July 29, 2023

BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai- 400 001

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

Scrip Code- 541019 / 973671

Scrip Symbol- HGINFRA

Dear Sir/Madam,

Sub: Notice of the 21st Annual General Meeting and Annual Report for FY 2022-23

This is to inform that the 21st Annual General Meeting ("AGM") of the Members of the Company will be held on **Monday, August 21, 2023 at 2:00 p.m. (IST)** through Video Conference (VC) / Other Audio-Visual Means (OAVM) in accordance with the applicable circulars issued by the Ministry of Corporate Affairs ("MCA") and the Securities and Exchange Board of India ("SEBI").

Pursuant to Regulations 34 and 53 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), we are submitting herewith the Annual Report of the Company including the Business Responsibility and Sustainability Report and the Notice of the AGM for the financial year 2022-23 which is being sent only through electronic mode to all those Members of the Company whose email addresses are registered with the Company/Company's Registrar and Transfer Agent/Depository Participants.

The Annual Report containing the Notice of the AGM is also being made available and can be accessed/downloaded from the Company's website at www.hginfra.com.

This is for your information and records.

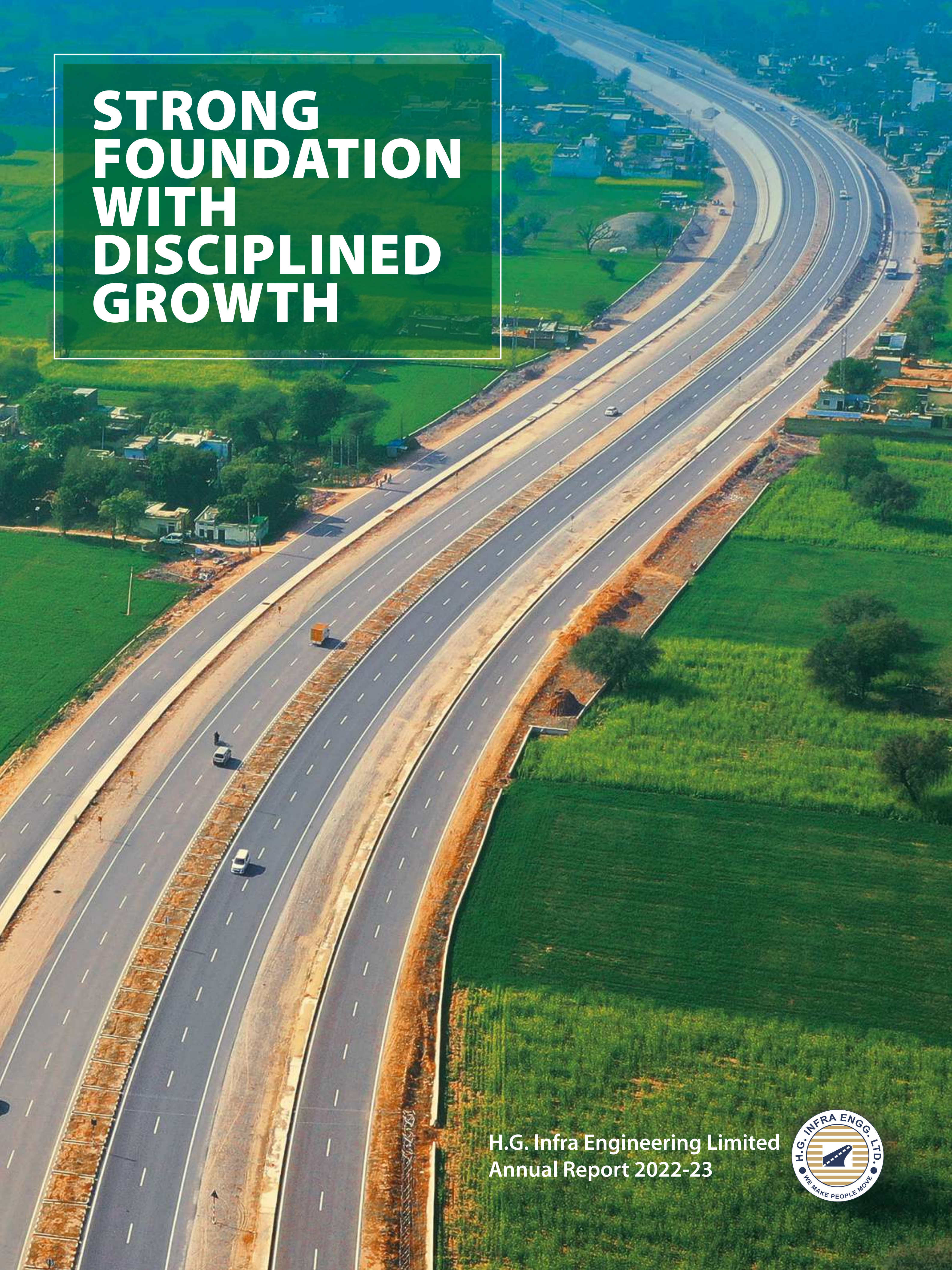
Thanking you,

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

ANKITA MEHRA Digitally signed by ANKITA MEHRA Date: 2023.07.29 20:41:54 +05'30'

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

Encl.: as above



STRONG FOUNDATION WITH DISCIPLINED GROWTH

H.G. Infra Engineering Limited
Annual Report 2022-23

H.G. INFRA ENGG. LTD.
WE MAKE PEOPLE MOVE

Forward-looking statement

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

Highlights of FY 2022-23

(in ₹ Million)

Revenue

44,185

22.2% increase over FY 2021-22

EBITDA

7,103

21.5% increase over FY 2021-22

PAT

4,214

24.4% increase over FY 2021-22

Gross block

10,336

27.97% increase over FY 2021-22

Contents

02 Corporate snapshot

08 How we have grown over the years

10 Chairman's perspective

14 Chief Financial Officer's performance overview

20 Our integrated value creation approach

24 Operational review

26 Efficient project management at HGIEL

28 Driving digital transformation at HGIEL

30 Optimizing supply chain management at HGIEL

32 At HGIEL, we are dedicated to strengthen our ESG commitment

36 How HGIEL is creating positive impact on communities

41 Board of Directors

43 Corporate information

Statutory Reports

45 Management discussion and analysis

53 Board's report

81 Corporate governance report

134 Business responsibility and sustainability report

Financial Statements

163 Standalone financial statements

247 Consolidated financial statements

333 Notice of annual general meeting

Strong foundation with disciplined growth

At HGIEL, the one word that defines our business is discipline.

We believe that the lower deviations we make from our established protocols, the faster we will execute projects, the quicker we will generate revenues and the more profitable we will be.

This discipline of the years has helped HGIEL create a foundation that should translate into sustainable growth, enhancing value for all stakeholders associated with our Company.

CORPORATE SNAPSHOT

H.G. Infra Engineering Limited

The Company is recognised as one of the fastest growing infrastructure construction companies in India.

The Company is principally engaged in roads and highways construction and has entered adjacent construction spaces like water resources, railways and metro projects.

The Company believes that a timely and prudent diversification into different non-road infra segments could lead to enhanced business sustainability. The Company intends to generate 20-25% of its order book from non-road projects in the next 2-3 years.

The Company is at an inflection point in terms of its corporate personality, strengthening its capacity to sustain growth in terms of order book, revenues and surplus.

This timely diversification is expected to graduate the Company to the next level, strengthening its capacity to enhance value for all its stakeholders in a sustainable way.

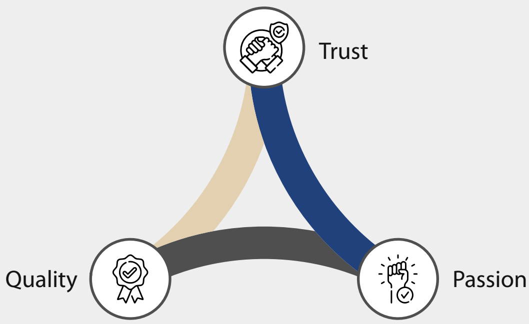
Our vision

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

Our mission

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

Our values



Our legacy

H.G. Infra Engineering Limited (HGIEL), formerly known as H. G. Infra Engineering Pvt. Ltd., was founded by Shri Hodal Singh in 2003, a stalwart with 40 years of experience in the construction sector. The Company has transformed into a leading Indian road infrastructure development company. The Company is focusing on the diversification of its order book and won three non-road projects in FY 2022-23. The Company is now not just limited to road infrastructure but is growing in segments like metros, railways and water resources etc.

Our competencies

Solution provider: The Company is recognised for end-to-end services in the road infrastructure and rail extension sectors.

Portfolio: The Company's capabilities comprise the construction of roads, highways, bridges and flyovers. It has diversified into metro, railways and water resource projects.

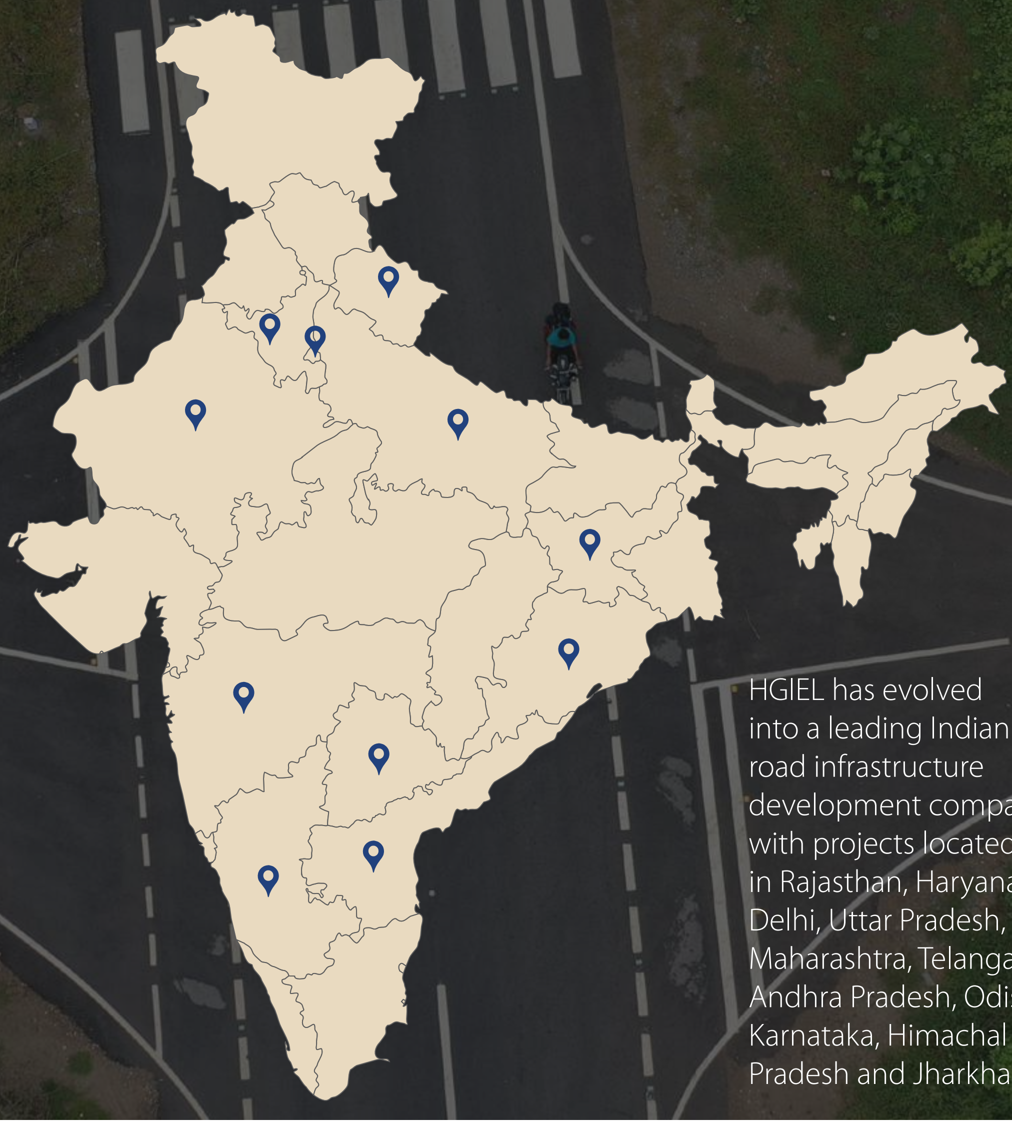
Timeliness: The Company enjoys a clean record of completing projects before or on schedule, demonstrating systemic discipline and subject matter specialization.

Intellectual resources: The Company's dedicated talent comprises 4,000+ employees, with a balanced mix of technical, managerial qualifications administrative, supervisory and managerial qualifications.

Our business

H.G. Infra is a leading road and highway construction company with 20 years of execution, pan-India presence and strong growth trajectory. It has a robust business model with 2,500+ fleet of modern equipment and multiple digital initiatives to enhance processes and operational efficiencies. The Company is focusing on adding non-road projects to its portfolio of projects and is confident of generating 20-25% of its order book from non-road projects in the order book in the next 2-3 years.

Our footprint



HGIEL has evolved into a leading Indian road infrastructure development company, with projects located in Rajasthan, Haryana, Delhi, Uttar Pradesh, Maharashtra, Telangana, Andhra Pradesh, Odisha, Karnataka, Himachal Pradesh and Jharkhand.

Haryana 5 projects	**Himachal Pradesh** 1 project	**Maharashtra** 7 projects	**Telangana** 3 projects
Andhra Pradesh 1 project	**Jharkhand** 2 projects	**Odisha** 2 projects	**Uttar Pradesh** 3 projects
Delhi 2 project	**Karnataka** 1 project	**Rajasthan** 10 projects	

Our key milestones

2003-08

- Incorporated in 2003
- Executed the first sub-contract work of embankment construction
- Commenced the construction of a portion of the Yamuna Expressway; project cost: ₹1,000mn
- Presence in 2 States

2009-14

- Construction of the four-lane of the Jaipur-Tonk-Deoli section on NH-12; project cost: ₹2,500 Million
- Construction of the four-lane of the Warora-Bamni section in Maharashtra; project cost: ₹2,600 Million
- Construction of the four lane renewal coat of the Jaipur-Kishangarh highway; project cost: ₹141 Million
- Presence in 4 States

2015-18

- Construction of the four lane of NH-65 on the Kaithal- Rajasthan border; project cost: ₹4,000 Million
- Seven construction projects in Maharashtra by MoRTH; project cost: ₹19,000 Million
- Entry in HAM projects with Gurgaon- Sohna Highway; project cost: ₹6,060 Million
- Powered for high growth:
  - Order book – ₹46,071 Million
  - Equipment bank – 1000+
  - Manpower - 2400+
- Listed on BSE and NSE (nationwide stock exchanges)
- Presence in 5 States

2019-23

- Awarded 15 Highway (11 HAM, 4 EPC) Projects, 1 Metro, 1 RVNL, 1 Station Project
- Order book diversification beyond roads and highways
- HGIEL inducted in MSCI India Small Cap Index in February 2023
- Ganga Expressway - H.G. Infra's largest project (EPC) in terms of value ₹49,709 Million (EPC) and length 151.70 Km
- Rated (ICRA) AA-(Stable)/ (ICRA) A1+ for our long-term/ short-term credit facilities
- Order book grew to ₹1,25,000+ Million with 2,500+ fleet of modern equipment and 4,000+ of manpower
- Market Capitalisation touched ₹5,092 Crore as on March 31, 2023 as against ₹3,627 Crore on March 31, 2022 (on BSE), a 38% increase
- Presence in 11 States

Recent awards and recognition

- Best Construction Company (Real Estate & Construction Sector) 2022
- 3rd Fastest Growing Construction Company (Medium Category) 2021
- Top Challengers 2021
- Company of the Year (Engineering Sector)
- Best COVID-19 Solution for Workforce Management
- Best Corporate Social Responsibility Practices
- Siksha Bhushan Bhamashah Award

Our certifications

We are certified with ISO 9001:2015 for Quality Management System, OHSAS 18001: 2007 for Health & Safety Management System and ISO 14001:2004 for Environmental Management System.

Our listing

The Company is listed on the BSE Limited and National Stock Exchange of India Limited, with a market capitalization of ₹5,092 Crore as on March 31, 2023 (on BSE).

Our order book

The Company had an order book of ₹1,25,953 Million as on March 31, 2023. Around ₹113,001 Million was from Highway Projects and ₹12,952 Million from Other Sectors like metro and railways.

Our esteemed clientele

The Company's clientele comprises prestigious agencies and organisations from the government and private sector, namely NHAI, MoRTH, Tata Projects, IRB, Adani Group, DMRC, RVNL and NCR, among others.

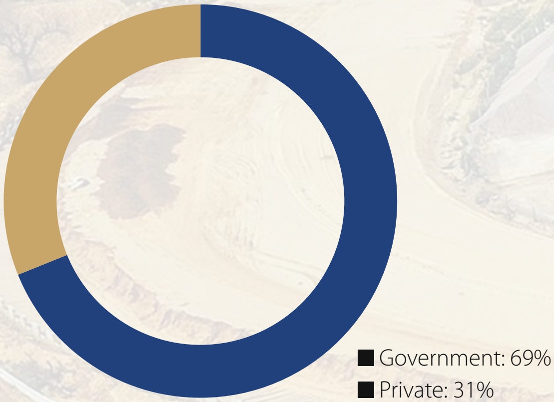
Our credit rating

The Company has been rated (ICRA) AA-(Stable)/ (ICRA) A1+ for its long-term/ short-term credit facilities.

Our revenue

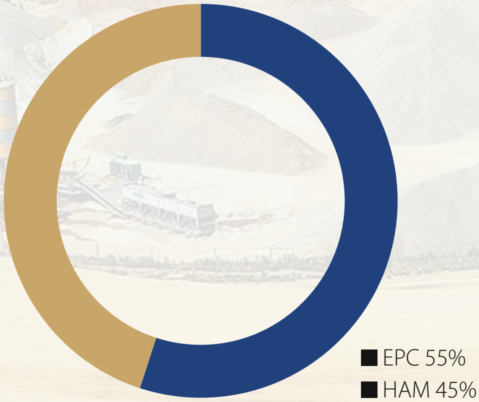
Revenue by client type

Optimum mix of prime contracts and private projects



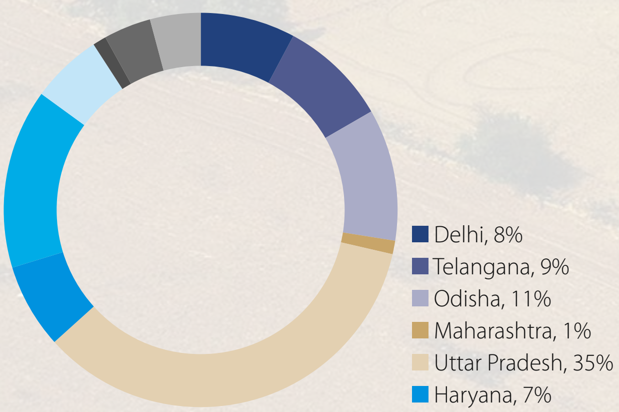
Revenue by project type

Foray into HAM to address a growing opportunity



Revenue by geography

Successful diversification across various States



Big numbers

20

Years of project execution experience

20

Construction projects being executed

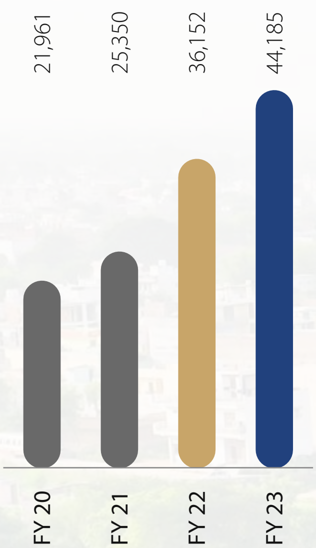
12

HAM projects being executed

How we have grown over the years

Revenues

(₹ Million)



Definition
Growth in sales net of taxes.

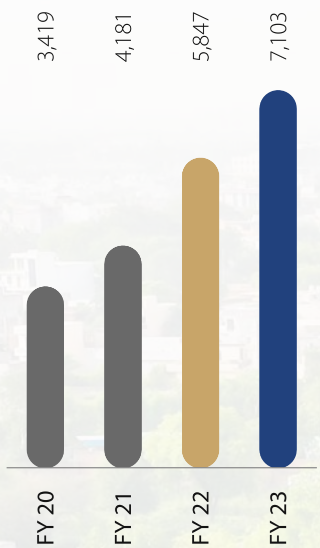
Why this is measured
It is an index that showcases the Company's ability to maximise revenues, which provides a basis against which the Company's success can be compared with sectoral peers.

What this means
The growth in revenues provides the Company with the critical mass to amortise fixed costs, service customers with on-time and in-full deliveries that enhances profitability.

Value impact
The Company reported a 22.2% growth in revenue to ₹44,185 Million on account of timely projects progress, completion and handover across the road and non-roads segments.

EBITDA

(₹ Million)



Definition
Earnings before the deduction of fixed expenses (interest, depreciation, extraordinary items and tax).

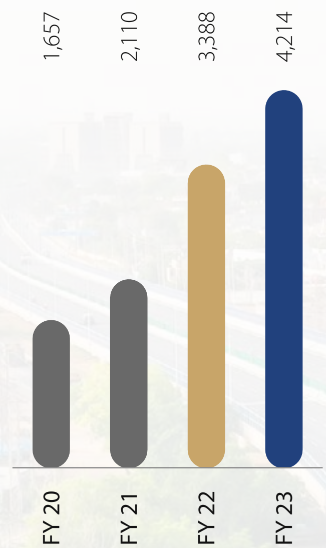
Why this is measured
It is an index that showcases the Company's ability to generate a surplus after optimising operating costs, providing a base for comparison with sectoral peers.

What this means
Helps create a robust surplus-generating growth engine that enhances reinvestment.

Value impact
The Company reported an EBITDA growth of 21.5% in FY 2022-23, on account of timely projects completion, coupled with prudent bidding without compromising the margins hurdle rate coupled with optimised resource utilisation.

PAT

(₹ Million)



Definition
Profit earned during the year after deducting all expenses and provisions.

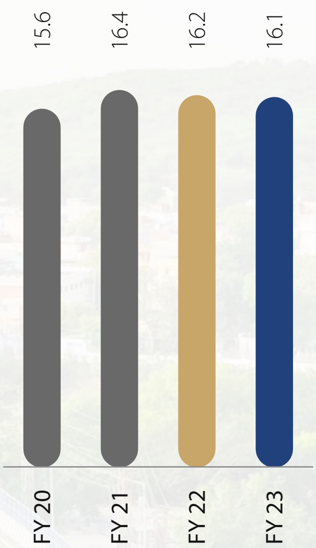
Why this is measured
It highlights the strength of the business model in enhancing value for shareholders.

What this means
This ensures that adequate cash is available for reinvestment, strengthening a virtuous cycle of business sustainability.

Value impact
Net profit stood at ₹4,214 Million on account of an improved topline, cost efficiencies and prudent working capital management.

EBIDTA margin

(%)



Definition
EBITDA margin is a profitability measure to ascertain a company's operating efficiency.

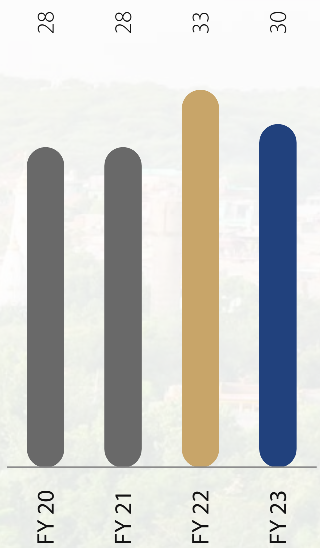
Why this is measured
The EBIDTA margin provides an idea of how much a company earns (before accounting for interest and taxes) on each rupee of sales.

What this means
This measure demonstrates the buffer in the business, which, when multiplied by scale, can potentially enhance the surplus.

Value impact
The Company reported a consistently strong EBIDTA margin in FY 2022-23 on account of bidding cum operational discipline and a timely completion of projects.

RoCE

(%)



Definition
This is a financial ratio that measures efficiency with which capital is employed in the Company's business.

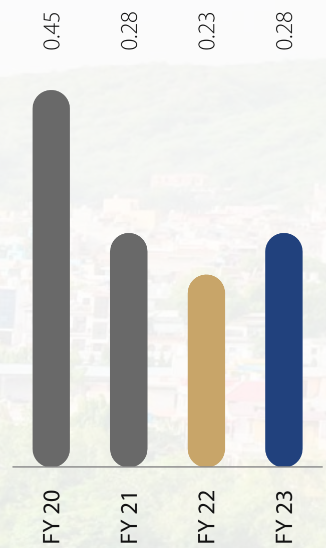
Why this is measured
ROCE is an insightful metric to compare profitability across companies based on their capital efficiency.

What this means
Enhanced ROCE can potentially drive valuations and market perception.

Value impact
ROCE stood at a creditable 30% on account of diligent project selection, superior working capital management and better equipment utilization.

Gearing

(x)



Definition
This is the ratio of debt to equity.

Why this is measured
This is one of the defining measures of a company's financial health. This indicates the ability of the Company to remunerate shareholders over debt providers (the lower the gearing the better).

What this means
This indicates whether the Company enhances shareholder value by keeping the equity side constant while moderating debt.

Value impact
The Company's gearing stood at 0.28x in FY 2022-23 on account of an increase in term loan to fund a significant capex of ₹2,874 Million in FY 2022-23. Ratio is at a lower end, depicting a healthy and strong financial status of the Company.

CHAIRMAN'S PERSPECTIVE

HGIEL is building for the next phase of its growth

At HGIEL, much of our optimism is derived from the unfolding India story.

Harendra Singh, Chairman and Managing Director

Overview

At HGIEL, the principal message that I seek to communicate to shareholders is that your Company is at the cusp of a large structural shift – in terms of size, diversification and sustainability.

The priority is not just to address the order book of the day but embark on the process to make strategic adjustments that make our growth sustainable from this moment onwards.

The Company achieved the largest accretion in its order book and witnessed substantial revenue growth during the last financial year. Moreover, it has expanded its presence in sectors like water, railways, metro and partnered Adani Group in the Ganga Expressway project, secured prominent projects, including three HAM projects, three non-road projects.

India growth story

At HGIEL, much of our optimism is derived from the unfolding India story.

The last two Union Budgets have been seminal for modern India. The government outlined an unprecedented outlay for infrastructure creation.

When you take the last two Union Budgets combined, the outlay for infrastructure capital expenditure programmes has increased from ₹7.50

Lakh Crore for FY 2021-22 to ₹10 Lakh Crore in FY 2023-24.

This indicates that even as it took India 73 years to reach an infrastructure outlay of ₹4.39 Lakh Crore until FY 2020-21, it took the country just three years to add another ₹5.61 Lakh Crore.

In FY 2023-24, the central government plans to expedite road construction by awarding new projects covering approximately 12,000 to 12,500 Km. Additionally, there will be a focus on completing ongoing projects before the 2024 general elections, which is expected to significantly enhance execution pace during FY 2023-24.

For decades, India was principally a consumption-driven economy. Much of the country's growth was generated from its growing population, increasing aspirations and evolving lifestyles. This growth transpired despite an extensive and long-standing under-investment in India's infrastructure, which is usually the biggest income enabler. The result was that even as personal incomes grew, the growth of India's infrastructure continued to be muted. The country's growth was driven primarily by the strength coming from its single engine and that engine remained its aggregate personal consumption.

Then came the Union Budgets of FY 2022-23 and FY 2023-24. These two Budgets have kickstarted the shifting of the national needle. These two Budgets now represent a structural shift. They are expected to accelerate the transition of India from a consumption-driven economy to a consumption cum infrastructure-driven economy.

This transition will make it possible for India to emerge as one of the principal drivers of the global economy. This transition will emerge as a capex multiplier – from one government raising the infrastructure investment bar to thousands of companies doing the same across the breadth of the economy. This transition will enhance the investing confidence of sectors, companies and individuals – in equipment, technologies, processes and people. This transition will result in the building of a larger number of infrastructure drivers like roads, ports, airports, bridges, waterways and mobility. This transition will result in a quicker pace of infrastructure spending – what would happen in a decade in the past is now likely to be compressed within a couple of years.

When you have the rest of the world fearing a slowdown, and even a recession, the reality is the reverse in India. India is growing faster than China and any other major economy even

“The company also intend to grow revenues at existing pace of 20-25% and report yet another record year by revenues, cash flows and surplus.”

as much of the world is slowing. India is preparing a growth runway for the next 24 years to 2047 where much of its growth its likely to be derived from a long-awaited correction in its infrastructure under-investment.

Capitalising

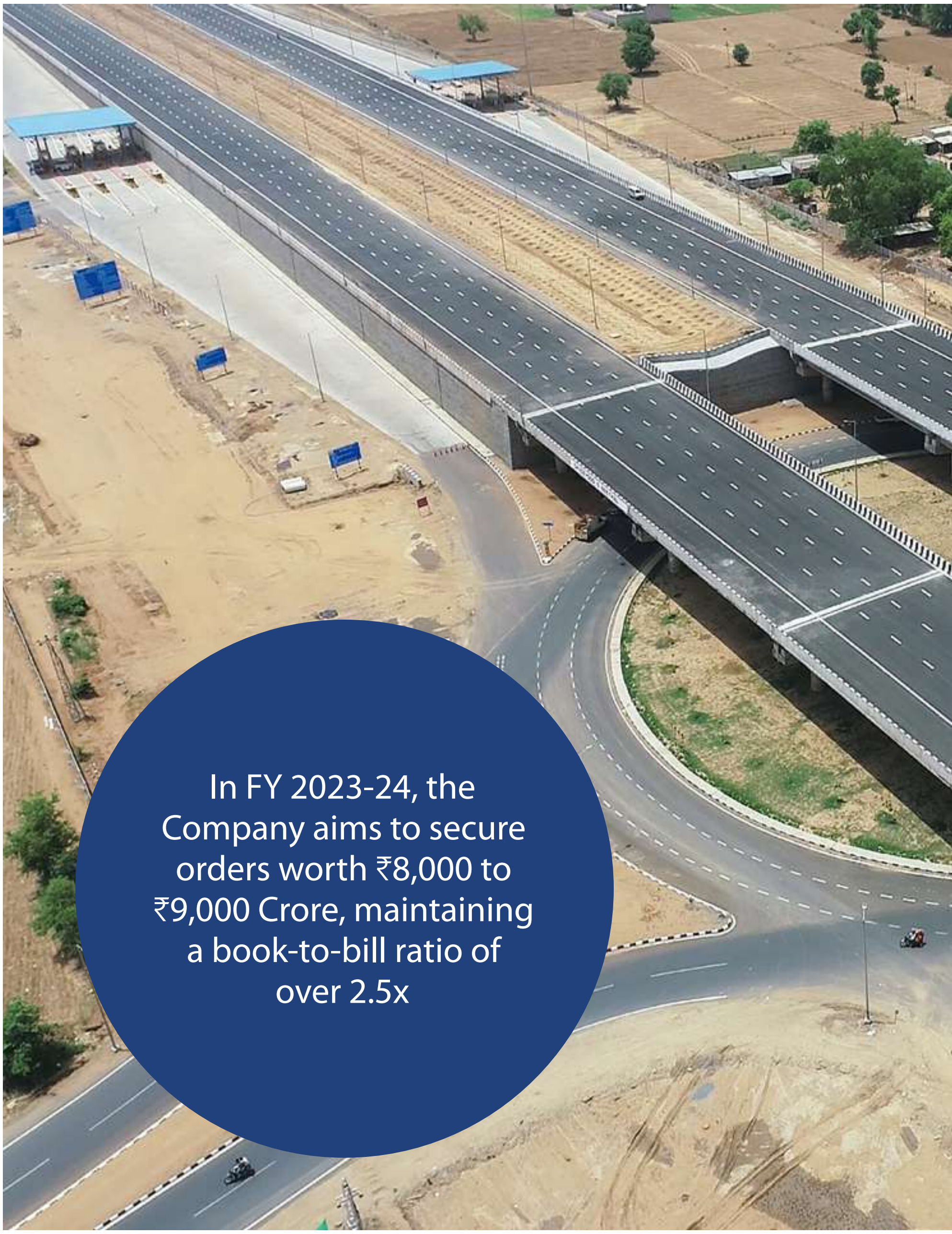
HGIEL is optimistic of capitalising on the national infrastructure inflection point.

The Company is broad basing its presence beyond road building; initiatives begun in this direction during the last financial year when the Company bidded for projects comprising metro rail projects, railway station infrastructure. These businesses may appear different at first glance; however, the principles of infrastructure building in these segments are similar to road building. In view of this reality, the extension may be considered adjacent and even synergic, making it possible for the Company to build on existing knowledge and experience pools.

The Company believes that by seeding its presence in these spaces, the Company may strengthen related pre-qualification credentials, attract more projects, aggregate specific experience and bid for even larger projects – a virtuous cycle. In some spaces, the Company possesses pre-qualification credentials while in others the Company may enter into relevant joint ventures.

The result is that the Company's intent is to enhance the proportion of non-road projects in the order book from 10% during the last financial year to an estimated 25% in the next three years. Our belief is that diversifying our revenue streams beyond highways, where we possess a competitive advantage, will be the crucial step in establishing ourselves as a comprehensive infrastructure company for the foreseeable future

We believe that India will emerge as one of the fastest growing infrastructure drivers in the world, marked by an unprecedented investment going into virtually every part of its transforming infrastructure story – whether it is airports, ports, railway stations, water treatment projects or ropeways. On the other hand, we believe that a sectorial shakeout, higher construction benchmarks, and rising pre-qualification standards have led to an industry wide consolidation. This trend favors larger companies with robust Balance Sheets, enabling them to address even bigger opportunities and strengthen their market position.



In FY 2023-24, the Company aims to secure orders worth ₹8,000 to ₹9,000 Crore, maintaining a book-to-bill ratio of over 2.5x

HGIEL's priorities

At HGIEL, we are investing today to be attractively placed to capitalise on emerging long-term opportunities.

One, the Company is broad basing its organogram with the objective to create positions that will be critically needed; it is plugging these positions with subject matter experts, training these professionals, strengthening its business development function and creating platforms for scalable growth.

Optimism

The Company has prepared for its expansion phase by focusing on operational efficiency, cost optimization, and timely project execution. In FY 2023-24, the Company aims to secure orders worth ₹8,000 to ₹9,000 Crore, maintaining a book-to-bill ratio of over 2.5x. Notably, there is a strong NHAI bid of approximately ₹1,10,000 Crore in the pipeline this year. Additionally, in the railways and metro sectors, there is an expected bidding of around ₹15,000 Crore, presenting a significant opportunity to grow the business and increase the order book.

The company also intend to grow revenues at existing pace of 20-25% and report yet another record year by revenues, cash flows and surplus.

By the virtue of broad basing our presence beyond highways and progressing towards responsible well-roundedness, we are building the stage for our Company to emerge as a larger and respected infrastructure organisation that is committed to help take India ahead.

Harendra Singh
Chairman

Two, the Company is deepening its digital investments with the objective to control projects on real time basis through a competent of automation and manual surveillance. This is helping us correct deviations with speed, ensuring that our projects are completed on schedule and within budgeted costs.

Three, at HGIEL, we have created a robust network of vendors possessing specialised capabilities, making it possible for us to aggregate their competence and deliver as a consolidated whole in line with the needs of our customers.

Four, we possess a culture of fiscal discipline in growing revenues 20-25% each year, a growth sweet spot that will not strain our financials or compromise the sustainable delivery of stakeholder value. The Company will continue to exercise stringent control in cash flows management, capital allocation discipline, equipment fleet rejuvenation and remaining under-borrowed (debt-equity ratio of 0.28 as on March 31, 2023).

CHIEF FINANCIAL OFFICER'S PERFORMANCE OVERVIEW

A financial perspective into our business

How we maintained business growth in FY 2022-23 and created a new foundation

HGIEL balanced its business momentum and created a new foundation that will empower the Company towards the next growth phase.

Rajeev Mishra, Chief Financial Officer

Big picture

The big picture message is that HGIEL balanced its business momentum and created a new foundation that will empower the Company towards the next growth phase. The Company reported a 5-year CAGR revenue growth of 26.0%, EBITDA growth of 27.8%, PAT growth of 38.0% and order book growth of 22.3%. During the year, the Company won new contracts, which indicates its overarching competence in addressing stakeholders' needs for the moment and the future.

Order book

During the last financial year, your Company seeded its growth foundation to graduate to the next level. At the start of the year under review, your Company possessed an order book of ₹79,729 Million; during the year under review, your Company added ₹86,298 Million in new orders and finished the year with a pending order book of ₹1,25,953 Million. The order book was achieved with a strike rate of 8%; average order size was ₹13,138 Million (which compares

The Company reported 22.2% revenue growth from last year (compared with the Indian GDP growth of a projected 6%), 21.5% increase in EBIDTA and 24.4% growth in PAT during the year under review.

favourably with the order book of ₹79,729 Million in FY 2021-22).

The net increase in order book increase of ₹46,224 Million was accounted for a large part 31% by the Ganga Expressway road building project. This is indicative of a structural shift in the sector, marked by projects of growing size. Around 10% of the order book comprised non-road building projects, indicating the Company's commitment to broad base its business exposure.

The order book, which amounts to over ₹1,25,000 Million, is scheduled to be fulfilled within the next three years, resulting in increased revenues from 2024 to 2026. The Company's prudent approach has led to a balanced order book-to-revenue ratio of 2.9x, influenced by the strength of its Balance Sheet.

As a bidding discipline, the Company bid for projects around an EBITDA margin of 15-16%.

Profitable growth

The valuation of the Company's business model was derived from profitable growth across the last 5 years. In view of this, the Company's revenue growth now translates into a higher rate of profit accretion. The Company reported 22.2% revenue growth over the previous year (compared with the Indian GDP growth of a projected 6%), 21.5% increase in EBIDTA and 24.4% growth in PAT in FY23.

Profitable growth

Year	FY 2020-21	FY 2021-22	FY 2022-23
Revenue growth %	15.1	42.6	22.2
EBITDA growth %	20.1	39.8	21.5
PAT growth %	27.3	60.6	24.4

Rating

The highlight of the Company's performance was how it was perceived by demanding credit rating agencies. Your Company enhanced its credit rating of A+ to AA- for long-term borrowings as appraised by ICRA Limited. The rating was favourably influenced by the Company's pre-qualification credentials, capital allocation discipline, established pan-India credentials, high bidding strike rate, pedigree of clients and timely projects completion. This creditable rating is likely to generate positive spin-offs, empowering the Company to mobilise low-cost debt across longer tenures and strengthen its respect as a front-line talent recruiter.

Credit rating

Year	FY 2020-21	FY 2021-22	FY 2022-23
Credit rating	A+	A+	AA-

Capital efficiency

The Company reported creditable profitability during the year under review. EBITDA margin stood strong at 16.1%, which reflected an improvement in volumes, economies, working capital management and sizable equipment ownership. The Company achieved a robust Return on Capital Employed (RoCE) of 30% and a strong Return on Equity (RoE) of 24%.

The overall improvement in the health of the business was due to long-term priorities; enhanced economies of scale through larger contract sizes, rising equipment investments coupled with a sustained working capital management discipline.

Across the foreseeable future, the Company expects to generate a return superior to what risk partners (shareholders) would be able to generate if they invested in alternative asset classes. Following the expansion, the Company is optimistic of enhancing capital efficiency through a balance of debt cum equity-funded growth, timely projects commissioning, investment in cutting-edge technologies and commissioning of larger contract sizes around clusters.

Funding the expansion

The Company entered into a share purchase agreement with Highway Infrastructure Trust, supported by KKR, to sell its 100% stake in four subsidiaries: Gurgaon Sohna Highway Private Limited, H.G. Rewari Ateli Highway Private Limited, H.G. Ateli Narnaul Highway Private Limited, and H.G. Rewari Bypass Private Limited. The transaction's enterprise value was ₹1,394 Crore, with an equity value of ₹531 Crore. The deal's valuation stood at around 1.55x the price-to-book, surpassing the management's earlier guidance of 1.3 to 1.4. The equity and debt commitments for all four HAM assets were ₹343 Crore and ₹996 Crore, respectively.

The Company focused on creating a sustainable financial foundation related to organic growth. The Company's business was funded through ₹17,784 Million of net worth and ₹5,037 Million of debt – a gearing of 0.28 that we consider safe. The Company considers the repayment tenure to be comfortable given its growing order book, increased contract size and enhanced surpluses.

The Company finished the year under review with a gearing of 0.28, providing comfortable room to raise additional debt.

Margins

The Company maintained a robust EBITDA margin, which was achieved through a sustained focus on securing a larger number of contracts and larger project sizes per contract. This approach resulted in improved amortization and stronger margins. Additionally, the Company's efficient working capital management ensured sufficient liquidity. By skillfully combining volume-based economies, resource management efficiency, and activity-based costing, the Company reinforced its position as one of the most competitive infrastructure companies in India.

Year	FY 2022-21	FY 2021-22	FY 2022-23
EBITDA margin %	16.4	16.2	16.1

Revenues

The Company generated ₹44,013 Million from road construction operations in FY 2022-23. Road construction is the largest vertical in the Company and likely to remain so. However, the Company seeks to leverage its infrastructure construction capabilities and broad base its projects cum revenues mix. The Company intends to extend its business into adjacent business spaces like water resource, railways & metro projects, increasing the non-roads component of its order book to 25% in three years.

The Company generated its road building revenues from 11 States in FY 2022-23. The Company generated timely responses and stipulated construction scheduled through the creation of a regional office in South India (a region that accounted for 19% revenues in FY 2022-23). Nearly 46% of the Company's revenue was derived from non-North India regions and 99% from non-Rajasthan (the state from where the Company started out). This capacity to broad base revenues beyond traditional geographic strongholds reflects the Company's growing competence and confidence to service a rapidly growing national infrastructure sector.

Liquidity

As a policy, the management at HGIEL has maximised the use of accruals in business growth, moderating borrowed funds. This has worked best: the prudent use of moderately priced debt in projects has inspired the Company to perform better and left it with adequate net worth to fund working capital. The Company places a premium on liquidity, preferring it over profitability when the alternative is between maximum revenues with stretched liquidity and centrist revenues with enhanced liquidity.

The Company's working capital management was strengthened through project completion before timelines, generating a bonus of ₹135.2 Million in FY 2022-23 (accounted for 1.9%of the Company's EBIDTA). Timely projects completion was achieved by working on projects marked by no land title issues and nearly 90% of the land being available to company to work on from the outset. The Company worked with an under-borrowed Balance Sheet, marked by adequate cash in hand, rising interest cover, strong gearing and lower Net debt/EBITDA. The Company focussed on strengthening terms of trade, leveraging cash in hand to generate raw material procurement discounts and addressing fresh capital expenditure needs (less incremental debt). The result of this financial discipline was that the Company repaid ₹615 Million during the last financial year even as it invested ₹2,874 Million in additional gross block.

Cash and cash equivalents

As on March 31	FY 2020-21	FY 2021-22	FY 2022-23
Cash and cash equivalents (₹ Million)	2,584	1,585	1,794

Debt management

The Company's total debt increased from ₹3,147 Million to ₹5,037 Million; net worth strengthened from ₹13,643 Million to ₹17,784 Million; gearing was from 0.23 in FY 2021-22 to 0.28 in FY 2022-23 as the Company grew net worth on the one hand and used short-term debt to address working capital requirements and investment in additional equipment following the award of a larger order book during the last financial year. The Company's gearing as on March 31, 2023 was among the lowest within India's road building sector.

The cost of debt on the Company's books was 8.28% on average during the year under review (7.95% on average in the previous year), which is considered reasonable. The Company mobilised fresh debt at 8.7%, which was lower than the rate at which most road builders mobilised short-term debt during the year under review. This was a manifestation of the Company's competitive advantage translating into a lower cost of borrowings. The Company broad-based lenders from 8.70% to 9.70%, widening its mobilisation flexibility and choice.

By the virtue of completing projects on schedule and realising receivables based on milestones, the Company is repaying short-term debt on time. The Company's preference for the role of net worth in business growth has proved value-accretive, maximizing cash flows and creating a war chest for prospective investments.

Debt status

Year	FY 2020-21	FY 2021-22	FY 2022-23
Total debt (not related to expansion) ₹ Million	2,890	3,147	5,037

Gearing

Year	FY 2020-21	FY 2021-22	FY 2022-23
Debt-equity ratio	0.28	0.23	0.28

Raw material procurement

The Company is engaged in a business marked by fluctuations in raw material costs on one hand and a commitment to provide completed projects at a focused cost on the other. This makes it imperative for the Company to take a forward call on commodity price movements, negotiate volume-based documents with material providers and select to work with specialised material providers only. During the year under review, your Company moderated raw material costs as a proportion of revenues from 49.6% to 48.5%, enhancing margins. The Company procured a larger quantity of material directly from companies as opposed to the erstwhile practice of procuring from authorised representatives.

Raw material intensity

As on March 31	FY 2020-21	FY 2021-22	FY 2022-23
Raw material cost as a % of revenues	46.8	49.6	48.5

Digitalisation interventions

In the business of infrastructure construction, there is a premium on the ability to control site dynamics. This need is increasingly pronounced in a business marked by several concurrent sites. Over the years, the Company made a decisive investment in digitalisation and CCTV coverage, making it possible to monitor construction across different sites. The Company increased investments in digitalised and automated fuel dispensing stations that translated into a lower cost related to diesel consumption. Besides, this approach standardised consumption per equipment, resulting in a deeper equipment understanding leading to precise planning. The Company invested in back-end digitalisation, strengthening financial planning and controls, the basis of the Company's capacity to bid successively at one end and control projects in line with targeted estimates at the other.

Equipment ownership

In the business of infrastructure construction, the biggest expense is under the head of equipment. Plant & Equipment accounted for 51.9% of the Company's gross block as on March 31, 2023. The Company invested in a range of equipment to enhance workflow, moderate project downtime due to the non-availability of equipment and enhance project outcomes following the use of specialised equipment. Besides, the utilisation of proprietary equipment helped moderate the cost that would have been paid out as rental. Through prudent equipment planning, the Company accelerated projects and moderated equipment idling, catalysing profitability. As a matter of prudence, the Company maintained an equipment-to-order book ratio of 2:5 optimising the availability of equipment for timely projects completion. The Company's net fixed asset turnover stood at 7.7x, indicating that it utilised its investment in fixed assets to generate revenue.

Plant & equipment investment

As on March 31	FY 2020-21	FY 2021-22	FY 2022-23
Plant & equipment investment (₹ Million)	902	641	2,334

Accruals management

Capital discipline is central to the Company's sustainability. The Company generated ₹5,352 Million in cash profit during the year under review. Some 1.2% of this availability was returned to shareholders as dividend.

Reinvestment

Year	FY 2020-21	FY 2021-22	FY 2022-23
Business reinvestment (₹) Million	2,106	3,321	4,141

Way forward

The Corporation enjoyed a strong financial position at the end of the fiscal year under review. The Company's net worth stood at ₹17,784 Million as on March 31, 2023, with ₹5,037 Million in debt (long- and short-term). The Company's large net worth was the outcome of a long-term build-up of surpluses. In an unpredictable world, this significant net worth bias implies relative de-risking; it provides the Company patient and resilient capital in challenging periods. The Company seeks to grow revenues 20-25% during the current financial year, growing its overall top line to a projected ₹10,000 Crore in three years.

Rajeev Mishra
Chief Financial Officer

The Company increased investments in digitalised and automated fuel dispensing stations that translated into a lower cost related to diesel consumption.

Our integrated value creation approach

Overview

In the contemporary world, the focus has shifted from solely enhancing shareholder value to a broader concept recognised as stakeholder value. This term encompasses not only the interest group of shareholders but also every individual or entity that may be impacted by the Company's brand, products, or operations. In essence, it encompasses all living beings and even non-living entities likely to be influenced by the Company.

The Integrated Value Creation Report is gaining recognition for its comprehensive assessment of both tangible and intangible initiatives within its reporting framework. This report utilises various aspects, including financial data, management commentary, governance practices, remuneration strategies and sustainability reporting, to elucidate an organization's capacity to generate, improve and maintain value. By incorporating these diverse strands, the report provides a holistic view of an organization's overall performance and its ability to create sustainable value.

The Integrated Report enhances an understanding across diverse stakeholders (employees, customers, suppliers, business partners, local communities, legislators, regulators and policy makers), underlining the need for an organisation to enhance value in a sustainable manner.

Who we create value for

Our employees embody diverse expertise in driving business growth across multiple functions. We offer an energised workplace that fosters employment growth and boosts talent productivity.

Our shareholders invested capital during our business inception. Our primary objective is to generate re-investable free cash flow and undertake projects that prioritise shorter payback periods and improved Return on Capital Employed (RoCE), ultimately increasing shareholder value.

Our vendors ensure a steady supply of resources. We optimise materials procurement by establishing long-term contracts that prioritise quality, while rewarding promptness in remuneration.

Our customers play a vital role in generating the financial resources for our Company's growth. We prioritise expanding our customer base and retaining existing customers to enhance our revenue visibility.

Our communities provide us with social capital (education, culture, security, safety, etc.) and, in turn, we support these communities through consistent engagement.

Our governments provide us with a stable structural framework that ensures law, order, policies etc. Our focus is to play the role of a responsible citizen.

At HGIEL, the prudent interplay of the value generated by each stakeholder ensures business sustainability and enhanced stakeholder value.

The resources of value creation

Natural capital: We derive all our resources – materials, water, fossil fuels and the world's carbon sinks — from this capital. Our engagement is influenced by the degree of dependence on natural resources, environmental impact of the construction process on the environment and what the organisation needs to do to operate within environment limits.

Social and relationship capital: This represents the relationships between our Company and stakeholders (community, governments, customers and supply chain partners). These could also comprise licenses or dependence on the supply chain.

Intellectual capital: This includes resources like patents, copyrights, intellectual property and organisational systems, procedures and protocols.

Human capital: This refers to organizational skills and know-how, marked by talent retention and training leading to outperformance.

Financial capital: This comprises funds obtained through lenders or earnings - the funds pool available to business activities.

Manufactured capital: This comprises physical infrastructure like buildings, equipment and tools that enhance organizational productivity.

Our strategy

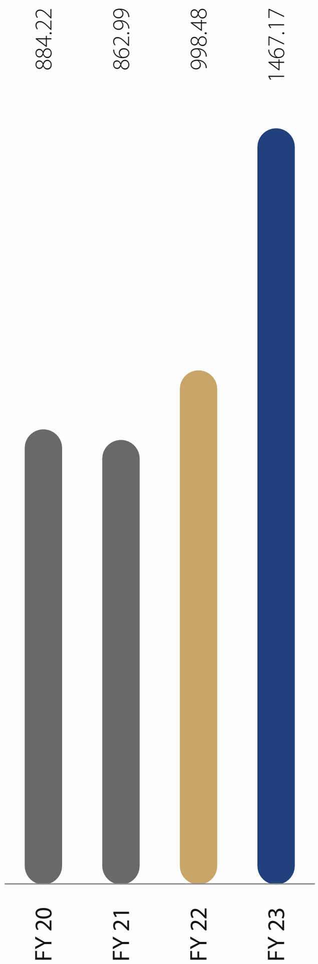
Focus areas	Key facilitators
Talent	▪ HGIEL employed around 4,000+ talents as on March 31, 2023. ▪ The Company spent ₹1,982 Million on a consolidated basis, towards employee benefit expenses, a 52.6% increase over FY 2021-22. ▪ 2.72% employees had worked with the Company for ten years or more.
Customer traction	▪ The Company strengthened its customer engagement through adequate capacity creation, timely project delivery and quality. ▪ The Company developed a long-standing relationship with customers. ▪ The Company provides a superior price-value proportion across all projects, deepening its customer orientation.
Wide distribution footprint	▪ The Company strengthened its distributor ecosystem across trade partners. ▪ This ecosystem facilitated timely project delivery and steady offtake. ▪ Most trade partners had worked with the Company for more than five years, enhancing engagement stability.
Increasing shareholder wealth	▪ The Company had ₹1,794 Million of free cash on its books as on March 31, 2023. ▪ HGIEL expects to increase revenues from ₹44,185 Million in FY 2022-23 to an estimated ₹55,050 Million by March 2024. ▪ Market capitalisation stood at ₹5,000+ Crore as on March 31, 2023. ▪ Net worth (equity share capital plus reserves) increased 30% to ₹17,784 Million in FY 2022-23.
Responsible citizenship	▪ HGIEL is a responsible corporate citizen. ▪ Aggregate taxes paid in 5 years ending FY 2022-23 was ₹4,771.95 Million. ▪ The Company was not censured for any regulatory non-compliance in FY 2022-23.
Community support	▪ HGIEL engaged in community development activities. ▪ The Company focused on education, healthcare, rural development, animal welfare, environmental sustainability and community development. ▪ The Company contributed ₹65.98 Million on CSR activities in FY 2022-23.

Our value creation down the years

At HGIEL, our employees are our greatest asset. We provide an engaging environment and equip them with the skills for effective project management thereby collectively growing and driving our success.

Employee value / Salaries and wages

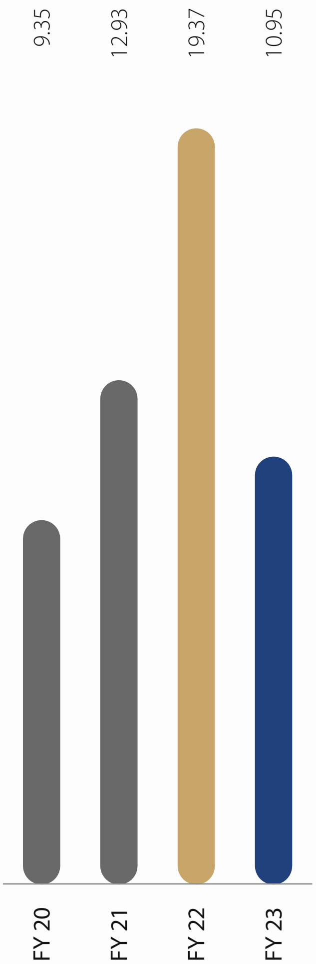
(₹ Million)



The Company has progressively invested a larger amount in employee remuneration, highlighting its role as a responsible employer.

People productivity / Revenues per person

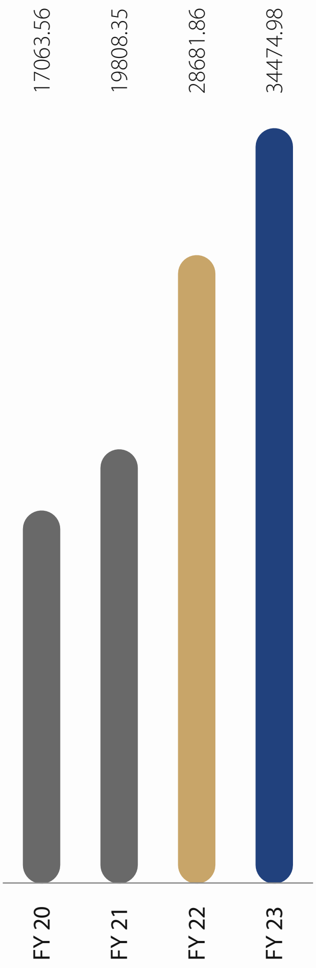
(₹ Million)



The Company's investment in its people (training, empowerment and career growth) resulted in enhanced output measured in terms of revenue per person.

Vendor value / Procurement

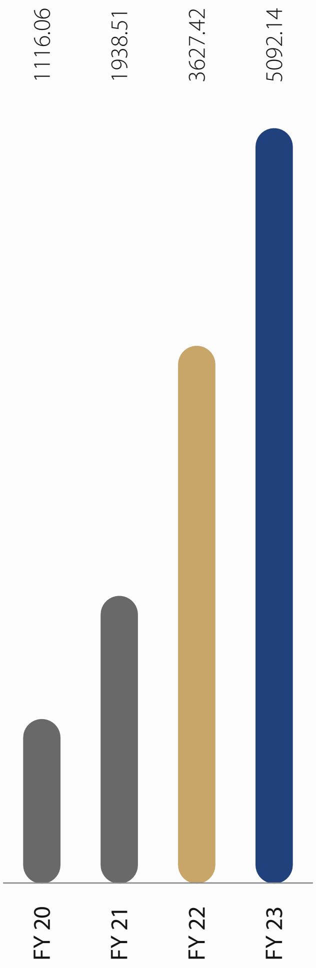
(₹ Million)



The Company acquired a larger amount of resources through the years, reinforcing procurement economies.

Shareholder value / Market capitalisation (at BSE)

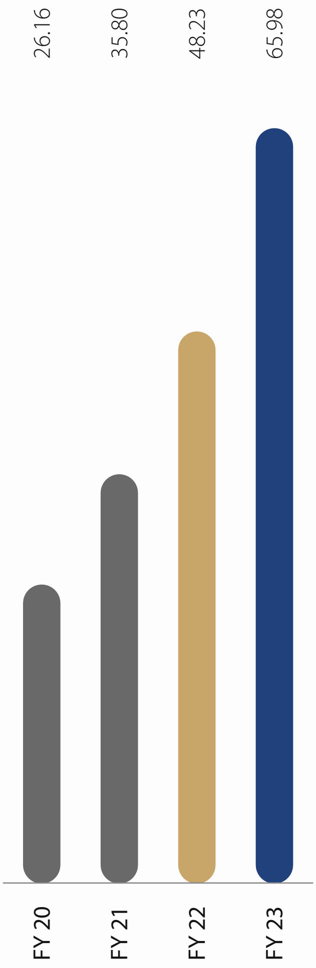
(₹ Crore)



The Company reinforced shareholder value through a combination of judicious business strategy, accrual reinvestment, leveraging of its value chain and cost management.

Community / CSR investment

(₹ Million)



The Company improved the livelihood of communities in the geographies of its presence through a combination of welfare programmes and other initiatives.

Enhancing the operational efficiency at HGIEL

Overview

HGIEL is a leading infrastructure company specializing in the execution of infrastructure projects focusing on roads, highways, bridges, railways and metro projects. With a commitment to quality, efficiency and innovation, we have established ourselves as a trusted service provider. Our operational strengths and capabilities have empowered the Company to consistently deliver projects in full, on time and within budget.

Strengths

In-house equipment
The Company has its own equipment, plant and machinery, which facilitates control over project timelines and execution.

Experienced team
The Company comprises a professionally experienced team that empowers it to navigate complex project requirements, anticipate challenges and make informed decisions.

Robust project management
The Company plans, organises and coordinates resources that ensures timely project implementation and completion and optimal utilization of resources.

Quality and safety focus
The Company follows stringent quality control measures and adheres to industry-standard safety protocols.

Efficient resource allocation
The Company optimises the allocation of manpower, machinery and materials, ensuring the right resources are available at the right time and place.

Initiatives

- The Company used 7.00 Lakh MT of inert material in Delhi as a substitute for Borrow Earth, contributing to environmental sustainability and reducing waste accumulation.
- The Company's planning teams at project sites and head office ensure a timely availability of machinery, manpower and materials in accordance with the proposed work plan.

Highlights, FY 2022-23

New Projects

- Construction of 6-lane greenfield Karnal Ring Road starting from NH-44 near Village Shamgarh (Design km 0+000) and terminating at Karnal – Munak Road (MDR -115) near village Samalakha (Design km 34+500) under Bharatmala Pariyojana in the State of Haryana in Hybrid Annuity Mode.

- Construction of foundations, substructure & superstructure along with River Training/Protection work, earthwork & allied works for viaduct 1 & 2 in Between Chainage Km 47+415 To Km 50+900, in connection with Bhanupali-Bilaspur-Beri New Railway Line in District Bilaspur of Himachal Pradesh State, India.

- Construction of a 6-lane greenfield Varanasi-Ranchi-Kolkata Highway from Deoria village to Donoreshan village, from km 253.000 to km 288.600, under Bharatmala Pariyojana in the State of Jharkhand on HAM (PKG 10).

- Construction of a 6-lane greenfield Varanasi-Ranchi-Kolkata Highway from Jn with NH320 in Lepo village to Kamlapur village (JH/WB border) from km 358.500 to km 387.200 under BMP in Jharkhand on HAM (Package 13).

- Redevelopment of the Kanpur Central Railway Station in Kanpur in Engineering, Procurement and Construction (EPC) mode.

Ongoing Projects

- Construction of proposed Rewari Bypass (design length 14.4 Km) as Feeder Route in the state of Haryana on Hybrid Annuity Mode.

- Development of Six Lane Aluru – Jakkuva Section of NH-130-CD Road from km 365+033 to km 396+800 under Raipur-Visakhapatnam Economics Corridor in the state of Andhra Pradesh on Hybrid Annuity Mode [Package- 1 (AP)].

- Development of 6-lane Urban Extension Road (UER) – 2 – NH-344 M, Package 1 (from NH 1 to Karala-Kanjhawala road, Km -0+700 to 15+000) in the State of Delhi on EPC mode.

- Part design and construction of elevated viaduct and four elevated stations viz. Keshopur, Paschim Vihar, Peeragarhi and Mangolpuri (excluding architectural finishing works of stations, steel FOB & PEB works of stations) from P2 (excl) to PP88 (excl), (Chainage 3118.108 mt to 6080.447 mt) and from P103(excl) to Mangolpuri station (incl) (chainage 6462.547 mt to 7012.051 mt) of Janakpuri West to RK Ashram corridor (Extn of 8lane) of Phase IV of Delhi MRTS.

- Rehabilitation and upgradation to 2-lane/4-lane with paved shoulders of Kolde-Prakasha-Sahada-Khetia from existing km 50+260 (near village Kodle) to km 99+220 (Khetia) [Design km.50+200 to km.98+800] of NH-752G in the State of Maharashtra on EPC mode.

- 6-Laning with access control from KM 29.435 to KM 74.168 of Neelmangala – Tumkur including Tumkur Bypass Section of NH-48 (old NH-4) in the state of Karnataka under Bharatmala Pariyojana on Engineering, Procurement & Construction (EPC) Mode.

- Development of a 6-lane Kaliagura - Baunsaguar Section of NH-130-CD Road from km 249+000 to km 293+000 under Raipur-Visakhapatnam Economics Corridor in the state of Odisha on Hybrid Annuity Mode (Package – OD-5) (Length 44.000 km).

- Development of a 6-lane Koraput - Pattangi Section of NH-130-CD Road from km 293+000 to km 338+500 under Raipur -Visakhapatnam Economics Corridor in the state of Chhattisgarh on Hybrid Annuity Mode (Package – OD-6).

- Construction of a 8-lane carriageway starting near junction with MDR-1 (Baonli-Jhalai road) to end of interchange on NH-552 (Tonk-Sawaimadhopur) near village Mui (Ch. 247.310 - 292.950) section of Delhi – Vadodara access controlled Green field Alignment (NH-148N) under Bharatmala Pariyojana in the State of Rajasthan on EPC Mode.

- Development and upgradation of the Jodhpur-Marwar Junction-Jojawar section of SH-61 & 61A under RSHDP-II.

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

- Construction of a 4-lane Access Controlled New Greenfield Highway Section of NH-365BG (Khammam-Devarapalle) of length 29.513 km from Somavaram village to Chintagudem village (Design Chainage 33+604 to 63+117) under Inter Corridor Route under Bharatmala Pariyojana on Hybrid Annuity mode in the State of Telangana. (Package-II).

- Four Laning of NH 363 from Mancherial (Design Km. 0.000/Existing Km. 251.900) to Repallewada (Design Km. 42.000/Existing Km. 288.510) Design Length = 42.000 Km.) in the state of Telangana under NHDP Phase-IV under NH (O) on Hybrid Annuity Mode.

- Execution of Civil & Associated works on Engineering Procurement & Construction (EPC) basis of Development of an Access-Controlled Six lane (Expandable to Eight lane) Greenfield 'Ganga Expressway' [Group-II, from Km. 137+600 (Village: Nagla Barah, Distt: Budaun) to Km. 289+300, (Village: Ubariya Khurd, Distt: Hardoi), Design length=151.700 Km] in Uttar Pradesh on DBFOT (Toll) basis under PPP.

Efficient project management at HGIEL

Overview

At HGIEL, we possess extensive experience and a track record in project management for road infrastructure projects. These capabilities have been reflected in our design, planning/monitoring and supply chain, ensuring timely and comprehensive project execution.

Strengths

Experience: The Company possesses a rich experience in managing complex projects, including planning, execution and delivery.

Planning and execution: The Company possesses a capability in comprehensive project planning, addressing ground level stakeholder needs and meeting deadlines and quality standards.

Project management teams: The Company possesses strong project management team with the knowledge to navigate regulatory landscapes, ensuring compliance throughout the project lifecycle.

Risk management skills: The Company identifies potential risks, developing mitigation strategy and implementing contingency plans to minimise disruptions and ensure project success.

Technological advancements: The Company utilises project scheduling software, building information modeling, and data analytics, for improved project tracking, decision-making and communication.

Best practices: The Company adheres to industry standards and best practices, implementing robust quality control measures and stringent safety protocols.

Initiatives

- Completed projects on time in line with customer needs
- Developed a tracking system to report progress on a daily, weekly and monthly basis
- Conducted vendor interactions to ensure smooth processes, documentation and timely payments
- Conducted site and head office meetings to resolve issues, virtual reviews by the management to build relationships with the site team

Achievements, FY 2022-23

- The Company received several awards for its operational excellence in road infrastructure projects.
- The Company achieved bonuses in two NHAI projects year, showcasing successful project delivery.
- The Company received the first commercial operation date (COD) for the Delhi–Vadodara–Mumbai expressway.

Outlook

The Company is executing 150 Kms of Ganga Expressway Project and three projects on the Raipur-Vishakhapatnam Expressway. The Company is expected to complete Pkg-1 of UER Expressway of Delhi.

Driving digital transformation at HGIEL

Overview

The infrastructure sector in India employs a range of approaches, from traditional and manual interventions to modern techniques driven by increasing automation and digitisation. The selection and adaptation of appropriate technologies, aligned with specific needs and the proficiency of managers in maximising value from these technologies, have become crucial in timely project completion.

At HGIEL, the broader adoption of technologies marks a new phase in the Company's existence. It has transitioned from being perceived primarily as a construction company with a limited role of technology to being appraised as a technology-driven player in the infrastructure sector. This shift reflects the realization that embracing technology is not only essential for staying competitive but also for driving innovation and delivering superior results.

Strengths

Integration with SAP S4 Hana: The Company leverages SAP S4 Hana, an advanced powerful enterprise resource planning (ERP) software, to streamline and optimise various critical modules such as Materials Management (MM), Financial Accounting and Controlling (FICO), Sales and Distribution (SD), Production Planning (PP), Plant Maintenance (PM), Project Systems (PS) and Human Capital Management (HCM).

Private cloud deployment: The Company utilises private cloud infrastructure to host technology systems, offering enhanced security, scalability and flexibility compared to traditional on-premises solutions.

SAP SuccessFactors implementation: The implementation of SAP SuccessFactors, a comprehensive human capital management (HCM) solution, demonstrates the Company's commitment to effectively managing its workforce.

Robust cybersecurity measures: The Company implements a range of cybersecurity measures, including endpoint security solutions, firewalls, antivirus software and other industry-standard security protocols.

Initiatives

- The Company developed its systems with SAP for E-Waybill and E-Invoice processes.
- The Company developed its systems with SAP for payment integration with Bank.
- The Company developed a web and mobile application that integrates with SAP S4 Hana to automate and monitor fuel consumption.
- The Company implemented an automated attendance regularization system using biometric technology. The Company integrated biometric devices with SAP SuccessFactors and SAP HCM;

Highlights, FY 2022-23

- The Company implemented security measures to protect IT infrastructure.
- The Company integrated SAP with other applications like cloud-based or on-premises solutions.
- The solutions implemented are flexible and customizable to accommodate wider business processes.

the Company streamlined the process of capturing and managing employee attendance.

- The Company started development of SAP Concur in integration with SAP S4 Hana, a comprehensive digitization for administrative solution for various expense and travel management, demonstrates the Company's commitment to effectively managing it's spent.

Achievements, FY 2022-23

- By integrating SAP, the Company achieved real-time monitoring and control of fuel consumption, eliminating manual tracking and reducing errors.
- E-Way Bill and E-Invoicing processes eliminated the need for manual paperwork and enabled seamless generation and management
- Digitizing helped achieve faster and accurate equipment transfers between project sites, improving efficiency by reducing turnaround time, eliminating manual paperwork and enhancing equipment utilization, leading to cost savings and improved project productivity.

Outlook

The Company is dedicated to enhance process automation and digitization across functional areas and is exploring opportunities to integrate with third party applications with its existing/ to be upgraded technology infrastructure. The Company is conducting viability studies for several key areas, including eProcurement, Supplier Life Cycle Management, Master Data Management, Project Planning and Execution, ESG Compliance and Learning & Development solutions and is in the process of implementing Admin Digitization using SAP S4 Hana and SAP Concur.

Optimizing our supply chain management at HGIEL

Overview

Supply chain management plays a vital role in the infrastructure industry, enabling companies to optimise operations, streamline project execution and deliver quality outcomes. Through its strong presence all over India and MoUs with key business partners, supply chain management ensures a consistent resource availability at all project locations.

At the beginning of FY 2022-23, the Company secured a prestigious project: a greenfield six-lane Ganga Expressway package spanning 150 Km in Uttar Pradesh. The supply chain management team was entrusted the responsibility of handling large aggregates, totaling 90 Lakh Metric Tons, for this project. It is noteworthy that in the previous financial year, the team had managed around 95 Lakh Metric Tons across projects.

Strengths

Location: The supply chain management team employs associates across the country, addressing the needs of various projects.

Capital cost competitiveness: The supply chain management team leverages a large vendor pool to improve cost competitiveness and foster healthy vendor competition resulting in procurement efficiencies.

Technologies: The supply chain management team operates on SAP S4 HANA – one of the most advanced ERP platform globally - for managing the procurement to pay cycle, which improved process efficiency, information flow and spending visibility.

Initiatives

- In 2021-22, the Company had one project in South India. However, by 2022-23, this number grew significantly to seven projects, sustained by quality suppliers and service associates (qualitative and quantitative) in South India.
- To support seven projects in South India, the supply chain management team established a Coordination Centre in Raipur to engage better with local vendors.
- Strategic MOUs were signed with public sector undertakings (PSUs) based on project locations, reinforcing the Company's presence and strengthening operations in South India.

- The vendor pool in South India widened and efficiently addressed project requirements in terms of quality and quantity.
- For the Ganga Expressway project, a complete crusher and transport infrastructure was developed in September 2022 by establishing 9 crushers under various operating models and covering supplies from Uttarakhand, Gwalior and Bharatpur simultaneously, which resulted in an effective flow of aggregates.

Highlights, FY 2022-23

- Material expenditure for FY 2021-22 was ₹17,919 Million, which increased to ₹21,435 Million in FY 2022-23, a growth of 20%
- Associate service expenditure in FY 2021-22 was ₹10,763 Million, which increased to ₹13,040 Million in FY 2022-23, a growth of 21%
- Service associates grew 36%, whereas in supplies, the growth was 47%
- By engaging large contractors with proven capabilities, finance, equipment and manpower, the Company improved project execution performance in sub-contracting segments.

Outlook

The Company is prepared for challenges and committed to strengthen procurement strategies by implementing advanced procurement platforms for improved efficiency and supply analytics.

At HGIEL, we are committed to strengthen our ESG commitment

Overview

As a responsible corporate citizen, HGIEL has adopted environmental, social and governance (ESG) practices that benefit all stakeholders. The Company focuses on stability, counter-cyclicality and long-term stakeholder value, rather than just reacting impulsively.

The Company believes that ESG is directly linked to improved competitiveness and is subset of sustainability. This enhanced competitiveness is reflected in factors such as revenue growth, cost reduction, reduced regulatory and legal interventions, increased employee engagement and optimised investment returns.

ESG practices are deeply embedded in HGIEL's business strategy. The Company will continue to reinforce its ESG principles (adopted from NGRBC) to strengthen its foundation and deepen its position as a responsible corporate citizen.

Environment commitment: The Company will continue to invest in environmentally responsible practices and minimise carbon footprint through R&D and innovation in its offices and work sites.

Social commitment: The Company will continue to make proactive investments in hiring the right talent, building enduring relationships with customers, lenders and vendors and fulfil its corporate social responsibility.

Governance commitment: The Company continues to align business goals with ESG strategy, adherence to codes & conducts, maintain a well-composed Board, alignment with UNGC (United Nations Global Compact) principles and extensive risk management.

The Company has established an ESG council comprising representatives from various functions across its business. The council's purpose is to discuss and plan the roadmap and actions pertaining to ESG. The Company is actively working on enhancing its systems, practices and procedures to make significant improvements in the ESG action.

Challenges and counter-initiatives

HGIEL operates in an infrastructure development projects setup where it faced many challenges while establishing a system for non-financial data collection from the project sites. Also, there were challenges related to limited ESG awareness among people working on the project sites.

HGIEL adopted a year-long step-by-step plan for the creation of ESG awareness among stakeholders, i.e. collection of information on a periodic basis, analysing trends, verifying the authenticity of information, and obtaining validation from process owners.

HGIEL engaged with internal and external stakeholders to understand their expectations. It conducts capacity-building workshops on ESG for all employees including the top management as well as vendors and suppliers meet.

HGIEL's established systems for ESG are now control and ownership driven, which would be further built upon to create a holistic, robust and mature ESG culture.

Our ESG initiatives FY 2022-23

Environment

- Replacement of soil in the embankment with inert material
- Installed STPs at all project sites and labour camps
- Used water sprinkling for dust suppression
- Transitioned to grid electricity to reduce a dependence on DG sets
- Utilised working hours at night for bituminous work to control pollution and traffic management
- Reused milling material in road construction
- Used fly ash, pond ash and plastic in road construction
- Designed the drainage system to collect storm water at the construction camp
- Installed a screw conveyor system to prevent air pollution
- Used anti-smoke gun for dust suppression at the aggregate stock yard and service road

Social

- Safety induction and briefing of all workers
- Implementation of lockout or tagout system
- Appointment of a male nurse at all project sites
- Investigation of incident and escalation of high-risk activities
- Installation of Automatic Safe Load Indicator (ASLI) in lifting appliances
- Assessment of risk for occupational hazards
- Dissemination of safety trainings to all the employees and workers
- Identification of hidden hazards and risks using drone photography
- Installation of IP 44 / 55/ 65 panel boards at working fronts for increased insulation of electrical connections

Governance

At HGIEL, stability in a fast-changing world comes from effective governance. We prioritise the right actions over merely doing things correctly and emphasise integrity over efficiency. Our goal is not just to be the largest in our industry at any cost but to be recognised as a responsible visionary. We focus on fostering consumer confidence and respect rather than solely generating high revenues. Our governance principles reflect who we are and what we deeply value.

Integrity: The Company strives to graduate our corporate recall into a household name that evokes trust and respect. It understands that by consistently inspiring trust, it can strengthen and expand its ecosystem, fostering relationships built around reliability. This includes building trust with vendors, nurturing long-term client loyalty, supporting employees and attracting stable investors.

Process-driven: The Company has established a clear strategic direction and entrusted the day-to-day management to a team of professionals. The Company has strengthened its IT infrastructure and established a scalable foundation, allowing for growth without a significant increase in operational workforce. Furthermore, its framework of checks and balances serves as an effective mechanism to mitigate risks and ensure stability.

Audit and compliance-driven: The Company emphasises business predictability, drawn from a robust review system. The Company reinforced an audit-driven and compliance-focused approach, elevating the credibility of its reported figures. When reporting numbers, the Company prefers to adopt a conservative stance. As a result, everything the Company records in its books accurately reflects the reality of its business.

Stakeholder value: The Company exists for the collective benefit of all stakeholders. It strives to ensure the growth of its vendors, that its clients find peace of mind through its business solutions and that its employees find pride, fair compensation, career advancement and job security. The Company aims to deliver superior returns on invested capital for its investors compared to other available opportunities. The Company aims to introduce positive changes in the community through its CSR activities and contribute to the government through taxes and the creation of livelihoods.

Board of Directors: The Company prioritises the composition of its Board. Its Directors bring diverse expertise, align with its values and contribute to its strategic direction. It has ensured a balanced mix of Independent Directors on its Board, allowing for unbiased perspectives and the ability to express its opinions and influence decisions. This approach strengthens its governance and enhances the effectiveness of its Board. The percentage of female leadership at the HGIEL's Board is more than 37%.

At HGIEL, stability in a fast-changing world comes from effective governance. We prioritise the right actions over merely doing things correctly and emphasise integrity over efficiency. Our goal is not just to be the largest in our industry at any cost but to be recognised as a visionary. We focus on fostering consumer confidence and respect rather than solely generating high revenues. Our governance principles reflect who we are and what we deeply value.

Outlook

In next three years, the Company will deepen a culture that prioritises ESG principles by fulfilling the following ESG targets:

- Aggregate reliable ESG data
- Train employees on standard operating procedures for ESG management practices
- Conduct training and assessment of all projects around human rights
- Improve greenhouse gas (GHG) inventory
- Increase wastewater in the dust suppression across all the projects
- Increase the female-to-male ratio of employees
- Leverage digitalization to enhance ESG data and practices
- Increase percentage of renewable energy wherever possible
- Increase use of alternative material in road construction such as fly ash, pond ash, inert materials and plastic

The Company will continue to invest in environmentally responsible assets and minimise carbon footprint

How HGIEL is creating a positive impact on communities

Overview

H.G. Infra Engineering Limited (HGIEL) is dedicated to creating a positive and lasting impact through sustainable measures and actively contributing to the social, economic and environmental development of the communities in which it operates. By ensuring community participation, HGIEL aims to enhance national value.

HGIEL is committed to enhance people's lives and supports various initiatives for community welfare. These initiatives encompass programme in education, healthcare, rural development, animal welfare, environmental sustainability and community development.

Our focus areas

Education	Healthcare	Rural development
Animal welfare	Environmental sustainability	Community development

Our CSR projects

Holistic Rural Development Program (HRDP): This CSR initiative aims to transform villages into 'model villages' through holistic and sustainable development. By leveraging futuristic and progressive skills, the programme focuses on infrastructure, education, health, livelihood and natural resource management. The initiative is being implemented in the Sirohi, Udaipur and Rajsamand districts of Rajasthan, India.

HG Ki Pathshala: This CSR initiative focuses on the adoption of government schools and tribal hostels to facilitate their holistic advancement. The program entails infrastructure development, academic transformation and access to digital technology. It emphasises four key areas in schools: enhancing infrastructure, establishing a smart learning ecosystem, implementing engaging learning interventions, and conducting capacity building for teachers and students. The initiative is being implemented in the Jaipur, Sirohi, Udaipur and Rajsamand districts of Rajasthan, India.

Tribal Hostel Transformation: The tribal hostel transformation project, a part of HG Ki Pathshala, is a holistic intervention aimed at developing tribal hostels into model hostels. The programme focuses on three areas: enhancing infrastructure, establishing a smart learning ecosystem and conducting regular engaging learning interventions. The initiative is being implemented in tribal hostels in Sirohi district of Rajasthan, India. Its goal is to create better infrastructure and foster an innovative learning environment for the benefit of tribal students.

HGIEL Scholarships: HGIEL aims to enhance literacy levels in society by offering financial support to deserving students through scholarships. The Company prioritises women empowerment by allocating 50% scholarships to girl students. These scholarships have been provided since FY 2020-21.

HG Care - Community Welfare: This programme focuses on community

development through contribution towards, education, healthcare, community infrastructure and other need-based initiatives. HGIEL aims to create a safe, clean and healthy environment for all while promoting the overall wellness of the community. The program is being implemented at various locations.

HG Care - Animal Welfare: This programme focuses on disease prevention and veterinary treatment to animals for their wellbeing, under this initiative the RT-PCR facility has been established at State Disease Diagnosis Centre, Jaipur, Rajasthan. This RT-PCR facility has been using for diagnosis of Lumpy Skin Disease (LSD) and other animal diseases.

HG Green Drive: This CSR initiative aims to plant trees with care and look after them to ensure their survival and growth, to contribute to environmental sustainability with the following operation models:

- Barren community land transformation program: This initiative aims to transform a barren land into a thriving forest by actively involving the local community in tree planting and nurturing activities. The program is being implemented in Sirohi district of Rajasthan, India. Through this initiative, the Company strives to create a sustainable ecosystem that benefits the environment and the community.
- Rural livelihood support program: This initiative aims to assist farmers in increasing their income while simultaneously addressing crop failures and meeting the nutritional demands for fruit-based products. The program is being implemented in Udaipur district of Rajasthan, India.
- Urban plantation program: This initiative aims to foster a green revolution by encouraging communities to collectively nurture the environment for sustainable living, while also mitigating the impact of pollution on urban dwellers. The program is being implemented in Jaipur, Rajasthan, India.

Our welfare projects

Project Pattal: This initiative aims to alleviate hunger and poverty by offering free meals to patients and their attendants on a daily basis at government hospitals in Jaipur, Rajasthan, India.

Project Loyal: This animal welfare initiative focuses on providing daily feed, fodder, and water to animals, as well as supporting their general care, shelter and husbandry needs in Jaipur, Rajasthan, India.

Project Ananya: This initiative aims to bring happiness to shelter homes, orphanages, old age homes, NGOs, government schools and the needy sections of society by providing support to fulfill their basic needs, organizing events, celebrating festivals etc. This programme is being implemented in Jaipur, Rajasthan, India.

Our touch points

5
Villages (HRDP)

14
Government schools (HG Ki Pathshala)

4
Government hostels (THTP)

1
State Animal Disease Diagnosis Centre (Animal welfare)

5
Villages (HG Green Drive)

3
Government hospitals (Project Pattal)

1,40,000+
Beneficiaries in FY 2022-23

Testimonials

"HGIEL's tireless efforts in establishing the Gram Panchayat, Atal Sewa Kendra, anganwadi and schools brought about a positive change in our community. The provision of solar street lights was a remarkable addition, ensuring better safety and security for our village at night."

Babita Garasiya
Sarpanch Umarni, Abu Road
(Holistic Rural Development Project)

"I am grateful for the remarkable efforts made by HGIEL and H.G. Foundation. Our water drains and roads have been significantly improved, and the provision of reusable sanitary pads and solar lights has had a positive impact on our health, education, and safety."

Hameri Bai
Resident, Raya Kailashpuri
(Holistic Rural Development Project)

"As a resident of Raya Kailashpuri and an employee at the school, I have witnessed a remarkable transformation. The condition of our school was once poor, but now it has become vibrant and colorful. Boundaries have been constructed and drinking water facilities provided. Computers and playing kit have been made available, and street lighting installed."

Sakudi Bai
Resident and employee, GPS, Raya Kailashpuri (HG Ki Pathshala)

"Over 75 girls from underprivileged backgrounds residing in slums, living in kaccha houses, now have access to improved facilities due to impactful infrastructural interventions. They have benefited from better rooms, smart classrooms, toilets, drinking water, handwashing and sanitation facilities, which have played a crucial role in their overall development. As a long-term impact, these girls have gained aspirations to become self-reliant and have bigger dreams to achieve, such as becoming IAS officers, police officers, teachers and more."

Pyari Devi
Hostel Warden, Apri Kheda, Sirohi
(Tribal Hostel Transformation Project)

"We express our sincere gratitude to HGIEL for considering our request and providing the much-needed medical equipment. The equipment will be utilised in the hospital's operation theater, and we are truly thankful for your generous support."

Dr. N. Chandhraprabha
Professor Gynic Department, Govt. Medical Collage, Viziangaram, Andra Pradesh (Community Welfare)

"HGIEL has planted 3,000 trees on our village's barren land, a commendable step towards environmental conservation. The planted trees are in perfect alignment, transforming the land into a beautiful sight. In the future, we anticipate the growth of a lush forest on this very land where we stand."

Mr. Gyarasilal
Villager, Dak Village, Sirohi
Community, Barren Land Transformation Plantation
(HG Green Drive)

"The establishment of RT-PCR facility in the State Disease Diagnostic Center will solve many problems as it will ease lumpy disease control. In future, due to the availability of facilities for testing with this technique in other diseases of animals and birds, there will be no dependence on disease diagnosis centers of other states. Kudos to H.G. Infra and H.G. Foundation for this great work."

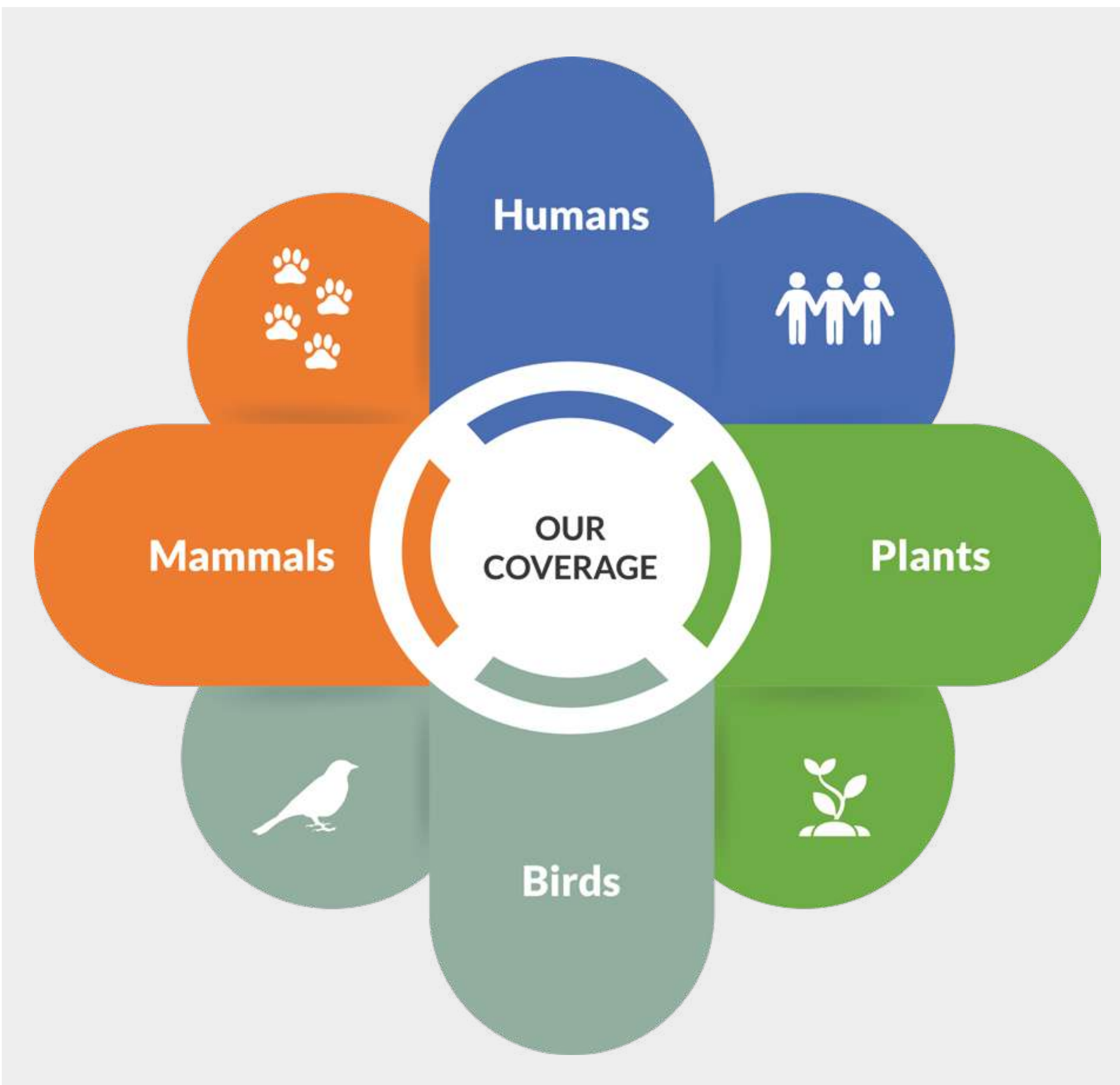
Dr. Narendra Mohan Singh
(Additional Director, Monitoring Directorate – Animal Husbandry Department, Rajasthan) (Animal Welfare)

"When my son was hospitalised in S.M.S Hospital for injuries sustained in an accident since March 28, 2023, I was concerned about arranging healthy meals. However, other patients informed me about the daily free meal distribution program by H.G. Foundation. I am delighted with the quality of the meals and it has been a great help for patients admitted here."

Mr. Ramkaran Balai
Patient attendant, Alwar, Rajasthan
(Project Pattal)

Amount utilised for CSR projects (in ₹ Million)

22.50 Utilised for holistic rural development program	**26.38** Utilised for HG ki Pathshala	**5.59** Utilised for HGIEL scholarships
6.67 Utilised for community welfare	**2.50** Utilised for animal welfare	**2.34** Utilised for HG Green Drive



Board of Directors

1

Mr. Harendra Singh

Chairman and Managing Director

He has over 29 years of experience in the construction industry. He has been on the Board of the Company since its incorporation and was appointed as Managing Director of the Board with effect from May 15, 2017. He holds a Bachelor's degree in Engineering (Civil) from Jodhpur University.

2

Mr. Vijendra Singh

Whole-time Director

He has been on the Board of the Company since its incorporation. After garnering a basic education, he aggregated more than 31 years of experience in the construction industry. He was appointed as a Whole-time Director on the Board with effect from May 15, 2017.

3

Mr. Dinesh Kumar Goyal

Whole-time Director

He is a retired IAS officer, last serving as Additional Chief Secretary to Govt. of Rajasthan in 2013. He has 40 years of experience at top level in Finance, Energy, Public Works, Roads & Highway, Mines, Industries, Urban Development, and Labour. After retirement from IAS, he has been Adviser to Solar Energy Corp. of India, Senior Consultant for the World Bank funded Road Sector Project, and Advisor to Hindustan Zinc Ltd. He has been on the Board of the Company with effect from May 23, 2018 and appointed as a Whole-time Director on the Board for a term of five years with effect from June 24, 2020. He is a Ph.D. from Birla Institute of Tech. & Science, Pilani, M.Sc. from London School of Economics, M.Sc. (I) from IIT Delhi and an Eisenhower Fellow.

4

Mr. Ashok Kumar Thakur

Independent Director

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

5

Ms. Pooja Hemant Goyal

Independent Director

She has over 13 years of experience in the legal industry and as a legal practitioner. She has been an Independent Director on the Board of the Company with effect from May 15, 2017. Prior to this, she was associated with the law firm N.V. Vechalekar & Co. in Mumbai. She holds a bachelor's degree in commerce and a master's degree in law, from Jiwaji University, Gwalior, Madhya Pradesh.

6

Mr. Manjit Singh

Independent Director

He is a retired IAS officer, last serving as Additional Chief Secretary, Department of Local Self Government (UDH) of Government of Rajasthan. He has over 31 years of experience at top level in various departments including Urban Development, Tourism, Transport, Social Sector, Finance, Excise amongst other. After retirement from IAS, he has been consultant/Senior Advisor to Indus Tower Ltd. (Joint Venture of Vodafone, Idea & Airtel) and Senior Advisor for the SMC Infrastructure Private Limited. He has been on the Board of the Company as an Independent Director with effect from May 13, 2022. He is a MBBS from Government Medical College, Patiala, Punjab University, Executive MBA in Quality Management from International Institute of Enterprises, Ljubljana, Slovenia and completed Urban Management Course from IIM Ahmedabad.

7

Ms. Sharada Sunder

Independent Director

She is a Chartered Accountant having corporate experience of more than 30 years in the business management. She has expertise in the field of Business Strategy and Execution, Consumer Insight & Engagement, Financial Management, Business fortification, Team building & Coaching, Creativity & Innovation. She has been on the Board of the Company as an independent director with effect from February 08, 2023. Presently, she is also associated with Baroda BNP Paribas Trustee India Private Limited as an Independent Director since March, 2022 and acted as consultant to Pragati Leadership Institute Private Limited.

8

Ms. Monica Widhani

Independent Director

She is a Chartered Accountant having corporate experience of more than 35 years in Strategic Business Management, Marketing, and Finance. She has expertise in the field of Marketing, Business Strategy and Team Management. She had several Leadership roles in different functions of Bharat Petroleum Corporation Limited (BPCL). She has been on the Board of the Company as an independent director with effect from February 08, 2023. Presently, she is also associated as an Independent Director with Gujarat Pipavav Port Limited since August, 2021 and ABB India Limited since May, 2022.

Corporate Information

BOARD OF DIRECTORS

Harendra Singh
Chairman & Managing Director
DIN-00402458

Vijendra Singh
Whole-time Director
DIN-01688452

Dinesh Kumar Goyal
Whole-time Director
DIN-02576453

Ashok Kumar Thakur
Independent Director
DIN-07573726

Pooja Hemant Goyal
Independent Director
DIN-07813296

Manjit Singh
Independent Director
DIN- 02759940

Sharada Sunder
Independent Director
DIN-07599164

Monica Widhani
Independent Director
DIN-07674403

COMMITTEES DETAILS

AUDIT COMMITTEE

Ashok Kumar Thakur-Chairman
Harendra Singh-Member
Manjit Singh-Member
Monica Widhani-Member

NOMINATION AND REMUNERATION COMMITTEE

Manjit Singh-Chairman
Sharada Sunder-Member
Ashok Kumar Thakur-Member

STAKEHOLDERS RELATIONSHIP COMMITTEE

Manjit Singh-Chairman
Monica Widhani-Member
Harendra Singh-Member
Vijendra Singh-Member

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Vijendra Singh-Chairman
Dinesh Kumar Goyal-Member
Harendra Singh-Member
Manjit Singh-Member
Sharada Sunder-Member

RISK MANAGEMENT COMMITTEE

Harendra Singh-Chairman
Ashok Kumar Thakur-Member
Vijendra Singh-Member
Manjit Singh-Member
Vinod Kumar Giri-Member

BUSINESS STRATEGY AND REVIEW COMMITTEE

Harendra Singh-Chairman
Dinesh Kumar Goyal-Member
Manjit Singh–Member
Sharada Sunder–Member
Monica Widhani-Member

FINANCE COMMITTEE

Harendra Singh-Chairman
Vijendra Singh-Member
Dinesh Kumar Goyal-Member

MANAGEMENT COMMITTEE

Harendra Singh-Chairman
Vijendra Singh-Member
Dinesh Kumar Goyal-Member

DEBENTURE COMMITTEE

Harendra Singh-Chairman
Vijendra Singh-Member
Dinesh Kumar Goyal-Member

CHIEF FINANCIAL OFFICER

Rajeev Mishra

COMPANY SECRETARY & COMPLIANCE OFFICER

Ankita Mehra

STATUTORY AUDITORS

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

M/s MSKA & Associates, Chartered Accountants,
The Palm Springs Plaza, Office No.1501-B,
15TH floor, Sector-54, Golf Course Road,
Gurugram-122002

SECRETARIAL AUDITORS

M/s ATCS & Associates, Company Secretaries
23 KA 4, Jyoti Nagar, Jaipur, Rajasthan-302005

COST AUDITORS

M/s Rajendra Singh Bhati & Co.
Cost Accountants
Office no. 10A, 2nd Floor, Sanjivani Ananda, Manji ka Hatta, Paota, Jodhpur, Rajasthan-342003

INTERNAL AUDITORS

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

REGISTERED OFFICE

14, Panchwati Colony, Ratanada Jodhpur, Rajasthan-342001
Tel: 0291-2515327,
Email ID-cs@hginfra.com
Website- www.hginfra.com
CIN- L45201RJ2003PLC018049

CORPORATE OFFICE

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

REGISTRAR & SHARE TRANSFER AGENT

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

BANKERS

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

Statutory Reports

Management discussion and analysis

Global economy

Overview

The global economic growth was estimated at a slower 3.2% in 2022, compared to 6% in 2021 (which was on a smaller base of 2020 on account of the pandemic effect). The relatively slow global growth of 2022 was marked by the Russian invasion in Ukraine, unprecedented inflation, pandemic-induced slowdown in China, higher interest rates, global liquidity squeeze and quantitative tightening by the US Federal Reserve.

The challenges of 2022 translated into moderated spending, disrupted trade and increased energy costs. Global inflation was 8.7% in 2022, among the highest in decades. US consumer prices increased about 6.5% in 2022, the highest in four decades. The Federal Reserve raised its benchmark interest rate to its highest in 15 years. The concern in 2022 is that the following year would be slower.

The global equities, bonds, and crypto assets reported an aggregated value drawdown of USD26 trillion from its peak, equivalent to 26% of the global gross domestic product (GDP). In 2022, there was a concurrently unique decline in bond and equity markets; 2022 was the only year when the S&P 500 and 10-year US treasuries delivered negative returns of more than 10%.

Gross FDI inflows – equity, reinvested earnings and other capital – declined 8.4% to $55.3 billion in April-December 2022. The decline was even sharper in the case of FDI inflows as equity: these fell 15% to $36.75 billion between April and December 2022. Global trade expanded by 2.7% in 2022 (expected to slow to 1.7% in 2023).

The S&P GSCI TR (Global benchmark for commodity performance) fell from a peak of 4,319.55 in June 2022 to 3495.76 in December 2022. There was a decline in crude oil, natural gas, coal, lithium, lumber, cobalt, nickel and urea realisations. Brent crude oil dropped from a peak of around USD 120 per barrel in June 2022 to USD 80 per barrel at the end of the calendar year following the enhanced availability of low-cost Russian oil.

Regional growth (%)	2022	2021
World output	3.2	6.1
Advanced economies	2.5	5
Emerging and developing economies	3.8	6.3

Performance of major economies

United States
Reported GDP growth of 2.1% compared to 5.9% in 2021

China
GDP growth rate was 3% in 2022 compared to 8.1% in 2021

United Kingdom
GDP growth rate was 4.1% in 2022 compared to 7.6% in 2021

Japan
GDP growth rate was 1.7% in 2022 compared to 1.6% in 2021

Germany
GDP growth rate was 1.8% compared to 2.6% in 2021

(Source: PWC report, EY report, IMF data, OECD data)

Outlook

The global economy is expected to grow at 2.8% in 2023, influenced by the ongoing Russia-Ukraine conflict. Concurrently, global inflation is projected to fall marginally to 7%. Despite these challenges, there are positive elements within the global economic landscape. The largest economies like China, the US, the European Union, India, Japan, the UK, and South Korea are not in recession. Approximately 70% of the global economy demonstrates resilience, with no major financial distress observed in large emerging economies. The energy shock in Europe did not result in a recession, and significant developments, including China's progressive departure from its strict zero-Covid policy and the resolution of the European energy crisis, fostered optimism for an improved global trade performance. Despite high inflation, the US economy demonstrated robust consumer demand in 2022. Driven by these positive factors, global inflation is likely to be still relatively high at 4.9% in 2024. Interestingly, even as the global economy is projected to grow less than 3% for the next five years, India and China are projected to account for half the global growth.

(Source: IMF).

Indian economy

Overview

Even as the global conflict remained geographically distant from India, ripples comprised increased oil import bills, inflation, cautious government and a sluggish equity market. India's economic growth is at 7.2% in FY 2022-23. India emerged as the second fastest-growing G20 economy in FY 2022-23. India overtook UK to become the fifth-largest global economy. India surpassed China to become the world's most populous nation (Source: IMF, World Bank)

Growth of the Indian economy

	FY 20	FY 21	FY 22	FY23
Real GDP growth (%)	3.7	(6.6)	8.7	7.2

Growth of the Indian economy quarter by quarter, FY 2022-23

	Q1FY23	Q2FY23	Q3FY23	Q4FY23
Real GDP growth (%)	13.1	6.3	4.4	6.1

(Source: Budget FY24; Economy Projections, RBI projections)

According to the India Meteorological Department, the year 2022 delivered 8% higher rainfall over the long-period average. Due to unseasonal rains, India's wheat harvest was expected to fall to around 102 million metric tons (MMT) in 2022-23 from 107 MMT in the preceding year. Rice production at 132 million metric tons (MMT) was almost at par with the previous year. Pulses acreage grew to 31 million hectares from 28 million hectares. Due to a renewed focus, oilseeds area increased 7.31% from 102.36 Lakh hectares in 2021-22 to 109.84 Lakh hectares in 2022-23.

India's auto industry grew 21% in FY23; passenger vehicle (UVs, cars and vans) retail sales touched a record 3.9 million units in FY23, crossing 3.2 million units in FY19. The commercial vehicles segment grew 33%. Two-wheeler sales fell to a seven-year low; the three-wheeler category grew 84%.

Till the end of Q3FY23, total gross non-performing assets (NPAs) of the banking system fell to 4.5% from 6.5% a year ago. Gross NPA for FY23 was expected to be 4.2% and a further drop is predicted to 3.8% in FY2023-24.

As India's domestic demand remained steady amidst a global slowdown, import growth in FY23 was estimated at 16.5% to $714 billion as against $613 billion in FY22. India's merchandise exports were up 6% to $447 billion in FY23. India's total exports (merchandise and services) in FY23 grew 14 percent to a record of $775 billion in FY23 and is expected to touch $900 billion in FY24. Till Q3 FY23, India's current account deficit, a crucial indicator of the country's balance of payments position, decreased to $18.2 billion, or 2.2% of GDP. India's fiscal deficit was estimated in nominal terms at ~ ₹17.55 Lakh Crore and 6.4% of GDP for the year ending March 31, 2023.

(Source: Ministry of Trade & Commerce)

India's headline foreign direct investment (FDI) numbers rose from US$74.01 billion in 2021 to a record $84.8 billion in 2021-22, a 14% Y-o-Y increase, till Q3FY23. India recorded a robust $36.75 billion of FDI. In 2022-23, the government was estimated to have addressed 77% of its disinvestment target (₹50,000 Crore against a target of ₹65,000 Crore).

India's foreign exchange reserves, which had witnessed three consecutive years of growth, experienced a decline of approximately $70 billion in 2022, primarily influenced by rising inflation and interest rates. Starting from $606.47 billion on April 1, 2022, reserves decreased to $578.44 billion by March 31, 2023. The Indian currency also weakened during this period, with the exchange rate weakening from ₹75.91 to a US dollar to ₹82.34 by March 31, 2023, driven by a stronger dollar and increasing current account deficit. Despite these factors, India continued to attract investable capital.

The country's retail inflation, measured by the consumer price index (CPI), eased to 5.66% in March 2023. Inflation data on the Wholesale Price Index, WPI (calculates the overall price of goods before retail) eased to 1.3% during the period. In 2022, CPI hit its highest of 7.79% in April; WPI reached its highest of 15.88% in May 2022. By close of the year under review, inflation had begun trending down and in April 2023 declined below 5%, its lowest in months.

India's total industrial output for FY23, as measured by the Index of Industrial Production or IIP, grew 5.1% year-on-year as against a growth of 11.4 percent in 2021-22.

India moved up in the Ease of Doing Business (EoDB) rankings from 100th in 2017 to 63rd in 2022. As of March 2023, India's unemployment rate was 7.8 percent.

In 2022-23, total receipts (other than borrowings) were estimated at 6.5% higher than the Budget estimates. Tax-GDP ratio was estimated to have improved by 11.1 percent Y-o-Y in RE 2022-23.

The total gross collection for FY23 was ₹18.10 Lakh Crore, an average of ₹1.51 Lakh a month and up 22% from FY22, India's monthly goods and services tax (GST) collections hit the second highest ever in March 2023 to ₹1.6 Lakh Crore. For 2022–23, the government collected ₹16.61 Lakh Crore in direct taxes, according to data from the Finance Ministry. This amount was 17.6 percent more than what was collected in the previous fiscal.

Per capita income almost doubled in nine years to ₹172,000 during the year under review, a rise of 15.8 percent over the previous year. India's GDP per capita was 2,320 USD (March 2023), close to the magic figure of $2500 when consumption spikes across countries. Despite headline inflation, private consumption in India witnessed continued momentum and was estimated to have grown 7.3 percent in 2022-23.

Outlook

There are green shoots of economic revival, marked by an increase in rural growth during the last quarter and appreciable decline in consumer price index inflation to less than 5 percent in April 2023. India is expected to grow around 6-6.5 percent (as per various sources) in FY2024, catalysed in no small measure by the government's 35% capital expenditure growth by the government. The growth could also be driven by broad-based credit expansion, better capacity utilisation and improving trade deficit. Headline and core inflation could trend down. Private sector investments could revive. What provides optimism is that even as the global structural shifts are creating a wider berth for India's exports, the country is making its largest infrastructure investment. This unprecedented investment is expected to translate into a robust building block that, going ahead, moderates logistics costs, facilitates a quicker transfer of products and empowers the country to become increasingly competitive. This can benefit India's exports in general, benefiting several sectors. The construction of national highways in 2022-23 was 10,993 kilometres; the Ministry of Road Transport and Highways awarded highway contracts of 12,375 km in the last financial year.

(Source: IMF).

The global landscape favours India: Europe is moving towards a probable recession, the US economy is slowing, China's GDP growth forecast of 4.4% is less than India's GDP estimate of 6.8% and America and Europe are experiencing its highest inflation in 40 years.

India's production-linked incentive appears to catalyse the downstream sectors. Inflation is steady. India is at the cusp of making significant investments in renewable energy and other sectors and emerging as a suitable industrial supplement to China. India is poised to outpace Germany and Japan and emerge as the third-largest economy by the end of the decade. The outlook for private business investment remains positive despite an increase in interest rates. India is less exposed to Chinese economic weakness, with much less direct trade with China than many Asian peers.

Broad-based credit growth, improving capacity utilisation, government's thrust on capital spending and infrastructure should bolster investment activity. According to our surveys, manufacturing, services and infrastructure sector firms are optimistic about the business outlook. The downside risks are protracted geopolitical tensions, tightening global financial conditions, and slowing external demand.

Union budget FY 2023-24 provisions

The Budget 2023-24 sought to lay the foundation for the future of the Indian economy by raising capital investment outlay by 33% to ₹10 Lakh Crores, equivalent to 3.3% of GDP and almost three times the 2019-20 outlay, through various projects like PM Gatishakti, Inclusive Development, Productivity Enhancement & Investment, Sunrise Opportunities, Energy Transition and Climate Action, as well as Financing of Investments. An outlay of ₹5.94 Lakh Crore was made to the Ministry of Defence (13.18% of the total Budget outlay). An announcement of nearly ₹20,000 Crores was made for the PM Gati Shakti National Master Plan to catalyse the infrastructure sector. An outlay of ₹1.97 Lakh Crore was announced for Production Linked Incentive schemes across 13 sectors. The Indian government intends to accelerate road construction in FY24 by 16-21% to 12,000-12,500 km. The overall road construction project pipeline remains robust at 55,000 km across various execution stages. These realities indicate that a structural shift is underway that could strengthen India's positioning as a long-term provider of manufactured products and its emergence as a credible global supplier of goods and services.

Indian road infrastructure sector review

Road infrastructure, including national highways, state highways, district roads, rural roads and urban roads, plays a crucial role in connecting and transporting the diverse population of consumers and businesses. It provides last-mile connectivity to remote areas and compliments other modes of transportation.

India boasts the world's second-largest road network, spanning 6.3 million km and catering to over 90% of passenger traffic and 64.5% of freight traffic. In FY 2020-21, the pace of national highway construction reached a record high of 37 km per day but subsequently decreased to 30.11 km per day in FY 2022-23. During FY 2022-23, the construction of national highways in India reached 10,993 kilometers, falling short of the government's target of 12,500 kilometers by 13.70%. Target of 12,200 km set for construction of National Highways (NHs) in the country during the current financial year 2022-23. Overall road projects exceeding 65,000 km in length, costing more than INR 11 Lakh Crore, are in progress, of which projects of more than 39,000 km length has been completed and length of more than 26,000 km works are in progress. NHs of 5,774 km length has been constructed during the first nine months of FY 2022-23. 100% Foreign Direct Investment is allowed under the automatic route in the road and highways sector.

Under India's Gati Shakti program, a list of 81 high-impact projects was consolidated, with road infrastructure projects given the top priority. The government aims to construct 23 new national highways by 2025. National Highway Authority of India (NHAI) is expected to generate ₹1 Lakh Crore (US$ 14.30 billion) annually from toll and other sources in five years. The total expenditure of the Ministry in 2023-24 is estimated at ₹2,70,435 Crore. This is 25% higher than the revised estimates for 2022-23. The highest expenditure (60% of the total expenditure) is towards NHAI. In 2023-24, NHAI is allocated ₹1,62,207 Crore. Capital expenditure for 2023-24 is estimated at ₹2,58,606 Crore, while revenue expenditure is estimated at ₹11,829 Crore. The proportion of capital expenditure in total expenditure has increased from the revised estimates of 2022-23, from 95% to 96%. NHAI plans to construct 25,000 kilometres of national highways in 2022-23 at a pace of 50 km per day.

Budget Allocation for the Ministry of Road Transport and Highways (in ₹ Crore)

	Actuals 21-22	FY 2022-23	FY 2023-24	% change
NHAI	57,314	1,41,606	1,62,207	14.5
Roads and bridges	66,237	74,984	1,07,713	43.6
Total	**1,23,551**	**2,17,027**	**2,70,435**	**24.6**

(Source: ibef.org, pib.gov.in, economictimes.indiatimes.com, prsindia.org)

Indian railway infrastructure sector overview

India has the world's fourth-largest railway system, trailing only the US, Russia and China. It spans a track length of 126,366 km with 7,335 stations. In 2022-23, a remarkable 5,243 km of track length was achieved, compared to 2,909 km in 2021-22. The daily average track laying reached 14.4 km, the highest ever recorded. The Indian railways operate 13,523 passenger trains and 9,146 freight trains every day. In FY 22-23, a record-breaking freight loading of 1,512 million tonnes was achieved. The Indian railway is the largest employer in India and the eighth largest globally, providing employment to around 1.3 million people.

FDI inflows in railway-related components reached US$ 1.23 billion between April 2000 and September 2022. By 2030, the rail infrastructure will receive an investment of ₹50 Lakh Crore (US$ 715.41 billion). Government has allowed 100% FDI in the railway sector. India is projected to account for 40% of the total global share of rail activity by 2050. In the Union Budget 2022-23, the Ministry of Railways was allocated a budget of ₹140,367.13 Crore (US$ 18.40 billion).

(Source: investindia.gov.in, ibef.org)

Government initiatives

Bharatmala Pariyojana

Projects under the government's flagship Bharatmala Pariyojana is expected to be completed by 2026-27 at a higher cost of ₹10.63 trillion as against the original investment of ₹5.35 trillion. Till date, projects spanning a length of 22,302 km and entailing a cost of ₹6.9 billion have been awarded under the programme while 9,548 km of length has been completed. In addition, expenditure of ₹2.29 trillion has been incurred.

Pradhan Mantri Gati Shakti – National master plan for multi-modal connectivity

This initiative primarily aims to establish an interconnected and integrated multi-modal transportation network in India. It focuses on enhancing connectivity in road freight transport by developing 39 multi-modal logistics parks. These parks will alleviate congestion in critical areas, allow smoother and more efficient movement of goods.

NHIDCL (National Highways andInfrastructure Development Corporation Limited)

Under Bharatmala Pariyojana Phase I, the NHIDCL has been assigned to develop 5,070 km of roads. This project will improve connectivity among border highways and the economic corridor.

Special Accelerated Road Development Programme for North Eastern region (SARDP-NE)

This project mainly focuses on the development of the North-Eastern region road infrastructure. SARDP-NE Phase B will construct 3,723 km of roads, which consist of 2,210 km of national highways and 1,513 km of state roads by 2023-24.

Arunachal Pradesh scheme

This project aims to be complete by 2023-24 and will develop 2,205 km of national highways and 114 km of state roads.

Bharat Gaurav

Indian Railways introduced the 'Bharat Gaurav' theme-based tourist circuit train to highlight India's vibrant cultural heritage and magnificent historical sites.

National Rail Plan Vision – 2030

The Indian Railways has developed a National Rail Plan (NRP) for India 2030 with the goal of building a future-ready railway system by 2030. The plan focuses on increasing the Railways' modal share in freight to 45% by implementing strategies based on operational capacities and commercial policies. By creating capacity ahead of demand, the NRP aims to accommodate future growth in demand until 2050 while sustaining a 45% modal share in freight traffic for the railways.

(Source: mobilityoutlook.com, pib.gov.in)

Growth drivers

Increasing population

India, with a population of 1,425,775,850 has recently surpassed China. With a median age of 28.2 years, India's growing population underscores the critical need to prioritize infrastructure development, particularly in terms of roadways and transit time. Improving connectivity through enhanced infrastructure is vital to ensure efficient and seamless transportation for its citizens.

Urbanisation

By 2047, 50% of the population is projected to reside in urban areas, creating a demand for enhanced urban infrastructure.

Industrialization

The launch of the PLI scheme will fuel industrial growth, leading to an increased demand for faster transit times and improved road infrastructure. This highlights the need for enhanced road connectivity throughout the country.

Infrastructure investment

To achieve India's goal of becoming a $5 trillion economy by 2025, infrastructure development is crucial. The government has introduced the National Infrastructure Pipeline (NIP) along with initiatives like 'Make in India' and the production-linked incentives (PLI) scheme to accelerate the growth of the infrastructure sector.

Outlook

Timely asset monetization has become crucial to fund the Bharatmala program, given the cost escalation in land acquisition and input costs. NHAI aims to raise approximately ₹250 billion through asset monetization. The authority has identified potential (Build-operate-tra¬ns¬fer) BOT projects to be awarded this year and expects an increase in BOT awards following amendments in the BOT concession agreement.

The road sector in India is experiencing a positive growth trajectory. Factors such as healthy traffic growth, expressway development under Gati Shakti, sustainability and multimodal connectivity and private capital influx contribute to its bright prospects. Private investments in the sector are expected to reach ₹1 trillion by 2030. Regulatory interventions, optimistic investor sentiment and a focus on improved mobility will further accelerate the sector's development.

Company overview

H.G. Infra Engineering Limited (HGIEL), established in 2003, has become a recognized name in the Indian road infrastructure and railways sector. The Company has a strong presence in Rajasthan, Haryana, Delhi, Uttar Pradesh, Himachal Pradesh, Maharashtra, Jharkhand, Telangana, Odisha, Andhra Pradesh and Karnataka.

The company is primarily involved in road construction activities and has emerged as a significant Engineering Procurement Construction (EPC) player. The company is increasingly focusing on Hybrid Annuity Model (HAM) projects and serves a diverse clientele, including government and private sectors. With a strong brand reputation, HGIEL has established a robust business model that integrates complete project execution, supported by an extensive fleet of in-house equipment and skilled manpower. The company has a successful track record in executing large civil construction projects such as highway and railway extensions, land development and water pipeline projects.

Outlook

The company has recently witnessed a strong emphasis on infrastructure development, aiming to enhance connectivity and expand the road network and railways nationwide. With a consistent increase in awarding activity and rapid construction pace, the company foresees significant potential for future order inflows. By focusing on strengthening its presence and enhancing capabilities, the company is well-prepared to seize emerging opportunities in the sector. Adoption of digital technology enables daily activity monitoring, and improves operational efficiency. These measures will optimize resource utilization, leading to margin expansion and robust financial performance.

Segment wise performance

Segment wise revenue (Amount in ₹ Million)

	HAM	EPC	Metro	Railway	Others
FY 2021-22	9,336.90	26,815.10	-	-	-
FY 2022-23	15,204.40	28,930.70	-	49.80	-

HGIEL recorded revenue growth of 62.84%, 8.25%, 100% across HAM, EPC and railway during FY 2022-23.The growth was mainly achieved due to award of new projects in road and railway sector.

Operating expenses and PBDIT (Amount in ₹ Million)

	2022-23	2021-22
Sales and administration expenses	106	62
Employee expenses	1959	1279
Operating profit	7103	5847

Employee expenses for FY 2022-23 amounted to ₹1959 Crore, showing a 53.2% increase compared to the previous year. As a percentage of revenue, it rose by nine basis points, indicating manpower expansion and salary revisions. The company remains committed to enhancing productivity, digitalization and optimizing manpower across its various businesses.

Sales and administration expenses stood at ₹106 Crore, which is 71% increase from the previous year of ₹62 Crore.

The Company's operating profit stood at ₹7103 Million for the year 2022-23 registering a growth of 21.5% y-o-y, largely due to higher revenue volumes.

Financial overview

Analysis of the profit and loss statement

Revenues: Revenues from operations reported from ₹36,152 Million in FY 2021-22 to ₹44,185 Million in FY 2022-23. Other income of the Company reported a 131% increase and accounted for a 0.4% share of the Company's revenues, reflecting the Company's dependence on its core business operations.

Expenses: Total expenses increased by 22.1% from ₹31,684 Million in FY 2021-22 to ₹38,679 Million in FY 2022-23 raw material costs, accounting for a 48.51% share of the Company's revenues increased by 19.6% from ₹17,919 Million in FY 2021- 22 to ₹21,435 Million in FY 2022-23. Employees expenses, accounting for a 4.4% share of the Company's revenues, increased by 53.2% from ₹1,279 Million in FY 2021-22 to ₹1,959 Million in FY 2022-23.

Analysis of the Balance Sheet

Sources of funds: The capital employed by the Company were ₹20,500 Million as on March 31, 2023 as against ₹15,336 Million as on March 31, 2022. Return on capital employed, a measurement of returns derived from every rupee invested in the business, was 30% in FY 2022-23 as against 33% in FY 2021-22.

The net worth of the Company was ₹17,784 Million as on March 31, 2023 as against ₹13,643 Million as on March 31, 2022, due to increase in company reserve and surplus. The Company's equity share capital, comprising 6,51,71,000 equity shares of ₹10 each, remained unchanged during the year under review.

Long-term debt of the Company was ₹2,360 Million as on March 31, 2023. The debt-equity ratio of the Company stood at 0.28 in FY 2022-23 compared to 0.23 in FY 2021-22.

Finance costs of the Company decreased by 0.03% from ₹633 Million in FY 2021-22 to ₹528 Million in FY 2022-23. The Company's debt service coverage ratio stood at a comfortable 4.97 at the close of FY 2022-23 as against 4.53 at the close of FY 2021- 22.

Applications of funds: Fixed assets (gross) of the Company was ₹10,336 Million as on March 31, 2023 as against ₹8,077 Million as on March 31, 2022. Depreciation on tangible assets was ₹929.33 Million in FY 2022-23 as against ₹828.03 Million in FY 2021-22 during the year under review.

Investments: Non-current investments of the Company were ₹7,447 Million as on March 31, 2023 as against ₹3,545 Million as on March 31, 2022.

Working capital management: Current assets of the Company were ₹19,870 Million as on March 31, 2023 as against ₹15,174 Million as on March 31, 2022. The Current and Quick ratios of the Company stood at 1.36 and 1.2 respectively at the close of FY 2022-23 compared to 1.79 and 1.6 , respectively at the close of FY 2021-22.

Inventories, including raw materials, work-in-progress and finished goods, among others, was ₹2,353 Million as on March 31, 2023 as against ₹1,836 Million as on March 31, 2022. The inventory turnover ratio was 10.23 times as against 10.19 times in FY 2021-22. Trade receivables were ₹8,712 as on March 31, 2023 as against ₹6,953 as on March 31, 2022. All receivables were secured and considered good. The Company contained its debtor's turnover ratio at 5.60 times in FY 2022-23 compared to 5.33 times in FY 2021-22.

Cash and bank balances of the Company were ₹1,794 Million as on March 31, 2023 as against ₹1,585 Million as on March 31, 2022.

Return on net worth: The return on net worth of the Company was ₹23.7% as on March 31, 2023 as against ₹24.8% as on March 31, 2022, due to increase in profits of the Company. The RoNW serves as a key indicator of the company's profitability and efficiency in utilizing its net worth to generate returns for shareholders.

Key ratios

Particulars	FY 2022-23	FY 2021-22
EBITDA/Turnover (%)	16.1%	16.2%
Debt-equity ratio	0.28	0.23
Return on equity (%)	0.24%	0.25%
Book value per share (₹)	263	209
Earnings per share (₹)	64.66	51.98
Debtors' turnover ratio	5.60	5.30
Inventory turnover ratio	10.23	10.19
Interest service coverage ratio	16.15	21.34
Current ratio	1.36	1.79
Operating Margin (%)	16.08%	16.17%
Net profit margin (%)	9.54%	9.37%

Details of significant changes in key financial ratios along with explanation:
During the year under review, there was no significant changes i.e. change of 25% or more as compared to the previous financial year, in the key financial ratio so the requirement as per SEBI(Listing and Disclosure Requirements), 2015 to provide details along with explanation is not applicable to the Company.

Operational review

As of March 31, 2023, our company's Order Book stands at ₹1,25,953 Million, ensuring revenue visibility for multiple years ahead. The road and highway infrastructure segment remains the dominant contributor, accounting for 90% of the consolidated Order Book, compared to 100% as of March 2022.

The Order Book witnessed a growth of 58%, primarily attributed to award of new projects in road and railway sector. Orders received from government clients constitute approximately 69% of the Order Book. The private sector's contribution has gained traction, increasing to 31% of the total Order Book as of March 2023, compared to 8% in March 2022.

SWOT analysis

Strengths

- With over 20 years of experience, HGIEL is an established contractor known for its proven track record in project execution.
- A robust presence in eleven states across India.
- Follows an integrated business model with a primary focus on real-time cost efficiencies.
- Consistently invests in advanced equipment and cutting-edge technologies that are deployed at project sites.
- Implemented SAP across the organization to enhance operational effectiveness and promote increased transparency.

Weaknesses

- Business Risk emanating from concentrated order book primarily in the Roads and Highway segment as of now at ~88% of Order book.
- Faces operational challenges due to the shortage of labor at project sites.
- JV Partner needed for bidding for Water Projects.

Opportunities

- Continuously enhancing its capabilities and expertise to independently execute projects as a prime contractor.
- The government's consistent investment in the infrastructure sector, aimed at driving growth, has led to a rise in bidding and awarding activities within the sector.
- The government's growing emphasis on high-speed expressways and urban connectivity indicates significant growth potential in the sector.
- The funds proceeds from monetization of HAM projects will be used for enhancing the diversification of business in other sectors like solar, renewal energy.

Threats

- Intense competition in the EPC segment due to presence of small private players bidding aggressively.
- Volatility in the commodity prices may put margin pressure.
- Prolonged Monsoon Season may delay execution of projects.

Risk management

The Company has implemented a robust risk management framework to identify and mitigate operational and business risks. The senior management and risk management committee regularly review major risk areas. Comprehensive policies and procedures are in place to identify, mitigate and monitor risks at various levels. The company conducts a comprehensive risk review through an external agency, which provides recommendations to the Board on risk management strategies and possible controls.

Human resources

The company recognizes the pivotal role of its workforce as the source of its competitive advantage. The company values its employees and acknowledges their diverse range of experiences across different sectors and industries, as well as their specialized technological knowledge and expertise. The company's HR philosophy is firmly grounded in a commitment to innovation and progress, constantly challenging traditional norms to maintain its competitiveness in the industry. The company consistently makes employee-centric decisions that prioritize the professional and personal aspirations of its workforce. The company promotes a healthy work-life balance, fosters a sense of pride and belonging among its employees, and supports their growth and development. As on March 31, 2023, the Company had 4,000+ employees.

Internal control systems and their adequacy

The company has a strong internal audit system in place, which is regularly monitored and updated to safeguard assets, comply with regulations and promptly address any issues. The audit committee diligently reviews internal audit reports, takes corrective action as required and maintains open communication with both statutory and internal auditors to ensure the effectiveness of internal control systems. This robust internal audit framework ensures that the company operates with integrity, transparency and accountability, while mitigating risks and safeguarding the interests of stakeholders.

Cautionary statement

This statement made in this section describes the Company's objectives, projections, expectation and estimations which may be 'forward looking statements' within the meaning of applicable securities laws and regulations. Forward–looking statements are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realised by the Company. Actual result could differ materially from those expressed in the statement or implied due to the influence of external factors which are beyond the control of the Company. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements on the basis of any subsequent developments.

Board's Report

To,
The Members
H.G. Infra Engineering Limited

Your directors (Board of Directors/"the Board") are pleased to present the 21st Annual Report of H.G. Infra Engineering Limited ("the Company"/ "HGIEL") together with the Audited Financial Statement (standalone and consolidated) for the financial year ended March 31, 2023 (the "Financial Year").

FINANCIAL RESULTS

The Company's financial performance (standalone and consolidated) for the year ended March 31, 2023 is summarised below:

(Amount in ₹ Million, except per equity share data)

Particulars	Standalone			Consolidated*		
	For the year ended March 31,		YoY growth (%)	For the year ended March 31,		YoY growth (%)
	2023	2022		2023	2022	
Total Income	**44,365.94**	**36,230.01**	22.46	**46,402.38**	**37,587.50**	23.45
Revenue from operations	44,185.36	36,151.95	22.22	46,220.08	37,514.31	23.21
Other income	180.58	78.06	131.33	182.30	73.19	149.08
Total expenses	38,678.58	31,683.65	22.08	39,767.93	32,441.27	22.58
Profit / (loss) before tax	**5,687.36**	**4,546.36**	25.10	**6,645.74**	**5,146.23**	29.14
Tax Expense	1,473.53	1,158.76	27.16	1,713.83	1,345.87	27.34
Profit After Tax	**4,213.83**	**3,387.60**	24.39	**4,931.91**	**3,800.36**	29.77
Other comprehensive income net of tax	(7.74)	(14.14)	(45.26)	(7.74)	(14.14)	(45.26)
Total Comprehensive Income for the period	**4,206.09**	**3,373.46**	24.68	**4,924.17**	**3,786.22**	30.06
Earning per equity share (EPS):						
Basic (₹)	64.66	51.98	24.39	75.68	58.31	29.79
Diluted (₹)	64.66	51.98	24.39	75.68	58.31	29.79

**The Financial Statements of the subsidiaries and associates used for the preparation of the consolidated financial statements are in accordance with the Generally Accepted Accounting Principles in India ("GAAP") specified under Section 133 and relevant provisions of the Companies Act, 2013 (the "Act"). The financial statements of subsidiaries, associates and jointly controlled operations are prepared as per Indian Accounting Standards in accordance with the Companies (Indian Accounting Standards) Rules, 2015.*

RESULTS OF OPERATIONS AND STATE OF COMPANY'S AFFAIRS

Highlights of the Company's financial performance for the year ended March 31, 2023 are as under:

Standalone

At Standalone level, the Revenue from Operations increased to ₹44,185.36 Million as against ₹36,151.95 Million in the previous year, recording an increase of 22.22%. The Net Profit before Tax amounted to ₹5,687.36 Million as against ₹4,546.36 Million in the previous year, recording an increase of 25.10%. The Net Profit after tax amounted to ₹4,213.83 Million against ₹3,387.60 Million reported in the previous year, recording an increase of 24.39% and total comprehensive income for the period amounted to ₹4,206.09 Million as against ₹3,373.46 Million in the previous year, recording an increase of 24.68%.

Consolidated

At Consolidate level, the Revenue from Operations increased to ₹46,220.08 Million as against ₹37,514.31Million in the previous year, recording an increase of 23.21%. The Net Profit before Tax amounted to ₹6,645.74 Million as against ₹5,146.23 Million in the previous year, recording an increase of 29.14%. The Net Profit after tax amounted to ₹4,931.91 Million against ₹3,800.36 Million reported in the previous year, recording an increase of 29.77% and total comprehensive income for the year amounted to ₹4,924.17 Million as against ₹3,786.22 Million in the previous year, recording an increase of 30.05%.

BUSINESS OPERATIONS/ PERFORMANCE OF THE COMPANY AND ITS SUBSIDIARIES

During the financial year, the Company has received the following orders:

(1) Execution of Civil & Associated works on Engineering Procurement & Construction (EPC) basis for "Development of an Access – Controlled Six lane (Expandable to Eight lane) Greenfield 'Ganga Expressway' [Group-II, from km. 137+600 (Village: Nagla Barah, Distt. Budan) to km: 289+300, (Village: Ubariya Khurd, Distt. Hardoi), Design Length = 151.700 Km] in the State of Uttar Pradesh on DBFOT (Toll) basis under PPP valued at ₹49,709.94 Million;

(2) Construction of 6-Lane Greenfield Karnal Ring Road starting from NH-44 near Village Shamgarh (Design km 0+000) and terminating at Karnal-Munak Road (MDR-115) near Village Samalakha (Design km 34+500) under Bharatmala Pariyojana in the state of Haryana on Hybrid Annuity Mode (HAM) valued at ₹9,971.10 Million;

(3) Contract DC-01A: Part Design and Construction of Elevated Viaduct and four Elevated Stations viz. Keshopur, Paschim Vihar, Peeragarhi & Mangolpuri (Excluding Architectural Finishing works of stations, Steel FOB & PEB works of stations) from P2 (excl.) to PP88 (excl.) [Chainage 3118.108 mt. to 6080.447 mt.] and from P103 (excl.) to Mangolpuri Station (incl.) [Chainage 6462.547 mt. to 7012.051 mt.] of Janakpuri West to R.K. Ashram Corridor (Extn. of Line-8) of Phase- IV of Delhi MRTS valued at ₹4,121.10 Million;

(4) Construction of Foundations, Substructure & Superstructure along With River Training/Protection Work, Earthwork & allied works for viaduct 1 & 2 in between Chainage Km 47+415 To Km 50+900, in connection with Bhanupali-Bilaspur-Beri New Railway Line in District Bilaspur of Himachal Pradesh State, India valued at ₹4,661.10 Million;

(5) Construction of 6 lane Greenfield Varanasi Ranchi Kolkata Highway from Deoria village to Donoreshan village from km 253.000 to km 288.600 under Bharatmala Pariyojana in the State of Jharkhand on HAM (PKG 10) valued at ₹13,031.10 Million;

(6) Redevelopment of Kanpur Central Railway Station at Kanpur on Engineering, Procurement and Construction (EPC) mode in the state of Uttar Pradesh valued at ₹6,551.00 Million; and

(7) Construction of 6 lane Greenfield Varanasi-Ranchi-Kolkata Highway from Jn with NH320 in Lepo village to Kamlapur village (JH/WB border) from km 358.500 to km 387.200 under Bharatmala Pariyojana in the state of Jharkhand on HAM (Package 13) valued at ₹9,251.10 Million.

Taking all these projects into count, the total order inflow for the financial year was ₹86,298 Million (excluding GST/applicable taxes). Out of total orders awarded, ₹44,384 Million from Private client, ₹28,920 Million from National Highways Authority of India (NHAI)- Highway Projects and remaining ₹12,994 Million from Railway & Metro Sectors.

Order book as on March 31, 2023 stood at ₹1,25,953 Million and out of the total order book, 69% are government contracts and 31% are from private clients.

Projects Completed during the financial year 2022-23

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

(1) **Ateli Narnaul:** Construction of proposed Narnaul Bypass (Design Length 24.00 km) & Ateli Mandi to Narnaul section of NH-11 from km 43.445 to km 56.900 (Design Length 14.00 km) as an economic corridor-feeder route PKG-II in the state of Haryana on Hybrid Annuity Mode;

(2) **Delhi – Vadodara Green Field Alignment:** Construction of Eight Lane Carriageway starting at Haryana- Rajasthan border and ends at Junction with SH44 (Km 78+800 to Km 115+700) Section of Delhi – Vadodara Green Field Alignment (NH-148N) on EPC Mode under Bharatmala Pariyojna (Pkg-4) in the state of Rajasthan;

(3) **Gurgaon Sohna:** Six laining and strengthening of new NH-248A from existing km 11+682 to km 24+400 (Design Ch. 9+282 to km 22+000) under NHDP Phase-IV on Hybrid Annuity mode in the State of Haryana." Package-II;

(4) **Bhawi-Pipar-Khimsar:** Development and up-gradation of Bhawi- Pipar- Khimsar Highway (SH-86 C) Length 83.225 Km (Package No WB/RSHDP II/EPC/02) in the state of Rajasthan on Engineering, Procurement and Construction (EPC) basis;

(5) **Kunadal to Jhadol:** Up-gradation to two lane with paved shoulder from Kundal to Jhadol (Section of NH-58E) from Km 0.000 To Km. 43.900 on EPC Mode (Package I) in the State of Rajasthan; and

(6) **Delhi-Vadodara PKG-8:** Construction of 8 lane access controlled Expressway starting near Start of RoB near junction with NH-11A to Junction with MDR-1 (Baonli- Jhalai road) (Ch.214.260-247.310) section of Delhi-Vadodara Green field Alignment (NH-148N) on EPC Mode under Bharatmala Pariyojna in the State of Rajasthan.

YEAR AHEAD AND PROSPECTUS

The Company currently has a strong order book of ₹1,25,953 Million, leading to clear visibility in future. The Company continues to work towards strengthening and improving the order book going forward. The present order book and the opportunities in the infrastructure space give good visibility towards a sustainable and profitable growth going forward. Continuous thrust on using latest technologies and better processes would ensure further improvement of margin going forward.

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

As on March 31, 2023, the Company has 10 (ten) wholly owned subsidiaries (the "subsidiaries"), 2 (two) associates and 2 (two) Jointly Controlled Operations as disclosed in the accounts.

The Company does not have any holding company as on March 31, 2023.

During FY 2022-23, the following changes have taken place in subsidiary / associates / joint venture companies:

Name of Entity	Changes
H.G. Karnal-Ringroad Private Limited (Wholly Owned Subsidiary Company)	Incorporated on March 21, 2023
Safety First Engineering Private Limited (Associate Company)	Became Associate w.e.f. August 24, 2022
Safety First (Partnership Firm) (Associate Company)	Became Associate w.e.f. May 01, 2022
HGIEPL-RPS JV (Jointly Controlled Operation)	Dissolved on October 04, 2022.

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

In accordance with Section 129(3) of the Companies Act, 2013, a statement containing salient features of the financial statements of the subsidiary companies in the prescribed format Form AOC-1 is annexed as "**Annexure-I**" to this Report. The statement also provides details of the performance and financial position of each of the subsidiaries, associates and jointly controlled operations. Audited financial statements together with related information and other reports of each of the subsidiary companies can be accessed on the Company's website at https://hginfra.com/investors-relation.html#btn-quart

The Company funds its subsidiaries, from time to time, in the ordinary course of business and as per the funding requirements, through equity, loan, guarantee and/or other means to meet working capital requirements.

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

H.G. Raipur Visakhapatnam OD-5 Private Limited has become material subsidiary of the Company, based on the audited financial statements for the FY 2022-23.

(a) Wholly-owned Subsidiary Companies

(1) Gurgaon Sohna Highway Private Limited (GSH)

GSH was incorporated as Special Purpose Vehicle (SPV) on April 06, 2018 for domiciling a project allotted by the National Highways Authority of India i.e. "Construction of Six laning and strengthening of new NH- 248A from existing km 11+682 to existing km. 24+400 in the state of Haryana Package-2: Existing Ch. Km 11+682 to km 24+400 (Design Ch. km 9+282 to km 22+000) under NHDP Phase IV on Hybrid Annuity Mode". Highlights of performance of GSH and its contribution to the overall performance of the Company during the period under report:

(Amount in ₹ Million)

Particulars	FY 2022-23	FY 2021-22
Total Revenue	414.30	1,786.22
Profit/(Loss) before tax	72.49	282.27
Profit/(Loss) after tax	53.30	175.09

(2) H.G. Rewari Ateli Highway Private Limited (HGRAH)

HGRAH was incorporated as Special Purpose Vehicle (SPV) on April 08, 2019 for domiciling a project allotted by the National Highways Authority of India i.e. "Upgradation of Four Lane of Rewari-Ateli Mandi Section of NH-11 from km 11.780 at Rewari to Ex. Km 43.445 near Ateli Mandi (designed length 30.45 km) as Feeder Route PKG-III in the State of Haryana on Hybrid Annuity Mode." Highlights of performance of HGRAH and its contribution to the overall performance of the Company during the period under report:

(Amount in ₹ Million)

Particulars	FY 2022-23	FY 2021-22
Total Revenue	606.34	2,127.92
Profit/(Loss) before tax	121.20	107.28
Profit/(Loss) after tax	90.41	80.28

(3) H.G. Ateli Narnaul Highway Private Limited (HGANH)

HGANH was incorporated as Special Purpose Vehicle (SPV) on April 04, 2019 for domiciling a project allotted by the National Highways Authority of India i.e. "Construction of proposed Narnaul Bypass (design length 24.0 km) & Ateli Mandi to Narnaul Section of NH-11 from km 43.445 to km 56.900 (design length 14.0 km) as an Economic Corridor & Feeder route PKG-II in the State of Haryana on Hybrid Annuity Mode." Highlights of performance of HGANH and its contribution to the overall performance of the Company during the period under report:

(Amount in ₹ Million)

Particulars	FY 2022-23	FY 2021-22
Total Revenue	814.36	3,476.32
Profit/(Loss) before tax	272.16	133.65
Profit/(Loss) after tax	203.16	100.01

(4) H.G. Rewari Bypass Private Limited (HGRB)

HGRB was incorporated as Special Purpose Vehicle (SPV) on May 01, 2020 for domiciling a project allotted by the National Highways Authority of India i.e. "Construction of proposed Rewari Bypass (NH-11) as Feeder Route in Rewari District in the State of Haryana (Design length-14.40 km) on Hybrid Annuity Mode." Highlights of performance of HGRB and its contribution to the overall performance of the Company during the period under report:

(Amount in ₹ Million)

Particulars	FY 2022-23	FY 2021-22
Total Revenue	2,416.65	1,909.51
Profit/(Loss) before tax	195.60	76.35
Profit/(Loss) after tax	146.16	57.14

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

HGRVAP-1 was incorporated as Special Purpose Vehicle (SPV) on August 19, 2021 for domiciling a project allotted by National Highways Authority of India i.e. "Development of Six Lane Aluru-Jakkuva section of NH-130-CD Road from km 365+033 to km 396+800 under Raipur-Visakhapatnam Economics Corridor in the state of Andhra Pradesh on Hybrid Annuity Mode (HAM) [Package-1(AP)]." Highlights of performance of HGRVAP-1 and its contribution to the overall performance of the Company during the period under report:

(Amount in ₹ Million)

Particulars	FY 2022-23	FY 2021-22
Total Revenue	3,188.20	201.80
Profit/(Loss) before tax	83.93	2.74
Profit/(Loss) after tax	62.81	2.05

(6) H.G. Khammam Devarapalle PKG-1 Private Limited (HGKD PKG-1)

HGKD PKG-1 was incorporated as Special Purpose Vehicle (SPV) on October 14, 2021 for domiciling a project allotted by the National Highways Authority of India i.e. "Construction of 4 lane Access Controlled New Greenfield Highway Section of NH- 365BG (Khammam-Devarapalle) of length 33.604 km from Thallampadu village to Somavaram village (Design Ch. Km 0+000 to km 33+604) under Inter Corridor Route under Bharatmala Pariyojana, on Hybrid Annuity mode in the state of Telangana(Package-I)." Highlights of performance of HGKD PKG-1 and its contribution to the overall performance of the Company during the period under report:

(Amount in ₹ Million)

Particulars	FY 2022-23	FY 2021-22
Total Revenue	464.87	0.42
Profit/(Loss) before tax	14.59	(0.56)
Profit/(Loss) after tax	10.92	(0.42)

(7) H.G. Khammam Devarapalle PKG-2 Private Limited (HGKD PKG-2)

HGKD PKG-2PL was incorporated as Special Purpose Vehicle (SPV) on October 14, 2021 for domiciling a project allotted by the National Highways Authority of India i.e. "Construction of 4 lane Access Controlled New Greenfield Highway Section of NH- 365BG (Khammam-Devarapalle) of length 29.513 km from Somavaram village to Chintagudem village (Design Ch. Km 33+604 to km 63+117) under Inter Corridor Route under Bharatmala Pariyojana on Hybrid Annuity mode in the state of Telangana (Package-II)." Highlights of performance of HGKD PKG-2 and its contribution to the overall performance of the Company during the period under report:

(Amount in ₹ Million)

Particulars	FY 2022-23	FY 2021-22
Total Revenue	438.61	0.42
Profit/(Loss) before tax	12.51	(0.58)
Profit/(Loss) after tax	9.36	(0.43)

(8) H.G. Raipur Visakhapatnam OD-6 Private Limited (HGRV OD-6)

HGRV OD-6 was incorporated as Special Purpose Vehicle (SPV) on November 22, 2021 for domiciling a project allotted by the National Highways Authority of India i.e. "Development of Six Lane Baunsaguar-Baraja Section of NH-130-CD Road from km 293+000 to km 338+500 under Raipur-Visakhapatnam Economics Corridor in the state of Odisha on Hybrid Annuity Mode [Package- OD-6]." Highlights of performance of HGRV OD-6 and its contribution to the overall performance of the Company during the period under report:

(Amount in ₹ Million)

Particulars	FY 2022-23	FY 2021-22
Total Revenue	3,813.58	0.29
Profit/(Loss) before tax	89.71	(0.68)
Profit/(Loss) after tax	67.13	(0.51)

(9) H.G. Raipur Visakhapatnam OD-5 Private Limited (HGRV OD-5)

HGRV OD-5 was incorporated as Special Purpose Vehicle (SPV) on November 24, 2021 for domiciling a project allotted by the National Highways Authority of India i.e. "Development of Six Lane Kaliagura-Baunsaguar Section of NH-130-CD Road from km 249+000 to km 293+000 under Raipur-Visakhapatnam Economics Corridor in the state of Odisha on Hybrid Annuity Mode [Package-OD-5]." Highlights of performance of HGRV OD-5 and its contribution to the overall performance of the Company during the period under report:

(Amount in ₹ Million)

Particulars	FY 2022-23	FY 2021-22
Total Revenue	4,685.76	0.50
Profit/(Loss) before tax	84.85	(0.63)
Profit/(Loss) after tax	63.49	(0.47)

(10) H.G. Karnal-RingRoad Private Limited (HGKR)

HGKR has been incorporated as Special Purpose Vehicle (SPV) on March 21, 2023 for domiciling a project allotted by the National Highways Authority of India i.e. "Construction of 6-lane Greenfield Karnal Ring Road starting from NH-44 near Village Shamgarh (Design km 0+000) and terminating at Karnal -Munak Road (MDR 115) near Village Samalakha (Design km 34 + 500) under Bharatmala Pariyojana in the state of Haryana on Hybrid Annuity Mode." Highlights of performance of HGKR and its contribution to the overall performance of the Company during the period under report:

(Amount in ₹ Million)

Particulars	FY 2022-23
Total Revenue	0.03
Profit/(Loss) before tax	--
Profit/(Loss) after tax	--

(b) Associate Company

During the financial year, the Company made the following acquisitions:

(1) Safety First Engineering Private Limited (SFEPL)

The Company has acquired a stake of 26% in SFEPL on August 24, 2022, a Gurgaon based Company, engaged in the business of operations of supply and service of safety items including metal beam crash barrier, wire rope safety barriers, pavement marking, noise barriers etc. Highlights of performance of SFEPL during the period under report:

(Amount in ₹ Million)

Particulars	FY 2022-23
Total Revenue	3.38
Profit/(Loss) before tax	(1.36)
Profit/(Loss) after tax	(1.28)

(2) Safety First

The Company has acquired 26% control in Safety First on May 01, 2022, a New Delhi based registered partnership firm engaged in the business of supply and service of safety items including metal beam crash barrier, wire rope safety barriers, pavement marking, noise barriers etc. Highlights of performance of Safety First during the period under report:

(Amount in ₹ Million)

Particulars	FY 2022-23
Total Revenue	835.01
Profit/(Loss) before tax	44.71
Profit/(Loss) after tax	44.71

(c) Jointly controlled operations

The Company and its three (3) Jointly Controlled Operations (JCO) are primarily engaged in the business of Engineering, Procurement, and Construction (EPC) relating to roads, bridges, flyovers and infrastructure contract works and related activities. Details of JCO are given below:

(1) HGIEPL-Ranjit JV

The Company and Ranjit Buildcon Limited associated themselves into Joint venture on May 15, 2015 to act in collaboration with each other in the name and style of HGIEPL-Ranjit JV for "Development and Construction of Four Laning of Babatpur -Varanasi Section of NH-56 (km 263/000 to 280/250) in the state of Uttar Pradesh on Engineering, Procurement and Construction (EPC) basis." Highlights of performance of HGIEPL-Ranjit JV during the period under report:

(Amount in ₹ Million)

Particulars	FY 2022-23	FY 2021-22
Total Revenue	85.59	112.41
Profit/(Loss) before tax	0.16	0.21
Profit/(Loss) after tax	0.11	0.15

(2) HGIEPL-MGCPL JV

The Company and M.G. Contractors Private Limited associated themselves into Joint venture on August 30, 2014 to act in collaboration with each other in the name and style of HGIEPL- MGCPL JV for "Rehabilitation and augmentation of Two-Laning from Chanlang District Boundary to Khonsa section of NH-52B (New NH-215) from km. 0.00 to km. 42.844 in the state of Arunachal Pradesh under Arunachal Pradesh Package of SARDP_NE on Engineering, Procurement and Construction (EPC) basis." Highlights of performance of HGIEPL-MGCPL JV during the period under report:

(Amount in ₹ Million)

Particulars	FY 2022-23	FY 2021-22
Total Revenue	125.36	50.39
Profit/(Loss) before tax	0.33	(0.05)
Profit/(Loss) after tax	0.23	(0.05)

(3) HGIEPL-RPS JV

The Company and Rameshwar Prasad Sharma, Contractor, a Partnership Firm, associated themselves into Joint venture on May 31, 2013 to act in collaboration with each other in the name and style of HGIEPL-RPS JV for "Development of Bari-Baseri-Weri-Bhusawar-Chhonkarwara-Kherli-Nagar-Pahari Road upto Haryana Border: Bari to Kherli from km. 0/0 to 122/0: (iii) from km. 45/0 to 90/0 including CD works (Near Samri to Naharpur) [Package No. 3] & Development of Bari-Baseri-Weri-Bhusawar-Chhonkarwara-Kherli-Nagar-Pahari Road upto Haryana Border: Bari to Kherli from km. 0/0 to 122/0: (iv) from km. 90/0 to 122/0 including CD works (Naharpur to kherli) [Package No. 4]." Highlights of performance of HGIEPL-RPS JV during the period under report:

(Amount in ₹ Million)

Particulars	FY 2022-23	FY 2021-22
Total Revenue	0.32	4.37
Profit/(Loss) before tax	0.03	0.35
Profit/(Loss) after tax	0.02	0.24

During the financial year, HGIEPL-RPS JV has dissolved on October 04, 2022.

CAPITAL, SHARES AND DEBENTURES

The Current Capital Structure of the Company is given below:

Authorized Capital:

There was no change in the Authorized Capital of the Company during the financial year. The Authorised Capital of the Company as on March 31, 2023 stood at ₹80,00,00,000/- (Rupees Eighty Crore Only) consisting of 8,00,00,000 (Eight Crore) Equity Shares of the face value of ₹10/- each.

Issued, Subscribed & Paid-up Capital:

There was no change in the issued, subscribed and paid-up Capital of the Company during the year under review. The issued, subscribed and paid-up Capital of the Company as on March 31, 2023 stood at ₹65,17,11,110/- (Rupees Sixty Five Crore Seventeen Lakh Eleven Thousand One Hundred Ten Only) consisting of 6,51,71,111 (Six Crore Fifty One Lakh Seventy One Thousand One Hundred Eleven) Equity Shares of ₹10/- each.

Non-Convertible Debentures (NCDs)

The Company has 970 outstanding Rated, Listed, Senior, Secured, Redeemable, Non-Convertible Debentures ("NCDs") (ISIN: INE926X07017) each having a face value of ₹10,00,000 for an aggregate nominal value of ₹970 Million issued on private placement basis on December 21, 2021. The NCDs of the Company are listed on the Wholesale Debt Market segment of BSE Limited.

The interest amounts on NCDs were paid by the Company on due dates and there was no instance of interest amount not claimed by the investors or not paid by the Company.

The Company has appointed MITCON Credentia Trusteeship Services Limited as the debenture trustee for the benefit of the debenture holders. The details of the Debenture Trustee are available on the Company's website at https://hginfra.com/investors-relation.html#btn-investor

The Company is exempted from the requirement of creating a Debenture Redemption Reserve (DRR) on privately placed debentures. Therefore, the Company has not created DRR.

DIVIDEND

The Company recommended /declared dividends as under:

	Financial Year 2023		Financial Year 2022	
	Dividend per share (in ₹)	Dividend payout (Amount in ₹ Million)	Dividend per share (in ₹)	Dividend payout (Amount in ₹ Million)
Interim dividend	--	--	--	--
Final dividend	1.25	81.46	1	65.17
Total dividend	1.25	81.46	1	65.17
Payout ratio (interim and final dividend)	2%		2%	

The dividend has been recommended by the Board of Directors, at its meeting held on May 10, 2023. The payment is subject to the approval of the shareholders at the ensuing Annual General Meeting ("AGM") of the Company.

The dividend recommended is in accordance with the Company's Dividend Distribution Policy. The Dividend Distribution Policy of the Company is available on the Company's website at https://hginfra.com/investors-relation.html#btn-policy and forming part of this report as "**Annexure-II**".

Note:

The Company declares and pays dividend in Indian rupees. The Company is required to pay/distribute dividend after deducting applicable withholding taxes. The remittance of dividends outside India is governed by Indian law on foreign exchange and is also subject to withholding tax at applicable rates.

The Dividend payment is based upon the parameters mentioned in the Dividend Distribution Policy approved by the Board of Directors of the Company which is in line with Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations").

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

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

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

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

TRANSFER TO RESERVES

During the financial year, there was no amount transferred to any of the reserves by the Company. The Total Other Equity (including securities premium and retained earnings) as on March 31, 2023 is ₹18,567.04 Million (on Consolidate Basis) as against the Paid- up Capital of ₹651.71 Million.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

The Board comprises highly experienced persons of repute and eminence. The Board has a good and diverse mix of Executive and Non-Executive Directors with the majority of the Board Members comprising Independent Directors. The Board composition is in conformity with the applicable provisions of the Act and the Listing Regulations, as amended from time to time. As on date of this Annual Report, the Board consists of 8 directors comprising of five (5) Independent Directors and three (3) Executive Directors. The composition of the Board represents an optimal mix of professionalism, knowledge and experience and enables the Board to discharge its responsibilities and provide effective leadership to the business. The Board as part of its succession planning exercise, periodically reviews its composition to ensure that the same is closely aligned with the strategy and long term needs of the Company.

The Board and Board's Committees composition, tenure of directors, areas of expertise and other details are available in the Corporate Governance Report, forming part of this Report.

(a) Changes in Board Composition during FY 2022-23

- **Re-appointment of Director**

  The members of the Company at their 20th Annual General Meeting ("AGM") held on August 03, 2022, based on the recommendations of the Board and Nomination and Remuneration Committee, have approved the re-appointment of Ms. Pooja Hemant Goyal (DIN: 07813296) as an Independent Director for the second term of 3 (three) consecutive years with effect from May 15, 2022 to May 14, 2025.

  The Company has taken consent from members of the Company in the 20th AGM held on September 06, 2021 to re-appoint Mr. Harendra Singh (DIN: 00402458) as Managing Director ('MD') and Mr. Vijendra Singh (DIN: 01688452) as Whole-time Director ('WTD') and Mr. Ashok Kumar Thakur (DIN: 07573726) as Non Executive Independent Director of the Company for their second term of five consecutive years commencing from May 15, 2022 to May 14, 2027.

- **Appointment of Directors**

  During the financial year, the Board based on the recommendation of the Nomination and Remuneration Committee ("NRC"), has appointed Mr. Manjit Singh (DIN: 02759940), as an Additional Independent Director of the Company commencing from May 13, 2022, subject to the approval of the members of the Company.

  Further, the shareholders of the Company at their 20th AGM held on August 03, 2022, based on the recommendations of the Board and Nomination and Remuneration Committee, have approved the appointment of Mr. Manjit Singh (DIN: 02759940) as an Independent Director of the Company for the first term of 5 (Five) consecutive years with effect from May 13, 2022 to May 12, 2027.

  Further, the Board, based on the recommendations of the NRC, has appointed Ms. Sharada Sunder (DIN: 07599164) and Ms. Monica Widhani (DIN: 07674403) as an Additional Independent Woman Directors of the Company commencing from February 08, 2023, subject to the approval of the members of the Company.

  Further after the closure of the financial year the shareholders of the Company at their Extra Ordinary General Meeting ("EGM") held on May 04, 2023, based on the recommendations of the Board and NRC, have approved the appointments of Ms. Sharada Sunder (DIN: 07599164) and Ms. Monica Widhani (DIN: 07674403) as Independent Directors of the Company for the first term of 5 (Five) consecutive years with effect from February 08, 2023 to February 07, 2028.

- **Cessation of Director**

  Mr. Onkar Singh (DIN: 07853887) ceased to hold office as an Independent Director of the Company, with effect from the close of business hours on September 07, 2022, pursuant to the completion of his first term of five (5) consecutive years.

- **Retirement by Rotation**

  Section 152(6) of the Act, provides that not less than two-thirds of the total number of directors of a public Company shall be liable to retire by rotation, and that one-third of such directors as are liable to retire by rotation shall retire from office at every AGM.

  In accordance with the provisions of the Act, Mr. Vijendra Singh (DIN: 01688452), Whole-time Director, being longest in office since his last appointment, who retires by rotation and being eligible, offers himself for re-appointment at the 21st AGM.

  As required under Regulation 36(3) of the Listing Regulations, particulars of directors seeking appointment/ re-appointment/ liable to retire by rotation at this AGM are given in the Annexure to the explanatory statement enclosed to the notice of the AGM.

- **Independent Directors**

  The Company has received declarations from all the Independent Directors confirming that they meet the 'Criteria of Independence' as specified under Section 149(6) of the Act and the Rules made thereunder and applicable provisions of Regulation 16(1)(b) of the Listing Regulations and are independent of the management.

  In terms of Section 150 of the Act read with Rule 6(4) of the Companies (Appointment & Qualification of Directors) Rules, 2014 (including any amendments thereunder), Independent Directors are required to undertake an online proficiency self-assessment test conducted by Indian Institute of Corporate Affairs, Manesar ('IICA') within a period of two years from the date of inclusion of their names in the Databank. The online proficiency self-assessment test was completed by all the Independent Directors who were required to undergo the same.

(b) Certificate from Practicing Company Secretaries

None of the directors of the Company have been debarred or disqualified from being appointed or continuing as directors of the Company by the SEBI or the Ministry of Corporate Affairs or any such statutory authority. The Company has received a certificate in this regard from M/s ATCS & Associates (Firm Registration No. P2017RJ063900), Practicing Company Secretaries forming part of this Report.

The present directors of the Company are as follows:

S. No.	Name of Director	DIN	Designation
1	Mr. Harendra Singh	00402458	Chairman & Managing Director
2	Mr. Vijendra Singh	01688452	Whole-time Director
3	Mr. Dinesh Kumar Goyal	02576453	Whole-time Director
4	Mr. Ashok Kumar Thakur	07573726	Non-Executive - Independent Director
5	Ms. Pooja Hemant Goyal	07813296	Non-Executive - Independent Director
6	Mr. Manjit Singh	02759940	Non-Executive - Independent Director
7	Ms. Sharada Sunder	07599164	Non-Executive - Independent Director
8	Ms. Monica Widhani	07674403	Non-Executive - Independent Director

The Board Composition of the Company can be accessed on the Company's website at https://hginfra.com/board-of-directors.html

(c) Key Managerial Personnel and changes, if any

In terms of the provisions of Sections 2(51) and 203 of the Act, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any amendments thereunder), the following employees were holding the position of Key Managerial Personnel ('KMP') of the Company as on March 31, 2023:

S. No.	Name of Director	Designation
1	Mr. Harendra Singh	Chairman & Managing Director
2	Mr. Vijendra Singh	Whole-time Director
3	Mr. Dinesh Kumar Goyal	Whole-time Director
4	Mr. Rajeev Mishra	Chief Financial Officer
5	Ms. Ankita Mehra	Company Secretary & Compliance Officer

During the financial year, Mr. Harendra Singh (DIN: 00402458) as Managing Director ('MD') and Mr. Vijendra Singh (DIN: 01688452) as Whole-time Director ('WTD') of the Company were re-appointed for five consecutive years commencing from May 15, 2022 to May 14, 2027. Except this there were no changes to the KMPs of the Company.

MEETINGS OF THE BOARD AND ITS COMMITTEES, ATTENDANCE AND CONSTITUTION OF VARIOUS COMMITTEES

During the financial year, Four (4) Board meetings were convened and duly held. The intervening gap between the said meetings were in accordance with the provisions of the Act, relevant Rules made thereunder, Secretarial Standards issued by the Institute of Company Secretaries of India and provisions of the Listing Regulations.

The details of meetings of the Board and Committees of the Board held during the year, attendance of Directors thereat and other details of various Committees of the Board are given in the Report on Corporate Governance, forming part of this Report as "**Annexure-V.**"

FAMILIARIZATION PROGRAM FOR INDEPENDENT DIRECTORS

The Company familiarizes its Independent Directors through various programs/presentations whenever new Independent Director is appointed on the Board. Such programs/presentations provide an opportunity to the Independent Directors to interact with the Senior Management of the Company and help them to understand the Company's strategies, operations, products, organization structure, market and other relevant areas etc.

New Independent Directors are provided with the copy of Latest Annual Report, Code of Conduct, Memorandum & Articles of Association of the Company and Code of Conduct for Prevention of Insider Trading. New Independent Directors are made aware of their role, rights and responsibilities at the time of their appointment or reappointment though a formal appointment letter which also specifies the various terms and conditions of their engagement.

Regular updates on the key developments occurring in the Company are informed to Independent Directors from time to time.

For details of familiarization programmes imparted to the Independent Directors are given in the Report on Corporate Governance, forming part of this Report as "**Annexure-V**".

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

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

Qualifications	Positive Attributes	Independence
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.	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.	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.

COMMITTEES OF THE BOARD

The Company believes that Board's Committees are crucial to promote best Corporate Governance practices within the Company. Accordingly, the Company has constituted various Board Committees to improve the Board efficiency and to support in decision making. The constitution of these Committees is in acquiescence of provisions of the Act, and relevant rules made thereunder, Listing Regulations, Articles of Association of the Company and other guidelines issued from time to time. The details of the Board's Committees including number & dates of meetings of Committees held during the FY 2022-23 and attendance thereat are given in the Report on Corporate Governance, forming part of this Report as "**Annexure-V**".

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

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

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

The performance of the Committees was evaluated by the Board after seeking inputs from all the directors on the basis of criteria such as the composition of committees, effectiveness of committee meetings, etc.

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

In a separate meeting of independent directors, performance of non-independent directors and the Board as a whole was evaluated. The Independent directors in the said meeting also evaluated the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties. Additionally, the Chairman of the Board was also evaluated on key aspects of his role, taking into account the views of executive directors and non-executive directors in the aforesaid meeting.

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

All directors responded through structured questionnaire, based on the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India dated January 5, 2017, requirement of section 178 read with clause VII of schedule IV of the Act and the Guidance Note on Board Evaluation issued by Institute of Company Secretaries of India ("ICSI") dated June 14, 2017, about the performance of the Board, its Committees, Individual directors, and the Chairman.

The criteria for the evaluation and the outcomes thereto are set out in the Report on Corporate Governance, forming part of this Report as "**Annexure-V**".

For details of previous year annual evaluation, please refer to the Annual Report for the FY 2022-23, which is accessed through https://hginfra.com/investors-relation.html#btn-gover

CREDIT RATING

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

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

During the financial year, ICRA limited has revised the assigned long-term credit rating from ICRA A+ to ICRA AA-. ICRA has also upgraded the Short-term rating at A1+. Further, during the financial year, ICRA has also upgraded its credit rating at ICRA AA- for Non-Convertible Debentures.

POLICY ON DIRECTORS' APPOINTMENT & REMUNERATION

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

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

SELECTION AND PROCEDURE FOR NOMINATION AND APPOINTMENT OF DIRECTORS

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

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

During the financial year, all recommendations made by the NRC were approved by the Board.

RECONCILIATION OF SHARE CAPITAL

During the financial year, an audit was carried at the end of every quarter by a practicing company secretaries for reconciling the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The audit confirms that the total issued/paid up capital is in agreement with the total number of shares held in physical form and the total number of dematerialized shares held with NSDL and CDSL. The reports for every quarter upon reconciliation of capital were submitted to the BSE Limited and The National Stock Exchange of India Limited (the "Stock Exchanges") and was also placed before the Board of Directors at their meetings.

DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT

The Code of Conduct of the Company aims at ensuring consistent standards of conduct and ethical business practices across the Company. This Code is available on the website of the Company at https://hginfra.com/investors-relation.html#btn-policy. Pursuant to the Listing Regulations, a confirmation from the Chairman and Managing Director regarding compliance with the Code by all the Directors and Senior Management of the Company forming part of this Report.

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

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

Details of loans, guarantees and investments under the provisions of Section 186 of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014, as on March 31, 2023, are set out in Note No. 43 to the Standalone Financial Statements of the Company.

CONFLICT OF INTERESTS

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

SIGNIFICANT AND MATERIAL ORDERS PASSED BY REGULATORS OR COURTS

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

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

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

The Managing Director and Whole-time Directors of the Company do not receive remuneration or commission from any of the subsidiaries of the Company except sitting fees as entitled as Non- Executive Directors in subsidiary companies.

The information required under Section 197 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of directors/employees of the Company is annexed as "**Annexure-VII**" forming part of this Report and can be accessed on the website of the Company at https://hginfra.com/investors-relation.html#btn-annual

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

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

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

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

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

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

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

DEPOSITS

During the financial year, the Company has not accepted deposits from the public falling within the ambit of Sections 73 and 74 of the Act read with the Companies (Acceptance of Deposits) Rules, 2014 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

The financial statements are prepared in accordance with the Indian Accounting Standards (Ind AS) on accrual basis, which are measured at fair values, the provisions of the Act (to the extent notified) and guidelines issued by SEBI. The IND AS are prescribed under Section 133 of the Act, read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter. Accounting policies have been consistently applied except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

Pursuant to Section 134 of the Act, the directors of the Company state that:

- In preparation of the annual accounts for the financial year ended March 31, 2023, the applicable accounting standards have been followed and there are no material departures;
- They have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- They have taken proper and sufficient care towards the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- They have prepared the annual accounts on a going concern basis;
- They have laid down internal financial controls, which are adequate and are operating effectively; and
- They have devised proper systems to ensure compliance with the provisions of all applicable laws, and such systems are adequate and operating effectively.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Pursuant to Regulation 34 of the Listing Regulations, Management Discussion and Analysis ('MD & A') Report is presented in separate sections, forming the part of this report.

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING (BRSR)

Pursuant to Regulation 34(2)(f) of the Listing Regulations, the Business Responsibility and Sustainability Report ('BRSR') on initiatives taken from an environmental, social and governance perspective, in the prescribed format is annexed as "**Annexure-VIII**" forming part of this report.

Environmental, Social and Governance (ESG)

The Company focus on steadfast on leveraging technology to battle climate change, conserving water and managing waste. On the social front, Company's emphasis is on the development of people, especially around digital skilling, improving diversity and inclusion, facilitating employee wellness and experience, delivering technology for good and energizing the communities we work in. The Company is also redoubling efforts to serve the interests of all its stakeholders, by leading through its core values and setting benchmarks in corporate governance. The Board instituted an ESG council to discharge its oversight responsibility on matters related to organization-wide ESG initiatives, priorities, and leading ESG practices.

AUDITORS AND AUDIT REPORTS

Auditors

Statutory Auditors

During the financial year, the term as mentioned in Section 139 (2) (b) has been completed by one of the Joint Statutory Auditors of the Company i.e. M/s. Price Waterhouse & Co., Chartered Accountants LLP (ICAI Firm Registration No. 304026E/E300009) upon conclusion of 20th AGM held on August 03, 2022, therefore they have retired as a Joint Statutory Auditors of the Company and in place of above-mentioned firm, the Board of Directors of the Company has recommended to appoint and Members in their AGM held on August 03, 2022, appointed M/S. M S K A & Associates, Chartered Accountants (Firm Registration No. 105047W), as one of the Joint Statutory Auditors of the Company for first term of 5 consecutive years.

M/s. Shridhar & Associates, Chartered Accountants (ICAI Firm Registration No. 134427W) were appointed as one of the Joint Statutory Auditors of the Company for the first term of 5 consecutive years at the AGM held on September 25, 2020.

The reports given by the Joint Statutory Auditors on the financial statement of the Company are forming part of this Annual Report. There has been no qualification, reservation, adverse remark or disclaimer given by the Joint Statutory Auditors in their Report for the financial year ended March 31, 2023. During the year under review, the Joint Statutory Auditors had not reported any matter under Section 143(12) of the Act.

Secretarial Auditors

M/s. ATCS & Associates, Company Secretaries in Practice, (Firm Registration No. P2017RJ063900) have carried out the Secretarial Audit for the financial year ended March 31, 2023.

On the recommendation of the Audit Committee, the Board has appointed M/s. Deepak Arora & Associates, Company Secretaries in Practice, (Firm Registration No. P2001RJ080000) as Secretarial Auditors of the Company for the FY 2023-24, as required under Section 204 of the Act and Rules thereunder.

Cost Records and Cost Audit

The Company has maintained cost accounts and records as specified by the Central Government under sub-section (1) of Section 148 of the Act. M/s. Rajendra Singh Bhati & Co., Cost Accountants (Firm Registration No. 101983) have carried out the cost audit during the FY 2022-23.

The Board, on the recommendation of the Audit Committee, has re-appointed M/s. Rajendra Singh Bhati & Co., as Cost Auditors of the Company for conducting the audit of cost records for the FY 2023-24 under Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014.

The remuneration proposed to be paid to the Cost Auditor is subject to ratification by the Members of the Company at the ensuing 21st Annual General Meeting.

Internal Auditors

The Board has appointed M/s. Mahajan & Aibara Chartered Accountants LLP, (Firm Registration No. 105742W) as Internal Auditors for conducting Internal Audit for the FY 2022-23.

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

On the recommendation of the Audit Committee, the Board has re-appointed M/s. Mahajan & Aibara, Chartered Accountants LLP, as Internal Auditors of the Company for the FY 2023-24.

Reporting of Fraud by Auditors

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

Audit Reports

- The Independent Auditors' Report for the financial year ended March 31, 2023 does not contain any qualification, reservation or adverse remark or disclaimer. The Report is enclosed with the financial statements in this Annual Report;
- The Company is committed to maintain the highest standards of Corporate Governance and adheres to the Corporate Governance requirements set out by the SEBI. The Company has also implemented several best governance practices. The report on Corporate Governance as stipulated under the Listing Regulations is annexed as "**Annexure-V**" forming part of this Report. Certificate from M/s ATCS & Associates, the Secretarial Auditors of the Company confirming compliance with the conditions of Corporate Governance is attached to the report on Corporate Governance.
- The Secretarial Auditors' Report issued by M/s. ATCS & Associates, for the financial year ended March 31, 2023 does not contain any qualification, reservation or adverse remark. The Secretarial Auditors' Report is annexed as "**Annexure-VI (i)**" forming part this Report;
- The Auditor's certificate confirming compliance with conditions of corporate governance as stipulated under the Listing Regulations, for the financial year ended March 31, 2023, forming part of this Report;
- The Secretarial Compliance Report issued by M/s. Deepak Arora & Associates, Practicing Company Secretaries, for financial year ended March 31, 2023, in relation to compliance of applicable SEBI Regulations/ circulars/guidelines issued thereunder, pursuant to requirement of Regulation 24A of the Listing Regulations, is annexed as "**Annexure-VI (ii)**" forming part of this Report; and
- As per regulation 24A of the Listing Regulations, the Company is required to annex the secretarial audit report of its material unlisted subsidiaries to its directors report. The secretarial audit reports for the financial year ended March 31, 2023 of material subsidiaries viz. Gurgaon Sohna Highway Private Limited, H.G. Rewari Ateli Highway Private Limited and H.G. Ateli Narnaul Highway Private Limited issued by M/s. Rahul S & Associates (Firm Registration No. S2017RJ506300), are annexed herewith. The Secretarial Audit Reports of aforesaid material subsidiaries do not contain any qualification, reservation or adverse remark.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

In accordance with the requirements of Section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Company has duly constituted CSR Committee, which is responsible for fulfilling the CSR objectives of the Company. The composition of CSR committee is as stated in the "Committees of the Board" section of "Corporate Governance report.

The Company has spent ₹65.98 Million towards CSR expenditure for the financial year. The CSR initiatives of the Company were under the thrust area of education, healthcare, rural development, animal welfare and environment sustainability.

The Board of Directors have adopted a CSR policy which is in line with the provisions of the Act. The CSR Policy of the Company lays down the philosophy and approach of the Company towards its CSR commitment. The policy can be accessed on the website of the Company at https://hginfra.com/investors-relation.html#btn-policy

The Annual Report on Corporate Social Responsibility Activities of the Company is annexed as in "**Annexure-IV**" forming part this Report.

RISK MANAGEMENT

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

The Company is exposed to market risk, credit risk, liquidity risk, regulatory risk, human resource risk and commodity price risk as set out in Note No. 39 to the Standalone and Consolidated Financial Statements of the Company.

In terms of Regulation 21 of the Listing Regulations, the Board has constituted the Risk Management Committee. The composition of committee is in conformity with the Listing Regulations, with the majority of members being directors of the Company.

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

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

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

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

VIGIL MECHANISM/ WHISTLE BLOWER POLICY

The Company encourages an open and transparent system of working and dealing amongst its stakeholders. In accordance with Section 177(9) of the Act and Regulation 22 of the Listing Regulations, the Company is required to establish a Vigil Mechanism for directors and employees to report genuine concerns.

The Company has a Policy for Prevention, Detection and Investigation of Frauds and Protection of Whistle Blowers ("the Whistle Blower Policy"), which also encourages its employees and various stakeholders to bring to the notice of the Company any issue involving compromise/ violation of ethical norms, legal or regulatory provisions, actual or suspected fraud etc., without any fear of reprisal, discrimination, harassment or victimisation of any kind. Company investigates such incidents, when reported, in an impartial manner and takes appropriate action to ensure that requisite standards of professional and ethical conduct are always upheld. It is the Company's Policy to ensure that no persons are victimised or harassed for bringing such incidents to the attention of the Company.

Further details of the Vigil Mechanism/ Whistle Blower Policy of the Company are provided in the Report on Corporate Governance, forming part of this report. The Whistle Blower Policy is hosted on the Company's website at https://hginfra.com/investors-relation.html#btn-policy

PARTICULARS REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

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

Particulars	Remarks
A) CONSERVATION OF ENERGY	
the steps taken or impact on conservation of energy;	Although operations of the Company are not energy intensive yet Company focuses on reducing energy cost, safeguard of environment and use of non-conventional energy.
the steps taken by the Company to utilize alternate sources of energy;	The Company has taken the steps for: a) starting Hot Mix Plant production on grid supply by installing UPS System; and b) converted Tippers on CNG from HSD
the capital investment in energy conservation equipment	a) new fleet with BSVI Norm 2 technology; b) DG Sets with CPCB 4 Norms; and c) EV Vehicles
B) TECHNOLOGY ABSORPTION	
the efforts made towards technology absorption;	The Company has made efforts for technology absorption by: a) soil stabilization; b) echelon paving; c) use of 3D grades control software; d) promoting tire retreating & Kidney looping to reduce quantity of tyres and Lubricants by Increasing Life; e) compaction assistance technology; f) DG Monitoring Solution; g) increased haulage capacity through better specification; h) digitalization of log sheet for better data accuracy; i) optimization in SAP for better maintenance tracking; and j) uniformity & branding.
the benefits derived like product improvement, cost reduction, product development or import substitution;	a) timely completion of the project as well as meeting the budgetary requirement are two critical areas where different techniques help to great extent. b) data accuracy for better performance outcome. c) fuel optimization d) use of alternative materials methods
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;	The Company uses below mentioned imported technology & equipment in its business: a) soil stabilizer; b) MOBA FLMS & FDMS for better fuel monitoring; c) trimble 3D grade sensors; d) tappet box for digitalization of log sheet; e) MOBA compaction assistance; and f) DG Monitoring Solution through omnicom.
b) the year of import;	FY 2022-23
c) whether the technology been fully absorbed; and	a) FLMS & FDMS; b) trimble 3D system; and c) optimization in SAP for better Maintenance tracking.

Particulars	Remarks
d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof;	a) compaction assistance technology: trial in progress at one project; b) DG monitoring solution: trail in progress at one project; c) increased haulage capacity through better Specification: initiative taken at one project; d) digitalization of log sheet for better Data accuracy: implementation in progress at one project.
the expenditure incurred on Research and Development	During the financial year, the Company has not spent any amount towards research & development activity.
C) FOREIGN EXCHANGE EARNINGS AND OUTGO	
Details of foreign exchange earnings and outgo during FY 2022-23 are as follows:	
Foreign Exchange Earnings	NIL
Foreign Exchange Outgo (Amount in ₹ Million)	0.92

CONTRACT AND ARRANGEMENTS WITH RELATED PARTY

All transactions with related parties were reviewed and approved by the Audit Committee and were in accordance with the Policy on dealing with and materiality of related party transactions and the related party framework, formulated and adopted by the Company.

The SEBI vide amendments to the Listing Regulations had introduced substantial changes in the related party transactions framework, inter alia, by enhancing the purview of the definition of related party, and overall scope of transactions with related parties, effective April 01, 2022.

The Board of Directors on recommendations of the Audit Committee approved the revised 'Policy on dealing with and materiality of related party transactions' and related party framework of the Company to align it with the amendments notified by SEBI. All contracts/arrangements/transactions entered into by the Company during the year under review with related parties were in the ordinary course of business and on arm's length basis in terms of provisions of the Act. Further, there are no contracts or arrangements entered into under Section 188(1) of the Act, hence no justification has been separately provided in this regard.

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

The Related Party Transactions Policy of the Company ensures timely approvals and reporting of the concerned transactions between the Company and its related parties to the concerned authorities. The Policy on Related Party Transactions is hosted on the website of the Company at https://hginfra.com/investors-relation.html#btn-policy

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

As per the requirements of the IND AS-24 issued by the Institute of Chartered Accountants of India (ICAI) on 'Related Party Disclosures', the details of related party transactions entered into by the Company are covered under Notes forming part of the financial statements.

The Company in terms of Regulation 23(9) of the Listing Regulations submits on the date of publication of its standalone and consolidated financial results for the half-year, disclosures of related party transactions on a consolidated basis, in the format specified in the relevant accounting standards to the Stock Exchanges. The said disclosures can be accessed on the website of the Company at https://hginfra.com/investors-relation.html#open

PREVENTION AND REDRESSAL OF SEXUAL HARASSMENT POLICY, AND DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

Internal Complaints Committee (ICC):

The Company has instituted an Internal Complaints Committee (ICC) for redressal and timely management of sexual harassment complaints. The Committee is chaired by Company Secretary of the Company. The Committee also has an external senior representative member who is a subject matter expert. The Board is periodically updated on matters arising out of the policy/ framework, as well as on certain incidents, if any.

Policy on Prevention of Sexual Harassment at Workplace (POSH) and Awareness:

The Company has zero tolerance towards sexual harassment and is committed to provide a safe environment for all. The Company's policy is inclusive irrespective of gender or sexual orientation of an individual. It also includes situations around work from home scenarios.

To create awareness on this sensitive and important topic, training/awareness programs are conducted throughout the year to create sensitivity towards ensuring respectable workplace.

Pursuant to the said Act, the details regarding the number of complaints received, disposed and pending during the FY 2022-23, pertaining to incidents under the above framework/ law are as follows:

Particulars	Numbers
Number of complaints pending at the beginning of the financial year	NIL
Number of complaints received during the financial year	NIL
Number of complaints disposed off during the financial year	NIL
Number of complaints those remaining unresolved at the end of the financial year	NIL

SHAREHOLDERS AND INVESTORS

The Company regularly interacts with its shareholders and investors through results announcements, annual report, performance highlights, media releases, Company's website and subject-specific communications. The AGM gives the shareholders an opportunity to come in direct communication with the Board of Directors and the Management. During this meeting, the Board engages with shareholders and answers their queries on varied subjects.

The Company has a designated e-mail address for shareholders i.e. cs@hginfra.com.

The Investor Relations team also interacts regularly with investors and analysts, through quarterly results calls, one-on-one and group meetings, participation at investor conferences.

Investor and Analyst Interactions in FY 2022-23

Particulars	Q1	Q2	Q3	Q4	FY 2022-23
Total interactions	2	2	1	5	10

ENVIRONMENT HEALTH AND SAFETY (EHS) PROTECTION

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

HUMAN RESOURCE (HR) DEVELOPMENT

The Company has shown a strong growth trajectory over the years, driven by its successful execution of infrastructure projects and its focus on quality and timely delivery. FY 2022-23 has opened up new opportunity to grow and build a sustainable business landscape. To meet the organizational goals and make it a great place to work, HR department has following focus areas in FY 2023-24.

Fresh Talent Acquisition:

Frontline team plays crucial role in civil execution works. Company's core focus is to create robust frontline team in time efficient manner. Your Company is in the process to collaborate with various institutions for quality hiring of trainees.

Workplace Culture and Employee Experience:

Company's focus is on fostering an inclusive and diverse culture that promotes collaboration, transparency and open communication. Your Company is also prioritizing on the employee experience initiatives, ensuring that employees feel valued, supported, and empowered in their roles.

Managerial & Leadership Development Programs:

Managerial and Leadership Development Programs are of utmost importance for the Company. Through these programs, the Company will nurture and enhance the skills and capabilities of its managers and leaders, enabling them to effectively navigate complex challenges and drive organizational success.

SECRETARIAL STANDARDS

The Company has followed all applicable Secretarial Standards, issued by the Institute of Company Secretaries of India (ICSI).

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

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

(1) H.G. Varanasi-Kolkata PKG-13 Private Limited has been incorporated as a wholly owned subsidiary as a Special Purpose Vehicle (SPV) on April 25, 2023 for domiciling a project allotted by National Highways Authority of India i.e. "Construction of 6-lane Greenfield Varanasi-Ranchi-Kolkata Highway from junction with NH-320 in Lepo village to Kamlapur village (JH/WB border) from km 358.500 to km 387.200 under Bharatmala Pariyojana in the state of Jharkhand on Hybrid Annuity Mode (Package 13) on Hybrid Annuity Mode;

(2) H.G. Varanasi-Kolkata PKG-10 Highway Private Limited has been incorporated as a wholly owned subsidiary as a Special Purpose Vehicle (SPV) on April 27, 2023 for domiciling a project allotted by National Highways Authority of India i.e "Construction of 6-lane Greenfield Varanasi-Ranchi-Kolkata Highway from Deoria village to Donoreshan village from km 253.000 to km 288.600 under Bharatmala Pariyojana in the State of Jharkhand (Package 10) on Hybrid Annuity Mode; and

(3) Company has entered into Share Purchase Agreement on May 03, 2023 with Highways Infrastructure Trust ("Buyer"), Highway Concessions One Private Limited, H.G. Ateli Narnaul Highway Private Limited, H.G. Rewari Ateli Highway Private Limited, Gurgaon Sohna Highway Private Limited and H.G. Rewari Bypass Private Limited pursuant to which the Company shall sell its 100% (one hundred percent) shareholding in four wholly owned subsidiaries namely: (a) Gurgaon Sohna Highway Private Limited; (b) H.G. Rewari Ateli Highway Private Limited; (c) H.G. Ateli Narnaul Highway Private Limited: and (d) H.G. Rewari Bypass Private Limited, (collectively referred to as "SPVs") to the Buyer.

PARTICULARS OF EMPLOYEE REMUNERATION

The directors would like to place on record their sincere appreciation for the contributions made by employees of the Company at all levels. The ratio of the remuneration of each Director to the median employee's remuneration including other details and the list of top 10 employees in terms of remuneration drawn in terms of Section 197(12) of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is set out in "**Annexure-VII**" to this Report. Other details as required under Section 197(12) of the Act, read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is available on the website of the Company, at https://hginfra.com/investors-relation.html#btn-annual

INSIDER TRADING CODE

The Company has instituted a mechanism to avoid Insider Trading and abusive self-dealing in the securities of the Company. In accordance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 ('SEBI PIT Regulations'), the Company has established systems and procedures to prohibit insider trading activity and has framed the Code of Prohibition of Insider Trading (the "Code"). The Code of the Company prohibits the directors of the Company and other specified employees from dealing in the securities of the Company on the basis of any Unpublished Price Sensitive Information (UPSI), available to them by virtue of their position in the Company.

The objective of this Code is to prevent misuse of any UPSI and prohibit any insider trading activity, in order to protect the interest of the shareholders at large.

The Board of Directors of the Company has adopted the Code and formulated the Code of Practices and Procedures for Fair Disclosure in terms of the requirements of SEBI PIT Regulations. The Company Secretary has been appointed as the Compliance Officer for ensuring implementation of the Code.

The Code is available on the website of the Company at https://hginfra.com/investors- relation.html#btn-policy

DIRECTORS AND OFFICERS LIABILITY INSURANCE (D & O)

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

SUCCESSION PLANNING

The Nomination and Remuneration Committee of the Board oversees matters related to succession planning of Board and Senior Management of the Company. The Company understands that sound succession planning is essential for sustained growth of the Company.

The information about succession planning of Board and Senior Management of the Company is given in the Nomination and Remuneration Policy available on the website of the Company at https://hginfra.com/investors-relation.html#btn-policy

INDUSTRIAL RELATIONS

The Company's business is dependent on infrastructure projects awarded by government authorities/ private authorities funded by governments or by international and multilateral development finance institutions. The Company therefore must develop and maintain strategic alliances with other construction developers that undertake contracts for such infrastructure development projects and intend to continue to explore entering into Jointly Controlled Operations, consortia or sub-contract relationships for specific projects with certain of these contractors. In addition, the Company develop and maintain relationships and pre-qualified status with certain major clients and obtain a share of contracts from such clients.

ANNUAL REPORT

The MCA has issued General circular No.10/2022 dated December 28, 2022, read with General circular No. 02/2022 dated May 05, 2022, General Circular No. 21/2021 dated December 14, 2021, General Circular No. 19/2021 dated December 08, 2021, General Circular No. 02/2021 dated January 13, 2021, General Circular No. 28/2020 dated August 17, 2020, General Circular No.20/2020 dated May 05, 2020, General Circular No.18/2020 dated April 21, 2020 and the SEBI has issued Circular Nos. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 and SEBI/HO/CFD/CMD2/

CIR/P/2021/11 dated January 15, 2021 and Circular No. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022, SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 05, 2023 in relation to 'Relaxation from compliance with certain provisions of the Listing Regulations in view of the prevailing situation and owing to the difficulties involved in dispatching of physical copies of the Annual Report and the Notice convening the AGM.'

Members who wish to have physical copy may write to the Company Secretary of the Company at cs@hginfra.com or submit a written request to the Registered Office of the Company. In accordance with the aforesaid circulars, the web link of the Annual Report and the Notice convening the AGM of the Company is being sent in electronic mode only to members whose e-mail address are registered with the Company or the Depository Participant(s). Those members, whose email address are not registered with the Company or with their respective Depository Participant(s) and who wish to receive the Notice of the AGM and the Annual Report for the financial year ended March 31, 2023, can get their email address registered by following the steps as detailed in the Notice convening the AGM.

The Annual Report of the Company and its subsidiaries are available on the Company website viz., https://hginfra.com/investors-relation.html#btn-annual

ANNUAL RETURN

In accordance with the provisions of Section 134(3) read with Section 92(3) of the Act, the Annual Return as on March 31, 2023 is available on the website of the Company and can be viewed at https://hginfra.com/investors-relation.html#btn-annual. By virtue of amendment to Section 92(3) of the Act, the Company is not required to provide an extract of the Annual Return (Form MGT-7) as part of the Board's Report.

OTHER DISCLOSURES

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

(1) As per rule 4(4) of 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) of 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) of the Companies (Share Capital and Debentures) Rules, 2014, the Company has not issued equity shares under the scheme of employee stock option;

(4) Neither the Managing Director nor the Whole Time Directors of the Company receive any remuneration or commission from any of its subsidiaries except sitting fees as entitled as a Non-Executive Directors in subsidiary companies;

(5) Since the Company has not formulated any scheme of provision of money for purchase of own shares by employees or by the trustee for benefit of the employees in terms of Section 67(3) of the Act, no disclosures are required to be made;

(6) There was no revision of financial statements and the Board's Report of the Company during the year under review;

(7) There has been no change in the nature of business of the Company;

(8) No application has been made under the Insolvency and Bankruptcy Code, hence the requirement to disclose the details of the application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year along with their status as at the end of the financial year is not applicable; and

(9) The requirement to disclose the details of the difference between the amount of the valuation done at the time of one- time settlement and the valuation done while taking a loan from the Banks or Financial Institutions along with the reasons thereof, is not applicable.

APPRECIATION AND ACKNOWLEDGEMENT

The Directors would like to express their appreciation and thank the Government of India, the Governments of various states in India, and concerned Government departments and agencies for the continued help and cooperation extended by them. The Directors also gratefully acknowledge all stakeholders of the Company viz. clients, members, vendors, banks and other business partners for the excellent support received from them during the year and look forward to their continued support in future.

The Directors place on record their sincere appreciation to all employees of the Company for their unstinted commitment and continued contribution to the Company.

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

Harendra Singh
Chairman & Managing Director
DIN: 00402458

Place: Jaipur
Date: May 10, 2023

Annexure-I to Board's Report

Form AOC - 1

Statement containing salient features of the financial statement of Subsidiaries / Associates Companies / Joint Ventures

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

Part "A" : Subsidiaries

(Amount in ₹ Million)

S. No.	Particulars	Details									
1.	S. No.	01	02	03	04	05	06	07	08	09	10
2.	Name of the subsidiary	Gurgaon Sohna Highway Private Limited	H.G. Ateli Narnaul Highway Private Limited	H.G. Rewari Ateli Highway Private Limited	H.G. Rewari Bypass Private Limited	H.G. Raipur Visakhapatnam AP-1 Private Limited	H.G. Khammam Devarapalle PKG-1 Private Limited	H.G. Khammam Devarapalle PKG-2 Private Limited	H.G. Raipur Visakhapatnam OD-6 Private Limited	H.G. Raipur Visakhapatnam OD-5 Private Limited	H.G. Karnal-Ringroad Private Limited
3.	The date since when subsidiary was acquired	April 06, 2018	April 04, 2019	April 08, 2019	May 01, 2020	August 19, 2021	October 14, 2021	October 14, 2021	November 22, 2021	November 24, 2021	March 21, 2023
4	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
5	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
6	Share capital	660.30	952.11	382.25	12.28	3.81	8.50	10.25	11.38	6.76	1.50
7	Reserves & surplus	461.31	676.21	556.19	777.88	920.34	580.47	477.75	881.62	1,401.19	-
8	Total assets	3,875.10	5,015.07	2,978.94	2,817.21	2,520.20	1,003.86	893.79	2,711.37	4,108.24	1.53
9	Total liabilities	2,753.49	3,386.75	2,040.50	2,027.05	1,596.05	414.89	405.79	1,818.37	2,700.29	0.03
10	Investments	-	-	-	-	-	-	-	-	-	-
11	Turnover	414.30	814.36	606.34	2,416.65	3,188.20	464.87	438.61	3,813.58	4,685.76	0.03
12	Profit before Taxation	72.49	272.16	121.20	195.60	83.93	14.59	12.51	89.71	84.85	-
13	Provision for Taxation	19.19	69.00	30.79	49.44	21.12	3.67	3.15	22.58	21.36	-
14	Profit after Taxation	53.30	203.16	90.41	146.16	62.81	10.92	9.36	67.13	63.49	-
15	Proposed Dividend	-	-	-	-	-	-	-	-	--	-
16	Extent of shareholding (%)	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

1. Names of subsidiaries which are yet to commence operations - H.G. Karnal-Ringroad Private Limited
2. Names of subsidiaries which have been liquidated or sold during the year- Not Applicable

Note: Company has entered into Share Purchase Agreement on May 03, 2023 with Highway Infrastructure Trust ("Buyer"), Highway Concessions One Private Limited, H.G. Ateli Narnaul Highway Private Limited, H.G. Rewari Ateli Highway Private Limited, Gurgaon Sohna Highway Private Limited and H.G. Rewari Bypass Private Limited pursuant to which the Company shall sell its 100% (one hundred percent) shareholding in four wholly owned subsidiaries namely: (a) Gurgaon Sohna Highway Private Limited; (b) H.G. Rewari Ateli Highway Private Limited; (c) H.G. Ateli Narnaul Highway Private Limited: and (d) H.G. Rewari Bypass Private Limited, (collectively referred to as "SPVs") to the Buyer.

Part "B": Associates and Joint Ventures

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

(Amount in ₹ Million)

1.	Type (Associates/Joint Ventures)	Jointly Controlled Operations*		Associate	
2.	Name of Associates/Joint Ventures	HGIEPL – RANJIT JV	HGIEPL – MGCPL JV	Safety First Engineering Private Limited	M/s Safety First (Partnership Firm)
3.	Date on which the Associate or Joint Ventures was associated or acquired	May 15, 2015	August 30, 2014	August 24, 2022	August 30, 2022
4.	Latest audited Balance Sheet Date	March 31, 2023	March 31, 2023	March 31, 2023	March 31, 2023
5.	Shares of Associate/ Joint Ventures held by the company on the year end				
	i) Number	-	-	1,23,465 Equity Shares	-
	ii) Amount of Investment in Associates/ Joint Venture	2.87	0.05	86.49	3.51
	iii) Extend of Holding %	30%	30%	26%	26%
6.	Description of how there is significant influence	The Company holds more than 20% of total voting power	The Company holds more than 20% of total voting power	The Company holds more than 20% of total voting power	The Company holds more than 20% of total voting power
7.	Reason why the associate/ JointlyControlled Operations is not consolidated	Not Applicable	Not Applicable	Ratio in profit/ loss considered	Ratio in profit/loss considered
8.	Net worth attributable to Shareholding as per latest audited Balance Sheet	3.63	0.05	23.06	35.51
9.	Profit / Loss for the year				
	i) Considered in Consolidation	i) 0.03	i) 0.07	i) (-) 0.33	i) 11.62
	ii) Not Considered in Consolidation	ii) 0.08	ii) 0.16	ii) (-) 0.95	ii) 33.08

** HGIEPL – RANJIT JV, HGIEPL – MGCPL JV and HGIEPL – RPS JV are Jointly Controlled Operations of the Company. The standalone financial statements of the Company include aforesaid jointly controlled operations consolidated on proportionate basis.*

Notes:

1. Names of associates or joint ventures which are yet to commence operations: Not Applicable
2. Names of associates or joint ventures which have been liquidated or sold or un-associated during the year: Not Applicable
3. During the period under review, HGIEPL-RPS JV has dissolved on October 04, 2022.

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

Harendra Singh
Chairman & Managing Director
DIN-00402458

Rajeev Mishra
Chief Financial Officer

Ankita Mehra
Company Secretary
M. No. - A33288

Place: Jaipur
Date- May 10, 2023

Annexure-II to Board's Report

Dividend Distribution Policy

PREAMBLE

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

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

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

REGULATORY FRAMEWORK

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

OBJECTIVE AND SCOPE

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

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

- The circumstances under which the shareholders may or may not expect dividend;
- The financial parameters and internal and external factors that shall be considered for declaration of dividend;
- Policy as to how the retained earnings shall be utilized; and
- Parameters that shall be adopted with regard to various classes of shares.

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

FACTORS TO BE CONSIDERED BEFORE DECLARING DIVIDEND

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

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

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

- Due to uncertain or recessionary economic and business conditions;
- Due to operation of any law in force;
- Due to losses incurred by the Company and the Board consider it appropriate not to declare dividend for any particular year;

- Due to any significant expansion plans of the Company;
- Due to any restrictions on payment of dividend imposed by any regulator or prevailing legal requirements, regulatory conditions or restrictions laid down under the applicable laws including tax laws; and
- Any other extraordinary circumstances.

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

USE OF RETAINED EARNINGS

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

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

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

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

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

DIVIDEND INFORMATION

Information on the dividends paid in the last five years will be made available on the Company's Website viz. www.hginfra.com

DISCLOSURE & AMENDMENT/REVIEW OF POLICY

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

VARIATION

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

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

Annexure-III to Board's Report

Form No. AOC-2

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

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

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

There were no contracts or arrangements or transactions entered into during the year ended March 31, 2023, which were not at arm's length basis.

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

(Amount in ₹ Million)

S. No	Name(s) of the related party and nature of the relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements / transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board, if any	Amount received/ (paid) as advances, if any
1	H.G. Khammam Devarapalle PKG-1 Private Limited (A Wholly Owned Subsidiary Company)	Engineering Procurement Construction (EPC) Contract with (HGKD PKG-1)	With effect from September 12, 2022 and shall remain in force and effect either, Change in law amount, Change in scope amount or termination date	**EPC contract date: September 12, 2022** **Project:** Construction of 4 lane Access Controlled New Greenfield Highway Section of NH-365BG (Khammam-Devarapalle) of length 33.604 km from Thallampadu village to Somavaram village (Design Chainage 0+000 to 33+604) under Inter Corridor Route under Bharatmala Pariyojana on Hybrid Annuity mode in the state of Telangana. (Package-I) Amount of Contract: ₹6,850 Million (Rupees Six Thousand Eight Hundred Fifty Million Only) is exclusive of price escalation, if any. **Mobilization advance:** (HGKD PKG-1) shall at the request of EPC contractor H.G Infra Engineering Limited (HGIEL) make available to HGIEL, interest free advance payment upto 10% of the EPC cost as at the date of this EPC agreement. Deduction of the aforesaid advance would be recovered in Eight equal installments aligned with the recovery of Advance from the milestone payment to be made by the Authority to (HGKD PKG-1). **Material advance:** Non-Perishable materials brought to site – 75% of invoice value of the materials shall be payable. **Insurance:** All required insurance during the construction period shall be arrange and borne by (HGKD PKG-1) except Work Compensation Policy (WCP). **Time schedule:** HGIEL shall complete work/ achieve Commercial Operation Date (COD) within the time period as permitted in concession agreement.	November 08, 2021	479.50

(Amount in ₹ Million)

S. No	Name(s) of the related party and nature of the relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements / transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board, if any	Amount received/ (paid) as advances, if any
2	H.G. Khammam Devarapalle PKG-2 Private Limited (A Wholly Owned Subsidiary Company)	Engineering Procurement Construction (EPC) Contract with (HGKD PKG-2)	With effect from May 21, 2022 and shall remain in force and effect either, Change in law amount, Change in scope amount or termination date	**EPC contract date: May 21, 2022** **Project:** Construction of 4 lane Access Controlled New Greenfield Highway Section of NH-365BG (Khammam-Devarapalle) of length 29.513 km from Somavaram village to Chintagudem village (Design Chainage 33+604 to 63+117) under Inter Corridor Route under Bharatmala Pariyojana on Hybrid Annuity mode in the State of Telangana (Package-II). **Amount of Contract:** ₹5,650 Million (Rupees Five Thousand Six Hundred Fifty Million Only) is exclusive of price escalation, if any. **Mobilization advance:** (HGKD PKG-2) shall at the request of EPC contractor H.G Infra Engineering Limited (HGIEL) make available to HGIEL, interest free advance payment upto 10% of the EPC cost as at the date of this EPC agreement. Deduction of the aforesaid advance would be recovered in Eight equal installments aligned with the recovery of Advance form the milestone payment to be made by the Authority to (HGKD PKG-2). **Material advance:** Non-Perishable materials brought to site – 75% of invoice value of the materials shall be payable. **Insurance:** All required insurance during the construction period shall be arrange and borne by HGKD2PL except Work Compensation Policy (WCP). **Time schedule:** HGIEL shall complete work/ achieve Commercial Operation Date (COD) within the time period as permitted in concession agreement.	November 08, 2021	395.50

**Amount as on March 31, 2023*

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

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

Harendra Singh
Chairman & Managing Director
DIN-00402458

Place: Jaipur
Date: May 10, 2023

Annexure-IV to Board's Report

Annual Report on Corporate Social Responsibility (CSR) Activities

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

1. Brief outline on CSR Policy:

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

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

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

a) **HEALTHCARE:** Promoting healthcare including preventive healthcare and sanitation, eradicating hunger, poverty and malnutrition and making available safe drinking water, providing financial support for healthcare, conducting health camps and providing consultation, medicines etc.

b) **EDUCATION:** Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects, providing support at every stage of a child's educational cycle including but not limited to developing infrastructure for schools/educational centers/ universities/hostels, scholarships including financial support to students for education, conducting education programs, skill development and vocational training, support to sports for development of students in both urban and rural settings, digital literacy initiatives and other holistic education initiatives for rural & urban youth.

c) **RURAL DEVELOPMENT:** Improving water conservation and rain-water harvesting, developing community infrastructure and strengthening rural areas by improving accessibility, education, healthcare, housing, street roads /lights, drinking water, sanitation, power and livelihoods, thereby creating sustainable villages.

d) **GENDER EQUALITY AND EMPOWERMENT OF WOMEN:** Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centers and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups.

e) **ENVIRONMENTAL SUSTAINABILITY:** Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources, maintaining quality of soil, air and water, tree plantation, promoting renewable energy and developing gardens.

f) **NATIONAL HERITAGE, ART AND CULTURE:** Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts and preserving & promoting music and sports.

g) **DISASTER RESPONSE:** Supporting disaster management, including relief, rehabilitation and reconstruction activities and provide relief and assistance to victims of disasters and calamities.

h) **CONTRIBUTION TO FUNDS:** Contribution to various funds, projects, universities, bodies, departments, etc. as specified in Schedule VII of the Companies Act, 2013.

i) **OTHER INITIATIVES:** Other need-based initiatives in compliance with Schedule VII of the Companies Act, 2013 and amendments thereto from time to time.

2. **Composition of CSR Committee:**

Sr. No.	Name of Director	Designation/Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. Vijendra Singh	Chairman - Whole-time Director	3	3
2.	Mr. Harendra Singh	Member - Managing Director	3	3
3.	Mr. Manjit Singh(i)	Member - Independent Director	3	2
4.	Mr. Onkar Singh(ii)	Member- Independent Director	3	1
5.	Mr. Dinesh Kumar Goyal	Member - Whole-time Director	3	3
6.	Ms. Sharada Sunder(iii)	Member - Independent Director	3	0

(i) Mr. Manjit Singh was appointed as a Member of the CSR Committee with effect from September 07, 2022.

(ii) Mr. Onkar Singh was ceased to be a member of the CSR Committee with effect from September 07, 2022.

(iii) Ms. Sharada Sunder was appointed as a Member of the CSR Committee with effect from February 08, 2023.

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

   https://www.hginfra.com/corporate-social-responsibility.html

4. **Executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of Rule 8(3) of the Companies (Corporate Social Responsibility Policy) Rules, 2014:** Not Applicable

5. (a) **Average net profit of the company as per section 135 (5) of the Act:** ₹3,298.92 Million

   (b) **Two percent of average net profit of the Company as per section 135 (5) of the Act:** ₹65.98 Million

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

   (d) **Amount required to be set off for the financial year, if any:** Nil

   (e) **Total CSR obligation for the financial year (b+c-d):** ₹65.98 Million

6. (a) **Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project):** ₹65.98 Million

   (b) **Amount spent in Administrative Overheads:** Nil

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

   (d) **Total amount spent for the Financial Year (a+b+c):** ₹65.98 Million

   (e) **CSR amount spent or unspent for the financial year:**

(Amount in ₹ Million)

Total Amount Spent for the Financial Year	Amount Unspent				
	Total Amount transferred to Unspent CSR Account as per section 135 (6) of the Act		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135 (5) of the Act		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
65.98	-	-	-	-	-

Note: The surplus of ₹0.01 Million arising as an interest income earned by the implementing agency partner on outstanding funds with the bank had also been utilised for the CSR project in addition to the CSR obligation of ₹65.98 Million for the financial year 2022-23.

   (f) **Excess amount for set off, if any:**

Sr. No.	Particular	Amount (in ₹ Million)
(i)	Two percent of average net profit of the company as per section 135 (5) of the Act	65.98
(ii)	Total amount spent for the Financial Year	65.98
(iii)	Excess amount spent for the financial year [(ii)-(i)]	-
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	-

7. **Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:**

(Amount in ₹ Million)

S. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under subsection (6) of section 135 of the Act	Balance Amount in Unspent CSR Account under subsection (6) of section 135 of the Act as on April 01, 2022	Amount Spent in the reporting financial year	Amount transferred to a Fund as specified under Schedule VII as per second proviso to subsection (5) of section 135 of the Act, if any		Amount remaining as on March 31, 2023 to be spent in succeeding financial years	Deficiency , if any
					Amount	Date of Transfer		
1	2021-22	13.44	13.44	13.44	-	-	-	-

8. **Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:** No

9. **Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135 (5) of the Act:** Not Applicable

For and on behalf of the CSR Committee

Place: Jaipur
Date: May 10, 2023

Sd/-
Harendra Singh
Managing Director

Sd/-
Vijendra Singh
Chairman, CSR Committee

Annexure-V to Board's Report

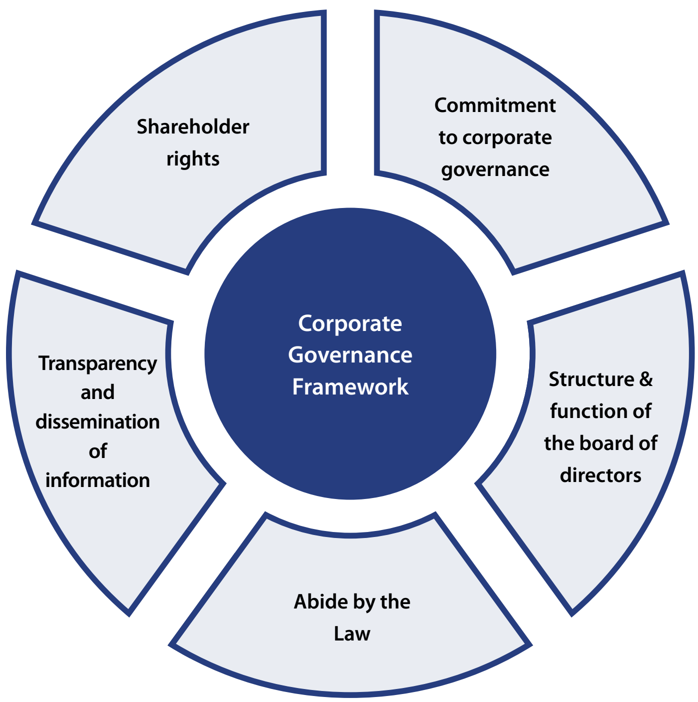
Corporate Governance Report

HGIEL'S GOVERNANCE PHILOSOPHY

H.G. Infra Engineering Limited (the 'Company' or 'HGIEL') believes that corporate governance is an ethically-driven business process that enables an organization to perform efficiently and ethically, generate long-term wealth and create value for all its stakeholders.

Good Corporate governance practices stem from the dynamic culture and positive mindset of the organization and it is a reflection of its core values and principles, practices, policies and relationship with its stakeholders. The Company endeavours to uphold the principles and practices of Corporate Governance to ensure transparency, integrity and accountability in its functioning, which are vital to achieving its Vision of being the most admired and most trusted infrastructure company in India.

Further, the Company strives for the highest standards of ethical and sustainable conduct of business to create enduring values for its stakeholders. The Company has established systems and procedures to ensure that its Board of Directors is well-informed and well-equipped to fulfill its overall responsibilities and to provide management with the strategic direction needed to create long-term shareholders value.



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

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

HGIEL GOVERNANCE STRUCTURE

The Company's corporate structure, business, operations and disclosure practices have been strictly aligned with our Corporate Governance Philosophy. HGIEL holds the belief that governance is a continuous journey as a result of the ever-evolving developments in the business environment, both internally and externally.

The governance structure at HGIEL comprises of :

i) Board of Directors,

ii) Committees of the Board, and

iii) Senior Management.

ROLE AND RESPONSIBILITIES OF CONSTITUENTS OF GOVERNANCE STRUCTURE

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

The primary role of the Board is that of trusteeship – to protect and enhance shareholder value. As trustees, the Board has a fiduciary responsibility to ensure that the Company has clear goals aligned to shareholder value and its growth. The Board of Directors along with its committees provides leadership and guidance to the Company's management and supervises the Company's performance. The Board's actions and decisions are aligned with the Company's best interest. The Senior Management work under adequate oversight of the Board and its Committees.

ETHICS/GOVERNANCE POLICIES

For effective implementation of Corporate Governance practices and to ensure that the organization is run in a transparent, ethical manner, promoting good business practices, the Company has a well-defined code/policy framework. These codes and policies are available on the Company's website at https://www.hginfra.com/investors-relation.html#btn-policy

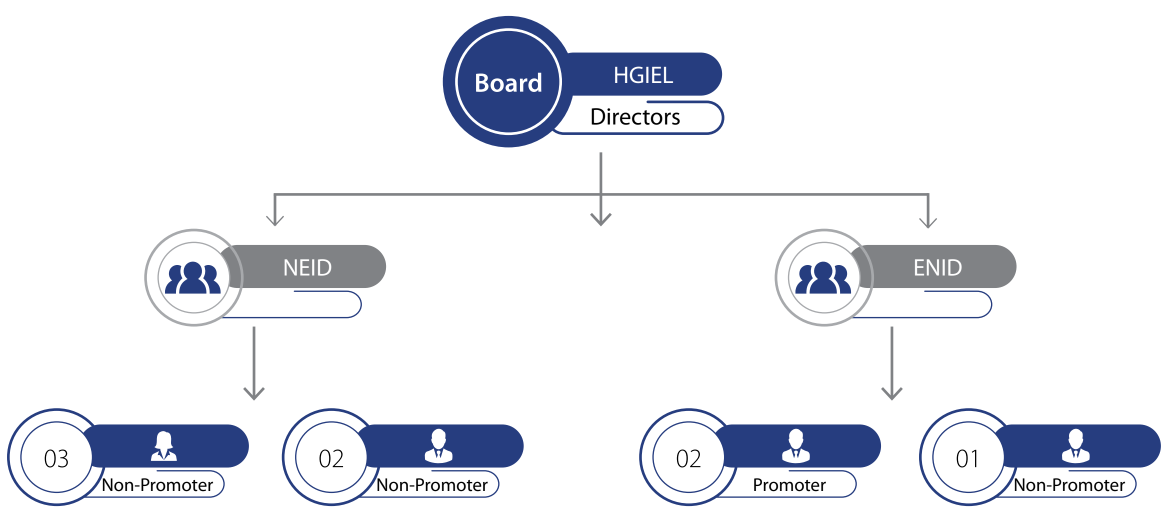
A. BOARD OF DIRECTORS

a. Board Composition and Category of Directors

The Company believes in a well-balanced Board which enriches Board discussions and enables effective decision-making. The Board has an optimal mix of Executive and Non-Executive Directors including Independent Directors.

The composition of the Board is in conformity with the requirements of Regulation 17(1) of the Listing Regulations as well as Section 149 of the Companies Act, 2013 (the 'Act') read with the Rules made thereunder.

As on March 31, 2023, and as of the date of this Report, our Board is comprised of Eight Directors, consisting of one executive Chairman (Promoter), two executive Directors (One promoter and one non-promoter), five Non-executive Independent Director (Out of which three are independent women directors).



Acronymes:

NEID: Non-Executive Independent Director | ENID: Executive Non-Independent Director

The Board members came from diverse backgrounds and possess rich expertise in their respective fields including competencies required in the context of the Company's businesses.

Based on the confirmations/ disclosures received from the Independent Directors, the Board is of the opinion that the Independent Directors fulfill the conditions specified in the Listing Regulations and are Independent of the Management. Independent Directors comprise more than half of the total strength of the Board.

b. Details of Board of Directors and other Directorship Membership/ Chairpersonship in Committees and shareholding held by them:

S. No.	Name of Director, DIN and Designation	Category	No. of Shares and Convertible Instruments, if any, held as on March 31, 2023*	Directorship in other Companies	No. of Statutory Committee(s) of Board of Directors of other companies of which the director is Member/ Chairperson
1	Mr. Harendra Singh DIN: 00402458 Chairman & Managing Director	Executive Non-Independent Director (Promoter)	100	-	-
2	Mr. Vijendra Singh DIN: 01688452 Whole-time Director	Executive Non-Independent Director (Promoter)	100	-	-
3	Mr. Dinesh Kumar Goyal DIN: 02576453 Whole-time Director	Executive Non-Independent Director	1055	-	-
4	Mr. Ashok Kumar Thakur DIN: 07573726 Director	Non-Executive Independent Director	-	2	3
5	Ms. Pooja Hemant Goyal DIN: 07813296 Director	Non-Executive Independent Director	-	1	2
6	Mr. Manjit Singh DIN: 02759940 Director	Non-Executive Independent Director	-	-	-
7	Ms. Sharada Sunder DIN: 07599164 Director	Non-Executive Independent Director	-	-	-
8	Ms. Monica Widhani DIN: 07674403 Director	Non-Executive Independent Director	-	2	3

** There are no Convertible Instruments held by any director as on March 31, 2023.*

Notes:

(i) Directorships held in Public Limited Companies have been considered excluding HGIEL and its Subsidiaries, Private Limited Companies, Section 8 Companies, and Foreign Companies.

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

(iii) Further, none of the directors serve as a director in more than 7 listed Companies, across all their directorships held, including that in the Company and none of the Directors of the Company is a member of more than 10 Committees or Chairman of more than 5 Committees across all the public companies in which he/ she is a Director in line with the Listing Regulations.

(iv) For the purpose of considering the Committee Memberships and Chairpersonship, only membership/ chairpersonship of the Audit Committee and Stakeholders Relationship Committee have been considered as per Regulation 26 of Listing Regulations, excluding Committee membership/ chairpersonship in HGIEL.

(v) Mr. Manjit Singh was appointed as an Additional Director (Independent) w.e.f. May 13, 2022 and was regularized as an Independent Director in the 20th AGM of the Company held on August 03, 2022 for a term of five consecutive years.

(vi) Mr. Harendra Singh has been reappointed as Managing Director for a second term of five consecutive years w.e.f. May 15, 2022.

(vii) Mr. Vijendra Singh has been reappointed as Whole-time Director for a second term of five consecutive years w.e.f. May 15. 2022.

(viii) Mr. Ashok Kumar Thakur has been reappointed as an Independent Director for a second term of five consecutive years w.e.f. May 15, 2022.

(ix) Ms. Pooja Hemant Goyal has been reappointed for a second term in the office of Independent Director w.e.f. May 15, 2022 for a term of three years.

(x) Mr. Onkar Singh ceased to hold the office of Independent Director w.e.f. September 07, 2022 (closing business hours) upon completion of his first term as an Independent Director.

(xi) Ms. Sharada Sunder was appointed as an Additional Director (Independent) w.e.f. February 08, 2023 and was regularized as an Independent Director in Extra Ordinary General Meeting of the Company held on May 04, 2023 for a term of five consecutive years.

(xii) Ms. Monica Widhani was appointed as an Additional Director (Independent) w.e.f. February 08, 2023 and was regularized as an Independent Director in the Extra Ordinary General Meeting of the Company held on May 04, 2023 for a term of five consecutive years.

c. Details of Directorship in other Listed Entities

Pursuant to Part C of Schedule V of the Listing Regulations, details of Directorship in other listed entity (ies) and category of Directorship as on March 31, 2023 of directors, are mentioned below:

S. No.	Name of Director	Company	Category of Directorship	Member/Chairperson of Committee
1	Mr. Harendra Singh	-	-	-
2	Mr. Vijendra Singh	-	-	-
3	Mr. Dinesh Kumar Goyal	-	-	-
4	Mr. Ashok Kumar Thakur	Navkar Corporation Limited	Non-Executive-Independent Director	1. Chairperson, Audit Committee 2. Member, Nomination and Remuneration Committee 3. Chairperson, Stakeholders Relationship Committee
		Choice International Limited	Non-Executive-Independent Director	1. Chairperson, Audit Committee 2. Chairperson, Nomination and Remuneration Committee 3. Member, Risk Management Committee
5	Ms. Pooja Hemant Goyal	Navkar Corporation Limited	Non-Executive-Independent Director	1. Member, Audit Committee 2. Chairperson, Nomination and Remuneration Committee 3. Member, Stakeholders Relationship Committee 4. Chairperson, Risk Management Committee 5. Chairperson, Corporate Social Responsibility Committee
6	Mr. Manjit Singh	-	-	-
7	Ms. Sharada Sunder	-	-	-
8	Ms. Monica Widhani	ABB India Limited	Non-Executive-Independent Director	1. Member, Audit Committee 2. Member, Stakeholders Relationship Committee 3. Member, Corporate Social Responsibility Committee
		Gujarat Pipavav Port Limited	Non-Executive-Independent Director	1. Member, Audit Committee

d. Inter-se Relationship among Directors

Except Mr. Harendra Singh and Mr. Vijendra Singh, none of the Directors is a relative of other Director(s). Mr. Harendra Singh, Chairman & Managing Director and Mr. Vijendra Singh, Whole-time Director are brothers.

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

e. Matrix of skills/expertise/competencies of the Board of Directors

The Board of Directors is structured with a thoughtful combination of a wide range of skills, expertise, competencies, and experience which brings diversity to the Board's perspectives, enhances the overall board's effectiveness, and makes effective contributions to the Board and its Committees.

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

In terms of the requirements of the Listing Regulations, the Board has identified the core skills/expertise/ competencies of Directors which are relevant in the context of the Company's business(es). Broadly, the essential skill sets identified by the Company are categorized as under:

Leadership	Planning & Policy Making
Leadership experience for a significant enterprise, resulting in a practical understanding of organizations, processes, strategic planning, and risk management. Demonstrated strengths in developing talent, planning succession, and driving change and long-term growth.	Extended planning experience for enterprises, and appreciation of long-term trends, strategic choices and experience in guiding and leading management teams to make decisions in uncertain environments.
Engineering	**Technical**
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.	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	**Legal**
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.	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.
Corporate Governance	
Commitment, belief and experience in setting Corporate Governance Practices to support the Company's robust legal compliance systems and governance policies/practices.	

The Skill mapping at the Individual Director level for the Financial Year 2022-23 is as follows:

Name of Director	Area of Expertise						
	Leadership	Planning & Policy Making	Engineering	Technical	Finance	Legal	Corporate Governance
Mr. Harendra Singh	👤	👤	👤	👤	👤	👤	👤
Mr. Vijendra Singh	👤	👤	👤	👤	👤	👤	👤
Mr. Dinesh Kumar Goyal	👤	👤	👤	👤	👤	👤	👤
Mr. Ashok Kumar Thakur	👤	👤	--	--	👤	--	👤
Ms. Pooja Hemant Goyal	👤	--	--	--	--	👤	👤
Mr. Manjit Singh	👤	👤	--	👤	👤	👤	👤
Ms. Sharada Sunder	👤	👤	--	--	👤	--	👤
Ms. Monica Widhani	👤	👤	--	--	👤	--	👤

f. Boards Independence

The Act and Listing Regulations define an 'independent director' as a person who, including his / her relatives, is or was not a promoter or employee or key managerial personnel of the company or its subsidiaries. Further, the person and his / her relatives should not have a material pecuniary relationship or transactions with the company or its subsidiaries, during the three immediately preceding financial years or during the current financial year, apart from receiving remuneration as an independent director. The Company abides by these guidelines and rules.

Based on the disclosures received from all independent directors and in the opinion of the Board, all the Independent Directors fulfil the criteria prescribed under Regulation 16(1)(b) of the Listing Regulations and Section 149(6) of the Act and are independent of the management of the Company. Further, all the independent directors of the company are abiding by the "Code for Independent Directors" as outlined in Schedule IV of the Act.

Further, Every Independent Director, at the first meeting of the Board in which he/she participates as a Director and thereafter at the first meeting of the Board in every financial year, gives a declaration that he/she meets the criteria of independence as provided under the law and that he/she is not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact his / her ability to discharge his / her duties with an objective independent judgment and without any external influence. In the opinion of the Board, the Independent Directors fulfil the conditions specified in the Listing Regulations and are independent of the management.

Familiarization Programme imparted to Independent Directors

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

Senior management personnel of the Company make presentations to the Board Members on a periodical basis, briefing them on the operations of the Company, plans, strategy, risks involved, new initiatives, etc., and seek their opinions and suggestions on the same. In addition, the Directors are briefed on their specific responsibilities and duties that may arise from time to time.

All new Independent Directors who join the Board are presented with a familiarization program consisting of a brief background of the Company, its operations. Further, they are also introduced to the organization structure, services, Group structure and subsidiaries, constitution, Board procedures, major risks and risk management strategy along with important codes and policies of the Company.

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

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

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

Pursuant to Regulation 46 of the Listing Regulations, the details of the familiarization programme attended by Independent Directors during the Financial Year 2022-23 along with attendance on a cumulative basis are available on the Company's website and can be accessed through the Web-link: https://hginfra.com/pdf/familarization-programmee-on-independent-director.pdf .

Separate Meetings of independent directors

For the Board to exercise free and fair judgment in all matters related to the functioning of the Company as well as the Board, it is important for independent directors to have meetings without the presence of the executive management. Section 149(8) read with Schedule IV ("Code for Independent Directors") of the Act and Regulation 25 (3) of the Listing Regulations has mandated that the independent directors of the Company shall hold at least one meeting in a year, without the attendance of non-independent directors and members of the Management.

During the financial year, a separate meeting of Independent Directors of the Company was held on

May 12, 2022. At this meeting, the independent directors, among other matters, reviewed the performance of non-independent directors and the board of directors as a whole, assess the quality, quantity and timely flow of information between the company management and the board and also reviewed the performance of the Chairman of the Company.

The details of the meetings and attendance of independent directors at the separate meeting for the financial year 2022-23, are given below:

Name	Date of Meeting 12-05-2022	Held during tenure	Attended	% of Attendance
Mr. Ashok Kumar Thakur		1	1	100
Mr. Onkar Singh		1	1	100
Ms. Pooja Hemant Goyal		1	1	100

g. Resignation of Independent Director before Expiry of term

None of the Independent Directors of the Company have resigned before the expiry of their tenure. Thus, disclosure of detailed reasons for their resignation along with their confirmation that there are no material reasons, other than those provided by them is not applicable.

h. Board Meetings

The Board Meetings are convened by giving appropriate notice well in advance, to enable directors to deliberate on each agenda item and make informed decisions and provide appropriate directions to the management in this regard.

The meetings of the Board and its Committees are generally held at the Corporate Office of the Company in Jaipur, Rajasthan. In view of the relaxations granted by the regulatory authorities, the meetings of the Board and its Committees were also held via video-conferencing during the financial year 2022-23. The video-conferencing facility or other audio-visual means are also provided at the Board/Committee meetings in case any director/member is unable to physically remain present at the meetings but wishes to participate in the meetings.

The Company Secretary prepares the agenda and the explanatory notes, in consultation with the Chairman & Managing Director and circulates the same in advance to all the Directors. The Board has unfettered and complete access to all the information within the Company. The Board have complete freedom to express their views on the agenda items and can discuss any matter at the Meeting with the permission of the Chairman.

The Board usually meets once in a quarter, inter-alia to review the Company's quarterly performance and financial results, to consider business strategies, and their implementation, and also review risk, audit, control, compliance and other related matters. The Board also reviews the performance of its subsidiary companies at regular intervals.

Senior management personnel are also invited to provide additional inputs for the items being discussed by the Board of Directors as and when necessary. The respective Chairman of the Board Committees apprises the Board Members of the important issues and discussions in the Committee Meetings.

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

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

During the financial year 2022-23, 4 (Four) Board meetings were held which were in requirement with the provision of the Act. The meetings of the Board have been held at regular intervals with a time gap of not more than 120 days between two consecutive Meetings. Further, during the financial year 2022-23, the Board has passed the resolutions by circulation on May 13, 2022 and January 30, 2023, the Audit Committee has passed the resolution by circulation on July 02, 2022 and Nomination and Remuneration Committee has passed the resolution by circulation on January 30, 2023, in line with the Act.

The frequency of and quorum etc. at these meetings were in conformity with the provisions of the Act, Regulation 17 of the Listing Regulations and Secretarial Standard (SS-1) issued by the Institute of Company Secretaries of India (ICSI). All the Board members, Key managerial personnel (KMPs) and Senior management have affirmed compliance with the Code of Conduct for Board Members and Senior Management during the financial year ended on March 31, 2023.

Attendance of Directors at the Meetings

The details of attendance of Directors at the Board meetings and at the last annual general meeting (AGM) are given below:

S. No.	Name of the Director	AGM	Board Meetings				Held during tenure	Attended	% of attendance
		03-08-2022	23-05-2022	01-08-2022	09-11-2022	08-02-2023			
1	Mr. Harendra Singh						5	5	100
2	Mr. Vijendra Singh						5	5	100
3	Mr. Dinesh Kumar Goyal						5	5	100
4	Mr. Onkar Singh				--	--	3	3	100
5	Mr. Ashok Kumar Thakur						5	5	100
6	Ms. Pooja Hemant Goyal						5	5	100
7	Mr. Manjit Singh						5	5	100
8	Ms. Sharada Sunder	--	--	--	--	--	0	0	0
9	Ms. Monica Widhani	--	--	--	--	--	0	0	0

B. BOARD COMMITTEES

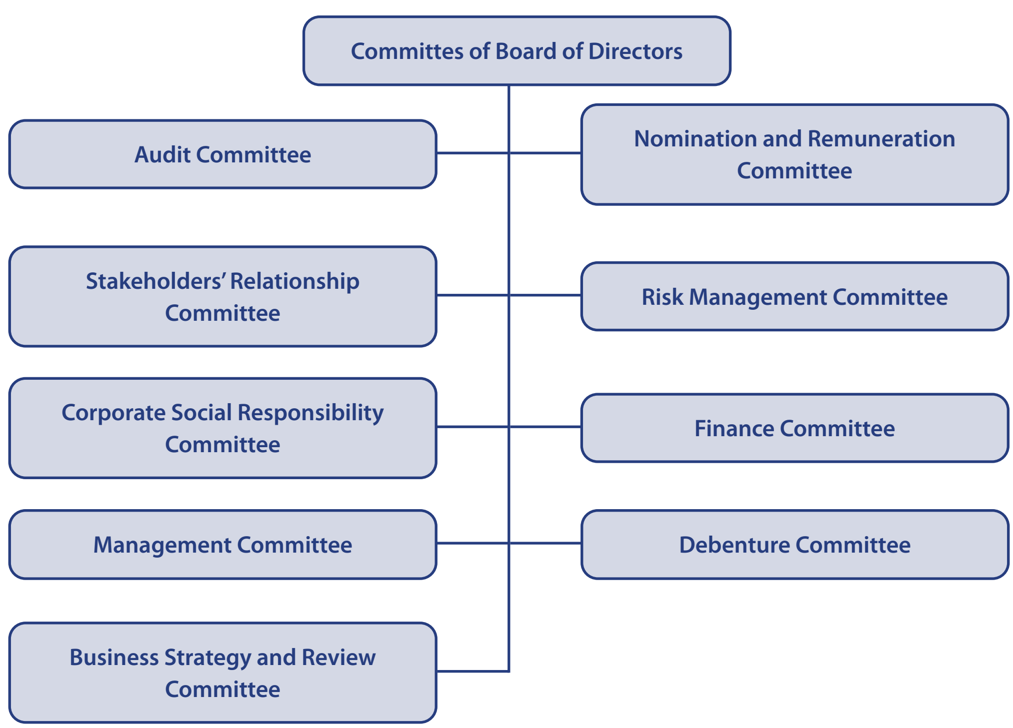
The Board has constituted various sub-committees to focus on specific areas and make informed decisions within the authority delegated to each of the Committees.

The Committees of the Board are guided by their Charter or Terms of Reference, which defines their composition, scope, power, duties and responsibilities. The terms of reference of the Board Committees are in compliance with the provisions of the Act, Listing Regulations, and are also reviewed by the Board from time to time.

The Chairman of respective Committees updates the Board on the deliberations at the Committee meetings and placed them before the Board for approval as and when required.

As on March 31, 2023, the Board constituted ten Committees as detailed below along with other information:

Board committees as on March 31, 2023



I. Audit Committee

The Audit Committee has been constituted in line with the provisions of Section 177 of the Act, and Regulation 18 of the Listing Regulations. As on March 31, 2023, the audit committee of the Board comprised of 1 executive Director and 3 non-executive Independent Directors.

Objective:

The primary objective of the Audit Committee is to assist the Board with oversight of the accuracy, integrity and transparency of the Company's financial statements with adequate and timely disclosures, compliance with legal and regulatory requirements, acquisitions and investments made by the Company.

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 the 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 and secretarial auditors. The Audit Committee also reviews the periodic internal, secretarial, and statutory auditors' reports.

Terms of reference of the Audit Committee are as follows:

i) oversight of the Company'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 Company;

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

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

   a. matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Act;

   b. changes, if any, in accounting policies and practices and reasons for the same;

   c. major accounting entries involving estimates based on the exercise of judgment by management;

   d. significant adjustments made in the financial statements arising out of audit findings;

   e. compliance with listing and other legal requirements relating to financial statements;

   f. disclosure of any related party transactions;

   g. modified opinion(s) in the draft audit report;

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

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

vii) reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;

viii) approval or any subsequent modification of transactions of the Company with related parties;

ix) scrutiny of inter-corporate loans and investments;

x) valuation of undertakings or assets of the company, wherever it is necessary;

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

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

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

xiv) discussion with internal auditors of any significant findings and follow up there on;

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

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

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

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

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

xx) reviewing the utilization of loans and/ or advances from/ investment by the company in the subsidiary exceeding ₹100 Crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans/ advances/ investments;

xxi) consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation, etc., on the Company and its shareholders.

xxii) carrying out any other function as is mentioned in the terms of reference of the audit committee.

The audit committee shall mandatorily review the following information:

i) Management Discussion and Analysis of financial conditions and results of operations;

ii) Management letters/ letters of internal control weaknesses issued by the statutory auditors;

iii) Internal audit reports relating to internal control weaknesses;

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

v) Statement of deviations:

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

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

The composition of the Audit Committee during the year ended on March 31, 2023 is as follows:

Name	Designation	Position in Committee	Date of Appointment
Mr. Ashok Kumar Thakur	Independent Director	Chairman	17-05-2017
Mr. Harendra Singh	Managing Director	Member	17-05-2017
Mr. Onkar Singh*	Independent Director	Member	11-09-2017
Mr. Manjit Singh	Independent Director	Member	13-05-2022
Ms. Monica Widhani	Independent Director	Member	08-02-2023

** Ceased to be a member of Audit Committee w.e.f. September 07, 2022.*

Meeting and Attendance

4 (Four) Meetings of the Audit Committee were held during the year under review and the gap between two meetings did not exceed one hundred and twenty days. The Audit Committee invites such of the executives as it considers appropriate, representatives of the auditors to be present at its meetings. The Company Secretary acts as the Secretary to the Audit Committee.

The details of the meetings of the Audit Committee and attendance of members at these meetings for the financial year 2022-23, are given below:

Name	Date of Audit Committee Meeting				Held during Tenure	Attended	% of Attendance
	23-05-2022	01-08-2022	09-11-2022	08-02-2023			
Mr. Ashok Kumar Thakur					4	4	100
Mr. Harendra Singh					4	4	100
Mr. Onkar Singh*			--	--	2	2	100
Mr. Manjit Singh					4	4	100
Ms. Monica Widhani	--	--	--	--	--	--	--

** Ceased to be a member of Audit Committee w.e.f. September 07, 2022.*

The previous Annual General Meeting of the Company held on August 03, 2022, was attended by Ashok Kumar Thakur, Chairman of the Audit Committee.

II. Nomination and Remuneration Committee

The Nomination and Remuneration Committee ("NRC") has been constituted in line with the provisions of Section 178 of the Act, and Regulation 19 of the Listing Regulations. As of March 31, 2023, the Nomination and Remuneration Committee of the company comprised 3 non-executive Independent Directors.

Objective:

The primary objective of the Nomination and Remuneration Committee is to oversee the Company's nomination process for the KMP and senior management and identify through a comprehensive selection process, individuals qualified to serve as executive directors, non-executive directors and independent directors, KMP and senior management consistent with the criteria approved by the Board and assist the Board in discharging its responsibilities relating to compensation of the Company's executive directors, KMP and senior management.

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

Terms of reference of the Nomination and Remuneration Committee are as follows:

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

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

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

   a. the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;

   b. relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

   c. remuneration to directors, KMP and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

ii) for every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare as description of the role and capabilities required of an independent director. The person recommend to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:

   a. use the service of an external agencies, if required;

   b. consider candidates from a wide range of backgrounds, having due regard to diversity; and

   c. consider the time commitments of the candidates.

iii) formulation of criteria for evaluation of performance of independent directors and the board of directors;

iv) devising a policy on diversity of board of directors;

v) identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal and shall specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance;

vi) whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;

vii) recommend to the board, all remuneration, in whatever form, payable to senior management; and

viii) carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification as may be applicable.

Nomination & Remuneration Policy

The Board, on the recommendation of the Nomination and Remuneration Committee, has approved the Remuneration Policy for Directors, Key Managerial Personnel, Senior Management and Other employees of the Company. The Nomination & Remuneration Policy of the Company lays down the criteria of appointment and remuneration of Directors/Key Managerial Personnel including criteria for determining qualification, positive attributes, independence of Directors, criteria for performance evaluation of Executive and Non-executive Directors (including Independent Directors) and other matters as prescribed under the provisions of the Act and the Listing Regulations with intent to maintain level and composition of remuneration reasonable and sufficient to attract, retain and motivate directors and employees to run the Company successfully and align the growth of the Company and development.

The composition of the Nomination and Remuneration Committee during the year ended on March 31, 2023 is as follows:

Name	Designation	Position in Committee	Date of Appointment
Mr. Manjit Singh	Independent Director	Chairman	13-05-2022
Mr. Ashok Kumar Thakur	Independent Director	Member	17-05-2017
Mr. Onkar Singh*	Independent Director	Member	11-09-2017
Ms. Pooja Hemant Goyal**	Independent Director	Member	07-09-2022
Ms. Sharada Sunder	Independent Director	Member	08-02-2023

** Ceased to be a member of the NRC w.e.f. September 07, 2022.*

*** Ceased to be a member of the NRC w.e.f. May 13, 2022. She was further appointed as a member of the committee w.e.f. September 07, 2022 and ceased to be a member of the committee w.e.f. February 08, 2023.*

Meeting and Attendance

2 (Two) Meetings of the Nomination and Remuneration Committee were held during the year under review. The Company Secretary acts as the Secretary to the NRC.

The details of the meetings of the Nomination and Remuneration Committee and attendance of members at these meetings for the financial year 2022-23, are given below:

Name	Date of NRC Meeting		Held during Tenure	Attended	% of Attendance
	23-05-2022	01-08-2022			
Mr. Manjit Singh	--		1	1	100
Mr. Ashok Kumar Thakur			2	2	100
Mr. Onkar Singh*		--	1	1	100
Ms. Pooja Hemant Goyal**			2	2	100
Ms. Sharada Sunder	--	--	--	--	--

** Ceased to be a member of the NRC w.e.f. September 07, 2022.*

*** Ceased to be a member of the NRC w.e.f. May 13, 2022. She was further appointed as a member of the committee w.e.f. September 07, 2022 and ceased to be a member of the committee w.e.f. February 08, 2023.*

The previous Annual General Meeting of the Company held on August 03, 2022, was attended by Mr. Manjit Singh, Chairman of the Nomination and Remuneration Committee.

Performance evaluation criteria for Independent Directors

Pursuant to applicable provisions of the Act and Listing Regulations, the Board, in consultation with its Nomination & Remuneration Committee, has formulated a framework containing, inter-alia, the criteria for performance evaluation of the Independent Directors, Board of Directors, Committees of Board, Individual Directors including Managing Director and Non- Executive Directors and Chairman of the Board.

An indicative list of factors that may be evaluated including but not limited to certain parameters like attendance and contribution of the Director at Board/ Committee Meetings, adherence to ethical standards and code of conduct of the Company, inter-personal relations with other Directors, meaningful and constructive contribution and inputs in the Board/ Committee meetings which is in compliance with applicable laws, regulations and guidelines.

The Committee has adopted a structured questionnaire for the performance evaluation process based on the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India.

Directors' Remuneration

The remuneration of Directors is based on various factors like Company's size, economic and financial position and Directors' participation in Board and Committee meetings. Based on these factors and the performance evaluation of the concerned director, NRC recommends to the Board the remuneration payable to Directors.

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

The Non-Executive Independent Directors have not been paid any remuneration except sitting fees during the financial year. The Company also reimburses expenses to the directors for attending the meeting of the Board and its Committees.

Apart from reimbursement of expenses and remuneration as aforesaid, none of the non-executive directors has any other pecuniary relationships or transactions with the Company, its Subsidiaries or Associates or their Promoters or Directors.

The Nomination and Remuneration policy of the Company provides for the criteria for making payments to the director. The same can be viewed at https://hginfra.com/pdf/nomination_remuneration_policy_1.pdf

Details of remuneration paid to the Directors for FY 2022-23 are as under:

I. Executive Directors (Managing Director/ Whole-time Director)

(Amount in ₹ Million)

Name of Director	Salary	Sitting Fee	Bonus	Stock Option	Others (Benefits, Pension etc.)	Total Remuneration
Mr. Harendra Singh	30.00	--	--	--	--	30.00
Mr. Vijendra Singh	15.00	--	--	--	--	15.00
Mr. Dinesh Kumar Goyal	4.45	--	--	--	--	4.45

II. Non-Executive Independent Directors

(Amount in ₹ Million)

Name of Director	Salary	Sitting Fee	Bonus	Stock Option	Others (Benefits, Pension etc.)	Total Remuneration
Mr. Onkar Singh	--	0.40	--	--	--	0.40
Mr. Ashok Kumar Thakur	--	0.76	--	--	--	0.76
Ms. Pooja Hemant Goyal	--	0.49	--	--	--	0.49
Mr. Manjit Singh	--	0.81	--	--	--	0.81
Ms. Sharada Sunder	--	--	--	--	--	--
Ms. Monica Widhani	--	--	--	--	--	--

Details of Performance linked Incentives

During the year under review, no performance-linked incentives have been provided to any director of the Company.

Details of service contracts, notice period and severance fee

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

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

There is no separate provision for payment of severance fees.

Details of Stock Options granted

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

Further, there was no pecuniary relationship or transaction between the Company and any of its Non-

Executive/ Independent Directors apart from payment towards sitting fee and reimbursement of out-of-pocket expenses.

III. Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee has been constituted in line with the provisions of Section 178 of the Act, and Regulation 20 of the Listing Regulations. As of March 31, 2023, the Stakeholders' Relationship Committee of the company comprised 2 Executive Non-Independent Directors and 2 Non-executive Independent Directors. Mr. Manjit Singh, Non-Executive Independent Director is heading the committee as the Chairman of the Committee.

Objective:

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

Terms of reference of the Stakeholders' Relationship Committee, are as follows:

The Stakeholders' Relationship Committee shall be responsible, among other things, for the following:

i) resolving the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual reports, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings, etc.;

ii) review of measures taken for the effective exercise of voting rights by shareholders;

iii) review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent;

iv) review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

The composition of the Stakeholders' Relationship Committee during the year ended on March 31, 2023 is as follows:

Name	Designation	Position in Committee	Date of Appointment
Mr. Manjit Singh	Independent Director	Chairman	07-09-2022
Mr. Harendra Singh	Managing Director	Member	11-09-2017
Mr. Vijendra Singh	Whole-time Director	Member	11-09-2017
Mr. Onkar Singh*	Independent Director	Member	11-09-2017
Ms. Monica Widhani	Independent Director	Member	08-02-2023

** Ceased to be a member of the Stakeholders' Relationship Committee w.e.f. September 07, 2022.*

Meeting and Attendance

1 (One) Meeting of the Stakeholders' Relationship Committee was held during the year under review. The Board has designated Ms. Ankita Mehra, Company Secretary, as the Compliance Officer of the Company for the purpose of Investors' complaints/ grievances.

The details of the meetings of the Stakeholders' Relationship Committee and attendance of members at these meetings for the financial year 2022-23, are given below:

Name	Date of Stakeholders' Relationship Committee Meeting	Held during Tenure	Attended	% of Attendance
	08-11-2022			
Mr. Manjit Singh		1	1	100
Mr. Harendra Singh		1	1	100
Mr. Vijendra Singh		1	1	100
Ms. Monica Widhani*	--	--	--	--

** Appointed as a member of the Stakeholders' Relationship Committee w.e.f. February 08, 2023.*

The previous Annual General Meeting of the Company held on August 03, 2022, was attended by Mr. Manjit Singh, Chairman of the Stakeholders' Relationship Committee.

Investor Grievance Redressal

During the year under review, the Company / its Registrar i.e. Link Intime India Private Limited received the following complaints/queries from shareholders, which were resolved within the time frames laid down by The Securities and Exchange Board of India ("SEBI") to the satisfaction of shareholders:

Number of shareholder's complaints Received	Number of shareholder's complaints resolved	Number of pending complaints
2	2	--

IV. Risk Management Committee

The Risk Management Committee (RMC) has been constituted in line with the provisions of Regulation 21 of the Listing Regulations. As of March 31, 2023, the Risk Management Committee of the company comprised 2 Executive Directors, 2 Non-executive Independent Directors and 1 Senior Management person of the Company.

Objective:

The primary objective of the Risk Management Committee is to assist the Board in fulfilling its corporate governance oversight responsibilities with regard to the identification, evaluation and mitigation of strategic, operational, and external environment risks, to monitor and approve the enterprise risk management framework, to assess risks by reviewing key leading indicators in this regard, to periodically review the risk management processes and practices of the Company etc.

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

Terms of reference of the Risk Management Committee are as follows:

The Risk Management Committee shall be responsible, among other things, for the following:

i) to formulate detailed risk management policy which shall include:

   a. a framework for identification of internal and external risks specifically faced by the Company, including financial, operational, sectoral, sustainability (particularly, Environment Sustainability and Governance-ESG related risk) information, cyber security risks or any other risk as may be determined by the RMC.

   b. measures for risk mitigation including systems/processes for internal control of identified risks.

   c. a Business Continuity Plan to review the Risk Management Framework & risk mitigation measures from time to time.

ii) to ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;

iii) to monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;

iv) to periodically review the risk management policy, at least once in two years, considering the changing industry dynamics and evolving complexity;

v) to keep the board of directors informed about the nature and content of RMC discussions and recommendations as well as the actions to be taken;

vi) the appointment, removal and terms of remuneration of the Chief Risk Officer (CRO) shall be subject to review by the Risk Management Committee; and

vii) to carry out any other function as is mandated by the Board of Directors from time to time and / or enforced by any statutory notification, amendment or modification as may be applicable.

Risk Management Policy

The Committee had formulated a Risk Management Policy, which, inter alia, includes a framework for the identification of internal and external risks, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Risk Management Committee.

Risk Management Policy of the Company outlines different kinds of risks and risk-mitigating measures to be adopted by the Board. The Company has adequate internal control systems and procedures to combat risks. The Risk management procedures are reviewed by the Audit Committee and the Board of Directors on a periodical basis.

The composition of the Risk Management Committee during the year ended on March 31, 2023 is as follows:

Name	Designation	Position in Committee	Date of Appointment
Mr. Harendra Singh	Managing Director	Chairman	24-06-2020
Mr. Vijendra Singh	Whole-time Director	Member	24-06-2020
Mr. Ashok Kumar Thakur	Independent Director	Member	12-05-2021
Mr. Manjit Singh	Independent Director	Member	13-05-2022
Mr. Sanjay Bafna*	Sr. Vice President	Member	08-11-2021
Mr. Vinod Kumar Giri	Sr. Vice President	Member	08-11-2021

**Ceased to be a member of the Risk Management Committee w.e.f December 15, 2022.*

Meeting and Attendance

2 (Two) Meetings of the Risk Management Committee were held during the year under review. The Company Secretary acts as the Secretary to the Risk Management Committee.

The details of the meetings of the Risk Management Committee and attendance of members at these meetings for the financial year 2022-23, are given below:

Name	Date of Committee Meeting		Held during Tenure	Attended	% of Attendance
	21-05-2022	08-11-2022			
Mr. Harendra Singh			2	2	100
Mr. Vijendra Singh			2	2	100
Mr. Ashok Kumar Thakur			2	2	100
Mr. Manjit Singh			2	2	100
Mr. Sanjay Bafna			2	2	100
Mr. Vinod Kumar Giri			2	2	100

The previous Annual General Meeting of the Company held on August 03, 2022, was attended by Mr. Harendra Singh, Chairman of the Risk Management Committee.

V. Corporate Social Responsibility (CSR) Committee

The Corporate Social Responsibility Committee has been constituted in line with the provisions of Section 135 of the Act. As of March 31, 2023, the Corporate Social Responsibility Committee of the company comprised 3 Executive Directors and 2 Non-executive Independent Directors of the Company.

Objective:

The primary objective of the Corporate Social Responsibility Committee is to assist the Board in fulfilling its corporate social responsibility including identification of areas for CSR activities, recommend the amount of expenditure to be incurred on CSR activities, formulation, implementation and review of CSR Policy, periodic review of the progress of various CSR activities.

Terms of reference of the Corporate Social Responsibility Committee are as follows:

i) formulate and recommend to the Board for its approval, a CSR Policy which shall indicate the activities to be undertaken by the Company in area or subject, specified in Schedule VII of the Act;

ii) recommend the amount of expenditure to be incurred on the CSR Programmes;

iii) monitor and review the CSR Policy of the Company from time to time;

iv) formulation of a transparent monitoring mechanism for ensuring implementation of the CSR programmes proposed to be undertaken by the Company or the end use of the amount spent by it towards CSR programmes;

v) ensure overall governance and compliance of the CSR Policy;

vi) annually report to the Board of Directors, the status of the CSR Programmes undertaken and contributions made by the Company;

vii) formulate and recommend to the Board for its approval, an annual CSR action plan in pursuance of the CSR Policy; and

viii) any other requirements mandated under the Act and Rules issued thereto.

Corporate Social Responsibility Policy

The CSR committee has formulated a CSR policy that outlines the Company's objectives of Social, Economic and Environmental development of the community in which we operate, through sustainable measures, ensuring participation from the community and thereby creating value for the nation.

The details of the CSR initiatives as per the CSR Policy of the Company forms part of the CSR Report in this Annual Report. The CSR Policy of the Company has been uploaded on the Company's website and can be accessed at: http://www.hginfra.com/pdf/corporate_social_responsibility_csr_policy_22.pdf

The composition of the Corporate Social Responsibility (CSR) Committee during the year ended March 31, 2023 is as follows:

Name	Designation	Position in CSR Committee	Date of Appointment
Mr. Vijendra Singh	Whole-time Director	Chairman	20-04-2014
Mr. Harendra Singh	Managing Director	Member	20-04-2014
Mr. Onkar Singh*	Independent Director	Member	11-09-2017
Mr. Dinesh Kumar Goyal	Whole-time Director	Member	12-05-2021
Mr. Manjit Singh	Independent Director	Member	07-09-2022
Ms. Sharada Sunder	Independent Director	Member	08-02-2023

**Ceased to be a member of the CSR Committee w.e.f September 07, 2022.*

Meeting and Attendance

3 (Three) Meetings of the CSR Committee were held during the year under review. The Company Secretary acts as the Secretary to the CSR Committee.

The details of the meetings of the CSR Committee and attendance of members at these meetings for the financial year 2022-23, are given below:

Name	Date of CSR Committee Meeting			Held during Tenure	Attended	% of Attendance
	23-05-2022	09-11-2022	08-02-2023			
Mr. Vijendra Singh				3	3	100
Mr. Harendra Singh				3	3	100
Mr. Onkar Singh		--	--	1	1	100
Mr. Dinesh Kumar Goyal				3	3	100
Mr. Manjit Singh	--			2	2	100
Ms. Sharada Sunder	--	--	--	--	--	--

VI. Finance Committee

The Finance Committee has been constituted in line with the need of the Company and hassle-free finance planning. As of March 31, 2023, the Finance Committee of the Company comprised 3 (three) Executive Directors of the Company.

Objective:

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

The composition of the Finance Committee during the year ended on March 31, 2023, is as follows:

Name	Designation	Position in Finance Committee	Date of Appointment
Mr. Harendra Singh	Managing Director	Chairman	13-06-2017
Mr. Vijendra Singh	Whole-time Director	Member	13-06-2017
Mr. Dinesh Kumar Goyal	Whole-time Director	Member	23-05-2018

Meetings

17 (Seventeen) Meetings of the Finance Committee were held during the year under review. The Company Secretary acts as the Secretary to the Finance Committee.

VII. Management Committee

The Management Committee has been constituted in line with the need for the smooth day-to-day business activities of the Company. As of March 31, 2023, the Management Committee comprised 3 (three) Executive Directors of the Company.

Objective:

The primary objective of the Management Committee is to assist the Board on matters relating to the bidding of tender, execution of agreements, and day-to-day business activities of the company in accordance with applicable provisions of the Act.

The composition of the Management Committee during the year ended on March 31, 2023, is as follows:

Name	Designation	Position in Management Committee	Date of Appointment
Mr. Harendra Singh	Managing Director	Chairman	27-01-2018
Mr. Vijendra Singh	Whole-time Director	Member	27-01-2018
Mr. Dinesh Kumar Goyal	Whole-time Director	Member	23-05-2018

Meetings

11 (Eleven) Meetings of the Management Committee were held during the year under review. The Company Secretary acts as the Secretary to the Management Committee.

VIII. Debenture Committee

The Debenture Committee has been constituted in line with section 179 of the Act. As of March 31, 2023, the Debenture Committee comprised 3 (three) Executive Directors of the Company.

Objective:

The primary objective of the Debenture Committee is to advise the Board and execute various actions for and in relation to raising funds by way of issuance of debt instruments as permissible under applicable laws, and as may be approved by the Board.

Terms of reference of the Debenture Committee are as follows:

i) approving the offer documents, information memorandum, PAS IV, shelf disclosure document, offer letters, tranche disclosure documents, and any other relevant documents and filing the same with any authority or entities as may be required;

ii) approving the issue price, the number of Debt Securities to be allotted, the basis of allocation and allotment of the Debt Securities;

iii) arranging the delivery and execution of all contracts, agreements and all other documents, deeds, and instruments as may be required or desirable in connection with the issue of the Debt Securities by the Company;

iv) opening a separate special account with a scheduled bank to receive monies in respect of the issue of the Debt Securities of the Company as may be necessary;

v) making applications for listing of the Debt Securities on one or more stock exchange(s) and to execute and to deliver or arrange the delivery of the listing agreement(s) or equivalent documentation to the concerned stock exchange(s);

vi) deciding on the mode of issuance of the Debt Securities, creation of debenture redemption reserve (if required), tenor, security, listing on stock exchange(s), objects of the issue and such other matters;

vii) finalization of the allotment of the Debt Securities;

viii) finalization of documents of Debt Securities (other than NCDs) such as the debenture trustee agreement, debenture trust deed, deed of hypothecation, and mortgage documents (including but not limited to director's declaration);

ix) finalization of an arrangement for the submission of the placement document(s) and any amendments supplements thereto, with any applicable government and regulatory authorities, institutions or bodies as may be required;

x) approval of the preliminary and final placement document (including amending, varying or modifying the same, as may be considered desirable or expedient) as finalized in consultation with the arrangers, lead managers, underwriters, and, or advisors in accordance with all applicable laws, rules, regulations and guidelines;

xi) approving appointment and engagement and the terms of such appointment and engagement of any intermediaries including but not limited to Rating Agency, Merchant Bankers, legal counsel, banker(s) to the issue, Registrar and Transfer Agents, Debenture, Trustee(s), Depository(ies) and, or all other intermediaries involved in such issue(s);

xii) acceptance and appropriation of the proceeds of the issue of the Debt Securities;

xiii) authorization of the maintenance of a register of holders of the Debt Securities;

xiv) authorization of any director or directors of the Company or other officer or officers of the Company, including by the grant of power of attorneys, to do such acts, deeds and things as authorized person in its absolute discretion may deem necessary or desirable in connection with the issue and allotment of the Debt Securities (including NCDs);

xv) seeking, if required, the consent of any other party(ies) with whom the Company has entered into various commercial and other agreements, all concerned government and regulatory authorities in India, and any other consents that may be required in connection with the issue and allotment of the Debt Securities;

xvi) giving or authorizing the giving by concerned persons of such declarations, affidavits, certificates, consents and authorities as may be required from time to time; and

xvii) all other related matters in relation to the issue of the Debt Securities.

The composition of the Debenture Committee during the year ended on March 31, 2023, is as follows:

Name	Designation	Position in Debenture Committee	Date of Appointment
Mr. Harendra Singh	Managing Director	Chairman	08-11-2021
Mr. Vijendra Singh	Whole-time Director	Member	08-11-2021
Mr. Dinesh Kumar Goyal	Whole-time Director	Member	08-11-2021

Meetings

1 (One) Meeting of the Debenture Committee was held during the year under review. The Company Secretary acts as the Secretary to the Debenture Committee.

IX. Business Strategy and Review Committee

The Business Strategy and Review Committee (BSRC) has been constituted on February 08, 2023 as a means of improving board effectiveness and efficiency. As of March 31, 2023, the Business Strategy and Review Committee of the company comprised 2 (two) Executive Directors and 3 (three) Non-Executive Non-Independent Directors of the Company.

Objective:

The primary objective of the Business Strategy and Review Committee is to assist the Board in reviewing information in greater detail and provide the Board with objective and independent insights into the Board's functioning and judgement.

Terms of reference of the Business Strategy and Review Committee are as follows:

i) prepare, review and monitor the strategic plans for business and operations of the company and provide directions to the management for its implementation;

ii) review business performance of the company and its subsidiaries, associates and joint ventures, identify weakness or deficiencies and recommending improvements to the management;

iii) review with the management, the company's performance on environmental, social, and governance (ESG) aspects including environment, health and safety (EHS) and quality (QA/QC), oversees the implementation of relevant policies and strategies and recommend measures for improvement from time to time;

iv) review various measures and initiatives taken by the company for mitigation/reducing the impact of risks associated with business and operations of the company;

v) discuss with the senior management, project heads and functional heads, the performance of projects and departments, standard operating processes, challenges and their action plans and follow-up thereon;

vi) support the Board in matters related to IT infrastructure, annual operating plans and budgets including capital budgets;

vii) carry out any other function as is referred by the Board from time to time.

The composition of the Business Strategy and Review Committee during the year ended on March 31, 2023, is as follows:

Name	Designation	Position in BSRC	Date of Appointment
Mr. Harendra Singh	Managing Director	Chairman	08-02-2023
Mr. Dinesh Kumar Goyal	Whole-time Director	Member	08-02-2023
Mr. Manjit Singh	Independent Director	Member	08-02-2023
Ms. Sharada Sunder	Independent Director	Member	08-02-2023
Ms. Monica Widhani	Independent Director	Member	08-02-2023

Meeting and Attendance

No meeting of the BSRC was held during the year under review.

C. GENERAL BODY MEETINGS

a. Annual General Meeting ("AGM")

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

AGM	Financial Year	Date	Time	Venue/Mode	No. of Special resolutions set out at the AGM
18th	2019-20	September 25, 2020	02:00 P.M.	Through Video Conference ("VC") / Other Audio- Visual Means ("OAVM")	01
19th	2020-21	September 06, 2021	02:00 P.M.	Through Video Conference ("VC") / Other Audio- Visual Means ("OAVM")	02
20th	2021-22	August 03, 2022	02:00 P.M.	Through Video Conference ("VC") / Other Audio- Visual Means ("OAVM")	04

The summary of Special Resolutions passed at the last three AGM are as under:

AGM	Financial Year	Date	Particulars of Special Resolutions passed at the AGM
18th	2019-20	September 25, 2020	a. To authorize capital raising through issuance of equity shares and/or equity-linked securities.
19th	2020-21	September 06, 2021	a. To approve the re-appointment of Mr. Ashok Kumar Thakur (DIN: 07573726) as an Independent Director of the Company for a second term of five consecutive years. b. To approve the capital raising by way of issuance of equity shares and/or equity-linked securities.
20th	2021-22	August 03, 2022	a. To approve the re-appointment of Ms. Pooja Hemant Goyal (DIN: 07813296) as an Independent Director of the Company for a second term of three consecutive years. b. To approve the appointment of Mr. Manjit Singh (DIN: 02759940) as an Independent Director of the Company for a term of five consecutive years. c. To approve the limits for making investments, loans, guarantees, and security under Section 186 of the Companies Act, 2013. d. To approve the limits for making loans, guarantees, and security under Section 185 of the Companies Act, 2013.

b. During the financial year 2022-23, no Extraordinary General Meeting (EGM) was held.

c. During the financial year 2022-23, no Special Resolution was passed through Postal Ballot. Further, no Special Resolution is proposed to be passed through Postal Ballot as on the date of this Report.

D. MEANS OF COMMUNICATION

The Company recognizes the importance of two-way communication with shareholders and timely disclosure of information regarding the Company's financial position. Performance is an important part of the Company's corporate governance ethos.

The Company follows a robust process of communicating with its stakeholders, security holders and investors through multiple channels of communication such as disclosure of information to the BSE Limited and The National Stock Exchange of India Limited (the "Stock Exchanges"), Press Releases, Annual Reports and uploading relevant information on its website.

The Company promptly discloses information on material corporate developments and other events as required under the Listing Regulations. Such timely disclosures indicate the good corporate governance practices of the Company.

I. Financial Results & Other Communication

The Company's quarterly/half-yearly/annual financial results are sent to the Stock Exchanges and published in English and Hindi language newspapers, viz all India editions of Business Standards, Rajasthan edition of Business Remedies/ Nafa Nuksan. The results and other important information are also periodically updated on the Company's website at https://www.hginfra.com/investors-relation.html#btn-quart

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

II. Website

The Company has formulated a separate dedicated section 'Investor Relations' on the Company's website i.e. www.hginfra.com which gives information on various announcements made by the Company, status of unclaimed dividends, annual reports, shareholding patterns, financial results, codes and policies etc.

The Company's official news releases and presentations made to the investors and analysts together with other relevant information are also available on the Company's website. The presentations on the performance of the Company are placed on the Company's website for the benefit of institutional investors, analysts and other shareholders after the financial results are communicated to the Stock Exchanges.

III. Investors / Analyst Meets

The Company also conducts calls/meetings with investors immediately after the declaration of financial results to brief them on the performance of the Company. These calls are attended by the Managing Director and senior officers of the Company. The schedule of analyst/ institutional investors' meetings & analyst meets, and presentations made thereat are filed with the Stock Exchanges and also available on the website of the Company along with the audio recordings and transcripts of quarterly calls/meetings at https://www.hginfra.com/investors-relation.html#btn-presn

IV. Chairman's Speech at AGM

The Chairman read out his speech at the 20th AGM which was held through VC / OAVM on August 03, 2022. The same is also placed on the website of the Company for information of the members.

V. AGM Proceedings

The AGM for the financial year 2021-22 was held through VC / OAVM. The members have been also provided with the option to ask queries and interact with the management of the Company during the AGM.

VI. Green Initiative – Service of Documents in Electronic Form

The provisions of the Act and rules made thereunder permit paperless communication by allowing the service of all documents in electronic mode. Further, the Ministry of Corporate Affairs (MCA) as well as the SEBI, in view of the Covid-19 Pandemic, has permitted that all communication to members may be served electronically. In compliance thereof, the Company has adopted the practice of sending communications, including the Annual Report, through email to those members whose email id is available as per registered records and physical copies to those who have requested the physical copy.

In support of the 'Green Initiative', the Company encourages Members to register their email address with their Depository Participant or the Company, to receive soft copies of the Annual Report, Notices and other information disseminated by the Company, without any delay.

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

E. GENERAL SHAREHOLDER INFORMATION

I. Corporate Information

a.	**Incorporation Date**	January 21, 2003
b.	**Corporate Identification Number (CIN)**	L45201RJ2003PLC018049
c.	**Registered Office**	14, Panchwati Colony, Ratanada, Jodhpur, Rajasthan- 342001, India
d.	**Financial Year**	April 1, 2022 to March 31, 2023
e.	**21st Annual General Meeting Day, Date and Time**	Monday, August 21, 2023 at 2:00 p.m. (IST)
f.	**Venue of 21st AGM**	Through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM") without the physical presence of the Members.
g.	**Record Date**	Monday, August 14, 2023
h.	**E-Voting Dates**	Friday, August 18, 2023 to Sunday, August 20, 2023
i.	**Dividend Payment Date**	The dividend, if approved by the shareholders, shall be paid/credited on or before Tuesday, September 19, 2023
j.	**Listing Details**	**BSE Limited (BSE)** Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400 001 **National Stock Exchange of India Limited (NSE)** Exchange Plaza, C-1, Block-G, Bandra-Kurla Complex, Bandra (E), Mumbai- 400 051 The Rated, Listed, Senior, Secured, Redeemable, Non-Convertible Debentures issued by the Company are listed on the Wholesale Debt Market (WDM) segment of the BSE.
k.	**Stock Code/Symbol (Equity)**	BSE - 541019, NSE – HGINFRA
l.	**ISIN for Depositories (Equity)**	INE926X01010
m.	**Code/Symbol (NCD)**	BSE-973671
n.	**ISIN for Depositories (NCD)**	INE926X07017
o.	**Payment of Listing Fees**	The Company has paid annual listing fees to both Stock Exchanges i.e. BSE and NSE for the financial year ended March 31, 2023.
p.	**Payment of Depository Fees**	Annual Custody/Issuer fees for the financial year 2023-24 have been paid by the Company to National Securities Depository Limited ("NSDL") and Central Depository Services (India) Limited ("CDSL").
q.	**Registrar to an Issue & Share Transfer Agents ("RTA")**	Link Intime India Private Limited
r.	**Name of Debenture Trustee ("DT")**	MITCON Credentia Trusteeship Services Limited

II. Dematerialisation of Shares & Liquidity

The shares of the Company are available for trading in the dematerialised form under both the Depository Systems in India - NSDL and CDSL.

Breakup of shares as on March 31, 2023 is as follows

Category	Number of Shareholders	Shareholders(%)	Number of Shares held	Voting Strength (%)
Physical	--	--	--	--
Electronic	61,428	100	6,51,71,111	100
Total	**61,428**	**100**	**6,51,71,111**	**100**

All shares of the Company are in dematerialized form.

III. Outstanding Global Deposit Receipts (GDRs) /American Deposit Receipts (ADRs) / Warrants or any Convertible instruments, conversion date and likely impact on equity

The Company does not have any outstanding GDRs/ADRs/Warrants/Convertible Instruments as on March 31, 2023.

IV. Commodity price risk or foreign exchange risk and hedging activities

Since the Company is not engaged in the field of manufacturing goods hence disclosures on commodity price risks or foreign exchange risk and commodity hedging activities are not applicable.

V. Share Transfer System

The SEBI has mandated in Regulation 40 of the Listing Regulations that the securities of the Company can be transferred/ traded only in the dematerialized form. Transfer of shares, in electronic form are processed and approved by NSDL/CDSL through their Depository Participant, without involvement of the Company.

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

a. Issue of duplicate securities certificate;

b. Claim from Unclaimed Suspense Account;

c. Renewal/Exchange of securities certificate;

d. Endorsement;

e. Sub-division/Splitting of securities certificate;

f. Consolidation of securities certificates/folios;

g. Transmission; and

h. Transposition.

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

During FY 2022-23, the Company obtained, on half-yearly basis the certificates from a Company Secretary in Practice, certifying the compliance as required under Regulation 40(9) of the Listing Regulations and a copy of these certificates were duly filed with the Stock Exchanges.

VI. Distribution & Categories of Shareholding

Distribution of shareholding of the Company as on March 31, 2023, is as follows

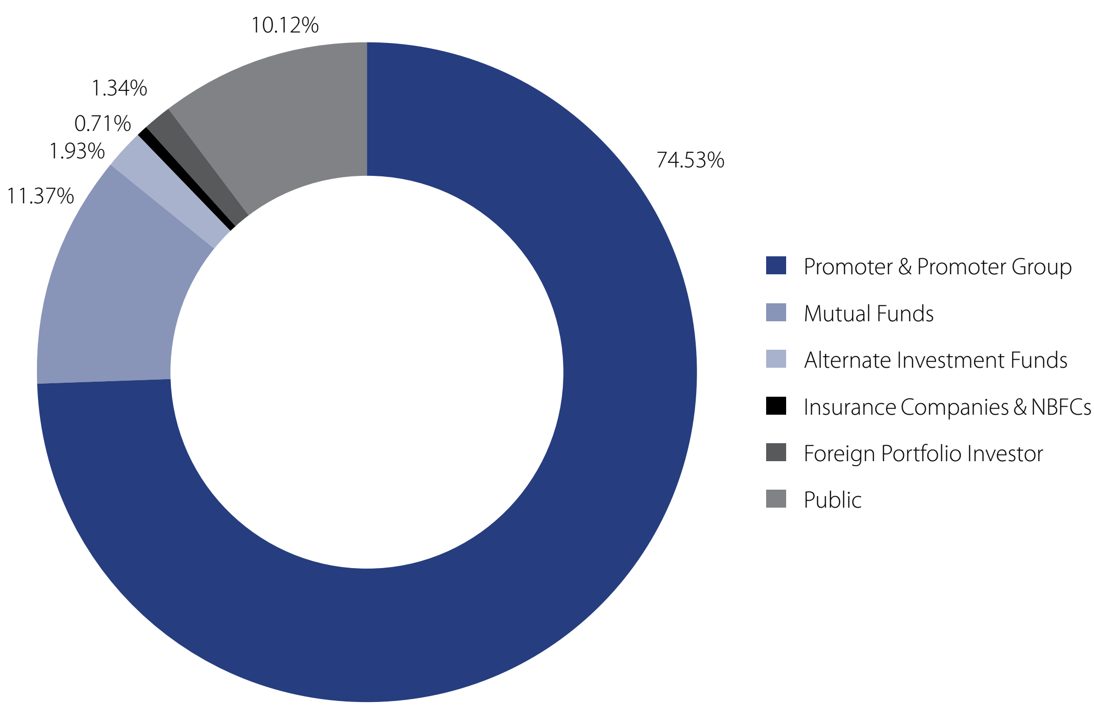
No. of Equity Shares held	Shareholders		Shareholding	
	Number	%	Number	%
Upto 500	60,090	96.69	27,69,714	4.25
501-1000	1,157	1.86	8,37,968	1.29
1001-5000	765	1.23	15,52,569	2.38
5001-10000	61	0.98	4,26,778	0.65
10001 & Above	75	0.12	5,95,84,082	91.43
Total	**62,148**	**100**	**6,51,71,111**	**100**

**The number of shareholders based on demat accounts is 62,148 and based on PAN is 61,428 as on March 31, 2023. There will be a difference in the number of shareholders based on demat and PAN, since shareholders can have multiple demat accounts under a single PAN.*

Categories of Shareholders as on March 31, 2023

Category of Shareholder(s)	Number of shares held	Shareholding (%)
Promoter and Promoter Group (A)	4,85,73,157	74.53
Institutional Shareholders (B)		
Mutual Funds	74,09,359	11.37
Alternate Investment Funds	12,56,287	1.93
Insurance Companies & NBFCs	4,62,165	0.71
Foreign Portfolio Investor	8,72,575	1.34
Public (C)	65,97,568	10.12
Total (A+B+C)	**6,51,71,111**	**100**

Category-wise Shareholding (%) as on March 31, 2023



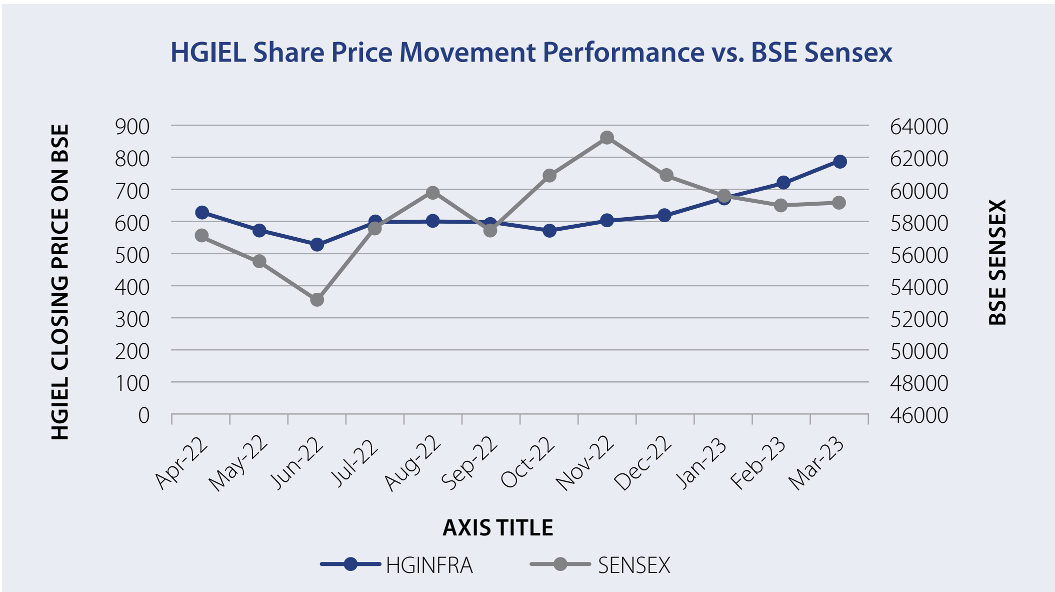
VII. Stock price data for the financial year 2022-23

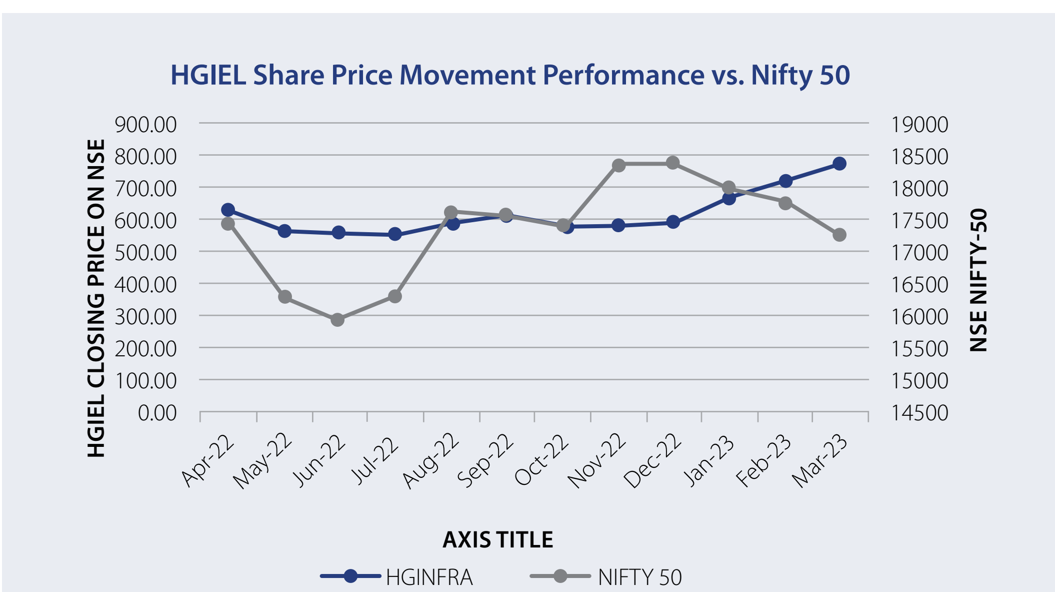
Month	BSE			NSE		
	High	Low	No. of equity Shares traded	High	Low	No. of equity Shares traded
April	675.00	559.95	565843	633.81	603.99	3915855
May	627.85	508.55	376742	571.70	542.50	2239967
June	604.90	516.00	339453	567.43	548.12	1953800
July	605.00	511.00	292930	560.67	542.72	1489210
August	630.00	539.75	268862	595.99	576.02	1807036
September	657.00	563.95	292408	622.22	599.60	2524564
October	604.40	550.00	145602	581.97	567.08	1007163
November	610.00	532.05	320058	582.79	566.10	1406715
December	637.00	537.65	340852	595.88	574.27	3609388
January	720.00	616.90	472461	681.10	650.10	6164526
February	783.50	634.45	545468	730.92	701.37	4745828
March	823.00	701.65	356820	785.88	757.60	3507525

Sources: BSE and NSE Websites

Comparison of performance of share price of the Company with broad based indices-BSE SENSEX and NIFTY 50 (BSE and NSE) for the FY 2022-23

(based on month end closing price)





VIII. Suspension of Trading

The Securities of the Company were not suspended from trading on Stock Exchanges during the year under review.

IX. Corporate Benefits to Investors

Details of the dividend declared and paid by the Company for the last five financial years are as follows:

Financial year	Percentage (%)	In ₹ Per Share (Face Value of ₹ 10 each)	Dividend Amount (Amount in ₹ Million)
2017-18	5	0.50	32.59
2018-19	5	0.50	32.59
2019-20	-	-	-
2020-21	8	0.80	52.14
2021-22	10	1.00	65.17

Note:

The Board has recommended payment of the final dividend of ₹1.25 (Rupee One and Twenty Five Paisa only) (@12.50%) per share for the financial year 2022-23, subject to the approval of shareholders at the ensuing AGM.

X. Plant Locations /Domestic Footprints

The Company does not have any manufacturing plant as the Company is engaged in construction and maintenance of roads, highways, bridges & flyovers and other infrastructure contract works. Further, the Company has its footprint at multiple locations in India in the field of the Infrastructure Sector. As on March 31, 2023, the company has 37 projects across the Country in the states of Maharashtra, Rajasthan, Haryana, Delhi, Andhra Pradesh, Odisha, Telangana, Karnataka, Himachal Pradesh, Jharkhand, Uttar Pradesh etc. For the details of projects footprint, please refer page no. 4 of this Annual Report.

XI. Credit Rating

The company's financial prudence is reflected in the strong credit rating assigned by rating agency 'ICRA Limited'. The table below depicts the Credit Rating profile of the Company:

Instruments	Previous Rating (as on March 31, 2022)	Current Rating (as on March 31, 2023)
Long Term Credit	ICRA A+	ICRA AA-
Short Term Credit	ICRA A1	ICRA A1+
NCDs	ICRA A+	ICRA AA-

There was no revision in the credit ratings of the Company except as above.

Further, after the end of the financial year and before the date of this report, ICRA has reaffirmed/reassigned the current rating as mentioned above on April 25, 2023.

XII. Address for correspondence

For any queries relating to the shares, or debentures of the Company, correspondence may be addressed to the below concerned:

Registrar and Share Transfer Agent	Debenture Trustee	Company Secretary & Compliance Officer
Link Intime India Private Limited **Registered Office:** C-101, 1st Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai City – 400083, Maharashtra Tel: +022 49186000 Fax: +022 49186060 E-mail:mumbai@linkintime.co.in, Website: www.linkintime.co.in **Corporate Office:** Noble Heights 1st Floor, Plot No. NH-2, C-1 Block, LSC near Savitri Market, Janakpuri, New Delhi -110058 Tel: 011-49411000 Fax no: 011-41410591 E-mail: delhi@linkintime.co.in	MITCON Credentia Trusteeship Services Limited **Correspondence Address:** 1402/1403, Dalmal Tower, Free Press Journal Marg, 211 Naraiman Point, Mumbai, Maharashtra-400021 Tel: 022-22828200 E-mail: compliance@mitconcredentia.in	Ankita Mehra H.G. Infra Engineering Limited **Registered Office:** 14, Panchwati Colony, Ratanada, Jodhpur, Rajasthan-342001 Tel. No.: 0291-2515327 Website: www.hginfra.com **Corporate Office:** III Floor, Sheel Mohar Plaza A-1, Tilak Marg, C-Scheme Jaipur-302001, Rajasthan Tel. No.: 0141-4106040 Fax: 0141-4106044 Email: cs@hginfra.com

F. OTHER DISCLOSURES

I. Related Party Transactions

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

All Related Party Transactions are entered into by the Company only after obtaining the prior approval of the Audit Committee and Board of Directors as and when necessary. In terms of the Act and the Listing Regulations, the Company has adopted a policy to determine Related Party Transactions.

The Audit Committee reviews at least on a quarterly basis, the details of related party transactions entered into by the Company pursuant to each of the omnibus approval granted. Further, the Company has filed half-yearly disclosures of Related party transactions with the Stock Exchanges during the year ended March 31, 2023.

The related party transactions entered into by the Company are in compliance with the Accounting standards on "Related party Disclosures" and the disclosure as required under Para A of Schedule V of the Listing Regulations is covered under notes forming part of the financial statements.

The Company has not entered into any material significant related party transaction which has a potential conflict with the interests of the Company at large.

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

II. Details of non-compliance

The Company has complied with all the requirements of the Stock Exchanges and SEBI on matters relating to Capital Markets.

There were no instances of non-compliance, penalty or strictures imposed on the Company by the Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.

III. Whistle Blower Policy & Vigil Mechanism

The Company has formulated a Whistle Blower Policy and has established a Vigil Mechanism in accordance with the provisions of the Act and the Listing Regulations, for directors and employees to report concerns about unethical behaviour, actual or suspected fraud and any wrong-doing or unethical or improper practice.

Further, the Company encourages its employees and various stakeholders to bring to its notice any issue involving compromise/ violation of ethical norms, legal or regulatory provisions, actual or suspected fraud etc., without any fear of reprisal, discrimination, harassment or victimization of any kind and also provides for access to the Audit Committee.

The Company believes in the conduct of the affairs of its constituents in a fair and transparent manner by adopting the highest standards of professionalism, honesty, integrity and ethical behaviour. Any actual or potential violation of these Standards, howsoever insignificant or perceived as such, would be a matter of serious concern for the Company.

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

The practice of the Whistle Blower /Vigil Mechanism is overseen by the Audit Committee and the Company affirms that no personnel has been denied access to the Audit Committee.

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

IV. Prevention of insider trading

In terms of the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended, the Company has adopted a Code of Prohibition of Insider Trading (the 'Code') to regulate, monitor, prevent and report trading by designated persons (Directors, Officers and other concerned employees/persons) based on unpublished price sensitive information in the Company.

The policy and procedures for inquiry in case of a leak of Unpublished Price Sensitive Information (UPSI) or suspected leak of UPSI is also forming part of the Code.

To deal in securities beyond the specified limits, permission of the Compliance Officer is also required.

The Code of Prohibition of Insider Trading and the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information have been made available on the Company's website at https://hginfra.com/investors-relation.html#btn-gover

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

The Company has complied with all mandatory requirements as specified in Regulations 17 to 27, Regulation 34 and clauses (b) to (i) of Sub-regulation 2 of Regulation 46 of the Listing Regulations and also has implemented the non-mandatory requirements to the best extent possible.

VI. Detailed Disclosures of the compliance with Corporate Governance requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 are as follows:

Regulation	Particulars of Regulations	Compliance Status (Yes/No)
17	Board of Directors	Yes
17A	Maximum number of Directorships	Yes
18	Audit Committee	Yes
19	Nomination and Remuneration Committee	Yes
20	Stakeholders Relationship Committee	Yes
21	Risk Management Committee	Yes
22	Vigil mechanism	Yes
23	Related Party Transactions	Yes
24	Corporate Governance requirements with respect to the subsidiary of the listed entity	Yes
24A	Secretarial Audit and Secretarial Compliance Report	Yes
25	Obligations with respect to Independent Directors	Yes
26	Obligation with respect to employees including senior management, key managerial personnel, directors and promoters.	Yes
27	Other Corporate Governance requirements	Yes
46(2)(b) to (i)	Website	Yes

VII. Compliance with non-mandatory/ discretionary requirements:

The company has complied with below discretionary requirements as specified in Part E of Schedule II of the Listing Regulations:

Modified opinion(s) in audit report:

During the year under review, there is no audit qualification on the Company's financial statements. The Company continues to adopt best practices to ensure a regime of unmodified audit opinion.

Reporting of internal auditors:

The Internal Auditors directly reports to the Audit Committee. They participate in the meetings of the Audit Committee of the Board and present their internal audit observations to the Audit Committee.

VIII. Utilization of funds raised through Public Issues, Right Issues, Preferential Issues etc.

During the year under review, the Company did not raise any proceeds through public issues, rights issues or preferential issues or qualified institutional placement under Regulation 32(7A) of the Listing Regulations.

IX. Demat suspense account/ unclaimed suspense account

The Company does not have any of its securities lying in demat/ unclaimed suspense account arising out of public/bonus/right issues as at March 31, 2023.

X. Disclosure on acceptance of recommendations made by Board committees

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

XI. Total Fee paid to the statutory auditors

During the financial year, total fees of ₹6.21 million for audit services, ₹3.21 million for certification services and ₹0.26 million for re-imbursement of expenses, have been paid on a consolidated basis to the joint statutory auditors by the company and all entities in the network firm/network entity of which the statutory auditors are a part.

Further, during the financial year, Joint statutory auditors were not part of any wholly owned subsidiary of the Company, hence no payment was made to them by any wholly owned subsidiary.

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

The Company has formulated a 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.

Further, to comply with the provisions of Section 134 of the Act and Rules made thereunder, the Company has constituted an Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

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

During the financial year, no complaint was received/ disposed by the Company under the policy and no complaint was pending as of March 31, 2023. An Annual Report for the calendar year 2022 by the Internal Complaints Committee (the "ICC") under Section 21 of the Sexual harassment of Women at Work Place (Prevention, Prohibition and Redressal) Act, 2013 (the "Act") has been submitted with relevant authority.

XIII. Loan and Advances by the Company and its Subsidiaries

The Company and its subsidiaries have not granted any loans and advances in the nature of loans to firms/ companies in which directors of the Company are interested except the loan to wholly owned subsidiaries by the Company.

XIV. Material Subsidiary

Regulation 16 of the Listing Regulations defines a "material subsidiary" to mean a subsidiary, whose income or net worth exceeds ten percent of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.

The Company has formulated a policy for determining 'material subsidiaries' in compliance of the Listing Regulations. The Policy is available at the Company's website at https://hginfra.com/investors-relation.html#btn-policy

In terms of the Company's Policy on determining "material subsidiary", during the financial year ended March 31, 2023, the following are the material subsidiaries of the Company:

S. No.	Company Name	Date of Incorporation	Place of Incorporation
1.	Gurgaon Sohna Highway Private Limited	06-04-2018	Jodhpur, Rajasthan
2.	H.G. Ateli Narnaul Highway Private Limited	04-04-2019	Jodhpur, Rajasthan
3.	H.G. Rewari Ateli Highway Private Limited	08-04-2019	Jodhpur, Rajasthan

As on March 31, 2023, the material subsidiaries have one independent director of the Company (HGIEL) on their board in compliance with Regulation 24 of the Listing Regulations.

The subsidiaries of the Company function independently, with an adequately empowered Board of Directors and adequate resources.

The Company is in compliance with regulation 24A of the Listing Regulations. The Company's unlisted material subsidiaries undergone Secretarial Audit, and also form part of this Annual Report. The Secretarial Audit Reports of all SPVs does not contain any qualification, reservation or adverse remark.

The Audit Committee and Board of the Company reviews the financial statements & significant transactions of the subsidiaries, and minutes of these subsidiaries are also placed before the Board.

H.G. Raipur Visakhapatnam OD-5 Private Limited has become material subsidiary of the Company, based on the audited financial statements of the Financial Year 2022-23.

Details of Statutory Auditors of the Material Subsidiaries are as follows:

S. No.	Company Name	Name of Statutory Auditors	Date of Appointment
1.	Gurgaon Sohna Highway Private Limited	S.L. Chhajed & Co. LLP, Chartered Accountants	03-08-2022
2.	H.G. Ateli Narnaul Highway Private Limited	Gianender & Associates, Chartered Accountants	24-09-2020
3.	H.G. Rewari Ateli Highway Private Limited	Gianender & Associates, Chartered Accountants	24-09-2020

XV. **Non-compliance of any requirement of corporate governance report of sub-paras (2) to (10) of Para C of Schedule V of the Listing Regulations**

During the financial year, the Company has complied with the requirement of corporate governance report of sub-paras (2) to (10) of Para C of Schedule V of the Listing Regulations. There has been no non-compliance reported with the above mentioned requirements.

XVI. **Weblinks for the Policies, Code and other matters referred in this Report**

The Company has adopted a well defined code and policy framework and the details of which are as follows:

Particulars	Website Link
Codes	
Code of Business Conduct & Ethics	https://hginfra.com/pdf/code_of_business_conduct_ethics_23.pdf
Code of Conduct for Board Members and Senior Management	https://hginfra.com/pdf/code_of_conduct_for_board_and_senior_management_personnel_22.pdf
Code of Practices & Procedures for Fair Disclosures of UPSI	https://hginfra.com/pdf/Code%20of%20Practices%20&%20Procedures%20for%20Fair%20Disclosure%20of%20UPSI.pdf
Code of Prohibition of Insider Trading	https://hginfra.com/pdf/code_of_conduct_to_regulate_monitor_n_report_trading_by_designated_persons_code_of_prohibition_of_insider_trading_22.pdf
Supplier Code of Conduct	https://hginfra.com/pdf/supplier_code_of_conduct_23.pdf
Policies	
Anti-Corruption & Anti-Bribery Policy	https://hginfra.com/pdf/anti_corruption_anti_bribery_policy_23.pdf
Archival Policy	https://hginfra.com/pdf/archival-policy.pdf
Business Responsibility & Sustainability Policy	https://hginfra.com/pdf/business_responsibility_n_sustainability_policy_23.pdf
Corporate Environment, Health & Safety Policy	https://hginfra.com/pdf/corporate_ehs_policy_r1.pdf
Dividend Distribution Policy	https://hginfra.com/pdf/Dividend-Distribution-Policy.pdf
Environment and Social Management Policy	https://hginfra.com/pdf/environment_social_management_policy_23.pdf
Information Security Management Policy	https://hginfra.com/pdf/information_security_management_policy_23.pdf
Nomination & Remuneration Policy	https://hginfra.com/pdf/nomination_remuneration_policy_1.pdf
Policy for Preservation of Documents	https://hginfra.com/pdf/policy-on-preservation-of-documents.pdf
Policy on Corporate Social Responsibility	https://hginfra.com/pdf/corporate_social_responsibility_csr_policy_22.pdf
Policy on Determination of Materiality of Events or Information	https://hginfra.com/pdf/policy_on_determination_of_materiality_of_events_and_information_22.pdf
Policy on Determining Material Subsidiary	https://hginfra.com/pdf/policy_for_determining_material_subsidiary_22.pdf
Policy on Prevention of Sexual Harassment at Workplace	https://hginfra.com/pdf/policy-on-prevention-of-sexual-harrasement-at-workplace.pdf
Policy on Related Party Transactions	https://hginfra.com/pdf/policy_on_related_party_transactions.pdf
Risk Management Policy	https://hginfra.com/pdf/risk_management_policy_23.pdf
Sustainable Sourcing Policy	https://hginfra.com/pdf/sustainable_sourcing_policy_23.pdf
Whistle Blower Policy	https://hginfra.com/pdf/vigil_mechanism_whistle_blower_policy_22.pdf

Particulars	Website Link
Other matters	
Employment Rights & Standard Practices	https://hginfra.com/pdf/employment_rights_standard_practices_23.pdf
Grievance Redressal Procedure	https://hginfra.com/pdf/grievance_redressal_procedure_23.pdf
Stakeholder Engagement Plan	https://hginfra.com/pdf/stakeholder_engagement_plan_23.pdf
Waste Management Plan	https://hginfra.com/pdf/waste_management_plan_sop_23.pdf

XVII. Declaration of Code of Conduct

The Company has formulated a Code of Conduct for Board members and senior management of the Company and the same is available on the Company's website: https://hginfra.com/investors-relation.html#btn-policy

All members of the Board and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct, framed pursuant to Regulation 26(3) of the Listing Regulations for Board and Senior Management, for the FY 2022-23. A declaration to this effect duly signed by the Managing Director of the Company is forming part of this Report.

XVIII. Compliance Certificate on Corporate Governance

In terms of Schedule V of the Listing Regulations, the certificate from a Practicing Company Secretaries, confirming compliance with the condition of corporate governance, as stipulated under Regulation 34 of the Listing Regulations, is forming part of this report.

XIX. Certificate as required under Part C of Schedule V of the Listing Regulations

A certificate is received from M/s. ATCS & Associates, Practicing Company Secretaries, that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of the Company by the Securities and Exchange Board of India/Ministry of Corporate Affairs or any such statutory authority is forming part of this report.

XX. MD/CFO Certification

As required under Regulation 17 of the Listing Regulations, the MD/ CFO certificate for the FY 2022-23 is forming part of this Report.

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

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

Place: Jaipur
Date: May 10, 2023

MANAGING DIRECTOR/CHIEF FINANCIAL OFFICER CERTIFICATION

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

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

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

a) We have reviewed financial statements and the cash flow statement for the financial year ended March 31, 2023 and to the best of our knowledge and belief, we state that;

   i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   ii) these statements together present a true and fair view of the Company affairs and are in compliance with existing accounting standards, applicable laws and regulations.

b) We further state that, to the best of our knowledge and belief, no transactions entered into by the Company during the year ended March 31, 2023 are fraudulent, illegal or violative of the Company code of conduct.

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

d) We have indicated to the Auditors and the Audit Committee;

   i) significant changes, if any, in internal control over financial reporting during the year;

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

   iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or any employee having a significant role in the Company's internal control system over financial reporting.

For **H. G. Infra Engineering Limited**

	Sd/-	**Sd/-**
Place: Jaipur	**Harendra Singh**	**Rajeev Mishra**
Date: May 10, 2023	Managing Director	Chief Financial Officer
	DIN-00402458	

DECLARATION OF CODE OF CONDUCT

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

I, hereby declare that all the members of the Board of Directors and Senior Management Personnel have affirmed compliance with the code of conduct of board of directors and senior management in respect of the financial year 2022-23.

For **H. G. Infra Engineering Limited**

Sd/-
Harendra Singh
Managing Director
DIN-00402458

Place: Jaipur
Date: May 10, 2023

CERTIFICATE ON CORPORATE GOVERNANCE

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

We have examined the compliance of the conditions of Corporate Governance by **H.G. INFRA ENGINEERING LIMITED (PART IX) ("the Company")** for the year ended on March 31, 2023, as stipulated under Regulations 17 to 27, clauses (b) to (i) of sub regulation (2) of Regulation 46 and Para-C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

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

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended on March 31, 2023.

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

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

Sd/-
CS Deepak Arora
Partner
FCS 5104 | C P No.: 3641
UDIN NO.: F005104E000280588

Place: Jaipur
Date: May 10, 2023

CERTIFICATE OF NON DISQUALIFICATION OF DIRECTORS

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

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

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

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended on March 31, 2023, have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

List of Directors of H.G. Infra Engineering Limited as on March 31, 2023:

S. No.	Name of Director	DIN	Date of Appointment	Designation
1.	Harendra Singh	00402458	21.03.2003	Chairman and Managing Director
2.	Vijendra Singh	01688452	21.03.2003	Whole-time Director
3.	Dinesh Kumar Goyal	02576453	23.05.2018	Whole-time Director
4.	Ashok Kumar Thakur	07573726	15.05.2017	Independent Director
5.	Pooja Hemant Goyal	07813296	15.05.2017	Independent Director
6.	Manjit Singh	02759940	13.05.2022	Independent Director
7.	Sharada Sunder	07599164	08.02.2023	Independent Director
8.	Monica Widhani	07674403	08.02.2023	Independent Director

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

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

Sd/-
CS Deepak Arora
Partner
FCS 5104 | C P No.: 3641
UDIN NO.: F005104E000280577

Place: Jaipur
Date: May 10, 2023

Annexure-VI (i) to Board's Report

Form No. MR-3

SECRETARIAL AUDIT REPORT

For the Financial Year ended 31st March, 2023

[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
14, PANCHWATI COLONY, RATANADA,
JODHPUR – 342001, RAJASTHAN

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2023 ('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, 2023 according to the provisions of:

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

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

(iii) The Depositories Act, 1996 (As amended by Finance Act, 2018) and the Regulations and Bye-laws framed thereunder;

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

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

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

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

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

(d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (Not applicable to the Company during the Audit Period);

(e) the Securities and Exchange Board of India (Depositories and Participant) Regulations, 2018;

(f) The Securities and Exchange Board of India (Share Based Employee Benefits & Sweat Equity) Regulations, 2021; (Not applicable to the Company during the Audit Period);

(g) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;

(h) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (Not applicable to the Company during the Audit Period);

(i) Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993;

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

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

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

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

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

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and Woman Director. There were following changes made in the composition of the Board of Directors during the period under review:

- Appointment of Mr. Manjit Singh as an Additional Independent Director of the company w.e.f. 13th day of May, 2022.
- Re-Appointment of Ms. Pooja Hemant Goyal as an women independent Director for her second term of 3 years with effect from 15th day of May, 2022 up to May 14, 2025.
- Re-appointment of Mr. Harendra Singh as Managing Director w.e.f. 15th day of May, 2022 to May 14, 2027.
- Re-appointment of Mr. Vijendra Singh as Whole time Director w.e.f. 15th day of May, 2022 to May 14, 2027.
- Re-appointment of Mr. Ashok Kumar Thakur as an Independent Director for his second term of 5 years w.e.f. 15th day of May, 2022 to May 14, 2027.
- Regularization of Mr. Manjit Singh as an Independent Director on 03.08.2022 with effect from 13.05.2022.
- Mr. Onkar Singh (07853887) Ceased to be a member of the Board as an Independent Director w.e.f. 07.09.2022.
- Appointment of Ms. Sharada Sunder as an Additional independent Director for her first term of 5 years with effect from 08th day of February, 2023 up to February 07, 2028
- Appointment of Ms. Monica Widhani as an Additional independent Director for her first term of 5 years with effect from 08th day of February, 2023 up to February 07, 2028.
- Regularization of Ms. Sharada Sunder and Ms. Monica Widhani as an Independent Director on 04.05.2023 with effect from 08.02.2023.

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

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

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

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

- During the audit period the Company has incorporated H.G. Karnal-Ringroad Private Limited (HGK-RPL) special purpose vehicles (wholly owned subsidiaries) solely for the purpose of domiciling the project awarded by the National Highways Authority of India (NHAI) to the Company.

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

for **ATCS & ASSOCIATES**
Company Secretaries
ICSI Unique Code P2017RJ063900
Peer Review Certificate no. 3381/2023

Sd/-
CS Deepak Arora
Partner
FCS 5104 | C P No.: 3641
UDIN NO.: F005104E000280467

Place: Jaipur
Date: May 10, 2023

Annexure A

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

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

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

for **ATCS & ASSOCIATES**
Company Secretaries
ICSI Unique Code P2017RJ063900
Peer Review Certificate no. 3381/2023

Sd/-
CS Deepak Arora
Partner
FCS 5104 | C P No.: 3641
UDIN NO.: F005104E000280467

Place: Jaipur
Date: May 10, 2023

Annexure-VI (ii) to Board's Report

ANNUAL SECRETARIAL COMPLIANCE REPORT OF H.G. INFRA ENGINEERING LIMITED

For the Financial Year ended 31st March, 2023

[Pursuant to Regulation 24A of the Securities Exchange Board of India (Listing obligations and Disclosure Requirements) Regulations, 2015]

To,
The Board of Directors,
H.G. INFRA ENGINEERING LIMITED
14, PANCHWATI COLONY, RATANADA,
JODHPUR – 342001, RAJASTHAN

Dear Sir/Madam,

We, Deepak Arora & Associates, Company Secretaries in Practice have examined:

a) all the documents and records made available to us and explanation provided by H.G. INFRA ENGINEERING LIMITED ("the Listed Entity"),

b) the filings/ submissions made by the listed entity to the stock exchanges,

c) website of the listed entity,

d) any other document/ filing, as may be relevant, which has been relied upon to make this certification,

for the year ended 31st March, 2023 ("Review Period") in respect of compliance with the provisions of :

a) the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and

b) the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

The specific Regulations as amended from time to time, whose provisions and the circulars/ guidelines issued thereunder, have been examined according to their applicability during the period under review, include:-

a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **(Not applicable to the Company during the Audit Period)**;

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

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

e) the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;

f) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **(Not applicable during the Audit period)**;

g) Securities and Exchange Board of India (Share Based Employee Benefits & Sweat Equity) Regulations, 2021; **(Not applicable during the Audit Period)**;

h) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;

i) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; **(Not applicable to the Company during the Audit Period)**;

j) Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993;

We have examined the compliance of above regulations, circulars, guidelines issued thereunder as applicable during the period under review and based on confirmation received from the management of the company and as per NSE Circulars NSE/CML/2023/21 dated 16 March, 2023 & NSE/CML/ 2023/30 dated 10 April, 2023 and BSE Circulars 20230316-14 dated 16 March, 2023 and 20230410-41 dated 10 April, 2023, we hereby confirm that during the Review Period the compliances status of the company is appended as below:

SR. NO.	PARTICULARS	Compliance Status (Yes / No/ NA)	Observations / Remarks by PCS*
1.	**Secretarial Standards:** The compliances of the listed entity are in accordance with the applicable Secretarial Standards (SS) issued by the Institute of Company Secretaries India (ICSI), as notified by the Central Government under section 118(10) of the Companies Act, 2013.	YES	-
2.	**Adoption and timely updation of the Policies:** • All applicable policies under SEBI Regulations are adopted with the approval of board of directors of the listed entities	YES	-
	• All the policies are in conformity with SEBI Regulations and have been reviewed & updated on time, as per the regulations/circulars/guidelines issued by SEBI	YES	-
3.	**Maintenance and disclosures on Website:** • The Listed entity is maintaining a functional website	YES	-
	• Timely dissemination of the documents/ information under a separate section on the website	YES	-
	• Web-links provided in annual corporate governance reports under Regulation 27(2) are accurate and specific which re- directs to the relevant document(s)/ section of the website	YES	-
4.	**Disqualification of Director:** None of the Director of the Company are disqualified under Section 164 of Companies Act, 2013.	YES	-
5.	**Details related to Subsidiaries of listed entities have been examined w.r.t.:** (a) Identification of material subsidiary companies	YES*	-
	(b) Disclosure requirement of material as well as other subsidiaries	YES	-
6.	**Preservation of Documents:** The listed entity is preserving and maintaining records as prescribed under SEBI Regulations and disposal of records as per Policy of Preservation of Documents and Archival policy prescribed under SEBI LODR Regulations, 2015.	YES	-
7.	**Performance Evaluation:** The listed entity has conducted performance evaluation of the Board, Independent Directors and the Committees at the start of every financial year/during the financial year as prescribed in SEBI Regulations.	YES	-
8.	**Related Party Transactions:** a) The listed entity has obtained prior approval of Audit Committee for all related party transactions;	YES	During the period under review all Related party transactions were entered after obtaining prior approval of audit committee.
	b) In case no prior approval has been obtained, the listed entity has provided detailed reasons along with confirmation whether the transactions were subsequently approved/ratified/rejected by the Audit Committee.	NA	
9.	**Disclosure of events or information:** The listed entity has provided all the required disclosure(s) under Regulation 30 along with Schedule III of SEBI LODR Regulations, 2015 within the time limits prescribed thereunder.	YES	-

SR. NO.	PARTICULARS	Compliance Status (Yes / No/ NA)	Observations / Remarks by PCS*
10.	**Prohibition of Insider Trading:** The listed entity is in compliance with Regulation 3(5) & 3(6) SEBI (Prohibition of Insider Trading) Regulations, 2015.	YES	-
11.	**Actions taken by SEBI or Stock Exchange(s), if any:** No action(s) has been taken against the listed entity/ its promoters/ directors/ subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under SEBI Regulations and circulars/ guidelines issued thereunder	NA	No other action(s) has been taken against the listed entity/ its promoters/ directors/ subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under SEBI Regulations and circulars/ guidelines issued thereunder.
12.	**Additional Non-compliances, if any:** No additional non-compliance observed for any SEBI regulation/circular/guidance note etc.	NA	No additional non-compliances were observed for any SEBI regulation / circular/guidance notes etc during the period under review.

* During the period under review 3 (Three) material subsidiary Companies namely (i) Gurgaon Sohna Highway Private Limited, (ii) H.G. Rewari Ateli Highway Private Limited and (iii) H.G. Ateli Narnaul Highway Private Limited, have been examined.

Compliances related to resignation of statutory auditors from listed entities and their material subsidiaries as per SEBI Circular CIR/CFD/CMD1/114/2019 dated 18th October, 2019:

No event relating to resignation of auditor has occurred during the review period; hence, this clause is not applicable.

(Note: : During the period under review the term as mentioned in Section 139 (2) (b) has been completed by Joint Statutory Auditor of the company i.e. M/s. Price Waterhouse & Co., Chartered Accountants LLP (ICAI Firm Registration No. 304026E/E300009) on AGM held on 03.08.2022, therefore they have retired as a statutory auditor of the company and in place of above mentioned firm the Board of Directors of the company has recommended to appoint and members in their Annual General Meeting held on 03.08.2022 appoint M/S. M S K A & Associates, Chartered Accountants (FRN 105047W), as Joint Statutory Auditor of the company for a period of 5 years).

The Additional Disclosures of Annual Secretarial Compliance Report are as below:-

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

S. NO.	Compliance Require-ment (Regu-lations/ circulars/ guidelines including specific clause)	Regu-lation/ Circular No.	Deviations	Action Taken by	Type of Action	Details of Violation	Fine Amount	Obser-vations/ Remarks of the Practicing Company Secretary	Manage-ment Re-sponse	Re-marks
NIL										

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

S. NO.	Compliance Require-ment (Regu-lations/ circulars/ guide¬lines including specific clause)	Regu-lation/ Circular No.	Deviations	Action Taken by	Type of Action	Details of Violation	Fine Amount	Obser-vations/ Remarks of the Practicing Company Secretary	Manage-ment Re-sponse	Re-marks
NIL										

for **DEEPAK ARORA & ASSOCIATES**
Company Secretaries
Firm Reg. No P2001RJ080000

Sd/-
Deepak Arora
Partner
FCS 5104 | C P No.: 3641
UDIN NO.: F005104E000247390

Place: Jaipur
Date: May 03, 2023

Form No. MR-3

Secretarial Audit Report

For the Financial Year ended 31st March, 2023

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

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

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

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

Based on our verification of the company's books, papers, minute books, forms and returns filed with MCA and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2023 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereunder:

We have examined the books, papers, minute books, forms and returns filed with MCA and other records maintained by **GURGAON SOHNA HIGHWAY PRIVATE LIMITED** ("The Company") for the financial year ended on 31st March, 2023 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made there under;

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

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws Framed there under;

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

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

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

  c. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

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

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

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

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

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

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

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

a. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

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

c. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;

d. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018.

e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations 2008.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.

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 meetings were carried with requisite majority.

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

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

1. Appointment of Mr. Manjit Singh (DIN: 02759940) as an Additional, Non-Executive and Independent Director of the Company w.e.f. 20th May, 2022; who was regularized as Independent Director of the Company in the Annual General Meeting of the Company held on 03rd August 2022.

2. Regularization of Ms. Nisha Singh (DIN: 06391761) who was appointed an Additional Woman Director w.e.f. 1st February, 2022; as Director of the Company in the Annual General Meeting of the Company held on 03rd August 2022.

3. Cessation of Mr. Onkar Singh (DIN: 07853887), from the post of Director of the Company, w.e.f. 12th September 2022.

4. During the period under review Company has modified the charge having charge id - 100209602, amounting Rs. 287.86 Core (Rupees Two Hundred Eighty Seven Crore Eighty Six Lacs only) modification details are as follows:

   - On 07th May 2022, the charge was modified and by this modification, rupee term loan facility of Rs. 170 Crore and Rs. 67.86 Crore has been sold down from Tata Cleantech Capital Limited and PTC India Financial Services Limited to Indian Bank. After this modification, Loan Facility of Indian Bank has increased from Rs. 50 Crore to Rs. 287.86 Crore.
   - On 18th July 2022, the charge was modified again and by this modification, mortgage on the Commercial Office of the Company situated at B-6, Basement Floor, Sheel Mohar Plaza at Plot no. A-1, Tilak Marg, C-Scheme, Jaipur, Rajasthan has been released and other terms of loan remains the same.
   - On 17th March 2023, the charge was modified again and by this modification, personal guarantee of Mr. Girish Pal Singh, Mr. Harendra Singh, Mr. Vijendra Singh and Corporate Guarantee provided by Promoter Company (H.G. Infra Engineering Limited) for securing the facility of Rs. 287.86 Crore availed by Gurgaon Sohna Highway Private Limited ("Borrower") has been released by sole lenders i.e. Indian Bank. So after this modification, for securing the credit facility availed by Gurgaon Sohna Highway Private Limited, the Promoter Company (H.G. Infra Engineering Limited), has provided security by way of Pledge 30% of equity shares of Gurgaon Sohna Highway Private Limited at all time and Assignment/ Charge over unsecured loans infused by the borrower. Apart from this, there were no changes in any other terms and conditions.

5. During the period under review the Company has sold its corporate office situated at B-6, Basement Floor, Sheel Mohar Plaza, Plot No-A-1, Tilak Marg, C-Scehme, Jaipur, Rajasthan-302001.

As on 31st March, 2023, the issued and paid-up capital of the Company is Rs. 66,03,00,000 (Rupees Sixty-six Crore Three Lakhs Only) divided into 6,60,30,000 (Six Crores Sixty Lakhs Eleven Thousand) equity shares of Rs. 10 (Rupees Ten Only) each.

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

for **Rahul S & Associates**
Company Secretaries

(CS RAHUL SHARMA)
M. No: FCS 9611
COP No: 18440
Unique Code: S2017RJ506300
UDIN: F009611E000244661
PR NO: 1197/2021

Place: Jaipur
Date: May 03, 2023

Annexure A

Annexure to Secretarial Audit Report

For the Financial Year ended 31st March, 2023

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

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

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

for **Rahul S & Associates**
Company Secretaries

(CS RAHUL SHARMA)
M. No: FCS 9611
COP No: 18440
Unique Code: S2017RJ506300
UDIN: F009611E000244661
PR NO: 1197/2021

Place: Jaipur
Date: May 03, 2023

Form No. MR-3

Secretarial Audit Report

For the Financial Year ended 31st March, 2023

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

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

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

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

Based on our verification of the company's books, papers, minute books, forms and returns filed with MCA and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2023 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereunder:

We have examined the books, papers, minute books, forms and returns filed with MCA and other records maintained by **H.G. ATELI NARNAUL HIGHWAY PRIVATE LIMITED** ("The Company") for the financial year ended on 31st March, 2023 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made there under;

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

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws Framed there under;

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

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

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

   c. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

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

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

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

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

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

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

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

a. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

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

c. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;

d. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018.

e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations 2008.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.

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 meetings were carried with requisite majority.

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

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

1. Appointment of Mr. Manjit Singh (DIN: 02759940) as an Additional, Non-Executive and Independent Director of the Company w.e.f. 20th May, 2022; who was regularized as Independent Director of the Company in the Annual General Meeting of the Company held on 02nd August 2022.

2. Regularization of Ms. Nisha Singh (DIN: 06391761) who was appointed an Additional Woman Director w.e.f. 1st February, 2022; as Director of the Company in the Annual General Meeting of the Company held on 02nd August 2022.

3. Cessation of Mr. Ashish Gupta, from the post of CFO of the Company w.e.f. 12th July 2022 and appointment of Mr. Virendra Sonawat as CFO w.e.f. 05th November 2022. However, he ceased w.e.f. 24th February 2023.

4. Cessation of Mr. Onkar Singh (DIN: 07853887), from the post of Director of the Company, w.e.f. 12th September 2022.

As on 31st March, 2023, the issued and paid-up capital of the company is Rs. 95,21,10,000 (Rupees Ninety-Five Crore Twenty-One Lakhs Ten Thousand Only) divided into 9,52,11,000 (Nine Crore Fifty-Two Lakhs Eleven Thousand) equity shares of Rs. 10 (Rupees Ten Only) each.

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

for **Rahul S & Associates**
Company Secretaries

(CS RAHUL SHARMA)
M. No: FCS 9611
COP No: 18440
Unique Code: S2017RJ506300
UDIN: F009611E000244771
PR NO: 1197/2021

Place: Jaipur
Date: May 03, 2023

Annexure A

Annexure to Secretarial Audit Report

For the Financial Year ended 31st March, 2023

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

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

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

for **Rahul S & Associates**
Company Secretaries

(CS RAHUL SHARMA)
M. No: FCS 9611
COP No: 18440
Unique Code: S2017RJ506300
UDIN: F009611E000244771
PR NO: 1197/2021

Place: Jaipur
Date: May 03, 2023

Form No. MR-3

Secretarial Audit Report

For the Financial Year ended 31st March, 2023

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

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

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by H.G. REWARI ATELI HIGHWAY PRIVATE LIMITED (CIN: U45400RJ2019PTC064546) (hereinafter called the company).

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

Based on our verification of the company's books, papers, minute books, forms and returns filed with MCA and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2023 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereunder:

We have examined the books, papers, minute books, forms and returns filed with MCA and other records maintained by **H.G. REWARI ATELI HIGHWAY PRIVATE LIMITED** ("The Company") for the financial year ended on 31st March, 2023 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made there under;

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

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws Framed there under;

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

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

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

c. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

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

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

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

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

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

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

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

a. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

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

c. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;

d. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018.

e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations 2008.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, and Independent Directors.

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 meetings were carried with requisite majority.

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

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

1. Appointment of Mr. Manjit Singh (DIN: 02759940) as an Additional, Non-Executive and Independent Director of the Company w.e.f. 20th May, 2022; who was regularized as Independent Director of the Company in the Annual General Meeting of the Company held on 02nd August 2022.
2. Regularization of Ms. Rudrakshi Choudhary (DIN: 09504586) who was appointed an Additional Woman Director w.e.f. 14th February, 2022 as Director of the Company in the Annual General Meeting of the Company held on 02nd August 2022.
3. Cessation of Mr. Onkar Singh (DIN: 07853887), Director of the Company, w.e.f. 12th September 2022.
4. During the period under review Company has modified a charge having charge id - 100300858, amounting Rs. 227 Crore (Rupees Two Hundred Twenty Seven Crore only), modification details are as follows:

- On 02nd January 2023, the charge was modified and by this modification, Corporate Guarantee provided by Promoter Company (H.G. Infra Engineering Limited) for securing the facility of Rs. 227 Crore availed by H.G. Rewari Ateli Highway Private Limited ("Borrower"), has been released by the Senior Lenders i.e. HDFC Bank Limited and Axis Bank Limited, and now along with the existing security provided by Borrower, the promoter i.e. H.G. Infra Engineering Limited has provided security by way of:

  i) Pledge of 51% of equity shares and preference shares (if any) of H.G. Rewari Ateli Highway Private Limited at all time.

  ii) Pledge of 51% of all debentures (if, any) issued by H. G. Rewari Ateli Highway Private Limited to Company.

As on 31st March, 2023, the issued and paid-up capital of the Company is Rs. 38,22,50,000 (Rupees Thirty Eight Crore Twenty Two Lakhs Fifty Thousand Only) divided into 3,82,25,000 (Three Crores Eighty Two Lakhs Twenty Five Thousand) equity shares of Rs. 10 (Rupees Ten Only) each.

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

for **Rahul S & Associates**
Company Secretaries

(CS RAHUL SHARMA)
M. No: FCS 9611
COP No: 18440
Unique Code: S2017RJ506300
UDIN: F009611E000244881
PR NO: 1197/2021

Place: Jaipur
Date: May 03, 2023

Annexure A

Annexure to Secretarial Audit Report

For the Financial Year ended 31st March, 2023

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

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

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

for **Rahul S & Associates**
Company Secretaries

(CS RAHUL SHARMA)
M. No: FCS 9611
COP No: 18440
Unique Code: S2017RJ506300
UDIN: F009611E000244881
PR NO: 1197/2021

Place: Jaipur
Date: May 03, 2023

Annexure-VII to Board's Report

Particulars of Employees

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

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

The remuneration of each Director, Chief Financial Officer and Company Secretary, percentage increase in their remuneration during the financial year 2022-23 and ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year 2022-23 are as under:

S. No.	Name	Designation	Remuneration of Director/ KMP for the Financial Year 2022-23 (Amount in ₹ Million)	Ratio of Remuneration to MRE (Median Remuneration of Employee)	% increase / (decrease) in Remuneration
A	B	C	D	E	F
1.	Mr. Harendra Singh	Managing Director	30	216.06	15.39%
2.	Mr. Vijendra Singh	Whole-time Director	15	108.03	7.14%
3.	Mr. Dinesh Kumar Goyal	Whole-time Director	4.45	32.05	--
4.	Mr. Rajeev Mishra	Chief Financial Officer	3.71	NA	21.25%
5.	Ms. Ankita Mehra	Company Secretary	1.02	NA	22.90%

The Non-Executive Directors of the Company were paid only sitting fees during the financial year under review. Hence, their ratio to Median Remuneration and percentage increase in remuneration has not considered.

2. The median remuneration of employees of the Company during the financial year was ₹1,38,850/- per annum and ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year is provided in the above table.

3. The percentage increase in the median remuneration of employees in the Financial Year:

   In the Financial Year, there was an increase of 44.84% in the median remuneration of employees.

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

4. Number of permanent employees on the rolls of Company was 4,034 as on March 31, 2023.

5. There is increase of 77.70% in total gross salary of employees other than the managerial personnel during the financial year as compared to previous year due to increase in hiring of plant and machinery operating staff in the regular roles of the organization. Hiring of such employees were outsourced before. The purpose behind initiating the hiring of such operating staff category role in the Company to create sense of accountability and belongingness of such cadre employees in the organization as they are the bread-winners at the project level, while 10.3% increase in total gross salary of managerial personnel during the financial year as compared to previous year due to Company's growth in financial year 2022-23.

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

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

a) Details of Top ten employees as per remuneration as on March 31, 2023

S. No.	Employee Name	Designation, nature of Employment	Educational Qualification	Age (Years)	Experience (Years)	Date of Joining	Remuneration Paid (Amount in ₹ Million)	Previous Employer	Relation with Director or Manager, if any
1.	Mr. Harendra Singh	Managing Director	BE (Civil)	56	29	January 01, 2003	30.00	--	Brother of Mr. Vijendra Singh- Whole-time Director
2.	Mr. Vijendra Singh	Whole-Time Director	Basic Education	58	31	January 01, 2003	15.00	--	Brother of Mr. Harendra Singh- Managing Director
3.	Mr. Vaibhav Choudhary	Project Controller	MBA	36	17	April 01, 2017	10.81	--	Son of Mr. Girish Pal Singh-Promoter
4.	Mr. Kavinder Jindal	Vice President	B. Tech (Civil)	55	35	September 15, 2021	8.73	Welspun Enterprises Limited	No
5.	Mr. Vinod Kumar Giri	Senior Vice President	Master of Administration-, M. Tech (Civil), B. Tech (Civil)	56	31	February 16, 2021	8.40	Almondz Global Infra Consultant Limited	No
6.	Mr. Arvind Khandelwal	President	Chartered Accountant	51	25	July 01, 2022	8.33	Axis Bank Limited	No
7.	Mr. Chandra Pal Mehta	Vice President	Chartered Engineer	54	34	July 26, 2021	6.68	TATA Projects	No
8.	Mr. Vinod Kumar Singh	Assistant Vice President	B. Tech (Civil)	53	30	February 15, 2021	6.21	GR Infra Projects Limited	No
9.	Mr. Satish Kumar Sharma	Vice President	BE (Civil) & MBA	52	29	October 09, 2010	6.16	ISOLAX	No
10.	Mr. Jay Kumar Sah	Chief General Manager	M. Tech	47	23	May 27, 2017	4.78	SMS Limited	No

Notes:

1. There are no employees employed throughout the financial year or part thereof, was in receipt of remuneration in the year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the Managing Director or Wholetime Director or Manager and who holds by himself/herself or along with his/her spouse and dependent children, not less than 2% of the equity shares of the Company.

2. No employee of the Company holds more than 2% paid up capital of the Company in terms of clause (iii) of rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

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

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

Annexure-VIII to Board's Report

Business Responsibility and Sustainability Report

SECTION A: GENERAL DISCLOSURE

I. Details of the listed entity

S. No.	Requirement	Company Details
1.	**Corporate Identity Number (CIN) of the Listed Entity**	L45201RJ2003PLC018049
2.	**Name of the Listed Entity**	H.G. Infra Engineering Limited
3.	**Year of incorporation**	2003
4.	**Registered office address**	14, Panchwati Colony, Ratanada, Jodhpur, Rajasthan-342001
5.	**Corporate address**	IIIrd Floor, Sheel Mohar Plaza, A-1 Tilak Marg, C-Scheme, Jaipur-302001, Rajasthan
6.	**E-mail**	esg@hginfra.com
7.	**Telephone**	0141-4106040-41
8.	**Website**	www.hginfra.com
9.	**Financial year for which reporting is being done**	April 1, 2022 to March 31, 2023
10.	**Name of the Stock Exchange(s) where shares are listed**	BSE Limited and National Stock Exchange of India Limited
11.	**Paid-up Capital**	₹651.71 Million

12. Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report.

Name	Ms. Ankita Mehra
Designation	Company Secretary & Compliance Officer
Telephone Number	0141-4106040-41
Email Address	cs@hginfra.com

13. Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).

This Business Responsibility and Sustainability Report (BRSR) FY 2022-23, is made on standalone basis for H.G. Infra Engineering Limited (HGIEL).

II. Products/services

14. Details of business activities (accounting for 90% of the turnover):

S. No.	Description of Main Activity	Description of Business Activity	% Of Turnover of the entity
1	Group Code F: Construction	Code F2: Roads, Railways and Utility Projects	99.59%

15. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S. No.	Product/Service	NIC Code	% Of total turnover contributed
1	Construction contracts	45203 Division 42 Civil engineering Group 421 Construction of roads and railways	99.59%

III. Operations

16. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of projects	Number of offices	Total
National	20	2	22
International	0	0	0

17. Markets served by the entity:

a. Number of locations

Location	Number
National (No. of states)	11
International (No. of Countries)	0

Note: The Company has built an extensive reach of 11 locations across length and breadth of the country:

Himachal Pradesh, Rajasthan, Karnataka, Jharkhand, Haryana, Uttar Pradesh, Maharashtra, Odisha, Telangana, Delhi and Andhra Pradesh

17. b. What is the contribution of exports as a percentage of the total turnover of the entity?

There are no exports and international operations of the company.

17. c. A brief on types of customers

The Company is engaged in the business of Engineering, Procurement and Construction (EPC), maintenance of roads, highways, bridges & flyovers and other infrastructure contract works. Major clients of the company are government authorities and private players who are developers of roads, highways, bridges, railways & metro projects etc.

IV. Employees

18. Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
	EMPLOYEES					
1.	Permanent (D)	1,656	1,623	98.01	33	1.99
2.	Other than Permanent (E)	153	148	96.73	5	3.27
3.	Total employees (D + E)	1,809	1,771	97.89	38	2.10
	WORKERS					
4.	Permanent (F)	2,378	2,378	100.00	0	0.00
5.	Other than Permanent (G)	2,904	2,896	99.72	8	0.28
6.	Total workers (F + G)	5,282	5,274	99.84	8	0.15

Note: Other than permanent employees include Fixed Term Contracts (FTCs) and interns.

18. b. Differently abled Employees and workers:

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
	DIFFERENTLY ABLED EMPLOYEES					
1.	Permanent (D)	1	1	100	0	0
2.	Other than Permanent (E)	0	0	0	0	0
3.	Total differently abled employees (D + E)	1	1	100	0	0
	DIFFERENTLY ABLED WORKERS					
4.	Permanent (F)	0	0	0	0	0
5.	Other than permanent (G)	0	0	0	0	0
6.	Total differently abled workers (F + G)	0	0	0	0	0

Note: Company does not have workers/causal labors with disabilities.

19. Participation/ Inclusion/ Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	8	3	37.50
Key Management Personnel (Excluding MD and WTD)	2	1	50

20. Turnover rate for permanent employees and workers

	FY 2022-23 (Turnover rate in current FY)			FY 2021-22 (Turnover rate in previous FY)			FY 2020-21 (Turnover rate in Year prior to Previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	20.9	25.0	21.0	22.6	21.9	22.6	23.6	7.7	23.4
Permanent Workers	28.6	0.0	28.6	24.1	0.0	24.1	36.6	0.0	36.6

V. Holding, Subsidiary and Associate Companies (including Joint Ventures)

21. a. Names of holding / subsidiary / associate companies / joint ventures

S. No.	Name of the holding /subsidiary / associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	Gurgaon Sohna Highway Private Limited	Subsidiary	100%	Yes
2	H.G. Ateli Narnaul Highway Private Limited	Subsidiary	100%	Yes
3	H.G. Rewari Ateli Highway Private Limited	Subsidiary	100%	Yes
4	H.G. Rewari Bypass Private Limited	Subsidiary	100%	Yes
5	H.G Khammam Devarapalle PKG-1 Private Limited	Subsidiary	100%	Yes
6	H.G Khammam Devarapalle PKG-2 Private Limited	Subsidiary	100%	Yes
7	H.G Raipur Visakhapatnam OD-5 Private Limited	Subsidiary	100%	Yes
8	H.G Raipur Visakhapatnam OD-6 Private Limited	Subsidiary	100%	Yes
9	H.G Raipur Visakhapatnam AP-1 Private Limited	Subsidiary	100%	Yes
10	H.G. Karnal-Ringroad Private Limited	Subsidiary	100%	Yes
11	HGIEPL-RANJIT JV	Jointly Controlled Operations	30%	Yes
12	HGIEPL- MGCPL JV	Jointly Controlled Operations	30%	Yes
13	Safety First Engineering Private Limited	Associate	26%	Yes
14	M/s Safety First (Partnership Firm)	Associate	26%	Yes

VI. CSR Details

22.	(i) Whether CSR is applicable as per section 135 of Companies Act, 2013:	Yes
	(ii) Turnover (in Rs.)	44,185.36 Million
	(iii) Net worth (in Rs.)	17,784.35 Million

VII. Transparency and Disclosures Compliances

23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY 22-23 Current Financial Year			FY 21-22 Previous Financial Year		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes	0	0	NA	0	0	NA
Investors (other than shareholder)	Yes	0	0	NA	0	0	NA
Shareholders	Yes	2	0	NA	2	0	NA
Employees and workers	Yes	0	0	NA	0	0	NA
Customers	Yes	0	0	NA	0	0	NA
Value Chain Partners	Yes	0	0	NA	0	0	NA

Note: The Company has established a grievance redressal mechanism for all the stakeholders to report all kind of grievances. This procedure is hosted on the Company's official website - https://hginfra.com/pdf/grievance_redressal_procedure_23.pdf

24. Overview of the entity's material responsible business conduct issues.

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format.

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Climate Action	R/O	Risk - Climate change disrupts operations by impacting projects. This increases the chances of rework with high financial implications in case the force majeure is not appropriately outlined. Opportunity – Climate Action motivates Company to have a climate resilient infrastructure and provides front runner opportunity.	Company is looking forward to adapting climate resilient infrastructure for its business operations. Company is organizing awareness sessions on environment topics and mitigation measures to climate change to educate all the employees of the company.	P/N
2	Energy Consumption	R	Risk – Unaccounted energy consumption leads to financial implications.	Company aims at achieving operational Eco-efficiency by incorporating measures to reduce energy consumption at projects.	N

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
3	GHG & Air Emission	R/O	Risk – Unaccounted emission leads to adverse environmental implications and reputational risk to the company. Opportunity – Reduction in emissions provides recognition to the company among its peers and stakeholders.	Company has installed Screw Conveyor System in the Plant to prevent air pollution. HGIEL is also targeting to reduce its GHG emissions as well.	P/N
4	Renewable Energy	O	Adoption of renewable energy resources will help Company in reducing environmental impacts (emission reduction) and striving towards sustainable future.	-	P
5	Biodiversity & Land Use	R	Displacement of local biodiversity is one of the major risks, since Company is involved in roads and highways construction business.	All the projects of the company have gone through Environment Impact Assessment (EIA) followed by Environmental Clearances from government authorities. Company has also developed wind barricading for batching plants and Hot Mix Plants using green garden net and tree plantation.	N
6	Water, waste & hazardous material management	R/O	Risk – Construction business requires water from various sources and generates waste i.e., hazardous, construction & demolition etc. Ineffective waste management practices and unaccountable water consumption might result in non-compliance under legal rules and lead to adverse environmental impacts. Opportunity – Company can adapt 3 R concept of reduce, reuse and recycle. This will contribute in environment conservation.	Company has adapted integrated waste management plan. There are color coded dustbins at workshop areas to collect hazardous waste. Please refer to E 9 of Principle 6 for more details. With respect to water conservation following actions are taken by the Company: • Company has designed drainage system for the construction camp at project sites to collect the wastewater and storm water. • Company has also installed sewage treatment plants (STPs) at project sites. • Reutilization of treated water for batching plant and landscaping development at the construction camp.	P/N
7	Compliance management	R	Non-compliance may result in fines/ penalties which will lead to reputational risk.	Company has a dedicated Compliance Team to look after all the compliances.	N

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
8	Sustainable supply chain	R/O	Risk – Any instances of environment, social and human rights violation on the part of the supplier associated with the Company may result in reputational risk. Opportunity – Company can stand out among the peers by effectively implementing sustainable sourcing policy. This will also develop trust among stakeholders.	Company has developed Sustainable Sourcing Policy and Supplier Code of Conduct which covers environment, health & safety, human rights and governance parameters that has to be adhered by the suppliers during the engagement with the Company.	P/N
9	Labour standard & working conditions	R	Unethical labour practices might attract fines/ penalties/ court cases and eventually lead to reputational risk.	Company has developed and implemented a policy on employment rights and standard practices. This policy cover parameters of labour legislations and human rights. Apart from this, supplier code of conduct also imposes mandates on suppliers pertaining to ethical labour practices. Company conducts awareness session and trainings on employment rights.	N
10	Anti-corruption & anti-bribery	R	Instances of bribery and corruption might lead to reputational risk for the Company.	Company has developed and implemented ABC Policy. Whistle Blower Mechanism has also been adopted by Company. Please refer to E4 in Principle 1 for more details.	N
11	Occupational health & safety	R	Construction business involves instances of incidents related to health and safety.	Company has adopted and implemented following risk management practices across all the projects: • Hazard Identification and Risk Assessment (HIRA) • Master Risk Register • Risk Assessment Method statements activity-wise • Job Safety Analysis • Health & Safety Trainings Please refer E 12 of Principle 3 for more details.	N

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
12	Diversity, Equity & Inclusion (DEI), Talent management, attraction, retention and development	R/O	Risk – Lack in workforce management and diversity may decrease the productivity within the organization. Instances of inequality and discrimination attracts fine/penalties leading to reputational risk. Opportunity – DEI and workforce management helps in booming the work culture of the company which increases the productivity.	Company has developed and implemented Code of Business Conduct and Ethics. This code covers parameters on equal opportunity and diversity. Company's policy on employment rights and standard practices guarantees accommodative work environment to all the employees. Company also organizes various skill upgradation programs and sessions for the employees with the help of Learning & Development Team of the Company.	P/N
13	Skilled manpower	O	Skilled manpower comes as an opportunity by providing solutions on how to execute complex projects effectively and maximize productivity.	-	P
14	Human rights & grievances	R	Company's operation involves contract labours and unskilled manpower for construction work. This kind of engagements are generally followed by instances of human rights breach, such as child labour, forced labour, non-payment of minimum wages etc.	Company has developed a system to tackle this risk through implementation of policy on employment rights and standard practices and supplier code of conduct. These codes and policies prohibit the violation of human rights and expects the suppliers to endorse the same at the time of on boarding. Company has also made human rights compliance as part of its business contracts. Trainings and awareness sessions around human rights are conducted by the Company. Company also encourages all its stakeholders to report any breach of human rights through its Grievance Redressal Mechanism which is available at the website.	N
15	Social engagement & impact	O	Being a construction company (road/ highways), frequent engagement with the local community can come as an opportunity for the business by providing positive outlook to its operations through CSR initiatives.	-	P
16	Brand Management	O	Brand Management is an opportunity, since it will help in creating good reputation in the market among competitors.	-	P

SECTION B: MANAGEMENT & PROCESS DISCLOSURE

PRINCIPLE 1 - Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable

PRINCIPLE 2 - Businesses should provide goods and services in a manner that is sustainable and safe

PRINCIPLE 3 - Businesses should respect and promote the well-being of all employees, including those in their value chains

PRINCIPLE 4 - Businesses should respect the interests of and be responsive to all its stakeholders

PRINCIPLE 5 - Businesses should respect and promote human rights

PRINCIPLE 6 - Businesses should respect and make efforts to protect and restore the environment

PRINCIPLE 7 - Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

PRINCIPLE 8 - Businesses should promote inclusive growth and equitable development

PRINCIPLE 9 - Businesses should engage with and provide value to their consumers in a responsible manner

I. Policy and management processes

Disclosure	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
	Kindly refer Note 1 to this question								
b. Has the policy been approved by the Board? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
c. Web Link of the Policies, if available	Y	Y	Y	Y	Y	Y	Y	Y	Y
	Kindly refer Note 1 to this question								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
3. Do the enlisted policies extend to your value chain partners? (Yes/ No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
4. Name of the national and international codes/certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle. (Kindly refer note)	N	N	Y	N	N	Y	N	N	Y
	Kindly refer Note 2 to this question								
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	Company is looking forward to formulating goals and targets for coming financial year.								
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	Company is looking forward to formulating goals and targets for coming financial year.								

Note 1. The Company has formulated and implemented following policies in accordance with the Principles of NGRBC-

NGRBC Principle	Name of Policy	Link of the Policy
Principle 1	• Anti-Corruption & Anti-Bribery Policy • Code of Business Conduct & Ethics	https://hginfra.com/pdf/anti_corruption_anti_bribery_policy_23.pdf https://hginfra.com/pdf/code_of_business_conduct_ethics_23.pdf
Principle 2	• Environment and Social Management Policy • Sustainable Sourcing Policy	https://hginfra.com/pdf/environment_social_management_policy_23.pdf https://hginfra.com/pdf/sustainable_sourcing_policy_23.pdf
Principle 3	• Employment Rights & Standard Practices • Grievance Redressal Procedure	https://hginfra.com/pdf/employment_rights_standard_practices_23.pdf https://hginfra.com/pdf/grievance_redressal_procedure_23.pdf
Principle 4	• Stakeholder Engagement Plan • Grievance Redressal Procedure	https://hginfra.com/pdf/stakeholder_engagement_plan_23.pdf https://hginfra.com/pdf/grievance_redressal_procedure_23.pdf
Principle 5	• Grievance Redressal Procedure	https://hginfra.com/pdf/grievance_redressal_procedure_23.pdf
Principle 6	• Waste Management Plan • Environment and Social Management Policy	https://hginfra.com/pdf/waste_management_plan_sop_23.pdf https://hginfra.com/pdf/environment_social_management_policy_23.pdf

NGRBC Principle	Name of Policy	Link of the Policy
Principle 7	• Environment and Social Management Policy • Corporate Social Responsibility Policy	https://hginfra.com/pdf/environment_social_management_policy_23.pdf https://hginfra.com/pdf/corporate_social_responsibility_csr_policy_22.pdf
Principle 8	• Environment and Social Management Policy • Corporate Social Responsibility Policy	https://hginfra.com/pdf/environment_social_management_policy_23.pdf https://hginfra.com/pdf/corporate_social_responsibility_csr_policy_22.pdf
Principle 9	• Grievance Redressal Procedure • Information Security Management Policy	https://hginfra.com/pdf/grievance_redressal_procedure_23.pdf https://hginfra.com/pdf/information_security_management_policy_23.pdf

In addition to the aforementioned policies, the Company has established Supplier Code of Conduct to assess the suppliers on the basis of Environmental and Social parameters. This Code has been developed in line with the Principles of NGRBC –. The CoC is being hosted in our official webpage - https://hginfra.com/pdf/supplier_code_of_conduct_23.pdf

Note 2. The Company is certified with the following:

NGRBC Principe	Certification
Principle 3	ISO 45001:2018 Occupational Health & Safety Management System
Principle 6	ISO 14001:2015 Environmental Management System
Principle 9	ISO 9001:2015 Quality Management System

II. Governance, Leadership and Oversight

7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure).

H.G. Infra Engineering Limited (HGIEL) has commenced its 21st year in building a new India through constructing and developing infrastructure facilities.

To achieve milestones in sustainable practices, we at HGIEL have adopted the path of responsible business and are committed to achieve Environment, and Social Endeavors across our business practices. We have constituted ESG council which includes representatives from various functions of the company. As we are on a mission to adapt industry best practices in environmental and social exchanges, we are strengthening our system, practices, and procedures for the same.

As part of our agenda for the financial Year 2022-23 we take immense pride to announce that, we had organized various activities in the arena of environment and social parameters. Under this we have conducted stakeholder engagements with both internal and external stakeholders to understand their expectations. ESG capacity building workshops were organized to impart ESG awareness among all the employees, including the top management. We have identified material topics under environment, social and governance which are crucial to the business.

A special training on Human rights at workplace was organized to educate employees about their existing human rights, probable instances of human rights breach and reporting mechanism.

HGIEL has always promoted best practices in the environmental space by choosing path to sustainability. Adhering to 3R philosophy, some of the best practices are pertaining to the reuse of milling materials in the road constructions and usage of fly ash, pond ash, and plastics in road constructions. We continually improved upon increasing the usage of fly ash in the construction of structures. In the reporting period, our fly-ash utilization was 66,357 tons. We have utilized 49 MT of plastic for the construction of service lanes in one of our Road Project. We have replaced soil with inert material for one of our projects in embankment construction. We have successfully installed STPs at all labour camps and designed mechanized drainage system to collect storm water across our project locations. The recycled water is used in labor camps and also in dust suppression. To stand upon the commitment of protecting the environment we have translocated 15,000 tress and have organized tree plantation drives across our all-project locations. We have also switched to eco-efficient technology, such as screw conveyor which is environment friendly and efficient to prevent air pollution. We also sprinkle water in every project site for suppressing the dust particles to reduce air pollution. Moving a step ahead in coming financial years we strive to incorporate more best practices by shifting to renewable energy sources, increasing usage of alternate materials in construction and improving the GHG (Green House Gases) inventory.

We at HGIEL take utmost care of our employees and workers by prioritizing and guaranteeing safety at workplace. We provide 100% induction and briefing to all on safety measures. As experience brings most accuracy and prediction, we recruit highly qualified and experienced person in the Environment, Health and Safety (EHS) team. Our EHS team proactively organizes training on safety related topics, toolbox talk and periodically conducts risk assessment at all project sites. We use drone photography to identify hidden hazards and risks. As part of safety awareness, several EHS occasions are also celebrated within the organization. We take appropriate measures in the organization to protect our employees and workers from any harm, such as fitness certification of all machineries, installation of IP 44/55/ 65 panel boards for electrical connections and Automatic Safe Load Indicator (ASLI) in fitting appliances.

HGIEL has targeted to achieve new milestones in safety domain from next financial year. We are on a mission to achieve "No Harm" to our stakeholders. We commit to comply with all the applicable Environmental and Social (E&S) regulations. Company will also adopt robust digitalization to collect complete and reliable E&S data.

8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility Policy(ies).

The Board of the Company is the highest authority to approve all the Business Responsibility Policies. However, the ESG Council of the Company is responsible for implementing and monitoring all the Business Responsibility Policies. The Council also plays a very active role to incorporate applicable national/international standards and legislative requirements in the Company's ESG policies and objectives.

9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.

Yes. The Board of the Company is responsible for decision making on sustainability related issues. However, to assist the Board, Company has established the following:

a. ESG Council – The Company has established an ESG Council comprising of various department heads (Strategy, Operations, Administration, Supply Chain Management, Plant and Machinery) of the Company. ESG Council is responsible for: effective implementation of ESG policies within the organization

- Identifying, managing, and mitigating or eliminating ESG risks in connection with the company's operations and corporate activities
- Monitoring, reviewing, and incorporating any development in ESG parameters
- Developing and implementing the ESG strategies and action plans for the same
- Provide recommendations to the Board on ESG matters.

b. CSR Committee – The Company has a Corporate Social Responsibility (CSR) Committee in compliance with the provisions of Section 135 of the Companies Act, 2013.The Committee is comprised of five members and is responsible for the effective implementation of CSR policy. The Corporate Social Responsibility Committee meets on a periodic basis to ensure implementation of the projects/programmes/activities to be undertaken under CSR.

10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Performance against above policies and follow up action	All the ESG Policies are reviewed by the ESG Council on periodic basis. All the policies are evaluated to determine their effectiveness in accordance with latest developments in ESG space pertaining to applicable national/international standards and legislative requirements. If required, appropriate changes are made to the policies and same has been duly communicated to all stakeholders.																	
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances	The ESG Council ensures the compliance with statutory requirements during the review of the policies. Any new amendments and development in the ESG space are incorporated into the existing policies to avoid any form of non-compliance.																	

11. **Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.**

P1	P2	P3	P4	P5	P6	P7	P8	P9
Company is looking forward to carrying out independent assessment/ evaluation of the working of its policies by an external agency.								

12. **If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:**

    Not Applicable. The company has formulated policies in accordance with nine NGRBC principles. Kindly refer to explanation of Question 1, Section B of BRSR.

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

Note: Since we have adopted the path of responsible business, we are committed to practice for improving our Environment and Social Endeavors across our business. For that, we have constituted an ESG council with representatives from diverse functions of the business to deliberate upon the action related to ESG. We are strengthening our systems, practices, and procedures to improve our ESG footprints. This is being built as a culture from this year onwards.

PRINCIPLE 1 - BUSINESSES SHOULD CONDUCT AND GOVERN THEMSELVES WITH INTEGRITY, AND IN A MANNER THAT IS ETHICAL, TRANSPARENT AND ACCOUNTABLE.

ESSENTIAL INDICATORS

1. **Percentage coverage by training and awareness programmes on any of the principles during the financial year:**

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Board of Directors	1	Principle 1 – Training on integrity, ethics, transparency, and accountability	100%
Key Managerial Personnel	1	Principle 1 – Training on integrity, ethics, transparency, and accountability	100%
Employees other than BoD and KMPs	27	Company has conducted training for the employees other than BoD & KMPs on Principle 1 and Principle 3 covering the following topics: - Road Safety - Project Cost Control & Budgeting - Human Resources - Generalist - Advance Cash Flow - SEBI Regulations - Corporate Finance - Commercial Arbitration - NBFC Compliances - HR Compliances - Quality Management System - Transactional Analysis - ISO 45001 - Code of conduct - Communication Skills - Time Management - Defects and troubleshooting	44%
Workers	3	Principle 1 and Principle 3 - Training on Do's & Don'ts Handbook	100%

Note: Learning and Development (L&D) Department of the Company is ardently engaged in developing new set of training modules. These modules are being developed to cover the required aspects of NGRBC principles.

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as disclosed on the entity's website):

Monetary					
	NGRBC Principle	**Name of the regulatory/ enforcement agencies/judicial institutions**	**Amount (In INR)**	**Brief of the Case**	**Has an appeal been preferred? (Yes/No)**
Penalty/ Fine	Nil	Nil	0	Nil	No
Settlement	Nil	Nil	0	Nil	No
Compounding fee	Nil	Nil	0	Nil	No

Non-Monetary					
	NGRBC Principle	**Name of the regulatory/ enforcement agencies/judicial institutions**	**Amount (In INR)**	**Brief of the Case**	**Has an appeal been preferred? (Yes/No)**
Imprisonment	Nil	Nil	0	Nil	No
Punishment	Nil	Nil	0	Nil	No

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
No, the company has not approached for appeal or revision for this reporting period.	

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

Yes, Company has an Anti-Corruption & Anti-Bribery Policy (ABC Policy) driven by principles of corporate good governance to foster a culture of honesty, integrity, and transparency. This policy highlights the commitment of the Company to conduct business with integrity and in compliance with all applicable laws and regulations.

The policy propagates 'zero tolerance' by prohibiting all possible forms of bribery and corruption such as:

- Offering, giving, or accepting any bribe or other improper benefit, whether in cash or in kind
- Making or receiving payments or gifts to or from government officials, political parties, or candidates for public office, or any other person, with the intention of influencing their decision
- Making or gaining an unfair advantage
- Providing false or misleading information to any person, including auditors, regulators, or law enforcement agencies
- Engaging in any other corrupt or unethical practices, such as kickbacks or embezzlement.

This policy is applicable to all the employees, agents, contractors, suppliers, and anyone else who acts on behalf of the Company.

This policy is communicated to all the stakeholders at the time of onboarding and periodic training is conducted on risks and consequences of bribery & corruption; how to identify and report any potential violations. The policy also sensitizes employees of laws and regulations appropriate to their work for honest discharge of their duties. It provides grievance redressal and whistle-blower mechanism for reporting grievances and fraudulent activities.

The ABC Policy is being hosted in the Company's official website - https://hginfra.com/pdf/anti_corruption_anti_bribery_policy_23.pdf

5. **Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:**

   There were no Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption in FY 22-23 and FY 21-22.

6. **Details of complaints with regard to conflict of interest:**

	FY 2022-23 (Current Financial Year)		FY 2021-22 (Previous Financial Year)	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Director	0	NA	0	NA
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	0	NA	0	NA

7. **Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.**

   Not Applicable.

   There were no cases of corruption and conflict of interest for this reporting period. Hence, no such corrective actions are being taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

PRINCIPLE 2 - BUSINESSES SHOULD PROVIDE GOODS AND SERVICES IN A MANNER THAT IS SUSTAINABLE AND SAFE.

ESSENTIAL INDICATORS

1. **Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.**

	Current FY 22-23	Previous FY 21-22	Details of improvement in environmental & social impacts
R&D	During the years, the company has not spent any amount towards research & development activity.		
Capex	8.75%	0	Kindly refer to Essential Indicator 7 of Principle 6

2. a. **Does the entity have procedures in place for sustainable sourcing? (Yes/No)**

   Yes, the Company has a Sustainable Sourcing Policy in place which emphasizes upon adoption of sustainable practices in the supply chain.

   The company encourages all the Contractors, Suppliers, Vendor, Service Providers and Business Partners to comply with the applicable legal and statutory requirements which have significant impact on Environment, Health, and Safety. This policy is communicated to all the relevant stakeholders at the time of onboarding. The company also has a Supplier Code of Conduct in place complementing the implementation of the Sustainable Sourcing Policy. Company through this Code mandate its business partners including Contractors, Suppliers, Vendor, Service Providers to provide information, complete training and perform other activities in connection with the supplier code of conduct during the entire course of engagement with them. Company ensures that this code is endorsed by all the suppliers.

   This Code expects suppliers to conduct all their operations including sourcing, manufacturing, and distribution of products and services with the aim of protecting the environment Code emphasizes that suppliers should provide adequate health and safety benefits to their employees and shall protect their human rights. Code also expects suppliers to demonstrate the highest standard of integrity ethics and business conduct. The Sustainable Sourcing Policy and Supplier Code of Conduct is available on Company's website.

2. b. **If yes, what percentage of inputs were sourced sustainably?**

   Yes, company has sourced 80% of inputs sustainably.

3. **Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.**

The Company is into the business of constructing and developing infrastructure facilities. Hence does not have any product to reclaim at the end of life. Moreover, company has developed capability to reutilize the available plastic waste during the construction of roads wherever possible. Company has also demonstrated successful utilization of plastic waste at project sites.

Hazardous waste is being handled as per the Hazardous and Other Wastes (Management and Transboundary Movement) Amendment Rules, 2016 while construction waste is being handled as per the Construction and Demolition of Waste Management Rules 2016 and the Municipal Solid Wastes (Management and Handling) Rules, 2000. The Waste Management Plan is hosted in the Company's official website.

Case Study – Plastic reutilization in construction- a small contribution to global plastic disposal problem

Company had utilized plastic as a raw material for construction of service lane at one of its highway construction projects. This plastic was procured from self help groups which comprises of women who are in need. Successful utilization of plastic in road construction, demonstrated a promising solution to address the plastic disposal problem and also, it showcased company's ability to bring about innovative operational solutions for betterment of environment and society at large.

The Company has established a Waste management plan comprising an integrated waste management strategy including Segregate the waste at the source level and prevent adverse impacts on the environment and biodiversity by facilitating the 3 R Principles (Reduce, Reuse, and Recycling). The plan also defines various procedures for the identification, minimization, collection, handling, transportation, and disposal of waste. Company handovers the identified scarp material to the authorized disposal and recycling agency.

4. **Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.**

The company does not fall under the ambit of Extended Producer Responsibility (EPR), as per the E-Waste Management Rules (2016, 2018 and 2023), the Plastic Waste Management Rules 2016 and the Battery Waste Management Rules 2022 formulated by Central Government. The company's business involves the construction and maintenance of roads, highways, bridges & flyovers and other infrastructure contract works. No consumer products are manufactured by the company involving plastic, electrical component, and battery. Hence, Extended Producer Responsibility (EPR) is not applicable.

PRINCIPLE 3 – BUSINESSES SHOULD RESPECT AND PROMOTE THE WELL-BEING OF ALL EMPLOYEES, INCLUDING THOSE IN THEIR VALUE CHAINS.

ESSENTIAL INDICATORS

1. **Well-being:**

a. **Details of measures for the well-being of employees:**

Category	% Of employees covered by										
	Total	Health insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care facilities	
	(A)	Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent Employees											
Male	1,623	1,487	91.62	1,623	100	-	-	1,623	100	-	-
Female	33	32	96.97	33	100	33	100	-	-	-	-
Total	**1,656**	**1,519**	**91.73**	**1,656**	**100**	**33**	**1.99**	**1,623**	**98.01**	**-**	**-**
Other than Permanent Employees											
Male	148	9	6.08	148	100	-	-	148	100	-	-
Female	5	3	60.00	5	100	5	100	-	-	-	-
Total	**153**	**12**	**7.84**	**153**	**100**	**5**	**3.26**	**148**	**96.73**	**-**	**-**

Note: Company does not have any provision for day care facilities. Employees who are not covered under health insurance are getting health benefits under ESIC.

1. b. **Details of measures for the well-being of workers:**

Category	% Of workers covered by										
	Total (A)	Health insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent workers											
Male	2,378	819	34.44	2,378	100	-	-	2,378	100	-	-
Female	-	-	-	-	-	-	-	-	-	-	-
Total	**2,378**	**819**	**34.44**	**2,378**	**100**	**0**	**0**	**2,378**	**100**	**-**	**-**
Other than Permanent workers											
Male	2,896	0	0	2,896	100	-	-	2,896	100	-	-
Female	8	0	0	8	100	8	100	-	-	-	-
Total	**2,904**	**0**	**0**	**2,904**	**100**	**8**	**100**	**2,896**	**99.7**	**-**	**-**

Note: Company does not have any provision for day care facility.

2. **Details of retirement benefits, for Current FY and Previous Financial Year.**

Benefits	FY 2022-23 Current Financial Year			FY 2021-22 Previous Financial Year		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
ESI	42.8%	56%	Y	22%	85%	Y
PF	95.8%	63%	Y	64%	27%	Y
Gratuity	100%	0%	Y	100%	0%	Y
Others	-	-	-	-	-	-

3. **Accessibility of–workplaces - Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.**

All the offices of the Company are accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016. Company has adopted the requirement within all future project sites including adequate facilities and arrangement to help the differently abled people.

4. **Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.**

Yes, Company has equal opportunity policy as part of its Code of Business Conduct and Ethics which is being hosted on the Company's website- http://hginfra.com/pdf/code_of_business_conduct_ethics_23.pdf

5. **Return to work and Retention rates of permanent employees and workers that took parental leave.**

Gender	Permanent Employees		Permanent Workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	100	92.21	100	100
Female	100	100	0	0
Total	**100**	**92.5**	**100**	**100**

6. **Is there a mechanism available to receive & redress grievances for the following categories of employees & workers? If yes, give details of the mechanism in brief.**

	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Workers	Yes, Company has a comprehensive and robust Grievance Redressal Procedure for all the stakeholders which is hosted on the Company's website.
Other than Permanent Workers	The company is committed to provide a conducive platform to all the employees where all the grievances are fairly dealt. This procedure provides a definition of grievance covering any kind of discontent, complaint, and dissatisfaction. According to the procedure, there are four modes of reporting grievances – complaint register, suggestion box, letter, and email. This procedure promises resolution to the complainant within 45 working days.
Permanent Employees	The procedure also defines role and responsibilities of Grievance Redressal Committee (GRC) and Grievance Redressal Officer (GRO).
Other than Permanent Employees	The entire grievance procedure is communicated to all the employees and other stakeholders periodically. A summary flow-chart of this procedure is also affixed at the conspicuous spaces of the operational areas of the Company.

7. **Membership of employees & workers in association(s) or Unions recognized by the listed entity:**

Category	FY 2022-23(Current Financial Year)			FY 2021-22(Previous Financial Year)		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D / C)
Total Permanent Employee						
Male	1,623	0	0	1,318	0	0
Female	33	0	0	25	0	0
Total Permanent Workers						
Male	2,378	0	0	523	0	0
Female	0	0	0	0	0	0

8. **Details of training given to employees & workers:**

Category	FY 2022-23(Current Financial Year)					FY 2021-22(Previous Financial Year)				
	Total (A)	On Health and Safety Measures		On Skills upgradation		Total (D)	On Health and Safety Measures		On Skills upgradation	
		No. B	% (B/A)	No. C	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Male	1,771	1,771	100	312	17.61	1,943	1,943	100	*	
Female	38	12	31.57	38	100	28	28	100		
Total	**1,809**	**1,783**	**98.56**	**350**	**19.34**	**1,971**	**1,971**	**100**		
Workers										
Male	5,274	5,274	100	4,265	80.87	3,091	3,091	100	*	*
Female	8	8	100	-	-	8	8	100	*	*
Total	**5,282**	**5,282**	**100**	**4,265**	**80.87**	**3,099**	**3,099**	**100**	*	*

** Ours is growing company and we are developing many systems procedures and controls on a continual basis. Though there we trainings provided to our employees & workers, the system to effectively capture the data was developed in FY 2023.*

9. Details of performance & career development reviews of employees & workers:

Category	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
	Total (A)	No. (B)	%(B/A)	Total (C)	No. (D)	% (D/C)
			Employees			
Male	1,623	757	46.64	1,943	*	*
Female	33	23	69.69	28	*	*
Total	**1,656**	**780**	**47.10**	**1,971**	*	*
			Workers			
Male	2,378	1,087	45.71	3,091	*	*
Female	0	0	0	8	*	*
Total	**2,378**	**1,087**	**45.71**	**3,099**	*	*

** Ours is growing company and we are developing many systems procedures and controls on a continual basis. Though there we trainings provided to our employees & workers, the system to effectively capture the data was developed in FY 2023.*

Note: 'Other than permanent employees and workers' are not considered for Performance & career development reviews.

10. Health and safety management system:

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage of such system?

Yes, The Company has established an Occupational Health and Safety Management System in line ISO 45001:2018 standard requirements. All the business operations of HGIEL are certified with ISO 45001:2018. The company has established a corporate EHS Manual to carry out daily operations in line with all the applicable legal and statutory requirement to health & safety. The Company also organizes various health and safety trainings for the employees including contractors for the effective implementation of health and safety management system

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

The company has established Health and safety Risk Management practices towards building a robust safety management system. This framework includes Hazard Identification and Risk Assessment (HIRA), Job safety analysis. Workplace-related hazards and risks are being identified on periodic basis and appropriate corrective actions are taken to mitigate the risks. The process of risk identification includes continual risk identification, assessment and mitigation, with active participation of the workforce in the operations. Company signifies its employees and workers as the backbone of the business. Hence, preventing work-related hazards and providing safety is necessary.

c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)

Yes. The Company has established incident reporting mechanism in place to report workplace related injuries and near misses. Near-miss reporting junction also present at the project sites. Employees can report the work-related incidents to their respective line managers and also submit concerns through suggestion boxes.

d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

Yes, the employees and their family members have access to the Company provided medical benefits. Workers have access to medical benefits through Company funded medical support and where applicable, statutory benefits under ESIC.

11. Details of safety-related incidents in the following format:

Safety Incident/Number	Category	FY 2022-23 Current Financial Year	FY 2021-22 Previous Financial Year
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0
	Workers	0.08	0.09
Total recordable work-related injuries	Employees	0	0
	Workers	1	1
No. of fatalities	Employees	0	0
	Workers	2	2
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

We view health and safety as an important management task that requires a culture of continual improvement. Our project-level EHS team supports our operations and employees in integrating health and safety standards into their operational planning, business decisions, and daily process activities. Given the nature of our operations, occupational health and safety is always our top priority. We have established and implemented an Occupational Health and Safety Management System aligned to the ISO 45001:2018 standards. Our project site personnel are trained to identify, alleviate, and control risks specific to their operation. Health and safety-related training, awareness sessions and inspections are being carried out on a periodic basis. The company also organized a management development program for around 100 employees by external agencies like National Institute of Construction Management and Research (NICMAR) to enhance EHS practices across the organization. Lock Out and Tag Out system also implemented during the periodic maintenance in the plant. The company has established an EHS committee and periodic meeting is being organized with the involvement of worker's representatives to understand their concerns and possible mitigation measures. The company has established a tally board System to monitor the entry and exit in a confined space. All the lifting alliances are equipped with the requirements of Automatic Safe Load Indicator (ASLI). Drone has been implemented in our project sites to identify the hidden hazards and risks avoid complexities and monitor the larger project areas

The administration team also conducts site inspection and submits reports of each site to the corporate office containing the findings of the present working conditions along with the suggestion for any scope of improvement on periodic basis. This report also contains the grievance (if any) raised by employees and workers within ambit of working conditions.

13. Number of Complaints on the following made by employees & workers:

Category	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	0	0	NA	0	0	NA
Health & Safety	0	0	NA	0	0	NA

14. Assessments for the year:

	% Of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100
Working Conditions	100

Note: Company has internally assessed health & safety practices and working conditions.

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

The company has always taken active initiations when it comes to health and safety practices within the organization. Both EHS and Admin Team actively conduct monthly inspections of various project sites and present the finding of the inspection to the management in a form of report.

Company has established and implemented the Project based EHS Plan.

The Hazard Identification and Risk Assessment (HIRA) system of the company helps in categorizing activities as per the risks associated with it and activity is allowed only when it falls under acceptable level of risk. There is also a system to raise safety alert for the lesson learnt. Company has Lock Out and Tag Out system implemented during the periodic maintenance in the plant. There is a EHS committee comprising of worker's representatives to understand concerns and possible mitigation measures. Tally board System has been established to monitor the entry and exit in a confined space. All the lifting appliances of the Company are equipped with requirements of Automatic Safe Load Indicator (ASLI) and drone has been implemented at project sites to identify the hidden hazards and risks, to avoid complexities and monitor the larger project areas.

PRINCIPLE 4 - BUSINESSES SHOULD RESPECT THE INTERESTS OF AND BE RESPONSIVE TO ALL ITS STAKEHOLDERS.

ESSENTIAL INDICATORS

1. Describe the processes for identifying key stakeholder groups of the entity.

Company has formulated and adopted a stakeholder engagement plan to establish a conducive engagement system within the organization.

Stakeholder engagement plan is comprised of four steps:

a. Identification of stakeholders

b. Mapping of stakeholders on influence/interest grid

c. Formulation of a communication plan

d. Feedback from stakeholders to revise plan as and when needed

Company has identified stakeholders according to the gravity of influence they hold on to the business. Stakeholders were mapped by the ESG Council in consultation with the HGIEL board members. Stakeholders of HGIEL are both an internal as well as external part of the organization. Internal stakeholders are employees, contractual workers, board members and leadership team. While external stakeholders are investors, lenders, customers/clients/users, vendors/suppliers, regulatory authorities, and community. Importance of the stakeholders to the business of the company is as follows:

S.No.	Stakeholder Group	Importance
1	Investors	Investors provide financial capital that enables the sustainable growth of HGIEL.
2	Lenders	Lenders provide debt capital for the expansion of HGIEL's business activities.
3	Customers / Client / Users / Commuters	Customers/Clients/ Users / Commuters are bedrock for our growth as a Company. Their dissatisfaction may cause reputational risk. Hence, positive feedback is pivotal to the operations & maintenance.
4	Employees & Contractual Workforce	Employees and contractual workforce form the backbone of our business activities and play an important role in improving productivity, efficiency and boost our profits.
5	Government / Regulatory Authorities	HGIEL gets access to quantum of projects through government/ regulatory authorities, they also provide operating licenses and imposes regulatory measures.
6	Society (includes Local Communities & NGOs)	Society (local communities & NGOs) provides a better socio-economic context in our operating environment to ensure long-term viability of our business activities. They also enable better implementation of our environment and social initiatives.
7	Vendors and Suppliers	Suppliers & vendors help us develop our business ecosystem, support our sustainability initiatives and create shared value.
8	Board of Directors & Leadership	Board of Director and leadership ensures the prosperity of HGIEL through collective direction of the Company's affairs whilst meeting the appropriate interests of our stakeholders and shareholders.

2. List stakeholder groups identified as key for your entity & the method, frequency & purpose of engagement with each stakeholder group.

Stakeholder group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Emails, SMS, Newspapers, Pamphlets, Advertisement, Community meetings, Notices Board, Website)	Frequency of engagement (Annually/ Half yearly/ Quarterly/ others)- Please specify	Purpose and scope of engagement including key topics and concerns raised during such engagements
Employees & Contractual Workforce	No	- Training and seminars - Meetings & Reviews - HR programs - Employee satisfaction surveys - Departmental meetings - Townhall meetings - Quarterly Management communication	Periodically	- Work-life balance - Transparent appraisal and promotion policy - Stability of internal policy - Fair remuneration structure - Career Development Plan

Stakeholder group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Emails, SMS, Newspapers, Pamphlets, Advertisement, Community meetings, Notices Board, Website)	Frequency of engagement (Annually/ Half yearly/ Quarterly/ others)- Please specify	Purpose and scope of engagement including key topics and concerns raised during such engagements
Investors	No	- Scheduled investor meets - Quarterly results call	Quarterly	- Growth and profitability of Infra projects - Better communication about progress on Company targets - Discussion on future plans
Lenders	No	- Periodic Meetings - Consortium Meeting	Periodically	- Financial status of Client companies - Increased disclosure on Environment, Social and Governance (ESG) aspects
Clients	No	- Formal and informal feedback - Written communication	Periodically	- Quality and reliability of our service is construction & infra projects - Improved notifications of disruption, failures or maintenance for customer transparency - Future business plan
Government Regulatory / Authorities	No	- Scheduled meetings - Regular liaising - Industry Forums	Periodically	- Climate change awareness and alignment to Nationally Determined Contributions (NDC) - Timely compliance as per regulation
Society (Includes Local Communities & NGOs)	Yes	- Project-based stakeholder meets - Participation in CSR activities - Periodic meetings	Periodically	- Increased infrastructure for training community members - Ethical business practices - Increased community involvement - Transparency in business practices and their impacts
Vendors and Suppliers	No	- Regular Supplier/ Vendor meets - Contract revision and negotiation meetings	Periodically	- Formal supplier assessment to verify ESG performance - Increased awareness for partnering in green initiatives
Board of Directors & Leadership	No	- Scheduled Board meetings - Scheduled and special Board Committee meeting	Periodically	- Diversification of business in Infra projects for grabbing competitive advantage in various business sectors - Focus on customer-centric policies and ethical billing - Proactive interaction with investors for ESG initiatives and strategy - Periodic review of perceived risks and impact of CSR activities - Implementation of procedures & systems

PRINCIPLE 5 - BUSINESSES SHOULD RESPECT AND PROMOTE HUMAN RIGHTS.

ESSENTIAL INDICATORS

1. **Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:**

Category	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
	Total (A)	No. of employees/ workers covered (B)	% (B/A)	Total (C)	No. of employees/ workers covered (D)	% (D/C)
Employees						
Permanent	1,656	970	58.57%	-	-	-
Other than permanent	153	87	56.86%	-	-	-
Total Employees	**1,809**	**1,057**	**58.43%**	**-**	**-**	**-**
Workers						
Permanent	2,378	1,366	57.44%	-	-	-
Other than permanent	2,904	1,522	52.41%	-	-	-
Total Workers	**5,282**	**2,888**	**54.67%**	**-**	**-**	**-**

Note:- Ours is growing company and we are developing many systems procedures and controls on a continual basis. Though there were trainings provided to our employees & workers, the system to effectively capture the data was developed in FY 2023.

2. **Details of minimum wages paid to workers & employees in the following format:**

Category	FY 2022-23(Current Financial Year)					FY 2021-22(Previous Financial Year)				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B / A)	No.(C)	% (C / A)		No.(E)	% (E / D)	No.(F)	% (F /D)
Employees										
Permanent										
Male	1,623	36	2.21	1,620	99.82	1,318	25	1.89	1,303	98.86
Female	33	-	-	33	100.0	25	-	-	25	100.0
Other than Permanent										
Male	148	67	45.27	81	54.72	102	36	35.29	66	64.7
Female	5	-	-	5	100	3	-	-	3	100.0
Workers										
Permanent										
Male	2,378	109	4.58	2,269	95.41	523	22	4.20	501	95.79
Female	-	-	-	-	-	-	-	-	-	-
Other than Permanent										
Male	2,896	1,107	38.22	1,789	61.77	3,091	664	21.48	2,427	78.5
Female	8	-	-	8	100	8	-	-	8	100

Note: There are no other than permanent workers.

3. **Details of remuneration/salary/wages in the following format:**

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (Executive Directors)	3	1.5 Cr.	-	-
Key Managerial Personnel	1	37.12 Lakh	1	10.18 Lakh
Employees other than BoD and KMP	1,619	3.59 Lakh	32	3.40 Lakh
Workers	2,378	0.76 Lakh	-	-

Note: 'Other than permanent employees and workers' remuneration is not considered here.

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No).

Yes, HR head acts as Grievance Redressal Officer and is considered as the focal point responsible for addressing human rights impacts or issues caused or contributed to by the business.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

The company has a Grievance Redressal Procedure in place to address any form of grievances raised by the stakeholders. This procedure is also being followed to report breaches of human rights within the organization. This procedure is also available on the Company's website. This procedure encourages each stakeholder to raise their voices against any instance of human rights breach within the organization.

6. Number of Complaints on the following made by employees and workers:

Category	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of the year	Remarks	Filed during the year	Pending resolution at the end of the year	Remarks
Sexual Harassment	0	0	NA	0	0	NA
Discrimination at workplace	0	0	NA	0	0	NA
Child Labour	0	0	NA	0	0	NA
Forced Labour/Involuntary Labour	0	0	NA	0	0	NA
Wages	0	0	NA	0	0	NA
Other human rights related issues	0	0	NA	0	0	NA

7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

The Prevention of Sexual Harassment (POSH) Policy of the company facilitates a mechanism where complainant can raise their concerns without any hesitation and fear. The suggestion box present at each project site and office premises provides an anonymous channel to the complainant to raise any complaint or concern.

8. Do human rights requirements form part of your business agreements and contracts? (Yes/No).

Yes, all the business agreements and contracts of the company contains clauses on human rights requirements.

9. Assessments for the year:

	% Of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	100%
Forced/involuntary labour	100%
Sexual harassment	100%
Discrimination at workplace	100%
Wages	100%
Others – please specify	-

Note: The assessments were carried out by HGIEL internally.

10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.

As of now, there were no reported incidents of human rights breach across all the project sites of the Company. There were no reported instances of child labour and sexual harassment at workplace.

PRINCIPLE 6- BUSINESSES SHOULD RESPECT AND MAKE EFFORTS TO PROTECT AND RESTORE THE ENVIRONMENT.

ESSENTIAL INDICATORS

1. **Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:**

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Total electricity consumption (A)	34,174.25 GJ	46,977.51 GJ
Total fuel consumption (B)	9,78,588.25 GJ	9,34,581.87 GJ
Energy consumption through other sources (C)	0	0
Total energy consumption (A+B+C)	10,12,763.00 GJ	9,81,559.00 GJ
Energy intensity per rupee of turnover (Total energy consumption/ turnover in million rupees)	22.92	27.15
Energy intensity (optional) – the relevant metric may be selected by the entity	-	-

Note: No, company has not conducted any assessment by an external agency.

2. **Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.**

No, the company does not have any sites identified as designated consumers under PAT scheme.

3. **Provide details of the following disclosures related to water, in the following format:**

Parameter Water withdrawal by source (in kilolitres)	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
(i) Surface water	4,24,239	5,27,143
(ii) Groundwater	0	0
(iii) Third party water	3,12,516	2,87,431
(iv) Seawater / desalinated water	0	0
(v) Others (Purchase Water)	89,938	98,246
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	8,26,693	9,12,820
Total volume of water consumption (in kilolitres)	8,26,693	9,12,820
Water intensity per million rupees of turnover (Water consumed / turnover)	18.70	25.24
Water intensity (optional) – the relevant metric may be selected by the entity	-	-

Note: No, company has not conducted any assessment by an external agency.

4. **Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.**

All the project sites of the company have STPs. Company utilizes treated water for dust suppression at project sites. Company do not produce any process related effluents in its operations.

5. **Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:**

Parameter	Please specify unit	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
NOx	Tons/year	28.2	-
SOx	Tons/year	0.71	-
Particulate matter (PM)	Tons/year	2.5	-
Persistent organic pollutants (POP)	-	-	-
Volatile organic compounds (VOC)	-	-	-
Hazardous air pollutants (HAP)	-	-	-
Others – please specify	-	-	-

Note: No, company has not conducted any assessment by an external agency.

6. Provide details of greenhouse gas emissions (Scope 1 & Scope 2 emissions) & its intensity in the following format:

Parameter	Unit	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	72,890.49	69,473.88
Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	6,787.4	9,330.25
Total Scope 1 and Scope 2 emissions per rupee of turnover	Million Rupees	1.80	2.17
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity	-	-	-

Note: No, company has not conducted any assessment by an external agency.

7. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.

HGIEL has taken following initiatives to reduce Green House Gas emissions:

Improving Operational Efficiency

- Conversion of the tipper fleet from 10 -12-wheeler. This resulted in the increase of the carrying capacity of material from 14CuM to 23 CuM. This resulted in improved fuel consumption efficiency- CuM/ liter. It also, helped in reducing fuel consumption-related carbon emissions.
- Installation of Fuel level management system and fuel dispensing management system in equipment to closely monitor and control the fuel consumption.

Usage of alternative fuels

- Usage of waste wood in the Hot Mix plant reduced dependence on diesel and Furnace Oil.

Transition to grid electricity

Transfer of crusher plant, batching plant, and WMM (Wet Mix Machadum) plants to grid electricity-powered operations. This helped us in reducing the dependence on Diesel Generator and subsequent diesel consumption.

8. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Total Waste generated (in metric tonnes)		
Plastic waste (A)	0	0
E-waste (B)	1.19	0.59
Bio-medical waste (C)	0	0
Construction and demolition waste (D)	0	0
Battery waste (E)	29.28	20.89
Radioactive waste (F)	0	0
Hazardous waste – Used oil	68.74	85.5
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e., by materials relevant to the sector)	0	0
Total (A+B + C + D + E + F + G + H)	**99.21**	**106.98**
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	0	0
(ii) Re-used	23.26	15.92
Total	**23.26**	**15.92**

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	0	0
(ii) Landfilling	0	0
(iii) Sold	128.98	172.1
Total	**128.98**	**172.1**

Note: No, company has not conducted any assessment by an external agency.

9 **Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your entity to reduce usage of hazardous & toxic chemicals in your products & processes & the practices adopted to manage such wastes.**

The Company has defined processes for managing waste at each of its sites. We follow the basic principle of segregation of the waste at source and adopt the 3R concept of "reduce, reuse and recycle". The hazardous wastes are handled, segregated, stored and transported in accordance with applicable regulatory requirements and industry best practices. The hazardous waste is disposed of in an environmentally sound manner through authorized vendors for recycling as required by the regulation.

The Company's strategic intent is to reduce the generation of waste at the source level and divert waste from disposal through reuse and recycling wherever possible. All the sites are working towards achieving the company's commitment for zero waste-to-landfill.

10. **If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:**

S. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval/clearance are being complied with? (Y/N)	If no, the reasons there of and corrective action taken, if any.
1	Construction of eight lane access Controlled Expressway from Hardeoganj village near Indergarh to Junction with SH-37A (Ch.247.310-Ch359.170) section of Delho Vadodara Green Field Alighment (NH-148N)	Road Construction	Yes	NA
2	Development of eight lanes (Greenfield Expressway) from Firojpur-Jhirka (km 79.394km) to Itawa (km 284.000km) Section of NH-148N	Road Construction	Yes	NA
3	Development of Economic Corridors, Inter-Corridors Feeder routes and Coastal Road primarily to improve the effciency of freight movement in india (Lot-3 Odisha & Jharkhand/Pkg-02) Raipur-Vishakhapatnam (Ch 365.033-Ch 464.662km) In the state of Andhra Pradesh	Road Construction	Yes	NA
4	Development of Economic Corridors, Inter-Corridors Feeder routes and Coastal Road primarily to improve the efficiency of freight movement in india (Lot -3 Odisha & Jharkhand /Pkg-02) Raipur-Vishakhatanam (Ch.124.661-Ch.365.033km) (Length 240.372km) in the state of Odisha	Road Construction	Yes	NA

S. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval/clearance are being complied with? (Y/N)	If no, the reasons there of and corrective action taken, if any.
5	Development of Urban Extension Road-II (NH-344M) from design chainage Km 0.000 to Km 38.111 in the state of NCT of Delhi, Development of link road (new NH-344P) (Km 0.000 to Km 29.600) between Bawana Industrial Area Delhi (from Km 7.750 of UER II) till bypass of NH-352A at village Barwasni Sonipat, Haryana in the state of NCT of Delhi/Haryana and Development of link road (new NH-344N) (Km 0.000 to Km 7.500) between Dichaon Kalan till Bahadurgarh Bypass/NH-10 in the state of NCT of Delhi/ Haryana(UER)	Road Construction	Yes	NA
6	Construction of six lane 'Ganga Expressway' (Expandable upto 8 Lane), an access controlled Green field Expressway in district Meerut, Hapur, Bulandsahar, Amroha, Sambhal, Badaun, Shahjahanpur, Hardoi, Unnao, Raibareli, Partapgarh & Paryagraj, (CH 7+900-CH 601+847 Km) total length 593.947 Kms.(Ganga Expressway)	Road Construction	Yes	NA
7	Construction of four lane 'Ganga Expressway Controlled (New NH-365BG) Greenfield Highway Section from Khammam to Deverapalli of Length 162.126KM from Khammam in the state of Telangana to Deverapalli in the state of Andhra Pradesh under Economic Corridor under Bharatmala Pariyojana (KD-01 & KD-02)	Road Construction	Yes	NA

11. **Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:**

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link

The Company has not conducted any environmental impact assessments (EIA) of projects in FY23.

For the construction projects, it is under the scope of the NHAI/CLINET, and the Company ensures that all regulatory permits and approvals are in place before starting of the construction work. For the ongoing construction projects, all the applicable EIAs are carried out by the NHAI/CLINET before the construction project is awarded to the Company.

12. **Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention & Control of Pollution) Act, Air (Prevention & Control of Pollution) Act, Environment Protection Act & rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:**

S. No.	Specify the law / regulation / guidelines which was not complied with	Provide details of the non- compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken if any
Not Applicable				

PRINCIPLE 7 - BUSINESSES, WHEN ENGAGING IN INFLUENCING PUBLIC AND REGULATORY POLICY, SHOULD DO SO IN A MANNER THAT IS RESPONSIBLE AND TRANSPARENT.

ESSENTIAL INDICATORS

1. a. **Number of affiliations with trade and industry chambers/ associations.**

   There are two affiliations with trade and industry chambers/ associations.

   b. **List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.**

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	National Safety Council	National
2	National Highways Builders Federation	National

2. **Provide details of corrective action taken or underway on any issues related to anti- competitive conduct by the entity, based on adverse orders from regulatory authorities.**

Name of authority	Brief of the case	Corrective action taken
There were no corrective actions taken or underway on any issues related to anti- competitive conduct by the entity, based on adverse orders from regulatory authorities.		

PRINCIPLE 8 - BUSINESSES SHOULD PROMOTE INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT.

ESSENTIAL INDICATORS

1. **Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.**

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No)	Relevant web link
SIA is not applicable on the Company in the current reporting period.					

2. **Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:**

S. No.	Name of project for which R&R is ongoing	State	District	No. of projects affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (in INR)
Not applicable. The company operates a business of model EPC/HAM/ Item rate contracts where the land for the construction of the road is provided by the developers such as various national and state-owned government agencies and private players. The responsibility of rehabilitation and resettlement is owned by the developers. So far, none of our contract's R&R as contractor's obligations and hence it is not applicable for contractors like HGIEL.						

3. Describe the mechanisms to receive and redress grievances of the community.

Yes, Company has a Grievance Redressal Procedure for all the stakeholders (including community). This procedure provides broad definition of grievance covering any kind of discontent, complaint and dissatisfaction. According to the procedure, there are four modes of reporting grievance complaint register, suggestion box, letter, and email.

After analyzing the grievance, the Grievance Redressal Officer (GRO) acknowledges and forwards the grievance to the concerned department. The GRO will communicate the resolution of the grievance to the complainant. In case of any conflict with the resolution provided, The Grievance Redressal Committee will assess and investigate the facts of the complaint. This procedure promises resolution to the complainant within 45 working days.

Additionally, the Project Manager working under the supervision of the CSR Head regularly engage with community stakeholders. Project Manager also serve as the first point of contact for the community to submit and redress grievances on a one-to-one basis.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	FY 2022-2023	FY 2021-2022
Directly sourced from MSMEs/ small producers	8.05	3.05
Sourced directly from within the district and neighboring districts	32.10	43.11

PRINCIPLE 9 - BUSINESSES SHOULD ENGAGE WITH AND PROVIDE VALUE TO THEIR CONSUMERS IN A RESPONSIBLE MANNER.

ESSENTIAL INDICATORS

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

The Company is in the business of construction and engineering with expertise in the construction of Highways and other civil heavy structures. Company does not have any specific consumer products. The Company collects feedback forms from client/ customer periodically.

The customer complaints/ grievances are related to construction quality, timely project delivery, project quality etc. Customer complaints are received through email or through verbal communications directly to project management teams. A complaint register is maintained for customers to record their complaints. The customers can contact us at grievance@hginfra.com.

After receiving such complaints and feedback, Grievance Redressal Officer (GRO) analyses and forwards the complaint to the concerned department. The entire process of resolution of any grievance is completed withing 45 working days and the outcome of the process is communicated to the consumer. This procedure is available on the Company's website –

https://www.hginfra.com/pdf/grievance_redressal_procedure_23.pdf

2. Turnover of products &/ services as a percentage of turnover from all products/service that carry information about:

	As a percentage to total turnover
Environmental and social parameters relevant to the product	Not Applicable as the Company is engaged in the business of Engineering, Procurement and Construction (EPC), maintenance of roads, highways, bridges & flyovers and other infrastructure contract works.
Safe and responsible usage	
Recycling and/or safe disposal	

3. Number of consumer complaints in respect of the following:

Category	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data privacy	0	0	NA	0	0	NA
Advertising	0	0	NA	0	0	NA
Cyber-security	0	0	NA	0	0	NA
Delivery of essential services	0	0	NA	0	0	NA
Restrictive Trade Practices	0	0	NA	0	0	NA
Unfair Trade Practices	0	0	NA	0	0	NA
Other	0	0	NA	0	0	NA

4. **Details of instances of product recalls on account of safety issues:**

	Number	Reasons for recall
Voluntary recalls	0	0
Forced recalls	0	0

5. **Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.**

   Yes, Company has policy on Information Security and Management available on the website - https://hginfra.com/pdf/information_security_management_policy_23.pdf

6. **Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.**

   Not applicable.

DISCLAIMER –

'In case of any discrepancy in data submitted via XBRL, data reported in this BRSR REPORT shall prevail.'

Independent Auditor's Report

To the Members of H.G. Infra Engineering Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of H.G. Infra Engineering Limited ("the Company"), which includes three jointly controlled operations consolidated on a proportionate basis (Refer note 51 to Standalone Financial Statements), which comprises the Standalone Balance Sheet as at March 31, 2023, the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, its total comprehensive income (comprising of profit and other comprehensive income), its changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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 standalone financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules 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 obtained by us, and the audit evidence obtained by the other auditors in terms of their reports referred to in "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the year ended March 31, 2023. 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	Our audit procedures in respect of this area included the following:
1. Estimation of contract cost and revenue recognition. (Refer to note 1 (F) (i), 2 (d), 29 and 52) of the Standalone Financial Statements)	i. Evaluated the accounting policy for revenue recognition and assessed compliance of the policy with the principles enunciated under Ind AS 115 - 'Revenue from Contracts with Customer'.
Revenue from construction contracts is recognised over a period of time in accordance with the requirements of Ind AS 115, 'Revenue from Contracts with Customers'. The contract revenue amounts to ₹43,071.01 million for engineering, procurement and construction contracts, which usually extends over a period of 2-3 years, and the contract prices are fixed and, in few cases, subject to clauses with price variances and variable consideration.	ii. Understood and evaluated the design and tested the operating effectiveness of key internal financial controls, including those related to review and approval of estimated costs and review of provision for foreseeable losses, if any, by the authorised representatives.

Key Audit Matter	Our audit procedures in respect of this area included the following:
In accordance with Input method prescribed under Ind AS 115, the contract revenue is measured based on the proportion of contract costs incurred for work performed to date relative to the estimated total costs. This method requires the Company to perform an initial assessment of total estimated cost and reassess the total construction cost at the end of each reporting period to determine the appropriate percentage of completion. The estimation of total cost to complete the contract involves significant judgement and estimation throughout the period of contract, as it is subject to revision as the contract progresses - based on latest available information including physical work done on the ground, changes in cost estimates and need to accrue provision for onerous contracts, if any. Besides recognition of revenues based on actual costs and estimated costs to complete the work, at the period end, the measurement and recognition of contract assets (unbilled revenue) and contract liabilities (unearned revenue) related to each of the contracts is also dependent on cost estimates. In view of above, we have considered the estimation of construction contract costs as a key audit matter.	iii. We obtained the revenue workings (percentage of completion calculations) from the Company's management, for all contracts, containing actual costs incurred, estimated costs (comprising of actual costs and remaining costs to completion), estimated contract revenue and actual revenues recognised during the year based on proportion of actual costs to estimated costs. For sample of contracts, we agreed contract revenue with key contractual terms, agreed current year's actual costs with system generated reports and agreed estimated costs with costs sheets for individual contracts approved by the authorised representatives. Reperformed the calculation of revenues during the year using proportion of actual costs to estimated costs and compared the results with workings provided by the Company. iv. For actual costs incurred during FY 2022-23, we tested the samples to appropriate supporting documents. v. To validate the remaining costs to completion, for sample contracts, we obtained the approved costs sheets (for each of such sample contracts) containing the breakdown of such costs. Evaluated the reasonableness of management's judgements and assumptions through comparison of actual margins during the year with base margins estimated at the beginning, comparison between financial progress (proportion of actual costs to estimated costs) and physical progress certified by the Independent Engineer, past trends of recovery of price escalation with incremental costs incurred and comparison of actual costs within similar contracts. vi. Assessed the adequacy and appropriateness of the disclosures made in standalone financial statements in compliance with the requirements of Ind AS 115.
2. Valuation of accounts receivable and contract assets in view of risk of credit losses. (Refer note 1 (K), 39(i), 7 and 11 – Trade Receivables and Note 16(a) for contract asset to Standalone Financial Statements) Accounts receivable and Contract assets are significant items in the Company's standalone financial statements aggregating to ₹14,637.81 million as of March 31, 2023 and provision for impairment of receivables and contract assets amounted to ₹317.64 millions as at March 31, 2023. The Company has a concentration of credit exposure on certain customers, which include government and private organisations, where there are delays in collections due to various reasons. The management periodically assess the adequacy of provisions recognised, as applicable, on receivables and contract assets, based on factors such as credit risk of the customer, status of the project, discussions with the customers and underlying contractual terms and conditions. This involves significant judgement.	i. Understood and evaluated the design and tested the operating effectiveness of key internal financial controls in relation to determination of expected credit loss. i. Obtained confirmation from parties, for sample balances, with respect to outstanding balances. Wherever confirmations are not received for the samples, performed alternate procedures through verification of Company's invoices approved by the respective customers which represents acknowledgement of work delivered. iii. Performed inquiry procedures with senior management of the Company regarding status of collectability of the receivable and contract assets. iv. In respect of material contract balances, corroborated our inquiry procedures with the correspondence between the Company and the customers, contracts and other documents.

Key Audit Matter	Our audit procedures in respect of this area included the following:
Given the relative significance of these receivables and contract assets to the standalone financial statements and the nature and extent of audit procedures involved to assess the recoverability of receivables and contract assets, we determined this to be a key audit matter.	v. Assessed 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. vi. Presented the results of our work done to the audit committee. vii. Assessed the adequacy and appropriateness of the disclosures made in the standalone financial statements in this regard.

Information Other than the Standalone Financial Statements

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Director's Report, Corporate Governance Report and Other Information included in the Annual Report but does not include the 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 and Board of Directors for the Standalone Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ("Ind AS") specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, Management and Board of Directors are 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 the Board of Directors 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

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.

We give in "Annexure A" a detailed description of Auditor's responsibilities for Audit of the Standalone Financial Statements.

Other Matters

1. We did not audit the financial statements of three jointly controlled operations included in the standalone financial statements of the Company, whose financial statements reflect total assets of ₹40.26 millions as at March 31, 2023, and total revenues of ₹63.45 millions, total net profit after tax of ₹0.11 million and total comprehensive income of ₹0.11 million for the year ended March 31, 2023, and cash inflows (net) of ₹0.23 million for the year then ended. The

financial statements of these jointly controlled operations have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion on the standalone financial statements (including other information) in so far as it relates to the amounts and disclosures included in respect of these Jointly controlled operations, is based solely on the report of other auditors.

Our opinion is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors.

2. The standalone financial statements of the Company for the year ended March 31, 2022, were audited by another firm of Chartered Accountants along with the joint auditors i.e. M/s Shridhar & Associates, Chartered Accountants, whose report dated May 23, 2022 expressed an unmodified opinion on those standalone financial statements.

Our opinion is not modified in respect of the above matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

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

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

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

   (d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act;

   (e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act;

   (f) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure C";

   (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 46 to the standalone financial statements;

      ii. The Company has long-term contracts for which there were no material foreseeable losses as at March 31, 2023. Refer Note 16(a) to the standalone financial statements. Further, the Company did not have any outstanding derivative contracts as at March 31, 2023;

      iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2023;

      iv. 1. The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

      2. The Management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate

Beneficiaries") by or on behalf of the Funding Party or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

3. Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, and according to the information and explanations provided to us by the Management in this regard nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provided under (1) and (2) above, contain any material mis-statement.

v. The dividend declared and paid during the year by the Company is in compliance with section 123 of the Act.

vi. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the company only w.e.f. April 1, 2023, reporting under this clause is not applicable.

3. In our opinion and according to information and explanations given to us, the remuneration paid and provided by the Company to its directors during the current year is within the limits prescribed under Section 197 of the Act and the rules thereunder.

For **MSKA & Associates**
Chartered Accountants
ICAI Firm Registration No.105047W

Rahul Aggarwal
Partner
Membership No.: 505676
UDIN: 23505676BGXENT7371

Place: Jaipur
Date: May 10, 2023

For **Shridhar & Associates**
Chartered Accountants
ICAI Firm Registration No.134427W

Abhishek Pachlangia
Partner
Membership No.: 120593
UDIN: 23120593BGWJLX6234

Place: Jaipur
Date: May 10, 2023

Annexure A to the Independent Auditor's Report on even date on the Standalone Financial Statements of H.G. Infra Engineering Limited

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management and Board of Directors.
- Conclude on the appropriateness of Management's and Board of Directors' 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.

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

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

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 for the year ended March 31, 2023 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.

For **MSKA & Associates**
Chartered Accountants
ICAI Firm Registration No.105047W

Rahul Aggarwal
Partner
Membership No.: 505676
UDIN: 23505676BGXENT7371

Place: Jaipur
Date: May 10, 2023

For **Shridhar & Associates**
Chartered Accountants
ICAI Firm Registration No.134427W

Abhishek Pachlangia
Partner
Membership No.: 120593
UDIN: 23120593BGWJLX6234

Place: Jaipur
Date: May 10, 2023

Annexure B to Independent Auditors' Report of even date on the Standalone Financial Statements of H.G. Infra Engineering Limited as of and for the year ended March 31, 2023

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report]

i. (a) A. The Company has maintained proper records showing full particulars including quantitative details and situation of Property, plant and equipment and relevant details of Right-of-use assets and Investment Property.

B. The Company has maintained proper records showing full particulars of Intangible assets.

(b) All the Property, plant and equipment are physically verified by the management according to a phased program designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program, certain Property, plant and equipment has been physically verified by the management during the year and no material discrepancies have been noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than properties where the Company is the lessee, and the lease agreements are duly executed in favor of the lessee) as disclosed in the standalone financial statements are held in the name of the Company.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, plant and equipment (including Right-of-use assets) and Intangible assets. Accordingly, the reporting under paragraph 3(i)(d) of the Order is not applicable to the Company.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, no proceeding has been initiated on or pending against the Company for holding benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) (formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)) and rules made thereunder. Accordingly, the provisions stated in paragraph 3(i)(e) of the Order are not applicable to the Company.

ii. (a) The Inventory (excluding material in transit) has been physically verified during the year by the management. In our opinion, the frequency of verification, coverage and procedure of such verification is reasonable and appropriate. The discrepancies noticed on physical verification of inventory as compared to the book records were not 10% or more in aggregate for each class of inventory and have been properly dealt with in the books of account.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, during the year, the Company has been sanctioned working capital limits in excess of ₹5 crores, in aggregate, from banks on the basis of security of current assets and immovable properties. We have been informed that based on discussions between the Company's management and the respective lenders, the Company has been filing quarterly statements on mutually agreed basis for reporting of current assets, represented by adjusted balances of Accounts receivables (excluding withheld balances by the respective debtors), Accounts payable (excluding payables to service vendors, provisions and balance for retention payable), Inventory (except Goods in Transit), Contract assets (for outstanding upto three months), Advance to suppliers and Mobilization Advances. These statements, which have been filed for three quarters (upto December, 2022) by the Company are in agreement with the unaudited books of account of the Company for such respective quarters. Further, as on the date of this report, the Company is yet to file quarterly statement for the quarter ended March 31, 2023 (Refer note 55 (ii) to the standalone financial statements).

iii. (a) According to the information and explanation provided to us, the Company has made investment in Subsidiaries & Associates and granted unsecured loans to Subsidiaries and employees during the year. No advances in the nature of loans or guarantee or security provided by the Company during the year.

(A) The details of such loans to Subsidiaries are as follows:

Particulars	Loans (₹ in Millions)
Aggregate amount granted/provided during the year	
- Subsidiaries	1,873.25
- Joint Ventures	-
- Associates	-
Balance Outstanding as at March 31, 2023 in respect of above cases	
- Subsidiaries	2,116.41
- Joint Ventures	-
- Associates	-

(B) The Company has granted unsecured loans to its 209 employees amounting to ₹20.02 millions during the year. The balance outstanding as at March 31, 2023 in respect of this is ₹11.18 millions.

(b) According to the information and explanations given to us and based on the audit procedures performed by us, we are of the opinion that the terms and conditions in relation to loans granted and investments made are not prejudicial to the interest of the Company.

(c) In case of the loans, the schedule of repayment of principal and payment of interest have not been stipulated in respect of loans given to Subsidiary companies. In the absence of stipulation of repayment terms, we are not able to comment on the regularity of repayment of principal and payment of interest. In respect of loans given to employees which are interest-free, the schedule for repayment of principal has been stipulated and the repayments have been regular.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in respect of loans given to Subsidiary companies, the aforesaid loans are either repayable on demand of the Company or repayable at the option of such Subsidiary companies. For loans repayable on demand, we have been informed that the repayment has been made during the year when demanded by the Company and for loans which are repayable at the option of subsidiary companies, there is no due date specified therein. Therefore, in respect of aforesaid loans, there is no amount which is overdue for more than 90 days.

In respect of loans given to employees, there is no amount which is overdue for more than 90 days.

(e) According to the information and explanations provided to us, in respect of loans which are repayable on demand of the Company, the repayments have been done when demanded by the Company and therefore, these loans have not been renewed or extended. In respect of loans which are repayable at the option of subsidiary companies, the question of the amount falling due during the year does not arise. In respect of loans to employees, the repayments which have fallen due, during the year, have not been renewed or extended.

As mentioned in (d) above, there was no overdue amount during the year and therefore, the question of commenting whether any fresh loans were given to settle the overdue of existing loans does not arise.

(f) According to the information explanation provided to us, the Company has granted loans which are repayable on demand of the Company or without specifying any terms or period of repayment. The details of the same are as follows:

(Amounts in ₹ million)

Particulars	All Parties	Promoters	Related Parties
Aggregate amount of loans granted during the year			
- Repayable on demand of the Company (A)	438.61	-	438.61
- Agreement does not specify any terms or period of repayment (repayable at the option of the borrowers) (B)	1,434.64	-	1,434.64
Total (A+B)	1,873.25	-	1,873.25
Percentage of aforesaid loans (A + B) to the total loans	98.94%		

iv. In our opinion, and according to the information and explanations given to us, the Company is engaged in providing infrastructural facilities as specified in schedule VI of the Act and accordingly, the provisions of Section 186, except sub section (1), of the Act are not applicable to the Company. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186(1) of the Companies Act, 2013 in respect of the loans and investments made by it.

v. The Company has not accepted any deposits or amounts which are deemed to be deposits within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.

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

vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of income-tax, though there have been slight delay in a few cases, and is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, sales-tax, service tax, duty of custom, duty of excise, goods and services tax, value added tax, cess and other statutory dues, as applicable, with the appropriate authorities.

(b) According to the information and explanation given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, goods and services tax, customs duty, cess and any other statutory dues, as applicable, were outstanding, at the year end, for a period more than six months from the date they became payable.

(c) According to the information and explanation given to us and records of the Company examined by us, the particulars of dues referred to in sub clause (a) which have not been deposited on account of any dispute as at March 31, 2023, are as follows:

(Amounts in ₹ million)

Name of the statute	Nature of dues	Amount Involved	Amount paid under Protest	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax Demand	10.19	-	2013-14	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax Demand	9.16	1.83	2017-18	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax Demand	7.21	-	2019-20	Commissioner of Income Tax (Appeals)

viii. According to the information and explanations given to us, there are no transactions (which are not accounted in the books of account) which have been surrendered or disclosed as income during the year in tax assessment of the Company. Hence, the provisions stated in paragraph 3(viii) of the Order are not applicable to the Company.

ix. (a) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings or in payment of interest thereon to any lender during the year.

(b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) In our opinion and according to the information and explanation given to us, money raised by way of term loans during the year have been applied for the purpose for which they were obtained.

(d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the standalone financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) According to the information explanation given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from an any entity or person on account of or to meet the obligations of its subsidiaries, associates or jointly controlled operations.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, jointly controlled operations or associate companies. Hence, reporting under the paragraph 3 (ix)(f) of the Order is not applicable to the Company.

x. (a) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Hence, the provisions stated in paragraph 3 (x)(a) of the Order are not applicable to the Company.

(b) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully, partly or optionally convertible debentures during the current year.

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

(b) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the reporting under paragraph 3(xi)(b) of the Order is not applicable to the Company.

(c) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, and as represented to us by the management, no whistle-blower complaints have been received during the year by the Company. Accordingly, the reporting under paragraph 3(xi) (c) of the Order is not applicable to the Company.

xii. In our opinion and according to the information and explanation given to us, the Company is not a Nidhi Company. Accordingly, the provisions stated in paragraph 3(xii) of the Order are not applicable to the Company.

xiii. According to the information and explanation given to us and based on our examination of the records of the Company, transactions with related parties are in compliance with the provisions of Sections 177 and 188 of the Act. The details of such transactions have been disclosed in the financial statements as required by the applicable Indian Accounting Standard 24 "Related Party disclosures" specified under Section 133 of the Act.

xiv. (a) In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.

(b) The reports of the Internal Auditor for the period under audit have been considered by us.

xv. The Company has not entered into any non-cash transactions with its directors or persons connected with them. Accordingly, the reporting on compliance with the provisions of Section 192 of the Act under clause 3(xv) of the Order is not applicable to the Company.

xvi. (a) In our opinion, the Company is not required to be registered under Section 45 IA of the Reserve Bank of India Act, 1934 and therefore, the provisions stated in paragraph 3 (xvi)(a) of the Order are not applicable to the Company.

(b) In our opinion, the Company has not conducted any Non-Banking Financial or Housing Finance activities during the year. Therefore, the reporting under paragraph 3 (xvi)(b) of the Order are not applicable to the Company.

(c) The Company is not a Core investment Company ("CIC") as defined in the regulations made by Reserve Bank of India. Therefore, the reporting under paragraph 3 (xvi) (c) of the Order are not applicable to the Company.

(d) Based on the information and explanations provided by the management of the Company, the Group does not have any CICs, which are part of the Group. We have not, however, separately evaluated whether the information provided by the management is accurate and complete. Accordingly, the reporting under clause 3(xvi)(d) of the Order is not applicable to the Company.

xvii. Based on the overall review of standalone financial statements, the Company has not incurred cash losses in the current financial year and in the immediately preceding financial year. Hence, the provisions stated in paragraph 3 (xvii) of the Order are not applicable to the Company.

xviii. There has been no resignation of the statutory auditors during the year. Hence, the provisions stated in paragraph 3 (xviii) of the Order are not applicable to the Company.

xix. According to the information and explanations given to us and based on our examination of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors' and Management's plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx. According to the information and explanations given to us and based on our verification, the Company has made the required contributions during the year and there are no unspent amounts which are required to be transferred either to a Fund or to a Special Account as per the provisions of Section 135 read with schedule VII of the Act. Therefore, reporting under paragraph 3(xx) of the Order is not applicable to the Company.

xxi. The reporting under paragraph 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements. Accordingly, no comment in respect of the said clause has been included in this report.

For **MSKA & Associates**
Chartered Accountants
ICAI Firm Registration No.105047W

Rahul Aggarwal
Partner
Membership No.: 505676
UDIN: 23505676BGXENT7371

Place: Jaipur
Date: May 10, 2023

For **Shridhar & Associates**
Chartered Accountants
ICAI Firm Registration No.134427W

Abhishek Pachlangia
Partner
Membership No.: 120593
UDIN: 23120593BGWJLX6234

Place: Jaipur
Date: May 10, 2023

Annexure C to the Independent Auditor’s Report of even date on the Standalone Financial Statements of H.G. Infra Engineering Limited

[Referred to in paragraph 2(f) under ‘Report on Other Legal and Regulatory Requirements’ in 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, 2023]

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

Opinion

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, 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, an adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2023, based on the internal control with reference to standalone financial statements 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) (the “Guidance Note”).

Management’s Responsibility for Internal Financial Controls

The Company’s Management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. 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

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

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

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 with reference to standalone financial statements.

Meaning of Internal Financial Controls With reference to Standalone Financial Statements

A Company's internal financial control 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 control 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 standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the standalone financial statements.

Inherent Limitations of Internal Financial Controls With reference to Standalone financial statements

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 standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Other Matter

Reporting under section 143 (3) (i) of the Act in respect of the adequacy of the internal financial controls with reference to the standalone financial statements is not applicable to three jointly controlled operations.

Our opinion is not modified in respect of this matter.

For **MSKA & Associates**
Chartered Accountants
ICAI Firm Registration No.105047W

Rahul Aggarwal
Partner
Membership No.: 505676
UDIN: 23505676BGXENT7371

Place: Jaipur
Date: May 10, 2023

For **Shridhar & Associates**
Chartered Accountants
ICAI Firm Registration No.134427W

Abhishek Pachlangia
Partner
Membership No.: 120593
UDIN: 23120593BGWJLX6234

Place: Jaipur
Date: May 10, 2023

Standalone Balance Sheet as at March 31, 2023

(All amounts are in ₹ millions, unless otherwise stated)

	Note	As at March 31, 2023	As at March 31, 2022
ASSETS			
Non-current assets			
Property, plant and equipment	3 (a)	6,211.66	4,472.49
Capital work-in-progress	3 (a)	719.45	21.51
Right-of-use assets	3 (b)	40.24	12.42
Investment properties	4	78.98	86.42
Intangible assets	5	15.45	18.26
Financial assets			
i. Investment	6	7,447.30	3,545.04
ii. Trade receivables	7	79.02	41.23
iii. Other financial assets	8	389.51	306.22
Deferred tax assets (Net)	37 (b)	209.93	113.87
Non-current tax assets (Net)	37 (e)	4.61	3.71
Other non-current assets	9	26.55	7.00
Total non-current assets		**15,222.70**	**8,628.17**
Current assets			
Inventories	10	2,353.31	1,835.52
Financial assets			
i. Trade receivables	11	8,712.40	6,953.46
ii. Cash and cash equivalents	12	691.05	472.38
iii. Bank balances other than (ii) above	13	1,102.62	1,112.61
iv. Loans	14	62.07	232.75
v. Other financial assets	15	151.71	74.36
Contract assets	16 (a)	5,846.39	3,511.84
Other current assets	17	940.89	971.53
		19,860.44	**15,164.45**
Assets classified as held for sale	18	9.63	9.63
Total Current assets		**19,870.07**	**15,174.08**
Total assets		**35,092.77**	**23,802.25**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	19	651.71	651.71
Other equity	20	17,132.64	12,991.72
Total equity		**17,784.35**	**13,643.43**
Liabilities			
Non-current liabilities			
Financial liabilities			
i. Borrowings	21	2,360.59	1,598.01
ii. Lease liabilities	3 (b)	16.07	2.57
iii. Trade payables			
(a) total outstanding dues of micro and small enterprises	22	-	-
(b) total outstanding dues other than (iii) (a) above	22	194.77	34.96
Employee benefit obligations	23	144.61	56.98
Total non-current liabilities		**2,716.04**	**1,692.52**
Current liabilities			
Financial liabilities			
i. Borrowings	24	2,676.08	1,548.54
ii. Lease liabilities	3 (b)	18.45	9.73
iii. Trade payables			
(a) total outstanding dues of micro and small enterprises	25	712.94	57.77
(b) total outstanding dues other than (iii) (a) above	25	6,528.82	4,262.47
iv. Other financial liabilities	26	289.23	87.98
Contract liabilities	16 (b)	3,589.94	2,108.45
Employee benefit obligations	27	208.30	101.49
Current tax liabilities (Net)	37 (d)	141.37	144.32
Other current liabilities	28	427.25	145.55
Total current liabilities		**14,592.38**	**8,466.30**
Total liabilities		**17,308.42**	**10,158.82**
Total equity and liabilities		**35,092.77**	**23,802.25**
Statement of significant accounting policies and estimates	1-2		

The accompanying summary of significant accounting policies and other explanatory notes are an integral part of the standalone financial statements.

As per our report of even date.

For **MSKA & Associates**
Chartered Accountants
Firm Registration No. 105047W

Rahul Aggarwal
Partner
Membership Number : 505676
Place : Jaipur
Date : May 10, 2023

For **Shridhar & Associates**
Chartered Accountants
Firm Registration Number : 134427W

Abhishek Pachlangia
Partner
Membership Number : 120593
Place : Jaipur
Date : May 10, 2023

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

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

Rajeev Mishra
Chief Financial Officer

Place : Jaipur
Date : May 10, 2023

Ankita Mehra
Company Secretary
Membership No : A33288
Place : Jaipur
Date : May 10, 2023

Standalone Statement of Profit and Loss for the year ended March 31, 2023

(All amounts are in ₹ millions, unless otherwise stated)

	Note	Year ended March 31, 2023	Year ended March 31, 2022
Income			
Revenue from operations	29	44,185.36	36,151.95
Other income	30	180.58	78.06
Total income		**44,365.94**	**36,230.01**
Expenses			
Cost of materials consumed	31	21,435.03	17,919.07
Contract and site expenses	32	13,039.95	10,762.79
Employee benefits expense	33	1,958.82	1,278.92
Finance costs	34	632.77	528.49
Depreciation and amortisation expense	35	963.48	850.64
Other expenses	36	648.53	343.74
Total expenses		**38,678.58**	**31,683.65**
Profit before tax		**5,687.36**	**4,546.36**
Income tax expense			
- Current tax	37 (a)	1,566.98	1,172.39
- Deferred tax charge/(benefit)	37 (a)	(93.45)	(13.63)
Total tax expense		**1,473.53**	**1,158.76**
Profit after tax		**4,213.83**	**3,387.60**
Other comprehensive income			
Item that will not be reclassified to profit or loss			
Remeasurements (loss) of net defined benefit plans	44	(10.34)	(18.90)
Income tax relating to this item	37 (a)	2.60	4.76
Other comprehensive income/ (loss) for the year (Net of tax)		**(7.74)**	**(14.14)**
Total comprehensive income for the year		**4,206.09**	**3,373.46**
Earnings per equity share of ₹10 each	50		
Basic earnings per share (Amount in ₹)		64.66	51.98
Diluted earnings per share (Amount in ₹)		64.66	51.98
Statement of significant accounting policies and estimates	1-2		

The accompanying summary of significant accounting policies and other explanatory notes are an integral part of the standalone financial statements.

As per our report of even date.

For **MSKA & Associates**
Chartered Accountants
Firm Registration No. 105047W

Rahul Aggarwal
Partner
Membership Number : 505676
Place : Jaipur
Date : May 10, 2023

For **Shridhar & Associates**
Chartered Accountants
Firm Registration Number : 134427W

Abhishek Pachlangia
Partner
Membership Number : 120593
Place : Jaipur
Date : May 10, 2023

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

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

Rajeev Mishra
Chief Financial Officer

Place : Jaipur
Date : May 10, 2023

Ankita Mehra
Company Secretary
Membership No : A33288
Place : Jaipur
Date : May 10, 2023

Standalone Statement of Cash Flow for the year ended March 31, 2023

(All amounts are in ₹ millions, unless otherwise stated)

		Year ended March 31, 2023	Year ended March 31, 2022
A)	**Cash flow from operating activities**		
	Profit before tax	5,687.36	4,546.36
	Adjustments for:		
	Depreciation and amortisation expense	963.48	850.64
	Interest income from financial assets at amortised cost	(79.14)	(57.64)
	Loss allowances	175.10	(5.43)
	Net (gain)/loss on disposal of Property, plant and equipment & Investment properties	(3.34)	10.87
	Net unrealised exchange loss/(gain)	2.48	(2.09)
	Rental income on investment properties	(1.47)	(1.19)
	Finance costs	632.77	528.49
	Operating profit before working capital changes	**7,377.24**	**5,870.01**
	Changes in working capital:		
	(Increase) in trade receivables	(1,798.07)	(311.92)
	(Increase) in inventories	(517.79)	(155.44)
	(Increase) in contract assets	(2,495.87)	(953.20)
	Decrease / (Increase) in other current assets	30.64	(472.41)
	(Increase) in other non current financial assets	(74.52)	(18.25)
	(Increase) in other current financial assets	(89.80)	(41.13)
	Decrease in other non current assets	-	15.74
	Increase / (Decrease) in trade payables	3,081.33	(629.05)
	Increase / (Decrease) in contract liabilities	1,481.49	(1,127.68)
	Increase in other current financial liabilities	10.92	11.97
	Increase in other current liabilities	252.07	23.15
	Increase in employee benefit obligations	184.10	31.96
	Net Changes in Working Capital	**64.50**	**(3,626.25)**
	Cash generated from operations	7,441.74	2,243.76
	Income taxes paid (Net of refunds)	(1,570.83)	(1,103.73)
	Net cash generated from Operating Activities	**5,870.91**	**1,140.03**
B)	**Cash flow from investing activities**		
	Investment in a subsidiaries	(3,902.26)	(932.92)
	Payment for purchases of Property, plant and equipment (Including CWIP and capital advance)	(3,381.04)	(675.26)
	Payment for purchases of Intangible assets	(10.89)	(0.80)
	Proceed from sale of Property, plant and equipment and Investment properties	215.00	101.90
	Fixed deposits (placed) / redemption of fixed deposits (Net)	1.22	(97.82)
	Interest received	79.14	57.64
	Rental income on investment properties	1.47	1.19
	Loans to employees and related parties	458.62	173.46
	Repayment of loans by employees and related parties	(287.94)	(356.35)
	Net cash used in investing activities	**(6,826.68)**	**(1,728.96)**

Standalone Statement of Cash Flow for the year ended March 31, 2023

(All amounts are in ₹ millions, unless otherwise stated)

C) Cash flow from financing activities		
Proceeds from long term borrowings	3,254.74	565.21
Repayment of long term borrowings	(1,039.36)	(1,018.49)
Proceeds from issue of non convertible debenture	-	970.00
Repayment of short term borrowings (Net)	(327.74)	(260.10)
Dividend paid	(65.17)	(52.14)
Repayment of lease obligation	(24.62)	(14.20)
Finance cost paid	(623.41)	(528.45)
Net cash from / (used in) financing activities	**1,174.44**	**(338.17)**
Net Increase / (decrease) in cash and cash equivalents (A+B+C)	**218.67**	**(927.10)**
Cash and cash equivalents as at the beginning of the year	472.38	1,399.48
Cash and cash equivalents at the end of the year	691.05	472.38
Reconciliation of Cash and cash equivalents as per the cash flow statement		
Cash and cash equivalents comprise of the following (Refer Note 12):		
Balances with banks - In current accounts	689.10	471.03
Cash on hand	1.95	1.35
Total	**691.05**	**472.38**
Non cash investing activities		
- Acquisition of right-of-use of assets (Refer Note 3(b))	46.84	14.87

The accompanying summary of significant accounting policies and other explanatory notes are an integral part of the standalone financial statements.

As per our report of even date.

For **MSKA & Associates**
Chartered Accountants
Firm Registration No. 105047W

Rahul Aggarwal
Partner
Membership Number : 505676
Place : Jaipur
Date : May 10, 2023

For **Shridhar & Associates**
Chartered Accountants
Firm Registration Number : 134427W

Abhishek Pachlangia
Partner
Membership Number : 120593
Place : Jaipur
Date : May 10, 2023

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

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

Rajeev Mishra
Chief Financial Officer

Place : Jaipur
Date : May 10, 2023

Ankita Mehra
Company Secretary
Membership No : A33288
Place : Jaipur
Date : May 10, 2023

Standalone of Changes in Equity for the year ended March 31, 2023

(All amounts are in ₹ millions, unless otherwise stated)

A. Equity share capital

For the year ended March 31, 2023	No. of shares	Amount
Equity shares of ₹10 each issued, subscribed and fully paid		
Balance as at April 1, 2022	6,51,71,111	651.71
Changes in equity share capital during the year (Refer Note 19)	-	-
Balance as at March 31, 2023	**6,51,71,111**	**651.71**

For the year ended March 31, 2022	No. of shares	Amount
Equity shares of ₹10 each issued, subscribed and fully paid		
Balance as at April 1, 2021	6,51,71,111	651.71
Changes in equity share capital during the year (Refer Note 19)	-	-
Balance as at March 31, 2022	**6,51,71,111**	**651.71**

B. Other equity

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, 2021	**2,694.47**	**6,975.93**	**9,670.40**
Profit for the year	-	3,387.60	3,387.60
Items that will not be reclassified to profit or loss			
Add: Remeasurements (loss) of net defined benefit plans	-	(18.90)	(18.90)
Less: Income tax relating to these items	-	4.76	4.76
Total comprehensive income for the year	**-**	**3,373.46**	**3,373.46**
Less: Dividend paid	-	(52.14)	(52.14)
As at March 31, 2022	**2,694.47**	**10,297.25**	**12,991.72**
Profit for the year	-	4,213.83	4,213.83
Item that will not be reclassified to profit or loss			
Add: Remeasurements (loss) of net defined benefit plans	-	(10.34)	(10.34)
Less: Income tax relating to this item	-	2.60	2.60
Total comprehensive income for the year	**-**	**4,206.09**	**4,206.09**
Less: Dividend paid	-	(65.17)	(65.17)
As at March 31, 2023	**2,694.47**	**14,438.17**	**17,132.64**

The accompanying summary of significant accounting policies and other explanatory notes are an integral part of the standalone financial statements.
As per our report of even date.

For **MSKA & Associates**
Chartered Accountants
Firm Registration No. 105047W

Rahul Aggarwal
Partner
Membership Number : 505676
Place : Jaipur
Date : May 10, 2023

For **Shridhar & Associates**
Chartered Accountants
Firm Registration Number : 134427W

Abhishek Pachlangia
Partner
Membership Number : 120593
Place : Jaipur
Date : May 10, 2023

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

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

Rajeev Mishra
Chief Financial Officer

Place : Jaipur
Date : May 10, 2023

Ankita Mehra
Company Secretary
Membership No : A33288
Place : Jaipur
Date : May 10, 2023

Notes forming part of the Standalone Financial Statement

as at and for the year ended March 31, 2023

Background

H.G. Infra Engineering Limited ("the Company") is a Public Limited Company listed on the Bombay Stock Exchange and National Stock Exchange on March 9, 2018. Its registered office is at 14, Panchwati Colony, Ratanada, Jodhpur – 342001, Rajasthan, India.

The Company is engaged in the business of Engineering, Procurement and Construction (EPC), Maintenance of roads, bridges, flyovers and other infrastructure contract works.

These Standalone financial statements were reviewed by the Audit Committee and authorized to be issued by the Board of Directors on May 10, 2023.

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 Standalone 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 Standalone financial statements have been prepared on a historical cost basis, except for the following:

- Certain financial assets and financial liabilities measured at fair value;
- Assets held for sale – measured of fair value less cost of sell and
- Defined benefit plans - plan assets measured at fair value

(iii) **New and amended standards adopted by the Company**

Onerous Contracts- Cost of Fulfilling a Contract - Amendments to Ind AS 37

Ind AS 37 defines an onerous contract as a contract in which the unavoidable costs (costs that the Company has committed to pursuant to the contract) of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

The amendments to Ind AS 37 clarify, that the costs relating directly to the contract consist of both:

- The incremental costs of fulfilling that contract- e.g. direct labour and material; and
- An allocation of other costs that relate directly to fulfilling contracts: e.g. Allocation of depreciation charge on property, plant and equipment used in fulfilling the contract.

The Company, prior to the application of the amendments, had onerous contracts.

The effect of adoption of the Ind AS 37 amendments as at 01 April, 2022 did not have any material impact on the Standalone financial Statements as the Company has already included above costs in recording Provisions for Onerous Contracts in the previous year.

The below amendments had no impact on the Standalone financial statements of the Company.

a. Property, Plant and Equipment: Proceeds Before Intended Use - Amendment to Ind AS 16

b. References to the Conceptual Framework - Amendments to Ind AS 103

c. Taxation in fair value measurements – Amendments to Ind AS 41

d. Ind AS 101: First Time Adoption of Indian Accounting Standards - Subsidiary as a first time adopter

e. Ind AS 109 Financial Instruments - Fees in the '10 per cent' test for derecognition of financial liability

(iv) **New Standards (including amendments) issued but not yet effective**

The Ministry of Corporate Affairs ("MCA") has notified Companies (Indian Accounting Standard) Amendment Rules, 2023 dated March 31, 2023 to amend certain Ind ASs which are effective from 01 April 2023:

Below is a summary of such amendments:

i. Disclosure of Accounting Policies - Amendment to Ind AS 1 Presentation of financial statements

The amendments are effective for annual reporting periods beginning on or after 01 April, 2023. The Company is currently revisiting their accounting policy information disclosures to ensure consistency with the amended requirements.

ii. Definition of Accounting Estimates – Amendments to Ind AS 8 Accounting policies, changes in accounting estimates and errors.

The amendments are effective for annual reporting periods beginning on or after 01 April 2023. The amendments are not expected to have a material impact on the Company's Standalone financial statements.

iii. Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to Ind AS 12 Income taxes

The Company is currently assessing the impact of the amendments.

iv. The other amendments to Ind AS notified by these rules are primarily in the nature of clarifications.

B. Operating Cycle

The Company classifies an asset as current when:

- it expects to realise the asset or intends to sell or consume it in normal operating cycle
- it holds the asset primarily for the purpose of trading
- it expects to realise the asset within twelve months after the reporting period or
- the asset is cash or cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

The Company classifies a liability as current when:

- it expects to settle the liability in its normal operating cycle
- it holds the liability primarily for the purpose of trading
- the liability is due to be settled within twelve months after the reporting period, or
- there is no unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current.

Operating cycle

Operating cycle is the time between the acquisition of assets for processing and their realization in cash or cash equivalents.

Based on the nature of operations and the time between the acquisition of assets for processing and their realization in cash or cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current, non current classification of assets and liabilities.

Notes forming part of the Standalone Financial Statement

as at and for the year ended March 31, 2023

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 Standalone financial statements under the appropriate headings. Details of the joint operation are set out in note 51.

D. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM). The Managing Director of the Company has been identified as CODM and he assesses the financial performance and position of the Company, and makes strategic decisions. Refer note 41 for segment information.

E. Foreign currency translation

(i) Functional and presentation currency

Items included in the Standalone financial statements of the entity are measured using the currency of the primary economic environment in which the entity operates (`the functional currency'). The Standalone financial statements are presented in Indian rupee, which is Companies functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognized in Standalone Statement of profit and loss.

F. Revenue recognition

The Company derives revenue principally from following streams:

- Construction contracts
- Sale of Services (Operation and Maintenance contracts)

(i) Construction contracts

The Company recognises revenue from engineering, procurement and construction contracts ('EPC') over the period of time, as performance obligations are satisfied over time due to continuous transfer of control to the customer. EPC contracts are generally accounted for as a single performance obligation as it involves complex integration of goods and services.

The performance obligations are satisfied over time as the work progresses. The Company recognises revenue using input method (i.e percentage-of-completion method), based primarily on contract cost incurred to date compared to total estimated contract costs. Changes to total estimated contract costs, if any, are recognised in the period in which they are determined as assessed at the contract level. If the consideration in the contract includes price variation clause or there are amendments in contracts, the Company estimates the amount of consideration to which it will be entitled in exchange for work performed.

Due to the nature of the work required to be performed on many of the performance obligations, the estimation of total revenue and cost of completion is complex, subject to many variables and requires significant judgment. Variability in the transaction price arises primarily due to liquidated damages, price variation clauses, changes in scope, incentives, if any. The Company considers its experience with similar transactions and expectations regarding the contract in estimating the amount of variable consideration to which it will be entitled and determining whether the estimated variable consideration should be constrained. The Company includes estimated amounts in the transaction price to the extent it is probable that a significant reversal of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is resolved. The estimates of variable consideration are based largely on an assessment of anticipated performance and all information (historical, current and forecasted) that is reasonably available.

Progress billings are generally issued upon completion of certain phases of the work as stipulated in the contract. Billing terms of the over-time contracts vary but are generally based on achieving specified milestones. The difference between the timing of revenue recognised and customer billings result in changes to contract assets and contract liabilities. Payment is generally due upon receipt of the invoice, payable within 90 days or less. Contractual retention amounts billed to customers are generally due upon expiration of the contract period.

The contracts generally result in revenue recognised in excess of billings which are presented as contract assets on the statement of financial position. Amounts billed and due from customers are classified as receivables on the statement of financial position. The portion of the payments retained by the customer until final contract settlement is not considered a significant financing component since it is usually intended to provide customer with a form of security for Company's remaining performance as specified under the contract, which is consistent with the industry practice. Contract liabilities represent amounts billed to customers in excess of revenue recognised till date. A liability is recognised for advance payments and it is not considered as a significant financing component because it is used to meet working capital requirements at the time of project mobilisation stage. The same is presented as contract liability in the statement of financial position.

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in Standalone Statement of profit and loss in the period in which the circumstances that give rise to the revision become known by management.

For construction contracts the control is transferred over time and revenue is recognised based on the extent of progress towards completion of the performance obligations. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately. The percentage of completion was calculated according to the nature and the specific risk of each contract in order to reflect the effective completion of the project. This percentage of completion could be based on technical milestones or as per the contractual terms specified. A construction contract is considered completed when the last technical milestone is achieved, which occurs upon contractual transfer of ownership of the asset.

(ii) Sale of Services (Operation and Maintenance contracts)

Revenue from providing operating and maintenance services is recognised in the accounting period in which the services are rendered. Invoices are issued according to contractual terms and are usually payable as per the credit period agreed with the customer.

(iii) Interest income

Interest income from financial assets at fair value through profit or loss is disclosed as interest income within other income. Interest income on financial assets at amortised cost using the effective interest method is recognised in the Standalone 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).

(iv) Other income

All other income is accounted on accrual basis when no significant uncertainty exist regarding the amount that will be received.

G. Income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Company measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Notes forming part of the Standalone Financial Statement

as at and for the year ended March 31, 2023

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Standalone financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses / tax credits only if it is probable that future taxable amounts will be available to utilise those temporary differences.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in Standalone Statement of profit and loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

H. Leases

As a lessee

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable and
- payments of penalties for terminating the lease, if the lease term reflects the Company exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Company:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by Company, which does not have recent third party financing, and makes adjustments specific to the lease, e.g. term, country, currency and security.

Lease payments are allocated between principal and finance cost. The finance cost is charged to Standalone Statement of profit and loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Payments associated with short-term leases of equipment and all leases of low-value assets are recognised on a straight-line basis as an expense in Standalone Statement of profit and loss. Short- term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture.

I. Impairment of non-financial assets

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

J. Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the Standalone 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 rolling weighted average method.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to complete the contract.

M. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument.

Financial Assets:

Classification

The Company classifies its financial assets in the following measurement categories:

- those measured subsequently at fair value (either through other comprehensive income, or through profit or loss) and
- those measured at amortized cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

Notes forming part of the Standalone Financial Statement

as at and for the year ended March 31, 2023

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 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 Standalone Statement of profit and loss.

Subsequent measurement

After initial recognition, financial assets are measured at:

- fair value (either through other comprehensive income, or through profit or loss)
- amortized cost

When assets are measured at fair value, gains and losses are either recognised in the Standalone Statement of profit and loss (i.e. fair value through profit or loss (FVTPL)), or recognised in Other Comprehensive Income (i.e. fair value through other comprehensive income (FVOCI)).

(i) Financial assets measured at amortised cost:

Assets that are held for collecting contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in financial income using effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gain/(losses).

(ii) Financial assets measured at Fair Value through Other Comprehensive Income ("FVTOCI"):

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains of losses, interest income and foreign exchange gains and losses which are recognised in Standalone Statement of profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in other income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in Standalone Statement of profit and loss.

(iii) Financial assets measured at Fair Value through Profit or Loss ("FVTPL"):

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss is recognised in Standalone Statement of profit and loss and presented net within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

Debt instruments

Subsequent measurement of debt instruments depends on the Company business model for managing the asset and the cash flow characteristics of the asset. Debt instrument are classified as amortised cost instruments.

Impairment of Financial Assets

The Company assesses on a forward looking basis the expected credit losses (ECL) associated with its financial assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 39(i) details how the Company determines whether there has been a significant increase in credit risk.

For trade receivables (including contract assets), the Company applies the simplified approach required by Ind AS 109, which requires lifetime ECL to be recognised as loss allowances.

Derecognition of Financial Assets

A financial asset is derecognized only when:

- the Company has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognized. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognized.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognized if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognized to the extent of continuing involvement in the financial asset.

Financial Liabilities:

Initial recognition and measurement

Financial liabilities are initially measured at its fair value plus or minus, in the case of a financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the issue/origination of the financial liability.

Subsequent Measurement

Financial liabilities are classified as measured at amortized cost. Financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in Standalone Statement of profit and loss. Any gain or loss on derecognition is also recognized in Standalone Statement of profit and loss.

Derecognition

A financial liability is derecognized when the obligation specified in the contract is discharged, cancelled or expires. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non- cash assets transferred or liabilities assumed, is recognized in profit or loss as other gains/(losses).

N. Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount is reported in the Standalone Balance Sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

O. Property, plant and equipment

Freehold land is carried at historical cost. All other items of Property, plant and equipment are stated at historical cost less depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to Standalone Statement of profit and loss during the reporting period in which they are incurred.

Transition to Ind AS

On transition to Ind AS, the Company had elected to continue with the carrying value of all of its property, plant and equipment measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Notes forming part of the Standalone Financial Statement

as at and for the year ended March 31, 2023

Depreciation methods, estimated useful lives and residual value

Depreciation is provided on a pro-rata basis on the written down value (WDV) / Straight Line Method (SLM) over the estimated useful lives of the assets, based on technical evaluation done by management's expert, which are higher than those specified by Schedule II to the Companies Act, 2013, in order to reflect the actual usage of the assets. The useful life, residual value and the depreciation method are reviewed at least at each financial year end. If the expectations differ from previous estimates, the changes are accounted for prospectively as a change in accounting estimate.

The management estimates useful lives of the tangible fixed assets as follows:

Class of Asset	Estimated Useful Life	As per Schedule II	Method of Depreciation
Building	60	60	Straight Line
Plant & machinery *	20/15	20	Written Down Value
Shuttering Material	5	5	Straight Line
Computers	3	3	Straight Line
Furniture and fixtures	10	10	Straight Line
Motor cycles	10	10	Written Down Value
Vehicles other than Motor cycle	8	8	Written Down Value
Office Equipment	5	5	Straight Line

Based on the technical experts assessment of useful life of the aforementioned assets, Plant and machinery i.e Cranes are being depreciated over the useful life different from the prescribed useful life under Schedule II the Companies Act, 2013. Management believes that such estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

* It includes Low value assets (LVA) having useful life of 1 year. LVA are fully depreciated in the year of acquisition.

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 Standalone Statement of profit and loss within other gains/ (losses). (Also refer note 2(a)).

P. Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset, but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset is recognised at the date of de-recognition.

Non-current assets are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Non-current assets classified as held for sale are presented separately from the other assets in the Standalone Balance Sheet.

Q. Investment Property

Property that is held for long-term rental yields or for capital appreciation or both, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

Investment properties are depreciated using the straight line method over their estimated useful lives. Investment properties have a useful life of 60 years. The useful life has been determined based on technical evaluation performed by the management expert.

R. Intangible assets

Costs associated with maintaining software programmes are recognised as an expense as incurred.

Purchases costs are recorded as intangible assets and amortised from the point at which the asset is available for use.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of its intangible assets measured as per the previous GAAP and use that carrying value as the deemed cost of the intangible assets.

Amortisation methods and periods

The Company amortises intangible assets with a finite useful life using the straight-line method over the following periods:

Class of Asset	Estimated Useful Life	As per Schedule II	Method of Depreciation
Computer Software	6	6	Straight Line

S. Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. The amounts are unsecured. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period.

T. Borrowings

Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in Standalone Statement of profit and loss over the period of the borrowings using the effective interest method.

Borrowings are removed from the Standalone Balance Sheet when the obligation specified in the contract is discharged, cancelled or expired.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

U. Provisions and contingent liabilities

Provisions

Provisions are recognised when Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Contingent liabilities

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company, or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

Notes forming part of the Standalone Financial Statement

as at and for the year ended March 31, 2023

V. Employee benefits

(i) Short term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the Standalone 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 Standalone Statement of profit and loss.

The obligations are presented as current liabilities in the Standalone 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 (Also, Refer note 2(b))

The liability or asset recognized in the Standalone 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 Standalone 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 Standalone Balance Sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in Standalone Statement of profit and loss as past service cost.

Defined contribution plans

The Company pays contribution to defined contribution schemes such as provident fund etc. The Company has no further payment obligation once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognized as employee benefit expense when they are due.

Bonus plans

The Company recognises a liability and an expense for bonuses. The Company recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

W. Contributed equity

Equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

X. Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

Y. Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- The profit attributable to owners of the Company; and
- 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.

Z. Rounding of amounts

All amounts disclosed in the Standalone financial statements and notes have been rounded off to the nearest million as per the requirement of Schedule III, unless otherwise stated.

Note 2: Critical estimates and judgments

The preparation of the Standalone financial statements requires use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgment in applying the Company's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgments or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgments is included in relevant notes together with information about the basis of calculation for each affected line item in the Standalone financial statements.

The areas involving critical estimates or judgments are:

(a) Estimation of useful life of Property, plant and equipment

The Company estimates the useful life of the Property, plant and equipment as mentioned in Note 1(o) above, which is based on the expected technical obsolescence of such assets. However, the actual useful life may be shorter or longer than the life estimated, depending on technical innovations and competitor actions.

(b) Estimation of defined benefit obligation

The cost of the defined benefit gratuity plan and other post-employment employee benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in

Notes forming part of the Standalone Financial Statement

as at and for the year ended March 31, 2023

India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation. The mortality rate is based on publicly available Indian Assured Lives Mortality (2012-14) Ultimate. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for the respective countries. Refer note 44 for key actuarial assumptions.

(c) Estimation of fair value of level 3 financial instruments

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Company uses its judgment to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. Refer note 38 on fair value measurements where the assumptions and methods to perform the same are stated.

(d) Revenue recognition for construction contract - Refer note 1(f) and note 52

(e) Impairment of trade receivables (including Contract Assets) – Refer note 1(k) and 7,11, 16(a) and 39(i)

Notes forming part of the Standalone Financial Statement as at and for the year ended March 31, 2023

(All amounts are in ₹ millions, unless otherwise stated)

Note 3 (a) - Property, plant and equipment

Particulars	Freehold land	Building	Plant and machinery	Office Equipment	Vehicles	Computers	Furnitures and fixtures	Total	Capital work-in-progress
For the year ended March 31, 2022									
Gross carrying amount									
Opening gross carrying amount	**143.09**	**165.49**	**6,872.34**	**0.66**	**211.62**	**46.59**	**161.74**	**7,601.53**	**18.07**
Additions		16.54	640.78	-	27.21	17.63	22.98	725.14	599.09
Disposals / Capitalisation	-	-	(141.88)	-	(1.26)	(0.13)	(0.11)	(143.38)	(595.65)
Transfers to investment properties (Refer Note 4)	-	(96.38)	-	-	-	-	-	(96.38)	
Transfer to assets held for sale (Refer Note 18)	(9.63)	-	-		-	-	-	(9.63)	-
Closing gross carrying amount	**133.46**	**85.65**	**7,371.24**	**0.66**	**237.57**	**64.09**	**184.61**	**8,077.28**	**21.51**
Accumulated depreciation									
Opening accumulated depreciation	**-**	**14.29**	**2,577.71**	**0.15**	**122.13**	**30.96**	**61.74**	**2,806.98**	**-**
Depreciation charge during the year	-	1.25	765.95	0.06	32.26	8.93	19.58	828.03	-
Disposals	-	-	(21.20)	-	(0.43)	(0.04)	(0.08)	(21.75)	-
Transfers to investment properties (Refer Note 4)	-	(8.47)	-	-	-	-	-	(8.47)	
Closing accumulated depreciation	**-**	**7.07**	**3,322.46**	**0.21**	**153.96**	**39.85**	**81.24**	**3,604.79**	**-**
Net carrying amount as on March 31, 2022	**133.46**	**78.58**	**4,048.78**	**0.45**	**83.61**	**24.24**	**103.37**	**4,472.49**	**21.51**
For the year ended March 31, 2023									
Gross carrying amount									
Opening gross carrying amount	**133.46**	**85.65**	**7,371.24**	**0.66**	**237.57**	**64.09**	**184.61**	**8,077.28**	**21.51**
Additions	282.28	3.81	2,334.43	-	140.72	29.64	83.27	2,874.15	3,458.06
Disposals / Capitalisation	-	-	(568.54)	(0.06)	(20.16)	(15.23)	(11.00)	(614.99)	(2,760.12)
Closing gross carrying amount	**415.74**	**89.46**	**9,137.13**	**0.60**	**358.13**	**78.50**	**256.88**	**10,336.44**	**719.45**
Accumulated depreciation									
Opening accumulated depreciation	**-**	**7.07**	**3,322.46**	**0.21**	**153.96**	**39.85**	**81.24**	**3,604.79**	**-**
Depreciation charge during the year	-	1.33	826.57	0.24	49.63	15.50	36.06	929.33	-
Disposals	-	-	(374.81)	(0.02)	(16.72)	(14.25)	(3.54)	(409.34)	-
Closing accumulated depreciation	**-**	**8.40**	**3,774.22**	**0.43**	**186.87**	**41.10**	**113.76**	**4,124.78**	**-**
Net carrying amount as on March 31, 2023	**415.74**	**81.06**	**5,362.91**	**0.17**	**171.26**	**37.40**	**143.12**	**6,211.66**	**719.45**

Notes:

1) Refer Note 48 (a) capital commitments for disclosure of contractual commitment for acquisition of Property, plant and equipment.

2) Refer Note 45 for information on Property, plant and equipment hypothecated and mortgaged as security by the Company.

3) Capital work-in-progress mainly comprises of Tipper, Transit Mixer, Boom Pump (Plant & Machinery) acquired for the newly initiated Projects.

Notes forming part of the Standalone Financial Statement

as at and for the year ended March 31, 2023
(All amounts are in ₹ millions, unless otherwise stated)

Capital work-in-progress (CWIP)

Ageing of CWIP - Balance as at March 31, 2023:

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	719.45	-	-	-	719.45
Projects temporarily suspended	-	-	-	-	-

No CWIP project mentioned above is overdue or exceeded its cost compared to its original plan.

Ageing of CWIP - Balance as at March 31, 2022:

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	21.51	-	-	-	21.51
Projects temporarily suspended	-	-	-	-	-

No CWIP project mentioned above is overdue or exceeded its cost compared to its original plan.

Note 3 (b) - Leases

(i) Amounts recognised in Balance sheet

The balance sheet shows following amounts relating to leases:

Particulars	As at March 31, 2023	As at March 31, 2022
Right-of-use assets		
Leasehold Land	40.24	12.42
	40.24	**12.42**
Lease Liabilities		
Current	18.45	9.73
Non -current	16.07	2.57
	34.52	**12.30**
Maturity Anaylsis of Lease Liabilities as at year end:		
Less than one year	18.45	9.73
One to five years	16.07	2.57
More than five years	-	-
Total	**34.52**	**12.30**

(i) Amounts recognised in the statement of profit and loss

The statement of profit and loss shows following amounts relating to leases:

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Depreciation of right-of-use assets		
Leasehold Land	19.02	11.62
Building	-	1.27
	19.02	**12.89**

Amounts recognised in the statement of profit and loss

The statement of profit and loss shows following amounts relating to leases:

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Finance cost		
Interest and finance charges on lease liabilities	2.17	0.33
Other expenses		
Expense relating to short-term leases (included in other expenses)	43.79	54.36
Expense relating to leases of low-value assets that are not shown above as short-term leases (included in other expenses)	24.38	-
	70.34	**54.69**

The total cash outflow for the leases for the year ended March 31, 2023 was ₹24.62 Million (March 31, 2022 ₹14.20 Million).

Additons to the right-of-use of assets during the year ended March 31, 2023 was ₹46.84 Million (March 31, 2022 ₹14.87 Million).

Note 4 - Investment Properties

Investment properties for the year is described below :

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Gross carrying amount	**96.38**	**-**
Transfer from Property, Plant and Equipment (Refer Note 3(a))	-	96.38
Less: Disposals	(6.45)	-
Closing gross carrying amount	**89.93**	**96.38**
Accumulated depreciation		
Opening accumulated depreciation	9.96	-
Transfer from Property, Plant and Equipment (Refer Note 3(a))	-	8.47
Less: Disposals	(0.46)	-
Depreciation charge during the year	1.45	1.49
Closing accumulated depreciation	**10.95**	**9.96**
Net carrying amount	**78.98**	**86.42**

(i) The investment properties consists of commercial property in India given on cancellable and non cancellable leases for a period of 1 to 11 months.

(ii) The Company has no restrictions on the realisability of its investment property and no contractual obligation to develop or for repair, maintenance and enhancements.

(iii) Amounts recognised in the Statement of profit and loss for investment properties:

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Income from investment property (Refer Note 30 and 47)	1.47	1.19
Profit from investment properties before depreciation	**1.47**	**1.19**
Depreciation	1.45	1.49
Profit/(Loss) from investment properties	**0.02**	**(0.30)**

Notes forming part of the Standalone Financial Statement

as at and for the year ended March 31, 2023

(All amounts are in ₹ millions, unless otherwise stated)

Leasing arrangements

(a) Operating leases

The Company has given certain investment properties on operating lease. These lease arrangements range for a period between one to eleven months and include both cancellable and non-cancellable leases. Most of the leases are renewable for further period on mutually agreeable terms. With respect to non-cancellable operating lease, the future minimum lease payment as at Balance Sheet date is as under (Refer Note 47):

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Within one year	1.47	1.19
Later than one year but not later than five years	-	-
Total	**1.47**	**1.19**

(iv) Fair value of investment properties

Particulars	As at March 31, 2023	As at March 31, 2022
Investment properties	119.67	139.21

Estimation of fair value

The fair valuation is based on current prices in the active market for similar properties. Where such information is not available, the Company considers information from a variety of sources including:

- Current prices in an active market for properties of different nature or recent prices of similar properties in less active markets, adjusted to reflect those differences
- Discounted cash flow projections based on reliable estimates of future cash flows
- Capitalised income projections based upon a property's estimated net market income, and a capitalisation rate derived from an analysis of market evidence.

The Company has obtained independent valuations report of investment properties from the Ravi Vindal, who is a registered valuer as defined under rule 2 of Companies (Registered Valuers & Valuation) Rule, 2017. The main inputs used are quantum, area, location,demand, rental growth rates, expected vacancy rates, terminal yields and discount rates. All resulting fair value estimates for investment properties are included in level 3.

Note 5 - Intangible assets

Software License	Amount
For the year ended March 31, 2022	
Gross Carrying Amount	
Opening Gross Carrying Amount	**44.49**
Additions	0.80
Disposals	-
Closing Gross Carrying Amount	**45.29**
Accumulated amortisation	
Opening Accumulated amortisation	**18.80**
Amortisation Charge for the year	8.23
Disposals	-
Closing Accumulated amortisation	**27.03**
Net Carrying Amount as on March 31, 2022	**18.26**

Software License	Amount
For the year ended March 31, 2023	
Gross Carrying Amount	
Opening Gross Carrying Amount	**45.29**
Additions	10.89
Disposals	(0.05)
Closing Gross Carrying Amount	**56.13**
Accumulated amortisation	
Opening Accumulated amortisation	**27.03**
Amortisation Charge for the year	13.68
Disposals	(0.03)
Closing Accumulated Depreciation	**40.68**
Net Carrying Amount as on March 31, 2023	**15.45**

Note 6 - Investment

Particulars	As at March 31, 2023	As at March 31, 2022
Non current investment		
Investment in equity instruments (Fully paid-up)		
Unquoted		
Investments in subsidiary (unquoted Investments - cost) (Refer Note 1 below)	5,291.62	2,914.00
Investment in associates (Refer Note 2 below)	90.00	-
Investments in instruments entirely equity in nature (Refer Note 3 below)	2,065.68	631.04
	7,447.30	**3,545.04**

Note:

1. **Investments in subsidiary (unquoted Investments - cost)*:**

Particulars	Face value of each share	As at March 31, 2023			As at March 31, 2022		
		No. of Shares	Pledge shares	Amount	No. of Shares	Pledge shares	Amount
Gurgaon Sohna Highway Private Limited	10	6,60,30,000	1,98,09,000	728.94	6,60,30,000	3,16,09,800	728.94
H.G. Rewari Ateli Highway Private Limited	10	3,82,25,000	1,94,94,750	382.25	3,82,25,000	1,94,94,750	382.25
H.G. Ateli Narnaul Highway Private Limited	10	9,52,11,000	4,85,57,610	952.11	9,52,11,000	4,85,57,610	952.11
H.G. Rewari Bypass Private Limited	10	12,28,335	3,68,501	583.80	10,08,335	3,02,501	465.00
H.G. Raipur Visakhapatnam AP-1 Private Limited	10	3,81,174	1,94,399	379.70	3,81,174	-	379.70
H.G. Khammam Devarapalle Pkg-1 Private Limited	10	8,50,000	4,33,500	533.50	1,50,000	-	1.50
H.G. Khammam Devarapalle Pkg-2 Private Limited	10	10,25,000	5,22,750	439.00	1,50,000	-	1.50
H.G. Raipur Visakhapatnam OD-5 Private Limited	10	6,76,000	2,02,800	572.21	1,50,000	-	1.50

Notes forming part of the Standalone Financial Statement

as at and for the year ended March 31, 2023

(All amounts are in ₹ millions, unless otherwise stated)

Particulars	Face value of each share	As at March 31, 2023			As at March 31, 2022		
		No. of Shares	Pledge shares	Amount	No. of Shares	Pledge shares	Amount
H.G. Raipur Visakhapatnam OD-6 Private Limited	10	11,37,750	5,80,253	718.61	1,50,000	-	1.50
H.G. Karnal-Ringroad Private Limited	10	1,50,000	-	1.50	-	-	-
Total (A)				**5,291.62**			**2,914.00**

*The Company secures contracts by submitting bids in response to tenders. Subsequent to award of contract the Company is required to form Special Purpose Vehicle ("SPV") Companies (subsidiary companies) to execute the awarded projects. As at March 31, 2023 the company has 10 SPV's (March 31, 2022 9 SPV's) as above.

2. Investment in Associates:

Particulars	Face value of each share	As at March 31, 2023			As at March 31, 2022		
		No. of Shares	Pledge shares	Amount	No. of Shares	Pledge shares	Amount
Safety First Engineering Pvt Ltd	10	1,23,465	-	86.49	-	-	-
Safety First (Partnership Firm)	-	-	-	3.51	-	-	-
Total (B)				**90.00**			**-**

3. Investment in instruments entirely equity in nature:**

Particulars	As at March 31, 2023	As at March 31, 2022
H.G. Rewari Ateli Highway Private Limited	337.25	305.85
H.G. Ateli Narnaul Highway Private Limited	283.32	283.32
H.G. Raipur Visakhapatnam AP-1 Private Limited	479.58	8.32
H.G. Khammam Devarapalle Pkg-1 Private Limited	44.97	2.37
H.G. Khammam Devarapalle Pkg-2 Private Limited	40.07	2.37
H.G. Raipur Visakhapatnam OD-5 Private Limited	772.72	28.31
H.G. Raipur Visakhapatnam OD-6 Private Limited	107.77	0.50
Total (C)	**2,065.68**	**631.04**
Total Investment (A + B + C)	**7,447.30**	**3,545.04**

****Terms of optionally convertible unsecured loan**

The SPVs have a sole option / discretion to convert loan's in whole to equity shares at any time during the tenure of loan. If the conversion is exercised, loans shall be converted into a fixed number of equity shares at a fixed price of ₹10 each. The equity shares derived from the conversion of the loan's shall rank pari passu with the existing Shares of the SPVs with respect to all rights therein and the Company shall have the same rights in respect of such Shares as the other Shares held by the existing Shareholder(s). Further, the SPVs have a sole option / discretion to redeem loans in whole at any time during the tenure of the loan's.

A description of Company's financial instrument risks, including risk management objectives and policies is given in Note 39. The methods used to measure financial assets reported at fair value are described in Note 38.

Subsequent to year end, pursuant to share purchase agreement ('SPA') dated May 03, 2023 the Company has agreed to sell its entire shareholding in four subsidiaries namely Gurgaon Sohna Highway Private Limited, H.G. Ateli Narnaul Highway Private Limited, H.G. Rewari Ateli Highway Private Limited and H.G. Rewari Bypass Private Limited. The transaction is subject to satisfaction of the conditions precedents set out in the SPA which includes third-party approvals and regulatory approvals as well as the satisfaction of certain contractual covenants and the consideration for sale is ₹5,310.00 Millions.

Notes forming part of the Standalone Financial Statement

as at and for the year ended March 31, 2023

(All amounts are in ₹ millions, unless otherwise stated)

Note 7 - Trade receivables

Particulars	As at March 31, 2023	As at March 31, 2022
Non current trade receivables (Unsecured)		
Trade receivables from contract with customers	93.68	72.23
Less: Loss allowance (Refer Note 39(i))	(14.66)	(31.00)
	79.02	**41.23**

Note: Non current trade receivables represent long term retentions related to construction contracts.

Ageing of trade receivables - Balance as on March 31, 2023:

Particulars	Outstanding for following periods from due date of payment							Total
	Unbilled	Not Due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed trade receivables – considered good	-	-	0.27	10.30	5.59	37.61	25.25	79.02
(ii) Undisputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	14.66	14.66
(iii) Undisputed trade receivables – credit impaired	-	-	-	-	-	-	-	-
(iv) Disputed trade receivables– considered good	-	-	-	-	-	-	-	-
(v) Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed trade receivables – credit impaired	-	-	-	-	-	-	-	-
Total	**-**	**-**	**0.27**	**10.30**	**5.59**	**37.61**	**39.91**	**93.68**
Less: Loss allowance								(14.66)
Total trade receivable (net)								**79.02**

Ageing of trade receivables - Balance as on March 31, 2022:

Particulars	Outstanding for following periods from due date of payment							Total
	Unbilled	Not Due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed trade receivables – considered good	-	41.23	-	-	-	-	-	41.23
(ii) Undisputed trade receivables – which have significant increase in credit risk	-	19.04	-	-	-	-	11.96	31.00
(iii) Undisputed trade receivables – credit impaired	-	-	-	-	-	-	-	-
(iv) Disputed trade receivables– considered good	-	-	-	-	-	-	-	-
(v) Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed trade receivables – credit impaired	-	-	-	-	-	-	-	-
Total	**-**	**60.27**	**-**	**-**	**-**	**-**	**11.96**	**72.23**
Less: Loss allowance								(31.00)
Total trade receivable (net)								**41.23**

Notes forming part of the Standalone Financial Statement

as at and for the year ended March 31, 2023

(All amounts are in ₹ millions, unless otherwise stated)

Break-up of security details:	As at March 31, 2023	As at March 31, 2022
Trade receivables considered good – Secured	-	-
Trade receivables considered good – Unsecured	79.02	41.23
Trade receivables which have significant increase in credit risk	14.66	31.00
Trade receivables – credit impaired	-	-
Total	**93.68**	**72.23**
Less: Loss allowance	(14.66)	(31.00)
	79.02	**41.23**

Refer Note 39 (i) for movement of loss allowance and credit risk.

Note 8 - Other financial assets

Particulars	As at March 31, 2023	As at March 31, 2022
Other non current financial assets		
Deposits with remaining maturity more than 12 months (Refer Note 1 and 2 below)	263.91	255.14
Security deposits	125.60	51.08
	389.51	**306.22**

Note :

1. Deposits includes lien with banks against bank guarantee and third parties given for the project of ₹878.50 millions as at March 31, 2023 (March 31,2022 ₹989.63 millions).
2. Above carrying value of deposit are subject to a charge to secure the company's secured borrowing (Refer Note 21 and 24).

Note 9 - Other non current assets

Particulars	As at March 31, 2023	As at March 31, 2022
Capital advances*	26.42	6.87
Balances with government authorities (VAT)	0.13	0.13
	26.55	**7.00**

* Refer capital commitments Note 48 (a) for disclosure of contractual commitment for acquisition of Property, plant and equipment.

Note 10 - Inventories (At lower of Cost or net realisable value)*

Particulars	As at March 31, 2023	As at March 31, 2022
Project materials [(including material in transit amounts to ₹81.04 Million) (March 31, 2022 ₹158.02 Million)] (At Cost)	2,097.40	1,602.65
Stores and Spares (At cost)	255.91	232.87
	2,353.31	**1,835.52**

* Pledged as charged against short term borrowings (Refer Note 45).

Note 11 - Trade receivables

Particulars	As at March 31, 2023	As at March 31, 2022
Current trade receivables (Unsecured)		
Trade receivables from contract with customers	6,998.59	6,104.67
Trade receivables from contract with customers - related parties (Refer Note 43)	1,748.69	898.95
Less: Loss allowance (Refer Note 39(i))	(34.88)	(50.16)
	8,712.40	**6,953.46**

Note: Trade receivables include retentions of ₹1,690.15 Million (March 31, 2022 ₹1,761.97 Million) related to construction contracts.

Notes forming part of the Standalone Financial Statement

as at and for the year ended March 31, 2023

(All amounts are in ₹ millions, unless otherwise stated)

Certain retention money receivables which are contractually due after one year however which can be released early on submission of bank guarantee have been considered as current considering the past history and management expectation.

Ageing of trade receivables - Balance as on March 31, 2023:

Particulars	Outstanding for following periods from due date of payment							Total
	Unbilled	Not Due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed trade receivables – considered good	452.56	6,270.78	866.00	478.54	274.91	141.73	227.88	8,712.40
(ii) Undisputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	34.88	34.88
(iii) Undisputed trade receivables – credit impaired	-	-	-	-	-	-	-	-
(iv) Disputed trade receivables– considered good	-	-	-	-	-	-	-	-
(v) Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed trade receivables – credit impaired	-	-	-	-	-	-	-	-
Total	**452.56**	**6,270.78**	**866.00**	**478.54**	**274.91**	**141.73**	**262.76**	**8,747.28**
Less: Loss allowance								(34.88)
Total trade receivable (net)								**8,712.40**

Ageing of trade receivables - Balance as on March 31, 2022:

Particulars	Outstanding for following periods from due date of payment							Total
	Unbilled	Not Due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed trade receivables – considered good	131.74	5,116.97	1,489.90	73.68	-	7.00	134.17	6,953.46
(ii) Undisputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	50.16	50.16
(iii) Undisputed trade receivables – credit impaired	-	-	-	-	-	-	-	-
(iv) Disputed trade receivables– considered good	-	-	-	-	-	-	-	-
(v) Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed trade receivables – credit impaired	-	-	-	-	-	-	-	-
Total	**131.74**	**5,116.97**	**1,489.90**	**73.68**	**-**	**7.00**	**184.33**	**7,003.62**
Less: Loss allowance								(50.16)
Total trade receivable (net)								**6,953.46**

Break-up of security details:	**As at March 31, 2023**	**As at March 31, 2022**
Trade receivables considered good – Secured	-	-
Trade receivables considered good – Unsecured	8,712.40	6,953.46
Trade receivables which have significant increase in credit risk	34.88	50.16
Trade receivables – credit impaired	-	-
Total	**8,747.28**	**7,003.62**
Less: Loss allowance	(34.88)	(50.16)
	8,712.40	**6,953.46**

Refer Note 39 (i) for movement of loss allowance and credit risk.

Notes forming part of the Standalone Financial Statement

as at and for the year ended March 31, 2023

(All amounts are in ₹ millions, unless otherwise stated)

Note 12 - Cash and cash equivalents

Particulars	As at March 31, 2023	As at March 31, 2022
Balances with banks		
- In current accounts	689.10	471.03
Cash on hand	1.95	1.35
	691.05	**472.38**

Note 13 - Bank balances other than cash and cash equivalents

Particulars	As at March 31, 2023	As at March 31, 2022
Deposit with maturity more than 3 months but less than 12 months (Refer Note 1 and 2 below)	1,065.57	1,079.06
Interest Accrued	37.05	33.55
	1,102.62	**1,112.61**

Note :

1. Deposits includes lien with banks against bank guarantee and third parties given for the project of ₹878.50 millions as at March 31, 2023 (March 31,2022 ₹989.63 millions).
2. Above carrying value of other bank balance are subject to a charge to secure the company's secured borrowing (Refer Note 21 and 24).

Note 14 - Loans (Unsecured, considered good)

Particulars	As at March 31, 2023	As at March 31, 2022
Loan to Subsidiary (Refer Note 43 and 49)	50.74	221.69
Loan to employees	11.33	11.06
	62.07	**232.75**

Break-up of security details:	As at March 31, 2023	As at March 31, 2022
Loan considered good – Secured	-	-
Loan considered good – Unsecured	62.07	232.75
Loan which have significant increase in credit risk	-	-
Loan – credit impaired	-	-
Total	**62.07**	**232.75**
Less: Loss allowance	-	-
	62.07	**232.75**

Note 15 - Other Financial Assets (Unsecured, Considered good unless otherwise stated))

Particulars	As at March 31, 2023	As at March 31, 2022
Other receivable against deferred guarantee commission income (Refer Note 43)	1.42	0.74
Security deposits	-	6.05
Other receivable (Refer Note 43)	169.23	74.06
Less: Loss allowance (Refer Note 39(i))	(18.94)	(6.49)
	151.71	**74.36**

Notes forming part of the Standalone Financial Statement

as at and for the year ended March 31, 2023
(All amounts are in ₹ millions, unless otherwise stated)

Break-up of security details:	As at March 31, 2023	As at March 31, 2022
Other financial assets considered good – Secured	-	-
Other financial assets considered good – Unsecured	**151.71**	**74.36**
Other financial assets which have significant increase in credit risk	18.94	6.49
Other financial assets – credit impaired	-	-
Total	**170.65**	**80.85**
Less: Loss allowance	(18.94)	(6.49)
Total	**151.71**	**74.36**

Note 16 (a) - Contract assets

Particulars	As at March 31, 2023	As at March 31, 2022
Amount due from customers for contract works	6,114.49	3,642.77
Less: Provision for expected loss on construction contracts *	-	(24.15)
Less: Loss allowance (Refer Note 39(i))	(268.10)	(106.78)
	5,846.39	**3,511.84**

* As a result of applying amendments to Ind AS 37, the Company had recognised an onerous contract relating to obligation for construction contracts namely Kundal Jhadol . The estimated costs required to fulfil the contract have increased, and therefore, the unavoidable costs of meeting the obligation exceed the revenue expected to be received. The onerous contract is expected to be fulfilled by the end of FY 2023-2024.

Note 16 (b) - Contract liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Contract liabilities (Refer Note 52)	3,589.94	2,108.45
	3,589.94	**2,108.45**

Significant changes in contract assets and liabilities

Contract assets have increased as the Company has completed work ahead of the agreed payment schedules for construction contracts. The Company also recognised a loss allowance for contract assets in accordance with Ind AS 109. Contract liabilities have increased as Company has received mobilisation advance against new projects.

Note 17 - Other current assets

Particulars	As at March 31, 2023	As at March 31, 2022
Advances to suppliers	218.03	146.93
Advance to sub contractor	15.02	104.88
Other advances		
Prepayments	127.91	148.92
Advance to employees	4.48	3.66
Receivable from JV partner	-	1.18
Goods and Services Tax (GST) recoverable	575.45	565.96
	940.89	**971.53**

Notes forming part of the Standalone Financial Statement

as at and for the year ended March 31, 2023

(All amounts are in ₹ millions, unless otherwise stated)

Note 18 - Assets classified as held for sale

Particulars	As at March 31, 2023	As at March 31, 2022
Freehold Land	9.63	9.63
	9.63	**9.63**

Note: The Board of Directors decided to sell the land which was acquired for ongoing Projects for which the sale is expected to be completed by September 2023.

Note 19 - Equity share capital

Particulars	As at March 31, 2023	As at March 31, 2022
Authorised :		
80,000,000 (March 31, 2022 : 80,000,000) Equity Shares of ₹10 each	800.00	800.00
Issued, Subscribed and Paid up		
65,171,111 (March 31, 2022 : 65,171,111) Equity Shares of ₹10 each	651.71	651.71
	651.71	**651.71**

(a) Movement in equity share capital

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number of Shares	Amount	Number of Shares	Amount
Balance as at beginning of the year	6,51,71,111	651.71	6,51,71,111	651.71
Add: Shares issued during the year	-	-	-	-
Balance as at end of the year	**6,51,71,111**	**651.71**	**6,51,71,111**	**651.71**

(b) Terms and rights attached to equity shares

The Company has only one class of equity shares having face value of ₹10 per share. Accordingly, all equity rank equally with regard to dividends and share in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. The dividend proposed by the board of directors is subject to the approval of shareholders in annual general meeting. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to its share of the paid-up equity capital that has not been paid. On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.

(c) Details of shareholders holding more than 5% shares in the Company

Equity shares	Number of Shares	% holding
Girishpal Singh Family Trust	1,61,86,440	24.84%
(As at March 31, 2022)	(1,61,86,440)	(24.84%)
Vijendra Singh Family Trust	1,61,89,128	24.84%
(As at March 31, 2022)	(1,61,89,128)	(24.84%)
Harendra Singh Family Trust	1,61,96,789	24.85%
(As at March 31, 2022)	(1,61,96,789)	(24.85%)

As per the records of the Company, including Its registers of shareholders (members) and other declarations received from shareholders regarding beneficial interest, the above shareholding represents legal and beneficial ownerships.

Notes forming part of the Standalone Financial Statement

as at and for the year ended March 31, 2023

(All amounts are in ₹ millions, unless otherwise stated)

(d) There are no shares allotted as fully paid up pursuant to contracts without being received in cash since incorporation.

(e) There are no shares which are reserved to be issued under options and there are no securities issues / outstanding which are convertible into equity shares.

(f) No class of shares have been issued as bonus shares or for consideration other than cash by the company during the period of five years immediately preceeding the current year end.

(g) No class of shares have been bought back by the Company during the period of five years immediately preceding the current year end.

(h) **Details of shareholding of promotors:**

Shares held by promoter & promoter group at the end of March 31, 2023

Sr. No	Promoter name & promoter group	No of Shares	% of total shares	% Change during the year
1	Harendra Singh	100	0.00%	0.00%
2	Girishpal Singh	100	0.00%	0.00%
3	Vijendra Singh	100	0.00%	0.00%
4	Harendra Singh Family Trust	1,61,96,789	24.85%	0.00%
5	Vijendra Singh Family Trust	1,61,89,128	24.84%	0.00%
6	Girishpal Singh Family Trust	1,61,86,440	24.84%	0.00%
7	Hodal Singh	100	0.00%	0.00%
8	Nisha Singh	100	0.00%	0.00%
9	Poonam Singh	100	0.00%	0.00%
10	Vaibhav Choudhary	100	0.00%	0.00%
11	Harendra Singh HUF (Karta-Harendra Singh)	100	0.00%	0.00%

Shares held by promoter & promoter group at the end of March 31, 2022

Sr. No	Promoter name & promoter group	No of Shares	% of total shares	% Change during the year
1	Harendra Singh	100	0.00%	0.00%
2	Girishpal Singh	100	0.00%	0.00%
3	Vijendra Singh	100	0.00%	0.00%
4	Harendra Singh Family Trust	1,61,96,789	24.85%	24.75%
5	Vijendra Singh Family Trust	1,61,89,128	24.84%	24.75%
6	Girishpal Singh Family Trust	1,61,86,440	24.84%	24.75%
7	Hodal Singh	100	0.00%	(74.25%)
8	Nisha Singh	100	0.00%	0.00%
9	Poonam Singh	100	0.00%	0.00%
10	Vaibhav Choudhary	100	0.00%	0.00%
11	Harendra Singh HUF (Karta-Harendra Singh)	100	0.00%	0.00%

Notes forming part of the Standalone Financial Statement

as at and for the year ended March 31, 2023
(All amounts are in ₹ millions, unless otherwise stated)

Note 20 - Other Equity

Particulars	As at March 31, 2023	As at March 31, 2022
Reserves and surplus		
Securities premium reserve	2,694.47	2,694.47
Retained earnings	14,438.17	10,297.25
	17,132.64	**12,991.72**
a) Securities premium reserve		
Opening balance	2,694.47	2,694.47
Changes during the year	-	-
Closing balance (a)	**2,694.47**	**2,694.47**
b) Retained Earnings		
Opening balance	10,297.25	6,975.93
Net profit for the year	4,213.83	3,387.60
Less: Dividend paid	(65.17)	(52.14)
Items of other comprehensive income/ (loss) recognised directly in retained earnings		
- Remeasurements gain/ (loss) of defined benefit obligations, net of tax	(7.74)	(14.14)
Closing balance (b)	**14,438.17**	**10,297.25**
Total other equity (a+b)	**17,132.64**	**12,991.72**

Nature and purpose of reserves

a) Securities premium reserve :

Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

b) Retained Earnings:

Retained earnings represents the profit that the Company earned till date, less remeasurement gains/ (loss) of defined benefit plans and can be distributed by the Company as dividends considering the requirements of the Companies Act, 2013.

Note 21 - Borrowings

Particulars	As at March 31, 2023	As at March 31, 2022
Non current borrowings*		
Secured :		
Term loans		
Banks (Refer Note 21.1)		
In Indian Currency	1,165.49	372.60
In Foreign Currency	47.44	-
Financial institutions (Refer Note 21.1)	578.64	237.62
Vehicle loan		
Banks (Refer Note 21.1)	73.68	7.03
Financial institutions (Refer Note 21.1)	10.34	10.76
8% Rated, listed, senior, secured, redeemable, non convertible debenture (Refer Note 21.1)	485.00	970.00
	2,360.59	**1,598.01**

*Refer Note 39 (ii) for liquidity risk management and Refer note 45 for Assets pledged as security.

Notes forming part of the Standalone Financial Statement

as at and for the year ended March 31, 2023

(All amounts are in ₹ millions, unless otherwise stated)

Secured Borrowings

21.1 The details of rate of interest and repayment of secured borrowings are as under :

S. No.	Particulars	Number of loans outstanding as at		Amount outstanding as at		Interest % per annum	Frequency of instalments	Instalments commencing from - to		Remarks
		March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022			March 31, 2023	March 31, 2022	
1	Term loans - from banks (in Indian Curency)	654	143	2,118.73	661.13	6.60 % to 8.75%	Monthly	Apr 20 to May 26	Apr 20 to Apr 26	Reference note (b) below and note 24
2	Term loans - from banks (in Foreign Currency)	1	-	47.44	-	3M EURIBOR - Spread + 1.2 PCT	Quarterly	Jul 22 to Jul 24	-	Reference note (b) below
3	Term loans - from financial institution	159	33	1,028.68	415.81	6.60 % to 8.43%	Monthly	Aug 20 to Dec 25	Dec 19 to Jan 26	Reference note (b) below
4	Vehicles loans - from bank	42	40	117.15	20.55	6.80 % to 8.75%	Monthly	Jul 20 to Jul 26	May 19 to Dec 24	Reference note (c) below
5	Vehicles loans - from financial institution	9	6	20.38	17.03	6.90 % to 8.75%	Monthly	Dec 19 to Aug 25	Dec 19 to Feb 25	Reference note (c) below
6	8% Rated, listed, senior, secured, redeemable, non convertible debenture	1	1	970.00	970.00	9.40%	Quarterly	Sep 23 to Dec 24	Sep 23 to Dec 24	Reference note (d) below

a) The Company has obtained term loans and vehicles loans from Banks/ Financial Institions during the financial year as mentioned in Note 21.1 above. As per the Loan Agreement, the said loan was taken for the purpose of respective Equipment and Vehicle financing. The Company has utilized such borrowings for the purposes as stated in the Loan Agreement.

b) **Secured term loans from banks and financial institution**

All term loans have been obtained for financing the asset purchased and are secured by hypothecation of respective assets purchased out of loan, comprising Property, plant and equipment and Constructions Equipment (Refer Note 45).

c) **Secured vehicles loans from banks and financial institution**

All vehicles loans are secured by hypothecation of respective vehicles financed though the loan arrangements (Refer Note 45).

d) **Secured Non convertible Debentures**

Non convertible Debentures (NCD's) are secured by:

(i) Exclusive charge, by way of hypothecation, over identified assets being construction equipment or plant & machinery and

(ii) Personal guarantee by the promotors.

Notes forming part of the Standalone Financial Statement

as at and for the year ended March 31, 2023

(All amounts are in ₹ millions, unless otherwise stated)

Note 22 - Trade payable

Particulars	As at March 31, 2023	As at March 31, 2022
Non-current trade payable		
(a) Trade payables: micro and small enterprises	-	-
(b) Trade payables: others	194.77	34.96
(c) Trade payables to related parties	-	-
	194.77	**34.96**

Note: Non current Trade Payables represents amount retained as per the terms of contract.

Ageing of trade payables - Balance as on March 31, 2023 :

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-	-	-
(ii) Others	-	194.77	-	-	-	-	194.77
(iii) Disputed dues – MSME	-	-	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-	-	-
Total	**-**	**194.77**	**-**	**-**	**-**	**-**	**194.77**

Ageing of trade payables - Balance as on March 31, 2022 :

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-	-	-
(ii) Others	-	34.96	-	-	-	-	34.96
(iii) Disputed dues – MSME	-	-	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-	-	-
Total	**-**	**34.96**	**-**	**-**	**-**	**-**	**34.96**

Note 23 - Employee benefit obligations

Particulars	As at March 31, 2023	As at March 31, 2022
Non current employee benefit obligations		
Gratuity (Refer Note 44 (ii) b)	100.45	56.98
Compensated Absences (Refer Note 44 (i))	44.16	-
	144.61	**56.98**

Notes forming part of the Standalone Financial Statement

as at and for the year ended March 31, 2023

(All amounts are in ₹ millions, unless otherwise stated)

Note 24 - Borrowings

Particulars	As at March 31, 2023	As at March 31, 2022
Current borrowings		
Loans repayable on demand		
Secured		
Working capital loans (in Indian Currency)*	385.84	438.75
Current maturities of long-term debts		
Term loans*		
Banks (Refer Note 21.1)**	953.24	288.53
Financial institutions (Refer Note 21.1)**	450.04	178.19
Vehicle loan		
Banks (Refer Note 21.1)**	43.47	13.52
Financial institutions (Refer Note 21.1)**	10.04	6.27
8% Rated, listed, senior, secured, redeemable, non convertible debenture (Refer Note 21.1)	485.00	-
Unsecured		
Payable under MSMED trade receivable discounting system (TReDS)***	348.45	623.28
	2,676.08	**1,548.54**

*** Nature of Security in relation to Working Capital loans and one term loan as sub-limit of Working Capital loan from HDFC Bank.**

a) Primary Security - First Pari Passu charge in favour of the Banks by way of Hypothecation of the Company's entire current assets (present and future) including, but not limited to, stock of raw materials, stock in progress, finished goods, stores and spares including book debts, margin money, security deposits etc.

b) Collateral Security - First Pari Passu charge in favor of banks by way of mortage of certain identified immovable properties of the Company and personal and corporate guarantors as per the collateral agreement.

c) All the working capital loans are also collaterally secured by personal guarantee of Mr. Hodal Singh, Mr. Girishpal Singh, Mr. Vijendra Singh, Mr. Harendra Singh, Mr. Jodhalal Kalma, Mr. Shailesh Patel, Ms Nisha Singh, Mr. Sajeev Kumar Choudhary, Mr. Vaibhav Choudhary, M/s Hotel Marudhar (Partnership Firm), M/s H.G. Luxury Hotels Private Limited, M/s H.G. Acerage Developers Private Limited and M/s Valencia Leisure Private Limited.

d) The working capital Loans are repayable on demand and interest rate on the above loan from banks in consortium are linked to the respective bank base rate/ MCLR which are floating in nature. The interest rate ranges from 7.55% to 9.50% per annum on rupees working capital loans.

For Security details of Term loans, vehicle loans and 8% Rated, listed, senior, secured, redeemable, non convertible debentures, Refer Note 21.1.

Compliance of Debt Covenants

Working Capital loans contain certain debt covenants relating to limitation on indebtedness, Debt-Equity ratio, Current ratio, Net Debt to EBIDTA ratio, Interest coverage ratio, Total outside liablity to Adjusted Tangible net worth, Minimum net working capital Limit. The Limitation on indebtness covenants get suspended if the Company meets certain prescribed criteria. The Company has satisfied all debt covenants mentioned above. The other loans do not carry any debt covenants. The Company has not defaulted of any loans payables during the year ended March 31, 2023.

**Refer Note 39 (ii) for liquidity risk management and Refer note 45 for Assets pledged as security.

***The carrying amounts of current borrowings include payables in respect of vendors which are subject to a factoring arrangement ("the factors"). Under this arrangement, H.G. Infra Engineering Limited has transferred the relevant payables to the factors in exchange for timely payment to MSMED vendors. Therefore, the amount repayable under the factoring arrangement to the factors is presented as unsecured borrowings.

Notes forming part of the Standalone Financial Statement

as at and for the year ended March 31, 2023

(All amounts are in ₹ millions, unless otherwise stated)

Note 25 - Trade payables

Particulars	As at March 31, 2023	As at March 31, 2022
Trade payables		
(a) Trade payables: micro and small enterprises	712.94	57.77
(b) Trade payables: others	6,464.07	4,227.68
(c) Trade payables to related parties (Refer Note 43)	64.75	34.79
	7,241.76	**4,320.24**

Note: Trade Payable include retentions of ₹1,227.22 Million (March 31, 2022 ₹1,176.44 Million) retained as per the terms of contract.

Ageing of trade payables - Balance as on March 31, 2023 :

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	106.55	539.19	62.42	0.29	0.84	3.65	712.94
(ii) Others	1,246.42	3,667.25	1,485.28	48.91	34.26	46.70	6,528.82
(iii) Disputed dues – MSME	-	-	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-	-	-
Total	**1,352.97**	**4,206.44**	**1,547.70**	**49.20**	**35.10**	**50.35**	**7,241.76**

Ageing of trade payables - Balance as on March 31, 2022 :

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	4.82	2.65	45.69	0.96	0.01	3.64	57.77
(ii) Others	217.40	1,105.55	2,821.22	17.03	86.85	14.42	4,262.47
(iii) Disputed dues – MSME	-	-	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-	-	-
Total	**222.22**	**1,108.20**	**2,866.91**	**17.99**	**86.86**	**18.06**	**4,320.24**

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.

Particulars	As at March 31, 2023	As at March 31, 2022
(a) The principal amount remaining unpaid to supplier as at the end of accounting year	707.62	52.99
(b) The interest due thereon remaining unpaid to supplier at the end of accounting year	0.27	0.17
(c) The amount of interest paid in terms of section 16, along with the amounts of the payment made to the supplier beyond the appointed day during the year	-	-
(d) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act.	-	0.12
(e) The amount of interest accrued during the year and remaining unpaid at the end of the accounting year	0.27	0.29
(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	5.05	4.78

Note 26 - Other financial liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Interest accrued but not due	16.12	6.76
Capital creditors	250.17	69.20
Other payables	22.94	12.02
	289.23	**87.98**

Note 27 - Employee benefit obligations

Particulars	As at March 31, 2023	As at March 31, 2022
Employee benefits payable	195.93	83.47
Compensated Absenses (Refer Note 44)	12.37	18.02
	208.30	**101.49**

Note 28 - Other current liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Statutory dues	395.57	107.21
Liability towards Corporate social responsibility	-	13.44
Advance received for sale of goods	0.77	2.06
Advance received for sale of property, plant and equipments	29.63	-
Excess contribution from JV partner	1.28	-
Deferred guarantee commission income	-	22.84
	427.25	**145.55**

Note 29 - Revenue from operations

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Revenue from contracts with customers (Refer Note 52)		
Construction contracts	43,580.03	35,573.66
Sale of services (Operation and maintenance contracts)	432.58	373.18
Other operating revenue		
Scrap sales	172.75	205.11
	44,185.36	**36,151.95**

Note 30 - Other income

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Interest income from financial assets at amortised cost	79.14	57.64
Rental income (Refer Note 47)	34.57	11.48
Net foreign exchange differences	-	2.09
Net gain on disposal of property, plant and equipment & Investment properties	3.34	-
Miscellaneous income	63.53	6.85
	180.58	**78.06**

Notes forming part of the Standalone Financial Statement

as at and for the year ended March 31, 2023
(All amounts are in ₹ millions, unless otherwise stated)

Note 31 - Cost of materials consumed

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Construction material, stores and spares		
Opening stock at the beginning of the year	1,835.52	1,680.08
Add: Purchases during the year	21,952.82	18,074.51
Less: Closing stock at the end of the year	(2,353.31)	(1,835.52)
	21,435.03	**17,919.07**

Note 32 - Contract and site expenses

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Sub contracting expenses	10,733.24	9,194.09
Indirect taxes (Labour cess and road tax expenses etc.)	357.09	342.44
Insurance expenses	51.93	51.45
Contract labour charges	20.46	20.49
Hire charges for machinery and others (Refer Note 53)	289.58	236.55
Site and other direct expenses	1,160.56	717.46
Repairs and maintenance - plant and equipment	290.95	100.56
Technical consultancy	136.14	99.75
	13,039.95	**10,762.79**

Note 33 - Employee benefit expenses

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Salaries, wages, bonus & other allowances	1,589.77	1,021.47
Contribution to provident and other funds (Refer Note 44)	58.33	32.94
Gratuity (Refer Note 44)	33.13	14.62
Staff welfare expenses	277.59	209.89
	1,958.82	**1,278.92**

Note 34 - Finance costs

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Interest on :		
Term loan		
In Indian Currency	146.52	95.06
In Foreign Currency	0.85	-
Working capital loan	139.75	106.29
Interest on 8% Rated, listed, senior, secured, redeemable, non convertible debenture	88.28	22.12
Interest on late payment of micro and small enterprises	0.28	0.29
Interest and finance charges on lease liabilities (Refer Note 3(b))	2.17	0.33
Interest on late payment of Income tax	14.72	14.99
Other borrowing cost	240.20	289.41
	632.77	**528.49**

Notes forming part of the Standalone Financial Statement

as at and for the year ended March 31, 2023

(All amounts are in ₹ millions, unless otherwise stated)

Note 35 - Depreciation and amortisation expenses

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Depreciation of Property, plant and equipment (Refer Note 3(a))	929.33	828.03
Depreciation of Right-of-use assets (Refer Note 3(b))	19.02	12.89
Depreciation on Investment property (Refer Note 4)	1.45	1.49
Amortisation of Intangible assets (Refer Note 5)	13.68	8.23
	963.48	**850.64**

Note 36 - Other expenses

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Repairs and maintenance	26.45	19.25
Rates and taxes	28.82	9.46
Sitting fees	2.48	2.00
Lease rent (Refer Note 53 and 3 (b))	68.17	54.36
Payment to auditors (Refer Note (a) below)	9.68	8.27
Advertisement and business promotion	14.00	21.16
Travelling and conveyance	62.34	19.89
Corporate social responsibility expenditure (Refer Note (b) below)	65.98	48.22
Legal and professional fees	45.26	36.13
Electricity expenses	69.51	55.57
Printing and stationery	19.46	11.99
Loss allowances (Net of reversals) (Refer Note 39 (i))	175.10	(5.43)
Telephone and communication	9.94	8.91
Net foreign exchange differences	2.48	-
Net loss on disposal of property, plant and equipment	-	10.87
Miscellaneous expenses	48.86	43.09
	648.53	**343.74**

(a)

Payment to auditors ((Net of GST of ₹1.29 Millions (Previous year: ₹1.49 Millions))	Year ended March 31, 2023	Year ended March 31, 2022
Audit Fees	6.21	7.07
Certification fees	3.21	1.04
Reimbursements of expenses	0.26	0.16
Total payments to auditors	**9.68**	**8.27**

(b) **Expenditure towards Corporate Social Responsibility (CSR) activities**

Corporate Social Responsibility

As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The areas for CSR activities are reaching healthcare and disaster management, education, rural development projects, assistance for setting up homes and shelters, environmental sustainability and animal welfare. A CSR committee has been formed by the Company as per the Act. The funds are utilized through the year on these activities which are specified in Schedule VII of the Companies Act, 2013.

Notes forming part of the Standalone Financial Statement

as at and for the year ended March 31, 2023

(All amounts are in ₹ millions, unless otherwise stated)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
i. Gross Amount required to be spent as per Section 135 of the Act	65.98	48.22
Add: Amount Unspent from previous years	13.44	-
Total Gross amount required to be spent during the year	**79.42**	**48.22**
ii. Amount approved by the Board to be spent during the year	**65.98**	**48.22**
iii. Amount spent during the year on		
(i) Construction/acquisition of an asset	-	-
(ii) On purposes other than (i) above	79.42	34.78

iv. Details related to amount spent

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Contribution to HG Foundation in relation to:		
Ongoing projects	51.22	5.56
Other than Ongoing projects	14.76	29.22
Accrual towards unspent obligations in relation to:		
Ongoing projects	-	13.44
Other than Ongoing projects	-	-
Total	**65.98**	**48.22**

v. Details of ongoing CSR projects

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Balance unspent at the beginning of the year*	13.44	-
Amount required to be spent during the year	51.22	19.00
Amount spent during the year:		
a. HG Care – Adoption of villages (HRDP)	(35.94)	(5.56)
b. HG Ki Pathshala - Adoption of schools/ hostels	(26.38)	-
c. HG Care – Green Drive	(2.34)	-
Balance unspent as at end of the year*	**-**	**13.44**

*Details of Unspent amount as at Year end	As at March 31, 2023	As at March 31, 2022	As at April 1, 2021
With the Company's Account	-	-	-
In Separate CSR Unspent Account	-	13.44	-

vi. **Details of CSR expenditure in respect of other than ongoing projects**

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Balance unspent at the beginning of the year	**-**	**-**
Amount deposited in Specified Fund of Schedule VII of the Act within 6 months	-	-
Amount required to be spent during the year	14.76	29.22
Amount spent during the year for		
a. HGIEL Scholarships	(5.59)	-
b. HG Care – Community Welfare	(6.67)	-
c. HG Care – Animal Welfare	(2.50)	-
d. Promotion of healthcare and disaster management	-	(21.06)
e. Promotion of education	-	(8.16)
Balance unspent as at end of the year	**-**	**-**

vii. **Details of Parties to whom contribution has been made**

Particulars	Nature of Relationship	Year ended March 31, 2023	Year ended March 31, 2022
HG Foundation	Trust incorporated by the Company	79.42	34.78

viii. **Disclosures on Shortfall**

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Gross amount Required to be spent by the Company during the year (Refer (i) above)	79.42	48.22
Actual Amount Spent by the Company during the year	(79.42)	(34.78)
Shortfall at the end of the year	-	13.44
Total of previous years shortfall	-	-

Note 37 - Taxation

37 (a) - Income tax expense

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Current tax		
Current tax on profits for the year	1,566.98	1,172.43
Adjustment for current tax of prior period	-	(0.04)
Total current tax expense	**1,566.98**	**1,172.39**
Deferred tax		
(Increase) / decrease in deferred tax assets	(102.11)	(14.16)
Increase / (decrease) in deferred tax liabilities	8.66	0.53
Total deferred tax charge/ (benefit)	**(93.45)**	**(13.63)**
Income tax expense	**1,473.53**	**1,158.76**

Notes forming part of the Standalone Financial Statement

as at and for the year ended March 31, 2023

(All amounts are in ₹ millions, unless otherwise stated)

Other comprehensive income

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Deferred tax on other comprehensive income	2.60	4.76
	2.60	**4.76**

37 (b) - Deferred tax assets (net)

The balance comprises temporary differences attributable to:

Particulars	As at March 31, 2023	As at March 31, 2022
Disallowance under Section 43B of Income Tax Act, 1961	39.51	18.88
Loss allowance for trade receivable	84.71	48.93
Disallowances section 40(a)(ia) of Income Tax Act, 1961	42.55	5.60
Indexation on land	-	8.28
Timing difference between balance as per Income Tax Act, 1961 and book balance for fixed assets	43.65	29.61
Lease liabilities	8.69	3.10
Total deferred tax assets	**219.11**	**114.40**
Right-of-use assets	(10.13)	
Others	0.94	(0.53)
Total deferred tax liabilities	**(9.19)**	**(0.53)**
Net deferred tax assets	**209.93**	**113.87**

Movement in deferred tax assets

Particulars	As at April 1, 2021	(Charged) / credited to profit and loss	(Charged) / credited to OCI	As at March 31, 2022
Disallowance under section 43B of Income Tax Act, 1961	9.61	4.51	4.76	18.88
Loss allowance for trade receivable	57.95	(9.02)	-	48.93
Disallowance under section 40(a)(ia) of Income Tax Act, 1961	1.64	3.96	-	5.60
Expenses on issue of Initial Public Offer (IPO)	9.79	(9.79)	-	-
Indexation on land	3.88	4.40	-	8.28
Deferred tax assets arising on lease liabilities	2.93	0.17	-	3.10
Timing difference between balance as per Income Tax Act, 1961 and book balance for fixed assets	9.68	19.93	-	29.61
Total deferred tax assets	**95.48**	**14.16**	**4.76**	**114.40**

Particulars	As at April 1, 2022	(Charged) / credited to profit and loss	(Charged) / credited to OCI	As at March 31, 2023
Disallowance under section 43B of Income Tax Act, 1961	18.88	18.03	2.60	39.51
Loss allowance for trade receivable	48.93	35.78	-	84.71
Disallowance under section 40(a)(ia) of Income Tax Act, 1961	5.60	36.95	-	42.55
Indexation on land	8.28	(8.28)	-	-
Deferred tax assets arising on lease liabilities	3.10	5.59	-	8.69
Timing difference between balance as per Income Tax Act, 1961 and book balance for fixed assets	29.61	14.04	-	43.65
Total deferred tax assets	**114.40**	**102.11**	**2.60**	**219.11**

Movement in deferred tax liabilities

Particulars	As at April 1, 2021	Charged / (credited) to profit and loss	Charged / (credited) to OCI	As at March 31, 2022
Others	-	0.53	-	0.53
Total deferred tax liabilities	**-**	**0.53**	**-**	**0.53**

Particulars	As at April 1, 2022	(Charged) / credited to profit and loss	(Charged) / credited to OCI	As at March 31, 2023
Right-of-use assets	-	10.13	-	10.13
Others	0.53	(1.47)	-	(0.94)
Total deferred tax liabilities	**0.53**	**8.66**	**-**	**9.19**

37 (c) - Reconciliation of tax expense and accounting profit multiplied by statutory tax rates

Particulars	As at March 31, 2023	As at March 31, 2022
Profit before income tax expense	**5,687.36**	**4,546.36**
Statutory tax rate applicable to the Company	25.17%	25.17%
Tax expense at applicable tax rate	**1,431.40**	**1,144.23**
Tax effects of amounts which are not deductible (taxable) in calculating taxable income:		
Corporate social responsibility expenditure	16.62	12.13
Donation	4.49	4.82
Interest on late payment of income tax	3.70	3.77
Profit of jointly controlled operations	(0.03)	0.04
Indexation on land	8.28	(4.40)
Deduction for Section 80JJAA as per Income tax Act, 1961	-	(1.62)
Interest payable to micro and small enterprises	0.07	-
Adjustment for current tax of prior period	-	(0.04)
Others	9.00	(0.17)
Income tax expense	**1,473.53**	**1,158.76**

Notes forming part of the Standalone Financial Statement

as at and for the year ended March 31, 2023
(All amounts are in ₹ millions, unless otherwise stated)

Total expenses as per standalone Profit and loss statement	**1,473.53**	**1,158.76**

37 (d) - Current tax liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Opening Balance	144.32	73.79
Add: Additional income tax provision	1,566.98	1,172.43
Less: Income tax adjustment for earlier years	-	(0.04)
Less: Income tax paid	(1,569.93)	(1,101.86)
Closing balance	**141.37**	**144.32**

37 (e) - Income tax asset

Particulars	As at March 31, 2023	As at March 31, 2022
Opening Balance	**3.71**	**1.84**
Add: Advance tax paid / (refund received)	0.90	1.87
Less: Income tax adjustment for earlier years	-	-
Less: Income tax provision created during the year	-	-
Closing balance	**4.61**	**3.71**

Note 38 - Fair Value Measurements

(i) a. Financial instruments by category

Particulars	As at March 31, 2023	As at March 31, 2022
Financial assets - Amortised cost		
Investment*	-	-
Trade receivables (net of loss allowance)	8,791.42	6,994.69
Cash and cash equivalents	691.05	472.38
Bank balances other than cash and cash equivalents	1,102.62	1,112.61
Loans	62.07	232.75
Other receivable against deferred guarantee commission income	1.42	0.74
Other receivable (net of loss allowance)	150.29	67.57
Margin money deposits	263.91	255.14
Security deposits	125.60	57.13
Total financial assets	**11,188.38**	**9,193.01**
Financial liabilities - Amortised cost		
Borrowings	5,036.67	3,146.55
Trade payables	7,436.53	4,355.20
Interest accrued	16.12	6.76
Capital creditors	250.17	69.20
Other payables	22.94	12.02
Lease Liabilities	34.52	12.30
Total financial liabilities	**12,796.95**	**7,602.03**

Particulars	As at March 31, 2023	As at March 31, 2022
Investment Properties	78.98	86.42
Total	**78.98**	**86.42**

* Investments in subsidiaries and associates classified as equity investments have been accounted at historical cost. Since these are scope out of Ind AS 109 for the purposes of measurement, the same have not been disclosed in the tables above.

(ii) Fair value hierarchy

This section explains the judgments and estimates made in determining the fair values of the financial instruments that are measured at amortised cost and for which fair values are disclosed in the financial statements.

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes instruments like listed equity instruments, traded bonds and mutual funds that have quoted price.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the counter derivatives etc) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is in the case of unlisted securities, investment properties etc.

(iii) Fair value of financial instruments measured at amortised cost and other assets - Level 3

Particulars	As at March 31, 2023		As at March 31, 2022	
	Carrying value	Fair value	Carrying value	Fair value
Financial assets				
Deposits with Banks	263.91	263.91	255.14	255.14
Total financial assets	**263.91**	**263.91**	**255.14**	**255.14**
Financial liabilities				
Borrowings	2,360.59	2,368.74	1,598.01	1,614.81
Total financial liabilities	**2,360.59**	**2,368.74**	**1,598.01**	**1,614.81**

Particulars	As at March 31, 2023		As at March 31, 2022	
	Carrying value	Fair value	Carrying value	Fair value
Other Assets				
Investment Properties	78.98	119.67	86.42	139.21
Total	**78.98**	**119.67**	**86.42**	**139.21**

The carrying amounts of short term loans, trade receivables, cash and cash equivalents, bank balances other than cash and cash equivalents, other receivables, trade payables, current borrowings, interest accrued, capital creditors and other payables are considered to be the same as their fair values due to their short-term nature. The impact of fair vaue on Non current trade receivables and payables is not expected to have material impact on the standalone financial statements, hence not dislcosed above.

The fair value of security deposits were not calculated based on their future cash flows discounted at current lending rate as these security deposits are expected to continue to remain till the existence of the Company.

Notes forming part of the Standalone Financial Statement

as at and for the year ended March 31, 2023

(All amounts are in ₹ millions, unless otherwise stated)

Note 39 - Financial Risk Management

The Company's activities expose it to a variety of financial risks namely credit risk, liquidity risk and market risk. The Company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance.

(i) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Financial instruments that are subject to credit risk and concentration thereof principally consist of trade receivables, contract assets, security deposits, deposit with banks, loans, others receivables and cash and cash equivalents.

Impairment of Financial Assets :

The Company has three types of financial assets that are subject to expected credit loss model:

1. Trade Receivables for construction contracts
2. Contract Assets relating to construction contracts
3. Loans

While cash and cash equivalents and deposits with banks are subject to impairment requirements of Ind AS 109, the identified impairment on theses assets were Nil."

For Trade receivables and Contract assets for construction contracts : Management makes the assessment of the credit risk on trade receivables and contract assets considering the customer profile. Customers of the company mainly consists of the government promoted entities and some large private corporates. In case of government customers which forms the majority of the revenue, credit risk is low.

Considering the nature of business, each contract and its customer is evaluated for the purpose of assessment of loss allowances. The reasons for loss 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 loss allowances, if any.

For Loans : The Company's investments in debt instruments and certain loans are considered to be low risk investments.

(A) The following table gives details in respect of percentage of revenue generated from government promoted agencies and highly rated corporate:

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Revenue from government promoted agencies	73%	73%
Revenue from private corporates	27%	27%
	100%	**100%**

The Company secured contracts by submitting bids in response to tenders in terms of which it is required to form Special Purpose Vehicle (SPV) Companies (Subsidiary Companies) to execute the awarded projects. As at March 31, 2023 the Company has 10 SPV's (As at March 31, 2022 the company had 9 SPV's) who have received contracts from government promoted agencies and revenue related to SPV's for work executed by the Company has been grouped in Revenue from government promoted agencies.

The movement in loss allowance for expected credit loss on trade and other receivables including contract assets is as below:

Particulars	As at March 31, 2023	As at March 31, 2022
Opening balance	**194.42**	**230.24**
Changes in loss allowances		
Additions	**206.73**	**24.52**
Released	(31.63)	(29.95)
Bad debts written off	(32.94)	(30.39)
Closing Balance	**336.58**	**194.42**

Maturity analysis of trade and other receivable including contract assets as on March 31, 2023

Ageing	0 - 180 days	181 - 365 days	More than 365 days	Total
Trade Receivables - Related Parties	1,510.59	127.95	110.15	1,748.69
Trade Receivables - Others	6,079.01	360.90	652.36	7,092.27
Contract Assets	5,431.19	151.80	531.50	6,114.49
Other receivable	122.84	17.73	28.66	169.23
Sub total	**13,143.63**	**658.38**	**1,322.67**	**15,124.68**
Less: Loss allowance	-	-	336.58	336.58
Total	**13,143.63**	**658.38**	**986.09**	**14,788.10**

Maturity analysis of trade and other receivable including contract assets as on March 31, 2022

Ageing	0 - 180 days	181 - 365 days	More than 365 days	Total
Trade Receivables - Related Parties	850.00	-	48.95	898.95
Trade Receivables - Others	5,948.89	73.68	154.33	6,176.90
Contract Assets	2,818.59	46.31	777.87	3,642.77
Other receivable	41.21	12.43	20.42	74.06
Sub total	**9,658.69**	**132.42**	**1,001.57**	**10,792.68**
Less: Loss allowance	-	-	194.42	194.42
Total	**9,658.69**	**132.42**	**807.15**	**10,598.26**

Note on recoverability of amount due from certain trade receivables

The Company has long outstanding dues amounting to ₹1,297.75 Million (as at March 31, 2022 ₹305.81 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 ₹68.48 Million (for the year ended March 31, 2022 : ₹194.42 Million) towards the said balances.

(A) As at the year end, the Company held cash and cash equivalents of ₹691.05 Million (March 31, 2022 ₹472.38 Million). The cash and cash equivalents are held with bank and financial institution counterparties with good credit rating.

(B) Deposit with banks are held with bank counterparties with good credit rating.

(ii) Liquidity risk

Liquidity risk defined is as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. Company's objective is to, at all time maintain optimum levels of liquidity to meet its financial obligations. The Company manages liquidity risk by maintaining sufficient cash and cash equivalents and by having access to funding through an adequate amount of committed credit lines. In addition, processes and policies related to such risks are overseen by senior management. Management monitors rolling forecasts of the Company's liquidity position (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows. This is generally carried out at by senior management in

Notes forming part of the Standalone Financial Statement

as at and for the year ended March 31, 2023
(All amounts are in ₹ millions, unless otherwise stated)

accordance with practice and limits set by the Company. These limits take into account the liquidity of the market in which the entity operates. In addition, the Company's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

Financing arrangements

The Company had access to the following undrawn borrowing facilities at the end of the reporting period:

Particulars	March 31, 2023	March 31, 2022
Floating rate		
Expiring within one year (bank overdraft and other facilities)	2,454.12	248.63

The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice. Subject to the continuance of satisfactory credit ratings and compliance of financial and other covenants.

Maturities of financial liabilities

The table summarises the maturity profile of company's financial liabilities based on contractual undiscounted payments:

Particulars	Carrying Amount	Less than 1 year	1 - 5 Years	Total
As at March 31, 2023				
Borrowings	5,036.67	2,676.08	2,360.59	5,036.67
Interest payable	16.12	16.12	-	16.12
Trade payables	7,436.53	7,241.76	194.77	7,436.53
Capital creditors	250.17	250.17	-	250.17
Other payables	22.94	22.94	-	22.94
Lease liabilities	34.52	18.45	16.07	34.52
Financial guarantee contracts *	10,779.50	-	-	-
		10,225.52	**2,571.43**	**12,796.95**

Particulars	Carrying Amount	Less than 1 year	1 - 5 Years	Total
As at March 31, 2022				
Borrowings	3,146.55	1,548.54	1,598.01	3,146.55
Interest payable	6.76	145.96	133.49	279.45
Trade payables	4,355.20	4,320.24	34.96	4,355.20
Capital creditors	69.20	69.20	-	69.20
Other payables	12.02	12.02	-	12.02
Lease liabilities	12.30	9.73	2.57	12.30
Financial guarantee contracts *	16,375.70	-	-	-
		6,105.69	**1,769.03**	**7,874.72**

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due for less than 1 year, equal their carrying balances as the impact of discounting is not significant.

* Guarantee issued by the Company to the bankers on behalf of all the Subsidiary Companies except H.G. Karnal-Ringroad Private Limited is with respect to limits availed by them. These amounts will be payable in case of default by the subsidiary Companies. As of the reporting date, the subsidiary Companies has not defaulted and hence, the Company does not have any present obligation to third parties in relation to such guarantee.

(iii) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risks i.e. interest rate risk and currency risk. Financial instruments affected by market risk include borrowings and creditors for capital expenditures.

(a) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates is insignificant 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, 2023, Company's foreign currency exposure amounts to ₹47.44 Million (as at March 31, 2022 ₹45.03 Million).

1. Foreign currency risk exposure

The Company's exposure to foreign currency risk at the end of the reporting period, expressed in Euro are as follows:

Particulars	As at March 31, 2023	As at March 31, 2022
Financial liabilities		
Euro (In Millions)	0.53	0.53
Term Loan	47.44	-
Capital creditors	-	45.03
Exposure to foreign currency risk (liabilities)	**47.44**	**45.03**

2. Sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in Euro exchange rates with all other variables held constant.

Particulars	Change in Euro rate	Increase / (Decrease) in profit before tax	
		Year ended March 31, 2023	Year ended March 31, 2022
Increase in exchange rate	5%	(2.37)	(2.25)
decrease in exchange rate	5%	2.37	2.25

The Change in exchange rates does not affect the components of other equity.

(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 at variable rate 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:

Notes forming part of the Standalone Financial Statement

as at and for the year ended March 31, 2023

(All amounts are in ₹ millions, unless otherwise stated)

1. **Interest rate exposure**

Particulars	Weighted average interest rate			
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Variable rate borrowings	8.25	8.85	385.84	438.75
Fixed rate borrowings	7.57	8.00	4,650.83	2,707.80
Total borrowings			**5,036.67**	**3,146.55**

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:

Particulars	Increase / (Decrease) in profit before tax	
	Year ended March 31, 2023	Year ended March 31, 2022
Increase in interest rate by 20 basis points (20 bps)	(2.44)	(5.74)
Decrease in interest rate by 20 basis points (20 bps)	2.44	5.74

Note 40 - Capital Management

(a) Risk Management

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company and borrowings.

The Company aims to manage its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to our shareholders. The capital structure of the Company is based on management's judgement of the appropriate balance of key elements in order to meet its strategic and day-to day needs. We consider the amount of capital in proportion to risk and manage the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets.

The Company's aim is to translate profitable growth to superior cash generation through efficient capital management. The Company's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditors and market confidence and to sustain future development and growth of its business. The Company will take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

Particulars	As at March 31, 2023	As at March 31, 2022
Net debt	4,396.26	2,693.23
Total equity	17,784.35	13,643.43
Net debt to equity ratio	25%	20%

The net debt to equity ratio for the current year increased from 20 % to 25% following the proceeds from equipment financing loans for newly won projects and internal accrual of profit.

(b) Dividends

Particulars	As at March 31, 2023	As at March 31, 2022
(i) Equity shares		
Final dividend for the year ended March 31, 2022 of ₹1 (March 31, 2021 - ₹0.80) per fully paid equity share	-	(65.17)
(ii) Dividends not recognised at the end of the reporting period		
In addition to the above dividends, subsequent to year end the Board of directors have recommended the payment of a final dividend of ₹1.25 per fully paid equity share (March 31, 2022 ₹1)	81.46	-

The proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.

(c) Loan Covenants

Under the terms of major borrowing facilities the Company is required to comply with the following financial covenants:

Financial Covenant	Requirement
a. Total outside liabilities/Adjusted Tangible Net Worth	Less than 2.00
b. EBITDA/Net Interest Expenses	Greater than 5.00
c. Net Debt/EBITDA	Not more than 3.00
d. Current Ratio	Not less than 1.00
e. Debt Equity Ratio	Note more than 0.07
f. Net Working Capital	Not less than 25% of Current Assets
g. Company's Credit Rating as per ICRA	Minimum A+

The Company has complied with these financial covenants through out the year.

Note 41 - Segment Reporting

In terms of Paragraph 4 of Ind AS 108 'Operating Segments', entity wide disclosures have been presented in the consolidated financial statements.

Note 42 - Net Debt Reconciliation

Particulars	As at March 31, 2023	As at March 31, 2022
Cash and cash equivalents	691.05	472.38
Current borrowings	(1,219.29)	(1,062.03)
Current maturities of long term borrowings	(1,456.79)	(486.51)
Interest accrued but not due	(16.12)	(6.76)
Non current borrowings	(2,360.59)	(1,598.01)
Lease liabilities	(34.52)	(12.30)
Net Debt	**(4,396.26)**	**(2,693.23)**

Notes forming part of the Standalone Financial Statement

as at and for the year ended March 31, 2023

(All amounts are in ₹ millions, unless otherwise stated)

Particulars	Other assets	Liabilities from financing activities				Total
	Cash and cash equivalents	Lease liabilities	Non-current borrowings	Current borrowings*	Interest accrued	
Net debt as at April 1, 2021	**1,399.48**	**(11.63)**	**(944.90)**	**(1,945.03)**	**(6.72)**	**(1,508.80)**
Cash flows	(927.10)	(0.67)	(653.11)	396.49	-	(1,184.39)
Interest expense	-	-	-	-	(223.47)	(223.47)
Interest paid	-	-	-	-	223.43	223.43
Net debt as at March 31, 2022	**472.38**	**(12.30)**	**(1,598.01)**	**(1,548.54)**	**(6.76)**	**(2,693.23)**
Additions to right-of-use of assets	-	(46.84)	-	-	-	(46.84)
Cash flows	218.67	24.62	(2,215.38)	327.74	-	(1,644.35)
Reclassification for current maturity of long term borrowings	-	-	1,455.28	(1,455.28)	-	-
Interest expense	-	(2.17)	-	-	(375.40)	(377.57)
Interest paid	-	2.17	-	-	366.04	368.21
Gain/ (loss) on restatement	-	-	(2.48)	-	-	(2.48)
Net debt as at March 31, 2023	**691.05**	**(34.52)**	**(2,360.59)**	**(2,676.08)**	**(16.12)**	**(4,396.26)**

*Includes current maturities of long term borrowings, cash credit facility, Payable under MSMED trade receivable discounting system (TReDS).

Note 43 - Related Party transactions

I Name of related parties and nature of relationship:

Related parties where control exits

A) Subsidiary

Gurgaon Sohna Highway Private Limited

H.G. Ateli Narnaul Highway Private Limited

H.G. Rewari Ateli Highway Private Limited

H.G. Rewari Bypass Private Limited

H.G. Raipur Visakhapatnam AP-1 Private Limited

H.G. Khammam Devarapalle PKG-1 Private Limited

H.G. Khammam Devarapalle PKG-2 Private Limited

H.G. Raipur Visakhapatnam OD-5 Private Limited

H.G. Raipur Visakhapatnam OD-6 Private Limited

H.G. Karnal-Ringroad Private Limited

B) Jointly Controlled Operations

HGIEPL - RPS JV (till October 4th, 2022)

HGIEPL - MGCPL JV

HGIEPL - RANJIT JV

C) Associates

M/s Safety First (A Registered Partnership Firm)

Safety First Engineering Pvt. Ltd.

Other Related Parties with whom transactions have taken place during the year

D) Key Management Personnel

Mr. Vijendra Singh -	Whole Time Director
Mr. Harendra Singh -	Chairman and Managing Director
Mr. Ashok Kumar Thakur -	Non-Executive Independent Director
Mrs. Pooja Hemant Goyal -	Non-Executive Independent Director
Mrs. Sharada Sunder -	Additional Independent Director (w.e.f February 8, 2023)
Mrs. Monica Widhani -	Additional Independent Director (w.e.f February 8, 2023)
Mr. Onkar Singh -	Non-Executive Independent Director (till September 7, 2022)
Mr. Manjit Singh -	Non-Executive Independent Director (w.e.f. May 13, 2022)
Mr. Dinesh Kumar Goyal -	Executive Director
Mr. Rajeev Mishra -	Chief Financial Officer
Mrs. Ankita Mehra -	Company Secretary

E) Relatives of Key Management Personnel

Mr. Girishpal Singh -	Brother of Mr. Harendra Singh
Mr. Vaibhav Choudhary -	Son of Mr. Girishpal Singh
Mr. Hodal Singh -	Father of Mr. Harendra Singh
Ms. Ridhima Choudhary -	Daughter of Mr. Harendra Singh
Mrs. Nisha Singh -	Wife of Mr. Harendra Singh

F) Enterprises over which key management personnel and their relatives are able to exercise significant influence

H.G. Traders
H.G. Infra Toll Way Private Limited
B2B Genie Private Limited
Mahadev Stone Crusher
HGIEPL - TPL JV
H.G. Foundation
Raghusons Infra Engineering Private Limited
Hotel Marudhar (Partnership Firm)
H.G. Luxury Hotels Private Limited
H.G. Acerage Developers Private Limited
Valencia Leisure Private Limited

II Transactions with related parties

A) Key Management personnel compensation

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Short-term employee benefits	54.18	48.33
Director's sitting fees	2.48	2.00
Total compensation	**56.66**	**50.33**

Compensation exclude provision for gratuity and compensated absences since these are based on actuarial valuation on an overall company basis.

Notes forming part of the Standalone Financial Statement

as at and for the year ended March 31, 2023
(All amounts are in ₹ millions, unless otherwise stated)

B) Transactions during the year

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Sale of material		
Mahadev Stone Crusher	4.92	2.18
Purchases		
M/s Safety First (A Registered Partnership Firm)	252.15	-
B2B Genie Private Limited	204.53	-
Guarantee Commission Income received from		
H.G. Ateli Narnaul Highway Private Limited	3.39	2.51
H.G. Rewari Ateli Highway Private Limited	0.51	1.55
H.G. Rewari Bypass Private Limited	1.37	0.78
H.G. Raipur Visakhapatnam AP-1 Private Limited	0.10	-
Contract Revenue		
HGIEPL - TPL JV	124.38	173.87
Gurgaon Sohna Highway Private Limited	56.02	1,247.06
H.G. Ateli Narnaul Highway Private Limited	254.58	3,249.40
H.G. Rewari Ateli Highway Private Limited	287.48	1,865.04
H.G. Rewari Bypass Private Limited	2,090.12	1,771.12
H.G. Raipur Visakhapatnam AP-1 Private Limited	3,048.98	196.73
H.G. Khammam Devarapalle PKG-1 Private Limited	432.55	-
H.G. Khammam Devarapalle PKG-2 Private Limited	408.83	-
H.G. Raipur Visakhapatnam OD-5 Private Limited	4,524.19	-
H.G. Raipur Visakhapatnam OD-6 Private Limited	3,675.31	-
HGIEPL - MGCPL JV	2.82	-
Purchases of Property and equipment		
Gurgaon Sohna Highway Private Limited	3.50	-
Contract Expenses		
H.G. Infra Toll way Private Limited	130.69	140.91
Raghusons Infra Engineering Private Limited	43.02	23.01
Mahadev Stone Crusher	12.86	45.49
H.G. Traders	0.54	7.60
Rent Paid for Office		
Mr. Hodal Singh	0.60	0.55
Mr. Girishpal Singh	0.51	0.48
Sitting Fees		
Mr. Onkar Singh	0.41	0.76
Ms. Pooja Hemant Goyal	0.50	0.52
Mr. Ashok Kumar Thakur	0.76	0.73
Mr. Manjit Singh	0.81	-

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Remuneration		
Key management personnel:		
Mr. Vijendra Singh*	15.00	14.00
Mr. Harendra Singh*	30.00	26.00
Mr. Dinesh Kumar Goyal*	4.45	4.45
Mr. Rajeev Mishra*	3.71	3.06
Mrs. Ankita Mehra*	1.02	0.83
* Gratuity is not included, as it is provided on overall basis based on actuarial valuation.		
Remuneration to relatives of KMP		
Mr. Vaibhav Choudhary	10.81	10.80
Ms. Ridhima Choudhary	2.40	0.95
Legal and professional fees		
Ms. Ridhima Choudhary	-	0.88
Corporate social responsibility expenditure		
H.G. Foundation	65.98	12.22
Donation		
H.G. Foundation	10.46	2.85
Guarantees given on behalf of Company		
Mr. Vijendra Singh	6,540.50	4,319.80
Mr. Harendra Singh	6,540.50	4,319.80
Mr. Girishpal Singh	6,540.50	4,319.80
Mr. Hodal Singh	6,540.50	4,319.80
Mrs. Nisha Singh	6,540.50	4,319.80
Hotel Marudhar (Partnership Firm)	6,540.50	4,319.80
H.G. Luxury Hotels Private Limited	6,540.50	4,319.80
H.G. Acerage Developers Private Limited	6,540.50	4,319.80
Valencia Leisure Private Limited	6,540.50	4,319.80
Guarantees issue on behalf of Subsidiary Company		
H.G. Raipur Visakhapatnam AP-1 Pvt Ltd	-	4,520.00
H.G. Khammam Devarapalle PKG-1 Private Limited	231.63	-
H.G. Raipur Visakhapatnam OD-5 Private Limited	-	447.60
Insurance premium paid towards keyman term policy taken by Company		
Mr. Vijendra Singh	5.52	5.52
Mr. Harendra Singh	5.45	5.45
Mr. Vaibhav Choudhary	5.15	5.15
Loans given		
Gurgaon Sohna Highway Private Limited	139.86	233.80
H.G. Ateli Narnaul Highway Private Limited	219.40	32.93
H.G. Rewari Ateli Highway Private Limited	1.19	40.48
H.G. Rewari Bypass Private Limited	78.16	29.35

Notes forming part of the Standalone Financial Statement

as at and for the year ended March 31, 2023

(All amounts are in ₹ millions, unless otherwise stated)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Loan given to KMP		
Rajeev Mishra	0.80	-
Salary advance given to KMP		
Mr. Vijendra Singh	0.88	-
Advance from customers received (Contract liability)		
Gurgaon Sohna Highway Private Limited	6.51	105.09
H.G. Rewari Bypass Private Limited	91.25	254.27
H.G. Raipur Visakhapatnam AP-1 Private Limited	677.50	375.20
H.G. Khammam Devarapalle Pkg-1 Private Limited	464.41	-
H.G. Khammam Devarapalle Pkg-2 Private Limited	383.05	-
H.G. Raipur Visakhapatnam OD-5 Private Limited	2,082.11	-
H.G. Raipur Visakhapatnam OD-6 Private Limited	968.50	-
Loans repayment		
Gurgaon Sohna Highway Private Limited	244.23	129.43
H.G. Ateli Narnaul Highway Private Limited	295.23	-
H.G. Rewari Ateli Highway Private Limited	41.60	-
H.G. Rewari Bypass Private Limited	28.50	29.35
Loans repayment by KMP		
Rajeev Mishra	0.22	
Investment		
Gurgaon Sohna Highway Private Limited	-	72.90
H.G. Rewari Bypass Private Limited	118.80	51.30
H.G. Raipur Visakhapatnam AP-1 Private Limited	-	379.70
H.G. Khammam Devarapalle Pkg-1 Private Limited	532.00	1.50
H.G. Khammam Devarapalle Pkg-2 Private Limited	437.50	1.50
H.G. Raipur Visakhapatnam OD-5 Private Limited	570.71	1.50
H.G. Raipur Visakhapatnam OD-6 Private Limited	717.11	1.50
H.G. Karnal-Ringroad Private Limited	1.50	-
M/s Safety First (A Registered Partnership Firm)	3.51	-
Safety First Engineering Pvt. Ltd.	86.49	-
Investments in instruments entirely equity in nature		
H.G. Rewari Ateli Highway Private Limited	31.40	156.60
H.G. Ateli Narnaul Highway Private Limited	-	224.55
H.G. Raipur Visakhapatnam AP-1 Private Limited	471.26	8.32
H.G. Khammam Devarapalle Pkg-1 Private Limited	42.60	2.37
H.G. Khammam Devarapalle Pkg-2 Private Limited	37.70	2.37
H.G. Raipur Visakhapatnam OD-5 Private Limited	744.41	28.31
H.G. Raipur Visakhapatnam OD-6 Private Limited	107.27	0.50

Notes forming part of the Standalone Financial Statement

as at and for the year ended March 31, 2023

(All amounts are in ₹ millions, unless otherwise stated)

Outstanding balances	As at March 31, 2023	As at March 31, 2022
Other Current Liabilities		
Employee benefits payable		
Mr. Vaibhav Choudhary	2.26	0.15
Mr. Vijendra Singh	-	0.07
Mr. Harendra Singh	0.92	0.67
Mr. Rajeev Mishra	0.15	0.20
Mr. Dinesh Kumar Goyal	0.29	0.24
Ms. Ridhima Choudhary	0.16	0.04
Mrs. Ankita Mehra	0.07	0.07
Investment		
Gurgaon Sohna Highway Private Limited	728.94	728.94
H.G. Rewari Ateli Highway Private Limited	382.25	382.25
H.G. Ateli Narnaul Highway Private Limited	952.11	952.11
H.G. Rewari Bypass Private Limited	583.80	465.00
H.G. Raipur Visakhapatnam AP-1 Private Limited	379.70	379.70
H.G. Khammam Devarapalle Pkg-1 Private Limited	533.50	1.50
H.G. Khammam Devarapalle Pkg-2 Private Limited	439.00	1.50
H.G. Raipur Visakhapatnam OD-5 Private Limited	572.21	1.50
H.G. Raipur Visakhapatnam OD-6 Private Limited	718.61	1.50
H.G. Karnal-Ringroad Private Limited	1.50	-
M/s Safety First (A Registered Partnership Firm)	3.51	-
Safety First Engineering Pvt Ltd	86.49	-
Investments in instruments entirely equity in nature		
H.G. Rewari Ateli Highway Private Limited	337.25	305.85
H.G. Ateli Narnaul Highway Private Limited	283.32	283.32
H.G. Raipur Visakhapatnam AP-1 Private Limited	479.58	8.32
H.G. Khammam Devarapalle Pkg-1 Private Limited	44.97	2.37
H.G. Khammam Devarapalle Pkg-2 Private Limited	40.07	2.37
H.G. Raipur Visakhapatnam OD-5 Private Limited	772.72	28.31
H.G. Raipur Visakhapatnam OD-6 Private Limited	107.77	0.50
Trade Receivables		
HGIEPL -TPL JV	238.10	291.47
Gurgaon Sohna Highway Private Limited	31.44	233.66
H.G. Ateli Narnaul Highway Private Limited	21.03	-
H.G. Rewari Ateli Highway Private Limited	-	66.32
H.G. Rewari Bypass Private Limited	229.81	91.09
H.G. Raipur Visakhapatnam AP-1 Private Limited	320.51	216.41
H.G. Khammam Devarapalle Pkg-1 Private Limited	74.13	
H.G. Khammam Devarapalle Pkg-2 Private Limited	123.03	
H.G. Raipur Visakhapatnam OD-5 Private Limited	337.97	
H.G. Raipur Visakhapatnam OD-6 Private Limited	372.67	

Notes forming part of the Standalone Financial Statement

as at and for the year ended March 31, 2023

(All amounts are in ₹ millions, unless otherwise stated)

Outstanding balances	As at March 31, 2023	As at March 31, 2022
Advance to Contractor		
Mahadev Stone Crusher	-	2.43
Advance to Vendor		
H.G. Foundation	-	0.03
B2B Genie Private Limited	28.89	-
Other receviable against deferred Guarantee Commission Income		
H.G. Ateli Narnaul Highway Private Limited	0.90	-
H.G. Rewari Ateli Highway Private Limited	-	0.50
H.G. Rewari Bypass Private Limited	0.41	0.24
H.G. Raipur Visakhapatnam AP-1 Private Limited	0.11	-
Loans		
Gurgaon Sohna Highway Private Limited	-	104.37
H.G. Ateli Narnaul Highway Private Limited	1.00	76.83
H.G. Rewari Ateli Highway Private Limited	0.08	40.49
H.G. Rewari Bypass Private Limited	49.66	-
Loans to KMP		
Rajeev Mishra	0.58	-
Salary Advance to KMP		
Mr. Vijendra Singh	0.88	-
Trade Payable		
H.G. Traders	0.59	0.65
Mahadev Stone Crusher	0.55	-
Raghusons Infra Engineering Private Limited	32.21	24.16
H.G. Infra Toll way Private Limited	0.43	9.98
M/s Safety First (A Registered Partnership Firm)	30.97	-
Advance from customers (Contract liability)		
H.G. Ateli Narnaul Highway Private Limited	26.64	29.84
Gurgaon Sohna Highway Private Limited	1.71	28.27
H.G. Rewari Ateli Highway Private Limited	-	19.54
H.G. Rewari Bypass Private Limited	39.39	321.62
H.G. Raipur Visakhapatnam AP-1 Private Limited	506.25	375.20
H.G. Raipur Visakhapatnam OD-5 Private Limited	1,041.05	-
H.G. Raipur Visakhapatnam OD-6 Private Limited	484.25	-
H.G. Khammam Devarapalle Pkg-1 Private Limited	406.36	-
H.G. Khammam Devarapalle Pkg-2 Private Limited	335.17	-
Guarantees issue on behalf of Subsidiary Company		
Gurgaon Sohna Highway Private Limited#	-	2,878.60
H.G. Ateli Narnaul Highway Private Limited*	4,059.50	4,059.50
H.G. Rewari Ateli Highway Private Limited#	-	2,270.00
H.G. Rewari Bypass Private Limited*	2,200.00	2,200.00
H.G. Raipur Visakhapatnam AP-1 Pvt Ltd*	4,520.00	4,520.00

Outstanding balances	As at March 31, 2023	As at March 31, 2022
H.G. Khammam Devarapalle Pkg-1 Private Limited**	231.63	-
H.G. Khammam Devarapalle Pkg-2 Private Limited**	191.13	191.13
H.G. Raipur Visakhapatnam OD-5 Private Limited**	200.00	447.60
H.G. Raipur Visakhapatnam OD-6 Private Limited**	136.93	336.93
Guarantees outstanding on behalf of Company		
Mr. Vijendra Singh	22,140.30	15,599.80
Mr. Harendra Singh	22,140.30	15,599.80
Mr. Girishpal Singh	22,140.30	15,599.80
Mr. Hodal Singh	22,140.30	15,599.80
Mrs. Nisha Singh	22,140.30	15,599.80
Hotel Marudhar (Partnership Firm)	22,140.30	15,599.80
H.G. Luxury Hotels Private Limited	22,140.30	15,599.80
H.G. Acerage Developers Private Limited	22,140.30	15,599.80
Valencia Leisure Private Limited	22,140.30	15,599.80

* Guarantees outstanding to the extent of borrowings availed by Subsidiary Company as at March 31, 2023 amounts to ₹5,971.20 millions (March 31, 2022 ₹8,742.50 millions). Refer Note 46.

Guarantees issue on behalf of Subsidiary Company which have been relased during the year.

** Performance Bank Guarantees issue on behalf of Subsidiary Company.

D) Terms and conditions

All Related Party Transactions entered during the year were in ordinary course of the business and are on arm's length basis.

All outstanding balances are unsecured and repayable in cash.

There is no loss allowance has been recognised during the year in respect of receivable due from related parties.

Note 44 - Employee benefit obligations

Particulars	As at March 31, 2023	As at March 31, 2022
Compensated Absences	56.53	18.02
Gratuity	100.45	56.98
	156.98	**75.00**

(i) Compensated Absences

The employees of the Company are entitled to compensated absences as per the policy of the Company. 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. Accordingly, these compensated absences have been classified as Non current liabilities as at March 31, 2023.

Particulars	As at March 31, 2023	As at March 31, 2022
Current compensated absences not expected to be settled within the next 12 months	44.16	-

Notes forming part of the Standalone Financial Statement

as at and for the year ended March 31, 2023
(All amounts are in ₹ millions, unless otherwise stated)

(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.

Particulars	As at March 31, 2023	As at March 31, 2022
Contribution to Provident Fund	24.84	12.59
Contribution to E.S.I.C	6.82	3.96
Contribution to Pension Fund	26.67	16.39
	58.33	**32.94**

The Code on Social Security 2020

The Code on Social Security 2020 ('the Code') relating to employee benefits, during the employment and post-employment, has received Presidential assent on September 28, 2020. The Code has been published in the Gazette of India. Further, the Ministry of Labour and Employment has released draft rules for the Code on November 13, 2020. However, the effective date from which the changes are applicable is yet to be notified and rules for quantifying the financial impact are also not yet issued. The Company will assess the impact of the Code and will give appropriate impact in the financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published."

(b) Defined Benefit Plans:

Gratuity

The company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. Contributions are made to a gratuity based upon actuarial valuation done at the year end of every financial year using "Projected Unit Credit" method. The charge on account of provision for gratuity has been included in Employee Benefits Expense in the Statement of Profit and Loss except remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in other comprehensive income.

The amounts recognised in the Balance Sheet and the movements in the net defined benefit obligation over the year are as follows:

Particulars	Present Value of Obligation (i)	Fair Value of plan Assets (ii)	Net Amount (i-ii)
As on April 1, 2021 (A)	**65.73**	**40.86**	**24.87**
Current service cost	13.73	-	13.73
Past service cost	-	-	-
Interest expense/ income on plan assets	2.54	1.65	0.89
Total Amount Recognised in profit and loss (B)	**16.27**	**1.65**	**14.62**
Remeasurements			
Assets, excluding amount included in interest expense/(income)	-	0.38	(0.38)
(Gain)/loss from change in demographic assumptions	4.66	-	4.66
(Gain)/loss from change in financial assumptions	4.27	-	4.27
Experience (gains)/losses	10.35	-	10.35

Particulars	Present Value of Obligation (i)	Fair Value of plan Assets (ii)	Net Amount (i-ii)
Total amount recognised in other comprehensive income (C)	**19.28**	**0.38**	**18.90**
Employer contributions **(D)**	-	1.41	(1.41)
Benefit payments **(E)**	(3.13)	(3.13)	-
Balance as on March 31, 2022 (A+B+C+D+E)	**98.15**	**41.17**	**56.98**

Particulars	Present Value of Obligation (i)	Fair Value of plan Assets (ii)	Net Amount (i-ii)
As on April 1, 2022 (A)	98.15	41.17	56.98
Current service cost	29.20	-	29.20
Past service cost	-	-	-
Interest expense/ income on plan assets	6.20	2.27	3.93
Total Amount Recognised in profit and loss (B)	**35.40**	**2.27**	**33.13**
Remeasurements			
Assets, excluding amount included in interest expense/(income)	-	(0.20)	0.20
(Gain)/loss from change in demographic assumptions	6.69	-	6.69
(Gain)/loss from change in financial assumptions	2.43	-	2.43
Experience (gains)/losses	1.02	-	1.02
Total amount recognised in other comprehensive income (C)	**10.14**	**(0.20)**	**10.34**
Employer contributions **(D)**	-	-	-
Benefit payments **(E)**	(6.59)	(6.59)	-
Balance as on March 31, 2023 (A+B+C+D+E)	**137.10**	**36.65**	**100.45**

The significant actuarial assumptions were as follows:

Particulars	As at March 31, 2023	As at March 31, 2022
Discount rate (per annum)	7.27%	5.50%
Salary growth rate	14.96%	12.50%
Expected Return on plan assets	7.01%	7.02%
Employee Turnover/ Withdrawal Rate	For Ages	For Ages
	18-30 : 25.50%	18-30 : 31%
	31-40 : 25.29%	31-40 : 30%
	41-50 : 25.70%	41-50 : 29%
	51-57 : 24.21%	51-57 : 37%
Expected average remaining working lives of employees	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2012-14)

Sensitivity Analysis

The sensitivity of the defined benefit obligation to increase and decrease in the weighted principal assumptions by 0.50% is as below:

Notes forming part of the Standalone Financial Statement

as at and for the year ended March 31, 2023

(All amounts are in ₹ millions, unless otherwise stated)

Particulars	Year ended March 31, 2023		Year ended March 31, 2022	
	Discount	Salary escalation	Discount	Salary escalation
Impact of increase in 50 BPS on DBO	(3.01)	2.61	(1.77)	1.64
Impact of decrease in 50 BPS on DBO	3.14	(2.68)	1.83	(1.60)

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. 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 defined benefit plans for the year ending March 31, 2023 are ₹134.80 Million (Year ending March 31, 2022 ₹10 million).

The weighted average duration of the defined benefit obligation is 6.16 years (March 31, 2022: 3.66 years). The expected maturity analysis of undiscounted gratuity is as follows:

Maturity Analysis of the Projected Benefit Obligations - Gratuity

Particulars	As at March 31, 2023	As at March 31, 2022
1st Following Year	21.84	25.10
2nd Following Year	20.66	20.66
3rd Following Year	20.46	17.32
4th Following Year	18.54	13.39
5th Following year	18.01	10.63
Sum of 6th & succeeding Following years	101.95	35.58

Notes forming part of the Standalone Financial Statement

as at and for the year ended March 31, 2023

(All amounts are in ₹ millions, unless otherwise stated)

Note 45 - Assets pledged as security

The carrying amounts of assets pledged as security for current and non-current borrowings are as follows:

Particulars	As at March 31, 2023	As at March 31, 2022
Current		
Financial Assets		
Floating Charge		
Trade Receivables (net of loss allowance)	8,712.40	6,953.46
Cash and cash equivalents	691.05	472.38
Bank balances other than cash and cash equivalents (net of lien)	224.12	122.98
Loans	62.07	232.75
Other financial assets (net of loss allowance)	151.71	74.36
Non-financial assets		
Contract assets	5,846.39	3,511.84
Other current assets	940.89	971.53
Inventories	2,353.31	1,835.52
Total Current Assets pledged as Security	**18,981.94**	**14,174.82**
Non-Current		
Plant and machinery	4,155.54	1,031.73
Building	78.68	220.81
Vehicles	151.31	48.15
Freehold Land	493.73	-
Total Non-Current assets pledged as Security	**4,879.26**	**1,300.69**
Total Assets pledged as Security	**23,861.20**	**15,475.51**

Note: Amount of assets pledged are net carrying values.

Note 46 - Contingent Liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Claims against the Company not acknowledged as debts	20.27	19.45
(b) Direct tax demand disputed in appeals.	20.23	13.02

The Company has evaluated the impact of the Supreme Court (SC) judgement dated February 28, 2019 in case of "Vivekananda Vidyamandir And Others Vs The Regional Provident Fund Commissioner (II) West Bengal" and the related circular (Circular No. C-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 Company believes that the aforesaid judgement does not have material impact on the Company. The Company will continue to monitor and evaluate its position based on future events and developments.

C. Details of corporate guarantees given*

Guarantees given on behalf of	Name of Bank	Sanction Limit	As at March 31, 2023	As at March 31, 2022
Gurgaon Sohna Highway Private Limited**	Indian Bank	2,878.60	-	2,499.50
H.G. Ateli Narnaul Highway Private Limited	State Bank of India	4,059.50	3,321.20	3,400.00
H.G. Rewari Ateli Highway Private Limited**	Axis and HDFC Bank	2,270.00	-	1,993.00
H.G. Rewari Bypass Private Limited	Canara Bank	2,200.00	1,650.00	850.00
H.G. Raipur Visakhapatnam AP-1 Pvt Ltd	BOB & Indian bank	4,520.00	1,000.00	-
Total		**15,928.10**	**5,971.20**	**8,742.50**

*Purpose of Coporate Guarantees Given- Guarantee issued by the Company to the bankers on behalf of above Subsidiary Companies is with respect to limits availed by them.

**Guarantees issue on behalf of Subsidiary Company which have been relased during the year.

Notes forming part of the Standalone Financial Statement

as at and for the year ended March 31, 2023
(All amounts are in ₹ millions, unless otherwise stated)

Note 47 - Disclosure of operating leases under Ind AS 116

The Company rents out its equipment and flats (classified in investment property) on operating lease basis. These lease arrangements range for a period between one to eleven months and include both cancellable and non-cancellable leases. Most of the leases are renewable for further period on mutually agreeable terms. There are no contingent rents recognised as income in the period.

Amounts recognised in the Standalone Statement of Profit and Loss

Particulars	Ref Note No.	Year ended March 31, 2023	Year ended March 31, 2022
Equipment given on hire	30	33.10	10.29
Flats given on hire		1.47	1.19
Minimum lease payments receivable on leases of Equipment & investment properties are as follows:			
Within 1 year		34.57	11.48
Between 1 to 5 years		-	-
Later than 5 years		-	-

Note 48 - Commitments

(a) Capital commitments

Capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:

Description	As at March 31, 2023	As at March 31, 2022
Property, plant and equipment [(net of capital advance amounts to ₹9.86 Million) (March 31, 2022 Rs 3.03 Million)]	109.76	111.43

(b) Other commitments

Description	As at March 31, 2023	As at March 31, 2022
Guarantees given to lenders of subsidiary companies	11,539.19	16,375.70
Loan commitments to subsidiary companies (SPVs)	2,199.26	2,028.31

Footnote :

The guarantees given to lenders of subsidiaries are unlikely to be called, as subsidiaries are in a position to service principal and interest, covered by such guarantees.

Note 49

The Company has been legally advised that outstanding loan aggregating to ₹50.74 Million (as at March 31, 2022, ₹221.69 Million) and Investments in instruments entirely equity in nature aggregating to ₹2,065.68 Million (as at March 31, 2022, ₹631.04 Million) made towards financing the subsidiary do not come under the preview of Section 186 of Companies Act, 2013 as the company is in the business of constructing and developing infrastructure facilities.

Note 50 - Earnings per share

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Profit for the year (Amount in ₹ Millions)	4,213.83	3,387.60
Weighted average number of equity shares outstanding (number)	6,51,71,111	6,51,71,111
Earning per Share (basic and diluted) (Amount in ₹)	64.66	51.98
Nominal value per equity share (Amount in ₹)	10	10

Note 51 - Interests in other entities

Details of the Company's interests in other entities are as under:

Particulars	Place of business / Country of incorporation	Ownership Interests		Principal activities
		As at March 31, 2023	As at March 31, 2022	
Joint controlled operations				
HGIEPL – Ranjit JV	India	30%	30%	Road construction
HGIEPL – MGCPL JV	India	30%	30%	Road construction
HGIEPL – RPS JV*	India	51%	51%	Road construction

The country of incorporation and principal place of above entities is in India.

*During the year ended March 31, 2023, HGIEL-RPS (JV) has been dissolved on October 4, 2022 by mutual consent of Joint operators. As at March 31, 2023, ₹1.60 million is receivable from HGIEL-RPS (JV), classified as Other current financial assets - Other receivables.

Significant judgment: Classification of joint arrangements

The Company has entered into Partnership firms / Association of person whose legal form confers separation between the parties to the joint arrangement and the Company itself. Also, as per the contractual arrangements, the parties to the joint arrangement have rights to the assets and obligations for the liabilities, relating to the arrangement. Accordingly the Joint arrangements have been identified as joint operations.

Financial impact of Joint controlled operations

The Company accounts for assets, liabilities, revenue and expenses relating to its interest in joint controlled operations based on the internal agreements/arrangements entered into between the parties to the joint arrangements for execution of projects. Accordingly the Company has consolidated on proportionate basis, its share of the following:

Particulars	Year ended March 31,2023	Year ended March 31,2022
Income	63.45	51.07
Expenditure (including tax)	63.33	50.92

Particulars	As at March 31, 2023	As at March 31, 2022
Total Assets	40.25	54.65
Total Liabilities	36.06	51.41

Notes forming part of the Standalone Financial Statement

as at and for the year ended March 31, 2023

(All amounts are in ₹ millions, unless otherwise stated)

Note 52 - Revenue from contracts with customers

Note 52.1 - Disaggregation of revenue from contracts with customers

The Company has determined the categories for disaggregation of revenue considering the types/nature of contracts. The Company recognises revenue from following types construction contracts, sale of services and sale of goods at the point in time and over time as below:

Year ended March 31, 2023	Construction Contracts	Sale of Services (Maintenance Contract)	Total
Revenue from external customers	43,580.03	432.58	44,012.61
Timing of revenue recognition			
- At a point in time	509.02	432.58	941.60
- Over time	43,071.01	-	43,071.01
	43,580.03	**432.58**	**44,012.61**

Year ended March 31, 2022	Construction Contracts	Sale of Services (Maintenance Contract)	Total
Revenue from external customers	35,573.66	373.18	35,946.84
Timing of revenue recognition			
- At a point in time	1,158.98	373.18	1,532.16
- Over time	34,414.68	-	34,414.68
	35,573.66	**373.18**	**35,946.84**

The Company recognised revenue amounting to ₹1,953.15 Million (March 31, 2022 ₹2,267.28 million) in the current reporting period that was included in the contract liability balance of previous year (Refer Note 16 (b)) .

Note 52.2 - Unsatisfied performance obligations

The aggregate amount of transaction price allocated to performance obligations that are unsatisfied as at the end of reporting period is ₹1,27,095.99 Million (as at March 31, 2022 ₹79,729.02 Million). On Construction Contracts (Road Projects and Pipeline contracts) have a life cycle of 2-3 years and other businesses performance obligations are met over a period of one or less than one year. Management expects that around 30%-35% of the transaction price allocated to unsatisfied contracts as of March 31, 2023 will be recognised as revenue during next reporting period depending upon the progress on each contracts.

The remaining amount is expected to be recognised in next year.

The amount disclosed above does not include variable consideration.

Note 52.3 - There are no reconciliation items between revenue from contracts with customers and revenue recognised with contract price.

Note 53 - Disclosure of operating leases under Ind AS 116

Leases as lessee

The Company has obtained premises (office, residential and Camp) and machineries taken on lease. The terms of lease include terms of renewals, increase in rent in future period, terms of cancellation, etc. The agreements are executed for a period of 1 month to 36 months with a renewable clause and also provide for termination at will by either party giving a prior notice of 1 to 3 months at any time during the lease term. The Company classifies all the leases for period less than 12 months as short term leases. Accordingly, they have been accounted for by applying paragraph 6 of Ind AS 116 - Leases and ₹43.79 Million (March 31, 2022 ₹54.36 Million) has been recognized as expense.

Amounts recognised in the Standalone Statement of Profit and Loss

Particulars	Ref Note No.	As at March 31, 2023	As at March 31, 2022
Contract and site expenses	**32**		
Hire charges for machinery and others		289.58	236.55
Other expenses	**36**		
Lease rent (Refer Note 3(b)(ii))		68.17	54.36
Total Expenses		**357.75**	**290.91**

Note 54 - Disclosure under Regulation 34(3) read with para A Schedule V to Securities and Exchange Board of India (SEBI) (Listing obligations and disclosure requirements) Regulations 2015.

Loans given to Wholly owned subsidiaries:

Particulars	Amount outstanding as at		Maximum balance outstanding during the year ended	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Gurgaon Sohna Highway Private Limited	-	104.37	179.48	104.37
H.G. Ateli Narnaul Highway Private Limited*	284.32	360.15	539.55	360.15
H.G. Rewari Ateli Highway Private Limited*	337.33	346.34	378.83	346.34
H.G. Rewari Bypass Private Limited	49.66	-	49.66	9.50
H.G. Raipur Visakhapatnam AP-1 Private Limited*	479.58	8.32	479.58	8.32
H.G. Khammam Devarapalle PKG-1 Private Limited*	44.97	2.37	44.97	2.37
H.G. Khammam Devarapalle PKG-2 Private Limited*	40.07	2.37	40.07	2.37
H.G. Raipur Visakhapatnam OD-5 Private Limited*	772.72	28.31	772.72	28.31
H.G. Raipur Visakhapatnam OD-6 Private Limited*	107.77	0.50	107.77	0.50

* Including investment in optionally convertible unsecured loan (Refer Note 6).

1. The Company has not given any loans or advances in the nature of loan to any Companies, in which Directors are interested.
2. The above loans were given to the subsidiaries for their normal business activities.

   The Company is engaged in the business of providing infrastructural facilities as per Section 186 (11) of the Act. Accordingly, disclosure under section 186 (4) of the Act, is not applicable to the Company.

Notes forming part of the Standalone Financial Statement

as at and for the year ended March 31, 2023

(All amounts are in ₹ millions, unless otherwise stated)

Note 55 - Additional regulatory information required by Schedule III

(i) Details of benami property held

No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

(ii) Borrowing secured against current assets

During the year the Company has been sanctioned working capital limits in excess of ₹5 crores, in aggregate, from banks on the basis of security of current assets and certain identified immovable properties. Basis discussion between the Company and the respective lenders, the Company has been filing quartely statements on mutually agreed basis for reporting, related to adjusted balances of Accounts receivables (excluding withheld balances of the respective debtors), Accounts payable (excluding payables to service vendors, provisions and balance for retention payable), Inventory (except Goods in Transit), Contract assets (upto 3 months outstanding), Advance to suppliers, Mobilization Advances. These statements, which have been filed for three quarters (upto December 2022) by the Company are in agreement with the unaudited books of account of the Company for such respective quarters. Further, the Company is in the process of filling quarterly returns and statements for the quarter ended March 31, 2023.

(iii) Wilful defaulter

The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(iv) Relationship with struck off companies

The Company does not have any transactions during the year with companies struck off under section 248 of the Companies Act, 2013 or section 560 of The Companies Act, 1956.

Name of struck off company	Nature of transaction with struck off company	Balance outstanding as at March 31, 2023	Balance outstanding as at March 31, 2022	Relationship with the struck off company
Sudarshan Crushing Solutions Private Limited (OPC)	Payable	-	-	None
N G S Technology Private Limited	Payable	-	-	None

(v) Loans or advances to specified persons

Type of borrower	Amount of loan or advance in the nature of loan outstanding as at March 31, 2023	Percentage to the total loans and advances in the nature of loans	Amount of loan or advance in the nature of loan outstanding as at March 31, 2022	Percentage to the total loans and advances in the nature of loans
(a) **Repayable on demand**				
Gurgaon Sohna Highway Private Limited	-	0.00%	104.37	12.23%
H.G. Ateli Narnaul Highway Private Limited	1.00	0.05%	76.83	9.01%
H.G. Rewari Ateli Highway Private Limited	0.08	0.00%	40.49	4.75%
H.G. Rewari Bypass Private Limited	49.66	2.33%	-	-
(b) **Without specifying any terms or period of repayment**				
H.G. Ateli Narnaul Highway Private Limited	283.32	13.32%	283.32	33.22%

H.G. Rewari Ateli Highway Private Limited	337.25	15.85%	305.85	35.87%
H.G. Raipur Visakhapatnam AP-1 Private Limited	479.58	22.54%	8.32	0.98%
H.G. Khammam Devarapalle Pkg-1 Private Limited	44.97	2.11%	2.37	0.28%
H.G. Khammam Devarapalle Pkg-2 Private Limited	40.07	1.88%	2.37	0.28%
H.G. Raipur Visakhapatnam OD-5 Private Limited	772.72	36.32%	28.31	3.32%
H.G. Raipur Visakhapatnam OD-6 Private Limited	107.77	5.06%	0.50	0.06%

(vi) Compliance with number of layers of companies

The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

(vii) Compliance with approved scheme(s) of arrangements

The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

(viii) Undisclosed income

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

(ix) Details of crypto currency or virtual currency

The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

(x) Valuation of PPE, intangible asset and investment property

The Company has not revalued its property, plant and equipment (including right-of-use assets), Investment Property or intangible assets or both during the current or previous year.

(xi) Title deeds of immovable properties not held in name of the company

The title deeds of all the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee), as disclosed in note 3(a) and 4 to the financial statements, are held in the name of the Company.

Notes forming part of the Standalone Financial Statement

as at and for the year ended March 31, 2023

(All amounts are in ₹ millions, unless otherwise stated)

(xii) Registration of charges or satisfaction with Registrar of Companies

There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.

(xiii) The Company has a fund and non fund based facility limit of ₹22,000 million (March 31, 2022 ₹15,400.00 Million) with Bank which is secured by way of first charge on hypothecation of current assets viz. raw materials, stores and spares and receivables and certain identified immovable properties.

The Company has utilised the fund and non fund based facility during the FY 2022-23 and FY 2021-22 for working capital purposes.

Further, the charge has been created on hypothecation of the aforesaid current assets and immovable properties.

Note 55 (xiv) - Analytical ratios

Particulars	Numerator	Denominator	March 31, 2023	March 31, 2022	% Variance	Reason (Required if variance more than 25%)
(a) Current ratio	Current Assets	Current Liabilities	1.36	1.79	-24.03%	
(b) Debt-equity ratio	Total Debt (Borrowings)	Total Equity	0.28	0.23	22.80%	
(c) Debt service coverage ratio	Earning available for debt service	Finance Costs + Repayment of borrowings	4.97	4.53	9.74%	
(d) Return on equity ratio	Profits after tax	Average Total Equity	0.24	0.25	-4.57%	
(e) Inventory turnover ratio	Cost of goods sold	Average Inventory	10.23	10.19	0.40%	
(f) Trade receivables turnover ratio	Revenue from operations	Average Trade receivables	5.60	5.33	5.06%	
(g) Trade payables turnover ratio	Net Purchases of raw material + Sub contracting expenses + Hire charges for machinery and other + Site and other direct expenses	Average Trade payables	5.70	6.01	-5.13%	
(h) Net capital turnover ratio	Revenue from operations	Working Capital (Current Assets - Current Liabilities)	8.37	5.39	55.34%	Refer Note (a) below
(i) Net profit ratio	Profit after tax	Revenue from operations	9.54%	9.37%	1.77%	
(j) Return on capital employed	Earning before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability	0.28	0.30	-8.37%	
(k) Return on investment	Earnings before interest and taxes	Total assets	0.18	0.21	-15.53%	

a. Reason for significant change in Net capital turnover ratio

The Change is on account of significant increase in Company's Revenue from Operation as compared to previous year.

Note 55 (xv) - Utilisation of borrowed funds and share premium

The Company has not advanced or given loans or invested funds to any other person or entity, including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or

b. provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

b. provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

For **MSKA & Associates**
Chartered Accountants
Firm Registration No. 105047W

Rahul Aggarwal
Partner
Membership Number : 505676
Place : Jaipur
Date : May 10, 2023

For **Shridhar & Associates**
Chartered Accountants
Firm Registration Number : 134427W

Abhishek Pachlangia
Partner
Membership Number : 120593
Place : Jaipur
Date : May 10, 2023

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

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

Rajeev Mishra
Chief Financial Officer

Place : Jaipur
Date : May 10, 2023

Ankita Mehra
Company Secretary
Membership No : A33288
Place : Jaipur
Date : May 10, 2023

Independent Auditor's Report

To the Members of H.G. Infra Engineering Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **H.G. Infra Engineering Limited**, in which are incorporated three jointly controlled operations (hereinafter referred to as the "Holding Company"), its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group") and its associates (Refer Note 51 to consolidated financial statements), which comprise the Consolidated Balance Sheet as at March 31, 2023, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the Consolidated Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on consideration of reports of other auditors on separate financial statements and on the other financial information of subsidiaries and jointly controlled operations, 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 Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015 ("Ind AS") and other accounting principles generally accepted in India, of their consolidated state of affairs of the Group and its associates as at March 31, 2023, its 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

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs 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 its associates in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by Institute of Chartered Accountant of India ("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 on consideration of audit reports of other auditors referred to in paragraph (a) and (b) of the "Other Matters" section below, is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended March 31, 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	Our audit procedures in respect of this area included the following:
1. Estimation of contract cost and revenue recognition. (Refer to note 1 (F) (i), 2 (d), 29 and 52) of the consolidated financial statements) Revenue from construction contracts is recognised over a period of time in accordance with the requirements of Ind AS 115, 'Revenue from Contracts with Customers'. The contract revenue amounts to ₹43,071.01 million for engineering, procurement and construction contracts, which usually extends over a period of 2-3 years, and the contract prices are fixed and, in few cases, subject to clauses with price variances and variable consideration.	i. Evaluated the accounting policy for revenue recognition and assessed compliance of the policy with the principles enunciated under Ind AS 115 – 'Revenue from Contracts with Customer'. ii. Understood and evaluated the design and tested the operating effectiveness of key internal financial controls, including those related to review and approval of estimated costs and review of provision for foreseeable losses, if any, by the utorized representatives.

Key Audit Matter	Our audit procedures in respect of this area included the following:
In accordance with Input method prescribed under Ind AS 115, the contract revenue is measured based on the proportion of contract costs incurred for work performed to date relative to the estimated total costs. This method requires the Holding Company to perform an initial assessment of total estimated cost and reassess the total construction cost at the end of each reporting period to determine the appropriate percentage of completion. The estimation of total cost to complete the contract involves significant judgement and estimation throughout the period of contract, as it is subject to revision as the contract progresses – based on latest available information including physical work done on the ground, changes in cost estimates and need to accrue provision for onerous contracts, if any. Besides recognition of revenues based on actual costs and estimated costs to complete the work, at the period end, the measurement and recognition of contract assets (unbilled revenue) and contract liabilities (unearned revenue) related to each of the contracts is also dependent on cost estimates. In view of above, we have considered the estimation of construction contract costs as a key audit matter.	iii. We obtained the revenue workings (percentage of completion calculations) from the Company's management, for all contracts, containing costs incurred upto March 31, 2023, estimated costs (comprising of actual costs and remaining costs to completion), estimated contract revenue and actual revenues authorized during the year based on proportion of actual costs to estimated costs. For sample of contracts, we agreed contract revenue with key contractual terms, agreed current year's actual costs with system generated reports and agreed estimated costs with cost sheets for individual contracts approved by the authorized representatives. Reperformed the calculation of revenues during the year using proportion of actual costs to estimated costs and compared the results with workings provided by the Holding Company. iv. For actual costs incurred during FY 2022-23, we tested the samples to appropriate supporting documents. v. To validate the remaining costs to completion, for sample contracts, we obtained the approved costs sheets (for each of such sample contracts) containing the breakdown of such costs. Evaluated the reasonableness of management's judgements and assumptions through comparison of actual margins during the year with base margins estimated at the beginning, comparison between financial progress (proportion of actual costs to estimated costs) and physical progress certified by the Independent Engineer, past trends of recovery of price escalation with incremental costs incurred and comparison of actual costs within similar contracts. vi. Assessed the adequacy and appropriateness of the disclosures made in consolidated financial statements in compliance with the requirements of Ind AS 115.
2. Valuation of accounts receivable and contract assets in view of risk of credit losses. (Refer note 1 (K), 39(i), 7, 11 and 15 – Trade Receivables and Note 16(a) for contract asset to consolidated financial statements) Accounts receivable and Contract assets are significant items in the Group's consolidated financial statements aggregating to ₹14,637.81 million as of March 31, 2023 and provision for impairment of receivables and contract assets amounted to ₹317.64 million millions as at March 31, 2023. The Group has a concentration of credit exposure on certain customers, which include government and private organisations, where there are delays in collections due to various reasons. The management periodically assess the adequacy of provisions recognised, as applicable, on receivables and contract assets, based on factors such as credit risk of the customer, status of the project, discussions with the customers and underlying contractual terms and conditions. This involves significant judgement.	i. Understood and evaluated the design and tested the operating effectiveness of key internal financial controls in relation to determination of expected credit loss. ii. Obtained confirmation from parties, for sample balances, with respect to outstanding balances. Wherever confirmations are not received for the samples, performed alternate procedures through verification of Holding Company's invoices approved by the respective customers which represents acknowledgement of work delivered. iii. Performed inquiry procedures with senior management of the Holding Company regarding status of collectability of the receivable and contract assets. iv. In respect of material contract balances, corroborated our inquiry procedures with the correspondence between the Holding Company and the customers, contracts and other documents.

Key Audit Matter	Our audit procedures in respect of this area included the following:
	v. Assessed 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. vi. Presented the results of our work done to the audit committee. vii. Assessed the adequacy and appropriateness of the disclosures made in the standalone financial statements in this regard.

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

The Holding Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Director's Report, Corporate Governance Report and Other Information included in the Annual Report but does not include the 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 other auditors referred to in Paragraph (a) and (b) of Other Matters section below, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Management and 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 other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group and its Associates in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective management and board of directors of the companies included in the Group and of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of such companies respectively and for preventing and detecting frauds and other irregularities; the 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group and of its associates are responsible for assessing the ability of such companies respectively to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate such Companies or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associates are responsible for overseeing the financial reporting process of each such company.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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.

We give in "Annexure A" a detailed description of Auditor's responsibilities for Audit of the Consolidated Financial Statements.

Other Matters

a. We did not audit the financial statements three jointly controlled operations included in the standalone financial statements of the Holding Company, whose financial statements reflect Group's share of total assets of ₹40.26 millions as at March 31, 2023, total revenues of ₹63.45 millions, total net profit after tax of ₹0.11 million and total comprehensive income of ₹0.11 million and net cash inflow amounting to ₹0.23 million for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far 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, in so far as it relates to the aforesaid jointly controlled operations, is based solely on the reports of such other auditors.

   Our opinion is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors.

b. We did not audit the financial statements of ten subsidiaries, whose financial statements reflect total assets of ₹25,925. 31 millions as at March 31, 2023, total revenues of ₹16,842.69 millions, total net profit after tax of ₹706.73 millions and total comprehensive income of ₹706.73 millions and net cash inflow amounting to ₹223.70 millions for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of such other auditors.

   Our opinion is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors.

c. The consolidated financial statements also include the Group's share of net profit after tax of ₹11.29 millions and total comprehensive income of ₹11.29 millions for the year ended March 31, 2023, as considered in the consolidated financial statements, in respect of two associates, whose financial information have not been audited by us. These financial information are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these associates, and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid associates, is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, this financial information are not material to the Group.

   Our opinion is not modified in respect of the above matter.

d. The consolidated financial statements of the Group for the year ended March 31, 2022, were audited by another firm of Chartered Accountants along with the joint auditors i.e. M/s Shridhar & Associates, Chartered Accountants, whose report dated May 23, 2022 expressed an unmodified opinion on those consolidated financial statements.

   Our opinion is not modified in respect of the above matter.

Report on Other Legal and Regulatory Requirements

1. According to the information and explanations given to us and based on the CARO reports issued by us for the Holding Company and on consideration of CARO reports issued by the statutory auditors of subsidiaries included in the consolidated financial statements of the Group to which reporting under CARO is applicable, we report that there are no Qualifications/adverse remarks.

   Further, as per information and explanation given to us by the Holding Company, the following companies included in the consolidated financial statements for the year ended March 31, 2023 and covered under that Act but for which the respective reports under Section 143(11) of the Act have not yet issued by the respective statutory auditors:

   Safety First India Private Limited

2. As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements of the subsidiaries referred to in Paragraph (a) and (b) Other Matters section above, as were audited by other auditors, we report, to the extent

applicable, that:

a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements ;

b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors ;

c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d. In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.

e. On the basis of the written representations received from the directors of the Holding Company as on March 31, 2023 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiaries (referred to in Paragraph (b) Other Matters section above), none of the directors of the Holding Company and its subsidiaries are disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act;

f. With respect to the adequacy of internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiaries and the operating effectiveness of such controls, refer to our separate report in "Annexure B".

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 and based on the consideration of report of the other auditors on separate financial statements of the subsidiaries (referred to in Paragraph (b) of Other Matters section above):

   i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group. (Refer Note 46 to the consolidated financial statements).

   ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts. (Refer Note 16(a) to the consolidated financial statements)

   iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Group.

   iv. 1. The respective Managements of the Holding Company and its subsidiaries, whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries, to the best of their knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiaries to or in any other persons or entities, including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that such parties shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

   2. The respective Managements of the Holding Company and its subsidiaries, whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries that, to the best of their knowledge and belief, no funds have been received by the Holding Company or any of such subsidiaries, from any persons or entities, including foreign entities ("Funding Parties") with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that the Holding Company or any of such subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the

Ultimate Beneficiaries.

Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries whose financial statements have been audited under the Act, and according to the information and explanations provided to us by the Management of the Holding Company in this regard nothing has come to our or other auditors' notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provided under (1) and (2) above, contain any material mis-statement.

v. The dividend declared and paid during the year by the Holding Company is in compliance with Section 123 of the Act.

vi. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Holding Company, and its subsidiaries w.e.f. April 1, 2023, reporting under this clause is not applicable.

3. In our opinion, according to information, explanations given to us, the remuneration paid/provided by the Group to its directors is within the limits prescribed under Section 197 of the Act and the rules thereunder.

For **MSKA & Associates**
Chartered Accountants
ICAI Firm Registration No.105047W

Rahul Aggarwal
Partner
Membership No.: 505676
UDIN: 23505676BGXENV7339

Place: Jaipur
Date: May 10, 2023

For **Shridhar & Associates**
Chartered Accountants
ICAI Firm Registration No.134427W

Abhishek Pachlangia
Partner
Membership No.: 120593
UDIN: 23120593BGWJLY5712

Place: Jaipur
Date: May 10, 2023

Annexure A to the Independent Auditor's Report on even date on the Consolidated Financial Statements of H.G. Infra Engineering Limited

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management and Board of Directors.
- Conclude on the appropriateness of Management's and Board of Directors' 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 associates 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 associates 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 associates to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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.

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended March 31, 2023 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.

For **MSKA & Associates**
Chartered Accountants
ICAI Firm Registration No.105047W

Rahul Aggarwal
Partner
Membership No.: 505676
UDIN: 23505676BGXENV7339

Place: Jaipur
Date: May 10, 2023

For **Shridhar & Associates**
Chartered Accountants
ICAI Firm Registration No.134427W

Abhishek Pachlangia
Partner
Membership No.: 120593
UDIN: 23120593BGWJLY5712

Place: Jaipur
Date: May 10, 2023

Annexure B to the Independent Auditor's Report of even date on the Consolidated Financial Statements of H.G. Infra Engineering Limited

[Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' in 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, 2023]

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

Opinion

In conjunction with our audit of the consolidated financial statements of the H.G. Infra Engineering Limited (hereinafter referred to as "the Holding Company") as of and for the year ended March 31, 2023, we have audited the internal financial controls reference to financial statements of the Holding Company and its subsidiary companies, as of that date. Reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls with reference to financial statements is not applicable to two associates and three jointly controlled operations incorporated in India namely Safety First Engineering Private Limited, Safety First (Partnership Firm), HGIEPL — Ranjit JV, HGIEPL — MGCPL JV, HGIEPL — RPS JV respectively, pursuant to MCA notification GSR 583(E) dated 13 June 2017.

In our opinion, and to the best of our information and according to the explanations given to us, the Holding Company and its subsidiary companies, have, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2023, based on the internal financial controls with reference to financial statements criteria established by the respective companies 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 ("the ICAI").

Management's Responsibility for Internal Financial Controls

The respective Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note. 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

Our responsibility is to express an opinion on the internal financial controls with reference to 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") issued by the ICAI and the Standards on Auditing prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. 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 consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

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

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 Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls With Reference to Consolidated Financial Statements

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

Inherent Limitations of Internal Financial Controls With Reference to Consolidated Financial Statements

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

Other Matter

a. Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements insofar as it relates to ten subsidiary companies is based on the corresponding reports of the auditors of such companies incorporated in India.

   Our opinion is not modified in respect of the above matter.

For **MSKA & Associates**
Chartered Accountants
ICAI Firm Registration No.105047W

Rahul Aggarwal
Partner
Membership No.: 505676
UDIN: 23505676BGXENV7339

Place: Jaipur
Date: May 10, 2023

For **Shridhar & Associates**
Chartered Accountants
ICAI Firm Registration No.134427W

Abhishek Pachlangia
Partner
Membership No.: 120593
UDIN: 23120593BGWJLY5712

Place: Jaipur
Date: May 10, 2023

Consolidated Balance Sheet as at March 31, 2023

(All amounts are in ₹ millions, unless otherwise stated)

	Note	As at March 31, 2023	As at March 31, 2022*	As at April 01, 2021*
ASSETS				
Non-current assets				
Property, plant and equipment	3 (a)	6,213.61	4,477.64	4,800.03
Capital work-in-progress	3 (a)	719.45	21.51	18.07
Right-of-use assets	3 (b)	40.24	12.42	10.44
Investment properties	4	78.98	86.42	-
Intangible assets	5	15.45	18.26	25.69
Financial assets				
i. Investment	6	101.29	-	-
ii. Trade receivables	7	79.02	41.23	40.70
iii. Other financial assets	8	15,730.53	10,291.46	6,398.36
Deferred tax assets (Net)	37 (b)	209.94	114.49	95.48
Non-current tax assets (Net)	37 (e)	202.70	183.96	131.53
Other non-current assets	9	694.41	876.75	48.02
Total non-current assets		**24,085.62**	**16,124.14**	**11568.32**
Current assets				
Inventories	10	2,353.31	1,835.52	1,680.08
Financial assets				
i. Trade receivables	11	7,281.51	6,353.98	5,817.43
ii. Cash and cash equivalents	12	934.67	492.31	1,441.43
iii. Bank balances other than (ii) above	13	1,769.93	1,152.64	1,184.70
iv. Loans	14	11.33	11.09	5.96
v. Other financial assets	15	4,093.30	1,961.80	1,120.47
Contract assets	16 (a)	5,846.43	3,586.87	2,654.42
Other current assets	17	2,881.05	1,390.25	1,363.96
		25,171.53	**16,784.46**	**15,268.45**
Assets classified as held for sale	18	9.63	9.63	-
Total Current Assets		**25,181.16**	**16,794.09**	**15,268.45**
Total assets		**49,266.78**	**32,918.23**	**26836.77**
EQUITY AND LIABILITIES				
Equity				
Equity share capital	19	651.71	651.71	651.71
Other equity	20	18,567.04	13,708.04	9,973.96
Total equity		**19,218.75**	**14,359.75**	**10,625.67**
LIABILITIES				
Non-current liabilities				
Financial liabilities				
i. Borrowings	21	14,820.28	9,660.22	5,570.40
ii. Lease liabilities	3 (b)	16.07	2.57	1.06
iii. Trade payables				
(a) total outstanding dues of micro and small enterprises	22	-	-	-
(b) total outstanding dues other than (iii) (a) above	22	194.77	34.96	838.33
Deferred tax liability (Net)	37 (b)	279.60	205.79	34.23
Employee benefit obligations	23	144.61	56.98	24.87
Total non-current liabilities		**15,455.33**	**9,960.52**	**6,468.89**
Current liabilities				
Financial liabilities				
i. Borrowings	24	4,247.23	2,172.17	2,094.72
ii. Lease liabilities	3 (b)	18.45	9.73	10.57
iii. Trade payables				
(a) total outstanding dues of micro and small enterprises	25	712.94	57.77	13.45
(b) total outstanding dues other than (iii) (a) above	25	6,528.82	4,262.47	4,132.47
iv. Other financial liabilities	26	313.87	142.01	242.31
Contract liabilities	16 (b)	1,926.24	1,549.37	2,958.68
Employee benefit obligations	27	208.30	102.50	83.88
Current tax liabilities (Net)	37 (d)	141.37	144.32	73.79
Other current liabilities	28	495.48	157.62	132.34
Total current liabilities		**14,592.70**	**8,597.96**	**9,742.21**
Total liabilities		**30,048.03**	**18,558.48**	**16,211.10**
Total equity and liabilities		**49,266.78**	**32,918.23**	**26,836.77**
Statement of significant accounting policies and estimates	**1-2**			

*Restated. Refer Note 57

The accompanying summary of significant accounting policies and other explanatory notes are an integral part of the consolidated financial statements.

As per our report of even date.

For **MSKA & Associates**
Chartered Accountants
Firm Registration No. 105047W

Rahul Aggarwal
Partner
Membership Number : 505676
Place : Jaipur
Date : May 10, 2023

For **Shridhar & Associates**
Chartered Accountants
Firm Registration Number : 134427W

Abhishek Pachlangia
Partner
Membership Number : 120593
Place : Jaipur
Date : May 10, 2023

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

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

Rajeev Mishra
Chief Financial Officer

Place : Jaipur
Date : May 10, 2023

Ankita Mehra
Company Secretary
Membership No : A33288
Place : Jaipur
Date : May 10, 2023

Consolidated Statement of Profit and Loss for the year ended March 31, 2023

(All amounts are in ₹ millions, unless otherwise stated)

	Note	Year ended March 31, 2023	Year ended March 31, 2022
INCOME			
Revenue from operations	29	46,220.08	37,514.31
Other income	30	182.30	73.19
TOTAL INCOME		**46,402.38**	**37,587.50**
EXPENSES			
Cost of materials consumed	31	21,435.03	17,919.07
Contract and site expenses	32	13,107.40	10,782.38
Employee benefits expense	33	1,981.81	1,298.79
Finance costs	34	1,537.69	1,176.99
Depreciation and amortisation expense	35	963.82	850.99
Other expenses	36	742.18	413.05
Total expenses		**39,767.93**	**32,441.27**
Profit before tax and share of net profit of associates		**6,634.45**	**5,146.23**
Share of net profit of associates	6	11.29	-
Profit before tax		**6,645.74**	**5,146.23**
Income tax expense			
- Current tax	37 (a)	1,732.86	1,188.56
- Deferred tax	37 (a)	(19.03)	157.31
Total tax expense		**1,713.83**	**1,345.87**
Profit after tax		**4,931.91**	**3,800.36**
Other comprehensive income			
Item that will not be reclassified to profit or loss			
Remeasurements (loss) of net defined benefit plans	44	(10.34)	(18.90)
Income tax relating to this item	37 (a)	2.60	4.76
Other comprehensive income for the year (Net of tax)		**(7.74)**	**(14.14)**
Total comprehensive income for the year		**4,924.17**	**3,786.22**
Earnings per equity share of ₹10 each	50		
Basic earnings per share (Amount in ₹)		75.68	58.31
Diluted earnings per share (Amount in ₹)		75.68	58.31
Statement of significant accounting policies and estimates	**1-2**		

The accompanying summary of significant accounting policies and other explanatory notes are an integral part of the Consolidated financial statements.

As per our report of even date.

For **MSKA & Associates**
Chartered Accountants
Firm Registration No. 105047W

Rahul Aggarwal
Partner
Membership Number : 505676
Place : Jaipur
Date : May 10, 2023

For **Shridhar & Associates**
Chartered Accountants
Firm Registration Number : 134427W

Abhishek Pachlangia
Partner
Membership Number : 120593
Place : Jaipur
Date : May 10, 2023

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

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

Rajeev Mishra
Chief Financial Officer

Place : Jaipur
Date : May 10, 2023

Ankita Mehra
Company Secretary
Membership No : A33288
Place : Jaipur
Date : May 10, 2023

Consolidated Statement of Cash Flow for the year ended March 31, 2023

(All amounts are in ₹ millions, unless otherwise stated)

		Year ended March 31, 2023	Year ended March 31, 2022
A)	**Cash flow from operating activities**		
	Profit before tax	6,645.74	5,146.23
	Adjustments for:		
	Depreciation and amortisation expense	963.82	850.99
	Share of net profit of Associates	(11.29)	-
	Interest Income from financial assets at amortised cost	(109.07)	(59.54)
	Loss allowances	175.10	(5.43)
	Net (gain) /loss on disposal of Property, plant and equipment & Investment Properties	(3.34)	10.87
	Net unrealised exchange loss/ (gain)	2.48	(2.09)
	Rental income on investment properties	(1.47)	(1.19)
	Finance costs	1,537.69	1,176.99
	Operating profit before working capital changes	**9,199.66**	**7,116.83**
	Changes in working capital:		
	(Increase) in trade receivables	(966.65)	(429.41)
	(Increase) in inventories	(517.79)	(155.44)
	(Increase) in contract assets	(2,420.87)	(1,028.23)
	(Increase) in other current assets	(1,490.80)	(26.29)
	(Increase) in other non current financial assets	(5,430.30)	(3,723.18)
	(Increase) in other current financial assets	(2,143.95)	(847.81)
	(Increase) / Decrease in other non current assets	201.89	(854.02)
	Increase / (Decrease) in trade payables	3,081.33	(629.05)
	Increase / (Decrease) in contract liabilities	376.87	(1,409.31)
	(Decrease) / Increase in other current financial liabilities	(19.36)	(127.56)
	Increase in other current liabilities	308.20	34.14
	Increase in employee benefit obligations	183.09	31.83
	Net Changes in Working Capital	**(8,838.34)**	**(9,164.33)**
	Cash generated from operations	361.32	(2,047.50)
	Income taxes paid (Net of refunds)	(1,754.55)	(1,170.46)
	Net cash generated from / (used in) Operating Activities	**(1,393.23)**	**(3,217.96)**
B)	**Cash flow from investing activities**		
	Investments made	(90.00)	-
	Payment for purchases of Property, plant and equipment (Including CWIP and capital advance)	(3,377.52)	(675.26)
	Payment for purchases of Intangible assets	(10.89)	(0.80)
	Proceed from sale of Property, plant and equipment and Investment property	214.35	101.90
	Fixed deposits (placed) / redemption of fixed deposits (Net)	(626.06)	(137.86)
	Interest received	109.07	59.54
	Rental income on investment property	1.47	1.19
	Loans to employees and related parties	20.02	14.67
	Repayment of loans by employees and related parties	(20.26)	(19.80)
	Net cash (used in) investing activities	**(3,779.82)**	**(656.42)**

Consolidated Statement of Cash Flow for the year ended March 31, 2023

(All amounts are in ₹ millions, unless otherwise stated)

	Year ended March 31, 2023	Year ended March 31, 2022
C) Cash flow from financing activities		
Proceeds from Long Term Borrowings	9,504.28	4,475.86
Repayment of Long Term Borrowings	(1,943.90)	(1,018.48)
Proceeds from issue of Non Convertible Debenture	-	970.00
Proceeds from/ (Repayment of) short term borrowings (Net)	(327.74)	(260.10)
Dividend paid	(65.17)	(52.14)
Repayment of lease obligation	(24.62)	(14.20)
Finance cost paid	(1,527.44)	(1,175.68)
Net cash from financing activities	**5,615.41**	**2,925.26**
Net (Decrease) / increase in cash and cash equivalents (A+B+C)	**442.36**	**(949.12)**
Cash and cash equivalents as at the beginning of the year	492.31	1,441.43
Cash and cash equivalents at the end of the year	**934.67**	**492.31**
Reconciliation of cash and cash equivalents as per cash flow statement		
Cash and cash equivalents comprise of the following (Refer Note 12):		
Balances with banks - In current accounts	720.72	490.96
Deposits with original maturity of less than three months	212.00	-
Cash on hand	1.95	1.35
Total	**934.67**	**492.31**
Non cash investing activities		
- Acquisition of right-of-use of assets (Refer Note 3(b))	46.84	14.87

The accompanying summary of significant accounting policies and other explanatory notes are an integral part of the Consolidated financial statements.

As per our report of even date.

For **MSKA & Associates**
Chartered Accountants
Firm Registration No. 105047W

Rahul Aggarwal
Partner
Membership Number : 505676
Place : Jaipur
Date : May 10, 2023

For **Shridhar & Associates**
Chartered Accountants
Firm Registration Number : 134427W

Abhishek Pachlangia
Partner
Membership Number : 120593
Place : Jaipur
Date : May 10, 2023

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

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

Rajeev Mishra
Chief Financial Officer

Place : Jaipur
Date : May 10, 2023

Ankita Mehra
Company Secretary
Membership No : A33288
Place : Jaipur
Date : May 10, 2023

Consolidated Statement of Changes in Equity for the year ended March 31, 2023

(All amounts are in ₹ millions, unless otherwise stated)

A. Equity share capital

For the year ended March 31, 2023

Equity shares of INR 10 each issued, subscribed and fully paid	No. of shares	Amount
Balance as at April 1, 2022	6,51,71,111	651.71
Changes in equity share capital during the year (Refer Note 19)	-	-
Balance as at March 31, 2023	**6,51,71,111**	**651.71**

For the year ended March 31, 2022

Equity shares of INR 10 each issued, subscribed and fully paid	No. of shares	Amount
Balance as at April 1, 2021	6,51,71,111	651.71
Changes in equity share capital during the year (Refer Note 19)	-	-
Balance as at March 31, 2022	**6,51,71,111**	**651.71**

B. Other equity

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, 2021	**2,694.47**	**7,279.49**	**9,973.96**
Profit for the year	-	3,800.36	3,800.36
Items that will not be reclassified to profit or loss			
Add: Remeasurements (loss) of net defined benefit Plans	-	(18.90)	(18.90)
Less: Income tax relating to these items	-	4.76	4.76
Total comprehensive income for the year	**-**	**3,786.22**	**3,786.22**
Less: Dividend paid	-	(52.14)	(52.14)
As at March 31, 2022	**2,694.47**	**11,013.57**	**13,708.04**
Profit for the year	-	4,920.62	4,920.62
Share of net profit of associates		11.29	11.29
Item that will not be reclassified to profit or loss			
Add: Remeasurements (loss) of net defined benefit Plans	-	(10.34)	(10.34)
Less: Income tax relating to this item	-	2.60	2.60
Total comprehensive income for the year	**-**	**4,924.17**	**4,924.17**
Less: Dividend paid	-	(65.17)	(65.17)
As at March 31, 2023	**2,694.47**	**15,872.57**	**18,567.04**

The accompanying summary of significant accounting policies and other explanatory notes are an integral part of the Consolidated financial statements.

As per our report of even date.

For **MSKA & Associates**
Chartered Accountants
Firm Registration No. 105047W

Rahul Aggarwal
Partner
Membership Number : 505676
Place : Jaipur
Date : May 10, 2023

For **Shridhar & Associates**
Chartered Accountants
Firm Registration Number : 134427W

Abhishek Pachlangia
Partner
Membership Number : 120593
Place : Jaipur
Date : May 10, 2023

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

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

Rajeev Mishra
Chief Financial Officer

Place : Jaipur
Date : May 10, 2023

Ankita Mehra
Company Secretary
Membership No : A33288
Place : Jaipur
Date : May 10, 2023

Notes forming part of the Consolidated Financial Statement

as at and for the year ended March 31, 2023

Background

H.G. Infra Engineering Limited ("Parent Company or the Company") is a public limited Company listed on the Bombay Stock Exchange and National Stock Exchange on March 9, 2018. Its registered office is at 14, Panchwati Colony, Ratanada, Jodhpur – 342001, Rajasthan, India. The Company (including 3 jointly controlled operations consolidated on proportionate basis) and 10 subsidiaries together referred to as "the Group".

The Group is engaged in Engineering, Procurement and Construction (EPC), maintenance of roads, bridges, flyovers, railway networks and other infrastructure contract works. The Group is also engaged in projects under Hybrid Annuity Model through Subsidiary Companies.

These consolidated financial statements were reviewed by Audit Committee and authorized to be issued by the Board of Directors on May 10, 2023. Also, the Company secures controls by submitting bids in response to tenders in terms of which it is required to form Special Purpose Vehicle (SPV) Companies (subsidiary companies) to execute the awarded projects. As at March 31, 2023 the company has 10 SPV's.

Note 1: Significant Accounting Policies

This note provides a list of the significant accounting policies adopted in the preparation of these consolidated financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

A. Basis of preparation

(i) **Compliance with Ind AS**

The consolidated financial statements of the Group comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) read with Rule 4 of the Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act.

(ii) **Historical cost convention**

The consolidated financial statements have been prepared on a historical cost basis, except for the following:

- Certain financial assets and financial liabilities measured at fair value;
- Assets held for sale – measured at fair value less cost to sell and
- Defined benefit plans - plan assets measured at fair value

(iii) **New and amended standards adopted by the Group**

Onerous Contracts- Cost of Fulfilling a Contract - Amendments to Ind AS 37

Ind AS 37 defines an onerous contract as a contract in which the unavoidable costs (costs that the Group has committed to pursuant to the contract) of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

The amendments to Ind AS 37 clarify, that the costs relating directly to the contract consist of both:

- The incremental costs of fulfilling that contract- e.g. direct labour and material; and
- An allocation of other costs that relate directly to fulfilling contract: e.g. Allocation of depreciation charge on property, plant and equipment used in fulfilling the contract.

The Group, prior to the application of the amendments, had onerous contract.

The effect of adoption of the Ind AS 37 amendments as at 01 April, 2022 did not have any material impact on the consolidated financial Statements as the Group has already included above costs in recording provisions for Onerous Contracts in the previous year.

The below amendments had no impact on the Consolidated financial statements of the Group.

a. Property, Plant and Equipment: Proceeds Before Intended Use - Amendment to Ind AS 16

b. References to the Conceptual Framework - Amendments to Ind AS 103

c. Taxation in fair value measurements – Amendments to Ind AS 41

d. Ind AS 101: First Time Adoption of Indian Accounting Standards - Subsidiary as a first time adopter

e. Ind AS 109 Financial Instruments - Fees in the '10 per cent' test for derecognition of financial liability

(iv) **New Standards (including amendments) issued but not yet effective**

The Ministry of Corporate Affairs ("MCA") has notified Companies (Indian Accounting Standard) Amendment Rules, 2023 dated March 31, 2023 to amend certain Ind ASs which are effective from 01 April, 2023:

Below is a summary of such amendments:

i. Disclosure of Accounting Policies - Amendment to Ind AS 1 Presentation of financial statements

The amendments are effective for annual reporting periods beginning on or after 01 April, 2023.

The Management of Holding Company is currently revisiting their accounting policy information disclosures to ensure consistency with the amended requirements.

ii. Definition of Accounting Estimates – Amendments to Ind AS 8 Accounting policies, changes in accounting estimates and errors.

The amendments are effective for annual reporting periods beginning on or after 01 April, 2023.

The amendments are not expected to have a material impact on the Group's Consolidated financial statements.

iii. Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to Ind AS 12 Income taxes

The management of Holding Company is in the process of currently assessing the impact of the above amendments.

iv. The other amendments to Ind AS notified by these rules are primarily in the nature of clarifications.

B. Operating Cycle

The Group classifies an asset as current when:

- it expects to realise the asset or intends to sell or consume it in normal operating cycle
- it holds the asset primarily for the purpose of trading
- it expects to realise the asset within twelve months after the reporting period or
- the asset is cash or cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

The Group classifies a liability as current when:

- it expects to settle the liability in its normal operating cycle
- it holds the liability primarily for the purpose of trading
- the liability is due to be settled within twelve months after the reporting period, or
- there is no unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of

Notes forming part of the Consolidated Financial Statement
as at and for the year ended March 31, 2023

a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current.

Operating cycle

Operating cycle is the time between the acquisition of assets for processing and their realization in cash or cash equivalents.

Based on the nature of operations and the time between the acquisition of assets for processing and their realization in cash or cash equivalents, the Group has ascertained its operating cycle as twelve months for the purpose of current, non current classification of assets and liabilities.

C. Principles of consolidation and equity accounting

(i) Subsidiaries
Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date when control ceases.

The Group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group Companies are eliminated (Refer Note 55). Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group. Details of the Subsidiaries are set out in Note 51.

(ii) Jointly controlled operation
The Holding 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 standalone financial statements of Holding Company under the appropriate headings. Details of the jointly controlled operations are set out in Note 51.

(iii) Accounting under Equity method for Associates Entities
Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the group's share of the post-acquisition profits or losses of the investee in profit and loss, and the group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates are recognised as a reduction in the carrying amount of the investment.

When the group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the group and its associate are eliminated to the extent of the group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the group.

The carrying amount of equity accounted investments are tested for impairment in accordance with the policy described in note 1 (M)(iii) 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 41 for segment information presented.

E. Foreign currency translation

(i) Functional and presentation currency

Items included in the consolidated financial statements of the Group are measured using the currency of the primary economic environment in which the entity operates (`the functional currency'). The consolidated financial statements are presented in Indian rupee, which is Holding Company's 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 Consolidated Statement profit or loss.

F. Revenue recognition

The Group derives revenue principally from following streams:

- Construction contracts
- Service concession arrangement
- Sale of Services (Operation and Maintenance contracts)

(i) Construction contracts

The Group recognises revenue from engineering, procurement and construction contracts ('EPC') over the period of time, as performance obligations are satisfied over time due to continuous transfer of control to the customer. EPC contracts are generally accounted for as a single performance obligation as it involves complex integration of goods and services.

The performance obligations are satisfied over time as the work progresses. The Group recognises revenue using input method (i.e percentage-of-completion method), based primarily on contract cost incurred to date compared to total estimated contract costs. Changes to total estimated contract costs, if any, are recognised in the period in which they are determined as assessed at the contract level. If the consideration in the contract includes price variation clause or there are amendments in contracts, the Group estimates the amount of consideration to which it will be entitled in exchange for work performed.

Due to the nature of the work required to be performed on many of the performance obligations, the estimation of total revenue and cost of completion is complex, subject to many variables and requires significant judgment. Variability in the transaction price arises primarily due to liquidated damages, price variation clauses, changes in scope, incentives, if any. The Group considers its experience with similar transactions and expectations regarding the contract in estimating the amount of variable consideration to which it will be entitled and determining whether the estimated variable consideration should be constrained. The Group includes estimated amounts in the transaction price to the extent it is probable that a significant reversal of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is resolved. The estimates of variable consideration are based largely on an assessment of anticipated performance and all information (historical, current and forecasted) that is reasonably available.

Progress billings are generally issued upon completion of certain phases of the work as stipulated in the contract. Billing terms of the over-time contracts vary but are generally based on achieving specified milestones. The difference between the timing of revenue recognised and customer billings result in changes to contract assets and contract liabilities. Payment is generally due upon receipt of the invoice, payable within 90 days or less. Contractual retention amounts billed to customers are generally due upon expiration of the contract period.

Notes forming part of the Consolidated Financial Statement

as at and for the year ended March 31, 2023

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 Consolidated Statement of profit or loss in the period in which the circumstances that give rise to the revision become known by management.

For construction contracts the control is transferred over time and revenue is recognised based on the extent of progress towards completion of the performance obligations. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately. The percentage of completion was calculated according to the nature and the specific risk of each contract in order to reflect the effective completion of the project. This percentage of completion could be based on technical milestones or as per the contractual terms specified. A construction contract is considered completed when the last technical milestone is achieved, which occurs upon contractual transfer of ownership of the asset.

(ii) Service concession arrangement

Construction revenue from Hybrid Annuity Contracts

The Group constructs the infrastructure (road) used to provide a public service and operates and maintains that infrastructure for a specified period of time. Under Appendix D to Ind AS 115, Revenue from Contracts with Customers, this arrangement is accounted for based on the nature of the consideration. Financial asset is recorded when the Company has an unconditional right to receive cash or another financial asset from or at the direction of the grantor for the construction services.

Design - Build - Operate - Transfer (DBOT) contracts on hybrid annuity basis contain three streams of revenue – Construction revenue, Finance income and Operations and maintenance (O&M) income.

The construction stream of DBOT revenues are accounted for in the construction phase of DBOT, O&M income is recognised in the operating phase of the DBOT, while finance income is recognised over the concession period based on the imputed interest method.

Service concession arrangement

Revenue related to construction services provided under the service concession arrangement is recognised based on stage of completion of the work performed. The stage of completion is assessed by reference to input method i.e. cost incurred till date in proportion to total estimated cost to complete the work.

Contract Balances - Contract Assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If respective entities in the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Contract assets represent revenue recognized in excess of amounts billed and include unbilled receivables. Unbilled receivables, which represent an unconditional right to payment subject only to the passage of time, are reclassified to accounts receivable when they are billed under the terms of the contract.

Contract Balances - Contract Liabilities

A contract liability is the obligation to transfer goods or services to a customer for which respective entities in the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the such entities transfers goods or services to the customer, a contract liability is recognised when the payment is made, or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when such entities performs under the contract. Contract liabilities represent amounts billed to clients in excess of revenue recognized to date and other advances received from customers.

Variable consideration

The nature of the company's contracts gives rise to several types of variable consideration, including claims, unpriced change orders, award and incentive fees, change in law, liquidated damages and penalties. The company recognizes revenue for variable consideration when it is probable that a significant reversal in the amount of cumulative revenue recognized will not occur. The company estimates the amount of revenue to be recognized on variable consideration using the expected value (i.e., the sum of a probability-weighted amount) or the most likely amount method, whichever is expected to better predict the amount.

The respective entities in Group claim for extra work, incentives and escalation in rates relating to execution of contracts are recognized as revenue in the year in which said claims are finally accepted by the clients. Claims under arbitration/ disputes are accounted as income based on final award. Expenses on arbitration are accounted as incurred.

Before including any amount of variable consideration in the transaction price, the respective entities considers whether the amount of variable consideration is constrained. The Company determined that the estimates of variable consideration are not constrained based on its historical experience, business forecast and the current economic conditions. In addition, the uncertainty on the variable consideration will be resolved within a short time frame.

Revenues are shown net of Goods & Service Tax, applicable discounts and allowances.

(iii) Sale of Services (Operation and Maintenance contracts)

Revenue from providing operating and maintenance services is recognised in the accounting period in which the services are rendered. Invoices are issued according to contractual terms and are usually payable as per the credit period agreed with the customer.

(iv) Interest income

Interest income from financial assets at fair value through profit or loss is disclosed as interest income with in other income. Interest income on financial assets at amortised cost using the effective interest method is recognised in the Consolidated 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).

(v) Other income

All other income is accounted on accrual basis when no significant uncertainty exist regarding the amount that will be received.

G. Income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related

Notes forming part of the Consolidated Financial Statement

as at and for the year ended March 31, 2023

deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses / tax credits only if it is probable that future taxable amounts will be available to utilise those temporary differences.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in Consolidated Statement of profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

H. Leases

As a lessee

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received.
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by Group, which does not have recent third party financing, and makes adjustments specific to the lease, e.g. term, country, currency and security.

Lease payments are allocated between principal and finance cost. The finance cost is charged to Consolidated Statement of profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Payments associated with short-term leases of equipment and all leases of low-value assets are recognised on a straight-line basis as an expense in Consolidated Statement of profit and loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture.

I. Impairment of non-financial assets

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

J. Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the Consolidated 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 rolling weighted average method.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to complete the contract.

M. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets and liabilities are recognized when the Group becomes a party to the contractual provisions of the instrument.

Financial Assets:

Classification

The Group classifies its financial assets in the following measurement categories:

- those measured subsequently at fair value (either through other comprehensive income, or through profit or loss) and
- those measured at amortized cost.

The classification depends on the 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 Consolidated 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 Consolidated Statement of Profit or Loss.

Notes forming part of the Consolidated Financial Statement

as at and for the year ended March 31, 2023

Subsequent measurement

After initial recognition, financial assets are measured at:

- fair value (either through other comprehensive income, or through profit or loss)
- amortized cost

When assets are measured at fair value, gains and losses are either recognised in the Consolidated Statement of profit and loss (i.e. fair value through profit or loss (FVTPL)), or recognised in other comprehensive income (i.e. fair value through other comprehensive income (FVOCI)).

(i) Financial assets measured at amortised cost:

Assets that are held for collecting contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using effective interest rate method. Any gain or loss arising on derecognition is recognised directly in Consolidated Statement of profit or loss and presented in other gain/(losses).

(ii) Financial assets measured at Fair Value through Other Comprehensive Income ("FVTOCI"):

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains of losses, interest income and foreign exchange gains and losses which are recognised in Consolidated Statement of profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in other income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in Consolidated Statement of profit and loss.

(iii) Financial assets measured at Fair Value through Profit or Loss ("FVTPL"):

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss is recognised in Consolidated Statement of profit or loss and presented net within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

Debt instruments

Subsequent measurement of debt instruments depends on the Group business model for managing the asset and the cash flow characteristics of the asset. Debt instrument are classified as amortised cost instruments.

Impairment of Financial Assets

The Group assesses on a forward looking basis the expected credit losses (ECL) associated with its financial assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 39(i) details how the Group determines whether there has been a significant increase in credit risk.

For trade receivables (including contract assets), the Group applies the simplified approach required by Ind AS 109, which requires lifetime ECL to be recognised as loss allowances.

Derecognition of Financial Assets

A financial asset is derecognized only when:

- the 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 entity has not retained control of the financial asset. Where the entity retains control of the financial asset, the asset is continued to be recognized to the extent of continuing involvement in the financial asset.

Financial Liabilities:

Initial recognition and measurement

Financial liabilities are initially measured at its fair value plus or minus, in the case of a financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the issue/origination of the financial liability.

Subsequent Measurement

Financial liabilities are classified as measured at amortized cost. Financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in Consolidated Statement of profit and loss. Any gain or loss on derecognition is also recognized in Consolidated Statement of profit and loss.

Derecognition

A financial liability is derecognized when the obligation specified in the contract is discharged, cancelled or expires. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss as other gains/(losses).

N. Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount is reported in the Consolidated Balance Sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

O. Property, plant and equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to Consolidated Statement of profit or loss during the reporting period in which they are incurred.

Depreciation methods, estimated useful lives and residual value

Depreciation is provided on a pro-rata basis on the written down value (WDV) / Straight Line Method (SLM) over the estimated useful lives of the assets, based on technical evaluation done by management's expert, which are higher than those specified by Schedule II to the Companies Act, 2013, in order to reflect the actual usage of the assets. The useful life, residual value and the depreciation method are reviewed at least at each financial year end. If the expectations differ from previous estimates, the changes are accounted for prospectively as a change in accounting estimate.

The management of Holding Company estimates useful lives of the tangible fixed assets as follows:

Class of Asset	Estimated Useful Life	As per Schedule II	Method of Depreciation
Building	60	60	Straight Line
Plant & machinery *	20/15	20	Written Down Value
Shuttering Material	5	5	Straight Line
Computers	3	3	Straight Line
Furniture and fixtures	10	10	Straight Line
Motor cycles	10	10	Written Down Value
Vehicles other than Motor cycle	8	8	Written Down Value
Office Equipment	5	5	Straight Line

Notes forming part of the Consolidated Financial Statement

as at and for the year ended March 31, 2023

Based on the technical experts assessment of useful life of the aforementioned assets, Plant and machinery i.e Cranes are being depreciated over the useful life different from the prescribed useful life under Schedule II of the Companies Act, 2013. Management believes that such estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

* It includes Low value assets (LVA) having useful life of 1 year. LVA are fully depreciated in the year of acquisition.

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 Consolidated Statement of profit or loss within other gains/ (losses). **(Also refer note 2(a))**.

P. Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset, but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset is recognised at the date of de-recognition.

Non-current assets are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Non-current assets classified as held for sale are presented separately from the other assets in the Consolidated Balance Sheet.

Q. Investment Property

Property that is held for long-term rental yields or for capital appreciation or both, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed as incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

Investment properties are depreciated using the straight-line method over their estimated useful lives. Investment properties have a useful life of 60 years. The useful life has been determined based on technical evaluation performed by the management expert.

R. Intangible assets

Costs associated with maintaining software programmes are recognised as an expense as incurred.

Purchases costs are recorded as intangible assets and amortised from the point at which the asset is available for use.

Amortisation methods and periods

The Group amortises intangible assets with a finite useful life using the straight-line method over the following periods:

Class of Asset	Estimated Useful Life	As per Schedule II	Method of Depreciation
Computer Software	6	6	Straight Line

S. Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. The amounts are unsecured. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the end of reporting period.

T. Borrowings

Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in Consolidated statement of profit or loss over the period of the borrowings using the effective interest method.

Borrowings are removed from the Consolidated balance sheet when the obligation specified in the contract is discharged, cancelled or expired.

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months from the end of reporting period.

U. Provisions and contingent liabilities

Provisions

Provisions are recognised when Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Contingent liabilities

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group, or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

V. Employee benefits

(i) Short term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the Consolidated 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 Consolidated Statement of profit or loss.

The obligations are presented as current liabilities in the Consolidated 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.

Notes forming part of the Consolidated Financial Statement

as at and for the year ended March 31, 2023

(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 (Also, Refer Note 2 (b))

The liability or asset recognized in the Consolidated 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 Actuary 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 Consolidated 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 Consolidated balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in Consolidated Statement of profit or loss as past service cost.

Defined contribution plans

The Group pays contribution to defined contribution schemes such as provident fund etc. The group has no further payment obligation once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognized as employee benefit expense when they are due.

Bonus plans

The Group recognises a liability and an expense for bonus. The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

W. Contributed equity

Equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

X. Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

Y. Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- The profit attributable to owners of the Group; and
- 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.

Z. Rounding of amounts

All amounts disclosed in the consolidated financial statements and notes have been rounded off to the nearest million as per the requirement of Schedule III, unless otherwise stated.

Note 2: Critical estimates and judgements

The preparation of the consolidated financial statements requires use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Group's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgements or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the consolidated financial statements.

The areas involving critical estimates or judgements are:

(a) Estimation of useful life of Property, plant and equipment

The Group estimates the useful life of the Property, plant and equipment as mentioned in Note 1(o) above, which is based on the expected technical obsolescence of such assets. However, the actual useful life may be shorter or longer than the life estimated, depending on technical innovations and competitor actions.

(b) Estimation of defined benefit obligation

The cost of the defined benefit gratuity plan and other post-employment employee benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation. The mortality rate is based on publicly available Indian Assured Lives Mortality (2012-14) Ultimate. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for the respective countries. Refer Note 44 for key actuarial assumptions.

(c) Estimation of fair value of level 3 financial instruments

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The 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 38 on fair value measurements where the assumptions and methods to perform the same are stated.

(d) Revenue recognition for construction contract - Refer note 1(f) and note 52

(e) Impairment of trade receivables (including Contract Assets) – Refer note 1(k) and 7,11, 16(a) and 39(i)

Notes forming part of the Consolidated financial statement as at and for the year ended March 31, 2023

(All amounts are in ₹ millions, unless otherwise stated)

Note 3 (a) - Property, plant and equipment

Particulars	Freehold land	Building	Plant and machinery	Office Equipment	Vehicles	Computers	Furnitures and fixtures	Total	Capital work-in-progress
Year ended March 31, 2022									
Gross carrying amount									
Opening gross carrying amount	**143.09**	**171.62**	**6,872.34**	**0.66**	**211.62**	**46.59**	**161.74**	**7,607.66**	**18.07**
Additions	-	16.54	640.78	-	27.21	17.63	23.00	725.16	599.09
Disposals / Capitalisation	-	-	(141.88)	-	(1.26)	(0.13)	(0.11)	(143.38)	(595.65)
Transfers to investment properties (Refer Note 4)	-	(96.38)	-	-	-	-	-	(96.38)	-
Transfer to assets held for sale (Refer Note 18)	(9.63)	-	-		-	-	-	(9.63)	-
Closing gross carrying amount	**133.46**	**91.78**	**7,371.24**	**0.66**	**237.57**	**64.09**	**184.63**	**8,083.43**	**21.51**
Accumulated depreciation									
Opening accumulated depreciation	**-**	**14.94**	**2,577.71**	**0.15**	**122.13**	**30.95**	**61.74**	**2,807.63**	**-**
Depreciation charge during the year	-	1.60	765.95	0.07	32.26	8.92	19.58	828.38	-
Disposals	-	-	(21.20)		(0.43)	(0.04)	(0.08)	(21.75)	-
Transfers to investment properties (Refer Note 4)	-	(8.47)	-		-	-	-	(8.47)	
Closing accumulated depreciation	**-**	**8.07**	**3,322.46**	**0.22**	**153.96**	**39.84**	**81.24**	**3,605.79**	**-**
Net carrying amount as on March 31, 2022	**133.46**	**83.71**	**4,048.78**	**0.44**	**83.61**	**24.25**	**103.39**	**4,477.64**	**21.51**
Year ended March 31, 2023									
Gross carrying amount									
Opening gross carrying amount	**133.46**	**91.78**	**7,371.24**	**0.66**	**237.57**	**64.09**	**184.63**	**8,083.43**	**21.51**
Additions	282.28	0.29	2,334.43	-	140.72	29.64	83.27	2,870.63	3,458.06
Disposals / Capitalisation	-		(568.54)	(0.06)	(20.16)	(15.23)	(11.00)	(614.99)	(2,760.12)
Closing gross carrying amount	**415.74**	**92.07**	**9,137.13**	**0.60**	**358.13**	**78.50**	**256.90**	**10,339.07**	**719.45**
Accumulated depreciation									
Opening accumulated depreciation	**-**	**8.07**	**3,322.46**	**0.22**	**153.96**	**39.84**	**81.24**	**3,605.79**	**-**
Depreciation charge during the year	-	1.66	826.57	0.24	49.64	15.50	36.06	929.67	-
Disposals	-	(0.65)	(374.81)	(0.02)	(16.72)	(14.25)	(3.54)	(409.99)	-
Closing accumulated depreciation	**-**	**9.08**	**3,774.22**	**0.44**	**186.87**	**41.09**	**113.76**	**4,125.47**	**-**
Net carrying amount as on March 31, 2023	**415.74**	**82.99**	**5,362.91**	**0.16**	**171.26**	**37.41**	**143.14**	**6,213.61**	**719.45**

Notes:

1) Refer capital commitments Note 48 (a) for disclosure of contractual commitment for acquisition of property, plant and equipment.

2) Refer Note 45 for information on property, plant and equipment hypothecated and mortgaged as security by the Group.

3) Capital work-in-progress mainly comprises of Tipper, Transit Mixer, Boom Pump (Plant & Machinery) acquired for the newly initiated Projects.

Capital work-in-progress (CWIP)

Ageing of CWIP - Balance as at March 31, 2023:

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	719.45	-	-	-	719.45
Projects temporarily suspended	-	-	-	-	-

No CWIP project mentioned above is overdue or exceeded its cost compared to its original plan.

Ageing of CWIP - Balance as at March 31, 2022:

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	21.51	-	-	-	21.51
Projects temporarily suspended	-	-	-	-	-

No CWIP project mentioned above is overdue or exceeded its cost compared to its original plan.

Note 3 (b) - Leases

(i) Amounts recognised in Balance sheet

The balance sheet shows following amounts relating to leases:

Particulars	As at March 31, 2023	As at March 31, 2022
Right-of-use assets		
Leasehold Land	40.24	12.42
	40.24	**12.42**
Lease Liabilities		
Current	18.45	9.73
Non -current	16.07	2.57
	34.52	**12.30**
Maturity Anaylsis of Lease Liabilities as at year end:		
Less than one year	18.45	9.73
One to five years	16.07	2.57
More than five years	-	-
Total	**34.52**	**12.30**

(ii) Amounts recognised in the statement of profit and loss

The statement of profit and loss shows following amounts relating to leases:

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Depreciation of right-of-use assets		
Leasehold Land	19.02	11.62
Building	-	1.27
	19.02	12.89

Notes forming part of the Consolidated Financial Statement

as at and for the year ended March 31, 2023

(All amounts are in ₹ millions, unless otherwise stated)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Finance cost		
Interest and finance charges on lease liabilities	2.17	0.33
Other expenses		
Expense relating to short-term leases (included in other expenses)	43.79	54.36
Expense relating to leases of low-value assets that are not shown above as short-term leases (included in other expenses)	24.38	-
	70.34	**54.69**

The total cash outflow for the leases for the year ended March 31, 2023 was ₹24.62 Million (March 31, 2022 ₹14.20 Million).

Acquistion of right-of-use of assets for the year ended March 31, 2023 was ₹46.84 Million (March 31, 2022 ₹14.87 Million).

Note 4 - Investment Properties

Investment properties for the year is described below :

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Gross carrying amount	**96.38**	**-**
Transfer from Property, Plant and Equipment (Refer Note 3(a))	-	96.38
Less: Disposals	(6.45)	-
Closing gross carrying amount	**89.93**	**96.38**
Accumulated depreciation		
Opening accumulated depreciation	9.96	-
Transfer from Property, Plant and Equipment (Refer Note 3(a))	-	8.47
Less: Disposals	(0.46)	-
Depreciation charge during the year	1.45	1.49
Closing accumulated depreciation	**10.95**	**9.96**
Net carrying amount	**78.98**	**86.42**

(i) The investment properties consists of commercial property in India given on cancellable and non cancellable leases for a period of 1 to 11 months.

(ii) The Group has no restrictions on the realisability of its investment property and no contractual obligation to develop or for repair, maintenance and enhancements.

(iii) Amounts recognised in the Statement of profit and loss for investment properties:

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Income from investment property (Refer Note 30 and 47)	1.47	1.19
Profit from investment properties before depreciation	**1.47**	**1.19**
Depreciation	1.45	1.49
Profit/(Loss) from investment properties	**0.02**	**(0.30)**

Leasing arrangements

(a) Operating leases

The Group has given certain investment properties on operating lease. These lease arrangements range for a period between one to eleven months and include both cancellable and non-cancellable leases. Most of the leases are renewable for further period on mutually agreeable terms. With respect to non-cancellable operating lease, the future minimum lease payment as at Balance Sheet date is as under (Refer Note 47):

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Within one year	1.47	1.19
Later than one year but not later than five years	-	-
Total	**1.47**	**1.19**

(iv) Fair value of investment properties

Particulars	As at March 31, 2023	As at March 31, 2022
Investment properties	119.67	139.21

Estimation of fair value

The fair valuation is based on current prices in the active market for similar properties. Where such information is not available, the group considers information from a variety of sources including:

- Current prices in an active market for properties of different nature or recent prices of similar properties in less active markets, adjusted to reflect those differences
- Discounted cash flow projections based on reliable estimates of future cash flows
- Capitalised income projections based upon a property's estimated net market income, and a capitalisation rate derived from an analysis of market evidence.

The Group has obtained independent valuations report of investment properties from the Ravi Vindal, who is a registered valuer as defined under rule 2 of Companies (Registered Valuers & Valuation) Rule, 2017. The main inputs used are quantum, area, location,demand, rental growth rates, expected vacancy rates, terminal yields and discount rates. All resulting fair value estimates for investment properties are included in level 3.

Note 5 - Intangible assets

Software License	Amount
For the year ended March 31, 2022	
Gross Carrying Amount	
Opening Gross Carrying Amount	**44.49**
Additions	0.80
Disposals	-
Closing Gross Carrying Amount	**45.29**
Accumulated amortisation	
Opening Accumulated amortisation	**18.80**
Amortisation Charge for the year	8.23
Disposals	-
Closing Accumulated amortisation	**27.03**
Net Carrying Amount as on March 31, 2022	**18.26**
For the year ended March 31, 2023	
Gross Carrying Amount	
Opening Gross Carrying Amount	**45.29**

Notes forming part of the Consolidated Financial Statement

as at and for the year ended March 31, 2023

(All amounts are in ₹ millions, unless otherwise stated)

Software License	**Amount**
Additions	10.89
Disposals	(0.05)
Closing Gross Carrying Amount	**56.13**
Accumulated amortisation	
Opening Accumulated amortisation	**27.03**
Amortisation Charge for the year	13.68
Disposals	(0.03)
Closing Accumulated Depreciation	**40.68**
Net Carrying Amount as on March 31, 2023	**15.45**

Note 6 - Investment

Particulars	**As at March 31, 2023**	**As at March 31, 2022**
Non current investment		
Unquoted		
Investment in associate (Refer Note 1 below)	101.29	-
Total	**101.29**	**-**

1. Investment in Associates

Particulars	**Face value of each share**	**As at March 31, 2023**			**As at March 31, 2022**		
		No. of Shares	**Pledge shares**	**Amount**	**No. of Shares**	**Pledge shares**	**Amount**
Safety First Engineering Private Limited	10	1,23,465	-	86.49	-	-	-
Safety First (Partnership Firm)	-	-	-	3.51	-	-	-
Total (A)				**90.00**			

Particulars	**As at March 31, 2023**	**As at March 31, 2022**
Safety First Engineering Private Limited	(0.33)	-
Safety First (Partnership Firm)	11.62	-
Share of net profit of associates (B)	**11.29**	**-**
Total Investment (A+B)	**101.29**	**-**

Note 7 - Trade receivables

Particulars	**As at March 31, 2023**	**As at March 31, 2022**
Non current trade receivables (Unsecured)		
Trade receivables from contract with customers	93.68	72.23
Less: Loss allowance (Refer Note 39(i))	(14.66)	(31.00)
	79.02	**41.23**

Note: Non current trade receivables represent long term retentions related to construction contracts.

Notes forming part of the Consolidated Financial Statement

as at and for the year ended March 31, 2023

(All amounts are in ₹ millions, unless otherwise stated)

Ageing of trade receivables - Balance as on March 31, 2023:

Particulars	Outstanding for following periods from due date of payment							Total
	Unbilled	Not Due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed trade receivables – considered good	-	-	0.27	10.30	5.59	37.61	25.25	79.02
(ii) Undisputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	14.66	14.66
(iii) Undisputed trade receivables – credit impaired	-	-	-	-	-	-	-	-
(iv) Disputed trade receivables– considered good	-	-	-	-	-	-	-	-
(v) Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed trade receivables – credit impaired	-	-	-	-	-	-	-	-
Total	**-**	**-**	**0.27**	**10.30**	**5.59**	**37.61**	**39.91**	**93.68**
Less: Loss allowance								(14.66)
Total trade receivable (net)								**79.02**

Ageing of trade receivables - Balance as on March 31, 2022:

Particulars	Outstanding for following periods from due date of payment							Total
	Unbilled	Not Due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed trade receivables – considered good	-	41.23	-	-	-	-	-	41.23
(ii) Undisputed trade receivables – which have significant increase in credit risk	-	19.04	-	-	-	-	11.96	31.00
(iii) Undisputed trade receivables – credit impaired	-	-	-	-	-	-	-	-
(iv) Disputed trade receivables– considered good	-	-	-	-	-	-	-	-
(v) Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed trade receivables – credit impaired	-	-	-	-	-	-	-	-
Total	**-**	**60.27**	**-**	**-**	**-**	**-**	**11.96**	**72.23**
Less: Loss allowance								(31.00)
Total trade receivable (net)								**41.23**

Notes forming part of the Consolidated Financial Statement

as at and for the year ended March 31, 2023
(All amounts are in ₹ millions, unless otherwise stated)

Break-up of security details:	As at March 31, 2023	As at March 31, 2022
Trade receivables considered good – Secured	-	-
Trade receivables considered good – Unsecured	79.02	41.23
Trade receivables which have significant increase in credit risk	14.66	31.00
Trade receivables – credit impaired	-	-
Total	**93.68**	**72.23**
Less: Loss allowance	(14.66)	(31.00)
	79.02	**41.23**

Refer Note 39 (i) for movement of loss allowance and credit risk.

Note 8 - Other financial assets

Particulars	As at March 31, 2023	As at March 31, 2022
Other non current financial assets		
Receivable under service concession agreement with National Highway Authority of India (NHAI) (Refer Note 53)	15,341.02	9,983.19
Deposits with remaining maturity more than 12 months (Refer Note 1 and 2 below)	263.91	255.14
Security deposits	125.60	53.13
	15,730.53	**10,291.46**

***Restated. Refer Note 57**

Note :

1. Deposits includes lien with banks against bank guarantee and third parties given for the project as at March 31, 2023. of ₹878.50 millions (March 31,2022 : ₹989.63 millions)

2. Above carrying value of deposit are subject to a charge to secure the Group's secured borrowing. (Refer Note 21 & 24).

Note 9 - Other non current assets

Particulars	As at March 31, 2023	As at March 31, 2022
Capital advances*	26.42	6.87
Balances with government authorities	635.43	805.55
Other advances		
Prepayments	32.56	64.33
	694.41	**876.75**

* Refer capital commitments Note 48 (a) for disclosure of contractual commitment for acquisition of Property, plant and equipment.

Note 10 - Inventories (At lower of Cost or net realisable value)*

Particulars	As at March 31, 2023	As at March 31, 2022
Project materials [(including material in transit amounts to ₹81.04 Million) (March 31, 2022 ₹158.02 Million)] (At Cost)	2,097.40	1,602.65
Stores and Spares (At cost)	255.91	232.87
	2,353.31	**1,835.52**

*Pledged as charged against short term borrowings. (Refer Note 45).

Note 11 - Trade receivables

Particulars	As at March 31, 2023	As at March 31, 2022
Current trade receivables (Unsecured)		
Trade receivables from contract with customers	7,078.29	6,112.67
Trade receivables from contract with customers - related parties (Refer Note 43)	238.10	291.47
Less: Loss allowance (Refer Note 39(i))	(34.88)	(50.16)
	7,281.51	**6,353.98**

Note: Trade receivables include retentions of ₹1,690.15 Million (March 31, 2022 ₹1,683.57 Million) related to construction contracts.

Certain retention money receivables which are contractually due after one year however which can be released early on submission of bank guarantee have been considered as current considering the past history and management expectation.

Ageing of trade receivables - Balance as on March 31, 2023:

Particulars	Outstanding for following periods from due date of payment							Total
	Unbilled	Not Due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed trade receivables – considered good	452.56	4,767.95	937.93	478.54	274.91	141.74	227.88	7,281.51
(ii) Undisputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	34.88	34.88
(iii) Undisputed trade receivables – credit impaired	-	-	-	-	-	-	-	-
(iv) Disputed trade receivables– considered good	-	-	-	-	-	-	-	-
(v) Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed trade receivables – credit impaired	-	-	-	-	-	-	-	-
Total	**452.56**	**4,767.95**	**937.93**	**478.54**	**274.91**	**141.74**	**262.76**	**7,316.39**
Less: Loss allowance								(34.88)
Total trade receivable (net)								**7,281.51**

Ageing of trade receivables - Balance as on March 31, 2022:

Particulars	Outstanding for following periods from due date of payment							Total
	Unbilled	Not Due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed trade receivables – considered good	131.74	4,509.49	1,489.90	73.68	8.00	7.00	134.17	6,353.98
(ii) Undisputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	50.16	50.16
(iii) Undisputed trade receivables – credit impaired	-	-	-	-	-	-	-	-
(iv) Disputed trade receivables– considered good	-	-	-	-	-	-	-	-
(v) Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-

Notes forming part of the Consolidated Financial Statement

as at and for the year ended March 31, 2023

(All amounts are in ₹ millions, unless otherwise stated)

Particulars	Outstanding for following periods from due date of payment							Total
	Unbilled	Not Due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(vi) Disputed trade receivables – credit impaired	-	-	-	-	-	-	-	-
Total	**131.74**	**4,509.49**	**1,489.90**	**73.68**	**8.00**	**7.00**	**184.33**	**6,404.14**
Less: Loss allowance								(50.16)
Total trade receivable (net)								**6,353.98**

Break-up of security details:	As at March 31, 2023	As at March 31, 2022
Trade receivables considered good – Secured	-	-
Trade receivables considered good – Unsecured	7,281.51	6,353.98
Trade receivables which have significant increase in credit risk	34.88	50.16
Trade receivables – credit impaired	-	-
Total	**7,316.39**	**6,404.14**
Less: Loss allowance	(34.88)	(50.16)
	7,281.51	**6,353.98**

Refer Note 39 (i) for movement of loss allowance and credit risk.

Note 12 - Cash and cash equivalents

Particulars	As at March 31, 2023	As at March 31, 2022
Balances with banks		
- In current accounts	720.72	490.96
Deposits with original maturity of less than three months	212.00	-
Cash on hand	1.95	1.35
	934.67	**492.31**

Note 13 - Bank balances other than cash and cash equivalents

Particulars	As at March 31, 2023	As at March 31, 2022
Deposit with maturity more than 3 months but less than 12 months (Refer Note 1 and 2 below)	1,732.88	1,119.09
Interest Accrued	37.05	33.55
	1,769.93	**1,152.64**

Note :

1. Deposits includes lien with banks against bank guarantee and third parties given for the project as at March 31, 2023. of ₹878.50 millions (March 31,2022 : ₹989.63 millions)
2. Above carrying value of deposit are subject to a charge to secure the Group's secured borrowing. (Refer Note 21 & 24)

Notes forming part of the Consolidated Financial Statement

as at and for the year ended March 31, 2023

(All amounts are in ₹ millions, unless otherwise stated)

Note 14 - Loans (Unsecured, considered good)

Particulars	As at March 31, 2023	As at March 31, 2022
Loan to employees	11.33	11.09
	11.33	**11.09**

Break-up of security details:	As at March 31, 2023	As at March 31, 2022
Loan considered good – Secured	-	-
Loan considered good – Unsecured	11.33	11.09
Loan which have significant increase in credit risk	-	-
Loan – credit impaired	-	-
Total	**11.33**	**11.09**
Less: Loss allowance	-	-
	11.33	**11.09**

Note 15 - Other Financial Assets (Considered good unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
Receivable under service concession agreement with National Highway Authority of India (NHAI) (Refer Note 52)	3,939.32	1,883.53
Security deposits	3.69	10.70
Other receivable	169.23	74.06
Less: Loss allowance (Refer Note 39(i))	(18.94)	(6.49)
	4,093.30	**1,961.80**

Break-up of security details:	As at March 31, 2023	As at March 31, 2022*
Other financial assets considered good – Secured	-	-
Other financial assets considered good – Unsecured	4,093.30	1,961.80
Other financial assets which have significant increase in credit risk	18.94	6.49
Other financial assets – credit impaired	-	-
Total	**4,112.24**	**1,968.29**
Less: Loss allowance	(18.94)	(6.49)
Total	**4,093.30**	**1,961.80**

*Restated. Refer Note 57

Notes forming part of the Consolidated Financial Statement

as at and for the year ended March 31, 2023

(All amounts are in ₹ millions, unless otherwise stated)

Note 16 (a) - Contract assets

Particulars	As at March 31, 2023	As at March 31, 2022
Amount due from customers for contract works	6,114.52	3,717.80
Less: Provision for expected loss on construction contracts *	-	(24.15)
Less: Loss allowance (Refer Note 39(i))	(268.10)	(106.78)
	5,846.43	**3,586.87**

* As a result of applying amendments to Ind AS 37, the Group had recognised an onerous contract relating to obligation for construction contracts namely Kundal Jhadol . The estimated costs required to fulfil the contract have increased, and therefore, the unavoidable costs of meeting the obligation exceed the revenue expected to be received.

Note 16 (b) - Contract liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Contract liabilities (Refer Note 52)	1,926.24	1,549.37
	1,926.24	**1,549.37**

Significant changes in contract assets and liabilities

Contract assets have increased as the Group has completed work ahead of the agreed payment schedules for construction contracts. The Group also recognised a loss allowance for contract assets in accordance with Ind AS 109. Contract liabilities have increased as Group has received mobilisation advance against new projects.

Note 17 - Other current assets

Particulars	As at March 31, 2023	As at March 31, 2022
Advances to suppliers	218.03	146.93
Advance to sub contractor	401.17	104.88
Other advances		
Prepayments	214.12	168.41
Advance to employees	4.48	3.66
Receivable from JV partner	-	1.18
Goods and Services Tax (GST) recoverable	2,043.25	965.19
	2,881.05	**1,390.25**

Note 18 - Assets classified as held for sale

Particulars	As at March 31, 2023	As at March 31, 2022
Freehold Land (Refer Note 3(a))	9.63	9.63
	9.63	**9.63**

Note: The Board of Directors decided to sell land which was acquired for ongoing Project for which the sell is expected to be completed by September 2023..

Note 19 - Equity share capital

Particulars	As at March 31, 2023	As at March 31, 2022
Authorised :		
80,000,000 (March 31, 2022 : 80,000,000) Equity Shares of ₹10 each	800.00	800.00
Issued, Subscribed and Paid up		
65,171,111 (March 31, 2022 : 65,171,111) Equity Shares of ₹10 each	651.71	651.71
	651.71	**651.71**

(a) Movement in equity share capital

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number of Shares	Amount	Number of Shares	Amount
Balance as at beginning of the year	6,51,71,111	651.71	6,51,71,111	651.71
Add: Shares issued during the year	-	-	-	-
Balance as at end of the year	**6,51,71,111**	**651.71**	**6,51,71,111**	**651.71**

(b) Terms and rights attached to equity shares

The Group has only one class of equity shares having face value of ₹10 per share. Accordingly, all equity rank equally with regard to dividends and share in the Group's residual assets. The equity shares are entitled to receive dividend as declared from time to time. The dividend proposed by the board of directors is subject to the approval of shareholders in annual general meeting. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to its share of the paid-up equity capital that has not been paid. On winding up of the Group, the holders of equity shares will be entitled to receive the residual assets of the Group, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.

(c) Details of shareholders holding more than 5% shares in the Company

Equity shares	Number of Shares	% holding
Girishpal Singh Family Trust	1,61,86,440	24.84%
(As at March 31, 2022)	(1,61,86,440)	(24.84%)
Vijendra Singh Family Trust	1,61,89,128	24.84%
(As at March 31, 2022)	(1,61,89,128)	(24.84%)
Harendra Singh Family Trust	1,61,96,789	24.85%
(As at March 31, 2022)	(1,61,96,789)	(24.85%)

As per the records of the Group, including Its registers of shareholders (members) and other declarations received from shareholders regarding beneficial interest, the above shareholding represents legal and beneficial ownerships.

(d) There are no shares allotted as fully paid up pursuant to contracts without being received in cash since incorporation.

(e) There are no shares which are reserved to be issued under options and there are no securities issues / outstanding which are convertible into equity shares.

(f) No class of shares have been issued as bonus shares or for consideration other than cash by the Group during the period of five years immediately preceeding the current year end.

(g) No class of shares have been bought back by the Group during the period of five years immediately preceding current year end.

Notes forming part of the Consolidated Financial Statement

as at and for the year ended March 31, 2023

(All amounts are in ₹ millions, unless otherwise stated)

(h) Details of shareholding of promotors:

Shares held by promoter & promoter group at the end of March 31, 2023

Sr. No	Promoter name & promoter group	No of Shares	% of total shares	% Change during the year
1	Harendra Singh	100	0.00%	0.00%
2	Girishpal Singh	100	0.00%	0.00%
3	Vijendra Singh	100	0.00%	0.00%
4	Harendra Singh Family Trust	1,61,96,789	24.85%	0.00%
5	Vijendra Singh Family Trust	1,61,89,128	24.84%	0.00%
6	Girishpal Singh Family Trust	1,61,86,440	24.84%	0.00%
7	Hodal Singh	100	0.00%	0.00%
8	Nisha Singh	100	0.00%	0.00%
9	Poonam Singh	100	0.00%	0.00%
10	Vaibhav Choudhary	100	0.00%	0.00%
11	Harendra Singh HUF (Karta-Harendra Singh)	100	0.00%	0.00%

Shares held by promoter & promoter group at the end of March 31, 2022

Sr. No	Promoter name & promoter group	No of Shares	% of total shares	% Change during the year
1	Harendra Singh	100	0.00%	0.00%
2	Girishpal Singh	100	0.00%	0.00%
3	Vijendra Singh	100	0.00%	0.00%
4	Harendra Singh Family Trust	1,61,96,789	24.85%	24.75%
5	Vijendra Singh Family Trust	1,61,89,128	24.84%	24.75%
6	Girishpal Singh Family Trust	1,61,86,440	24.84%	24.75%
7	Hodal Singh	100	0.00%	(74.25%)
8	Nisha Singh	100	0.00%	0.00%
9	Poonam Singh	100	0.00%	0.00%
10	Vaibhav Choudhary	100	0.00%	0.00%
11	Harendra Singh HUF (Karta-Harendra Singh)	100	0.00%	0.00%

Notes forming part of the Consolidated Financial Statement

as at and for the year ended March 31, 2023

(All amounts are in ₹ millions, unless otherwise stated)

Note 20 - Other Equity

Particulars	As at March 31, 2023	As at March 31, 2022
Reserves and surplus		
Securities premium reserve	2,694.47	2,694.47
Retained earnings	15,872.57	11,013.57
	18,567.04	**13,708.04**
a) Securities premium reserve		
Opening balance	2,694.47	2,694.47
Changes during the year	-	-
Closing balance (a)	**2,694.47**	**2,694.47**
b) Retained Earnings		
Opening balance	11,013.57	7,279.49
Net profit for the year	4,931.91	3,800.36
Less: Dividend paid	(65.17)	(52.14)
Items of other comprehensive income recognised directly in retained earnings		
- Remeasurements of post-employment benefit obligations, net of tax	(7.74)	(14.14)
Closing balance (b)	**15,872.57**	**11,013.57**
Total other equity (a+b)	**18,567.04**	**13,708.04**

Nature and purpose of reserves

a) Securities premium reserve :

Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

b) Retained Earnings:

Retained earnings represents the profit that the Group earns till date, less re-measurement gains (loss) of defined benefit plans and can be distributed by the Group as dividends considering the requirements of the Companies Act, 2013.

Note 21 - Borrowings

Particulars	As at March 31, 2023	As at March 31, 2022
Non current borrowings*		
Secured :		
Term loans		
Banks (Refer Note 21.1)		
In Indian Currency	13,625.18	6,562.98
In Foreign Currency	47.44	-
Financial institutions (Refer Note 21.1)	578.64	2,109.45
Vehicle loan	-	
Banks (Refer Note 21.1)	73.68	7.03
Financial institutions (Refer Note 21.1)	10.34	10.76
8% Rated, listed, senior, secured, redeemable, non convertible debenture (Refer Note 21.1)	485.00	970.00
	14,820.28	**9,660.22**

*Refer Note 39 (ii) for liquidity risk management and Refer Note 45 for Assets pledged as security.

Notes forming part of the Consolidated Financial Statement

as at and for the year ended March 31, 2023

(All amounts are in ₹ millions, unless otherwise stated)

Secured Borrowings

21.1 The details of rate of interest and repayment of secured borrowings are as under :

S. No.	Name of Entity	Particulars	Number of loans outstanding as at		Amount outstanding as at		Interest % per annum	Frequency of instalments	Instalments commencing from - to		Remarks
			March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022			March 31, 2023	March 31, 2022	
1	H.G. Infra Engineering Limited	Term loans - from banks (in Indian Curency)	654	143	2,118.73	661.13	6.60 % to 8.75%	Monthly	Apr 20 to May 26	Apr 20 to Apr 26	Reference note (b) below and note 24
2	H.G. Infra Engineering Limited	Term loans - from banks (in Foreign Currency)	1	-	47.44	-	3M EURIBOR - Spread + 1.2 PCT	Quarterly	Jul 22 to Jul 24	-	Reference note (b) below
3	H.G. Infra Engineering Limited	Term loans - from financial institution	159	33	1,028.68	415.81	6.60 % to 8.43%	Monthly	Aug 20 to Dec 25	Dec 19 to Jan 26	Reference note (b) below
4	H.G. Infra Engineering Limited	Vehicles loans - from bank	42	40	117.15	20.55	8.30%	Monthly	Jul 20 to Jul 26	May 19 to Dec 24	Reference note (c) below
5	H.G. Infra Engineering Limited	Vehicles loans - from financial institution	9	6	20.38	17.03	7.55%	Monthly	Dec 19 to Aug 25	Dec 19 to Feb 25	Reference note (c) below
6	H.G. Infra Engineering Limited	8% Rated, listed, senior, secured, redeemable, non convertible debenture	1	1	970.00	970.00	9.40%	Quarterly	Sep 23 to Dec 24	Sep 23 to Dec 24	Reference note (d) below
7	Gurgaon Sohna Highway Private Limited	Term loans - from banks (in Indian Curency)	1	3	2,629.38	2,482.12	7.30%	26 structured semi-annual installments post completion of moratorium period post SCOD or COD whichever is earlier.	Sep 22 to Aug 35	Sep 22 to Aug 35	Reference note (e) below
9	H.G. Ateli Narnaul Highway Private Limited	Term loans - from banks (in Indian Curency)	1	1	3,300.27	3,381.02	7.40%	26 structured semi-annual installments post moratorium period.	Oct 22 to Sep 35	Oct 22 to Sep 35	Reference note (e) below
8	H.G. Rewari Ateli Highway Private Limited	Term loans - from banks (in Indian Curency)	2	2	1,999.11	1,983.83	7.40%	26 structured semi-annual installments post moratorium period post SCOD/COD.	Aug 22 to Jul 35	Aug 22 to Jul 35	Reference note (e) below
10	H.G. Rewari Bypass Private Limited	Term loans - from banks (in Indian Curency)	1	1	1,639.40	838.87	8.55%	26 structured semi-annual installments post moratorium period.	Oct 23 to Sep 36	Oct 23 to Sep 36	Reference note (e) below
11	H.G. Raipur Visakhapatnam AP-1 Private Limited	Term loans - from banks (in Indian Curency)	2	-	995.03	-	9.25%	26 structured semi-annual installments commencing 7 months from SCOD.	Oct 24 to Sep 37	-	Reference note (e) below
12	H.G. Raipur Visakhapatnam OD-5 Private Limited	Term loans - from banks (in Indian Curency)	2	-	1,391.09	-	8.90% and 9.40%	27 structured installments semi-annual installments from end of 7 months from the SCOD/PCOD.	Dec 24 to May 38	-	Reference note (e) below
13		Short Term working Capital loan (in Indian Curency)	1	-	932.56	-	8.55%	8 equal installments from each milestone payment received from NHAI	Starting From Dec 22	-	Reference note (e) below
14	H.G. Raipur Visakhapatnam OD-6 Private Limited	Term loans - from banks (in Indian Curency)	2	-	1,144.01	-	8.85%	26 structured semi-annual installments post moratorium period post SCOD/COD.	Dec 24 to Nov 37	-	Reference note (e) below

a) The Group has obtained term loans and vehicles loans from Banks/ Financial Institions during the financial year as mentioned in Note 21.1 above. As per the Loan Agreement, the said loan was taken for the purpose of respective Equipment and Vehicle financing. The Group has utilized such borrowings for the purposes as stated in the Loan Agreement.

b) **Secured term loans from banks and financial institution**

All term loans have been obtained for financing the asset purchased and are secured by hypothecation of respective assets purchased out of loan, comprising Property, plant and equipment and Constructions Equipment (Refer Note 45).

c) **Secured vehicles loans from banks and financial institution**

All vehicles loans are secured by hypothecation of respective vehicles financed though the loan arrangements (Refer Note 45).

d) **Secured Non convertible Debentures**

Non convertible Debentures (NCD's) are secured by:

(i) Exclusive charge, by way of hypothecation, over identified assets being construction equipment or plant & machinery and

(ii) Personal guarantee by the promotors."

Notes forming part of the Consolidated Financial Statement

as at and for the year ended March 31, 2023

(All amounts are in ₹ millions, unless otherwise stated)

e) **Term Loans in case of Subsidiaries are secured by:**

(i) First charge on all Tangible and Intangible assets of the borrower, if any but not limited to goodwill, rights, undertaking, intellectual property and uncalled capital both present and future excluding project assets.

(ii) First charge over all accounts of the borrower including the escrow account and the sub-accounts.

(iii) First charge on the project's book debts, operating cash flows, receivables, commission, revenues or whatsoever nature whereever arising, present and future intangibles, goodwill, uncalled capital (present & future).

(iv) Exclusive assignment/ charge (hypothecation/IOM as applicable) by way of security interest on:

all the right, title, interest, benefits, claims and demands of the borrower in the project documents including concession agreement, under all the govt. approvals and clearances, in any letter of credit, guarantee including contractor guarantees and liquidated damages and under all insurance contracts.

(v) Irrevocable and unconditional corporate guarantee by H.G. Infra Engineering Limited except in case of H.G. Raipur Visakhapatnam OD-5 Private Limited and H.G. Raipur Visakhapatnam OD-6 Private Limited.

(In case of H.G. Rewari Ateli Highway Private Limited and Gurgaon Sohna Highway Private Limited corporate guarantee has been released in the current year).

(vi) Pledge of Equity Shares and Other Instruments, Personal Guarantees by Promoters of H.G. Infra Engineering Limited and Other Items as follows:

S. No	Entity Name	Pledge Details	Guarantee by	Other Items
1	Gurgaon Sohna Highway Private Limited	a) Pledge of 30% of equity shares of borrower company and non disposal undertaking to be maintained for further 21% of equity shares. b) Pledge of 51% of the Non convertible debentures/ Optionally convertible debentures/ Preference shares/ Other instruments of the borrower held by the promoter in the borrower till the final settlement date, if any.	Personal Guarantee by: i) Mr. Harendra Singh ii) Mr. Vijendra Singh iii) Mr. Girishpal Singh	a) Agreement for assignment of unsecured shareholder loan/ financial assistance/ funds issued by the promoters in the borrower.
2	H.G. Ateli Narnaul Highway Private Limited	Pledge of 51% shares of the borrower held by sponsor ie. H.G. Infra Engineering Limited.	Personal Guarantee by: i) Mr. Hodal Singh ii) Mr. Harendra Singh iii) Mr. vijendra Singh iv) Mr. Girishpal Singh	-
3	H.G. Rewari Ateli Highway Private Limited	a) Pledge of 51% equity shares and preference shares. b) Pledge of 51% over Non convertible debentures/ Compulsorily convertible debentures extended by sponser to borrower.	-	a) Substitution agreement executed by authority on behalf of the lenders for the facility. b) Hypothecation of all applicable insurance policies.
4	H.G. Rewari Bypass Private Limited	a) A pledge of 30% and 21% in the form of non disposable undertaking of the issued, paid up and voting share capital Non convertible debentures/ Compulsorily convertible debentures/ Preference shares/ other instruments of the borrower held by the promoter till the final settlement date.	Personal Guarantee by: i) Mr. Harendra Singh ii) Mr. Vijendra Singh	-
5	H.G. Raipur Visakhapatnam AP-1 Private Limited	a) Pledge of 51% of the equity shares held by the promoter/ sponsor in the project at all times during the tenor of facility. b) Pledge of 51% of the preference shares, if any and on 100% of Non convertible debentures/ Compulsorily convertible debentures extended by promoter/ sponsor to borrower.	Personal Guarantee by: i) Mr. Harendra Singh ii) Mr. Vijendra Singh	a) Assignment of future cash flows in the form of annuity to be received by the company in 30 half yearly instalments from Authority during operation period of the project. b) Assignment of all applicable insurance policies.
6	H.G. Raipur Visakhapatnam OD-5 Private Limited	a) Pledge of 51% shares of the equity shares of the borrower till the facility is entirely repaid. b) Pledge of Non convertible debentures/ Compulsorily convertible debentures extended by promoter/ sponsor to borrower.	-	a) Charge over unsecured loans, sub debt extended by promoter/ sponsor to borrower. b) Assignment of all applicable insurance policies.
7	H.G. Raipur Visakhapatnam OD-6 Private Limited	"a) Pledge of 51% of the equity shares held by the promoter/ sponsor in the project at all times during the tenor of facility. b) Pledge of 51% of the preference shares, if any and on 100% of Non convertible debentures/ Compulsorily convertible debentures extended by promoter/ sponsor to borrower.	Personal Guarantee by: i) Mr. Harendra Singh ii) Mr. Vijendra Singh	a) Assignment of all applicable insurance policies. b) Substitution agreement executed by authority on behalf of the lenders for the facility.

Notes forming part of the Consolidated Financial Statement

as at and for the year ended March 31, 2023
(All amounts are in ₹ millions, unless otherwise stated)

Note 22 - Trade payable

Particulars	As at March 31, 2023	As at March 31, 2022
Non-current trade payable		
(a) Trade payables: micro and small enterprises	-	-
(b) Trade payables: others	194.77	34.96
	194.77	**34.96**

Note: Non current Trade Payables represents amount retained as per the terms of contract.

Ageing of trade payables - Balance as on March 31, 2023 :

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-	-	-
(ii) Others	-	194.77	-	-	-	-	194.77
(iii) Disputed dues – MSME	-	-	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-	-	-
Total	**-**	**194.77**	**-**	**-**	**-**	**-**	**194.77**

Ageing of trade payables - Balance as on March 31, 2022 :

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-	-	-
(ii) Others	-	34.96	-	-	-	-	34.96
(iii) Disputed dues – MSME	-	-	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-	-	-
Total	**-**	**34.96**	**-**	**-**	**-**	**-**	**34.96**

Note 23 - Employee benefit obligations

Particulars	As at March 31, 2023	As at March 31, 2022
Non current employee benefit obligations		
Gratuity (Refer Note 44 (ii) b)	100.45	56.98
compensated absences (Refer Note 44 (i))	44.16	-
	144.61	**56.98**

Notes forming part of the Consolidated Financial Statement

as at and for the year ended March 31, 2023

(All amounts are in ₹ millions, unless otherwise stated)

Note 24 - Borrowings

Particulars	As at March 31, 2023	As at March 31, 2022
Current borrowings		
Loans repayable on demand		
Secured		
Working capital loans (in Indian Currency)*	1,318.40	438.75
Current maturities of long-term debts		
Term loans*		
Banks (Refer Note 21.1)**	1,591.83	719.49
Financial institutions (Refer Note 21.1)**	450.04	370.86
Vehicle loan		
Banks (Refer Note 21.1)**	43.47	13.52
Financial institutions (Refer Note 21.1)**	10.04	6.27
8% Rated, listed, senior, secured, redeemable, non convertible debenture (Refer Note 21.1)	485.00	-
Unsecured		
Payable under MSMED trade receivable discounting system (TReDS)	348.45	623.28
	4,247.23	**2,172.17**

Nature of Security in relation to Working Capital loans and One Term Loan as Sub-limit of Working Capital loan from HDFC Bank in the Holding Company*

a) Primary Security - First Pari Passu charge in favour of the Banks by way of Hypothecation of the Group's entire current assets (present and future) including, but not limited to, stocks of raw materials, stock in progress, finished goods, stores and spares including book debts, margin money, security deposits etc.

b) Collateral Security - First Pari Passu charge in favor of banks by way of mortage of certain identified immovable properties of the Group and personal and corporate guarantors as per the collateral agreement.

c) All the working capital loans are also collaterally secured by personal guarantee of Mr. Hodal Singh, Mr. Girishpal Singh, Mr. Vijendra Singh, Mr. Harendra Singh, Mr. Jodhalal Kalma, Mr. Shailesh Patel, Ms Nisha Singh, Mr. Sajeev Kumar Choudhary, M/s Hotel Marudhar (Partnership Firm), M/s H.G. Luxury Hotels Private Limited, M/s H.G. Acerage Developers Private Limited and M/s Valencia Leisure Private Limited.

d) The working capital Loans are repayable on demand and interest rate on the above loan from banks in consortium are linked to the respective bank base rate/ MCLR which are floating in nature. The interest rate ranges from 7.55% to 9.50% per annum on rupees working capital loans.

For Security details of Term loans, working capital loans, vehicle loans and 8% Rated, listed, senior, secured, redeemable, non convertible debentures for the Group, Refer Note 21.1.

Compliance of Debt Covenants

Working Capital loans in the Holding Company contain certain debt covenants relating to limitation on indebtedness, Debt-Equity ratio, Current ratio, Net Debt to EBIDTA ratio, Interest coverage ratio, Total outside liablity to Adjusted Tangible net worth, Minimum net working capital Limit, EBITDA Margin and Minimum Adjusted Tangible Net Worth at Group level. The Limitation on indebtness covenants get suspended if the Group meets certain prescribed criteria.

The other loans in Holding Company do not carry any debt covenants.

Notes forming part of the Consolidated Financial Statement

as at and for the year ended March 31, 2023

(All amounts are in ₹ millions, unless otherwise stated)

Term Loans in Subisidiary Comapnies contain debt covenants relating to Debt service coverage ratio, Debt equity ratio, Interest coverage ratio, Debt to EBITDA ratio.

The Group has satisfied all debt covenants mentioned above.

The Group has not defaulted of any loans payables during the year ended March 31, 2023.

**Refer Note 39(ii) for liquidity risk management and Refer Note 45 for Assets pledged as security

***The carrying amounts of current borrowings include payables in respect of vendors which are subject to a factoring arrangement ("the factors"). Under this arrangement, H.G. Infra Engineering Limited has transferred the relevant payables to the factors in exchange for timely payment to MSMED vendors. Therefore, the amount repayable under the factoring arrangement to the factors is presented as unsecured borrowings.

Note 25 - Trade payables

Particulars	As at March 31, 2023	As at March 31, 2022
Trade payables		
(a) Trade payables: micro and small enterprises	712.94	57.77
(b) Trade payables: others	6,495.03	4,227.68
(c) Trade payables to related parties (Refer Note 43)	33.79	34.79
	7,241.76	**4,320.24**

Note: Trade Payable include retentions of ₹1,227.22 Million (March 31, 2022 ₹1,176.44 Million) retained as per the terms of contract.

Ageing of trade payables - Balance as on March 31, 2023 :

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	106.55	539.19	62.42	0.29	0.84	3.65	712.94
(ii) Others	1,246.42	3,667.25	1,485.28	48.91	34.26	46.70	6,528.82
(iii) Disputed dues – MSME	-	-	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-	-	-
Total	**1,352.97**	**4,206.44**	**1,547.70**	**49.20**	**35.10**	**50.35**	**7,241.76**

Ageing of trade payables - Balance as on March 31, 2022 :

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	4.82	2.65	45.69	0.96	0.01	3.64	57.77
(ii) Others	217.40	1,105.55	2,821.22	17.03	86.85	14.42	4,262.47
(iii) Disputed dues – MSME	-	-	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-	-	-
Total	**222.22**	**1,108.20**	**2,866.91**	**17.99**	**86.86**	**18.06**	**4,320.24**

Notes forming part of the Consolidated Financial Statement

as at and for the year ended March 31, 2023

(All amounts are in ₹ millions, unless otherwise stated)

Note 26 - Other financial liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Interest accrued but not due	21.30	11.06
Capital creditors	250.17	69.20
Other payables	42.40	61.75
	313.87	**142.01**

Note 27 - Employee benefit obligations

Particulars	As at March 31, 2023	As at March 31, 2022
Short term employee benefit obligations		
Employee benefits payable	195.93	84.48
Compensated Absenses (Refer Note 44)	12.37	18.02
	208.30	**102.50**

Note 28 - Other current liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Statutory dues	463.79	142.12
Liability towards Corporate social responsibility	-	13.44
Advance received for sale of goods	0.77	2.06
Advance received for sale of property, plant and equipments	29.64	-
Excess contribution from JV partner	1.28	-
	495.48	**157.62**

Note 29 - Revenue from operations

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Revenue from contracts with customers (Refer Note 52)		
Construction contracts	44,231.60	36,047.06
Sale of services (Operation and maintenance contracts)	432.58	373.18
Other operating revenue		
Scrap sales	172.75	205.11
Interest Income due to unwinding of annuity amount	1352.55	-
Others	30.60	888.96
	46,220.08	**37,514.31**

Note 30 - Other income

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Interest income from financial assets at amortised cost	107.92	59.54
Rental income (Refer Note 47)	34.57	11.48
Net foreign exchange differences	-	2.09
Net gain on disposal of property, plant and equipment & Investment properties	3.34	-
Miscellaneous income	36.47	0.08
	182.30	**73.19**

Notes forming part of the Consolidated Financial Statement

as at and for the year ended March 31, 2023

(All amounts are in ₹ millions, unless otherwise stated)

Note 31 - Cost of materials consumed

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Construction material, stores and spares		
Opening stock at the beginning of the year	1,835.52	1,680.08
Add: Purchases during the year	21,952.82	18,074.51
Less: Closing stock at the end of the year	(2,353.31)	(1,835.52)
	21,435.03	**17,919.07**

Note 32 - Contract and site expenses

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Sub contracting expenses	10,756.15	9,194.09
Indirect taxes (Labour cess and road tax expenses etc.)	357.09	342.44
Insurance expenses	96.47	71.04
Contract labour charges	20.46	20.49
Hire charges for machinery and others (Refer Note 54)	289.58	236.55
Site and other direct expenses	1,160.56	717.46
Repairs and maintenance - plant and equipment	290.95	100.56
Technical consultancy	136.14	99.75
	13,107.40	**10,782.38**

Note 33 - Employee benefit expenses

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Salaries, wages, bonus & other allowances	1,612.56	1,041.21
Contribution to provident and other funds (Refer Note 44)	58.53	34.10
Gratuity (Refer Note 44)	33.13	14.62
Staff welfare expenses	277.59	208.86
	1,981.81	**1,298.79**

Note 34 - Finance costs

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Interest on :		
Term loan		
In Indian Currency	958.96	689.88
In Foreign Currency	0.85	-
Working capital loan	139.75	128.41
Other borrowing cost	332.68	320.97
Interest on 8% Rated, listed, senior, secured, redeemable, non convertible debenture	88.28	22.12
Interest on late payment of micro and small enterprises	0.28	0.29
Interest and finance charges on lease liabilities	2.17	0.33
Interest on late payment of Income tax	14.72	14.99
	1,537.69	**1,176.99**

Notes forming part of the Consolidated Financial Statement

as at and for the year ended March 31, 2023

(All amounts are in ₹ millions, unless otherwise stated)

Note 35 - Depreciation and amortisation expenses

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Depreciation of property, plant and equipment (Refer Note 3(a))	929.67	828.38
Depreciation of right-of-use assets (Refer Note 3(b))	19.02	12.89
Depreciation on investment property (Refer Note 4)	1.45	1.49
Amortisation of intangible assets (Refer Note 5)	13.68	8.23
	963.82	**850.99**

Note 36 - Other expenses

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Repairs and maintenance	26.45	19.25
Rates and taxes	28.82	9.46
Sitting fees	2.48	2.00
Lease rent (Refer Note 54 and 3 (b))	68.17	54.36
Payment to auditors	12.50	9.24
Advertisement and business promotion	14.00	21.16
Travelling and conveyance	46.02	19.89
Corporate social responsibility expenditure	70.88	51.26
Legal and professional fees	127.85	98.04
Electricity expenses	69.51	55.57
Printing and stationery	19.46	11.99
Loss allowances (Net of reversals) (Refer Note 39 (i))	175.10	(5.43)
Telephone and communication	9.94	8.91
Net foreign exchange differences	2.48	-
Net loss on disposal of property, plant and equipment	-	10.87
Miscellaneous expenses	68.53	46.48
	742.18	**413.05**

Note 37 - Taxation

37 (a) - Income tax expense

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Current tax		
Current tax on profits for the year	1,732.86	1,188.60
Adjustment for current tax of prior period	-	(0.04)
Total current tax expense	**1,732.86**	**1,188.56**
Deferred tax		
(Increase) / decrease in deferred tax assets	(92.84)	(14.25)
Increase / (decrease) in deferred tax liabilities	73.81	171.56
Total deferred tax charge/ (benefit)	**(19.03)**	**157.31**
Income tax expense	**1,713.83**	**1,345.87**

Notes forming part of the Consolidated Financial Statement

as at and for the year ended March 31, 2023

(All amounts are in ₹ millions, unless otherwise stated)

Other comprehensive income

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Deferred tax on other comprehensive income	2.60	4.76
	2.60	**4.76**

37 (b) - Deferred tax assets (net)

The balance comprises temporary differences attributable to:

Particulars	As at March 31, 2023	As at March 31, 2022
Deferred tax asset arising out of:		
Disallowance under Section 43B of Income Tax Act, 1961	39.51	18.88
Loss Allowance for trade receivable	84.71	48.93
Disallowances section 40(a)(ia) of Income Tax Act, 1961	42.55	5.60
Indexation on land	-	8.28
Timing difference between balance as per Income Tax Act, 1961 and book balance for fixed assets	43.65	29.61
Lease liabilities	8.69	3.10
Others	0.96	0.09
Total deferred tax assets	**220.07**	**114.49**
Deferred tax liabilities arising out of:		
Right-of-use assets	**(10.13)**	**-**
Deferred Tax Asset (net)*	**209.94**	**114.49**
Deferred tax liabilities (net)		
Deferred tax asset arising out of:		
Temporary difference of carry forward Losses	6.48	5.66
Temporary difference of preliminary expenses	1.88	7.03
	8.36	12.69
Deferred tax liabilities arising out of:		
Timing difference between balance as per Income Tax Act, 1961 and book balance for fixed assets	(0.23)	(0.26)
Temporary difference of loan processing fees amortisation	(46.44)	(21.39)
Temporary difference of finance income	(241.29)	(196.83)
	(287.96)	**(218.48)**
Total Deferred tax liabilities (net)	**(279.60)**	**(205.79)**

***Netting off -** Deferred tax assets and deferred tax liabilities have been offset wherever the Group has a legally enforceable right to set off current tax assets against current tax liabilities and where the deferred tax assets and liabilities relate to income tax levied by the same taxation authorities.

Notes forming part of the Consolidated Financial Statement

as at and for the year ended March 31, 2023

(All amounts are in ₹ millions, unless otherwise stated)

Movement in deferred tax assets

Particulars	As at April 1, 2021	(Charged) / credited to profit and loss	(Charged) / credited to OCI	As at March 31, 2022
Deferred tax asset arising out of:				
Disallowance under section 43B of Income Tax Act, 1961	9.61	4.51	4.76	18.88
Loss allowance for trade receivable	57.95	(9.02)	-	48.93
Disallowance under section 40(a)(ia) of Income Tax Act, 1961	1.64	3.96	-	5.60
Expenses on issue of Initial Public Offer (IPO)	9.79	(9.79)	-	-
Indexation on land	3.88	4.40	-	8.28
Timing difference between balance as per Income Tax Act, 1961 and book balance for fixed assets	9.68	19.93	-	29.61
Others	2.93	0.26	-	3.19
Net deferred tax assets	**95.48**	**14.25**	**4.76**	**114.49**

Particulars	As at April 1, 2022	(Charged) / credited to profit and loss	(Charged) / credited to OCI	As at March 31, 2023
Deferred tax asset arising out of:				
Disallowance under section 43B of Income Tax Act, 1961	18.88	18.03	2.60	39.51
Loss allowance for trade receivable	48.93	35.78	-	84.71
Disallowance under section 40(a)(ia) of Income Tax Act, 1961	5.60	36.95	-	42.55
Indexation on land	8.28	(8.28)	-	-
Timing difference between balance as per Income Tax Act, 1961 and book balance for fixed assets	29.61	14.04	-	43.65
Others	3.19	6.46	-	9.65
	114.49	**102.98**	**2.60**	**220.07**
Deferred tax liabilities arising out of:				
Right-of-use assets	-	(10.13)	-	(10.13)
Net deferred tax assets	**114.49**	**92.84**	**2.60**	**209.94**

Notes forming part of the Consolidated Financial Statement

as at and for the year ended March 31, 2023

(All amounts are in ₹ millions, unless otherwise stated)

Movement in deferred tax liabilities

Particulars	As at April 1, 2021	(Charged) / credited to profit and loss	(Charged) / credited to OCI	As at March 31, 2022
Deferred tax liabilities arising out of:				
Timing difference between balance as per Income Tax Act, 1961 and book balance for fixed assets	(34.23)	33.97	-	(0.26)
Temporary difference of loan processing fees amortisation	-	(21.39)	-	(21.39)
Temporary difference of finance income	-	(196.83)	-	(196.83)
	(34.23)	**(184.25)**	**-**	**(218.48)**
Deferred tax asset arising out of:				
Temporary difference of carry forward Losses	-	5.66	-	5.66
Temporary difference of preliminary expenses	-	7.03	-	7.03
Net deferred tax liabilities	**(34.23)**	**(171.56)**	**-**	**(205.79)**

Particulars	As at April 1, 2022	(Charged) / credited to profit and loss	(Charged) / credited to OCI	As at March 31, 2023
Deferred tax liabilities arising out of:				
Timing difference between balance as per Income Tax Act, 1961 and book balance for fixed assets	(0.26)	0.03	-	(0.23)
Temporary difference of loan processing fees amortisation	(21.39)	(25.05)	-	(46.44)
Temporary difference of finance income	(196.83)	(44.46)	-	(241.29)
	(218.48)	**(69.48)**	**-**	**(287.96)**
Deferred tax asset arising out of:				
Temporary difference of carry forward Losses	5.66	0.82	-	6.48
Temporary difference of preliminary expenses	7.03	(5.15)	-	1.88
	12.69	**(4.33)**	**-**	**8.36**
Net deferred tax liabilities	**(205.79)**	**(73.81)**	**-**	**(279.60)**

Notes forming part of the Consolidated Financial Statement

as at and for the year ended March 31, 2023

(All amounts are in ₹ millions, unless otherwise stated)

37 (c) - Reconciliation of tax expense and accounting profit multiplied by statutory tax rates

Particulars	As at March 31, 2023	As at March 31, 2022
Profit before income tax expense	**6,634.45**	**5,146.23**
Statutory tax rate applicable to the Company	25.17%	25.17%
Tax expense at applicable tax rate	**1,669.76**	**1,295.20**
Tax effects of amounts which are not deductible (taxable) in calculating taxable income:		
Corporate social responsibility expenditure	16.62	12.90
Donation	4.49	4.82
Interest on late payment of income tax	3.70	3.77
Profit of jointly controlled operations	(0.03)	0.04
Indexation on land	8.28	(4.40)
Deduction for Section 80JJAA as per Income tax Act, 1961	-	(1.62)
Interest payable to micro and small enterprises	0.07	-
Adjustment for current tax of prior period	0.30	(0.04)
Interest income due to unwinding of annuity amount	-	35.44
Others	9.00	(0.24)
Tax on Short Term Capital Gain on Sale of Fixed Asset	0.17	-
Effect of disallowed deduction under Income Tax Act	1.47	-
Income tax expense	**1,713.83**	**1,345.87**
Total expenses as per consolidated Profit and loss statement	**1,713.83**	**1,345.87**

37 (d) - Current tax liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Opening Balance	144.32	73.79
Add: Additional income tax provision	1,567.22	1,172.43
Less: Income tax adjustment for earlier years		(0.04)
Less: Income tax paid	(1,570.17)	(1,101.86)
Closing balance	**141.37**	**144.32**

37 (e) - Income tax asset

Particulars	As at March 31, 2023	As at March 31, 2022
Opening Balance	183.96	131.53
Add: Advance tax paid/ (refund received)	184.38	68.60
Less: Income tax adjustment for earlier years	-	-
Less: Income tax provision created during the year	(165.64)	(16.17)
Closing balance	**202.70**	**183.96**

Notes forming part of the Consolidated Financial Statement

as at and for the year ended March 31, 2023
(All amounts are in ₹ millions, unless otherwise stated)

Note 38 - Fair Value Measurements

(i) a. Financial instruments by category

Particulars	As at March 31, 2023	As at March 31, 2022
Financial assets - Amortised cost		
Investments*		
Trade receivables (net of loss allowance)	7,360.53	6,395.21
Cash and cash equivalents	934.67	492.31
Bank balances other than cash and cash equivalents	1,769.93	1,152.64
Loans	11.33	11.09
Other receivable (net of loss allowance)	150.29	67.57
Margin money deposits	263.91	255.14
Security deposits	129.29	63.83
Receivable under service concession agreement with National Highway Authority of India (NHAI)	19,280.35	11,866.72
Total financial assets	**29,900.30**	**20,304.51**
Financial liabilities - Amortised cost		
Borrowings	19,067.51	11,832.39
Trade payables	7,436.53	4,355.20
Interest accrued	21.30	11.06
Capital creditors	250.17	69.20
Other payables	42.40	61.75
Lease liability	34.52	12.30
Total financial liabilities	**26,852.43**	**16,341.90**

*Restated. Refer Note 57

b. Other Assets

Particulars	As at March 31, 2023	As at March 31, 2022
Investment Properties	78.98	86.42
Total	**78.98**	**86.42**

* Investments in associates classified as equity investments have been accounted at historical cost. Since these are scope out of Ind AS 109 for the purposes of measurement, the same have not been disclosed in the tables above.

(ii) Fair value hierarchy

This section explains the judgments and estimates made in determining the fair values of the financial instruments that are measured at amortised cost and for which fair values are disclosed in the financial statements.

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes instruments like listed equity instruments, traded bonds and mutual funds that have quoted price.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the counter derivatives etc) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is in the case of unlisted securities, investment properties etc.

(iii) Fair value of financial instruments measured at amortised cost and other assets- Level 3

Particulars	As at March 31, 2023		As at March 31, 2022	
	Carrying value	Fair value	Carrying value	Fair value
Financial assets				
Receivable under service concession agreement with National Highway Authority of India (NHAI)	15,341.02	15,341.02	9,983.19	9,983.19
Deposits with remaining maturity more than 12 months	263.91	263.91	255.14	255.14
Total financial assets	**15,604.93**	**15,604.93**	**10,238.33**	**10,238.33**
Financial liabilities				
Borrowings	14,820.28	14,828.43	9,660.22	9,733.68
Total financial liabilities	**14,820.28**	**14,828.43**	**9,660.22**	**9,733.68**

*Restated. Refer Note 57

Particulars	As at March 31, 2023		As at March 31, 2022	
	Carrying value	Fair value	Carrying value	Fair value
Other Assets				
Investment Properties	78.98	119.67	86.42	139.21
Total	**78.98**	**119.67**	**86.42**	**139.21**

The carrying amounts of short term loans, trade receivables, cash and cash equivalents, bank balances other than cash and cash equivalents, other receivables, trade payables, current borrowings, interest accrued, capital creditors and other payables are considered to be the same as their fair values due to their short-term nature. The fair value of Non current trade receivables and payables is closely approximate to the carrying value.

The fair value of security deposits were not calculated based on their future cash flows discounted at current lending rate as these security deposits are expected to continue to remain till the existence of the Group.

Note 39 - 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, receivable under service concession agreement with National Highway Authority of India (NHAI), contract assets, security deposits, deposit with banks, loans, others receivables and cash and cash equivalents.

Impairment of Financial Assets :

The Company has three types of financial assets that are subject to expected credit loss model:

1. Trade Receivables for construction contracts
2. Contract Assets relating to construction contracts
3. Receivable under service concession agreement with National Highway Authority of India (NHAI).
4. Loans

While cash and cash equivalents and deposits with banks and financial institutions are subject to impairment requirements of Ind AS 109, the identified impairment on theses assets were Nil.

For Trade receivables, receivable under service concession agreement with National Highway Authority of India (NHAI) and Contract assets for construction contracts : Management makes the assessment of the credit risk on trade receivables, receivable under

Notes forming part of the Consolidated Financial Statement

as at and for the year ended March 31, 2023

(All amounts are in ₹ millions, unless otherwise stated)

service concession agreement with National Highway Authority of India (NHAI) and contract assets 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. For private corporate customers, the Group deals with established players with strong track record of project execution including few of such customers award sub contracts to the Group pursuant to execution construction contracts awarded to them by the Government customers.

Considering the nature of business, each contract and its customer is evaluated for the purpose of assessment of loss allowances. The reasons for loss 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 loss allowances, if any.

For Loans : The Group's investments in debt instruments and certain loans are considered to be low risk investments.

(A) The following table gives details in respect of percentage of revenue generated from government promoted agencies and highly rated corporate:

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Revenue from government promoted agencies	74%	74%
Revenue from private corporates	26%	26%
	100%	**100%**

The Company secured contracts by submitting bids in response to tenders in terms of which it is required to form Special Purpose Vehicle (SPV) Companies (Subsidiary Companies) to execute the awarded projects. As at March 31, 2023 the Company has 10 SPV's (As at March 31, 2022 the company had 9 SPV's) who have received contracts from government promoted agencies and revenue related to SPV's for work executed by the Company has been grouped in Revenue from government promoted agencies.

The movement in allowance for expected credit loss on trade and other receivables including contract assets is as below:

Particulars	As at March 31, 2023	As at March 31, 2022
Opening balance	194.42	230.24
Changes in loss allowances		
Additions	206.73	24.52
Released	(31.62)	(29.95)
Bad debts written off	(32.95)	(30.39)
Closing Balance	**336.58**	**194.42**

Maturity analysis of trade and other receivable including contract assets as on March 31, 2023

Ageing	0 - 180 days	181 - 365 days	More than 365 days	Total
Trade Receivables- Related Parties	-	127.95	110.15	238.10
Trade Receivables- Others	6,158.71	360.89	652.37	7,171.97
Contract Assets	5,431.22	151.80	531.50	6,114.52
Other receivable	122.84	17.73	28.66	169.23
Total	**11,712.77**	**658.37**	**1,322.68**	**13,693.82**
Less: Loss allowance	-	-	336.58	336.58
Net Trade receivables	**11,712.77**	**658.37**	**986.09**	**13,357.24**

Maturity analysis of trade and other receivable including contract assets as on March 31, 2022

Ageing	0 - 180 days	181 - 365 days	More than 365 days	Total
Trade Receivables- Related Parties	242.52	-	48.95	291.47
Trade Receivables- Others	5,948.88	73.68	162.34	6,184.90
Contract Assets	2,893.62	46.31	777.87	3,717.80
Other receivable	41.21	12.43	20.42	74.06
Total	**9,126.23**	**132.42**	**1,009.58**	**10,268.23**
Less: Loss allowance	-	-	194.42	194.42
Net Trade receivables	**9,126.23**	**132.42**	**815.16**	**10,073.80**

Note on recoverability of amount due from certain trade receivables

The Group has long outstanding recoverable amounting to ₹1,981.05 Million (including contract assets amounting to ₹683.30) as at March 31, 2023 (March 31, 2022 ₹1,142.00 Million) from few customers which have not been collected due to certain reasons. There is no dispute on the said balances and such balances have been confirmed by the parties. The Group is 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, reasons behind non-recovery and expected changes to address such reasons, status of the underlying project, the Group has assessed and considered a provision of ₹336.58 Million as at March 31, 2023 (March 31, 2022 ₹194.42 Million) towards the said balances.

(A) As at the year end, the Group held cash and cash equivalents of ₹934.67 millions (March 31, 2022 ₹492.31 millions). The cash and cash equivalents are held with bank and financial institution counterparties with good credit rating.

(B) Deposit with banks are held with bank counterparties with good credit rating.

(ii) Liquidity risk

Liquidity defined is as the risk that the Group will not be able to settle or meet its obligations on time or at a reasonable price. Group's objective is to, at all time maintain optimum levels of liquidity to meet its financial obligations. The Group manages liquidity risk by maintaining sufficient cash and cash equivalents and by having access to funding through an adequate amount of committed credit lines. In addition, processes and policies related to such risks are overseen by senior management.

Management monitors rolling forecasts of the Group's liquidity position (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows. This is generally carried out at by senior management in accordance with practice and limits set by the Group. These limits take into account the liquidity of the market in which the entity operates. In addition, the Group's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

Financing arrangements

The Group had access to the following undrawn borrowing facilities at the end of the reporting period:

Particulars	March 31, 2023	March 31, 2022
Floating rate		
Expiring within one year (bank overdraft and other facilities)	2,454.12	14,104.23

The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice. Subject to the continuance of satisfactory credit ratings and compliance of financial and other covenants.

Notes forming part of the Consolidated Financial Statement

as at and for the year ended March 31, 2023
(All amounts are in ₹ millions, unless otherwise stated)

Maturities of financial liabilities

The table summarises the maturity profile of Group's financial liabilities based on contractual undiscounted payments:

Particulars	Carrying Amount	Less than 1 year	More than 1 year	Total
As at March 31, 2023				
Borrowings	19,067.52	4,247.23	14,820.28	19,067.52
Interest payable	21.30	21.30		21.30
Trade payables	7,436.53	7,241.76	194.77	7,436.53
Capital creditors	250.17	250.17	-	250.17
Other payables	42.40	42.40	-	42.40
Lease liabilities	34.51	18.45	16.07	34.51
Financial guarantee contracts *	10,779.50	-	-	-
		11,821.31	**15,031.12**	**26,852.43**

Note - Out of ₹14,820.28 Million of borrowings which are repayable in more than one year, ₹8,635.78 Million, ₹4,288.05 Million, ₹1,896.45 Million is repaybale between 1 to 5 years, 6 to 10 years and more than 10 years respectively.

Particulars	Carrying Amount	Less than 1 year	More than 1 year	Total
As at March 31, 2022				
Borrowings	11,832.39	2,172.17	9,660.22	11,832.39
Interest payable	11.06	790.41	1,306.98	2,097.39
Trade payables	4,355.20	4,320.24	34.96	4,355.20
Capital creditors	69.20	69.20	-	69.20
Other payables	61.75	61.75	-	61.75
Lease liabilities	12.30	9.73	2.57	12.30
Financial guarantee contracts *	16,375.70	-	-	-
		7,423.50	**11,004.73**	**18,428.22**

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due for less than 1 year, equal their carrying balances as the impact of discounting is not significant.

* Guarantee issued by the Holding Company to the bankers on behalf of subsidiary companies with respect to limits availed by them. These amounts will be payable in case of default by the subsidiary Companies. As of the reporting date, the subsidiary Companies has not defaulted and hence, the Holding Company does not have any present obligation to third parties in relation to such guarantee.

(iii) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risks i.e. interest rate risk and currency risk. Financial instruments affected by market risk include borrowings and creditors for capital expenditures.

(a) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates is insignificant 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, 2023, Group's foreign currency exposure amounts to ₹47.44 Million (as at March 31, 2022 ₹45.03 Million).

1. **Foreign currency risk exposure**

   The Holding Company's exposure to foreign currency risk at the end of the reporting period, expressed in Euro are as follows:

Particulars	As at March 31, 2023	As at March 31, 2022
Financial liabilities		
Euro (In Millions)	0.53	0.53
Term Loan	47.44	-
Capital creditors (In ₹ Millions)	-	45.03
Exposure to foreign currency risk (liabilities)	**47.44**	**45.03**

2. **Sensitivity**

   The following table demonstrates the sensitivity to a reasonably possible change in Euro exchange rates with all other variables held constant.

Particulars	Change in Euro rate	Increase / (Decrease) in profit before tax	
		Year ended March 31, 2023	Year ended March 31, 2022
Increase in exchange rate	5%	(2.37)	(2.25)
decrease in exchange rate	5%	2.37	2.25

   The Change in exchange rates does not affect the components of other equity.

(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 at variable rate 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**

Particulars	Weighted average interest rate			
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Variable rate borrowings	8.13%	9.17%	14416.68	9,124.59
Fixed rate borrowings	7.57%	8.00%	4650.83	2,707.80
Total borrowings			**19,067.52**	**11,832.39**

   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:

Notes forming part of the Consolidated Financial Statement

as at and for the year ended March 31, 2023
(All amounts are in ₹ millions, unless otherwise stated)

Particulars	Increase / (Decrease) in profit before tax	
	Year ended March 31, 2023	Year ended March 31, 2022
Increase in interest rate by 20 basis points (20 bps)	(28.83)	(21.60)
Decrease in interest rate by 20 basis points (20 bps)	28.83	21.60

Note 40 - Capital Management

(a) Risk Management

For the purpose of the Group's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Group and borrowings.

The Group aims to manage its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to our shareholders. The capital structure of the Group is based on management's judgement of the appropriate balance of key elements in order to meet its strategic and day-to day needs. We consider the amount of capital in proportion to risk and manage the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets.

The Group's aim is to translate profitable growth to superior cash generation through efficient capital management. The Group's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditors and market confidence and to sustain future development and growth of its business. The Group will take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

Particulars	As at March 31, 2023	As at March 31, 2022
Net debt	18,188.66	11,363.44
Total equity	19,218.75	14,359.75
Net debt to equity ratio	95%	79%

The net debt to equity ratio for the current year increased from 79 % to 95% due to incremental financing for equipment deployed on newly won projects and additional funding for new contracts.

(b) Dividends

Particulars	As at March 31, 2023	As at March 31, 2022
(i) Equity shares		
Final dividend for the year ended March 31, 2022 of ₹1 (March 31, 2021 - ₹0.80) per fully paid equity share		(65.17)
(ii) Dividends not recognised at the end of the reporting period		
In addition to the above dividends, subsequent to year end the Board of directors have recommended the payment of a final dividend of ₹1.25 per fully paid equity share (March 31, 2022 ₹1)	81.46	-

The proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.

(c) Loan Covenants

Under the terms of major borrowing facilities the Group is required to comply with the following financial covenants:

Financial Covenant	Requirement
For Holding Company	
a. Total outside liabilities/Adjusted Tangible Net Worth	Less than 2.00
b. EBITDA/Net Interest Exp.	Grater than 5.00
c. Net Debt/EBITDA	Not more than 3.00
d. Current Ratio	Not less than 1.00
e. Debt Equity Ratio	Note more than 0.07
f. Net Working Capital	Not less than 25% of Current Assets
g. Company's Credit Rating as per ICRA	Minimum A+
h. Total Outside Liability/ Adjusted Tangible Net Worth (Consolidated)	Less than 1.80
i. EBITDA Margin (Consolidated)	Greater than 15%
j. Minimum Adjusted Tangible Net Worth (Consolidated)	Greater than INR 14,500 Millions

For Subsidiary Companies

Name of Subsidiary	Financial Covenants	Requirement
H.G. Raipur Visakhapatnam AP-1 Private Limited	a. Debt service coverage Ratio	Atleast 1.15x
	b. Debt Equity Ratio	Not more than 2.98:1
H.G. Raipur Visakhapatnam OD-5 Private Limited	a. Debt service coverage Ratio	Atleast 1.15x
	b. Debt Equity Ratio	Not more than 2.90:1
H.G. Raipur Visakhapatnam OD-6 Private Limited	a. Debt service coverage Ratio	Atleast 1.20x
	b. Debt Equity Ratio	Not more than 3.58:1
H.G. Rewari Ateli Highway Private Limited	a. Debt service coverage Ratio	Atleast 1.15x
H.G. Ateli Narnaul Highway Private Limited	a. Debt service coverage Ratio	Atleast 1.18x
	b. Interest Coverage Ratio	Atleast 1.95 times
	c. Debt/EBITDA	Not more than 4.94:1
Gurgaon Sohna Highway Private Limited	a. Debt service coverage Ratio	Atleast 1.15x
	b. Debt Equity Ratio	Not more than 4.0:1

The Group has complied with all the covenants mentioned above.

Note 41 - Segment Reporting

The Holding Company's Board, together with the managing director, is identified as the chief operating decision maker of the Group - who examines the performance of the business and allocates funds on the basis of a single reportable segment i.e. 'EPC business'. The Group has no other reportable segment. The Group does not have any reportable geographical segment as it caters to the needs of only the domestic market.

Accordingly, the segment revenue, segment results, total carrying amount of segment assets and segment liability, total cost incurred to acquire segment assets and total amount of charge for depreciation during the period, is as reflected in the Financial Statements as of and for the financial year ended March 31, 2023.

Non-current assets excluding financial assets, deferred tax assets amounts to ₹8,066.13 Millions (March 31, 2022 ₹5,676.96 Millions) are located entirely in India.

Information relating to major customers

Revenue of approximately ₹43,073.54 Millions (for the year ended March 31, 2022 ₹36,126.98 Millions) was derived from external customers, which individually accounted for more than 10% of the total revenue.

Notes forming part of the Consolidated Financial Statement

as at and for the year ended March 31, 2023
(All amounts are in ₹ millions, unless otherwise stated)

Note 42 - Net Debt Reconciliation

Particulars	As at March 31, 2023	As at March 31, 2022
Cash and cash equivalents	934.67	492.31
Current borrowings	(2,151.86)	(1,062.03)
Current maturities of long term borrowings	(2,095.37)	(1,110.14)
Interest accrued but not due	(21.30)	(11.06)
Non current borrowings	(14,820.28)	(9,660.22)
Lease liabilities	(34.52)	(12.30)
Net Debt	**(18,188.66)**	**(11,363.44)**

Particulars	Other assets	Liabilities from financing activities				Total
	Cash and cash equivalents	Lease liabilities	Non-current borrowings	Current borrowings*	Interest accrued	
Net debt as at April 1, 2021	**1,441.43**	**(11.63)**	**(5,570.40)**	**(2,094.72)**	**(9.75)**	**(6,245.07)**
Cash flows	(949.12)	(0.67)	(4,089.82)	(77.45)		(5,117.06)
Interest expense	-	-	-	-	840.41	840.41
Interest paid	-	-	-	-	(841.72)	(841.72)
Net debt as at March 31, 2022	**492.31**	**(12.30)**	**(9,660.22)**	**(2,172.17)**	**(11.06)**	**(11,363.44)**
Additions to right-of-use of assets		(46.84)				(46.84)
Cash flows	442.36	24.62	(7,560.38)	327.74	-	(6,765.65)
Reclassification for current maturity of long term borrowings			2,402.80	(2,402.80)		-
Interest expense	-	(2.17)	-	-	(1535.52)	(1537.69)
Interest paid	-	2.17	-	-	1525.27	1527.44
Gain/ (loss) on restatement			(2.49)			(2.49)
Net debt as at 31 March 2023	**934.67**	**(34.52)**	**(14,820.28)**	**(4,247.23)**	**(21.30)**	**(18,188.66)**

*Includes current maturities of long term borrowings, cash credit facility, Payable under MSMED trade receivable discounting system (TReDS).

Note 43 - Related Party transactions

I Name of related parties and nature of relationship:

Related parties where control exits

A) Subsidiary

Gurgaon Sohna Highway Private Limited
H.G. Ateli Narnaul Highway Private Limited
H.G. Rewari Ateli Highway Private Limited
H.G. Rewari Bypass Private Limited
H.G. Raipur Visakhapatnam AP-1 Private Limited
H.G. Khammam Devarapalle PKG-1 Private Limited
H.G. Khammam Devarapalle PKG-2 Private Limited
H.G. Raipur Visakhapatnam OD-5 Private Limited

H.G. Raipur Visakhapatnam OD-6 Private Limited

H.G. Karnal-Ringroad Private Limited

B) Jointly Controlled Operations

M/s Safety First (A Registered Partnership Firm)

Safety First Engineering Private Limited

C) Jointly Controlled Operations

HGIEPL - RPS JV (till October 4th, 2023)

HGIEPL - MGCPL JV

HGIEPL - RANJIT JV

Other Related Parties with whom transactions have taken place during the year

D) Key Management Personnel

Mr. Vijendra Singh	- Whole Time Director
Mr. Harendra Singh	- Chairman and Managing Director
Mr. Ashok Kumar Thakur	- Non-Executive Independent Director
Mrs. Pooja Hemant Goyal	- Non-Executive Independent Director
Mrs. Sharada Sunder	- Additional Independent Director (w.e.f February 8, 2023)
Mrs. Monica Widhani	- Additional Independent Director (w.e.f February 8, 2023)
Mr. Onkar Singh	- Non-Executive Independent Director (till September 7, 2022)
Mr. Manjit Singh	- Non-Executive Independent Director (w.e.f. May 13, 2022)
Mr. Dinesh Kumar Goyal	- Executive Director
Mr. Rajeev Mishra	- Chief Financial Officer
Mrs. Ankita Mehra	- Company Secretary

E) Relatives of Key Management Personnel

Mr. Vaibhav Choudhary	- Son of Mr. Girishpal Singh
Ms. Ridhima Choudhary	- Daughter of Mr. Harendra Singh
Mr. Girishpal Singh	- Brother of Mr. Harendra Singh
Mr. Hodal Singh	- Father of Mr. Harendra Singh
Mrs. Nisha Singh	- Wife of Mr. Harendra Singh

F) Enterprises over which key management personnel and their relatives are able to exercise significant influence

HG Traders

H.G. Infra Toll Ways Private Limited

B2B Genie Private Limited

Mahadev Stone Crusher

HGIEPL-TPL JV

H.G. Foundation

Raghusons Infra Engineering Private Limited

Hotel Marudhar (Partnership Firm)

H.G. Luxury Hotels Private Limited

H.G. Acerage Developers Private Limited

Valencia Leisure Private Limited

Notes forming part of the Consolidated Financial Statement

as at and for the year ended March 31, 2023

(All amounts are in ₹ millions, unless otherwise stated)

II Transactions with related parties

A) Key Management personnel compensation

Particulars	For the Year ended March 31, 2023	For theYear ended March 31, 2022
Short-term employee benefits	71.10	54.18
Director's sitting fees	3.91	3.01
Total compensation	**75.01**	**57.19**

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

Particulars	For the Year ended March 31, 2023	For theYear ended March 31, 2022
Sale of material		
Mahadev Stone Crusher	4.92	2.18
Purchases		-
M/s Safety First (A Registered Partnership Firm)	252.15	-
B2B Genie Private Limited	204.53	
Contract Revenue		
HGIEPL -TPL JV	124.38	173.87
HGIEPL - MGCPL JV	2.82	
Contract Expenses		
H.G. Infra Tollways Private Limited	130.69	140.91
Raghusons Infra Engineering Private Limited	43.02	23.01
Mahadev Stone Crusher	12.86	45.49
HG Traders	0.54	7.60
Rent Paid for Office		
Mr. Hodal Singh	1.72	1.32
Mr. Girishpal Singh	0.51	0.48
Sitting Fees		
Mr. Onkar Singh	0.52	0.96
Ms. Pooja Hemant Goyal	0.50	0.52
Mr. Ashok Kumar Thakur	0.77	0.73
Mr. Manjit Singh	1.08	
Mr. Vijendra Singh	0.20	0.15
Mr. Harendra Singh	0.46	0.39
Ms Gazal Singh	0.07	0.02
Ms. Nisha Singh	0.09	0.02
Mr. Girishpal Singh	0.23	0.22
Ms Rudrakshi Choudhary	0.04	-

Notes forming part of the Consolidated Financial Statement

as at and for the year ended March 31, 2023

(All amounts are in ₹ millions, unless otherwise stated)

Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Remuneration paid		
Key management personnel:		
Mr. Vijendra Singh*	15.00	14.00
Mr. Harendra Singh*	30.00	26.00
Mr. Girishpal Singh*	3.00	3.00
Mr. Dinesh Kumar Goyal*	4.45	4.45
Mr. Rajeev Mishra*	3.71	3.06
Mrs. Ankita Mehra*	1.02	0.83
Ms. Nisha Singh*	2.70	1.07
Ms. Gazal Choudhary*	2.70	1.77
Ms Bhanu Sharma	1.23	-
Mr Hitesh Parmuwal	3.75	-
Mr Balvinder Singh Guleri	0.67	-
Mr. Navneet Singh Choudhary	2.88	-
* Gratuity is not included, as it is provided on overall basis based on actuarial valuation.		
Remuneration to relatives of KMP		
Mr. Vaibhav Choudhary	10.81	10.80
Mr. Navneet Singh Choudhary	-	2.88
Ms. Ridhima Choudhary	2.40	0.95
Loans given to KMP		
Mr. Rajeev Mishra	0.80	-
Salary advance given to KMP		
Mr. Vijendra Singh	0.88	-
Legal and professional fees		
Ms. Ridhima Choudhary	-	0.88
Corporate social responsibility expenditure		
H.G. Foundation	70.48	13.06
Donation		
H.G. Foundation	10.46	2.85
Guarantees given / (released) on behalf of Company		
Mr. Vijendra Singh	13,733.60	9,914.80
Mr. Harendra Singh	13,733.60	9,914.80
Mr. Girishpal Singh	2,923.60	-
Mr. Hodal Singh	5,802.20	-
Mrs. Nisha Singh	6,540.50	-
Mr. Vaibhav Choudhary	6,540.50	-
Hotel Marudhar (Partnership Firm)	6,540.50	-
H.G. Luxury Hotels Private Limited	6,540.50	-
H.G. Acerage Developers Private Limited	6,540.50	-
Valencia Leisure Private Limited	6,540.50	-

Notes forming part of the Consolidated Financial Statement

as at and for the year ended March 31, 2023

(All amounts are in ₹ millions, unless otherwise stated)

Particulars	For the Year ended March 31, 2023	For theYear ended March 31, 2022
Insurance premium paid towards keyman term policy taken by Company		
Mr. Vijendra Singh	5.52	5.52
Mr. Harendra Singh	5.45	5.45
Mr. Vaibhav Choudhary	5.15	5.15
Invesments		
Safety First Engineering Private Limited	86.49	-
M/s Safety First (A Registered Partnership Firm)	3.51	-
Loans repayment by KMP		
Mr. Rajeev Mishra	0.22	

C)

Outstanding balances	As at March 31, 2023	As at March 31, 2022
Other Current Liabilities		
Employee benefits payable		
Mr. Vaibhav Choudhary	2.26	0.15
Mr. Vijendra Singh	-	0.07
Mr. Harendra Singh	0.92	0.67
Mr. Rajeev Mishra	0.15	0.20
Mr. Dinesh Kumar Goyal	0.29	0.24
Ms. Ridhima Choudhary	0.16	0.04
Mrs. Ankita Mehra	0.07	0.07
Ms. Nisha Singh	-	0.03
Ms. Gazal Singh	-	0.16
Trade Receivables		
HGIEPL -TPL JV	238.10	291.47
Advance to Contractor		
Mahadev Stone Crusher	-	2.43
Advance to Vendor		
H.G. Foundation	-	0.03
B2B Genie Private Limited	28.89	-
Sitting fees payable		
Mr. Vijendra Singh	0.01	0.02
Mr. Harendra Singh	0.02	0.02
Mr. Girishpal Singh	0.01	-
Mr. Manjit Singh	0.02	-

Notes forming part of the Consolidated Financial Statement

as at and for the year ended March 31, 2023

(All amounts are in ₹ millions, unless otherwise stated)

C) Outstanding balances	As at March 31, 2023	As at March 31, 2022
Other payable		
Mr. Harendra Singh	-	0.04
Trade Payable		
HG Traders	0.59	0.65
Mahadev Stone Crusher	0.55	-
Raghusons Infra Engineering Private Limited	32.21	24.16
H.G. Infra Tollways Private Limited	0.43	9.98
M/s Safety First (A Registered Partnership Firm)	30.97	-
Loans to KMP		
Mr. Rajeev Mishra	0.58	-
Salary advance to KMP		
Mr. Vijendra Singh	0.88	
Invesments		
Safety First Engineering Private Limited	86.49	-
M/s Safety First (A Registered Partnership Firm)	3.51	-
Guarantees given on behalf of Company		
Mr. Vijendra Singh	42,991.50	24,269.21
Mr. Harendra Singh	42,991.50	24,269.21
Mr. Girishpal Singh	25,461.50	1,974.42
Mr. Hodal Singh	25,461.50	1,014.88
Mrs. Nisha Singh	22,140.30	-
Hotel Marudhar (Partnership Firm)	22,140.30	-
H.G. Luxury Hotels Private Limited	22,140.30	-
H.G. Acerage Developers Private Limited	22,140.30	-
Valencia Leisure Private Limited	22,140.30	-

D) Terms and conditions

All Related Party Transactions entered during the year were in ordinary course of the business and are on arm's length basis.

All outstanding balances are unsecured and repayable in cash.

There is no loss allowance has been recognised during the year in respect of receivable due from related parties. .

Notes forming part of the Consolidated Financial Statement

as at and for the year ended March 31, 2023
(All amounts are in ₹ millions, unless otherwise stated)

Note 44 - Employee benefit obligations

Particulars	As at March 31, 2023	As at March 31, 2022
Leave obligations	56.53	18.02
Gratuity	100.45	56.98
	156.98	**75.00**

(i) Compensated Absences

The employees of the Group are entitled to compensated absences as per the policy of the Group. However, based on past experience, the Group 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. Accordingly, these compensated absences have been classified as Non current liabilities as at March 31, 2023.

Particulars	As at March 31, 2023	As at March 31, 2022
Current leave obligations not expected to be settled within the next 12 months	44.16	18.02

(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:

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Contribution to Provident Fund	25.04	13.75
Contribution to E.S.I.C	6.82	3.96
Contribution to Pension Fund	26.67	16.39
	58.53	**34.10**

The Code on Social Security 2020

The Code on Social Security 2020 ('the Code') relating to employee benefits, during the employment and post-employment, has received Presidential assent on September 28, 2020. The Code has been published in the Gazette of India. Further, the Ministry of Labour and Employment has released draft rules for the Code on November 13, 2020. However, the effective date from which the changes are applicable is yet to be notified and rules for quantifying the financial impact are also not yet issued.

The Group will assess the impact of the Code and will give appropriate impact in the financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

(b) Defined Benefit Plans:

Gratuity

The Group provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. Contributions are made to a gratuity based upon actuarial valuation done at the year end of every financial year using "Projected Unit Credit" method. The charge on account of provision for gratuity has been included in Employee Benefits Expense in the Statement of Profit and Loss except remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in other comprehensive income.

The amounts recognised in the Balance Sheet and the movements in the net defined benefit obligation over the year are as follows:

Particulars	Present Value of Obligation (i)	Fair Value of plan Assets (ii)	Net Amount (i-ii)
As on April 1, 2021 (A)	**65.73**	**40.86**	**24.87**
Current service cost	13.73	-	13.73
Past service cost	-	-	-
Interest expense	2.54	1.65	0.89
Total Amount Recognised in profit and loss (B)	**16.27**	**1.65**	**14.62**
Remeasurements			
Assets, excluding amount included in interest expense/(income)	-	0.38	(0.38)
(Gain)/loss from change in demographic assumptions	4.66	-	4.66
(Gain)/loss from change in financial assumptions	4.27	-	4.27
Experience (gains)/losses	10.35	-	10.35
Total amount recognised in other comprehensive income (C)	**19.28**	**0.38**	**18.90**
Employer contributions **(D)**	-	1.41	(1.41)
Benefit payments **(E)**	(3.13)	(3.13)	-
Balance as on March 31, 2022 (A+B+C+D+E)	**98.15**	**41.17**	**56.98**

Particulars	Present Value of Obligation (i)	Fair Value of plan Assets (ii)	Net Amount (i-ii)
As on April 1, 2022 (A)	98.15	41.17	56.98
Current service cost	29.20		29.20
Past service cost	-		-
Interest expense	6.20	2.27	3.93
Total Amount Recognised in profit and loss (B)	**35.40**	**2.27**	**33.13**
Remeasurements			
Assets, excluding amount included in interest expense/(income)	-	(0.20)	0.20
(Gain)/loss from change in demographic assumptions	6.69	-	6.69
(Gain)/loss from change in financial assumptions	2.43	-	2.43
Experience (gains)/losses	1.02	-	1.02
Total amount recognised in other comprehensive income (C)	**10.14**	**(0.20)**	**10.34**
Employer contributions **(D)**			-
Benefit payments **(E)**	(6.59)	(6.59)	-
Balance as on March 31, 2023 (A+B+C+D+E)	**137.10**	**36.65**	**100.45**

Notes forming part of the Consolidated Financial Statement

as at and for the year ended March 31, 2023
(All amounts are in ₹ millions, unless otherwise stated)

The significant actuarial assumptions were as follows:

Particulars	As at March 31, 2023	As at March 31, 2022
Discount rate (per annum)	7.27%	5.50%
Salary growth rate	14.96%	12.50%
Expected Return on plan assets	7.01%	7.02%
Employee Turnover/ Withdrawal Rate	For Ages	For Ages
	18-30 : 25.50%	18-30 : 31%
	31-40 : 25.29%	31-40 : 30%
	41-50 : 25.70%	41-50 : 29%
	51-57 : 24.21%	51-57 : 37%
Expected average remaining working lives of employees	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2012-14)

Sensitivity Analysis

The sensitivity of the defined benefit obligation to increase and decrease in the weighted principal assumptions by 0.50% is as below:

Particulars	Year ended March 31, 2023		Year ended March 31, 2022	
	Discount	Salary escalation	Discount	Salary escalation
Impact of increase in 50 BPS on DBO	(3.01)	2.61	(1.77)	1.64
Impact of Decrease in 50 BPS on DBO	3.14	(2.68)	1.83	(1.60)

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. 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 Group 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 Group 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, 2023 are ₹134.80 Million (Year ending March 31, 2022 ₹10 Million).

The weighted average duration of the defined benefit obligation is 6.16 years (March 31, 2022: 3.66 years). The expected maturity analysis of undiscounted gratuity is as follows:

Maturity Analysis of the Projected Benefit Obligations - Gratuity

Particulars	As at March 31, 2023	As at March 31, 2022
1st Following Year	21.84	25.10
2nd Following Year	20.66	20.66
3rd Following Year	20.46	17.32
4th Following Year	18.54	13.39
5th following year	18.01	10.63
Sum of 6th to 10th Following Year	101.95	35.58

Note 45 - Assets pledged as security

The carrying amounts of assets pledged as security for current and non-current borrowings are as follows:

Particulars	As at March 31, 2023	As at March 31, 2022*
Current		
Financial Assets		
Floating Charge		
Trade Receivables (net of loss allowance)	8,792.09	7,002.69
Receivable under service concession agreement with National Highway Authority of India (NHAI)	3,939.32	1,883.53
Cash and cash equivalents	934.67	19.93
Loans	62.08	232.78
Bank balances other than cash and cash equivalents (net of lien)	891.43	40.04
Other financial assets (net of loss allowance)	155.40	79.01
Non-financial assets		
Contract assets	5,846.43	3,586.87
Other current assets	5,721.87	2,008.67
Inventories	2,353.31	1,835.52
Total Current Assets pledged as Security	**28,696.59**	**16,689.04**
Non-Current		
Financial Assets		
Receivable under service concession agreement with National Highway Authority of India (NHAI)	15,341.02	9,983.19
Other Non Current Assets	635.30	805.55
Non-current tax assets (Net)	198.09	180.25
Non Financial Assets		
Plant and machinery	4,155.54	1,031.73
Building	82.39	220.81
Vehicles	151.31	48.15
Freehold Land	493.73	-
Total Non-Current assets pledged as Security	**21,057.38**	**12,269.67**
Total Assets pledged as Security	**49,753.97**	**28,958.71**

Notes forming part of the Consolidated Financial Statement

as at and for the year ended March 31, 2023

(All amounts are in ₹ millions, unless otherwise stated)

Note: Above figures are the gross amounts pledged as security and the elimination related to above is as follows:

Particulars	As at March 31, 2023	As at March 31, 2022
Trade Receivables (net of loss allowance)	1,510.59	607.48
Loans	50.74	221.69
Other financial assets (net of loss allowance)	1.42	0.74
Other current assets	2,840.82	797.32

*Restated. Refer Note 57

Note 46 - Contingent Liabilities

Description	As at March 31, 2023	As at March 31, 2022
(a) Claims against the Group not acknowledged as debts	20.27	19.45
(b) Direct tax demand disputed in appeals	20.23	13.02

The Group has evaluated the impact of the Supreme Court (SC) judgement dated February 28, 2019 in case of "Vivekananda Vidyamandir And Others Vs The Regional Provident Fund Commissioner (II) West Bengal" and the related circular (Circular No. C-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 Group believes that the aforesaid judgement does not have material impact on the Group. The Group will continue to monitor and evaluate its position based on future events and developments.

Note 47 - Disclosure of operating leases under Ind AS 116

The Group rents out its equipment and flats (classified in investment property) on operating lease basis. These lease arrangements range for a period between one to eleven months and include both cancellable and non-cancellable leases. Most of the leases are renewable for further period on mutually agreeable terms. There are no contingent rents recognised as income in the period.

Amounts recognised in the Consolidated Statement of Profit and Loss

Particulars	Ref Note No.	Year ended March 31, 2023	Year ended March 31, 2022
Equipment given on hire	30	33.10	10.29
Flats given on hire		1.47	1.19
Minimum lease payments receivable on leases of Equipment & investment properties are as follows:			
Within 1 year		34.57	11.48
Between 1 to 5 years		-	-
Later than 5 years		-	-

Note 48 - Commitments

(a) Capital commitments

Capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:

Description	As at March 31, 2023	As at March 31, 2022
Property, plant and equipment [(net of capital advance amounts to ₹9.86 Million) (March 31, 2022 ₹3.03 Million)]	109.76	111.43

(b) Other commitments

Description	As at March 31, 2023	As at March 31, 2022
Guarantees given to lenders of subsidiary Companies	11539.19	16,375.70

Footnote :

The guarantees given to lenders of subsidiaries are unlikely to be called, as subsidiaries are in a position to service principal and interest, covered by such guarantees.

Note 49

The Holding Company has been legally advised that outstanding loan aggregating to ₹50.74 Million (as at March 31, 2022, ₹221.69 Million) and Investments in instruments entirely equity in nature aggregating to ₹2,065.68 Milliion (as at March 31, 2022, ₹631.04 Million) made towards financing the subsidiary do not come under the preview of Section 186 of companies Act, 2013 as the Company is in the business of constructing and developing infrastructure facilities.

Note 50 - Earnings per share

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Profit for the year (Amount in ₹ Millions)	4,931.91	3,800.36
Weighted average number of equity shares outstanding (number)	6,51,71,111	6,51,71,111
Earning per Share (basic and diluted) (Amount in ₹)	75.68	58.31
Nominal value per equity share (Amount in ₹)	10	10

Notes forming part of the Consolidated Financial Statement

as at and for the year ended March 31, 2023

(All amounts are in ₹ millions, unless otherwise stated)

Note 51 - Interests in other entities

As on March 31, 2023:

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		92.54%	17,784.35	85.45%	4,213.83	100.00%	(7.74)	85.41%	4,206.09
Subsidiaries :									
1) Gurgaon Sohna Highway Private Limited	100%	5.84%	1,121.61	1.08%	53.30	0.00%	-	1.08%	53.30
2) HG Ateli Narnaul Highway Private Limited	100%	8.47%	1,628.33	4.12%	203.16	0.00%	-	4.13%	203.16
3) HG Rewari Ateli Highway Private Limited	100%	4.88%	938.45	1.83%	90.40	0.00%	-	1.84%	90.40
4) HG Rewari Bypass Private Limited	100%	4.11%	790.16	2.96%	146.16	0.00%	-	2.97%	146.16
5) H.G. Raipur Visakhapatnam AP-1 Private Limited	100%	4.81%	924.16	1.27%	62.81	0.00%	-	1.28%	62.81
6) H.G. Khammam Devarapalle PKG-1 Private Limited	100%	3.06%	588.97	0.22%	10.92	0.00%	-	0.22%	10.92
7) H.G. Khammam Devarapalle PKG-2 Private Limited	100%	2.54%	487.99	0.19%	9.36	0.00%	-	0.19%	9.36
8) H.G. Raipur Visakhapatnam OD-5 Private Limited	100%	7.33%	1,407.96	1.29%	63.49	0.00%	-	1.29%	63.49
9) H.G. Raipur Visakhapatnam OD-6 Private Limited	100%	4.65%	893.01	1.36%	67.13	0.00%	-	1.36%	67.13
10) H.G. Karnal-Ringroad Private Limited	100%	0.01%	1.50	0.00%	-	0.00%	-	0.00%	-
Jointly Controlled operations									
1) HGIEPL – Ranjit JV	30%	0.01%	3.63	0.00%	0.03	0.00%	-	0.00%	0.03
2) HGIEPL – MGCPL JV	30%	0.00%	0.05	0.00%	0.07	0.00%	-	0.00%	0.07
3) HGIEPL – RPS JV	51%	0.00%	0.51	0.00%	0.01	0.00%	-	0.00%	0.01
Associates entities									
1) Safety First Engineering Private Limited	26%	0.45%	86.15	(0.01%)	(0.33)	0.00%	-	(0.01%)	(0.33)
2) M/s Safety First (A Registered Partnership Firm)	26%	0.08%	15.14	0.24%	11.62	0.00%	-	0.24%	11.62
Intra group eliminations		(38.78%)	(7,453.22)	0.00%	(0.05)	0.00%	-	0.00%	(0.05)
Total		**100.00%**	**19,218.75**	**100.00%**	**4,931.91**	**100.00%**	**(7.74)**	**100.00%**	**4,924.17**

Notes forming part of the Consolidated Financial Statement

as at and for the year ended March 31, 2023

(All amounts are in ₹ millions, unless otherwise stated)

Note 51 - Interests in other entities

As on March 31, 2022:

Name of the entity	% Holding	Net Assets, i.e., total assets minus total liabilities		Share of profit or loss		Share in other comprehensive income		Share in Total Comprehensive Income	
		"As % of Consolidated net assets"	Amount	As % of Consolidated profit or loss	Amount	As % of Consolidated other comprehensive income	Amount	As % of Consolidated total comprehensive income	Amount
Parent : H.G. Infra Engineering Limited		70.29%	10,093.41	89.14%	3,387.47	100.00%	(14.14)	89.09%	3,373.33
Subsidiaries :									
1) Gurgaon Sohna Highway Private Limited	100%	7.44%	1,068.31	4.61%	175.09	0.00%	-	4.62%	175.09
2) HG Ateli Narnaul Highway Private Limited	100%	9.92%	1,425.16	2.63%	100.01	0.00%	-	2.64%	100.01
3) HG Rewari Ateli Highway Private Limited	100%	5.69%	816.63	2.11%	80.28	0.00%	-	2.12%	80.28
4) HG Rewari Bypass Private Limited	100%	3.66%	525.20	1.50%	57.14	0.00%	-	1.51%	57.14
5) H.G. Raipur Visakhapatnam AP-1 Private Limited	100%	2.72%	390.08	0.05%	2.05	0.00%	-	0.05%	2.05
6) H.G. Khammam Devarapalle PKG-1 Private Limited	100%	0.02%	3.45	-0.01%	(0.42)	0.00%	-	-0.01%	(0.42)
7) H.G. Khammam Devarapalle PKG-2 Private Limited	100%	0.02%	3.43	-0.01%	(0.43)	0.00%	-	-0.01%	(0.43)
8) H.G. Raipur Visakhapatnam OD-5 Private Limited	100%	0.20%	29.34	-0.01%	(0.47)	0.00%	-	-0.01%	(0.47)
9) H.G. Raipur Visakhapatnam OD-6 Private Limited	100%	0.01%	1.48	-0.01%	(0.51)	0.00%	-	-0.01%	(0.51)
Jointly Controlled operations									
1) HGIEPL – Ranjit JV	30%	0.03%	3.60	0.00%	0.04	0.00%	-	0.00%	0.04
2) HGIEPL – MGCPL JV	30%	0.00%	(0.02)	0.00%	(0.01)	0.00%	-	0.00%	(0.01)
3) HGIEPL – RPS JV	51%	0.00%	(0.34)	0.00%	0.12	0.00%	-	0.00%	0.12
Total		**100%**	**14,359.75**	**100%**	**3,800.36**	**100%**	**(14.14)**	**100%**	**3,786.22**

Notes forming part of the Consolidated Financial Statement

as at and for the year ended March 31, 2023
(All amounts are in ₹ millions, unless otherwise stated)

Note 52 - Revenue from contracts with customers

Note 52.1 - 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:

Year ended March 31, 2023	Construction Contracts	Sale of Services (Maintenance Contract)	Total
Revenue from external customers	44,231.60	432.58	44,664.18
Timing of revenue recognition			
- At a point in time	509.02	432.58	941.60
- Over time	43,722.58	-	43,722.58
	44,231.60	**432.58**	**44,664.18**

Year ended March 31, 2022	Construction Contracts	Sale of Services (Maintenance Contract)	Total
Revenue from external customers	36,047.06	373.18	36,420.24
Timing of revenue recognition			
- At a point in time	1,158.98	373.18	1,532.17
- Over time	34,888.07	-	34,888.07
	36,047.06	**373.18**	**36,420.24**

The Group recognised revenue amounting to ₹1,452.14 Million (as at March 31, 2022 ₹2,136.61 Million) in the current reporting period that was included in the contract liability balance of previous year (Refer Note 16 (b)).

Note 52.2 - Unsatisfied performance obligations

The aggregate amount of transaction price allocated to performance obligations that are unsatisfied as at the end of reporting period is ₹161,406 Million (as at March 31, 2022 ₹105,116.20 Million). On Construction Contracts (Road Projects and Pipeline contracts) have a life cycle of 2-3 years and other businesses performance obligations are met over a period of one or less than one year. Management expects that around 30% -35% of the transaction price allocated to unsatisfied contracts as of March 31, 2023 will be recognised as revenue during next reporting period depending upon the progress on each contracts.

The remaining amount is expected to be recognised in next year.

The amount disclosed above does not include variable consideration.

Note 52.3 - There are no reconciliation items between revenue from contracts with customers and revenue recognised with contract price.

Notes forming part of the Consolidated Financial Statement

as at and for the year ended March 31, 2023

(All amounts are in ₹ millions, unless otherwise stated)

Note 53 - Receivable under service concession aggrement with National Highway Authority of India

Name of Entity	Description of the Arrangement	Significant Terms of the Arrangement	Financial Assets as at March 31, 2023	Financial Assets as at March 31, 2022
Gurgaon Sohna Highway Private Limited	The Company is formed as a special purpose vehicle (SPV) for Construction of 6 Laning & Strengthening of New NH-248A from Existing km 11+682 to exiting KM 24+400 in the state of Haryana Package-2: Existing Ch. Km 11+682 to km 24+400 (Design Ch. Km 9+282 to km 22+000) under NHDP Phase-IV on Hybrid Annuity Mode, which shall be partly financed by the concessionaire who shall recover its investment and costs through annuity payments and O&M payment to be made by the authority, in accordance with the terms and conditions set forth in this concession agreement entered into.	"Period of Concession: 2019-2038 Remuneration: 40% during construction period and balance 60% in biannual annuity in 15 years as per concession agreement Investment grant from concession grantor: No Infrastructure return at the end of concession period: Yes Investment and renewal obligation: Nil Re-pricing dates: No Basis upon which re-pricing or re-negotiation is determined: NA Premium payable to granter: Nil BPC: 6,060 Millions O&M Payment: 40 Millions per year Bonus: If COD achieved on or more than 30 (thirty) days prior to the SCOD, bonus will be equal to 0.5% (Zero point five per cent) of 60 % (Sixty per cent) of the BPC for the first 30 (thirty) days by which COD shall precede the SCOD and thereafter the said bonus shall be calculated on the pro-rata basis for each day preceding the said 30 (thirty) days period. Termination: Default made as specified in CA except caused by force measure event, by concessionaire not cured in 60 days and by authority not cured in 90 days, contract will be terminated."	3,355.70	3,514.33
HG Ateli Narnaul Highway Private Limited	The Company is formed as a special purpose vehicle (SPV) for Construction of the proposed Narnaul Bypass (design length 24.0 km) and Ateli Mandi to Narnaul section of NH-11 from 43.445 km to 56.900 km (design length 14.0 km) as an economic corridor and a feeder route Pkg-II in the state of Haryana, on Hybrid Annuity Mode, which shall be partly financed by the concessionaire who shall recover its investment and costs through annuity payments and O&M payment to be made by the authority, in accordance with the terms and conditions set forth in this concession agreement entered into.	"Period of Concession: 2020-2037 Remuneration: 40% during construction period and balance 60% in biannual annuity in 15 years as per concession agreement Investment grant from concession grantor: No Infrastructure return at the end of concession period: Yes Investment and renewal obligation: Nil Re-pricing dates: No Basis upon which re-pricing or re-negotiation is determined: NA Premium payable to granter: Nil BPC: 9,521.10 Millions O&M Payment: 50 Millions per year Bonus: If COD achieved on or more than 30 (thirty) days prior to the SCOD, bonus will be equal to 0.5% (Zero point five per cent) of 60 % (Sixty per cent) of the BPC for the first 30 (thirty) days by which COD shall precede the SCOD and thereafter the said bonus shall be calculated on the pro-rata basis for each day preceding the said 30 (thirty) days period. Termination: Default made as specified in CA except caused by force measure event, by concessionaire not cured in 60 days and by authority not cured in 90 days, contract will be terminated."	4,162.04	4,394.14

Notes forming part of the Consolidated Financial Statement
as at and for the year ended March 31, 2023
(All amounts are in ₹ millions, unless otherwise stated)

Name of Entity	Description of the Arrangement	Significant Terms of the Arrangement	Financial Assets as at March 31, 2023	Financial Assets as at March 31, 2022
HG Rewari Ateli Highway Private Limited	The Company is formed as a special purpose vehicle (SPV) for upgradation of a road project of four lane of Rewari - Ateli Mandi section of NH-11 from KM 11.780 at Rewari to Ex. KM 43.445 near Ateli Mandi (designed length 30.45 KM) as feeder route Pkg-III on Hybrid Annuity mode (HAM) in state of Haryana, which shall be partly financed by the concessionaire who shall recover its investment and costs through annuity payments and O&M payment to be made by the authority, in accordance with the terms and conditions set forth in this concession agreement entered into.	"Period of Concession: 2020-2037 Remuneration: 40% during construction period and balance 60% in biannual annuity in 15 years as per concession agreement Investment grant from concession grantor: No Infrastructure return at the end of concession period: Yes Investment and renewal obligation: Nil Re-pricing dates: No Basis upon which re-pricing or re-negotiation is determined: NA Premium payable to granter: Nil BPC: 5,800.00 Millions (Revised 5,750.50 Millions) O&M Payment: 60 Millions per year Bonus: If COD achieved on or more than 30 (thirty) days prior to the SCOD, bonus will be equal to 0.5% (Zero point five per cent) of 60 % (Sixty per cent) of the BPC for the first 30 (thirty) days by which COD shall precede the SCOD and thereafter the said bonus shall be calculated on the pro-rata basis for each day preceding the said 30 (thirty) days period. Termination: Default made as specified in CA except caused by force measure event, by concessionaire not cured in 60 days and by authority not cured in 90 days, contract will be terminated."	2,540.82	2,588.23
HG Rewari Bypass Private Limited	The Company is formed as a special purpose vehicle (SPV) for Construction of proposed Rewari Bypass (Design length 14.4 km) as Feeder Route in the state of Haryana on Hybrid Annuity Mode (HAM), which shall be partly financed by the concessionaire who shall recover its investment and costs through annuity payments and O&M payment to be made by the authority, in accordance with the terms and conditions set forth in this concession agreement entered into.	"Period of Concession: 2021-2038 Remuneration: 40% during construction period and balance 60% in biannual annuity in 15 years as per concession agreement Investment grant from concession grantor: No Infrastructure return at the end of concession period: Yes Investment and renewal obligation: Nil Re-pricing dates: No Basis upon which re-pricing or re-negotiation is determined: NA Premium payable to granter: Nil BPC: 5,220.20 Millions O&M Payment: 30 Millions per year Bonus: If COD achieved on or more than 30 (thirty) days prior to the SCOD, bonus will be equal to 0.5% (Zero point five per cent) of 60 % (Sixty per cent) of the BPC for the first 30 (thirty) days by which COD shall precede the SCOD and thereafter the said bonus shall be calculated on the pro-rata basis for each day preceding the said 30 (thirty) days period. Termination: Default made as specified in CA except caused by force measure event, by concessionaire not cured in 60 days and by authority not cured in 90 days, contract will be terminated."	2471.07	1168.22

Notes forming part of the Consolidated Financial Statement

as at and for the year ended March 31, 2023

(All amounts are in ₹ millions, unless otherwise stated)

Name of Entity	Description of the Arrangement	Significant Terms of the Arrangement	Financial Assets as at March 31, 2023	Financial Assets as at March 31, 2022
H.G. Raipur Visakhapatnam AP-1 Private Limited	The Company is formed as a special purpose vehicle (SPV) for Development of Six Lane Aluru-Jakkuva Section of NH-130-CD Road from km 365+033 to km 396+800 under Raipur- Visakhapatnam Economics Corridor in the state of Andhra Pradesh on Hybrid Annuity Mode [Package-1 (AP)], which shall be partly financed by the concessionaire who shall recover its investment and costs through annuity payments and O&M payment to be made by the authority, in accordance with the terms and conditions set forth in this concession agreement entered into.	"Period of Concession: 2023-2039 Remuneration: 40% during construction period and balance 60% in biannual annuity in 15 years as per concession agreement Investment grant from concession grantor: No Infrastructure return at the end of concession period: Yes Investment and renewal obligation: Nil Re-pricing dates: No Basis upon which re-pricing or re-negotiation is determined: NA Premium payable to granter: Nil BPC: 7,721.10 Millions O&M Payment: 40 Million per year Bonus: If COD achieved on or more than 30 (thirty) days prior to the SCOD, bonus will be equal to 0.5% (Zero point five per cent) of 60 % (Sixty per cent) of the BPC for the first 30 (thirty) days by which COD shall precede the SCOD and thereafter the said bonus shall be calculated on the pro-rata basis for each day preceding the said 30 (thirty) days period. Termination: Default made as specified in CA except caused by force measure event, by concessionaire not cured in 60 days and by authority not cured in 90 days, contract will be terminated."	1,649.24	201.80
H.G. Khammam Devarapalle Pkg-1 Private Limited	The Company is formed as a special purpose vehicle (SPV) for Construction of 4 lane Access Controlled New Greenfield Highway Section of NH-365BG (Khammam-Devarapalle) of length 33.604 Km from Thallampadu village to Somavaram village (Design Ch. Km 0+000 to km 33+604) under Inter Corridor Route under Bharatmala Pariyojana, on Hybrid Annuity mode in the state of Telangana (Package-I), which shall be partly financed by the concessionaire who shall recover its investment and costs through annuity payments and O&M payment to be made by the authority, in accordance with the terms and conditions set forth in this concession agreement entered into.	"Period of Concession: 2022-2039 Remuneration: 40% during construction period and balance 60% in biannual annuity in 15 years as per concession agreement Investment grant from concession grantor: No Infrastructure return at the end of concession period: Yes Investment and renewal obligation: Nil Re-pricing dates: No Basis upon which re-pricing or re-negotiation is determined: NA Premium payable to granter: Nil BPC: 7,721.10 Millions O&M Payment: 70 Millions per year Bonus: If COD achieved on or more than 30 (thirty) days prior to the SCOD, bonus will be equal to 0.5% (Zero point five per cent) of 60 % (Sixty per cent) of the BPC for the first 30 (thirty) days by which COD shall precede the SCOD and thereafter the said bonus shall be calculated on the pro-rata basis for each day preceding the said 30 (thirty) days period. Termination: Default made as specified in CA except caused by force measure event, by concessionaire not cured in 60 days and by authority not cured in 90 days, contract will be terminated."	465.29	-

Notes forming part of the Consolidated Financial Statement

as at and for the year ended March 31, 2023

(All amounts are in ₹ millions, unless otherwise stated)

Name of Entity	Description of the Arrangement	Significant Terms of the Arrangement	Financial Assets as at March 31, 2023	Financial Assets as at March 31, 2022
H.G. Khammam Devarapalle Pkg-2 Private Limited	The Company is formed as a special purpose vehicle (SPV) for Construction of 4 lane Access Controlled New Greenfield Highway Section of NH-365BG (Khammam-Devarapalle) of length 29.513 km from Somavaram village to Chintagudem village (Design Ch. Km 33+604 to km 63+117) under Inter Corridor Route under Bharatmala Pariyojana on Hybrid Annuity mode in the state of Telangana (Package-II), which shall be partly financed by the concessionaire who shall recover its investment and costs through annuity payments and O&M payment to be made by the authority, in accordance with the terms and conditions set forth in this concession agreement entered into.	"Period of Concession: 2023-2039 Remuneration: 40% during construction period and balance 60% in biannual annuity in 15 years as per concession agreement Investment grant from concession grantor: No Infrastructure return at the end of concession period: Yes Investment and renewal obligation: Nil Re-pricing dates: No Basis upon which re-pricing or re-negotiation is determined: NA Premium payable to granter: Nil BPC: 6,371.10 Millions O&M Payment: 60 Million per year Bonus: If COD achieved on or more than 30 (thirty) days prior to the SCOD, bonus will be equal to 0.5% (Zero point five per cent) of 60 % (Sixty per cent) of the BPC for the first 30 (thirty) days by which COD shall precede the SCOD and thereafter the said bonus shall be calculated on the pro-rata basis for each day preceding the said 30 (thirty) days period. Termination: Default made as specified in CA except caused by force measure event, by concessionaire not cured in 60 days and by authority not cured in 90 days, contract will be terminated."	439.03	-
H.G. Raipur Visakhapatnam OD-5 Private Limited	The Company is formed as a special purpose vehicle (SPV) for Development of Six Lane Kaliagura-Baunsaguar Section of NH-130-CD Road from km 249+000 to km 293+000 under Raipur-Visakhapatnam Economics Corridor in the state of Odisha on Hybrid Annuity Mode (Package-OD-5), which shall be partly financed by the concessionaire who shall recover its investment and costs through annuity payments and O&M payment to be made by the authority, in accordance with the terms and conditions set forth in this concession agreement entered into.	"Period of Concession: 2023-2039 Remuneration: 40% during construction period and balance 60% in biannual annuity in 15 years as per concession agreement Investment grant from concession grantor: No Infrastructure return at the end of concession period: Yes Investment and renewal obligation: Nil Re-pricing dates: No Basis upon which re-pricing or re-negotiation is determined: NA Premium payable to granter: Nil BPC: 14,921.10 Millions (Excl Taxes) O&M Payment: 50 Millions per year Bonus: If COD achieved on or more than 30 (thirty) days prior to the SCOD, bonus will be equal to 0.5% (Zero point five per cent) of 60 % (Sixty per cent) of the BPC for the first 30 (thirty) days by which COD shall precede the SCOD and thereafter the said bonus shall be calculated on the pro-rata basis for each day preceding the said 30 (thirty) days period. Termination: Default made as specified in CA except caused by force measure event, by concessionaire not cured in 60 days and by authority not cured in 90 days, contract will be terminated."	2,400.86	-

Notes forming part of the Consolidated Financial Statement

as at and for the year ended March 31, 2023

(All amounts are in ₹ millions, unless otherwise stated)

Name of Entity	Description of the Arrangement	Significant Terms of the Arrangement	Financial Assets as at March 31, 2023	Financial Assets as at March 31, 2022
H.G. Raipur Visakhapatnam OD-6 Private Limited	The Company is formed as a special purpose vehicle (SPV) for Development of Six Lane Baunsaguar-Baraja Section of NH-130-CD Road from km 293+000 to km 338+500 under Raipur-Visakhapatnam Economics Corridor in the state of Odisha on Hybrid Annuity Mode (Package-OD-6), which shall be partly financed by the concessionaire who shall recover its investment and costs through annuity payments and O&M payment to be made by the authority, in accordance with the terms and conditions set forth in this concession agreement entered into.	"Period of Concession: 2023-2039 Remuneration: 40% during construction period and balance 60% in biannual annuity in 15 years as per concession agreement Investment grant from concession grantor: No Infrastructure return at the end of concession period: Yes Investment and renewal obligation: Nil Re-pricing dates: No Basis upon which re-pricing or re-negotiation is determined: NA Premium payable to granter: Nil BPC: 11,231.10 Millions (Excl Taxes) O&M Payment: 50 Millions per year Bonus: If COD achieved on or more than 30 (thirty) days prior to the SCOD, bonus will be equal to 0.5% (Zero point five per cent) of 60 % (Sixty per cent) of the BPC for the first 30 (thirty) days by which COD shall precede the SCOD and thereafter the said bonus shall be calculated on the pro-rata basis for each day preceding the said 30 (thirty) days period. Termination: Default made as specified in CA except caused by force measure event, by concessionaire not cured in 60 days and by authority not cured in 90 days, contract will be terminated."	1,796.29	-
H.G. Karnal-Ringroad Private Limited	The Company is formed as a special purpose vehicle (SPV) for Construction of 6-Lane Greenfield Karnal Ring Road starting from NH-44 near village Shamgarh (Design km 0+000) and terminating at Karnal Munak Road (MDR-115) near village Samalakha (Design km 34+500) under Bharatmala Pariyojana in the state of Haryana on Hybrid Annuity Mode, which shall be partly financed by the concessionaire who shall recover its investment and costs through annuity payments and O&M payment to be made by the authority, in accordance with the terms and conditions set forth in this concession agreement entered into.	"Period of Concession: 2023-2040 Remuneration: 40% during construction period and balance 60% in biannual annuity in 15 years as per concession agreement Investment grant from concession grantor: No Infrastructure return at the end of concession period: Yes Investment and renewal obligation: Nil Re-pricing dates: No Basis upon which re-pricing or re-negotiation is determined: NA Premium payable to granter: Nil BPC: 997.11 Crore Bonus: If COD achieved on or more than 30 (thirty) days prior to the SCOD, bonus will be equal to 0.5% (Zero point five per cent) of 60 % (Sixty per cent) of the BPC for the first 30 (thirty) days by which COD shall precede the SCOD and thereafter the said bonus shall be calculated on the pro-rata basis for each day preceding the said 30 (thirty) days period. Termination: Default made as specified in CA except caused by force measure event, by concessionaire not cured in 60 days and by authority not cured in 90 days, contract will be terminated."	-	

Notes forming part of the Consolidated Financial Statement

as at and for the year ended March 31, 2023

(All amounts are in ₹ millions, unless otherwise stated)

Note 54 - Disclosure of operating leases under Ind AS 116

Leases as lessee

The Group has obtained premises (office, residential and Camp) and machineries taken on lease. The terms of lease include terms of renewals, increase in rent in future period, terms of cancellation, etc. The agreements are executed for a period of 1 month to 36 months with a renewable clause and also provide for termination at will by either party giving a prior notice of 1 to 3 months at any time during the lease term. The Group classifies all the leases for period less than 12 months as short term leases. Accordingly, they have been accounted for by applying paragraph 6 of Ind AS 116 - Leases and an ₹43.79 Million (March 31, 2022 ₹54.36 Million) has been recognized as expense.

Amounts recognised in the Consolidated Statement of Profit and Loss

Particulars	Refer Note No.	Year ended March 31, 2023	Year ended March 31, 2022
Contract and site expenses	**32**		
Hire charges for machinery and others		289.58	236.55
Other expenses	**36**		
Lease rent (Also, Refer Note 3(b)(ii))		68.17	54.36
Total Expenses		**357.75**	**290.91**

Note 55 - Intra-group turnover and profits on DBFOT construction contracts to be included in consolidated financial statements

Design, Build, Finance, Operate and Transfer (DBFOT) contracts on hybrid annuity method are governed by Service Concession Agreements with government authorities (grantor). Under these agreements, the operator does not own the road, but gets the "right to receive annuity" against the construction services rendered. Since the construction revenue earned by the operator is considered as exchanged with the grantor against the right to receive annuity, revenue is recognised at fair value of construction services rendered and profit from such contracts is considered as realised.

Note 56 - Additional regulatory information required by Schedule III

(i) Details of benami property held

No proceedings have been initiated on or are pending against the Group for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

(ii) Borrowing secured against current assets

During the year the Holding Company has been sanctioned working capital limits in excess of ₹5 crores, in aggregate, from banks on the basis of security of current assets and certain identified immovable properties. Basis discussion between the Group and the respective lenders, the Holding Company has been filing quartely statements on mutually agreed basis for reporting, related to adjusted balances of Accounts receivables (excluding withheld balances by the respective debtors), Accounts payable (excluding payables to service vendors, provisions and balance for retention payable), Inventory (except Goods in Transit), Contract assets (upto 3 months outstanding), Advance to suppliers, Mobilization Advances. These statements, which have been filed for three quarters (upto Dec, 2022) by the Holding Company are in agreement with the unaudited books of account of the Holding Company for such respective quarters. Further, the Holding Company is in the process of filling quarterly returns and statements for the quarter ended March 31, 2023.

(iii) Wilful defaulter

Group has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(iv) Relationship with struck off companies

The Group does not have any transactions during the year with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

Name of struck off Group	Nature of transaction with struck off Group	Balance outstanding as at March 31, 2023	Balance outstanding as at March 31, 2022	Relationship with the struck off Group
Sudarshan Crushing Solutions Private Limited (OPC)	Payable	-	-	None
N G S Technology Private Limited	Advance	-	-	None

(v) Compliance with number of layers of companies

The Group has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

(vi) Compliance with approved scheme(s) of arrangements

The Group has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

(vii) Utilisation of borrowed funds and share premium

The Group has not advanced or given loans or invested funds to any other person or entity, including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or

b. provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the group shall:

a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

b. provide any guarantee, security or the like on behalf of the ultimate beneficiaries

(viii) Undisclosed income

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

(ix) Details of crypto currency or virtual currency

The Group has not traded or invested in crypto currency or virtual currency during the current or previous year.

(x) Valuation of PP&E, intangible asset and investment property

The Group has not revalued its property, plant and equipment (including right-of-use assets), Investment Property or intangible assets or both during the current or previous year.

(xi) The Group has a fund and non fund based facility limit of ₹22,000 million (March 31, 2022 ₹24,138.10 Million) with Bank which is secured by way of first charge on hypothecation of current assets viz. raw materials, stores and spares and receivables and certain identified immovable properties.

The Group has utilised the fund and non fund based facility during the FY 2022-23 and 2021-22 for working capital purposes.

Further,the charge has been created on hypothecation of the afore said current assets and immovable properties.

Notes forming part of the Consolidated Financial Statement

as at and for the year ended March 31, 2023

(All amounts are in ₹ millions, unless otherwise stated)

Note 57

As at March 31, 2023, the 10 subsidiary companies in the Group (the ""SPVs"") have assessed their collection plan (which is contractually recoverable from the respective customers In next 12 months for the work already done upto the reporting date and recognised as revenues in the books) and accordingly, classified the financial asset, related to ""Receivables under service concession agreement with National Highway Authorities of India"", between current and non-current assets. Whereas as at March 31, 2022, the SPVs classified their financial asset based on anticipated collections in next 12 months (pertaining to work already done upto March 31, 2022 as well as expected work to be delivered in next 12 months) resulting into misclassification between current financial assets and non-current financial assets as at March 31, 2022. Due to this, the SPVs have restated the current financial assets and non-current financial assets considering the expected collections in next 12 months from March 31, 2022 pertaining to the work done and corresponding revenues recognised by then only.

Furthermore, while there is no impact of the said reclassification on the Consolidated Statement of Profit and loss for the year ended March 31, 2022 and Total Equity of the Group as at March 31, 2022 and April 1, 2021 respectively, the Consolidated Balance Sheet as at April 1, 2021 has also been restated to correct the Impact of aforementioned reclassification.

The impact of reclassification is tabulated below:

			Restated			Restated	
Balance Sheet Caption	**Nomenclature in the notes**	**As at March 31, 2022**	**As at March 31, 2022**	**Net Impact**	**As at April 1, 2021**	**As at April 1, 2021**	**Net Impact**
Other Current Financial Assets	Service Concession arragement receivable from NHAI	3,068.53	1,883.53	1,185.00	3,300.94	1,102.94	2,198.00
Other Non-Current Financial Assets	Service Concession arragement receivable from NHAI	8,798.19	9,983.19	(1,185.00)	4,082.02	6,280.02	(2,198.00)
		11,866.72	**11,866.72**	**-**	**7,382.96**	**7,382.96**	**-**

Note 58

Subsequent to year end, pursuant to share purchase agreement ('SPA') dated May 03, 2023 the Group has agreed to sell its entire shareholding in 4 of its subsidiaries namely Gurgaon Sohna Highway Private Limited, H.G. Ateli Narnaul Highway Private Limited, H.G. Rewari Ateli Highway Private Limited and H.G. Rewari Bypass Private Limited to Highways Infrastructure Trust and Highway Concessions One Private Limited ("Buyers"). The transaction is subject to satisfaction of the conditions precedents set out in the SPA which includes third-party approvals and regulatory approvals as well as the satisfaction of certain contractual covenants and the consideration for sale is ₹5,310.00 Millions.

For **MSKA & Associates**
Chartered Accountants
Firm Registration No. 105047W

Rahul Aggarwal
Partner
Membership Number : 505676
Place : Jaipur
Date : May 10, 2023

For **Shridhar & Associates**
Chartered Accountants
Firm Registration Number : 134427W

Abhishek Pachlangia
Partner
Membership Number : 120593
Place : Jaipur
Date : May 10, 2023

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

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

Rajeev Mishra
Chief Financial Officer

Place : Jaipur
Date : May 10, 2023

Ankita Mehra
Company Secretary
Membership No : A33288
Place : Jaipur
Date : May 10, 2023

NOTICE OF ANNUAL GENERAL MEETING

H.G. INFRA ENGINEERING LIMITED

CIN: L45201RJ2003PLC018049

Reg. Off: 14, Panchwati Colony, Ratanada, Jodhpur-342001 (Rajasthan), Tel.: 0291-2515327

Corporate Office: III Floor, Sheel Mohar Plaza, A-1, Tilak Marg, C- Scheme, Jaipur 302001 (Rajasthan), Tel.: 0141-4106040-41; Fax: 0141-4106044

Email: cs@hginfra.com; Website: www.hginfra.com

NOTICE OF 21ST ANNUAL GENERAL MEETING

NOTICE is hereby given that the 21st Annual General Meeting (hereinafter referred to as "AGM") of the members ("Members" or "Shareholders") of H.G. Infra Engineering Limited ("Company") will be held on Monday, August 21, 2023 at 02:00 p.m. (IST) through Video Conference ("VC") / Other Audio-Visual Means ("OAVM"), to transact the following business.

ORDINARY BUSINESS:

1. To receive, consider and adopt:

a Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2023 and the Reports of the Board of Directors and Auditors thereon; and

b Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2023 and the Report of Auditors thereon.

2. To declare a Final dividend of ₹1.25/- per equity share of ₹10/- each for the financial year 2022-23.

3. To appoint a director in place of Mr. Vijendra Singh (DIN:01688452), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

4. To ratify the remuneration payable to Cost Auditors of the Company for the financial year ending March 31, 2024 and, if thought fit, to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and the Companies (Cost Records and Audit) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the remuneration payable to M/s. Rajendra Singh Bhati & Co., Cost Accountants (Firm Registration No. 101983), appointed by the Board of Directors as Cost Auditors of the Company to conduct the audit of the cost records of the Company for the financial year ending March 31, 2024, amounting to ₹1,89,750/- (Rupees One Lakh Eighty Nine Thousand Seven Hundred Fifty Only) and reimbursement of out-of-pocket expenses incurred in connection with the audit, be and is hereby ratified.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts, matters, deeds and things and take all such steps as may be necessary, proper or expedient to give effect to this Resolution."

By order of the Board,
For **H. G. Infra Engineering Limited**

Ankita Mehra
Company Secretary & Compliance Officer
Membership No - A33288
Place: Jaipur
Date: May 10, 2023

Registered Office:
14, Panchwati Colony, Ratanada,
Jodhpur, Rajasthan - 342001
CIN: L45201RJ2003PLC01849
Tel.: +91 0291 2515327
E-mail: cs@hginfra.com
Website: www.hginfra.com

NOTES

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (hereinafter referred to as the "Act") in respect of the Special Business to be transacted at the 21st Annual General Meeting (hereinafter referred to as "AGM") as set out under Item No. 4 above, and the relevant details of the Director proposed to be appointed/re-appointed at the AGM, as set out at Item No. 3 and the disclosure as a part of the explanatory statement to the Notice pursuant to Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "Listing Regulations") and as required under Secretarial Standard-2 on General Meetings issued by the Institute of Company Secretaries of India, is annexed hereto. The Board of Directors (hereinafter referred to as "Board") have considered and decided to include Item No. 4 given above as Special Business in the AGM, as it is unavoidable in nature.

2. In accordance with the provisions of the Act, read with the Rules made thereunder and General circular No.10/2022 dated December 28, 2022, read with General circular No. 02/2022 dated May 05, 2022, General Circular No. 21/2021 dated December 14, 2021, General Circular No. 19/2021 dated December 08, 2021, General Circular No. 02/2021 dated January 13, 2021, General Circular No. 28/2020 dated August 17, 2020, General Circular No.20/2020 dated May 05, 2020, General Circular No.18/2020 dated April 21, 2020 issued by the Ministry of Corporate Affairs ("MCA") read with relevant circular issued by the Securities and Exchange Board of India ("SEBI"), from time to time (hereinafter collectively referred to as "the Circulars"), companies are allowed to hold their AGM through Video Conferencing (VC) or Other Audio Visual Means (OAVM) without the physical presence of the Members for the meeting at a common venue. In terms of the said Circulars and in compliance with the provisions of the Act and the Listing Regulations, the AGM of the Company is being held through VC/OAVM. The deemed venue for the AGM shall be the Registered Office of the Company. The facility for voting through remote e-voting, participation in the AGM through VC/OAVM facility and e-voting during the AGM will be provided by Link Intime India Private Limited ("Registrar and Share Transfer Agent" or "RTA").

3. The Company is providing a video conferencing facility for the ease of participation of the Members. Participants i.e. members, directors, auditors and other eligible persons to whom this Notice is being circulated are allowed to submit their queries/questions etc. before the AGM in advance on the e-mail address of the Company at cs@hginfra.com

4. As the AGM is being held through VC/OAVM, the facility for appointment of Proxy by the Members is not available for this AGM and hence the Proxy Form and Attendance Slip including Route Map are not annexed to this Notice.

5. Institutional/Corporate Shareholders are required to send a scanned copy of their Board or governing body Resolution/ Authorization etc., authorizing its representative to attend the AGM through VC/OAVM on their behalf and to vote through remote e-Voting/e-Voting. The said resolution/ authorization shall be sent to Scrutinizer by email at aroracs2@gmail.com and to RTA by email at enotices@linkintime.co.in

6. Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

7. All the documents referred to in the accompanying Notice and the statement pursuant to Section 102(1) of the Act shall be available for inspection through electronic mode without any fee by the Members from the date of circulation of this Notice up to the date of AGM. Members are requested to write to the Company at cs@hginfra.com for an inspection of said documents.

8. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act and the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act and relevant documents referred to in this Notice and explanatory statement, will be available electronically for inspection by the Members during the AGM, upon login to https://instameet.linkintime.co.in/

9. The Company has fixed Monday, August 14, 2023 as the "Record Date" for determining the entitlement of Members for final dividend for the financial year ended March 31, 2023. If approved at the AGM, the dividend will be paid on or before Tuesday, September 19, 2023.

10. Members are requested to register/update their bank details with the Company in case shares are held in physical form and with their Depository Participants where shares are held in dematerialized mode, to enable expeditious credit of the dividend to their bank accounts electronically.

11. **IEPF:** The MCA had notified provisions relating to unpaid/ unclaimed dividends under Sections 124 and 125 of the Act and Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016. As per these Rules, dividends which are not encashed/claimed by the shareholder for a period of seven consecutive years shall be transferred to the Investor Education and Protection Fund (IEPF) Authority. The IEPF Rules mandate the companies to transfer the shares of shareholders whose dividends remain unpaid/unclaimed for a period of seven consecutive years to the demat account of the IEPF Authority. Hence, the Company urges all the Shareholders to encash/claim their respective dividends during the prescribed period. The details of the unpaid/unclaimed dividends lying with the Company are also available on the Company's website at

http://www.hginfra.com/investors-relation.html#btn-annual and the details for the financial year 2017-18, 2018-19, 2020-21 and 2021-22 have also been uploaded on the website of the IEPF Authority and the same can be accessed through the link www.iepf.gov.in During the financial year 2022-23, the Company was not liable to transfer any unclaimed dividends and corresponding shares thereto to IEPF.

12. The Securities and Exchange Board of India ("SEBI") vide its Circular SEBI/HO/MIRSD/MIRSD_RTAMB/P/ CIR/2022/8 dated January 25, 2022 has mandated that all requests for transfer of securities including transmission and transposition requests shall be processed only in dematerialized form. In view of the same and to eliminate all risks associated with physical shares and avail various benefits of dematerialisation, Members are advised to dematerialize the shares held by them in physical form, if any. Members can contact the Company or its RTA for assistance in this regard.

13. Nomination: Members holding shares in a single name are advised to avail of the facility of nomination in respect of shares held by them pursuant to the provisions of Section 72 of the Act. Members holding shares in physical form desiring to avail of this facility may send their nomination in the prescribed Form No. SH-13 duly filled into RTA. Members holding shares in electronic mode may contact their respective Depository Participants to avail of this facility.

14. Electronic dispatch of Annual Report and process for registration of email id for obtaining a copy of Annual Report:

In compliance with the Circulars, electronic copy of the Annual Report of the Company for the financial year 2022-23 containing the Notice of the AGM, Financial Statements and other Statutory Reports are being sent only through electronic mode to those Members whose email addresses are registered with the Company/RTA /Depository Participants ('DPs'). Members may note that the Notice and Annual Report 2022-23 will also be available on the Company's website at www.hginfra.com and on websites of the Stock Exchanges i.e. BSE Limited and The National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of the RTA at www.linkintime.co.in. Members can attend and participate in the AGM through VC/OAVM facility only.

Process for registration of email ID:

In case the Shareholders has not registered his/her/their email address with the Company/its RTA/Depositories, the following instructions to be followed:

(i) Kindly log in to the website of the Registrar, www.linkintime.co.in under Investor Services > Email Registration- fill in the details and upload the required documents and submit.

OR

(ii) In the case of Shares held in Demat mode: The shareholder may please contact the Depository Participant ("DP") and register the email address and bank account details in the Demat account as per the process followed and advised by the DP.

In case of any queries/difficulties in registering the e-mail address, Members may write to cs@hginfra.com

15. Members seeking any information with regard to any matter to be placed at the AGM, are requested to write to the Company at cs@hginfra.com

16. Members are requested to:

(i) intimate to Link Intime, changes, if any, in their registered addresses at an early date, in case of Shares held in physical form;

(ii) intimate to the respective Depository Participant, changes, if any, in their registered addresses at an early date, in case of Shares held in dematerialized form;

(iii) quote their folio numbers/Client ID/DP ID in all correspondence; and

(iv) consolidate their holdings into one folio in case they hold Shares under multiple folios in identical order of names.

17. The SEBI has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Accordingly, Members holding shares in electronic form are requested to submit their PAN to the Depository Participants with whom they maintain their demat accounts. Members holding shares in physical form should submit their PAN to the Company/RTA.

18. **Scrutinizer:** The Board of Directors of the Company has appointed Mr. Deepak Arora, Partner, M/s. Deepak Arora & Associates, Practicing Company Secretaries (Membership No. F5104, COP: 3641), as the Scrutinizer for conducting the voting process of the AGM in a fair and transparent manner.

19. **Submission of questions/queries prior to AGM:**

(i) As the AGM is being conducted through VC / OAVM, for the smooth conduct of proceedings of the AGM, Members are encouraged to express their views / send their queries in advance mentioning their name demat account number/folio number, email id, mobile number at cs@hginfra.com Questions/ queries received by the Company till 05:00 p.m. (IST) on Thursday, August 17, 2023 shall only be considered and responded during the AGM.

(ii) Members can also post their questions during AGM through the "Question/Suggestion" option, which is available in the VC/OAVM facility.

(iii) Members who would like to express their views or ask questions during the AGM may register themselves as a speaker as per instructions explained in note no. 24 below.

(iv) The Company reserves the right to restrict the number of questions and number of speakers, as appropriate for the smooth conduct of the AGM.

(v) Members intending to require any other information, are requested to inform the Company at least seven days in advance of the meeting.

20. **General Information:**

(i) The record date and the cut-off date will be Monday, August 14, 2023 ("Record date"/ "Cut off Date") to receive the final dividend for the financial year ended March 31, 2023 and for the purpose of ascertaining the names of the Members, who will be entitled to cast their votes electronically in respect of the business to be transacted at the AGM.

(ii) The Members, whose names appear in the Register of Members/list of Beneficial Owners as on cut-off date, are entitled to vote on the resolutions set forth in this Notice. A person who is not a member as on the cut-off date should treat this Notice for information purposes only. Any person, who acquires shares of the Company and becomes a Member of the Company after the Company dispatch the Notice and holds shares as on the cut-off date may cast their vote as per instructions explained in note no. 22 below.

(iii) The voting rights of Members shall be in proportion to their shares of the paid-up equity share capital in the Company as on the cut-off date. Members are eligible to cast vote only if they are holding shares as on the cut off date.

(iv) The remote e-Voting period commences on Friday, August 18, 2023 at 09:00 a.m. (IST) and will end on Sunday, August 20, 2023 at 05:00 p.m. (IST). During this period, Members holding shares either in physical form or in dematerialized form, as on the cut-off date may cast their vote electronically. The e-Voting module shall be disabled by Link Intime India Private Limited ("Linkintime" Or "Service Provider") for voting thereafter.

(v) Members have the option to cast their vote on any of the resolutions using the remote e-Voting facility either during the period commencing on Friday, August 18, 2023 at 09:00 a.m. (IST) and ending on Sunday, August 20, 2023 at 05:00 p.m. (IST), or e-Voting during the AGM. Members who have cast their votes by remote e-Voting prior to the AGM may also attend/ participate in the AGM through VC/OAVM but they shall not be entitled to cast their vote again. However, Members who have voted on some of the resolutions during the remote e-voting period are also eligible to vote on the remaining resolutions during the AGM.

(vi) In case of joint holders attending the AGM, only such joint holder who is higher in the order of names will be entitled to vote at the AGM.

(vii) Members may note that the VC/OAVM Facility, provided by Link Intime, allows the participation of at least 1,000 Members on a first-come-first-served basis. The large Members (i.e. Members holding 2% or more shareholding), promoters, institutional investors, directors, key managerial personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, auditors, etc. can attend the AGM without any restriction on account of first-come-first-served principle.

(viii) For the convenience of the Members and proper conduct of the AGM, Members can login and join at least 15 (fifteen) minutes before the time scheduled for the AGM. The facility to join the AGM shall be kept open throughout the proceedings of the AGM.

(ix) The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of the scrutinizer, by use of electronic voting for all those Members who are present at the AGM but have not cast their votes by availing the remote e-Voting facility.

(x) The results shall be declared within 2 working days from the conclusion of the AGM. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company at www.hginfra.com and on the website of Linkintime 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 BSE Limited and the National Stock Exchange of India Limited.

(xi) Members holding shares in physical form are requested to advise any change of address immediately to the Company's RTA. Members holding shares in electronic form must send the advice about the change in address to their respective Depository Participant only and not to the Company or the RTA.

21. **Dividend**

(i) The Board of Directors has recommended a Final Dividend of ₹1.25/- (One Rupee Twenty Five Paise only) (@ 12.50%) per Equity Share of ₹ 10/- each for the financial year ended March 31, 2023, subject to the approval of the Shareholders at the AGM. Pursuant to the provisions of Section 123 of the Companies Act, 2013, the payment of Final Dividend on Equity Shares, upon declaration by the Shareholders at the AGM, will be made on or before September 19, 2023 (i.e. within 30 days from the date of declaration), to those members whose names appear in the Register of Members/list of Beneficial Owners as on cut off date being the record date.

(ii) Members holding shares in electronic form are hereby informed that bank particulars registered with their respective Depository Participants (DP), with whom they maintain their demat accounts, will be used by the Company for payment of dividend.

(iii) Members holding shares in physical/electronic form are required to submit their bank account details, if not already registered or if it has changed, as mandated by the Securities and Exchange Board of India ("SEBI").

(iv) Shareholders holding shares in dematerialized mode are requested to register complete bank account details with the Depository Participant(s) and shareholders holding shares in physical mode shall send a duly signed request letter to RTA mentioning the name, folio no., bank details, self-attested PAN card and original cancelled cheque leaf. In case of the absence of the name of the first shareholder on the original cancelled cheque or initials on the cheque, bank attested copy of the first page of the Bank Passbook/Statement of Account along with the original cancelled cheque shall be provided. The Company or its RTA cannot act on any request received directly from the Members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the respective Depository Participant of the Members.

(v) In case the Company is unable to pay the dividend to any shareholder by electronic mode, due to the non-availability of the details of the bank account, the Company shall dispatch the dividend warrants/ demand drafts/ cheques to such shareholder by post.

(vi) In terms of the provisions of the Income Tax Act, 1961 ("the Act"), dividends paid or distributed by a company shall be taxable in the hands of shareholders. The Company shall, therefore, be required to deduct tax at source ('TDS') at the time of making the payment of the final dividend at the applicable tax rates. The rate of TDS would depend upon the category and residential status of shareholders and the documents submitted and duly accepted by the Company.

As it is important for the Company to receive the relevant information/ documents from shareholders to determine the rate of tax deduction, the shareholders are requested to furnish relevant documentation in a prescribed manner.

Accordingly, shareholders are hereby requested to visit the Company's website at http://hginfra.com/investors-relation.html#btn-annual wherein we have provided complete information relating to TDS on dividends along with the draft of the relevant documents to be submitted by the shareholders.

The shareholders are required to upload the documents on the Linkintime portal at https://linkintime.co.in/formsreg/submission-of-form-15g-15h.html on or before Monday, August 21, 2023 at 05:00 p.m. (IST). Incomplete and/or unsigned forms and declarations will not be considered by the Company. Any communication on the tax determination/ deduction received post Monday, August 21, 2023 at 05:00 p.m. (IST) shall not be considered. All communications/ queries in this respect should be addressed to RTA to its email address at delhi@linkintime.co.in.

22. **Voting through electronic means:**

In compliance with provisions of Section 108 of the Act, Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of the Listing Regulations (including any statutory modification(s) and/ or re-enactment(s) thereof for the time being in force), the Company is pleased to provide the facility to Members to exercise their right to vote on the resolutions proposed to be passed at AGM by electronic means. For this purpose, the Company has entered into an agreement with LINKINTIME for facilitating voting through electronic means, as the authorized agency. The facility for voting through remote e-voting, participation in the AGM through VC/ OAVM facility and e-voting during the AGM will be provided by LINKINTIME.

Remote e-Voting Instructions for shareholders/ Members:

As per the SEBI circular dated December 9, 2020, individual shareholders holding securities in demat mode can register directly with the depository or will have the option of accessing various ESP portals directly from their demat accounts. **Login method for Individual shareholders holding securities in demat mode is given below:**

1. Individual Shareholders holding securities in demat mode with NSDL:

   I. Existing IDeAS user can visit the e-Services website of NSDL viz. https://eservices.nsdl.com either on a personal computer or on a mobile. On the e- Services home page click on the "Beneficial Owner" icon under "Login"" which is available under 'IDeAS' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under value added services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name i.e. LINKINTIME and you will be re-directed to "InstaVote" website for casting your vote during the remote e-Voting period.

II. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com Select "Register Online for IDeAS Portal" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp

III. Visit the e-Voting website of NSDL. Open web browser by typing the following URL:https://eservices.nsdl.com either on a personal computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen-digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name i.e. Linkintime and you will be redirected to "InstaVote" website for casting your vote during the remote e-Voting period.

2. Individual Shareholders holding securities in demat mode with CDSL:

I. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. The option will be made available to reach e-Voting page without any further authentication. The users to login Easi / Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then use your existing my easi username & password.

II. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-voting is in progress as per the information provided by the company. On clicking the e-voting option, the user will be able to see e-Voting page of the e-Voting service provider i.e. Linkintime for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there are also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.

III. If the user is not registered for Easi/Easiest, the option to register is available at CDSL website http://www.cdslindia.com/ click on login & New System Myeasi Tab and then click on registration option.

IV. Alternatively, the user can directly access the e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com

V. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, the user will be able to see the e-Voting option where the e-voting is in progress and also able to directly access the system of all e-Voting Service Providers.

3. Individual Shareholders (holding securities in demat mode) login through their depository participants:

You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After successful login in, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name i.e. Linkintime and you will be redirected to e- voting service provider website for casting your vote during the remote e- Voting period.

Login method for Individual shareholders holding securities in physical form/ Non-Individual Shareholders holding securities in demat mode is given below:

Individual Shareholders of the company, holding shares in physical form / Non-Individual Shareholders holding securities in demat mode as on the cut-off date for e-voting may register for e-Voting facility of Linkintime as under:

1. Open the internet browser and launch the URL: https://instavote.linkintime.co.in

2. Click on "**Sign Up**" under '**SHARE HOLDER**' tab and register with your following details: -

A. User ID:

Shareholders holding shares in physical form shall provide Event No and Folio Number registered with the Company. Shareholders holding shares in NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID; Shareholders holding shares in CDSL demat account shall provide 16 Digit Beneficiary ID.

B. PAN:

Enter your 10-digit Permanent Account Number (PAN) Shareholders who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.

C. DOB/DOI:

Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP /Company - in DD/MM/YYYY format)

D. Bank Account Number:

Enter your Bank Account Number (last four digits), as recorded with your DP/Company.

*Shareholders holding shares in **physical form** but have not recorded 'C' and 'D', shall provide their Folio number in 'D' above

*Shareholders holding shares in **NSDL form**, shall provide 'D' above

- Set the password of your choice (The password should contain minimum 8 characters, at least one special Character (@!#$&*), at least one numeral, at least one alphabet and at least one capital letter).
- Click "confirm" (Your password is now generated).

3. Click on 'Login' under '**SHARE HOLDER**' tab.
4. Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on '**Submit**'.

Cast your vote electronically:

a). After successful login, you will be able to see the notification for e-voting. Select '**View**' icon.

b). E-voting page will appear.

c). Refer the Resolution description and cast your vote by selecting your desired option '**Favour / Against**' (If you wish to view the entire Resolution details, click on the '**View Resolution**' file link).

d). After selecting the desired option i.e. Favour / Against, click on '**Submit**'. A confirmation box will be displayed. If you wish to confirm your vote, click on '**Yes**', else to change your vote, click on 'No' and accordingly modify your vote.

Guidelines for Institutional shareholders:

Institutional shareholders (i. e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on the e-voting system of LINKINTIME at https://instavote.linkintime.co.in and register themselves as '**Custodian / Mutual Fund / Corporate Body'**. They are also required to upload a scanned certified true copy of the board resolution /authority letter/ power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the '**Custodian / Mutual Fund / Corporate Body'** login for the Scrutinizer to verify the same.

Helpdesk for Individual Shareholders holding securities in physical mode/ Institutional shareholders:

Shareholders facing any technical issue in login may contact to Linkintime Instavote helpdesk by sending a request at enotices@linkintime.co.in or contact on: - Tel: 022 – 4918 6000.

Helpdesk for Individual Shareholders holding securities in demat mode:

Individual Shareholders holding securities in demat mode may contact the respective helpdesk for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 022 - 4886 7000 and 022 - 2499 700
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 1800 22 55 33

Individual Shareholders holding securities in Physical mode has forgotten the password:

If an Individual Shareholders holding securities in Physical mode has forgotten the USER ID [Login ID] or Password or both then the shareholder can use the "Forgot Password" option available on the e-Voting website of Link Intime: https://instavote.linkintime.co.in

- Click on '**Login**' under '**SHARE HOLDER**' tab and further Click '**forgot password**?'
- Enter User ID, select Mode and Enter Image Verification code (CAPTCHA). Click on "SUBMIT".

In case shareholders is having valid email address, Password will be sent to his / her registered e-mail address.

Shareholders can set the password of his/her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. as mentioned above.

The password should contain minimum 8 characters, at least one special character (@!#$&), at least one numeral, at least one alphabet and at least one capital letter.*

User ID for Shareholders holding shares in Physical Form (i. e. Share Certificate): Your User ID is Event No and Folio Number registered with the Company.

Individual Shareholders holding securities in demat mode with NSDL/ CDSL has forgotten the password:

Shareholders who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at above mentioned depository/ depository participants website.

- It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- For shareholders/ members holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.

- During the voting period, shareholders/ members can login any number of time till they have voted

on the resolution(s) for a particular "Event".

23. **Process and manner for attending the AGM through InstaMeet:**

Open the internet browser and launch the URL: https://instameet.linkintime.co.in

- Select the "**Company**" and '**Event Date**' and register with your following details:

  A. Demat Account No. or Folio No: Enter your 16-digit Demat Account No. or Folio No

  - Shareholders/ members holding shares in **CDSL demat account shall provide 16 Digit Beneficiary ID**
  - Shareholders/ members holding shares in **NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID**
  - Shareholders/ members holding shares in **physical form shall provide** Folio Number registered with the Company

  B. PAN: Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.

  C. Mobile No.: Enter your mobile number.

  D. Email ID: Enter your email id, as recorded with your DP/Company.

  - Click "Go to Meeting" (You are now registered for InstaMeet and your attendance is marked for the meeting).

24. **Instructions for Shareholders/ Members to Speak during the AGM through InstaMeet:**

(i) Shareholders who would like to speak during the meeting must register their request 3 days in advance with the company on cs@hginfra.com for the general meeting.

(ii) Shareholders will get confirmation on first cum first basis.

(iii) Shareholders will receive "speaking serial number" once they mark attendance for the meeting.

(iv) Other shareholders may ask questions to the panellist, via active chat-board during the meeting.

(v) Please remember speaking serial number and start your conversation with panellist by switching on video mode and audio of your device.

Shareholders are requested to speak only when moderator of the meeting/ management will announce the name and serial number for speaking.

25. **Instructions for Shareholders/ Members to Vote during the AGM through Insta Meet:**

Once the electronic voting is activated by the scrutinizer/ moderator during the meeting, shareholders who have not exercised their vote through the remote e-voting can cast the vote as under:

(i) On the Shareholders VC page, click on the link for e-Voting "Cast your vote"

(ii) Enter your 16-digit Demat Account No. / Folio No. and OTP (received on the registered mobile number/ registered email Id) received during registration for Insta MEET and click on 'Submit'.

(iii) After successful login, you will see "Resolution Description" and against the same the option "Favour/ Against" for voting.

(iv) Cast your vote by selecting appropriate option i.e. "Favour/Against" as desired. Enter the number of shares (which represents no. of votes) as on the cut-off date under 'Favour/Against'.

(v) After selecting the appropriate option i.e. Favour/ Against as desired and you have decided to vote, click on "Save". A confirmation box will be displayed. If you wish to confirm your vote, click on "Confirm", else to change your vote, click on "Back" and accordingly modify your vote.

(vi) Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

Note: Shareholders, who will be present in the AGM through InstaMeet facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting facility during the meeting. Shareholders who have voted through Remote e-Voting prior to the AGM will be eligible to attend/ participate in the AGM through InstaMeet. However, they will not be eligible to vote again during the meeting.

Shareholders are encouraged to join the Meeting through Tablets/ Laptops connected through broadband for better experience.

Shareholders are required to use the Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.

Please note that Shareholders connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspot may experience Audio/Visual loss due to fluctuation in their network. It is therefore recommended to use stable Wi-FI or LAN connection to mitigate any kind of aforesaid glitches.

In case Shareholders have any queries regarding login/ e-voting, they may send an email to enotices@linkintime.co.in or contact to Rajiv Ranjan, Assistant Vice President - e-Voting, Link Intime India Private Limited.

EXPLANATORY STATEMENT

Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("the Act") and Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations")

The following statement set out all material facts relating to Item Nos. 4 mentioned in the accompanying Notice:

Item No. 4

The Board of Directors, on the recommendation of the Audit Committee, has approved the appointment and remuneration of M/s. Rajendra Singh Bhati & Co., Cost Accountants (Firm Registration No. 101983), as the Cost Auditors of the Company to conduct the audit of the cost record of the Company for the financial year ending March 31, 2024. In terms of the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and the Companies (Cost Records and Audit) Rules, 2014, the remuneration payable to the Cost Auditors is required to be approved by the Members of the Company. Accordingly, consent of the Members is sought for the remuneration payable to the Cost Auditors.

None of the Directors or Key Managerial Personnel of the Company or their relatives are interested or concerned, financially or otherwise, in this resolution.

The Board recommends the Ordinary Resolution set out at Item No.4 of the Notice for approval by the Members.

By order of the Board,
For **H. G. Infra Engineering Limited**

Ankita Mehra
Company Secretary & Compliance Officer
Membership No- A33288

Place : Jaipur
Date: May 10, 2023

Registered Office:
14, Panchwati Colony, Ratanada,
Jodhpur, Rajasthan - 342001
CIN: L45201RJ2003PLC018049
Tel.: +91 0291 2515327
E-mail: cs@hginfra.com
Website: www.hginfra.com

Annexure

Details of Director seeking appointment/re-appointment in forthcoming Annual General Meeting

Pursuant to Regulation 36 (3) of the Listing Regulations and Secretarial Standard on General Meetings issued by Institute of Company Secretaries of India (ICSI):

Item No.03

Name of Director(s)	Mr. Vijendra Singh
DIN	01688452
Age (Years)	58
Qualifications	Basic Education
Experience (including expertise in specific functional area)/ brief Resume	Mr. Vijendra Singh has been on the Board of the Company since its incorporation. He has over 31 years of experience in construction Industry.
Expertise in specific functional areas	Vast experience in all functions of the Company.
Date of First Appointment on the Board	January 21, 2003
Shareholding in the Company as on March 31, 2023	100 Equity Shares of face value of ₹10 each
Terms and Conditions of Appointment/ Re-Appointment	Executive Director designated as Whole-time Director, liable to retire by rotation
Details of Remuneration last drawn (FY 2022-23)	₹15.00 Million
Details of proposed remuneration	₹18.00 Million
Relationship with other Director/ Key Managerial Personnel	Brother of Mr. Harendra Singh, Promoter and Managing Director
Number of meetings of the Board attended during the financial year 2022-23	4 of 4
Chairperson/ Members of the Statutory Committee (s) of Board of Directors of the Company as on date	• Chairperson, Corporate Social Responsibility Committee • Member, Stakeholders Relationship Committee • Member, Risk Management Committee
Directorship of other Board as on March 31, 2023 excluding Directorship in Private and Section 8 Companies. [along with listed entities from which the person has resigned in the past three years];	• H.G. Rewari Ateli Highway Private Limited • H.G. Rewari Bypass Private Limited • H.G. Khammam Devarapalle PKG-2 Private Limited • H.G. Raipur Visakhapatnam OD-5 Private Limited • H.G. Karnal-Ringroad Private Limited
Chairperson/ Members of the Statutory Committee (s) of Board of Directors of other companies as on March 31, 2023 excluding Directorship in Private and Section 8 Companies [along with listed entities from which the person has resigned in the past three years];	Nil

NOTES

H.G. Infra Engineering Limited

Registered office
14, Panchwati Colony, Ratanada, Jodhpur-342001 (Raj.)
P: 0291-2515327 | **E:** cs@hginfra.com | **W:** hginfra.com

Corporate office
III Floor, Sheel Mohar Plaza, A-1, Tilak Marg, C-Scheme, Jaipur- 302001(Raj.)
P: 0141-4106040 | **F:** 0141-4106044 | **E:** cs@hginfra.com | **W:** hginfra.com