08)	0.08
(Gain)/loss from change in demographic assumptions	(0.87)	-	(0.87)
(Gain)/loss from change in financial assumptions	0.19	-	0.19
Experience (gains)/losses	2.05	-	2.05
Total amount recognised in other comprehensive income (C)	**1.37**	**(0.08)**	**1.45**
Employer contributions (D)	-	5.13	(5.13)
Benefit payments (E)	(0.13)	(0.13)	-
Balance as on March 31, 2018 (A+B+C+D+E)	**19.76**	**9.03**	**10.73**

Particular	Present Value of Obligation	Fair Value of plan Assets	Net Amount
As on April 1, 2018 (A)	**19.76**	**9.03**	**10.74**
Current service cost	3.49	-	3.49
Past service cost	-	-	-
Interest expense	0.96	0.57	0.38
Total Amount Recognised in profit and loss (B)	**4.45**	**0.57**	**3.88**
Remeasurements			
Assets, excluding amount included in interest expense/(income)	-	(0.84)	0.84
(Gain)/loss from change in demographic assumptions	(11.21)	-	(11.21)
(Gain)/loss from change in financial assumptions	23.04	-	23.04
Experience (gains)/losses	4.05	-	4.05
Total amount recognised in other comprehensive income (C)	**15.87**	**(0.84)**	**16.71**
Employer contributions (D)	-	-	-
Benefit payments (E)	(0.38)	(0.38)	-
Balance as on March 31, 2019 (A+B+C+D+E)	**39.71**	**8.39**	**31.32**

The significant actuarial assumptions were as follows:

Particulars	As at March 31, 2019	As at March 31, 2018
Discount rate (per annum)	7.65%	6.70%
Salary growth rate	8.43%	10.22%
Expected average remaining working lives of employees	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2006-08)

Note 43 Employee benefit obligations (contd.)

Sensitivity Analysis

The sensitivity of the defined benefit obligation to increase and decrease in the weighted principal assumptions by 0.50% is as below:

Particulars	Year ended March 31, 2019		Year ended March 31, 2018	
	Discount	Salary escalation	Discount	Salary escalation
Impact of increase in 50 BPS on DBO	-4.30%	4.31	-1.09%	0.21
Impact of Decrease in 50 BPS on DBO	4.63%	(4.08)	1.12%	(0.21)

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the Balance Sheet. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

(iii) The major categories of plans assets are as follows:

The plan asset for the funded gratuity plan is administered by Life Insurance Corporation of India ('LIC') as per the investment pattern stipulated for Pension and Group Schemes fund by Insurance Regulatory and Development Authority regulations i.e. 100% of plan assets are invested in insurer managed fund. Quoted price of the same is not available in active market.

(iv) Risk Exposure

Through its defined benefit plans, the Company is exposed to a number of risks, the most significant of which are detailed below:

Demographic Risk : This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to a long service employee.

Asset volatility : The plan liabilities are calculated using a discount rate set with reference to bond yields; if plan assets underperform this yield, this will create a deficit. 100% of the plan asset investments is in insurer managed funds. These are subject to interest rate risk and the fund manages interest rate risk with derivatives to minimise risk to an acceptable level.

Salary Inflation Risk : Higher than expected increases in salary will increase the defined benefit obligation.

Interest-Rate Risk : The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.

(v) Defined Benefit Liability and Employer Contributions

The company considers that the contribution rates set at the last valuation date are sufficient to eliminate the deficit over the agreed period and that regular contributions, which are based on service costs, will not increase significantly.

Expected contributions to post-employment benefit plans for the year ending March 31, 2020 are ₹ 10 Million (Year ending March 31, 2019 ₹ 10 Million)

The weighted average duration of the defined benefit obligation is 8.91 years (March 31, 2018: 1.81 years). The expected maturity analysis of undiscounted gratuity is as follows:

Note 43 Employee benefit obligations (contd.)

Maturity Analysis of the Projected Benefit Obligations - Gratuity

(Amount in ₹ Millions)

Particulars	As at March 31, 2019	As at March 31, 2018
1st Following Year	2.81	10.95
2nd Following Year	3.33	5.43
3rd Following Year	2.89	2.91
4th Following Year	5.48	1.57
5th following year	4.50	0.88
Sum of 6th to 10th Following Year	75.95	0.76

Note 44 Assets pledged as security

The carrying amounts of assets pledged as security for current and non-current borrowings are as follows:

(Amount in ₹ Millions)

Particulars	As at March 31, 2019	As at March 31, 2018
Current		
Financial Assets		
Floating Charge		
Trade Receivables	6,243.67	4,201.72
Non-financial assets		
Inventories	1,160.97	1,067.49
Total Current Assets pledged as Security	7,404.64	5,269.21
Non-Current		
Plant and machinery	5,330.80	3,331.38
Building	88.04	88.04
Vehicles	128.71	86.64
Total Non-Current assets pledged as Security	5,547.55	3,506.06
Total Assets pledged as Security	12,952.19	8,775.27

Note: Amount of assets pledged are gross carrying values.

Note 45 Contingent Liabilities

(Amount in ₹ Millions)

Description	As at March 31, 2019	As at March 31, 2018
(a) The company has a contingent claims liability against which, the company has taken a Terminal Operators Liability Insurance policy.	32.49	32.49

(b) The Company is in the process of evaluating the impact of the recent Supreme Court Judgment in case of "Vivekananda Vidyamandir And Others Vs The Regional Provident Fund Commissioner (II) West Bengal" and the related circular (Circular No. C-I/1(33)2019/Vivekananda Vidya Mandir/284) dated March 20, 2019 issued by the Employees' Provident Fund Organisation in relation to non-exclusion of certain allowances from the definition of "basic wages" of the relevant employees for the purposes of determining contribution to provident fund under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952. In the assessment of the management which is supported by legal advice, the aforesaid matter is not likely to have a significant impact and accordingly, no provision has been made in these Financial Statements.

Note 46 Commitments

(a) Capital commitments

Capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:

(Amount in ₹ Millions)

Description	As at March 31, 2019	As at March 31, 2018
Property, plant and equipment	56.49	7.52

(b) Non-cancellable operating leases

(i) As a lessee:

Operating Lease

The Company has significant operating lease arrangements for land obtained for setting up of camp for construction project offices. These lease arrangements range for a period between 12 months and 36 months, which are cancellable at the option of the Company. Most of the leases are renewable for further period on mutually agreeable terms and also include escalation clauses.

(Amount in ₹ Millions)

Description	Year ended March 31, 2019	Year ended March 31, 2018
With respect to all operating leases:		
Lease payments recognised in the Statement of Profit and Loss during the year	23.24	12.80

Note 47

The holding company has been legally advised that outstanding loan aggregating to ₹ 8.70 Million (as at March 31, 2018, Nil) made towards financing the subsidiary do not come under the preview of Section 186 of companies Act, 2013 as the company is in the business of constructing and developing infrastructure facilities.

Note 48 Earnings per share

The carrying amounts of assets pledged as security for current and non-current borrowings are as follows:

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Profit for the year (Amount in ₹ Millions)	1,235.68	842.64
Weighted average number of equity shares outstanding (number)	6,51,71,111	5,47,60,152
Earning per Share (basic and diluted)	18.96	15.39
Nominal value per equity share	10	10

Note 49 Interests in other entities

Details of the Company's interests in other entities are as under:

Particulars	Ownership Interests	
	As at March 31, 2019	As at March 31, 2018
Joint controlled operations		
HGIEPL – Colossal JV	70%	70%
HGIEPL – Ranjit JV	30%	30%
HGIEPL – MGCPL JV	30%	30%
HGIEPL – RPS JV	51%	51%

Note 49 Interests in other entities (contd.)

The country of incorporation and principle place of above entities is in India.

Significant judgement: classification of joint arrangements

The company has entered into Partnership firms / Association of person whose legal form confers separation between the parties to the joint arrangement and the Company itself. Also, as per the contractual arrangements, the parties to the joint arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Acordingly the Joint arrangements have been identified as Joint operations.

Financial impact of Joint controlled operations

The Company accounts for assets, liabilities, revenue and expenses relating to its interest in joint controlled operations based on the internal agreements/ arrangements entered into between the parties to the joint arrangements for execution of projects. Accordingly the Company has recognised total income from operations ₹ 751.35 Million (for the year ended March 31, 2018 ₹ 915.34 Million), total expenditure (including tax) ₹ 746.66 Million (for the year ended March 31, 2018 ₹ 910.96 Million), total assets as at March 31, 2019 ₹ 50.13 Million (as at March 31, 2018 ₹ 308.61 Million) and total liabilities as at March 31, 2019 ₹ 34.89 Million (as at March 31, 2018 ₹ 166.52 Million)

Note 50 Revenue from contracts with customers

The Company applied Ind AS 115 for the first time by using the modified retrospective method of adoption with the date of initial application of April 1, 2018. Under this method, comparative period has not been adjusted. The adoption of the new standard did not have a material impact on retained earnings as at April 1, 2018 for the revenue contracts that are not completed as at that date, except in case of presentation / disclosure of the balances in relation to construction contracts, which has been explained in note 50.1 below. Also refer note 1(f) for accounting policy on revenue recognition.

50.1 Disaggregation of revenue from contracts with customers

The Company has determined the categories for disaggregation of revenue considering the types / nature of contracts. The Company recognises revenue from following types construction contracts, sale of services and sale of goods point in time and overtime as below:

(Amount in ₹ Millions)

As on March 31, 2019	Construction Contracts	Sale of Services (Maintenance Contract)	Sale of Goods (Sale of Aggregates)	Total
Revenue from external customers	**19,961.95**	**127.51**	**8.86**	**20,098.32**
Timing of revenue recognition				
- At a point in time	-	127.51	8.86	136.37
- Over time	19,961.95	-	-	19,961.95
	19,961.95	**127.51**	**8.86**	**20,098.32**

The Company recognised revenue amounting to ₹ 1,555.57 Million in the current reporting period that was included in the contract liability balance as of April 1, 2018 (Refer note 25.1).

50.2 Unsatisfied performance obligations

The aggregate amount of transaction price allocated to performance obligations that are unsatisfied as at the end of reporting period is ₹ 6,222.35 Million. On Construction Contracts (Road Projects and Pipeline contracts) have a life cycle of 2-3 years and other businesses performance obligations are met over a period of one or less than one year. Management expects that around 40% -50 % of the transaction price allocated to unsatisfied contracts as of March 31, 2019 will be recognised as revenue during next reporting period depending upon the progress on each contracts.

The remaining amount is expected to be recognised in next year.

The amount disclosed above does not include variable consideration.

Note 50 Revenue from contracts with customers (contd.)

50.3 There are no reconciliation items between revenue from contracts with customers and revenue recognised with contract price.

50.4 The Company has changed the presentation of certain amounts in the balance sheet to reflect the terminology of Ind AS 115:

(a) "Contract assets" namely "Unbilled revenue in respect of unfinished contracts" was previously presented as part of "other financial assets" amounting to ₹ 2,009.72 Million as at March 31, 2018 (Refer Note 14).

(b) "Contract liabilities" namely "Advance from customers" was previously presented as part of "other current liabilities" amounting to ₹ 1,555.57 Million as at March 31, 2018 (Refer Note 27).

(c) Line items of statement of profit and loss were not affected by the application of Ind AS 115.

50.5 Under the modified retrospective method, the comparative information in the financial statements would not be restated and would be presented based on the requirements of the previous standard i.e. Ind AS 11, as follows:

Disclosure under Ind AS 11 - "Construction Contracts" for the year ended March 31, 2018:

(Amount in ₹ Millions)

Particulars	For the year ended March 31, 2018
(i) Contract Revenue recognised during the year	13,920.36
Disclosure in respect of contracts in progress as at the year end:	
(i) Aggregate amount of cost incurred and recognised profits (less recognised losses)	25,968.57
(ii) Advances received	1,555.57
(iii) Retention Receivable	564.93
(iv) Amount Due from Customers for contract works (Refer Note 14)	2,009.72
(v) Amount Due to Customers for contract works	-

Note 51 Change in Depreciation method and rate

During the year, management has reassessed the method and useful life of providing depreciation on assets after taking into consideration the past experience and expected usage. Based on the said assessment,

- Useful life of certain assets in plant and machinery block has been increased from 15 to 20 years
- Method of depreciation has been changed from WDV to SLM in case of buildings, computers, software and furniture and fixture; and
- In case of shuttering material the life has been decreased from 15 to 5 years and method of depreciation has been changed from WDV to SLM.

Due to the above change, depreciation charge for the current year is lower by ₹ 136.67 Million.

Note 52 Note on recoverability of amount due from certain trade receivables

The Company has long outstanding dues amounting to ₹ 773.90 Million from certain customers which due to liquidity issues have remain unpaid. There is no dispute on the said balances and balances have been confirmed by the parties. The Company is very actively engaged with them for recovery of the said balance. Based on the latest discussions, correspondences exchanges, evaluation of the credit profile of the customer, the Company has considered a provision of ₹ 85.24 Million towards the said balances.

The Company is in arbitration as per the terms of the contract with a customer towards recovery of outstanding claims. The arbitration proceedings are expected to be completed within next quarter. Based on the management assessment including as advised by the legal counsel the management has a good probability of recovering amounts greater the balance being carried in the books i.e ₹112.60 Million and accordingly no provision is considered necessary.

Note 53

Prior year figures have been regrouped, wherever necessary.

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration No. 304026E / E-300009

Priyanshu Gundana
Partner
Membership Number: 109553

Place: Jaipur
Date: May 24, 2019

For and on behalf of the Board of Directors
H. G. Infra Engineering Limited
CIN: L45201RJ2003PLC018049

Harendra Singh
Chairman and Managing Director
DIN: 00402458

Rajeev Mishra
Chief Financial Officer

Ankita Mehra
Company Secretary
Membership No: A33288

Independent Auditor's Report

To
The Members of
H. G. Infra Engineering Limited

Report on the audit of the Consolidated financial statements

Opinion

1. We have audited the accompanying consolidated financial statements of H. G. Infra Engineering Limited in which are incorporated 4 jointly controlled operations, (hereinafter referred to as the "Holding Company"), its subsidiary (Holding Company and its subsidiary together referred to as "the Group") and its associate (refer Note 1(c) and 49 to the attached consolidated financial statements), which comprise the consolidated Balance Sheet as at March 31, 2019 and the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated statement of changes in equity and the consolidated cash flows Statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information prepared based on the relevant records (hereinafter referred to as "the Consolidated Financial Statements").

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its associate as at March 31, 2019, of the consolidated total comprehensive income (comprising of profit and other comprehensive income), consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the group and associates in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in India in terms of the Code of Ethics issued by ICAI and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph 14 of the Other Matter paragraph below is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Estimation of contract cost and revenue recognition (Refer to note 1(f)(i), 2(d), 28 and 50 of the consolidated financial statements) Contract revenue amounting to ₹ 20,136.09 Million for engineering, procurement and construction contracts which usually extends over a period of 2-3 years, contract prices are fixed / subject to price variance clauses. The contract revenue is measured based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs, except where this would not be representative of the stage of completion.	Our procedures over the recognition of construction revenue included the following: • Understood and evaluated the design and tested effectiveness of key internal financial controls, including those related to review and approval of estimated project cost and review of provision for estimated loss by the authorised representatives. • For sample of contracts, we obtained the percentage of completion calculations, agreed key contractual terms back to signed contracts, tested the mathematical accuracy of the cost to complete calculations and re-performed the calculation of revenue recognized during the year based on the percentage of completion.

Key audit matter	How our audit addressed the key audit matter
This method requires the Group to perform an initial assessment of total estimated cost and further, reassess the total construction cost at each reporting period to determine the appropriate percentage of completion. On transition to Indian Accounting Standard (IND AS) 115, Revenue from Contracts with Customers w.e.f. April 1, 2018, the management has performed a detailed evaluation of the implications under the new standard and has concluded that there are no material implications on account of applicability of Ind AS 115 on revenue recognition. We considered the estimation of construction contract cost as a key audit matter given the involvement of significant management judgement which has consequential impact on revenue recognition.	• For costs incurred to date, we tested samples to appropriate supporting documentation and performed cut off procedures. • To test the forecasted cost to complete, we obtained the breakdown of forecasted costs and tested elements of the forecast by obtaining executed purchase orders and agreements, evaluating reasonableness of management's judgements / and assumptions using past trends and comparing the estimated costs to the actual costs incurred for the similar completed projects. • Checked the implications and related disclosures in the financial statements pursuant to applicability of Ind AS 115. Based on the procedures performed above, we considered manner of estimation of contract cost and recognition of revenue to be reasonable.
Valuation of accounts receivable (including contract assets) in view of risk of credit losses (Refer to the Note 38, Note 52, Note 6 and Note 10 – Trade receivables). Accounts receivables is a significant item in the Group's consolidated financial statements amounting to ₹ 8,028.78 Million as of March 31, 2019 and provisions for impairment of receivables is an area which is influenced by management's estimates and judgment. The provision for impairment of receivables amounted to ₹ 85.24 million (whereof new provisions amounted to ₹ 85.24 million for financial year 2018-19). The Group has a concentration of credit exposure on certain customers, which include government and private organisations as well where there are delays in collections due to various reasons. Further, there is a legal case with respect to one government organisation. The management has assessed the appropriateness of provisions recognised, as applicable, on receivables, basis factors such as the credit risk of the customer, status of the project, discussions with the customers and contractual terms. This involves significant judgement. Given the relative significance of these receivables to the financial statements and the nature and extent of audit procedures involved to assess the recoverability of receivables, we determined this to be a key audit matter.	Our audit incorporated the following procedures, among others, with regards to provisioning of receivables; • Understanding, Evaluating the design and testing the operating effectiveness of key controls in relation to determination of estimated credit loss. • Obtaining confirmation from parties, on a sample basis, with respect to outstanding balances. • Inquiry procedures with senior management of the Group regarding status of collectability of the receivable. • For material balances, the basis of provision was discussed with the audit committee. • Review of correspondences with the customers. • Assessing the inputs used by the Management to determine the amount of allowances by considering factors such as credit risk of the customer, cash collections, past history and status of the project, and correspondence with customers. Based on our work as stated above, no significant deviations were observed in respect of management's assessment of valuation of accounts receivables.

Other Information

5. The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and the reports of the other auditors as furnished to us, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

6. The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows, and changes in equity of the Group including its associate in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group and its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and of its associate and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

7. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and its associate are responsible for assessing the ability of the Group and of its associate to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

8. The respective Board of Directors of the companies included in the Group and of its associate are responsible for overseeing the financial reporting process of the Group and of its associate.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

    - Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

    - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

    - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

    - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associate to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associate to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associate to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities and jointly controlled operations included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

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

13. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

14. We did not audit the financial statements of 4 jointly controlled operations whose financial statements reflect total assets of ₹ 50.13 million and net assets of ₹ 15.24 million as at March 31, 2019, total revenue of ₹ 751.35 million, net profit before tax of ₹ 4.69 million for the year ended on that date, one subsidiary whose financial statements reflect total assets of ₹ 16.72 million and net asset of ₹ 9.18 million as at March 31, 2019, total revenue of ₹ 46.62 million and net profit before tax of ₹ 13.03 million for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statement also included the Group's share total comprehensive profit(comprising of profit and other comprehensive income) of ₹ 28.54 million for the year ended March 31,2019 as considered in the consolidated financial statement in respect of one associate, where financial statement has not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion on the Consolidated Financial Statements insofar as it related to the amounts and disclosures included in respect of jointly controlled operations, subsidiary and an associate and our report in terms of sub-section (3) of section 143 of the Act including report on Other information insofar it relates to the jointly controlled operations, subsidiary and an associate is based solely on the reports of the other auditors.

    Our opinion on the consolidated financial statements and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

15. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

    (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

    (b) In our opinion, proper books of account as required by law maintained by the Holding Company and its subsidiary included in the group and an associate incorporated in India including relevant records relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and records of the Holding Company and the reports of the other auditors.

    (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account and records maintained by the Holding Company and its subsidiary included in the group and an associate incorporated in India including relevant records for the purpose of preparation of the consolidated financial statements.

(d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.

(e) On the basis of the written representations received from the directors of the H.G. Infra Engineering Limited as on March 31, 2019 taken on record by the Board of Directors of H.G. Infra Engineering Limited and the reports of the statutory auditors of its subsidiary company incorporated in India, none of the directors of the Holding Company and its subsidiary are disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164(2) of the Act.

(f) With respect to the adequacy of internal financial controls with reference to financial statements of the Holding Company and its subsidiary company incorporated in India and the operating effectiveness of such controls, refer to our separate report in Annexure A.

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

i. The consolidated financial statements disclose the impact, if any, of pending litigations as at March 31, 2019 on the consolidated financial position of the Group and its associate– Refer Note 45 to the consolidated financial statements.

ii. The Company assesses periodically the foreseeable losses on all its long term contracts. At the end of the year under report there were no such foreseeable losses. The Holding Company, its subsidiary and its associate did not have any derivative contracts as at March 31, 2019.

iii. During the year ended March 31, 2019, there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary company incorporated in India.

iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Group for the year ended March 31, 2019.

For Price Waterhouse & Co Chartered Accountant LLP
Firm Registration Number: 304026E/E-300009

Priyanshu Gundana
Partner
Membership Number: 109553

Place: Jaipur
Date: May 24, 2019

Annexure A to Independent Auditors' Report

Referred to in paragraph 15(f) of the Independent Auditors' Report of even date to the members of H. G. Infra Engineering Limited on the consolidated financial statements for the year ended March 31, 2019

Report on the Internal Financial Controls under with reference to financial statements Clause (i) of Sub-section 3 of Section 143 of the Act

1. In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2019, we have audited the internal financial controls with reference to financial statement of H. G. Infra Engineering Limited (hereinafter referred to as "the Holding Company") and its subsidiary company, as of that date. Reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls with reference to financial statement is not applicable to 4 jointly controlled operations and 1 associate.

Management's Responsibility for Internal Financial Controls

2. The respective Board of Directors of the Holding company and its subsidiary company, to whom reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls with reference to financial statement is applicable, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI)". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statement based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statement was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statement 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statement.

Meaning of Internal Financial Controls Over Financial Reporting

6. A company's internal financial control with reference to financial statement is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statement 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

7. 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 with reference to financial statement may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Holding Company and its subsidiary company, have, in all material respects, an adequate internal financial controls with reference to financial statement and such internal financial controls with reference to financial statement were operating effectively as at March 31, 2019, based on the internal control with reference to financial statement 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.

Other Matters

9. Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statement insofar as it relates to one subsidiary company, which is a Company incorporated in India, is based on the corresponding reports of the auditor of the company incorporated in India.

10. Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statement insofar as it relates to 4 jointly controlled operations and 1 associate is not applicable.

    Our opinion is not modified in respect of the above matters.

For Price Waterhouse & Co Chartered Accountant LLP
Firm Registration Number: 304026E/E-300009

Priyanshu Gundana
Partner
Membership Number: 109553

Place: Jaipur
Date: May 24, 2019

Consolidated Balance Sheet as at March 31, 2019

(Amount in ₹ Millions)

Particulars	Note	As at March 31, 2019	As at March 31, 2018
ASSETS			
Non-current assets			
Property, plant and equipment	3	4,587.56	4,114.28
Capital work-in-progress	3	-	85.73
Intangible assets	4	34.09	4.74
Financial assets			
i. Investment	5	28.54	-
ii. Trade receivables	6	29.70	48.54
iii. Other financial assets	7	119.63	142.13
Deferred tax assets	36(b)	83.74	61.30
Non-currrent tax assets	36(e)	11.01	15.75
Other non-current assets	8	78.21	185.92
Total non-current assets		**4,972.48**	**4,658.39**
Current assets			
Inventories	9	1,160.97	1,067.53
Financial assets			
i. Trade receivables	10	6,145.65	4,294.28
ii. Cash and cash equivalents	11	31.17	64.18
iii. Bank balances other than (ii) above	12	971.26	2,225.13
iv. Loans	13	4.21	2.58
v. Other financial assets	14	257.98	2,032.82
Contract assets	15	1,595.51	-
Other current assets	16	586.98	499.44
Total current assets		**10,753.73**	**10,185.96**
Total assets		**15,726.21**	**14,844.35**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	17	651.71	651.71
Other equity			
Reserves and surplus	18	5,978.10	4,756.92
Total equity		**6,629.81**	**5,408.63**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
i. Borrowings	19	593.23	1,246.98
ii. Trade Payables	20	533.09	487.85
Employee benefit obligations	21	41.75	0.73
Total non-current liabilities		**1,168.07**	**1,735.56**
Current liabilities			
Financial liabilities			
i. Borrowings	22	1,823.42	1,761.73
ii. Trade payables			
(a) total outstanding dues of micro and small enterprises	23	56.65	-
(b) total outstanding dues other than (ii) (a) above	23	3,404.91	2,793.43
iii. Other financial liabilities	24	1,435.58	1,332.89
Contract liabilities	25	872.55	-
Employee benefit obligations	26	121.45	92.60
Other current liabilities	27	55.62	1,671.76
Current tax liabilities	36(d)	158.15	47.75
Total current liabilities		**7,928.33**	**7,700.16**
Total liabilities		**9,096.40**	**9,435.72**
Total equity and liabilities		**15,726.21**	**14,844.35**

The above consolidated balance sheet should be read in conjunction with the accompanying notes.
As per our report of even date.

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration No. 304026E / E-300009

Priyanshu Gundana
Partner
Membership Number: 109553

Place: Jaipur
Date: May 24, 2019

For and on behalf of the Board of Directors
H. G. Infra Engineering Limited
CIN: L45201RJ2003PLC018049

Harendra Singh
Chairman and Managing Director
DIN: 00402458

Rajeev Mishra
Chief Financial Officer

Ankita Mehra
Company Secretary
Membership No: A33288

Consolidated Statement of Profit and Loss for the year ended March 31, 2019

(Amount in ₹ Millions)

Particulars	Note	Year ended March 31, 2019	Year ended March 31, 2018
Revenue from operations	28	20,144.95	13,927.25
Other income	29	114.39	46.66
Total income		**20,259.34**	**13,973.91**
Expenses			
Cost of materials consumed	30	8,919.31	5,462.38
Contract and site expenses	31	6,665.54	5,474.70
Employee benefits expense	32	1,194.19	761.44
Finance costs	33	490.31	400.59
Depreciation and amortisation expense	34	754.54	539.17
Other expenses	35	319.95	148.03
Total expenses		**18,343.84**	**12,786.31**
Profit before tax		**1,915.50**	**1,187.60**
Share of Profit of associate		28.54	-
Profit after share of profit of associate and before tax		**1,944.04**	**1,187.60**
Income tax expense			
- Current tax	36(a)	693.06	383.74
- Deferred tax	36(a)	(22.45)	(38.78)
Total tax expense		**670.61**	**344.96**
Profit after tax		**1,273.43**	**842.64**
Other comprehensive income			
Items that may be reclassified to profit or loss		-	-
Items that will not be reclassified to profit or loss			
Remeasurements of post-employment benefit obligations		(19.92)	(1.45)
Income tax relating to these items		6.96	0.51
Other comprehensive income for the year		**(12.96)**	**(0.94)**
Total comprehensive income for the year		**1,260.47**	**841.70**
Earnings per equity share of ₹ 10 each	48		
Basic earnings per share (Amount in ₹)		19.54	15.39
Diluted earnings per share (Amount in ₹)		19.54	15.39

The above consolidated statement of profit and loss should be read in conjunction with the accompanying notes.
As per our report of even date.

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration No. 304026E / E-300009

For and on behalf of the Board of Directors
H. G. Infra Engineering Limited
CIN: L45201RJ2003PLC018049

Priyanshu Gundana
Partner
Membership Number: 109553

Harendra Singh
Chairman and Managing Director
DIN: 00402458

Rajeev Mishra
Chief Financial Officer

Ankita Mehra
Company Secretary
Membership No: A33288

Place: Jaipur
Date: May 24, 2019

Consolidated Cash Flow Statement for the year ended March 31, 2019

(Amount in ₹ Millions)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
A) Cash flow from operating activities		
Profit before tax	1,915.50	1,187.60
Adjustments for:		
Depreciation and amortisation expense	754.54	539.17
Interest Income from financial assets of amortised cost	(91.81)	(37.73)
Loss allowances	85.24	-
Net gain/ (loss) on disposal of property, plant and equipment	0.68	1.32
Net unrealised (gain) / loss on exchange differences	-	7.78
Net finance costs	490.31	400.59
Operating Profit before Working Capital Changes	3,154.46	2,098.73
Changes in working capital:		
(Increase) in trade receivables	(1,917.77)	(2,504.97)
(Increase) in inventories	(93.44)	(575.49)
(Increase) / decrease in other current financial assets	1,774.84	(1,741.92)
(Increase) in contract assets (Refer note 50.4)	(1,595.51)	-
(Increase) / decrease in other current assets	(87.54)	(203.14)
(Increase) in other non current financial assets	(12.25)	(10.54)
Decrease in other non current assets	13.17	11.76
Increase in trade payables	713.37	2,116.44
Increase in contract liabilities (Refer note 50.4)	872.55	-
Increase / (decrease) in other current financial liabilities	(29.07)	14.45
(Decrease) / increase in other current liabilities	(1,616.15)	1,076.32
Increase in employee benefit obligations	56.92	44.87
Decrease in current loans	-	7.33
Cash generated from operations	1,233.58	333.84
Income taxes paid (Net of refunds)	(577.91)	(411.59)
Net cash generated from / (used in) Operating Activities	**655.67**	**(77.75)**
B) Cash Flow From Investing Activities		
Payment for property, plant and equipment	(1,288.56)	(2,584.51)
Sale of property, plant and equipment	3.07	61.64
Fixed deposits (placed) / redemption of fixed deposits (Net)	1,288.62	(1,976.86)
Interest received	91.81	37.73
Loan to employees and related parties	(1.63)	-
Net Cash (used in) Investing Activities	**93.31**	**(4,462.00)**

Consolidated Cash Flow Statement for the year ended March 31, 2019

(Amount in ₹ Millions)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
C) Cash Flow From Financing Activities		
Proceeds from / (Repayment) of Borrowings (Net)	(65.71)	1,214.33
Proceeds from / (Repayment) of Loans taken from Directors (Net)	(188.62)	807.17
Proceeds from Issue of Shares	-	3,000.00
Dividend paid to Company's shareholders (including dividend distribution tax of ₹ 6.70 million)	(39.29)	-
Share Issue Costs	-	(194.42)
Finance cost paid	(488.37)	(393.46)
Net Cash generated from Financing Activities	**(781.99)**	**4,433.62**
Net increase in cash and cash equivalents	**(33.01)**	**(106.13)**
Cash and Cash Equivalents as at the beginning of the year	64.18	170.31
Cash and cash equivalents at the end of the year	**31.17**	**64.18**
Reconciliation of Cash and cash equivalents as per the cash flow statement		
Cash and cash equivalents comprise of the following:		
Cash on hand	3.24	4.82
Bank Balance on current account	27.93	59.36
Total	**31.17**	**64.18**

The above consolidated cash flow should be read in conjunction with the accompanying notes.

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration No. 304026E / E-300009

Priyanshu Gundana
Partner
Membership Number: 109553

Place: Jaipur
Date: May 24, 2019

For and on behalf of the Board of Directors
H. G. Infra Engineering Limited
CIN: L45201RJ2003PLC018049

Harendra Singh
Chairman and Managing Director
DIN: 00402458

Rajeev Mishra
Chief Financial Officer

Ankita Mehra
Company Secretary
Membership No: A33288

Consolidated Statement of Changes in Equity for the year ended March 31, 2019

A. Equity share capital

(Amount in ₹ Millions)

Particulars	Amount
As at March 31, 2017	180.20
Changes in equity share capital (Refer Note 17(d) and 17(g))	471.51
As at March 31, 2018	651.71
Changes in equity share capital	-
As at March 31, 2019	651.71

B. Other equity

(Amount in ₹ Millions)

Particulars	Attributable to owners of H.G. Infra Engineering Limited		
	Reserves and surplus		Total otherequity
	Securities premium reserve	Retained earnings	
As at April 1, 2017	**-**	**1,581.15**	**1,581.15**
Profit for the year	-	842.64	842.64
Items that will not be reclassified to profit or loss			
Add: Remeasurements of post-employment benefit obligations	-	(1.45)	(1.45)
Less: Income tax relating to these items	-	0.51	0.51
Total comprehensive income for the year	**-**	**841.70**	**841.70**
Issue of equity shares (Initial public offering - net of transaction costs - Refer Note 17(g))	2,694.47	-	2,694.47
Less: Bonus share issue (Refer Note 17(d))	-	360.40	360.40
As at March 31, 2018	**2,694.47**	**2,062.45**	**4,756.92**
Profit for the year	-	1,273.43	1,273.43
Items that will not be reclassified to profit or loss			
Add: Remeasurements of post-employment benefit obligations	-	(19.92)	(19.92)
Less: Income tax relating to these items	-	6.96	6.96
Total comprehensive income for the year	**-**	**1,260.47**	**1,260.47**
Less: Dividend Paid	-	32.59	32.59
Less: Dividend distribution tax	-	6.70	6.70
As at March 31, 2019	**2,694.47**	**3,283.63**	**5,978.10**

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration No. 304026E / E-300009

Priyanshu Gundana
Partner
Membership Number: 109553

Place: Jaipur
Date: May 24, 2019

For and on behalf of the Board of Directors
H. G. Infra Engineering Limited
CIN: L45201RJ2003PLC018049

Harendra Singh
Chairman and Managing Director
DIN: 00402458

Rajeev Mishra
Chief Financial Officer

Ankita Mehra
Company Secretary
Membership No: A33288

Notes to the Consolidated Financial Statements as of and for the year ended March 31, 2019

Background

H.G. Infra Engineering Limited ("parent Company or the Company") is a public limited Company listed on the Bombay Stock Exchange and National Stock Exchange on March 9, 2018 (Refer note 17(g)). Its registered office is at 14, Panchwati Colony, Ratanada, Jodhpur – 342001, Rajasthan, India. The Company (including 4 jointly controlled operations consolidated on proportionate basis), a Subsidiary Company are together referred to as "Group" and an associate.

The Group is engaged in Engineering, Procurement and Construction (EPC), Maintenance of roads, bridges, flyovers and other infrastructure contract works.

These Consolidated financial statements were authorized to be issued by the board of directors on May 24, 2019.

Note 1 Significant Accounting Policies

This note provides a list of the significant accounting policies adopted in the preparation of these consolidated financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of preparation

(i) Compliance with Ind AS

The Consolidated financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) read with Rule 4 of the Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act.

(ii) Historical cost convention

The consolidated financial statements have been prepared on a historical cost basis, except for the following:

- Certain financial assets and financial liabilities measure at fair value;
- Assets held for sale – Measured at fair value less cost to sell; and
- defined benefit plans - plan assets measured at fair value

(iii) Standards issued but not yet effective

In March 2019, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) Second Amendment Rules, 2019, notifying Ind AS 116, 'Leases'. This will replace Ind AS 17, Leases. Ind AS 116 sets out the principles of recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases on their balance sheet. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets and 'short term' leases. At the commencement date of a lease, lessees are required to recognise a lease liability for the obligation to make lease payments and a right-to-use asset for the right to use the underlying asset for the lease term. Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-to-use asset.

The new standard is mandatory for financial years commencing on or after April 1, 2019. The standard permits either full retrospective or a modified retrospective approach for the adoption. The Group plans to adopt Ind AS 116 using modified retrospective approach.

The Group is in the process of identifying and implementing changes to our processes to meet the standard's updated reporting and disclosure requirements, as well as evaluating the internal control changes required, if any, during the implementation and continued application of new standard. The Group will elect to use the exemptions proposed by the standard on lease contracts for which the lease terms ends within 12 months as on the date of initial application, and lease contracts for which the underlying asset is of low value.

(iv) New and amended standards adopted by the Company

The Group has applied the following standards and amendments for the first time for their annual reporting period commencing April 1, 2018:

- Ind AS 115, Revenue from Contracts with Customers
- Appendix B, Foreign Currency Transactions and Advance Consideration to Ind AS 21, The Effects of Changes in Foreign Exchange Rates

- Amendment to Ind AS 12, Income Taxes
- Amendment to Ind AS 28, Investments in Associates and Joint Ventures and Ind AS 112, Disclosure of Interests in Other Entities

There is no material impact of Ind AS 115, Revenue from Contracts with Customers on the Group (Refer note 50) except related to disclosures in the financial statement. Other amendments listed above does not have any material impact on the current period and are not expected to significantly affect the future period.

(b) Operating Cycle

Assets and liabilities other than those relating to long-term contracts (i.e. construction contracts) are classified as current if it is expected to realize or settle within 12 months after the balance sheet date.

(c) Principles of consolidation and equity accounting

(i) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the group.

The group combines the financial statements of the parent and its subsidiary line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group. Details of the Subsidiary are set out in note 49.

(ii) Associates

Associates are all entities over which the group has significant influence but not control or joint control. This is generally the case where the group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting (see (iv) below), after initially being recognised at cost. Details of the associate are set out in note 49.

(iii) Joint control operation

The Parent Company recognises its direct right to the assets, liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been incorporated in the financial statements under the appropriate headings. Details of the joint operation are set out in note 49.

(iv) Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the group's share of the post-acquisition profits or losses of the investee in profit and loss, and the group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates are recognised as a reduction in the carrying amount of the investment.

When the group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the group and its associate are eliminated to the extent of the group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the group.

The carrying amount of equity accounted investments are tested for impairment in accordance with the policy described in note 1(o) below.

(d) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM). The Managing Director of the Holding Company has been identified as CODM and he assesses the financial performance and position of the Holding Company, and makes strategic decisions. Refer Note 40 for segment information presented.

(e) Foreign currency translation

(i) Functional and presentation currency

Items included in the consolidated financial statements of the entity are measured using the currency of the primary economic environment in which the entity operates (`the functional currency'). The consolidated financial statements are presented in Indian rupee, which is Companies functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognized in profit or loss.

(f) Revenue recognition

The Group derives revenue principally from following streams:

- Construction contracts
- Sale of Services (Operation and Maintenance contracts)
- Sale of products (Revenue from sale of processed aggregates)

(i) Construction contracts

The Group recognises revenue from engineering, procurement and construction contracts ('EPC') over the period of time, as performance obligations are satisfied over time due to continuous transfer of control to the customer. EPC contracts are generally accounted for as a single performance obligation as it involves complex integration of goods and services.

The performance obligations are satisfied over time as the work progresses. The Group recognises revenue using input method (i.e percentage-of-completion method), based primarily on contract cost incurred to date compared to total estimated contract costs. Changes to total estimated contract costs, if any, are recognised in the period in which they are determined as assessed at the contract level. If the consideration in the contract includes price variation clause or there are amendments in contracts, the Group estimates the amount of consideration to which it will be entitled in exchange for work performed.

Due to the nature of the work required to be performed on many of the performance obligations, the estimation of total revenue and cost at completion is complex, subject to many variables and requires significant judgment. Variability in the transaction price arises primarily due to liquidated damages, price variation clauses, changes in scope, incentives, and discounts, if any. The Group considers its experience with similar transactions and expectations regarding the contract in estimating the amount of variable consideration to which it will be entitled and determining whether the estimated variable consideration should be constrained. The Group includes estimated amounts in the transaction price to the extent it is probable that a significant reversal of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is resolved. The estimates of variable consideration are based largely on an assessment of anticipated performance and all information (historical, current and forecasted) that is reasonably available.

Progress billings are generally issued upon completion of certain phases of the work as stipulated in the contract. Billing terms of the over-time contracts vary but are generally based on achieving specified milestones. The difference between the timing of revenue recognised and customer billings result in changes to contract assets and contract liabilities. Payment is generally due upon receipt of the invoice, payable within 90 days or less. Contractual retention amounts billed to customers are generally due upon expiration of the contract period.

The contracts generally result in revenue recognised in excess of billings which are presented as contract assets on the statement of financial position. Amounts billed and due from customers are classified as receivables on the statement of financial position. The portion of the payments retained by the customer until final contract settlement is not considered a significant financing component since it is usually intended to provide customer with a form of security for Group's remaining performance as specified under the contract, which is consistent with the industry practice. Contract liabilities represent amounts billed to customers in excess of revenue recognised till date. A liability is recognised for advance payments and it is not considered as a significant financing component because it is used to meet working capital requirements at the time of project mobilisation stage. The same is presented as contract liability in the statement of financial position.

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by management.

For construction contracts the control is transferred over time and revenue is recognised based on the extent of progress towards completion of the performance obligations. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

(ii) Sale of Services (Operation and Maintenance contracts)

Revenue from providing operating and maintenance services is recognised in the accounting period in which the services are rendered. Invoices are issued according to contractual terms and are usually payable as per the credit period agreed with the customer.

(iii) Sale of products (Revenue from sale of processed aggregates.)

Revenue from sale of products is recognised upon satisfaction of performance obligations, i.e. at a point of time, which occurs when the control is transferred to the customer.

(iv) Insurance claims

Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect ultimate collection.

(v) Other income

All other income is accounted on accrual basis when no significant uncertainty exist regarding the amount that will be received.

(g) Income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences.

(i) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. The provision for current tax is made at the rate of tax as applicable for the income of the previous year as defined under the Income tax Act, 1961.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

(ii) Deferred tax

Deferred tax is recognized using the Balance Sheet approach on temporary differences at the reporting date arising between the tax bases of assets and liabilities and their carrying amounts as per consolidated financial statements as at the reporting date.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, depreciation carry-forwards and unused tax credits could be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax assets to be recovered.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Current and deferred tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

(h) Leases

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the group are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

(i) Impairment of non-financial assets

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

(j) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

(k) Trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance.

(l) Inventories

Inventories are stated at lower of cost and net realizable value.

Cost of raw material, stores and spare parts and construction materials includes cost of purchases and other cost incurred in bringing the inventories to the present location and condition. Cost is determined using weighted average method.

Cost of work-in-progress comprises of raw material, direct labour, other direct costs and an appropriate proportion of variable and fixed overhead expenditure. Cost is determined using weighted average method.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to complete the contract.

(m) Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognized for any initial or subsequent write-down of the asset to fair value less costs to sell. A gain is recognized for any subsequent increases in fair value less costs to sell of an asset, but not in excess of any cumulative impairment loss previously recognized. A gain or loss not previously recognized by the date of the sale of the non-current asset is recognized at the date of de-recognition.

Non-current assets are not depreciated or amortized while they are classified as held for sale.

Non-current assets classified as held for sale are presented separately from the other assets in the balance sheet.

(n) Investments

Investment in equity shares of subsidiaries are measured at cost. Investments in equity instruments are measured at fair value through other comprehensive income.

The Group classifies its financial assets in the measurement categories as those to be measured subsequently at fair value (through other comprehensive income or through profit and loss) and those measured at amortised cost. The classification depends on the Entity's business model for managing the financial asset and the contractual terms of the cash flows. (Refer note 1(o))

(o) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets and liabilities are recognized when the Entity becomes a party to the contractual provisions of the instrument.

Financial Assets:

Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through the Statement of Profit or Loss), and
- those measured at amortized cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

Initial recognition and measurement

Financial assets are recognized when the Entity becomes a party to the contractual provisions of the instrument. Financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through Statement of Profit or Loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed of in the Statement of Profit or Loss.

Subsequent measurement

After initial recognition, financial assets are measured at:

- fair value (either through other comprehensive income or through profit or loss), or
- amortized cost

Debt instruments

Subsequent measurement of debt instruments depends on the Entity business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- Amortised Cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains / (losses). Impairment losses are presented as separate line item in the statement of profit and loss.
- Fair Value through Other Comprehensive Income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses, which are recognized in the Statement of Profit and Loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.
- Fair Value through Profit or Loss (FVTPL): Assets that do not meet the criteria for amortized cost or FVOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss is recognized in profit or loss in the period in which it arises. Interest income from these financial assets are recognized in the Statement of profit and loss.

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Company management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments are recognised in profit or loss as other income when the Group right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in other gain/ (losses) in the statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Impairment of Financial Assets

Assets are tested for impairment on an annual basis and whenever there is an indication that the recoverable amount is less than its carrying amount based on a number of factors including operating results, business plans, future cash flows and economic conditions. The recoverable amount is determined based on higher of value-in-use and fair value less cost to sell.

Market related information and estimates are used to determine the recoverable amount. Key assumptions on which management has based its determination of recoverable amount include estimated long term growth rates, weighted average cost of capital and estimated operating margins. Cash flow projections take into account past experience and represent management's best estimate about future developments.

Impairment of Trade Receivables

The impairment provisions for trade receivables are based on assumption about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculations, based on Entity's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

Derecognition of Financial Assets

A financial asset is derecognized only when:

- the Group has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Group evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognized. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognized.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognized if the Group has not retained control of the financial asset. Where the Group retains control of the financial asset, the asset is continued to be recognized to the extent of continuing involvement in the financial asset.

Income Recognition

Interest income

Interest income from financial assets at fair value through profit or loss is disclosed as interest income within other income. Interest income on financial assets at amortised cost and financial assets at FVOCI is calculated using the effective interest method is recognised in the statement of profit and loss as part of other income.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

<u>Financial Liabilities:</u>

Initial recognition and measurement

Financial liabilities are initially measured at its fair value plus or minus, in the case of a financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the issue/origination of the financial liability.

Subsequent Measurement

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held- for- trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in statement of profit and loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in statement of profit and loss. Any gain or loss on derecognition is also recognized in statement of profit and loss.

Derecognition

A financial liability is derecognized when the obligation specified in the contract is discharged, cancelled or expires.

(p) Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount is reported in the Balance Sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counter party.

(q) Property, plant and equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less accumulated depreciation and impairment. Historical Cost comprises of the purchase price including import duties and non-refundable taxes and directly attributable expenses incurred to bring the asset to the location and condition necessary for it to be capable of being operated in the manner intended by management.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Transition to Ind AS

On transition to Ind AS, the Group has elected to continue with the carrying value of all of its property, plant and equipment recognized as at April 1, 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Depreciation methods, rates and residual value

Depreciation is provided on a pro-rata basis on the written down value (WDV) / Straight Line Method (SLM) over the estimated useful lives of the assets, based on technical evaluation done by management's expert, which are higher than those specified by Schedule II to the Companies Act, 2013, in order to reflect the actual usage of the assets. The useful life, residual value and the depreciation method are reviewed at least at each financial year end. If the expectations differ from previous estimates, the changes are accounted for prospectively as a change in accounting estimate.

The management estimates useful lives of the tangible fixed assets as follows:

	Life in year	Depreciation method
• Building	60	SLM
• Plant and machinery	20/15	WDV
• Shuttering	5	SLM
• Computers	3	SLM
• Furniture and fixtures	10	SLM
• Vehicles	8	WDV

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains/ (losses). (Also refer note 51 and 2(a)).

(r) Intangible assets

Intangible assets are stated at acquisition cost, net of accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortized on a Straight Line Method (SLM) basis over their estimated useful lives.

Transition to Ind AS

On transition to Ind AS, the Group has elected to continue with the carrying value of its intangible assets recognized as at April 1, 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the intangible assets.

The management estimates the useful lives for the intangible asset as follows:

	Life in year	Depreciation method
• Software License	6	SLM

The amortization period and the amortization method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains/ (losses).

(s) Trade and other payables

These amounts represent liabilities for goods and services provided to the group prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method.

(t) Borrowings

Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in profit or loss over the period of the borrowings using the effective interest method.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss as other gains/(losses).

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

(u) Borrowing cost

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

(v) Provisions and contingent liabilities

Provisions

Provisions are recognized when there is a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and there is a reliable estimate of the amount of the obligation.

If the effect of the time value of money is material, provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognized as interest expense.

Contingent liabilities

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group, or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

(w) Employee benefits

(i) Short term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(ii) Other long term employee benefit obligations

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation.

Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognized in profit or loss. The obligations are presented as current liabilities in the balance sheet if the Group does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

(iii) Post-employment obligations

The Group operates the following post-employment schemes.

- Defined benefit plan i.e. gratuity
- Defined contribution plans such as provident fund, superannuation etc.

Gratuity obligations

The liability or asset recognized in the balance sheet in respect of defined benefit gratuity plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income.

They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss as past service cost.

Defined contribution plans

The Group pays contribution to defined contribution schemes such as provident fund, superannuation fund etc. The Group has no further payment obligation once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognized as employee benefit expense when they are due.

(x) Contributed equity

Equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(y) Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

(z) Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- The profit attributable to owners of the Group
- By the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

(aa) Service Concession Arrangement

The Group constructs or upgrades infrastructure (construction or upgrade services) used to provide a public service and operates and maintains that infrastructure (operation services) for a specified period of time. These arrangements may include Infrastructure used in a public-to-private service concession arrangement for its entire useful life. Under Appendix C to Ind AS 115 - Service Concession Arrangements, these arrangements are accounted for based on the nature of the consideration. The financial asset model is used to the extent the Company has an unconditional contractual right to receive cash or another financial asset from or at the direction of the grantor for the construction services. If the Group performs more than one service (i.e., construction or upgrade services and operation services) under a single contract or arrangement, consideration received or receivable is allocated by reference to the relative fair values of the services delivered, when the amounts are separately identifiable.

The Group manages concession arrangements which include toll road project. The Group maintains and services the infrastructure during the concession period. These concession arrangements set out rights and obligations related to the infrastructure and the service to be provided. Also refer Note 50.6.

(bb) Rounding of amounts

All amounts disclosed in the consolidated financial statements and notes have been rounded off to the nearest million as per the requirement of Schedule III, unless otherwise stated.

Note 2 Critical estimates and judgements

The preparation of the consolidated financial statements requires use of accounting estimates which, by definition, will seldom equal the actual results. This note provides an overview of the areas that involved a higher degree of judgements or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the consolidated financial statements.

The areas involving critical estimates or judgements are:

(a) Estimation of useful life of Property, plant and equipment

The Group estimates the useful life of the Property, plant and equipment as mentioned in Note 1(p) above, which is based on the expected technical obsolescence of such assets. However, the actual useful life may be shorter or longer than the life estimated, depending on technical innovations and competitor actions (also refer note 51).

(b) Estimation of defined benefit obligation

The cost of the defined benefit gratuity plan and other post-employment employee benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation. The mortality rate is based on publicly available Indian Assured Lives Mortality (2006-08) Ultimate. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for the respective countries. Refer note 43 for key actuarial assumptions.

(c) Estimation of fair value of level 3 financial instruments

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Group uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. Refer note 37 on fair value measurements where the assumptions and methods to perform the same are stated.

(d) **Revenue recognition for construction contract and Revenue from HAM model**

Also refer note 1(f) and note 50.

(e) **Classification of joint arrangement as a jointly control operation**

The agreements in relation to the joint ventures of the Holding Company require unanimous consent from all parties for all relevant activities. The two partners have direct rights to the assets of the partnership and are jointly and severally liable for the liabilities incurred by the partnership. This entity is therefore classified as a joint operation and the Group recognises its direct right to the jointly held assets, liabilities, revenues and expenses.

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Group and that are believed to be reasonable under the circumstances.

(f) **Physical verification of project material**

The project material comprises of aggregates, sand, GSB, boulder, etc. The Group relies on in-house experts to perform volumetric surveys to estimate the quantity stockpiled for these inventory types. Survey quantity results, which are reported in cubic metres, are converted to tonnages using density factors. The density factors used are based on the Entity's internal laboratory testing that occurred during the year and (where available) to prior year density factors for the same project material. Given the nature of the inventory, the density factors do not usually vary significantly year on year. There were no significant changes in these factors in the current year or other factors which would require a change.

Note 3 Property, plant and equipment

(Amount in ₹ Millions)

Particulars	Land	Building	Plant and Machinery	Vehicles	Computers	Furnitures and fixtures	Total
Year ended March 31, 2018							
Gross carrying amount							
Opening gross carrying amount	30.80	100.85	2,051.16	50.34	5.27	55.80	2,294.22
Additions	94.83	12.62	2,416.39	66.91	14.94	57.61	2,663.30
Disposals	-	-	(60.40)	-	-	-	(60.40)
Closing gross carrying amount	**125.63**	**113.47**	**4,407.15**	**117.25**	**20.21**	**113.41**	**4,897.12**
Opening accumulated depreciation	**-**	**2.54**	**232.88**	**10.54**	**1.87**	**5.05**	**252.88**
Depreciation charge during the year	-	4.93	484.98	25.03	6.14	16.43	537.51
Disposals	-	-	(7.55)	-	-	-	(7.55)
Closing dccumulated depreciation	**-**	**7.47**	**710.31**	**35.57**	**8.01**	**21.48**	**782.84**
Net carrying amount as on March 31, 2018	**125.63**	**106.00**	**3,696.84**	**81.68**	**12.20**	**91.93**	**4,114.28**
Year ended March 31, 2019							
Gross carrying amount							
Opening gross carrying amount	**125.63**	**113.47**	**4,407.15**	**117.25**	**20.21**	**113.41**	**4,897.12**
Additions	7.83	50.53	1,113.22	24.96	9.65	21.83	1,228.02
Disposals	-	-	(14.75)	(1.20)	-	-	(15.95)
Closing gross carrying amount	**133.46**	**164.00**	**5,505.62**	**141.01**	**29.86**	**135.24**	**6,109.19**
Accumulated depreciation							
Opening accumulated depreciation	**-**	**7.47**	**710.31**	**35.57**	**8.01**	**21.48**	**782.84**
Depreciation charge during the year	-	2.31	701.60	28.71	6.48	11.89	750.99
Disposals	-	-	(11.17)	(1.03)	-	-	(12.20)
Closing accumulated depreciation	**-**	**9.78**	**1,400.74**	**63.25**	**14.49**	**33.37**	**1,521.63**
Net carrying amount as on March 31, 2019	**133.46**	**154.22**	**4,104.88**	**77.76**	**15.37**	**101.87**	**4,587.56**

Notes:

1) Refer Capital commitments Note 46 (a) for disclosure of contractual commitment for acquisition of property, plant and equipment.
2) Refer Note 44 for information on property, plant and equipment hypothecated and mortgaged as security by the Company.
3) Capital work-in-progress mainly comprises of Plant and Machinery
4) Refer note 51 for change in depreciation method and useful life.

Capital work-in-progress

Balance as at March 31, 2018	85.73
Balance as at March 31, 2019	-

Note 4 Intangible assets

(Amount in ₹ Millions)

Software License	Amount
Year ended March 31, 2018	
Gross Carrying Amount	
Opening Gross Carrying Amount	**2.95**
Additions	3.92
Disposals	-
Closing Gross Carrying Amount	**6.87**
Accumulated amortisation	**0.47**
Amortisation Charge during the year	1.66
Disposals	-
Closing Accumulated amortisation	**2.13**
Net Carrying Amount as on March 31, 2018	**4.74**
Year ended March 31, 2019	
Gross Carrying Amount	
Opening Gross Carrying Amount	**6.87**
Additions	32.90
Disposals	-
Closing Gross Carrying Amount	**39.77**
Accumulated amortisation	
Opening Accumulated amortisation	**2.13**
Amortisation charge during the year	3.55
Disposals	-
Closing Accumulated Depreciation	**5.68**
Net Carrying Amount as on March 31, 2019	**34.09**

Note 5 Non current investment

(Amount in ₹ Millions)

Particulars	As at March 31, 2019	As at March 31, 2018
Investment in associate		
TPL-HGIEPL Joint Venture	28.54	-
Total non current investment	**28.54**	**-**

Note 6 Non current trade receivables

(Amount in ₹ Millions)

Particulars	As at March 31, 2019	As at March 31, 2018
Trade receivables	49.43	48.54
Less: Loss allowance (Refer note 52)	(19.73)	-
Total non current trade receivables	**29.70**	**48.54**

Note: Non Current trade receivables represent long term retentions related to construction contracts.

Note 6 Non current trade receivables

Break-up of security details:

(Amount in ₹ Millions)

Particulars	As at March 31, 2019	As at March 31, 2018
Trade receivables considered good – Unsecured	29.70	48.54
Trade receivables which have significant increase in credit risk	19.73	-
Trade receivables – credit impaired	-	-
Total	**49.43**	**48.54**
Less: Loss allowance	(19.73)	-
Total non current trade receivables	**29.70**	**48.54**

Refer Note 38 (i) for movement of loss allowance and credit risk.

Note 7 Other non-current financial assets

(Amount in ₹ Millions)

Particulars	As at March 31, 2019	As at March 31, 2018
Margin Money deposits	90.04	124.79
Security deposits	16.30	16.46
Deposits with government authorities	13.29	0.88
Total other non-current financial assets	**119.63**	**142.13**

Note: Margin money deposits represent fixed deposits made by the Company against Bank guarantee.

Note 8 Other non-current assets

(Amount in ₹ Millions)

Particulars	As at March 31, 2019	As at March 31, 2018
Advances to related parties (Refer note 42)	7.89	-
Capital advances	13.95	108.49
Advances other than capital advances		
Balances with government authorities	56.37	77.43
Total other non-current assets	**78.21**	**185.92**

Note 9 Inventories

(Amount in ₹ Millions)

Particulars	As at March 31, 2019	As at March 31, 2018
Stores and Spares	176.52	107.06
Project materials [(including material in transit amounts to ₹ 38.75 Million) (March 31, 2018 ₹ 12.07 Million)]	984.45	960.47
Total inventories	**1,160.97**	**1,067.53**

Note 10 Trade receivables

(Amount in ₹ Millions)

Particulars	As at March 31, 2019	As at March 31, 2018
Trade receivables	5,553.40	4,148.12
Receivables from related parties (Refer note 42)	715.08	146.16
Less: Loss allowance (Refer note 52)	54.51	-
Total trade receivables	**6,213.97**	**4,294.28**

Note 10 Trade receivables

Note: Trade receivables include retentions of ₹ 1,461.50 Million (March 31, 2018 ₹ 1,508.96 Million) related to construction contracts.

Certain retention money receivables which are contractually due after one year however which can be released early on submission of bank guarantee have been considered as current considering the past history and management expectation.

Break-up of security details: (Amount in ₹ Millions)

Particulars	As at March 31, 2019	As at March 31, 2018
Trade receivables considered good – Unsecured	6,145.65	4,294.28
Trade receivables which have significant increase in credit risk	54.51	-
Trade receivables – credit impaired	-	-
Total	**6,200.16**	**4,294.28**
Less: Loss allowance	54.51	-
Total trade receivables	**6,145.65**	**4,294.28**

Refer Note 38 (i) for movement of loss allowance and credit risk.

Note 11 Cash and cash equivalents

(Amount in ₹ Millions)

Particulars	As at March 31, 2019	As at March 31, 2018
Balances with banks		
- In current accounts	27.93	59.36
Cash on hand	3.24	4.82
Total cash and cash equivalents	**31.17**	**64.18**

Note 12 Bank balances other than cash and cash equivalents

(Amount in ₹ Millions)

Particulars	As at March 31, 2019	As at March 31, 2018
Margin money deposit	704.96	632.90
Fixed deposits of IPO proceeds pending utilisation (Refer note 17(g)(4))	266.30	1,592.23
Total bank balances other than cash and cash equivalents	**971.26**	**2,225.13**

Note: Margin money deposit represent fixed deposits made by the Company against Bank guarantee.

Note 13 Loans

(Amount in ₹ Millions)

Particulars	As at March 31, 2019	As at March 31, 2018
Loan to employees	4.21	2.58
Total loans	**4.21**	**2.58**

Note 14 Other financial assets

(Amount in ₹ Millions)

Particulars	As at March 31, 2019	As at March 31, 2018
Unbilled revenue in respect of unfinished contracts (Refer note 15 and 50.4)	-	2,009.72
Less: Loss allowance	-	-
	-	2,009.72
Receivable under Service Concession Arrangement with National Highway Authority of India (NHAI)	257.92	-
Other receivables	0.06	23.10
Total other financial assets	**257.98**	**2,032.82**

Refer Note 38 (i) for movement of loss allowance and credit risk.

Note 15 Contract assets

(Amount in ₹ Millions)

Particulars	As at March 31, 2019	As at March 31, 2018
Contract assets (Refer note 14, 15.1 and 50.2)	1,606.51	-
Less: Loss allowance (Refer note 52)	11.00	-
Total contract assets	**1,595.51**	**-**

Note 15.1 - Contract assets

Particulars	As at April 1, 2018
Amount Due from Customers for contract works	2,009.72
	2,009.72

Note 16 Other current assets

(Amount in ₹ Millions)

Particulars	As at March 31, 2019	As at March 31, 2018
Advances to suppliers	55.01	142.36
Capital advances	130.00	-
Advance to sub contractor	15.44	14.84
Other advances		
Prepayments	106.45	87.35
Advance to employees	2.67	0.25
Goods and Services Tax (GST) recoverable	277.41	254.64
Total other current assets	**586.98**	**499.44**

Note 17 Equity share capital

(Amount in ₹ Millions)

Particulars	As at March 31, 2019	As at March 31, 2018
Authorised :		
80,000,000 (March 31, 2018 : 80,000,000) Equity Shares of ₹ 10 each	800.00	800.00
Issued		
65,171,111 (March 31, 2018 : 65,171,111) Equity Shares of ₹ 10 each	651.71	651.71
Subscribed and Paid up		
65,171,111 (March 31, 2018 : 65,171,111) Equity Shares of ₹ 10 each	651.71	651.71
Total equity share capital	**651.71**	**651.71**

Note 17 Equity share capital (contd.)

(a) Reconciliation of Number of Shares

Particulars	FY 2018-19		FY 2017-18	
	Number of Shares	Amount	Number of Shares	Amount
Balance as at the beginning of the year	6,51,71,111	651.71	1,80,20,000	180.20
Add: Bonus Shares issued during the year (Refer note (d) below)	-	-	3,60,40,000	360.40
Add: Shares issued during the year(Refer note (g) below)	-	-	1,11,11,111	111.11
Balance as at the end of the year	**6,51,71,111**	**651.71**	**6,51,71,111**	**651.71**

(b) Rights, preferences and restrictions attached to shares

The Company has one class of equity shares having a par value of ₹10 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(c) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

Equity shares	Number of Shares	% holding
Shri Hodal Singh	61,73,076	9.47%
(As at March 31, 2018)	(61,73,076)	(9.47%)
Shri Girishpal Singh	1,24,18,058	19.05%
(As at March 31, 2018)	(1,24,18,058)	(19.05%)
Shri Vijendra Singh	1,17,23,600	17.99%
(As at March 31, 2018)	(1,17,23,600)	(17.99%)
Shri Harendra Singh	1,43,51,516	22.02%
(As at March 31, 2018)	(1,43,51,516)	(22.02%)
L&T Mutual Fund Trustee Limited	41,44,355	6.36%
(As at March 31, 2018)	(36,82,155)	(5.65%)
Reliance Capital Trustee Co. Ltd	35,67,589	5.47%
(As at March 31, 2018)	(22,43,148)	(3.44%)

(d) Pursuant to the approval of the shareholders in their meeting held on September 8, 2017, the Company has issued and allotted 2 bonus equity shares of ₹ 10 each for every equity share of ₹ 10 each held by the members as on that date of the meeting and accordingly a sum of ₹ 360.40 Millions has been capitalized out of the Company's Surplus in Statement of Profit and Loss and transferred to the Share Capital Account towards issue of fully paid up bonus shares. Consequently, paid up Capital of the Company has increased by ₹ 360.40 Million and the balance in the Surplus in Statement of Profit and Loss has been reduced by an equivalent amount.

(e) There are no shares allotted as fully paid up pursuant to contracts without being received in cash since incorporation.

(f) There are no shares which are reserved to be issued under options and there are no securities issues/ outstanding which are convertible into equity shares.

(g) The Company has completed the Initial Public offering (IPO) of fresh issue of 1,11,11,111 equity shares of ₹ 10 each at an issue price of ₹ 270 per share. The equity shares of the Company were listed on Bombay Stock Exchange (BSE) and National Stock Exchange (NSE) w.e.f. March 9, 2018.

Note 17 Equity share capital (contd.)

Utilisation of funds received though Initial Public Offering (IPO) is as follows:- (Amount in ₹ Millions)

Particulars	FY 2018-19 Amount	FY 2017-18 Amount
Issue proceeds	4,620.00	4,620.00
Less: offer for sale (Note 1 below)	1,620.00	1,620.00
Net proceeds from IPO (net of amount payable to shareholders under offer for sale)	3,000.00	3,000.00
Less: Transaction cost arising on share issue (Note 2 below)	194.42	194.42
Net proceeds from IPO	2,805.58	2,805.58
Less: Amount utilised as per the objects of the issue as per prospectus (Note 3 below)	2,539.73	1,158.31
Funds to be utilised (Note 4 below)	265.85	1,647.27

Notes:

1) Out of total amount received towards offer for sale, an amount of ₹ Nil (March 31, 2018 ₹ 25.98 Million) is pending to be paid to the shareholders which has been disclosed as "Payable to directors" under Note 24.

2) The transaction cost of ₹ 194.42 Million (March 31, 2018: ₹ 194.42 Million) recorded in the books is net of GST credit amounting to ₹ 28.04 Million (March 31, 2018 : ₹ 28.04 Million) availed on such expenditure. The said expenditure has been adjusted from securities premium account. (Refer note 18) and is utilised for payment of Goods and Service Tax.

3) The amount utilised as per the objects of the issue as per prospectus of ₹ 2,397.40 Million (March 31, 2018 : ₹ 1,094.40 Million) recorded in the books is net of GST credit amounting to ₹ 114.29 Million (March 31, 2018 : ₹ 34.69 Million) availed on such expenditure. The same is utilised for the payment of GST and is considered in " Amount utilised as per the objects of the issue as per prospectus."

4) The balance unutilised amounts have been parked in fixed deposits amounting to ₹ 266.30 Million (March 31, 2018 : ₹ 1,592.23 Million) and current account balances amounting to ₹ 0.18 Million (March 31, 2018 ₹ 55.04 Million), which have been disclosed in Note 11 and 12.

Note 18 Other Equity

(Amount in ₹ Millions)

Particulars		As at March 31, 2019	As at March 31, 2018
Securities premium		2,694.47	2,694.47
Retained earnings		3,283.63	2,062.45
Total reserves and surplus		**5,978.10**	**4,756.92**
a) Securities premium			
Opening balance		2,694.47	-
Add: Premium on Initial public offering proceeds (Refer note 17 (g))		-	2,888.89
Less: Transaction costs arising on initial public offering (Refer note 17 (g))		-	194.42
Closing balance	(a)	**2,694.47**	**2,694.47**
b) Retained Earnings			
Opening balance		2,062.45	1,581.15
Add: Profit for the year		1,273.43	842.64
Less: Bonus Share (Refer note 17 (d))		-	360.40
Less: Dividend Paid		32.59	-
Less: Dividend distribution tax		6.70	-
Add: Other comprehensive income for the year		(19.92)	(1.45)
Less: Income tax relating to these items		6.96	0.51
Closing balance	(b)	**3,283.63**	**2,062.45**
Total other equity	(a+b)	**5,978.10**	**4,756.92**

Note 18 Other Equity (contd.)

Nature and purpose of reserves

Securities premium reserve

Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

Note 19 Non current borrowings

(Amount in ₹ Millions)

Particulars	As at March 31, 2019	As at March 31, 2018
Secured :		
Term Loan		
Banks (Refer note 19.1)	426.92	611.18
Financial Institutions (Refer note 19.1)	155.87	607.20
Vehicle Loan		
Banks (Refer note 19.1)	10.19	0.97
Financial Institutions (Refer note 19.1)	0.25	27.63
Total non current borrowings	593.23	1,246.98

Refer note 38 (ii) for liquidity risk management

Secured - Term Loan from banks

19.1 The details of rate of interest and repayment term loans are as under : (Amount in ₹ Millions)

S. No.	Particulars	Number of Loans outstanding as at		Amount outstanding as at		Interest Range % per annum	Balance Number of Installments as at		Frequency of Instalments	Instalments Commencing From - To
		March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018		March 31, 2019	March 31, 2018		
1	Secured - Term Loan from banks	529	492	1,097.88	1,032.60	6.60% to 14.75%	1 to 34	1 to 40	Monthly	Aug 16 to Dec 21
2	Secured - Term Loan from Financial Institution	365	290	850.17	1,193.52	3.16% to 15.11%	1 to 35	1 to 37	Monthly	June 16 to March 22
3	Vehicles loans - From Bank	75	77	31.35	25.12	7.74% to 10.51%	5 to 34	2 to 55	Monthly	Aug 15 to Feb 22
4	Vehicles loans - From Financial Institution	1	1	0.97	28.29	8.63% to 10.25%	16	28	Monthly	Aug 17 to July 20
5	Unsecured - Term Loan from Financial Institution	-	2	-	17.86	13.5% to 18.99%	-	9 to 11	Monthly	Feb 15 to Feb 19

Secured Term Loans from Banks and Financial institution

a) All term loans have been obtained for financing the assets purchased and are Secured by hypothecation of specific assets purchased out of loan, comprising Plant and Machinery and Constructions equipment.

Secured Motor Car Vehicles loans from Banks and Financial institution

a) All motor car vehicles loans are Secured by hypothecation of specific vehicles financed though the loan arrangements.

Note 20 Non-current trade payable

(Amount in ₹ Millions)

Particulars	As at March 31, 2019	As at March 31, 2018
(a) Trade payables: micro and small enterprises	-	-
(b) Trade payables: others	533.09	487.85
(c) Trade payables to related parties (Refer note 42)	-	-
Total non-current trade payable	533.09	487.85

Note: Trade Payables represents amount retained as per the terms of contract.

Note 21 Non current employee benefit obligations

(Amount in ₹ Millions)

Particulars	As at March 31, 2019	As at March 31, 2018
Provision for employee benefits		
Provision for gratuity (Refer note 43)	31.31	0.73
Provision for compensated absences (Refer note 43)	10.44	-
Total non current employee benefit obligations	41.75	0.73

Note 22 Current borrowings

(Amount in ₹ Millions)

Particulars	As at March 31, 2019	As at March 31, 2018
Secured		
Working Capital loans repayable on demand from banks *	1,180.18	929.87
Unsecured		
From Directors (refer note 42)**	643.24	831.86
Total current borrowings	1,823.42	1,761.73

* Working Capital Demand Loans and Cash Credit facilities availed from banks are secured by :

Nature of Security

Cash Credit and Working Capital from all Banks secured by:

a) First Pari Passu charge in favour of the Bank by way of Hypothecation of the Company's entire stocks of raw materials, work in progress, consumable stores spares including book debts.

b) All the bank are secured by exclusive charge on the entire movable and immovable assets of the Company (Present and Future) save and excepts assets exclusively financed by other lenders.

c) All the bank loans are secured by equitable mortgage of land and equipments mentioned in the property as per the collateral agreement.

d) All the bank loans are collaterally secured by unconditional and irrevocable personal guarantees of the promotees.

e) Cash Credit Loans from all the bank are charged as uniform margin of 25% against all components of inventory.

f) Cash credit from all the banks are secured by entire book debts for the cover period upto 90 days.

** Loan from Directors is repayable on demand and is interest free.

Note 23 Trade payables

(Amount in ₹ Millions)

Particulars	As at March 31, 2019	As at March 31, 2018
(a) Trade payables: micro and small enterprises	56.65	-
(b) Trade payables: others	3,404.81	2,793.43
(c) Trade payables to related parties (Refer note 42)	0.10	-
Total trade payables	**3,461.56**	**2,793.43**

Note: Trade Payable represent amount retained as per the terms of contract.

Note - Dues from micro and small enterprises

Following disclosures required for Micro, Small and Medium Enterprises Development Act, 2006 has been determined on the basis of information available with the company.

(Amount in ₹ Millions)

Particulars	As at March 31, 2019	As at March 31, 2018
(a) The principal amount remaining unpaid to supplier as at the end of accounting year	53.00	-
(b) The interest due thereon remaining unpaid to supplier as at the end of accounting year.	2.76	-
(c) The amount of interest paid in terms of section 16, along with the amounts of the payment made to the supplier beyond the appointed day during the year	-	-
(d) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act.	0.89	-
(e) The amount of interest accrued during the year and remaining unpaid at the end of the accounting year	3.65	-
(f) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure.	-	-

Note 24 Other current financial liabilities

(Amount in ₹ Millions)

Particulars	As at March 31, 2019	As at March 31, 2018
Secured		
Current maturities of long-term borrowings		
Term Loan		
Banks (Refer note 19.1)	670.96	421.42
Financial Institutions (Refer note 19.1)	694.30	586.32
Vehicle Loan		
Banks (Refer note 19.1)	21.16	23.15
Financial Institutions (Refer note 19.1)	0.72	0.66
Unsecured		
Term Loan		
Financial Institutions (Refer note 19.1)	-	17.86
Interest accrued but not due	12.44	10.50
Payable to directors (Refer note 42)	-	25.98
Capital creditors	30.99	238.90
Other payables	5.01	8.10
Total other current financial liabilities	**1,435.58**	**1,332.89**

Note 25 Contract liabilities

(Amount in ₹ Millions)

Particulars	As at March 31, 2019	As at March 31, 2018
Contract liabilities (Refer note 25.1, 27 and 50.4)	872.55	-
Total contract liabilities	**872.55**	**-**

Note: Contract liabilities include interest accrued but not due of ₹ 2.52 Million on mobilisation advances taken by the company.

Note 25.1 - Contract liabilities

(Amount in ₹ Millions)

Particulars	As at April 1, 2018
Advance from customer	1,518.51
Interest on customer advance	37.06
	1,555.57

Note 26 Other current financial liabilities

(Amount in ₹ Millions)

Particulars	As at March 31, 2019	As at March 31, 2018
Employee benefits payable	118.89	80.76
Provision for employee benefits		
Provision for gratuity (Refer note 43)	-	10.00
Provision for compensated absences (Refer note 43)	2.56	1.84
Total short term employee benefit obligations	**121.45**	**92.60**

Note 27 Other current liabilities

(Amount in ₹ Millions)

Particulars	As at March 31, 2019	As at March 31, 2018
Payroll taxes	7.40	4.66
Statutory tax payables	35.38	88.99
Advances from customers (Refer note 25 and 50.4)	-	1,555.57
Advance received for sale of goods	9.56	11.39
Excess Contribution from JV Partner	2.38	11.15
Other payable	0.90	-
Total	**55.62**	**1,671.76**

Note: Advances from customers include interest accrued for March 31, 2018 ₹ 37.06 Million on mobilisation advances taken by the company.

Note 28 Revenue from operations

(Amount in ₹ Millions)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Construction contracts (Refer note 50.1)	20,008.58	13,920.36
Sale of Services (Operation and Maintenance contracts) (Refer note 50.1)	127.51	-
Sale of products (Revenue from sale of processed aggregates) (Refer note 50.1)	8.86	6.89
Total revenue from operations	**20,144.95**	**13,927.25**

Note 29 Other income

(Amount in ₹ Millions)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Interest income from financial assets at amortised cost	91.81	37.73
Miscellaneous income	23.40	18.03
Net gain/(loss) on disposal of property, plant and equipment	(0.68)	(1.32)
Net foreign exchange differences	(0.14)	(7.78)
Total other income	**114.39**	**46.66**

Note 30 Cost of materials consumed

(Amount in ₹ Millions)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Construction Material, Stores and Spares		
Opening Stock	1,067.53	492.04
Add: Purchases	9,012.75	6,037.87
	10,080.28	6,529.91
Less: Closing Stock	1,160.97	1,067.53
Total cost of materials consumed	**8,919.31**	**5,462.38**

Note 31 Contract and site expenses

(Amount in ₹ Millions)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Sub contracting expenses	5,466.82	4,735.47
Indirect Taxes (Work Contract Tax, Labour Cess and Road Tax Expenses etc.)	254.22	153.46
Insurance expenses	26.03	12.19
Contract expenses	151.98	98.15
Hire charges for machinery and others	399.60	226.80
Site and other direct expenses	263.14	135.17
Repairs and Maintenance - plant and machinery	43.80	22.07
Technical consultancy	59.95	49.19
Transport Charges	-	42.20
Total contract and site expenses	**6,665.54**	**5,474.70**

Note 32 Contract and site expenses

(Amount in ₹ Millions)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Salaries, wages and bonus	970.67	607.75
Contribution to provident and other funds (Refer note 43)	32.68	18.51
Gratuity (Refer note 43)	3.88	5.38
Leave compensation	11.16	1.10
Staff welfare expenses	175.80	128.70
Total employee benefit expenses	**1,194.19**	**761.44**

Note 33 Net finance costs

(Amount in ₹ Millions)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Interest on :		
Term loan	193.50	176.30
Working capital loan	137.13	92.73
Other borrowing cost	126.66	107.80
Bank charges	25.22	3.86
Interest on late payment of statutory dues	7.80	19.90
Total net finance costs	**490.31**	**400.59**

Note 34 Depreciation and amortisation expense

(Amount in ₹ Millions)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Depreciation of property, plant and equipment (Refer note 3)	750.99	537.51
Amortisation of intangible assets (Refer note 4)	3.55	1.66
Total depreciation and amortisation expense	**754.54**	**539.17**

Note 35 Other expenses

(Amount in ₹ Millions)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Repairs and maintenance - others	16.26	15.83
Rates and taxes	18.13	10.41
Sitting fees	1.32	1.62
Lease rent (Refer note 46 (b))	23.24	12.80
Payment to auditors(Refer note (a) below)	5.83	7.89
Advertisement and business promotion	16.22	9.70
Travelling and conveyance	21.88	15.51
Corporate social responsibility expenditure (Refer note (b) below)	13.34	9.31
Legal and professional fees	64.71	19.83
Electricity expenses	17.34	10.11
Printing and stationery	10.61	10.13
Telephone and communication	11.79	9.23
Loss allowances (Refer note 38 (i) and 52)	85.24	-
Miscellaneous expenses	14.04	15.66
Total other expenses	**319.95**	**148.03**

(a) Payment to auditors

(Amount in ₹ Millions)

	Year ended March 31, 2019	Year ended March 31, 2018
Audit Fees	4.63	6.94
Certification fees	0.98	0.47
Reimbursements of expenses	0.22	0.48
Total payments to auditors	**5.83**	**7.89**

Note 35 Other expenses (contd.)

(b) Corporate social responsibility expenditure

(Amount in ₹ Millions)

	Year ended March 31, 2019	Year ended March 31, 2018
Amount required to be spent as per Section 135 of the Act	16.24	9.22
Amount spent during the year on		
(i) Construction/acquisition of an asset	-	-
(ii) On purposes other than (i) above	13.34	9.31

Note 36 Taxation

36(a) - Income tax expense

(Amount in ₹ Millions)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Current tax		
Current tax on profits for the year	687.47	383.74
Adjustment for current tax of prior period	5.59	-
Total current tax expense	**693.06**	**383.74**
Deferred tax		
(Increase)/Decrease in deferred tax assets	(21.86)	(40.13)
(Decrease)/increase in deferred tax liabilities	(0.59)	1.35
Total deferred tax (benefit)/expenses	**(22.45)**	**(38.78)**
Income tax expense	**670.61**	**344.96**

36(b) - Deferred tax assets

The balance comprises temporary differences attributable to:

(Amount in ₹ Millions)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Disallowance under section 43B of Income Tax Act, 1961	15.48	4.39
Loss allowance for trade receviable	29.79	-
Disallowances section 40a(ia) of Income Tax Act, 1961	-	5.81
Expenditure on Initial Public Offer (IPO)	40.76	54.35
Indexation on land	3.11	2.73
Total deferred tax assets	**89.14**	**67.28**
Timing difference between balance as per Income Tax Act, 1961 and book balance for fixed assets	(5.40)	(5.98)
Total deferred tax liablities	**(5.40)**	**(5.98)**
Net deferred tax assets	**83.74**	**61.30**

Movement in deferred tax assets

(Amount in ₹ Millions)

Particulars	As at April 1, 2017	(Charged)/ credited to profit and loss	(Charged)/ credited to OCI	Year ended March 31, 2018
Disallowance under section 43B of Income Tax Act, 1961	17.54	(13.66)	0.51	4.39
Loss allowance for trade receviable	7.15	(7.15)	-	-
Disallowance under section 40a(ia) of Income Tax Act, 1961	-	5.81	-	5.81
Expenses on issue of Initial Public Offer (IPO)	-	54.35	-	54.35
Indexation on land	2.46	0.27	-	2.73
Total deferred tax assets	**27.15**	**39.62**	**0.51**	**67.28**

Note 36 Taxation (contd.)

(Amount in ₹ Millions)

Particulars	As at April 1, 2018	(Charged)/ credited to profit and loss	(Charged)/ credited to OCI	Year ended March 31, 2019
Disallowance under section 43B of Income Tax Act, 1961	4.39	11.09	-	15.48
Loss allowance for trade receivable	-	29.79	-	29.79
Disallowance under section 40a(ia) of Income Tax Act, 1961	5.81	(5.81)	-	-
Expenses on issue of Initial Public Offer (IPO)	54.35	(13.59)	-	40.76
Indexation on land	2.73	0.38	-	3.11
Total deferred tax assets	**67.28**	**21.86**	**-**	**89.14**

Movement in deferred tax liabilities

(Amount in ₹ Millions)

Particulars	As at April 1, 2017	(Charged)/ credited to profit and loss	(Charged)/ credited to OCI	Year ended March 31, 2018
Timing difference between balance as per Income Tax Act, 1961 and book balance for fixed assets	4.63	1.35	-	5.98
Total deferred tax liabilities	**4.63**	**1.35**	**-**	**5.98**

(Amount in ₹ Millions)

Particulars	As at April 1, 2018	(Charged)/ credited to profit and loss	(Charged)/ credited to OCI	Year ended March 31, 2019
Timing difference between balance as per Income Tax Act, 1961 and book balance for fixed assets	5.98	(0.58)	-	5.40
Total deferred tax liabilities	**5.98**	**(0.58)**	**-**	**5.40**

36(c) - Reconciliation of tax expense and accounting profit multiplied by statutory tax rates

(Amount in ₹ Millions)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Profit before income tax expense	**1,944.04**	**1,187.60**
Statutory tax rate applicable to the Company	34.94%	34.61%
Tax expense at applicable tax rate	**679.33**	**411.00**
Tax effects of amounts which are not deductible (taxable) in calculating taxable income:		
Corporate social responsibility expenditure	4.66	3.22
Donation	0.30	0.17
Interest on late payment of statutory dues	1.99	0.50
Share of Profit of associate	(9.97)	
Profit of jointly controlled operations	1.36	(1.52)
Add: Tax expense of Jointly controlled operations	-	2.02
Indexation on land	(0.39)	(0.27)
Deduction for Section 80JJAA as per Income tax Act, 1961	(13.14)	-
Interest payable to micro and small enterprises	1.27	
Adjustment for current tax of prior period	5.59	-
Effect of change in tax rates	(0.23)	-
Others	(0.16)	(2.35)
IPO expenses	-	(67.81)
Income tax expense	**670.61**	**344.96**

Note 36 Taxation (contd.)

36(d) - Current tax liabilities (Amount in ₹ Millions)

Particulars	As at March 31, 2019	As at March 31, 2018
Opening Balance	47.75	75.46
Add: Additional income tax provision	686.10	383.74
Add: Income tax adjustment for earlier years		-
Less: Income tax paid	(575.70)	(411.45)
Closing balance	**158.15**	**47.75**

36(e) - Income tax asset (Amount in ₹ Millions)

Particulars	As at March 31, 2019	As at March 31, 2018
Opening Balance	15.75	15.61
Add: Advance tax paid/ (refund received)	2.21	0.14
Less: Income tax adjustment for earlier years	(5.59)	-
Less: Income tax provision created during the year	(1.36)	-
Closing balance	**11.01**	**15.75**

Note 37 Fair Value Measurements

(i) Financial instruments by category (Amount in ₹ Millions)

Particulars	As at March 31, 2019	As at March 31, 2018
Financial assets - Amortised cost		
Trade receivables	6,175.35	4,342.82
Cash and cash equivalents	31.17	64.18
Bank balances other than cash and cash equivalents	971.26	2,225.13
Loans	4.21	2.58
Margin money deposits	90.04	124.79
Security deposits	16.30	16.46
Deposits with government authorities	13.29	0.88
Unbilled revenue in respect of unfinished contracts (refer note 50.4)	-	2,009.72
Other financial assets	257.92	-
Other receivables	0.06	23.10
Total financial assets	**7,559.60**	**8,809.66**
Financial liabilities - Amortised cost		
Borrowings	3,803.79	4,058.12
Trade payables	3,994.65	3,281.28
Interest accrued	12.44	10.50
Capital creditors	30.99	238.90
Payable to directors	-	25.98
Other payables	5.01	8.10
Total financial liabilities	**7,846.88**	**7,622.88**

(ii) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are measured at amortised cost and for which fair values are disclosed in the financial statements.

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes instruments like listed equity instruments, traded bonds and mutual funds that have quoted price.

Note 37 Fair Value Measurements (contd.)

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the counter derivatives etc) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

The fair values for Non current trade receivable, Non current trade payable, Non current borrowings and deposits with original maturity of more than 12 months are calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.

(iii) Fair value of financial instruments measured at amortised cost - Level 3 (Amount in ₹ Millions)

Particulars	As at March 31, 2019		As at March 31, 2018	
	Carrying value	Fair value	Carrying value	Fair value
Financial assets				
Margin Money deposits	90.04	89.46	124.79	124.43
Total financial assets	**90.04**	**89.46**	**124.79**	**124.43**
Financial liabilities				
Borrowings	593.23	585.95	1,246.98	1,256.16
Total financial liabilities	**593.23**	**585.95**	**1,246.98**	**1,256.16**

The carrying amounts of short term loans, trade receivables, cash and cash equivalents, loans, bank balances other than cash and cash equivalents, security deposits, unbilled revenue, deposit with government authorities, other receivables, trade payables, current borrowings, current maturities of long term borrowings, Interest accrued, Capital creditors and other payables are considered to be the same as their fair values due to their short-term nature.

Note 38 Financial Risk Management

The Group's activities expose it to a variety of financial risks namely credit risk, liquidity risk and market risk. The Group's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance.

(i) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Financial instruments that are subject to credit risk and concentration thereof principally consist of trade receivables, unbilled revenue, security deposits and cash and cash equivalents.

Management makes the assessment of the Credit risk on trade receivables, contract assets and unbilled revenue considering the customer profile. Customers of the Group mainly consists of the government promoted entities and some large private corporates. In case of government customers which forms the majority of the revenue, credit risk is low.

Considering the nature of business, each contract and its customer is evaluated for the purpose of assessment of allowances. The reasons for allowances could be recovery of claims, disputes with customer, customers ability to pay, delays in approval by government authorities, and expected time to recover the amount. Management makes an assessment considering facts of each contract, past trends, terms of the contract and accordingly considers the need for allowances, if any.

The following table gives details in respect of percentage of revenue generated from government promoted agencies and highly rated corporate:

	Year ended March 31, 2019	Year ended March 31, 2018
Revenue from government promoted agencies	76%	69%
Revenue from private corporates	24%	31%
	100%	100%

Note 38 Financial Risk Management (contd.)

The movement in allowance for lifetime expected credit loss on trade receivables is as below: (Amount in ₹ Millions)

Particulars	As at March 31, 2019	As at March 31, 2018
Opening balance	-	20.66
Changes in loss allowances		
Additions	85.24	-
Bad debts written off	-	(20.66)
Closing Balance	**85.24**	**-**

(ii) Liquidity risk

Liquidity is defined as the risk that the Group will not be able to settle or meet its obligations on time or at a reasonable price. Group's objective is to, at all time maintain optimum levels of liquidity to meet its financial obligations. The Group manages liquidity risk by maintaining sufficient cash and cash equivalents and by having access to funding through an adequate amount of committed credit lines. In addition, processes and policies related to such risks are overseen by senior management.

Maturities of financial liabilities

The table summarises the maturity profile of Group's financial liabilities based on contractual undiscounted payments:

Particulars	Less than 1 year	1 - 3 Years	Total
As at March 31, 2019			
Borrowings*	2,579.76	593.23	3,172.99
Loan from Directors	643.24		643.24
Trade payables	3,461.56	533.09	3,994.65
Capital creditors	30.99	-	30.99
Other payables	5.01	-	5.01
	6,720.56	**1,126.32**	**7,846.88**
As at March 31, 2018			
Borrowings*	1,989.78	1,246.98	3,236.76
Loan from Directors	831.86	-	831.86
Trade payables	2,793.43	487.85	3,281.28
Capital creditors	238.90	-	238.90
Payable to director	25.98	-	25.98
Other payables	8.10	-	8.10
	5,888.05	**1,734.83**	**7,622.88**

*Does not include interest payable for future years.

(iii) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risks i.e. interest rate risk and currency risk. Financial instruments affected by market risk include borrowings and creditors for capital expenditures.

(a) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates is very less and relates primarily to the Group's creditors for capital expenditures. The Group's foreign currency risks are identified, measured and managed at periodic intervals in accordance with the Group's policies. As at March 31, 2019 there was no foreign currency exposure.

Note 38 Financial Risk Management (contd.)

1. Foreign currency risk exposure

The Group's exposure to foreign currency risk at the end of the reporting periods, expressed in Euro are as follows:

Particulars	As at March 31, 2019	As at March 31, 2018
Financial liabilities		
Euro (In Millions)		
Capital creditors	-	1.77
Exposure to foreign currency risk (liabilities)	**-**	**1.77**

2. Sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in Euro exchange rates with all other variables held constant.

(Amount in ₹ Millions)

Particulars	Change in Euro rate	Increase / (Decrease) in profit before tax	
		Year ended March 31, 2019	Year ended March 31, 2018
Increase in exchange rate	5%	-	(7.14)
decrease in exchange rate	5%	-	7.14

(b) Interest risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to risk of changes in market rate is limited to short term working capital loans taken from banks as the Group's long term borrowings bear fixed interest rate.

The Group's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

The Group manages the interest rate risk by having a balanced portfolio of fixed and variable rate borrowings. The exposure of the Group's borrowing to interest rate changes at the end of the reporting period are as follows:

1. Interest rate exposure

(Amount in ₹ Millions)

Particulars	As at March 31, 2019	As at March 31, 2018
Variable rate borrowings	1,180.18	929.87
Fixed rate borrowings	1,980.37	2,296.39
Total borrowings	**3,160.55**	**3,226.26**

An analysis by maturities is provided in Liquidity risk note above.

2. Sensitivity

Profit or loss is sensitive to higher / lower interest expense as a result of changes in interest rates. A 20 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates. With all other variables held constant, the Group's profit before tax will be impacted by a change in interest rate as follows:

Particulars	Increase / (Decrease) in profit before tax	
	Year ended March 31, 2019	Year ended March 31, 2018
Increase in interest rate by 20 basis points (20 bps)	(2.69)	(1.83)
Decrease in interest rate by 20 basis points (20 bps)	2.69	1.83

Note 39 Capital Management

(a) Risk Management

For the purpose of the Group's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Entity and borrowings.

The Group aims to manage its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to our shareholders. The capital structure of the Group is based on management's judgement of the appropriate balance of key elements in order to meet its strategic and day-to day needs. We consider the amount of capital in proportion to risk and manage the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets.

The Group's aim is to translate profitable growth to superior cash generation through efficient capital management. The Group's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditors and market confidence and to sustain future development and growth of its business. The Group will take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

Note 40 Segment Reporting

The Holding Company's managing director who is identified as the chief operating decision maker of the Group, examines the performance of the business and allocates funds on the basis of a single reportable segment i.e. 'EPC business'. The Group has no other reportable segment. The Group does not have any reportable geographical segment as it caters to the needs of only the domestic market.

Accordingly, the segment revenue, segment results, total carrying amount of segment assets and segment liability, total cost incurred to acquire segment assets and total amount of charge for depreciation during the period, is as reflected in the Consolidated Financial Statements as of and for the financial year ended March 31, 2019.

Non-current assets excluding financial assets, deferred tax assets amounts to ₹ 4,837.50 Millions (March 31, 2018 ₹ 4,553.91 Millions) which are located entirely in India.

Information relating to major customers

Revenue of approximately ₹ 13,088.33 Millions (for the year ended March 31, 2018 - ₹ 9,724.60 Millions) was derived from external customers which individually accounted for more than 10% of the total revenue.

Note 41 Net Debt Reconciliation

(Amount in ₹ Millions)

Particulars	As at March 31, 2019	As at March 31, 2018
Cash and cash equivalents	31.17	64.18
Current borrowings	(1,823.42)	(1,761.73)
Current maturities of long term borrowings	(1,387.14)	(1,049.41)
Interest accured but not due	(12.44)	(10.50)
Non current borrowings	(593.23)	(1,246.98)
Net Debt	**(3,785.06)**	**(4,004.44)**

Note 41 Net Debt Reconciliation (contd.)

(Amount in ₹ Millions)

Particulars	Other assets	Liabilities from financing activities			Total
	Cash and bank balances	Non-current borrowings	Current borrowings*	Interest accrued	
Net debt as at April 1, 2017	170.31	(634.78)	(1,401.84)	(3.37)	(1,869.68)
Cash flows	(106.13)	(612.20)	(1,409.30)	-	(2,127.63)
Interest expense	-	-	-	(269.03)	(269.03)
Interest paid	-	-	-	261.90	261.90
Net debt as at March 31, 2018	**64.18**	**(1,246.98)**	**(2,811.14)**	**(10.50)**	**(4,004.44)**
Cash flows	(33.01)	653.75	(399.42)	-	221.32
Interest expense	-	-	-	(330.52)	(330.52)
Interest paid	-	-	-	328.58	328.58
Net debt as at 31 March 2019	**31.17**	**(593.23)**	**(3,210.56)**	**(12.44)**	**(3,785.06)**

* Includes working capital loans from banks repayable on demand, current maturities of long term borrowings and loan taken from directors.

Note 42 Related Party transactions

I Name of related parties and nature of relationship:

A) **Associate**

TPL – HGIEPL JV

B) **Key Management Personnel**

Mr. Girishpal Singh - Non-Executive director (uptill May 23, 2018)*

Mr. Vijendra Singh - Whole Time director*

Mr. Harendra Singh - Chairman and Managing Director*

Mr. Ashok Kumar Thakur - Independent director*

Mrs. Pooja Hemant Goyal - Independent director*

Mr. Onkar Singh - Independent director *

Mr. Dinesh Kumar Goyal - Executive director (w.e.f May 23, 2018 - January 24, 2019) and Non-Executive director (w.e.f. January 25, 2019) *

Mr. Rajeev Mishra - Chief financial officer*

Mrs. Ankita Mehra - Company secretary*

D) **Relatives of Key Management Personnel**

Mr. Vaibhav Choudhary - Son of Mr. Girishpal Singh*

Mrs. Poonam Singh - Wife of Mr. Vijendra Singh

Mrs. Nisha Singh - Wife of Mr. Harendra Singh

Mr. Hodal Singh - Father of Mr. Harendra Singh*

Mr. Rohit Choudhary - Son of Mr.Girishpal Singh*

Ms. Ridhima Choudhary - Daughter of Mr. Harendra Singh*

E) **Enterprises over which key management personnel and their relatives are able to exercise significant influence**

HG Stone Crusher

Harendra Singh HUF

HG Traders

H.G. Infra Toll Ways Private Limited*

High grade Infra projects Private Limited*

Mahadev Stone crusher*

HG Luxury Hotels Private Limited

* With whom transactions have occurred during the year

Note 42 Related Party transactions (contd.)

II Transactions with related parties

A) Key Management personnel compensation (Amount in ₹ Millions)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Short-term employee benefits	33.60	37.05
Post-employment benefits*	-	5.92
Director's siting fees	1.32	1.62
Total compensation	**34.92**	**44.59**

*Compensation exclude provision for gratuity and compensated absences since these are based on actuarial valuation on an overall company basis.

B) Transactions during the year (Amount in ₹ Millions)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Sale of material		
HG Traders	-	0.09
HG Stone Crusher	-	0.49
H.G. Infra Tollways Private Limited	-	0.87
Mahadev Stone crusher	9.04	-
Contract Revenue		
HGIEPL - TPL JV	3,025.04	567.42
Interest income		
Harendra Singh – HUF	-	0.01
Purchase of aggregate		
HG Traders	-	1.15
HG Stone Crusher	-	4.69
Contract Expenses		
H.G. Infra Tollways Private Limited	105.39	40.89
High grade Infra projects Private Limited	48.59	-
Mahadev Stone crusher	0.48	-
Rent Paid for Office		
Mr. Hodal Singh	0.13	0.13
Mr. Girishpal Singh	0.40	0.24
Sitting Fees		
Mr. Girishpal Singh	0.19	0.42
Mr. Onkar Singh	0.47	0.34
Mr. Harendra Singh	0.11	-
Ms. Pooja Hemant Goyal	0.22	0.40
Mr. Ashok Kumar Thakur	0.33	0.46
Remuneration paid		
Key management personnel:		
Mr. Girishpal Singh	-	2.00
Mr. Vijendra Singh*	12.00	12.00
Mr. Harendra Singh*	21.60	21.60
Mr. Hodal Singh	-	1.45
Mr. Dinesh Kumar Goyal	2.70	-

Note 42 Related Party transactions (contd.)

(Amount in ₹ Millions)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Mr. Rajeev Mishra	2.05	1.86
Mrs. Ankita Mehra	0.44	0.32
* Gratuity is not included, as it is provided on overall basis based on actuarial valuation.		
Remuneration to relatives of KMP		
Mr. Vaibhav Choudhary	8.40	8.40
Mr. Rohit Choudhary	0.84	0.84
Legal and professional fees		
Mr. Dinesh Kumar Goyal	0.22	-
Ms. Ridhima Choudhary	0.60	-
Gratuity paid		
Mr. Hodal Singh	-	1.88
Mr. Girishpal Singh	-	4.04
Insurance premium paid towards keyman term policy taken by Company		
Mr. Vijendra Singh	5.41	5.50
Mr. Harendra Singh	5.34	5.43
Mr. Vaibhav Choudhary	5.05	5.05
Loans and advances given		
HG Luxury Hotels Private Limited	-	5.00
Harendra Singh HUF	-	0.39
Loans and advances repayment		
HG Luxury Hotels Private Limited	-	5.00
Harendra Singh HUF	-	0.39
Loans taken from Key management personnel:		
Mr. Girishpal Singh	-	263.95
Mr. Vijendra Singh	160.00	314.00
Mr. Harendra Singh	523.13	384.30
Loans taken from Relatives of Key Management Personnel		
Mr. Vaibhav Choudhary	-	9.00
Repayment of Loan to Key management personnel:		
Mr. Girishpal Singh	190.88	77.21
Mr. Vijendra Singh	162.13	25.20
Mr. Harendra Singh	518.64	42.86
Repayment of Loan taken from Relatives of Key Management Personnel		
Mr. Vaibhav Choudhary	-	11.00
Mrs. Poonam Singh	-	1.00
Mrs. Nisha Singh	-	2.50
Mr. Hodal Singh	-	4.30
Repayment of Other current liabilities		
Mr. Girishpal Singh	4.33	-
Mr. Harendra Singh	4.33	-
Mr. Hodal Singh	12.99	-
Mr. Virendra Singh	4.33	-

Note 42 Related Party transactions (contd.)

C) Outstanding balances (Amount in ₹ Millions)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Current borrowings		
Key management personnel/directors:		
Mr. Girishpal Singh	-	190.88
Mr. Vijendra Singh	291.37	293.50
Mr. Harendra Singh	351.97	347.48
Other Current Liabilities		
Employee benefits payable		
Mr. Vaibhav Choudhary	0.45	1.44
Mr. Vijendra Singh	0.60	1.21
Mr. Harendra Singh	0.90	3.18
Mr. Rohit Choudhary	0.02	0.02
Mr. Rajeev Mishra	0.03	0.13
Mrs. Ankita Mehra	0.03	0.03
Trade Receivables		
HGIEPL - TPL JV	646.76	146.16
Advance to Contractor		
H.G. Infra Tollways Private Limited	7.89	-
Trade Payable		
High grade Infra projects Private Limited	0.01	-
Mr. Dinesh kumar goyal	0.09	-
Advance from customers		
HGIEPL - TPL JV	-	330.09
Contract liabilities		
HGIEPL - TPL JV	254.73	-
Other current liabilities		
Mr. Girishpal Singh (Refer Note 17(g)(1))	-	4.33
Mr. Harendra Singh (Refer Note 17(g)(1))	-	4.33
Mr. Hodal Singh ((Refer Note 17(g)(1))	-	12.99
Mr. Virendra Singh (Refer Note 17(g)(1))	-	4.33
Sitting fees payable		
Mr. Onkar Singh	0.09	0.31
Ms. Pooja Hemant Goyal	-	0.16
Mr. Ashok Kumar Thakur	-	0.18
Mr. Girishpal Singh	0.10	-
Mr. Harendra Singh	0.10	-

d) Terms and conditions

All Related Party Transactions entered during the year were in ordinary course of the business and are on arm's length basis.

Note 43 Employee benefit obligations

(Amount in ₹ Millions)

Particulars	As at March 31, 2019	As at March 31, 2018
Compensated Absences	13.00	1.84
Gratuity	31.31	10.73
Total	**44.31**	**12.57**

(i) Compensated Absences

The employees of the Holding Company are entitled to compensated absences as per the policy of the Holding Company.

The entire amount of the provision of is presented as current, since the Holding Company does not have an unconditional right to defer settlement for the obligation. However, based on past experience, the Holding Company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months. The following amounts reflect leave that is not expected to be taken or paid within the next 12 months.

(Amount in ₹ Millions)

Particulars	As at March 31, 2019	As at March 31, 2018
Current leave obligations not expected to be settled within the next 12 months	10.44	-

(ii) Post employment obligations

(a) Defined Contribution Plans:

Provident fund

Employers' contribution to employees' pension scheme 1995

Employers' contribution to Employee State Insurance Corporation (ESIC)

The provident fund and pension scheme are operated by regional provident fund commissioner. Under the scheme, the Group is required to contribute a specified percentage of payroll cost to the retirement benefit schemes to fund the benefits.

The Group has recognised the following amounts in the Statement of Profit and Loss for the year:

(Amount in ₹ Millions)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Contribution to Provident Fund	10.56	7.32
Contribution to E.S.I.C	7.71	1.91
Contribution to Pension Fund	14.41	9.28
	32.68	**18.51**

(b) Defined Benefit Plans:

Gratuity

The Holding Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. Contributions are made to a gratuity based upon actuarial valuation done at the year end of every financial year using "Projected Unit Credit" method. The charge on account of provision for gratuity has been included in Employee Benefits Expense in the Statement of Profit and Loss except, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability which are recognised in other comprehensive income.

Note 43 Employee benefit obligations (contd.)

The amounts recognised in the Balance Sheet and the movements in the net defined benefit obligation over the year are as follows:

(Amount in ₹ Millions)

Particular	Present Value of Obligation	Fair Value of plan Assets	Net Amount
As on April 1, 2017 (A)	**12.90**	**3.87**	**9.03**
Current service cost	3.12	-	3.12
Past service cost	1.81	-	1.81
Interest expense	0.69	0.24	0.45
Total Amount Recognised in Profit and Loss (B)	**5.62**	**0.24**	**5.38**
Remeasurements			
Assets, excluding amount included in interest expense/(income)	-	(0.08)	0.08
(Gain)/loss from change in demographic assumptions	(0.87)	-	(0.87)
(Gain)/loss from change in financial assumptions	0.19	-	0.19
Experience (gains)/losses	2.05	-	2.05
Total amount recognised in other comprehensive income (C)	**1.37**	**(0.08)**	**1.45**
Employer contributions (D)	-	5.13	(5.13)
Benefit payments (E)	(0.13)	(0.13)	-
Balance as on March 31, 2018 (A+B+C+D+E)	**19.76**	**9.03**	**10.73**

Particular	Present Value of Obligation	Fair Value of plan Assets	Net Amount
As on April 1, 2018 (A)	**19.76**	**9.03**	**10.73**
Current service cost	3.49	-	3.49
Past service cost	-	-	-
Interest expense	0.96	0.57	0.39
Total Amount Recognised in Profit and Loss (B)	**4.45**	**0.57**	**3.88**
Remeasurements			
Assets, excluding amount included in interest expense/(income)	-	(0.82)	0.82
(Gain)/loss from change in demographic assumption	(11.21)	-	(11.21)
(Gain)/loss from change in financial assumptions	23.04	-	23.04
Experience (gains)/losses	4.05	-	4.05
Total amount recognised in other comprehensive income (C)	**15.88**	**(0.82)**	**16.70**
Employer contributions (D)	-	-	-
Benefit payments (E)	(0.38)	(0.38)	-
Balance as on March 31, 2019 (A+B+C+D+E)	**39.71**	**8.40**	**31.31**

The significant actuarial assumptions were as follows:

Particulars	As at March 31, 2019	As at March 31, 2018
Discount rate (per annum)	7.65%	6.70%
Salary growth rate	8.43%	10.22%
Expected average remaining working lives of employees	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2006-08)

Note 43 Employee benefit obligations (contd.)

Sensitivity Analysis

The sensitivity of the defined benefit obligation to increase and decrease in the weighted principal assumptions by 0.50% is as below:

Particulars	Year ended March 31, 2019		Year ended March 31, 2018	
	Discount	Salary escalation	Discount	Salary escalation
Impact of increase in 50 BPS on DBO	-4.30%	4.31	-1.09%	0.21
Impact of Decrease in 50 BPS on DBO	4.63%	(4.08)	1.12%	(0.21)

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the Balance Sheet. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

(iii) The major categories of plans assets are as follows:

The plan asset for the funded gratuity plan is administered by Life Insurance Corporation of India ('LIC') as per the investment pattern stipulated for Pension and Group Schemes fund by Insurance Regulatory and Development Authority regulations i.e. 100% of plan assets are invested in insurer managed fund. Quoted price of the same is not available in active market.

(iv) Risk Exposure

Through its defined benefit plans, the Holding Company is exposed to a number of risks, the most significant of which are detailed below:

Demographic Risk : This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to a long service employee.

Asset volatility : The plan liabilities are calculated using a discount rate set with reference to bond yields; if plan assets underperform this yield, this will create a deficit. 100% of the plan asset investments is in insurer managed funds. These are subject to interest rate risk and the fund manages interest rate risk with derivatives to minimise risk to an acceptable level.

Salary Inflation Risk : Higher than expected increases in salary will increase the defined benefit obligation.

Interest-Rate Risk : The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.

(v) Defined Benefit Liability and Employer Contributions

The Holding Compamy considers that the contribution rates set at the last valuation date are sufficient to eliminate the deficit over the agreed period and that regular contributions, which are based on service costs, will not increase significantly.

Expected contributions to post-employment benefit plans for the year ending March 31, 2020 are ₹ 10 Million (Year ending March 31, 2019 ₹ 10 Million)

The weighted average duration of the defined benefit obligation is 8.91 years (March 31, 2018 1.81 years). The expected maturity analysis of undiscounted gratuity is as follows:

Note 43 Employee benefit obligations (contd.)

Maturity Analysis of the Projected Benefit Obligations - Gratuity (Amount in ₹ Millions)

Particulars	As at March 31, 2019	As at March 31, 2018
1st Following Year	2.81	10.95
2nd Following Year	3.33	5.43
3rd Following Year	2.89	2.91
4th Following Year	5.48	1.57
5th following year	4.50	0.88
Sum of 6th to 10th Following Year	75.95	0.76

Note 44 Assets pledged as security

The carrying amounts of assets pledged as security for current and non-current borrowings are as follows:

(Amount in ₹ Millions)

Particulars	As at March 31, 2019	As at March 31, 2018
Current		
Financial Assets		
Floating Charge		
Trade Receivables	6,243.67	4,201.72
Non-financial assets		
Inventories	1,160.97	1,067.49
Total Current Assets pledged as Security	**7,404.64**	**5,269.21**
Non-Current		
Plant and machinery	5,330.80	3,331.38
Building	88.04	88.04
Vehicles	128.71	86.64
Total Non-Current assets pledged as Security	**5,547.55**	**3,506.06**
Total Assets pledged as Security	**12,952.19**	**8,775.27**

Note: Amount of assets pledged are gross carrying values.

Note 45 Contingent Liabilities

(Amount in ₹ Millions)

Description	As at March 31, 2019	As at March 31, 2018
(a) The company has a contingent claims liability against which, the company has taken a Terminal Operators Liability Insurance policy.	32.49	32.49

(b) The Group is in the process of evaluating the impact of the recent Supreme Court Judgment in case of "Vivekananda Vidyamandir And Others Vs The Regional Provident Fund Commissioner (II) West Bengal" and the related circular (Circular No. C-I/1(33)2019/Vivekananda Vidya Mandir/284) dated March 20, 2019 issued by the Employees' Provident Fund Organisation in relation to non-exclusion of certain allowances from the definition of "basic wages" of the relevant employees for the purposes of determining contribution to provident fund under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952. In the assessment of the management which is supported by legal advice, the aforesaid matter is not likely to have a significant impact and accordingly, no provision has been made in these Financial Statements.

Note 46 Commitments

(a) Capital commitments

Capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:

(Amount in ₹ Millions)

Description	As at March 31, 2019	As at March 31, 2018
Property, plant and equipment	56.49	7.52

(b) Non-cancellable operating leases

(i) As a lessee:

Operating Lease

The Group has significant operating lease arrangements for land obtained for setting up of camp for construction project offices. These lease arrangements range for a period between 12 months and 36 months, which are cancellable at the option of the Group. Most of the leases are renewable for further period on mutually agreeable terms and also include escalation clauses.

(Amount in ₹ Millions)

Description	Year ended March 31, 2019	Year ended March 31, 2018
With respect to all operating leases:		
Lease payments recognised in the Statement of Profit and Loss during the year	23.24	12.80

Note 47

The holding company has been legally advised that outstanding loan aggregating to ₹ 8.70 Million (as at March 31, 2018, Nil) made towards financing the subsidiary do not come under the preview of Section 186 of companies Act, 2013 as the Group is in the business of construing and developing infrastructure facilities.

Note 48 Earnings per share

The carrying amounts of assets pledged as security for current and non-current borrowings are as follows:

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Profit for the year (Amount in ₹ Millions)	1,273.43	842.64
Weighted average number of equity shares outstanding (number)	6,51,71,111	5,47,60,152
Earning per Share (basic and diluted)	19.54	15.39
Nominal value per equity share	10	10

Note 49 Additional information as required by paragraph 2 of the general instructions for preparation of consolidated financial statements to schedule III to the companies Act, 2013

Name of the entity	% Holding	Net Assets, i.e., total assets minus total liabilities		Share of profit or loss		Share in other comprehensive income		Share in Total Comprehensive Income	
		As % of Consolidated net assets	Amount	As % of Consolidated profit or loss	Amount	As % of Consolidated other comprehensive income	Amount	As % of Consolidated total comprehensive income	Amount
Parent : H.G. Infra Engineering Limited		96.75%	6,580.82	96.78%	1,232.37	100.00%	(12.96)	615.06%	1,219.41
Subsidiaries :									
1) Gurgaon Sohna Highway Private Limited	100%	3.09%	209.97	0.72%	9.21	-	-	4.65%	9.21
Jointly Controlled operations									
1) HGIEPL – Colossal JV	70%	0.03%	1.88	0.00%	(0.01)	-	-	-0.82%	(0.01)
2) HGIEPL – Ranjit JV	30%	0.07%	5.08	0.08%	1.08	-	-	149.02%	1.08
3) HGIEPL – MGCPL JV	30%	0.03%	1.88	0.15%	1.88	-	-	281.88%	1.88
4) HGIEPL – RPS JV	51%	0.04%	2.40	0.03%	0.36	-	-	39.06%	0.36
Associate									
1) TPL - HGEIPL JV	26%	0.00%	-	2.24%	28.54	-	-	14.40%	28.54
Total		100.00%	6,802.03	100.00%	1,273.43	100.00%	(12.96)	1103.24%	1,260.47

Note 50 Revenue from contracts with customers

The Group applied Ind AS 115 for the first time by using the modified retrospective method of adoption with the date of initial application of April 1, 2018. Under this method, comparative period has not been adjusted. The adoption of the new standard did not have a material impact on retained earnings as at April 1, 2018 for the revenue contracts that are not completed as at that date, except in case of presentation / disclosure of the balances in relation to construction contracts, which has been explained in note 50.4 below. Also refer note 1(f) for accounting policy on revenue recognition.

50.1 Disaggregation of revenue from contracts with customers

The Group has determined the categories for disaggregation of revenue considering the types / nature of contracts. The Group recognises revenue from following types construction contracts, sale of services and sale of goods point in time and overtime as below:

(Amount in ₹ Millions)

As on March 31, 2019	Construction Contracts	Sale of Services (Maintenance Contract)	Sale of Goods (Sale of Aggregates)	Total
Revenue from external customers	**20,008.58**	**127.51**	**8.86**	**20,144.95**
Timing of revenue recognition				
- At a point in time	-	127.51	8.86	136.37
- Over time	20,008.58	-	-	20,008.58
	20,008.58	**127.51**	**8.86**	**20,144.95**

The Group recognised revenue amounting to ₹ 1,555.57 Million in the current reporting period that was included in the contract liability balance as of April 1, 2018 (Refer note 25.1).

50.2 Unsatisfied performance obligations

The aggregate amount of transaction price allocated to performance obligations that are unsatisfied as at the end of reporting period is ₹ 6,278.76 Million. On Construction Contracts (Road Projects and Pipeline contracts) have a life cycle of 2-3 years and other business performance obligations are met over a period of one or less than one year. Management expects that around 40% -50% of the transaction price allocated to unsatisfied contracts as of March 31, 2019 will be recognised as revenue during next reporting period depending upon the progress on each contracts.

The remaining amount is expected to be recognised in next year.

The amount disclosed above does not include variable consideration.

50.3 There are no reconciliation items between revenue from contracts with customers and revenue recognised with contract price.

50.4 The Group has changed the presentation of certain amounts in the balance sheet to reflect the terminology of Ind AS 115:

(a) "Contract assets" namely "Unbilled revenue in respect of unfinished contracts" was previously presented as part of "other financial assets" amounting to ₹ 2,009.72 Million as at March 31, 2018 (Refer Note 14).

(b) "Contract liabilities" namely "Advance from customers" was previously presented as part of "other current liabilities" amounting to ₹ 1,555.57 Million as at March 31, 2018 (Refer Note 27).

(c) Line items of statement of profit and loss were not affected by the application of Ind AS 115.

50.5 Under the modified retrospective method, the comparative information in the consolidated financial statements would not be restated and would be presented based on the requirements of the previous standard i.e. Ind AS 11, as follows:

Note 50 Revenue from contracts with customers (contd.)

Disclosure under Ind AS 11 - "Construction Contracts" for the year ended March 31, 2018: (Amount in ₹ Millions)

Particulars	For the year ended March 31, 2018
(i) Contract Revenue recognised during the year	13,920.36
Disclosure in respect of contracts in progress as at the year end:	
(i) Aggregate amount of cost incurred and recognised profits (less recognised losses)	25,968.57
(ii) Advances received	1,555.57
(iii) Retention Receivable	564.93
(iv) Amount Due from Customers for contract works (Refer Note 14)	2,009.72
(v) Amount Due to Customers for contract works	-

50.6 Disclosure pursuant to Para 6 of Appendix D of Ind AS 115 for Service Concession Arrangements:

Nature of Entity	Description of the Arrangement	Significant terms of the Arrangement	Financial asset as at March 31, 2019
Gurgaon Sohna Highway Private Limited	The Company is formed as a Special Purpose Vehicle (SPV) to implement a road project envisaging Six Laning and Strengthening of new NH 248A from existing km 11.682 to existing km 24.400 in the State of Haryana Package-2 (Design Ch. Km 9.282 to km 22.000) under NHDP Phase IV on Hybrid Annuity Model (HAM) in the state of Haryana, which shall be partly financed by the concessionaire who shall recover its investment and costs through annuity payments and O&M payment t be made by the authority, in accordance with the terms and conditions set forth in this concession aggrement entered into.	Period of concession 2019-2036 Remuneration: 40% during construction period and balance 60% biannual annuity in 15 years as per concession agreement. Investment grant from concession grantor: No Infrastructure return at the end of concession period: Yes Investment and renewal obligation: Nil Re-pricing Dates: No Basis upon which re-pricing or re-negotiation is determined: NA Premium payable to grantor: Nil	257.91

For Classification, refer note 1(bb) above.

Note 51 Change in Depreciation method and rate

During the year, management has reassessed the method and useful life of providing depreciation on assets after taking into consideration the past experience and expected usage. Based on the said assessment,

- Useful life of certain assets in plant and machinery block has been increased from 15 to 20 years
- Method of depreciation has been changed from WDV to SLM in case of buildings, computers, software and furniture and fixture; and
- In case of shuttering material the life has been decreased from 15 to 5 years and method of depreciation has been changed from WDV to SLM.

Due to the above change, depreciation charge for the current year is lower by ₹ 136.67 Million.

Note 52 Note on recoverability of amount due from certain trade receivables

The Group has long outstanding dues amounting to ₹ 773.90 Million from certain customers which due to liquidity issues have remain unpaid. There is no dispute on the said balances and balances have been confirmed by the parties. The Group is very actively engaged with them for recovery of the said balance. Based on the latest discussions, correspondences exchanges, evaluation of the credit profile of the customer, the Group has considered a provision of ₹ 85.24 Million towards the said balances.

The Group is in arbitration as per the terms of the contract with a customer towards recovery of outstanding claims. The arbitration proceedings are expected to be completed within next quarter. Based on the management assessment including as advised by the legal counsel the management has a good probability of recovering amounts greater the balance being carried in the books i.e ₹112.60 Million and accordingly no provision is considered necessary.

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration No. 304026E / E-300009

Priyanshu Gundana
Partner
Membership Number: 109553

Place: Jaipur
Date: May 24, 2019

For and on behalf of the Board of Directors
H. G. Infra Engineering Limited
CIN: L45201RJ2003PLC018049

Harendra Singh
Chairman and Managing Director
DIN: 00402458

Rajeev Mishra
Chief Financial Officer

Ankita Mehra
Company Secretary
Membership No: A33288

H.G. INFRA ENGINEERING LIMITED

CIN NO.: L45201RJ2003PLC018049
Reg. Off.: 14, Panchwati Colony Ratanada, Jodhpur-342001, Rajasthan
Phone: 0291-2515327 | Website: www.hginfra.com
Email: cs@hginfra.com

NOTICE

NOTICE is hereby given that the 17th Annual General Meeting of the members of **H.G. Infra Engineering Limited** (Erstwhile Known as H.G. Infra Engineering Pvt. Ltd.) will be held on Friday 9th August, 2019 at 10:00 A.M. at **Hotel Radisson, Gaurav Path Road, 8, Residency RD, Jodhpur, Rajasthan 342001 India** to transact with or without modification(s)the following business:

ORDINARY BUSINESS:-

1. To receive, Consider and Adopt:-
   - the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2019, together with the Reports of the Board of Directors and the Auditors thereon;
   - the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2019, together with the Report of the Auditors thereon.
2. To declare a Final Dividend of ₹ 0.50/- per Equity Share of the Company for the Financial Year 2018-19
3. To appoint a Director in place of Mr. Harendra Singh (DIN: 00402458), who retires by rotation and being eligible seeks re-appointment and to pass the following resolution as an Ordinary Resolution:

   "**RESOLVED THAT** Mr. Harendra Singh (DIN: 00402458) who retires by rotation and being eligible, offers himself for re-appointment be and is hereby re-appointed as a Director, liable to retire by rotation".

SPECIAL BUSINESS:-

4. **TO RATIFY THE PAYMENT OF REMUNERATION TO THE COST AUDITORS FOR THE FINANCIAL YEAR 2019-20 :-**

   To consider and, if thought fit, to pass, the following resolution as an Ordinary Resolution:

   "**RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and the Companies (Cost Records and Audit) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the payment of the remuneration of 1,37,500/- (Rupees One Lakh Thirty Seven Thousand Five Hundred) excluding out of pocket expenses to **M/s. Rajendra Singh Bhati & Co, Cost Accountants (Registration No. 101983)** who were appointed by the Board of Directors of the Company, as "Cost Auditors" to conduct the audit of the cost records maintained by the Company for Financial Year ending on 31st March, 2020, be and is hereby ratified.

   RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

5. **RESCINDING OF RESOLUTION PASSED AT THE PREVIOUS ANNUAL GENERAL MEETING**

   To consider and if thought fit, to pass, with or without modification(s), the following as a Special Resolution:

   "**RESOLVED THAT** approval of the members be and are hereby accorded to rescind the resolution passed by the members in 16th Annual General Meeting held on 10th September, 2018 for shifting of Registered Office of the Company from its present location 14, Panchwati Colony Ratanada, Jodhpur-342001 in the state of Rajasthan to III Floor, Sheel Mohar Plaza, A-1, Tilak, Marg, C-Scheme Jaipur- 302001 in the state of Rajasthan.

   RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorized to do all such acts,deeds, matters and things as it may in its absolute discretion deem necessary, proper, or desirable and to settle any question, difficulty, doubt that may arise in respect of the shifting of registered office aforesaid and further to do all such acts, deeds and things and to execute all documents and writings as may be necessary, proper, desirable or expedient to give effect to this resolution."

By order of the Board of Directors
For **H.G. Infra Engineering Limited**

Sd/-
Ankita Mehra
Company Secretary

Place: Jaipur
Date: 24.05.2019

Registered Office:
H.G. Infra Engineering Limited
14, Panchwati Colony, Ratanada
Jodhpur, Rajasthan, 342001-
Tel-0291- 2515327, Fax-0291-2515321
Web: www.hginfra.com, email:-cs@hginfra.com
CIN-L45201RJ2003PLC018049

NOTES

1. Explanatory statement pursuant to Section 102 of the Companies Act, 2013, for Item No. 4 is annexed and forms part of this notice.

2. A Member entitled to attend and vote at the meeting is also entitled to appoint a proxy need not be a member of the company. pursuant to section 105 of the companies act, 2013, a person can act as proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total value of 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 proxy for any other person or shareholder. shareholder. the holder of proxy shall prove his identity at the time of attending the meeting.

3. The instrument appointing proxy must reach the Registered Office of the Company not later than 48 hours before the time fixed for the meeting.

4. Corporate members intending to send their authorized representative to attend the meeting pursuant to Section 113 of Companies Act, 2013 are requested to send to the company a certified copy of the relevant Board resolution together with the specimen signature of their authorized representatives to attend and vote on their behalf at the meeting.

5. In terms of Section 152 of the Companies Act, 2013, Mr. Harendra Singh (DIN 00402458) Managing Director, retires by rotation at this Meeting and being eligible, offers himself for re-appointment. Details of Director retiring by rotation as required pursuant to Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India provided under Note No. 30 below.

6. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the Company, provided that not less than three (3) days of notice in writing is given to the Company.

7. The Register of the members and share transfer books of the Company will remain closed from 3rd August, 2019 to 9thAugust, 2019 (both days inclusive).

8. The Register of Directors and KMP and their shareholding and Register of contracts or arrangements in which Directors are interested maintained under Sections 170 and 189 of the Companies Act, 2013, respectively, will be available for inspection by the members at the AGM.

9. Members holding shares in demat form are hereby informed that bank particulars registered with their respective Depository Participants, with whom they maintain their demat accounts, will be used by the Company for the payment of dividend. The Company or its Registrar cannot act on any request received directly from the Members holding shares in demat form for any change of bank particulars. Such changes are to be intimated only to the Depository Participants of the Members. Members holding shares in demat form are requested to intimate any change in their address and / or bank mandate immediately to their Depository Participants.

10. The Members holding shares in physical form are requested to intimate quoting their Folio Number and the change of address immediately to M/s Link Intime India Pvt. Ltd.(the registrar and transfer agent) 4 Community Centre, 2nd Floor, Naraina Industrial Area, Phase I, Near PVR, Naraina, New Delhi - 110028

11. The Members holding shares in demat form and have not registered their E-mail IDs with their Depository Participant are requested to register their e-mail address, to enable the Company to use the same for serving documents electronically. Shareholders holding shares in physical form shall provide their e-mail address to RTA.

12. Members obtaining any information required concerning the accounts of the company and any othetr information are requested to address their queries to the Company at least seven days in advance of the date of meeting.

13. Additional information, pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of the Director seeking re-appointment at the Meeting is furnished hereunder. The Director has furnished consent / declaration for his re-appointment as required under the Companies Act, 2013 and Rules thereunder.

14. Pursuant to Section 124 of the Companies Act, 2013, the Company has unpaid or unclaimed dividends declared in the financial year 2017-18 and has uploaded the details of unpaid and unclaimed dividends on the website of the Company and the same can be accessed through the link http://www.hginfra.com/pdf/UNPAID%20DIVIDEND%202017-2018.pdf

    Further pursuant to section 124(5) the amount in the unpaid dividend account if remains unclaimed or unpaid for a period of seven years, then such amount along with interest accrued be liable to be transferred to the

Investors Education and Protection Fund, however there is no unpaid/unclaimed divided which is liable to the transferred to the IEPF.

15. The Securities and Exchange Board of India (SEBI) has mandated the submission of the 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

16. The Securities and Exchange Board of India has made it mandatory for all companies to use the bank account details furnished by the Depositories for payment of dividend through Electronic Clearing Service (ECS) to investors wherever ECS and bank details are available.

17. In the absence of ECS facilities, the Company will print the bank account details, if available, on the payment instrument for distribution of dividend. The Company will not entertain any direct request from Members holding shares in electronic mode for deletion of/change in such bank details.

18. Consolidate their holdings into one folio in case they hold Shares under multiple folios in the identical order of names.

19. Pursuant to Section 72 of Companies Act, 2013, shareholders holding shares in physical form may file nomination in form SH-13 with the Registrar &Share Transfer Agents of the Company. In respect of shares held in electronic /demat form the nomination form may be filed with respective depository participant.

20. In accordance with rule 20 of the Companies (Management and Administration) amendment Rules, 2015 the Company has fixed 2nd August, 2019 as the cut-off date to determine the eligibility to vote by electronic means or in the general meeting. A person, whose name is recorded in register of members or in the register of beneficiary owners maintained by depositories as on the cut-off date, i.e. 2nd August, 2019, shall be entitled to avail facility of e-voting as well as voting at the general meeting.

21. Members may note that the notice of the 17th Annual General meeting and Annual Report for the financial year 2018-19 will also be available on the Company website www.hginfra.com for their download. The physical copies of the aforesaid documents will also be available for inspection at registered office of the company for inspection during normal business hours on working days. Even after registering for e–communication, members are entitled to receive copy of above documents in physical form, upon making a request for the same at free of cost.

22. The Investors, who have not yet encashed / claimed the Dividend, are requested to encash/claim the Dividend by corresponding with The Registrar and Share Transfer Agent and Company Secretary. Members are requested to note that dividend not claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account will, in terms of Section 124 of the Companies Act, 2013, be transferred to the "Investor Education and Protection Fund". The Company has sent reminders to Members to encash unpaid/unclaimed dividends. The details of unclaimed dividend are given in note no. 27 below

23. The Annual Report 2018-19 is being sent through electronic mode only to the members whose email address is registered with the Company / Depository Participant/ (s), unless any member has requested for a physical copy of the Report. For members who have not registered their email address, physical copies of the Annual Report 2018-19 are being sent by the permitted mode.

24. The Notice of the 17th AGM and instructions for e-voting, along with Attendance Slip and Proxy form is being sent through electronic mode to all members whose email address is registered with the Company / Depository Participant/(s), unless any member has requested for a physical copy of the same. For members who have not registered their email address, physical copies of the documents are being sent by the permitted mode.

25. The Board of Directors of the Company has appointed M/s Deepak Arora & Associates, Practicing Company Secretaries, Jaipur as the Scrutinizer for conducting the e-voting & Ballot process for the AGM in a fair & transparent manner.

26. The Scrutinizer shall after the conclusion of voting at the Annual General Meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than 48 hours of conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same and declare the result of the voting forthwith.

27. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company www.hginfra.com and on the website of Link Intime India Private Limited https://instavote.linkintime.co.in immediately after the declaration of results by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited and National Stock Exchange of India Limited.

28. The details of the un-encashed/unclaimed above-mentioned Dividend are as under:

Type and year of Dividend declared/paid	Unclaimed unencashed Dividend as on March 31, 2018 (Amount in ₹)	Date of Declaration of Dividend	Due date of transfer to Investor Education and Protection Fund
Final Dividend - FY 2017-18	₹ 6,169/-	September 10, 2018	October 25, 2025

30. Information required under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements)Regulations, 2015 and Secretarial Standard – 2 (SS-2) with respect to the Director, seeking re-appointment is as under:

Name	Mr. Harendra Singh
DIN	00402458
Date of Birth	25/06/1967
Age	52
Date of Appointment at Current Designation	15/05/2017
Qualification	Bachelor's degree in Engineering (Civil)
Designation	Managing Director
Brief Resume & Nature of expertise in specific functional areas	Mr. Harendra Singh aged 52 years, is a Managing Director of our Company. He has been on the Board since the incorporation of our Company, and was reappointed as a Managing Director for a period of five years with effect from May 15, 2017. He has 25 years of experience in the construction industry. For his outstanding achievement in business and social service, he has received awards from the Indian Achievers Forum in August and November, 2016. He is responsible for the overall functioning of our Company.
Terms and condition of appointment or re-appointmnent along with details of remuneration sought to be paid and the remuneration last drawn by such person, if applicable	As per the resolution passed in the Extra Ordinary General Meeting held on 15/05/2017
Date of first appointment on the Board	21/01/2003
Disclosures of relationship between the directors inter se	Mr. Harendra Singh is the close relative of Mr. Vijendra Singh (Brother)
Directorships (Excluding alternate directorship, directorships in foreign companies and companies under Section 8 of the Companies Act, 2013.	01. H.G. Infra Engineering Limited 02. Gurgaon Sohna Highway Private Limited 03. H.G. Rewari Ateli Highway Private Limited 04. H.G. Ateli Narnaul Highway Private Limited
Chairman/Member of the Committee of Board of Directors in other Companies as on March 31, 2019 A. Audit Committee; B. Stakeholders Relationship Committee	 NIL NIL
Number of Board Meetings attended during the Financial Year 2018-19	4 out of 4
Number of Shares held in the Company	1,43,51,516

31. VOTING THROUGH ELECTRONIC MEANS

In compliance with provisions of Section 108 of the Companies Act, 2013, the Company is pleased to provide members facility to exercise their right to vote at the **17th Annual General Meeting (AGM)** by electronic means The members whose names appear in register of members as on August 2nd,2019, the cut-off date, the date prior to the closure of commencement of book closure are entitled to vote on the resolutions set out in the notice. The remote e-voting period will commence at 9.00 A.M. on August 6th, 2019 and will end at 5.00 P.M. on August 8th, 2019. The e –voting module shall be disabled by **LinkIn-time India Private Limited** for voting thereafter. The facility for voting though electronic means system shall be made available at the meeting and the members attending the meeting who have not cast their vote by remote e-voting shall be able to vote at the meeting through ‘insta’ poll. The Company has appointed **Mr. Deepak Arora**, Practicing Company Secretary to act as scrutinizer to scrutinize the insta poll and remote e- voting process in a fair and transparent manner.

❖ Log-in to e-Voting website of Link Intime India Private Limited (LIIPL)

1. Visit the e-voting system of LIIPL. Open web browser by typing the following URL: https://instavote.linkintime.co.in.
2. Click on "Login" tab, available under 'Shareholders' section.
3. Enter your User ID, password and image verification code (CAPTCHA) as shown on the screen and click on "SUBMIT".
4. Your User ID details are given below:
   a. Shareholders holding shares in demat account with NSDL: Your User ID is 8 Character DP ID followed by 8 Digit Client ID
   b. Shareholders holding shares in demat account with CDSL: Your User ID is 16 Digit Beneficiary ID
   c. Shareholders holding shares in Physical Form (i.e. Share Certificate): Your User ID is Event No + Folio Number registered with the Company
5. Your Password details are given below:

   If you are using e-Voting system of LIIPL: https://instavote.linkintime.co.in for the first time or if you are holding shares in physical form, you need to follow the steps given below:

   Click on "Sign Up" tab available under 'Shareholders' section register your details and set the password of your choice and confirm (The password should contain minimum 8 characters, at least one special character, at least one numeral, at least one alphabet and at least one capital letter).

	For Shareholders holding shares in Demat Form or Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (applicable for both demat shareholders as well as physical shareholders). • Members who have not updated their PAN with depository Participant or in the company record are requested to use the sequence number which is printed on Ballot Form / Attendance Slip indicated in the PAN Field.
DOB/ DOI	Enter the DOB (Date of Birth)/ DOI as recorded with depository participant or in the company record for the said demat account or folio number in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio number. • Please enter the DOB/ DOI or Dividend Bank Details in order to register. If the above mentioned details are not recorded with the depository participants or company, please enter Folio number in the Dividend Bank Details field as mentioned in instruction (iv-c).

If you are holding shares in demat form and had registered on to e-Voting system of LIIPL: https://instavote.linkintime.co.in, and/or voted on an earlier voting of any company then you can use your existing password to login.

If Shareholders holding shares in Demat Form or Physical Form have forgotten password:

Enter User ID, select Mode and Enter Image Verification code (CAPTCHA). Click on "SUBMIT".

In case shareholder is having valid email address, Password will be sent to the shareholders registered e-mail address. Else, shareholder can set the password of his/her choice by providing the information about the particulars of the Security Question & Answer, PAN, DOB/ DOI, Dividend Bank Details etc. and confirm. (The password should contain minimum 8 characters, at least one special character, at least one numeral, at least one alphabet and at least one capital letter)

NOTE: The password is to be used by demat shareholders for voting on the resolutions placed by the company in which they are a shareholder and eligible to vote, provided that the company opts for e-voting platform of LIIPL.

- For shareholders holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.

32. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential

❖ Cast your vote electronically

6. After successful login, you will be able to see the notification for e-voting on the home page of INSTA Vote. Select/ View "Event No" of the company, you choose to vote.
7. On the voting page, you will see "Resolution Description" and against the same the option "Favour/ against" for voting.

   Cast your vote by selecting appropriate option i.e. Favour/ Against as desired.

Enter the number of shares (which represents no. of votes) as on the cut-off date under 'Favour/Against'. You may also choose the option 'Abstain' and the shares held will not be counted under 'Favour/Against'.

8. If you wish to view the entire Resolution details, click on the 'View Resolutions' File Link.

9. After selecting the appropriate option i.e. Favour/Against as desired and you have decided to vote, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "YES", else to change your vote, click on "NO" and accordingly modify your vote.

10. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

11. You can also take the printout of the votes cast by you by clicking on "Print" option on the Voting page.

❖ General Guidelines for shareholders:

- Institutional shareholders (i.e. other than Individuals, HUF,NRI etc.) and Custodian are required to log on to e-Voting system of LIIPL: https://instavote.linkintime.co.in and register themselves as 'Custodian / Mutual Fund / Corporate Body'.

  They are also required to upload a scanned certified true copy of the board resolution /authority letter/power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the 'Custodian / Mutual Fund / Corporate Body' login for the Scrutinizer to verify the same.

- During the voting period, shareholders can login any number of time till they have voted on the resolution(s) for a particular "Event".

- Shareholders holding multiple folios/demat account shall choose the voting process separately for each of the folios/demat account.

- In case the shareholders have any queries or issues regarding e-voting, please refer the Frequently Asked Questions ("FAQs") and Insta vote e-Voting manual available at https://instavote.linkintime.co.in, under Help section or write an email to enotices@linkintime.co.in or Call us :- Tel : 022 - 49186000.

33. Electronic copy of the Annual Report 2018-19 is being sent to all the members whose email address are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested for a physical copy of the same. For members who have not registered their email address, physical copies of the Annual Report 2018-19 is being sent in the permitted mode. Members may also note that the notice of the 17th Annual General Meeting and Annual Report for 2018-19 will also be available on the Company's website at www.hginfra.com. The physical copies of the aforesaid documents will also be available at the Registered Office of the Company on all working days between 11.00 a.m. to 1.00 p.m.

EXPLANATORY STATEMENT

(Pursuant To Section 102 of the Companies Act, 2013)

In conformity with the provisions of Section 102 of the Companies Act, 2013, the following Explanatory Statement sets out all material facts relating to Special Business mentioned in the accompanying Notice and should be taken as forming part of the Notice.

ITEM No.4

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of M/s Rajendra Singh Bhati & Co, Cost Accountants (Registration No. 101983), to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2020.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014 and the Companies (Cost Audit and Records) Rules 2014, the remuneration payable to the Cost Auditor has to be ratified by the shareholders of the Company.

Accordingly, consent of the members is sought, by passing an Ordinary Resolution as set out in Item No. 4 of the Notice, for ratification of the remuneration of 1,37,500/- payable to the Cost Auditor for the financial year ending 31st March, 2020.

None of the Directors or Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested, financially or otherwise, in the Resolution set out at Item No. 4 of the Notice. The Board recommends the Ordinary Resolution set out at Item No. 4 of the Notice for approval by the shareholders.

ITEM No.5

Company at its 16th Annual General Meeting held at 10th September, 2018 has passed the Resolution for shifting of Registered Office of the Company from its present location i.e. from 14, Panchwati Colony Ratanada, Jodhpur-342001 Rajasthan to III Floor, Sheel Mohar Plaza, A-1, Tilak, Marg, C-Scheme Jaipur-302001 Rajasthan within the same state.

For implementation of this resolution, the Board at its meeting held at 3rd November, 2018 had reviewed the transaction and concluded that in the Best Interest of the Company it is desirable to rescind such transaction.

None of the Directors or Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested, financially or otherwise, in the Resolution set out at Item No. 5 of the Notice. The Board recommends the Special Resolution set out at Item No. 5 of the Notice for approval by the shareholders.

By order of the Board of Directors
For **H.G. Infra Engineering Limited**

Sd/-
Ankita Mehra
Company Secretary

Place: Jaipur
Date: 24.05.2019

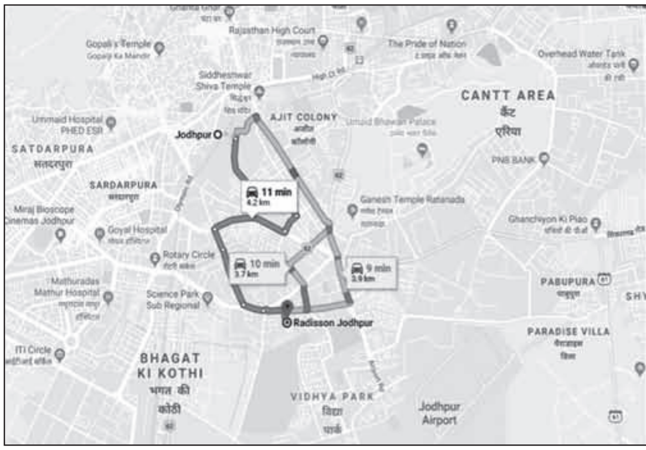
Route Map

The complete particulars of the venue of the meeting including route map and prominent land mark for easy location are as given under:

Venue of the meeting: Hotel Radisson Gaurav Path Road, 8, Residency RD, Jodhpur, Rajasthan 342001

Route Map: The Mark indicates the venue of AGM.

From: Jodhpur Railway Station to venue of AGM



From: Jodhpur Bus Stand to venue of AGM

By order of the Board of Directors
For **H.G. Infra Engineering Limited**

Sd/-
Ankita Mehra
Company Secretary

Place: Jaipur
Date: 24.05.2019

Registered Office:
H.G. Infra Engineering Limited
14, Panchwati Colony, Ratanada
Jodhpur, Rajasthan, 342001
Tel-0291-2515327,
Web: www.hginfra.com, email:-cs@hginfra.com
CIN-L45201RJ2003PLC018049

H.G. INFRA ENGINEERING LIMITED

CIN NO.: L45201RJ2003PLC018049
Reg. Off.: 14, Panchwati Colony Ratanada, Jodhpur-342001, Rajasthan
Phone: 0291-2515327 | Website: www.hginfra.com
Email: cs@hginfra.com

FORM NO. MGT-11
PROXY FORM

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

17th Annual General Meeting-9th August, 2019

CIN	L45201RJ2003PLC018049	
Name of the Company	H.G. INFRA ENGINEERING LIMITED	
Registered Office	14, Panchwati Colony, Ratanada, Jodhpur 342001 Rajasthan	
Name of the member (s)		
Registered Address		
E-mail ID		
Folio No /Client ID		DP ID

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

Name of the member (s)		
Registered Address		
E-mail ID		Signature

or failing him

Name of the member (s)		
Registered Address		
E-mail ID		Signature

or failing him

Name of the member (s)		
Registered Address		
E-mail ID		Signature

or failing him

As my/our proxy to attend and vote (on a poll) for me/us and on my /our behalf at the Seventeenth Annual General Meeting of the Company to be held on Friday 9th August, 2019 at Hotel Radisson, Gaurav Path Road, 8, Residency RD, 342001 Jodhpur (Rajasthan) and at any adjournment thereof in respect of such resolutions as are indicated below:

Item No.	Resolutions
Ordinary Business:	
01	Adoption of Standalone and Consolidated Financial Statements for year ended March, 31, 2019
02	Declaration of Final Dividend on Equity Shares @5% (i.e. @ ₹ 0.50/- (Rupees Fifty Paise only) for the Financial Year 2018-19
03	Appointment of Mr. Harendra Singh (DIN No. 00402458) as a Director, liable to retire by rotation
Special Business:	
04	To Ratify the payment of remuneration to the Cost Auditors for the Financial Year 2019-20
05	Rescinding of Resolution passed at the Previous Annual General Meeting

Signed this____________day of ______________2019

Affix Revenue Stamp of ₹ 1/-

____

Signature of Shareholder (s)

____

Signature of Proxy Holder(s)

Note:

a) Proxy need not to be a member of the Company

b) This form, in order to be effective, should be duly completed, signed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

H.G. INFRA ENGINEERING LIMITED

CIN NO.: L45201RJ2003PLC018049
Reg. Off.: 14, Panchwati Colony Ratanada, Jodhpur-342001, Rajasthan
Phone: 0291-2515327 | Website: www.hginfra.com
Email: cs@hginfra.com

FORM NO. MGT-12

POLLING PAPER

[Pursuant to section 109(5) of the Companies Act, 2013 and rule 21(1)I of the Companies (Management and Administration) Rules, 2014]

CIN	L45201RJ2003PLC018049
Name of the Company	H.G. INFRA ENGINEERING LIMITED
Registered Office	14, Panchwati Colony, Ratanada, Jodhpur 342001Rajasthan

Name of the Shareholder (in block letters) (s)	
Name of the Joint holder (s), if any	
Postal Address	
Class of Shares	Equity
Number of shares held	
Registered Folio No/Client Id	
DP ID	

I/We hereby exercise my/ our vote in respect of the Ordinary/ Special Resolution enumerated below, by conveying my/our assent or dissent to the mentioned below Resolutions by placing a tick (→) mark at the appropriate box:

Item No.	Resolutions	No. of shares held by me	I assent to the Resolution	I dissent from the Resolution
Ordinary Business:				
01.	**Ordinary Resolution:** Adoption of Audited Standalone Financial Statements of the Company for the Financial Year ended March 31, 2019, together with the Reports of the Board of Directors and the Auditors thereon; Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2018, together with the Report of the Auditors thereon.			

Item No.	Resolutions	No. of shares held by me	I assent to the Resolution	I dissent from the Resolution
02.	**Ordinary Resolution:** Declaration of Final Dividend on Equity Shares @5% (i.e. @ ₹ 0.50/- (Rupees Fifty Paise only) for the Financial Year 2018-19			
03.	**Ordinary Resolution:** Appointment of Director in the place of Mr. Harendra Singh (DIN No. 00402458) who retires by rotation and being eligible, offers himself for re-appointment.			
Special Business:				
04	**Ordinary Resolution:** Ratification of Cost Auditor Remuneration			
05	**Special Resolution:** Rescinding of Resolution passed at the Previous Annual General Meeting			

____

(Signature of Shareholder)

Date:

Place:

H.G. INFRA ENGINEERING LIMITED

CIN NO.: L45201RJ2003PLC018049
Reg. Off.: 14, Panchwati Colony Ratanada, Jodhpur-342001, Rajasthan
Phone: 0291-2515327 | Website: www.hginfra.com
Email: cs@hginfra.com

ATTENDANCE SLIP

[Pursuant to section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014

Registered Folio No./ DP ID No./Client ID No.	
Name and address of the Shareholder(s)	
Joint Holder 1	
Joint Holder 2	

I/We hereby record my/our presence at the 17th Annual General Meeting of the Company held on Friday, 9th August, 2019 at 10:00 A.M. at Hotel Radisson, Gaurav Path Road, 8, Residency RD, Jodhpur, Rajasthan

Member's/Proxy's name in Block Letter

Members'/Proxy Signature

Cut in Respect of Remote E-voting please note the following

EVEN (Electronic Voting Event Number)	User ID	Password / PIN

NOTE:
Please read the instructions provided in Notice of the 17th Annual General Meeting. The e-voting period starts from 09:00 a.m. on Tuesday, August 6, 2019 and ends at 05:00 p.m. on Thursday, August 8, 2019. The voting module shall be disabled by Link Intime India Private Limited for voting thereafter.

Notes

Notes

H.G. Infra Engineering Limited
Registered office:
14, Panchwati colony
Ratanada, jodhpur-342001 (Raj.)
P: 0291-2515327 | F: 0291-2515327
E: info@hginfra.com