

ANNUAL REPORT  
**2021-22**



H.G. Infra Engineering Limited

# **STRONG PERFORMANCE SUSTAINABLE FUTURE**

**Infrastructure beyond Highways**



# CONTENTS

## 01-20

### CORPORATE OVERVIEW

About HG Infra	02
Geographic Presence	04
Key Performance Indicators	06
Message from the Chairman	10
Industry Opportunities	12
Strategy	14
Board of Directors	16
Corporate Social Responsibility	18
Corporate Information	20

## 21-116

### STATUTORY REPORTS

Management Discussion & Analysis	22
Board's Report	26
Corporate Governance Report	57
Business Responsibility Report	109

## 117-271

### FINANCIAL STATEMENTS

Standalone Independent Auditor's Report	118
Standalone Balance Sheet	130
Standalone Statement of Profit and Loss	131
Standalone Cash Flow Statement	132
Standalone Statement of Changes in Equity	134
Notes to the Standalone Financial Statements	135
Consolidated Independent Auditor's Report	196
Consolidated Balance Sheet	204
Consolidated Statement of Profit and Loss	205
Consolidated Cash Flow Statement	206
Consolidated Statement of Changes in Equity	208
Notes to the Consolidated Financial Statements	209
NOTICE	272

#### Forward-looking statement / Cautionary 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.

# STRONG PERFORMANCE. SUSTAINABLE FUTURE.

At HG Infra, we have come a long way since a humble beginning. From being a regional player, we have spread to nine geographies. From executing sub-contracted jobs, we have built competencies to bid for and execute largescale EPC and HAM projects as a prime contractor. From having a traditional set-up, we are continually investing in modern fleet, digital technologies and sustainability efforts that are driving efficiency and accelerating our long-term growth.

Our sustained focus on building capabilities through the years has positioned us as an important player in the road construction space.

The impact of these was evident even in a challenging year, when we delivered a solid all-round performance. Even as supply chain was impacted and input costs rose, we executed ₹ 36,152 Mn worth of projects. Even as new ordering activity was weak, we bagged new inflows of ₹ 43,279 Mn

Our strong performance solidifies our position in the industry and reinforces our confidence of a sustainable future ahead as India embarks on mega infrastructural development agenda.

## This is how we delivered in FY 2021-22

### Revenue

₹ **36,152** Mn

↑ 43% over FY21

↑ 27% 4-year CAGR

### EBITDA

₹ **5,847** Mn

↑ 40% over FY21

↑ 29% 4-year CAGR

### PAT

₹ **3,388** Mn

↑ 61% over FY21

↑ 42% 4-year CAGR

### Gross Block

₹ **8,077** Mn

↑ 6% over FY21

↑ 13% 4-year CAGR

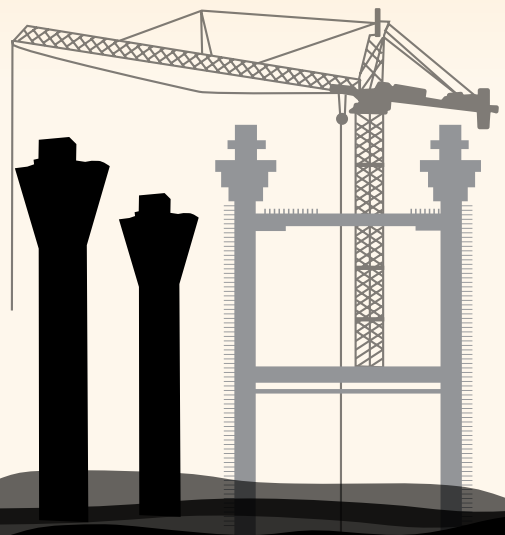




## ABOUT HG INFRA LEADING THE WAY WITH EXTENSIVE EPC EXPERTISE

HG Infra is a dominant player in the road construction space with competencies to undertake EPC, HAM and civil construction related infrastructure projects. Our robust business model led by complete integration, a large fleet of in-house equipment and skilled human resources make us a preferred player in the segment. We have a proven track record of delivering projects with highest quality and safety standards and on a timely basis across diverse geographies of India.

For nearly two decades, we have been paving new paths for the infrastructure development and national growth in India and alongside sustainably creating value for all stakeholders. As the country embarks on an ambitious mission of creating infrastructure with a spending of ₹ 111 trillion, we look to play an important role and support nation's growth.



**19**

Years of operations

**₹ 79,729 Mn**

Order book position

**20+**

Active projects (9 HAM)

**41 till date**

Projects delivered

**4,800+**

Employees

**₹ 20,000 Mn**

EPC pre-qualification limit



## 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 the world-class assets and infrastructure to provide the platform for faster and consistent growth for India to become 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

- Trust
- Passion
- Quality



## Our reputation

ISO 9001:2015 certified for Quality Management System  
OHSAS 18001: 2007 certified for Health & Safety Management System  
ISO 14001:2004 certified for Environmental Management System

### Built on a solid foundation



#### Execution excellence

- 41 till date projects delivered and 20+ active projects across nine geographies
- 2,000+ fleet of modern equipment enabling high operational efficiency
- Zero project delays
- Ability to execute projects under BOT and HAM models



#### Strong leadership and governance practices

- 25 years of average senior management experience
- High standard of corporate governance



#### Robust IT infrastructure

- Multiple digital initiatives implemented including for real-time project monitoring, supply chain management, planning accuracy and concurrent project management

- Sensor-based technology being installed for real-time fuel consumption monitoring



#### Experienced team

- 9.4% years of average experience of team
- 45.9% of full-time employees are qualified engineers and management professionals



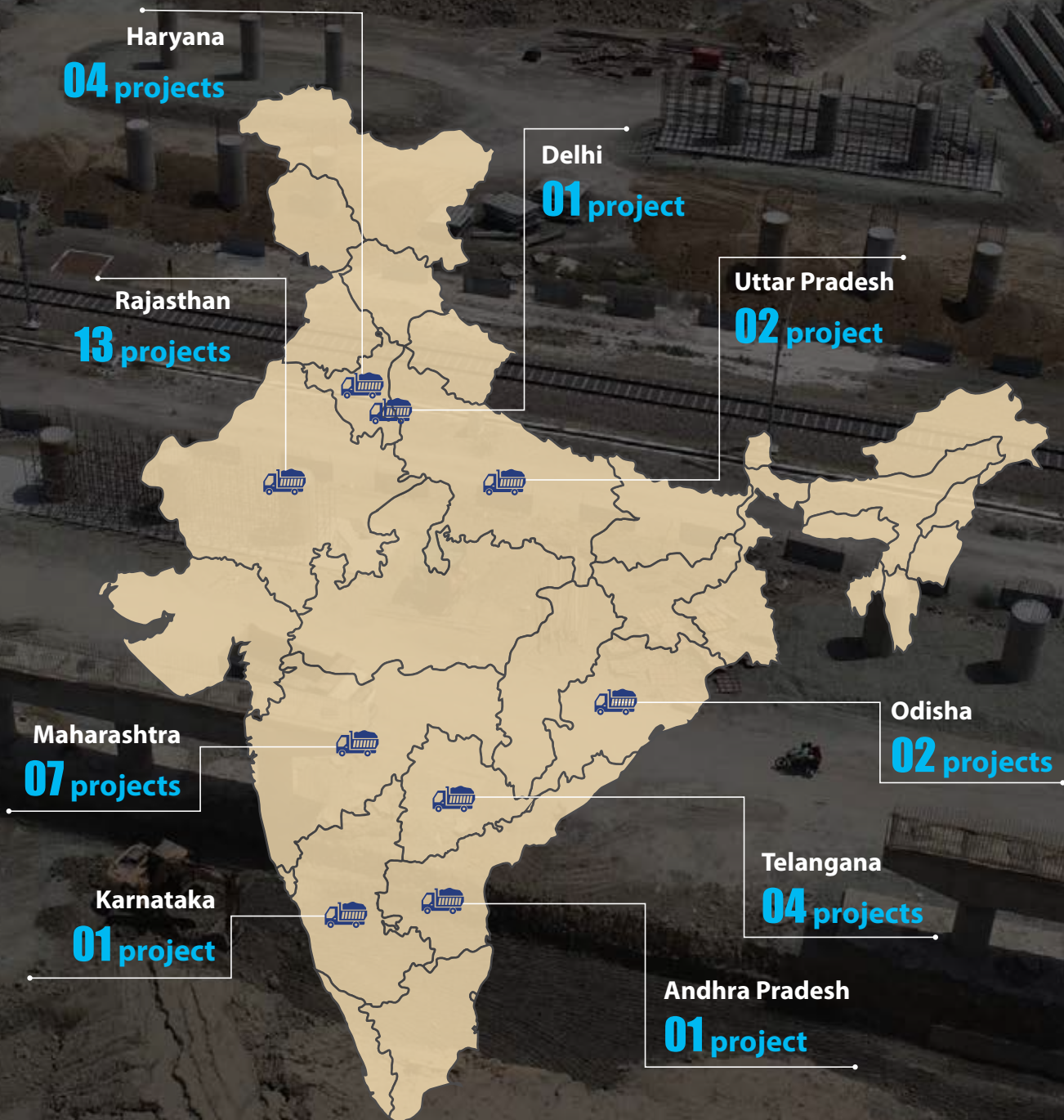
#### Strong financial position with AA- rating

- 25% ROE and 33% ROCE
- AA- Credit rating from A+ ensuring low cost of debt and the effect of the new rating will be improved in due course of time in this financial year in line with the movement in the bank rates





# GEOGRAPHIC PRESENCE CHARTING OUR PATH TO NEWER GEOGRAPHIES

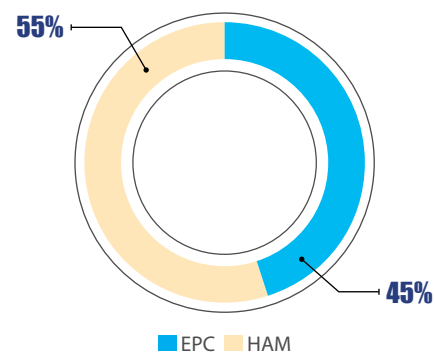
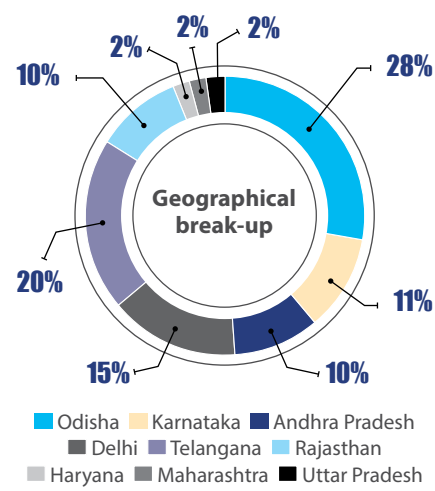
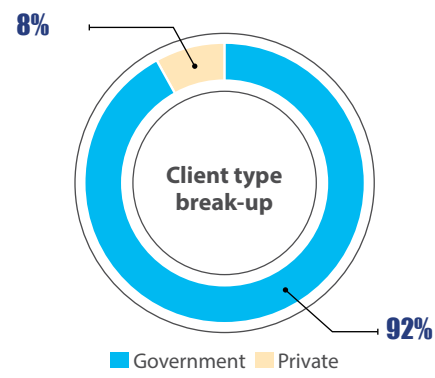




## Details of projects as on March 31, 2022

Project	Awarding authority	State	Unexecuted Value (₹ Mn)	Status
Delhi Vadodara Pkg-9	NHAI	Rajasthan	4,955	Under Execution
Mancherial – Repallewa	Adani	Telangana	4,057	Under Execution
Delhi Vadodara Pkg-8	NHAI	Rajasthan	2,039	Under Execution
Hapur Moradabad	IRB - MRM	Uttar Pradesh	1,889	Under Execution
Rewari Bypass Pkg-4	NHAI	Haryana	1,800	Under Execution
MoRTH Projects (MH)	MoRTH	Maharashtra	1,325	Under Execution
Rewari Ateli Mandi	NHAI	Haryana	271	Under Operation & Maintenance
Narnaul Bypass	NHAI	Haryana	130	Under Operation & Maintenance
Delhi Vadodara Pkg-4	NHAI	Rajasthan	99	Under Execution
Rajasthan (World Bank funded)	PWD	Rajasthan	658	Under Execution
Gurgaon-Sohna (Rajiv Chowk)	NHAI	Haryana	12	Under Operation & Maintenance
Karala-Kanjhawala UER	NHAI	Delhi	11,884	Under Execution
Raipur-Visakhapatnam AP-1	NHAI	Andhra	7,927	Under Execution
Khammam-Devarapalle Pkg-1	NHAI	Telangana	6,071	A.D Awaited
Khammam-Devarapalle Pkg-2	NHAI	Telangana	5,042	A.D Awaited
Raipur-Visakhapatnam OD-5	NHAI	Odisha	12,766	A.D Awaited
Raipur-Visakhapatnam OD-6	NHAI	Odisha	9,502	A.D Awaited
Neelmangala-Tumkur	NHAI	Karnataka	8,436	A.D Awaited
Others	MES/PWD/ Other Private Clients	Various States	866	Under Execution

## Order book diversity

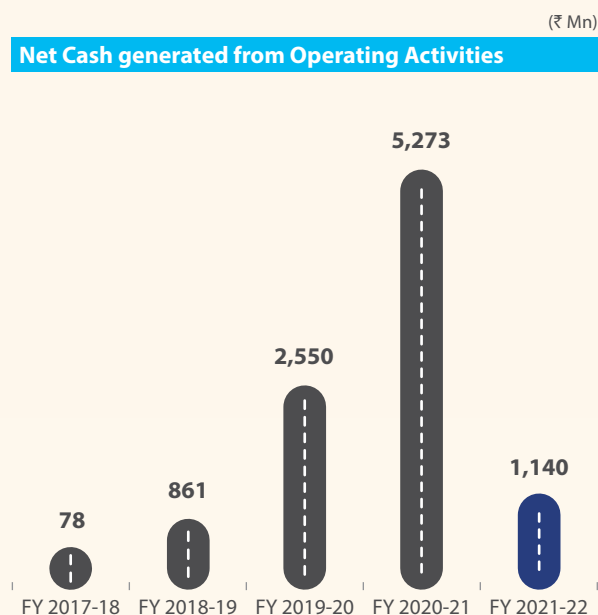
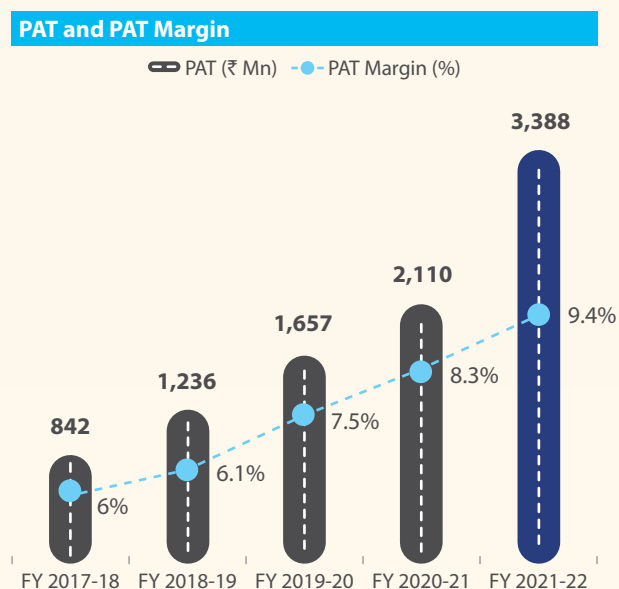
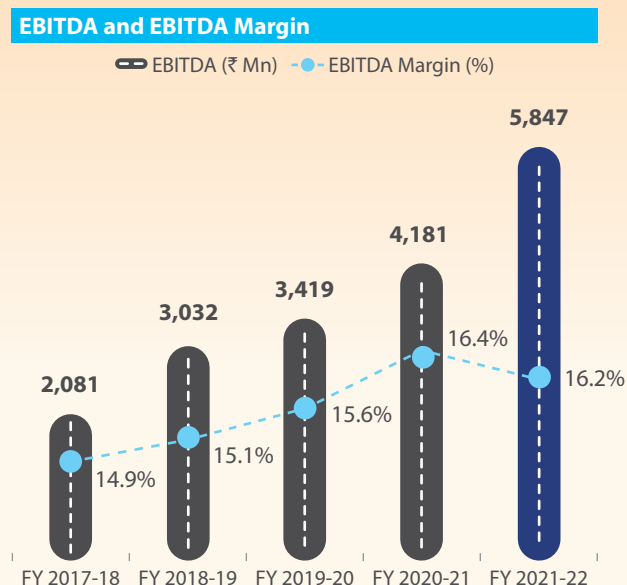
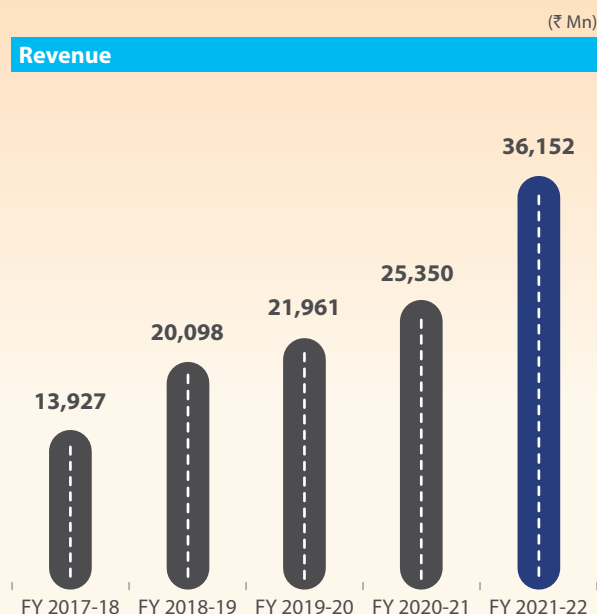




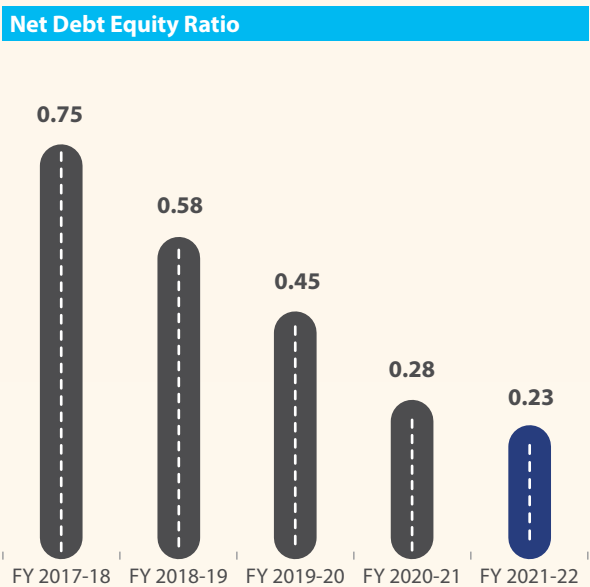
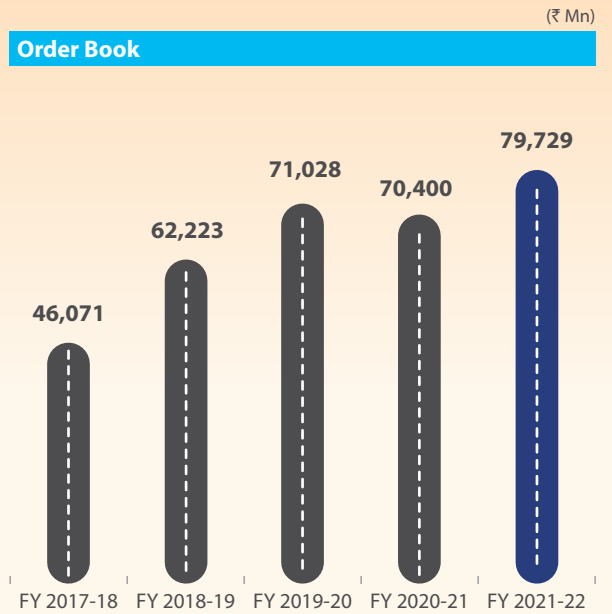
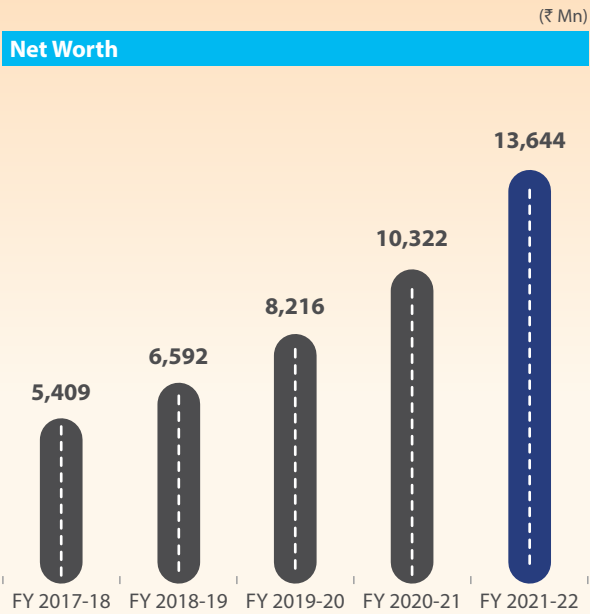
# KEY PERFORMANCE INDICATORS

## SHIFTING GEARS: PERFORMING STRONGLY IN A CHALLENGING YEAR

### FINANCIAL HIGHLIGHTS









## OPERATIONAL HIGHLIGHTS

### 2 EPC projects awarded

- ₹ 8,441 Mn project for development of Six Lane highway with access control of Neelmangala-Tumkur including Tumkur bypass section of NH-48 under Bharatmala Pariyojna Phase I
- ₹ 12,438 Mn project for development of Six Lane Urban Extension Road from NH 1 to Karala-Kanjhawala – Kanjhawala Phase 1

### 2 HAM projects awarded

- ₹ 14,921 Mn and ₹ 11,231 Mn projects for development of Six Lane Kaliagura-Baunsagar section and Six Lane Baunsagar-Baraja section respectively of NH 130 CD under Raipur Visakhapatnam Eco Corridor

₹ **43,279** Mn

Total order inflow in  
FY 2021-22