



INFRA PROJECTS LIMITED

ENGINEERING CONSULTANTS & CONTRACTORS

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20-08-2025

The Manager,
Listing Compliance Department,
National Stock Exchange of India Ltd,
Exchange Plaza,
Bandra Kurla Complex,
Bandra (East),
Mumbai – 400 051

NSE Symbol: HECPROJECT

Dear Sir/Madam,

Sub: Submission of transcript of the earnings conference call held on Monday, August 18, 2025 at 12:00 pm

In continuation of our letter dated 18th August 2025 informing about the audio link of the earnings conference call and pursuant to Regulation 30 of Securities exchange board of India (LODR) Regulations, 2015, the company is hereby submitting the transcript of earning conference call of analyst/investor conference call which was held on Monday, August 18, 2025 at 12:00 pm to discuss unaudited financial results of the company for the quarter ended June 30, 2025.

You are requested to take this intimation on record.

Thanking you,

Yours faithfully,

For HEC INFRA PROJECTS LIMITED

KHUSHI
RAJENDRA BHATT

Digitally signed by KHUSHI RAJENDRA BHATT
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Khushi Bhatt

Company Secretary

M.No.:A51011

Encl: As above



“HEC Infra Projects Limited

Q1 FY '26 Results Earnings Conference Call”

August 18, 2025



**MANAGEMENT: MR. RAHUL SHAH – WHOLE-TIME DIRECTOR – HEC
INFRA PROJECTS LIMITED**

MODERATOR: MR. GANESH – KIRIN ADVISORS PRIVATE LIMITED

Moderator: Ladies and gentlemen, good day and welcome to HEC Infra Projects Limited Q1 FY '26 Results Earnings Conference Call hosted by Kirin Advisors Private Limited. As a reminder, all participants lined will be in listen-only mode. There will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference call, please signal an operator by pressing star then zero on your touch-tone phone. Please note that this conference has been recorded.

I now hand over the conference to Mr. Ganesh from Kirin Advisors. Thank you and over to you, sir.

Ganesh: Thank you and good afternoon, everyone. I welcome you all to the conference call of HEC Infra Projects Limited. From the management team, we have Mr. Rahul Shah, Whole-Time Director of the company. With that, now I hand over the call to Mr. Rahul Shah for the opening remarks. Over to you, sir. Thank you.

Rahul Shah: Thank you, Ganesh sir and good afternoon, everyone. It is a pleasure to welcome you all to the Q1 Earnings Conference Call of HEC Infra Projects Limited. We are excited to share our performance and output with our valued stakeholders.

HEC Infra Projects, based in Ahmedabad, has established itself as a leading turnkey EPC contractor since its inception in 2005. Over the past two decades, we have evolved into a prominent player in India's infrastructure landscape, particularly known for our deep expertise in extra high voltage, EHV transmission and distribution. At the core of our operations is an integrated business model that spans engineering, design, supply chain management, installation, testing, and commissioning.

This end-to-end service delivery enables us to maintain high standards of quality, safety, and execution excellence. Our expertise encompasses a diverse set of infrastructure domains ranging from overhead and underground transmission lines, power distribution substations, and industrial electrification to water pumping stations, treatment plants, solar parks, and advanced lighting and ELV systems. Till date, we have successfully executed over 300 projects across the country.

Some of our most notable achievements include the 220 kV substation for GETCO at Kawat, a high-capacity water pumping station for GWIL in Kateda, extensive EHV cable laying for GETCO, and the designing and construction of 132 kV transmission lines, including hotline work for HVPNL. We also take pride in our integrated infrastructure work for the new OPD complex at Delhi AIIMS, which covered critical systems such as power distribution, BMS, elevators, escalators, security systems, and automated parking facilities. These milestone projects underscore our capability to manage complex and large-scale assignments.

Over the years, we have built a strong and diversified client base comprising of 50 esteemed public and private organizations, including GETCO, HVPNL, Tata Power Solar, Bharat Forge, Alstom, MG Motors, and several municipal corporations. This balance between government and private sector work highlights our key role in supporting India's infrastructure growth.

During the first quarter of FY '26, we secured seven significant new orders worth INR55.77 crores. First from Brixo Industries, valued at INR15.68 crores for EPC electrical works related to plant electrification and 66 kV line shifting. Second from Blue Pine Energy Limited, valued at INR9.62 crores for a fast-track EPC project involving the supply, installation, testing, and commissioning of a 66 kV double-circuit transmission line, along with 12 kilometers of underground cable.

Third from Narmada Water Resources, Water Supply & Kalpsar Department, valued at INR3.03 crores for providing and installing a CCTV surveillance system, fire safety arrangements, access control, and communication systems at Ukai Dam. Fourth from EPI, Engineering Projects India Limited, valued at INR13.78 crores for the design, engineering, supply, erection, testing, and commissioning of a transformer-based extension for an existing 220 kV switcher.

Fifth from Ahmedabad Municipal Corporation, valued at INR5.9 crores for the supply, installation, testing, and commissioning of street lighting poles and related electrical works across various locations. Sixth from Ahmedabad Municipal Corporation, valued at INR4.68 crores for the augmentation of civil electrical, mechanical, and instrumentation works at the CTM Water Distribution Station.

Seventh from AMC again, Ahmedabad Municipal Corporation, valued at INR3.08 crores for the supply, installation, testing, and commissioning of electrical, mechanical, and instrumentation systems at Gitabaug and Niyojannagar Water Distribution Stations.

Now let me walk you through our financial performance. For the Q1 FY '26, we reported total income of INR27.91 crores, marking a robust year-on-year growth of 52.91%, EBITDA of INR2.61 crores, up by 80.97%, EBITDA margin at 9.35%, a year-on-year expansion of 145 points. Net profit stood at INR1.33 crores, reflecting a year-on-year growth of 59.37%.

Net profit margin improved to 4.77%, up by 19 basis points year-on-year. EPS for the quarter was 1.23, an increase of 50%. With seven new project wins, with over INR55 crores in this quarter, we have further strengthened our order pipeline. Our strong client relationship and proven execution capabilities continue to drive repeat business and new opportunities, positioning us well for sustained growth in the coming quarters.

Looking ahead, we are focused on several strategic initiatives, selective acquisitions of low voltage and medium voltage transform manufacturers to enhance our backbone integration, optimize costs, and improve margins, prioritizing short-tenured high-return EPC projects, especially those with execution cycles of 6 to 12 months, and industry-leading IRRs to accelerate cash conversion and improve profitability.

Expanding our core transmission and distribution footprint by leveraging upcoming RDSS and grid-modernization tenders, scaling our water infrastructure capabilities to capture the increasing municipal and industrial demand for large-scale water treatment and pumping solutions, aligning with national electrification initiatives by actively bidding for projects under PM-KUSUM, the Green Hydrogen Mission, and other state and central programs aimed at grid-modernization and sustainability.

Exploring BESS, Battery Energy Storage System tenders to support India's transition to round-the-clock renewable power through both BOOT and EPC models. We believe that our integrated capabilities, proven project execution, and strong relationships with both government and private clients place us in a unique position to continue supporting India's infrastructure transformation.

Before we open the floor for questions, I would like to take a moment to sincerely thank the entire HEC Infra Projects team for their unwavering dedication and hard work. We also extend our gratitude to our valued clients, partners, investors, and stakeholders whose continued trust and support drive us to aim higher and deliver consistently.

With that, I now open the floor to your questions. Thank you.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Kushal Kasliwal from InVed Research. Please go ahead.

Kushal Kasliwal: Hi. Thanks for the opportunity, sir. Sir, I was just looking at your company recently and it seems like you are working in various subsectors within the overall EPC, within the overall EPC space. So, any particular sectors, maybe top one or top two sectors where you have like a prime importance or prime focus and maybe you think that the growth will be higher in those subsectors within the entire, I think, five-six subsectors you cover. So, which one is the most important for you for the next, let's say, 3 to 5 years?

Rahul Shah: So, currently, even with all the government initiatives coming in, I think majorly all -- majority of our work is being focused towards transmission and distribution sector and a certain portion to the water pumping and water treatment side as well. So, these two are the major sectors that we are currently focusing on and we are also exploring new types of projects as new projects are upcoming in the market specifically relating to battery energy storage systems. So, these projects are also like a work in progress for us.

And I think majority of our revenue for the next, I think, one year or two years will be coming from these particular sectors only. It might be -- and most of it will be EPC only, right? And we are exploring for encompassing our vision to boot models as well. But let's see. I mean, we are not very sure about the boot model as it is a very capital intensive industry but EPCs are currently working for the same.

Kushal Kasliwal: Understood, sir. Fair enough. Sir, out of the total new transmission and distribution, which are the states where we work for distribution? Are we only present in Gujarat in distribution and in transmission, how many states are we present apart from Gujarat?

Rahul Shah: Majority of our transmission lines are currently in Haryana, and I think, Gujarat also is in a way the largest state in terms of the overall revenue. But Haryana is another state where we have equally prioritized it in the past, like, since the last three years. So, major presence is in Gujarat and Haryana.

Time to time and based on the type of opportunity presented, we have also explored working in Jharkhand, in Delhi, Maharashtra and Rajasthan in our previous years. So, at present, we are

currently working in these two states as on if we speak about this particular quarter. But otherwise, yes, we have already explored a couple more states where we are keen to take in more projects as well.

Kushal Kasliwal: Okay. And eventually, we want to become like a multi-state or a PAN India kind of operator or do we want to only restrict mainly to Gujarat because in Gujarat, there is a large distribution capex, which the government is doing. So...

Rahul Shah: No. I mean...

Kushal Kasliwal: Let's say three years to five years.

Rahul Shah: The industry that we are in, it is not an industry where sticking to one particular state or one particular location is going to be beneficial for us. Yes, there is a lot of development coming to Gujarat in terms of industry and in terms of government projects as well. But that does not mean that other states are not up for play, because in other states, we do find better terms and conditions in terms of payments and in terms of less competition as well. So, going to other states is technically better meant for us in all other perspectives as well.

Kushal Kasliwal: But sir, in other states, we will be primarily in transmission, because distribution is like a very local geographic knowhow you need to know. So, other state expansion will be mainly in transmission and not in distribution? Is that a correct understanding?

Rahul Shah: No. No. So, it will be in both transmission and distribution as well. So, currently, I think, in fact, it will be much more focused in distribution first. By distribution, I mean power substations. I do not mean, let's say, grid improvement projects or maybe some localized tenders which focus on a particular area development like you mentioned. But we are focused majorly in substations and transmission lines for outer states.

Kushal Kasliwal: Understood. So, mainly in substations is what we are looking at, okay.

Rahul Shah: Right.

Kushal Kasliwal: Distribution substations.

Rahul Shah: We are bidding currently for building projects as well. It is not that we are not bidding for our other four verticals. But currently, these four verticals that -- these two verticals that we are focused on transmission, distribution and water pumping, we are seeing that there is a lot more opportunity than there was before.

And because of this, there is a shortfall of contractors or shortfall of good EPC vendors in these sectors particularly. So, looking to that, I think we can easily tap into these markets at good premiums. And that is basically the goal and the current strategy for at least this quarter and maybe the coming quarters as well.

Kushal Kasliwal: Okay. Understood. Understood. Sir, my next question was on our current non-fund based limits and working capital. Is it possible to give out, which -- who are our lenders, bankers and what interest rates do we enjoy in our working capital, as well as on non-funds?

- Rahul Shah:** So, see, all of this data is available publicly on our website as well. But since you have asked it, I will just give you a short brief answer for these as well. Our prime banker is Bank of India. And we are enjoying a limit of approximately, a total limit of INR44 crores of which INR17 crores is cash limit and the remaining is non-fund based limit, right? So, INR27 crores of non-fund based limit and INR17 crores of fund based limit is what we are enjoying with our prime banker. The interest rate is at 9.15% for our cash limits and the remainder margins are at 1% for bank, sorry, at 0.75% for bank guarantee. Okay.
- Kushal Kasliwal:** Understood.
- Rahul Shah:** Right?
- Kushal Kasliwal:** Yes. Understood. And with this working capital and non-fund based limit, what is kind of order book which we can bid for? What is our peak order book which we can have at these current levels of working capital and non-fund based limits?
- Rahul Shah:** I think the targeted turnover for this year, looking to these current limits, somewhere around INR160 crores to INR175 crores is what we are looking at as in the top line, total revenue. And in terms of, like we are also applying for enhancements with Bank of India for this year as well as we will be under review as well. So, that probably review is going to happen in the second quarter and most probably we are hopeful that with any new enhancements that come along the way, these targets will also fairly improve.
- Kushal Kasliwal:** Sir, in terms of order book, what can be an order book which can be expected out of the current and maybe some additional working capital lines? Maybe if you can guide towards order book to which we expect or which we want to achieve in the next year or so.
- Rahul Shah:** See, it is very much dependent on what sort of enhancement the bank can grant to us. Of course, we are being very aggressive with the bank in terms of the negotiation that is currently happening. But to be honest with you, it depends a lot on what the bank -- on what sort of comfort zone the bank has with us. I mean, we are banking with Bank of India since the last almost 14 years, 15 years and so far we have a positive response from them.
- Looking to that, currently we have an order book of INR220 crores to INR230 crores as in unexecuted part of the order book that is what I am talking about. And we hope that by year end we have maybe INR250 crores to INR300 crores of unexecuted order book. So, we will be growing on this order book while completing our this year's targets for revenues as well.
- Kushal Kasliwal:** Got it. Thank you, sir. I will come back in the queue. Thanks.
- Rahul Shah:** Yes. Yes. Of course.
- Moderator:** Thank you. The next question is from the line of Swapnil Kabra from SK Enterprises. Please go ahead.

- Swapnil Kabra:** Yes. Sir, my question was on the margin front. So, is it fair to assume that with every passing quarter as our revenues increase on quarterly basis, we would be witnessing better margins compared to Q1?
- Rahul Shah:** So, see, I will be very honest with you. I think a similar question was asked to me in a previous earnings call and the question is very fair. But just to give you a brief understanding is that, I would say that, I would suggest our investors to look at the returns on an annual basis or the profitability on an annual basis rather than focusing on a quarter-to-quarter basis, because let's say when the quarter ends, maybe our purchase might be on the higher side compared to our sales. So, that is why majority of it is settled out at the end of the year. So...
- Swapnil Kabra:** Right.
- Rahul Shah:** The better way to put it would be that on an annual basis, I am surely not in the right, I do not have the right data to comment on a quarterly basis. But what I can say is that our annual EBITDA and PAT will probably improve this year as well, as we have had drastic improvements in our working capital cycles and -- as in the working limits.
- Like, in the previous question, I was asked about the bank guarantees and the cost of what finance we are operating at. So, we have had a significant improvement in those in the past year and we are hoping for further improvement as RBI has also cut rates. So, I think all of these positive factors will add on. And on top of that, since we are focusing solely on two sectors, I think the profitability is going to go up from the procurement side as well. So, you will be surely seeing better results on an annual basis.
- Swapnil Kabra:** Right. Sir, any aspiration we have with respect to the sales for this year and the next year?
- Rahul Shah:** See, on a conservative side, like I said, if we, let's say, if we do not get any enhancement from the bank, like I said, so we are targeting somewhere around INR175 crores of revenue this year. But if we are aggressive about it and if the bank, like I said, they are currently positive about it, but probably in the next quarter, I think it will be very much clear as to what targets we will be pursuing, as to what enhancement the bank gives us. But this is on a very conservative side, given that none of our limits are being enhanced.
- Swapnil Kabra:** Okay.
- Rahul Shah:** Yes.
- Swapnil Kabra:** Okay. Thank you, sir. I will join the queue.
- Rahul Shah:** Yes. Yes. Sure.
- Moderator:** Thank you. The next question is from the line of Rohit, an Individual Investor. Please go ahead.
- Rohit:** Congratulations on a great set of numbers, sir. So, my question is related to the previous participant only on the margins. The last quarter, concordantly, we had guidance of 12%-13% we will be able to maintain. So, it's still intact?

Rahul Shah: Yes. It will be. Yes, it is within that. And I would say that, like I said, I would suggest investors to look on an annual basis rather than going on a quarter-to-quarter basis as most of our projects have a cycle of around -- averaging around 15-15 months is what the average cycle would be currently. Right. So, at a certain point of the project, maybe the profitability might not show up and maybe in some projects we have booked in the profit as well.

So, it depends on the situation and currently we are not tracking it on that level, which I was very, I think, clear about. So, on what you said as to on an annual basis, yes, we are on track is how I would like to at least justify your question.

Rohit: Okay. Thank you.

Moderator: Thank you. The next question is from the line of Abhishek Sharma, an Individual Investor. Please go ahead.

Abhishek Sharma: Sir, my question is how do you see the water infrastructure vertical scaling given the government push under Jal Jeevan Mission?

Rahul Shah: So, currently under the Jal Jeevan Mission, I think there are like huge projects going around. But if you look at what we are working under, we are not working in the Jal Jeevan Mission. The Jal Jeevan Mission is particularly focused in rural and semi-urban areas where the main target of the mission is to basically just get water to doorsteps of households, which have not seen water as in from the government side.

I think there is no direct supply line. So, it is about creating a new supply line. So, we are not focused in that particular area, but the government is currently very aggressive on it as the government is prioritizing the basic necessities above everything else. So, there are two things that majorly come into this for you. One is getting water to households in a timely manner. And the second is getting electricity and maybe getting 24/7 electricity.

So, that is the current target of the government. And looking to this, I think we have a lot to work upon as a nation. So, I think you will be seeing that one of the largest growing sectors in the next 2-3 years, at least for the next 2-3 years, are going to be these two sectors, is how we see these current programs and missions as.

Abhishek Sharma: Okay. And are you looking at partnership or joint ventures for battery energy storage system tenders?

Rahul Shah: So, we are currently scoping for BESS tenders in terms of like we are looking for -- like we are currently searching for the whole project only in a way where currently we are building up a project report as to what profitability and what IRRs will be there for the project. This is on the perspective of us scoping the project as a boot model. As in we will be the owners of the utility at the end of the day.

In terms of EPC, we have already floated multiple quotations to different vendors who are currently in need of basically executing their current BESS projects that they have taken under various government schemes. So, as EPC players, we are very active in this space. But as a boot

model operator, we are currently in work. It is in progress. It is basically under review as to if we want to get into this line or not.

Abhishek Sharma:

Okay. And, sir, you are exploring backward integration into transformer manufacturing. How close are you to finalizing an acquisition?

Rahul Shah:

So, we are not just looking into the transformer division. We are looking into multiple various products that are being used in our projects. And transformer, yes, of course, because it becomes an integral part of our service. But the type of transformer that we are currently targeting is for government supply. Technically, it would be a backward integration. But the type of transformer that we would be -- that currently we are scoping is not of the scale of the project that we are doing.

I mean, we are basically doing projects for extra high voltage lines. So, anything above 66 kV and above is what we are working. But the transformer manufacturing plant that we are currently working under is basically lesser than that. It is under the mid-voltage segment, somewhere around 33 kV and 11 kV. So, technically, it would not be a backward integration. But then the plan is ultimately to scale it up to that level.

So, we are not in terms of timeline. I would say that we are still in the scoping stage where we are just checking out the feasibility. So we have been checking this feasibility out since last, almost, I think it is more than 4 to 5 months now that we are scoping this out. I think by the next quarter, we will be having a verdict as to whether we will be exploring or expanding into that domain or not.

Abhishek Sharma:

Okay. And last question is, how would this integration impact your cost structure and bidding competitiveness?

Rahul Shah:

So, I would say it will not change on that aspect as we -- whatever we start will have certain margins in that line as well. So, we are not going to ultimately, it is not going to be a backward integration to drive profits. But looking to today's scenario, it is more about getting the deliveries done in time.

Today, we have certain components where the timeline for these components has gone more than 12 months, particularly circuit breakers and certain types of insulators. So, porcelain insulators, any components that you want to buy, it takes more than 12 months currently for high voltage projects or maybe even in some cases, somewhere around 14 to 16 months as well.

So, if we can basically cater to some of these demands as well, then we are thinking it along those lines where people are basically willing to pay a certain premium for expedited deliveries in these components. So, it is not just transformers. Like I said, we are scoping certain components and items to look into for manufacturing. But in regards to transformers, I think you will have a verdict in the next quarter as to we will have a detailed feasibility report ready by then. Right.

Abhishek Sharma:

Okay, sir. Thank you, sir.

- Rahul Shah:** Yes. Okay. Thank you.
- Moderator:** Thank you. The next question is from the line of Vinod Shah from -- an Individual Investor. Please go ahead.
- Vinod Shah:** Yes. Hi. Good afternoon, sir.
- Rahul Shah:** Good afternoon, sir.
- Vinod Shah:** Yes. So, the revenue grew 53% this quarter. So, is this sustainable for the rest of the FY '26?
- Rahul Shah:** So, like I said, I would say that it is not going to be like that all four quarters you will see this revenue. And I will be very honest about it in the sense where you should look at it at what maybe PAT, we achieved last year, what EBITDA we had last year. And you can assume that we will be following those trends on an annual basis. Is how I would say that this will probably pan out at the end of the year.
- So, I strongly suggest all our investors to basically look at it on an annual perspective, not look at it on a quarterly basis. As this quarter maybe we had a very good quarter in terms of let's say maybe profitability where compared to last year we had maybe 50% increased profits. But I would say that -- I would in fact urge all investors to look at it on an annual basis.
- And what projection we can give you is that on an annual basis there will be improvements from the last year is what I would say. So, in terms of maintaining profitability on an annual basis, yes, it is possible and it is much clearly visible to us that better margins than last year would be achieved this year as well.
- Vinod Shah:** Okay, sir. And our current order book is like INR326 crore, right?
- Rahul Shah:** So, there is a distinction I would like to point out. INR326 crores is the order book but we have INR220 crores of un-executed order book. So, whenever let's say you scope out any EPC company and you talk about order book, there are two components to the order book. One is the executed part and one is the un-executed part.
- So, total order book defines the total order value of all the projects that the company has while the un-executed part only refers to the un-executed portion. So, currently we have somewhere around INR220 crores to INR230 crores of un-executed order book.
- Vinod Shah:** Okay, sir. Which vertical of this order book would we drive the execution in next, like let's just say 2 or 3 quarters?
- Rahul Shah:** Yes, so I think transmission and distribution will be the prime agenda for us and would also point out to any growth that will be happening in this company in this particular 2 to 3 quarters. So, basically this FY, I think we are much focused on transmission and distribution. We are also focused on water pumping projects also but not to the tune as to what T&D would probably is being focused in right now.

Vinod Shah: Okay, sir. Sir, you had mentioned that we are focusing on short tenure projects and marital projects. So, how does it change our project mix compared to the last year?

Rahul Shah: So, I think we are taking projects where much more aggressiveness is required from a contractor standpoint as in let's say we have a project with Blue Pine Energy. So, for them, it is very critical for them to basically execute this project within a timeline of the next somewhere between 5 months or is the deadline for them.

So, we have taken up this project with them with a deadline of 6 months while more than approximately 30% to 40% of the project has been completed in the first month itself. So, we are being aggressive in terms of project selection where end client requirement is very important.

So, this is on the private side and like I said private to government ratio for the currently order book we have is approximately 50%-50%. So, 50% of our order book is very aggressive in terms of execution and the other 50% is government projects where of course there is a requirement for finishing the project in time but the timelines are larger and certain delays are expected particularly in transmission lines.

So, currently that is how the order book is but majority of the projects that we currently have are from private as to particularly this quarter discussion if we talk about this quarter.

Vinod Shah: And so, what is the competitive advantage that is helping us get the repeat orders?

Rahul Shah: So, I would say that the only advantage in this market is that let's say we are working with Blue Pine for the first time. So, I think first impression matters the most and most of our clientele I am like very proud to say that at least for all of our private clients I don't think we have heard any complaints from government side of course complaints are there but delays are there from their end as well.

So, it is very imperative of our managers to basically complete projects in deadlines. I think if we do that I don't think any other type of marketing as such is required if we focus on our work itself.

Other advantages I don't know as an EPC player that we have over others because let's say that in terms of finance and in terms of other perspectives I think there are companies who are doing better than us but I would say that compared to the core work that we are doing I think we have good teams with us and we are focused on team building for the next probably one or two years as well. So, that is I think the edge that we will be having over others.

Vinod Shah: Okay, so that's all from my side. Thank you so much.

Rahul Shah: Okay, thank you.

Moderator: Thank you. The next question is from the line of Shubham Gupta an Individual Investor. Please go ahead.

Shubham Gupta: So sir, I wanted to ask like have you also explored the transformers, because in the last con call you told that you are exploring some transformer companies to buy them?

- Rahul Shah:** So, there were two alternatives that we were exploring at that point. One was maybe purchasing a company which is maybe ready for maybe a sale or and the second was basically building one of our own and starting a new company altogether.
- So, like I said like by the next quarter end I think we will be having an imperative result from our end where if we are going to continue on this line of expansion of transformers will be clear or not. Currently it is in the scope of we are basically getting a feasibility report developed as to see what sort of returns and what sort of investment is being required in these lines.
- Shubham Gupta:** Okay.
- Rahul Shah:** So, by the next semiannual report you will have that verdict with that. So, just to brief a little more on that it is not just transformers we are currently exploring a lot more products as well because like I said majority of the products that we are dealing with have like long lead products have like the timeline for those have increased drastically and there is a huge demand in the market for these products.
- And renewable energy in particularly in that sector people have some crazy insane requirements which are not being able to fulfill by the vendors and because of this the price of these products has increased by almost 150% in the last year. So, we are looking at products where yes so we are looking and exploring multiple different products where something can be done to maybe tap the market in these areas.
- Shubham Gupta:** Got it sir. And sir one more question like in BESS like what is your order bid pipeline right now? Like how much orders have you bid and like how much you are expecting to be converted for EPC essentially?
- Rahul Shah:** So, basically if we talk about battery BESS projects we have secured one order from basically Advait Infratech who are basically working for BESS of IndiGrid and we are basically going to do substation for them basically the AC side evacuation for the BESS part for them. So that is one order that we have in hand and I think few more others are probably on the way we are having healthy discussions in this sector as well.
- So, this is as EPC contractors this is not as a boot model that we have any project we have secured one project as an EPC contractor and we are hoping to get more in the future as well.
- Shubham Gupta:** Okay sir. Got it. Thank you.
- Rahul Shah:** Okay. Thank you.
- Moderator:** Thank you. The next question is from the line of Priya Jain from Green Capital. Please go ahead.
- Priya Jain:** I have few questions with me. Firstly, what I can see that there are 27 projects currently under execution so do you think there will be any hindrance in executing at correct timeline, the given timeline?
- Rahul Shah:** No, I don't think there are any such challenges to any of our projects. Like I said in government projects of course the timeline does shoot up but then there are validly justifiable reasons. So,

let's say in government projects that we are currently working in so land allotment may be in initial phase and certain other challenges are always there but these are not from our end these are from the government side.

So, like I said 50% of our order book is private projects so on that end I don't see any delays happening in the project timeline. In the remainder 50% we expect certain delays from all government projects and we basically plan our order book in that fashion as well as to if we have booked a government project we don't go all in for these projects because they do attract a certain kind of delays as well which are not in our hand at the end of the day. So, we don't see any delay from our end happening if you understand what I am saying.

Priya Jain: Also, just to understand like suppose there are two projects running parallelly one is Municipal Infrastructure and other is high voltage transmission, so how do you strategize to prioritize one?

Rahul Shah: Sorry ma'am, could you repeat the last part? I did not understand.

Priya Jain: I want to understand, how do you prioritize, suppose there is one municipal infrastructure project going on and the other is high voltage transmission project?

Rahul Shah: So, ma'am I think in terms of priority I think I would say that all projects are prioritized equally and we have dedicated a team managing all these timelines in terms of deliveries of the material and in terms of execution.

So, for execution we have our own in-house team which handles almost 40 to 50% of our workload and the remainder 60% approximately or the remainder half portion of the work is being handled through subcontractors. So, any project where we feel that our team cannot achieve the work, we hire subcontractors for the same. So, there is a very good balance for that, where we have our own team so that no projects are basically hampered at the end of the day. In terms of other management...

Priya Jain: Any -- yes, please go ahead.

Rahul Shah: No, so it was just about that. So, in terms of physical execution this is the way that we do monitor and ensure that no projects are delayed or there is no hindrance or we basically do not prioritize any one project over the other because all clients are equally important to us.

And secondly in terms of material management I think we have a very good system out here in our company where we do track all the material that is required on which data and orders are being placed in time. So, priority of what material is required at what stage and looking to its lead time. All material is basically planned out.

So, certain items we only buy in the last month of the project and we place orders in the last month. Certain items we get in the last month but we have to place orders in the first month of the project. So, basically a good project management tools are being implemented out here to ensure that prioritization is being done but not on a client-to-client basis but just on a material or a service base.

- Priya Jain:** Also, I just wanted to know any recent project which you delivered before the timelines?
- Rahul Shah:** So, we just finished a project of Juniper Green Energy. I mean, the charging for the station has been done and we are in the process of just finishing the punch points for this project and this was done before timeline. So, we had a timeline of around 9 months for this project and we have finished it in somewhere between 8 and half months.
- Now, this timeline is including all the delays from the customer as well. So, we have technically finished this project in 6 months only. If you consider the delays from the client end as well, in terms of design finalization. So, this is one of the projects that we just recently commissioned in this quarter.
- Priya Jain:** Currently, what I can see is we have around INR55 crores order inflow for this quarter. What visibility do you see for orders inflow in FY '26?
- Rahul Shah:** So, yes, certain portion of it will go in the FY '26 certain portion will stay in FY '25 is how we see it and as I said there are certain government projects where delays will happen at the end of the day.
- So, AMC particularly we don't see any major delays in that but from the current INR55 crores, I think around 60% of the orders will be executed in this year 60% value is how we would see it in that way and the remainder of the order book would be coming from the new to the other previous projects, as in the remainder revenue.
- Priya Jain:** Sir, I am a bit new to the company; so, for FY '25 we did around INR113 crores of revenue, so where I can see HEC next 5 years?
- Rahul Shah:** I think this -- FY, I think we are planning to close somewhere around 175 on a conservative side is what I have I think mentioned before as well. This is on a conservative side because see this at the end of the day it is a capital intensive industry and we are dependent on bankers and other financial institutions to basically finance this journey for us as well.
- So, we do have a lot of scope of negotiation as in terms of borrowing and if this borrowing does increase you will see good growth in what target I just mentioned but this is the current target that we have on a conservative side on a very conservative side of the year.
- Priya Jain:** Fair enough. So, good to know. That's it from my side. Thank you.
- Moderator:** Thank you. The next question is from the line of Aditi Roy, an Individual Investor. Please go ahead.
- Aditi Roy:** My question is how are you positioning to benefit from the government INR9 trillion capital for T&D and renewables?
- Rahul Shah:** Sorry Ma'am, could you just repeat the last part?
- Aditi Roy:** Government INR9 trillion capital for T&D and renewables?

- Rahul Shah:** Ma'am, I am sorry. I did not catch the question. You said government projects in transmission and distribution, T&D is what you said and renewable space is that the question?
- Aditi Roy:** In renewable sectors.
- Rahul Shah:** So, in terms of private clients, we are getting since last year we are getting good flow of renewable clients as well like, Tata Power is one of them. The other one was Juniper Green which I just talked about that we finished the project for them and we have just commissioned it for them. The third one is Blue Pine.
- So, these are some of the renewable players whom we are working for. So, we hope for repeated business from all these clients as more plants will be coming up not just in Gujarat but pan India. We are already in talks with them for new projects as well. So, in terms of renewable space we are currently working with more of private side rather than government side is how I would put it out.
- Aditi Roy:** Okay, fine. I have one question. What opportunities do you see under the Green Hydrogen Mission and how relevant is it to your expertise?
- Rahul Shah:** So, there are good players working currently like Avaada is working for Green Hydrogen and Green Ammonia projects and certain other companies are also working. So, we are keenly following this space since probably last 6 months maybe a little more than that. So, what we are seeing is that it is a very upcoming space probably in the next, maybe next 10 years.
- So, you might not see a lot of it happening, but we have already executed one green hydrogen project directly, as an EPC contractor. So, we basically are tracking this space but not a lot of tenders are coming in on the government side and on the private side also there is not much demand in terms of setting up Green Hydrogen or Green Ammonia plants.
- Aditi Roy:** Okay, and sir, are you seeing more private sector opportunities in Industrial Electrification and Renewables compared to earlier years?
- Rahul Shah:** I think in terms of Renewable Energy the growth has been happening, since I think 2012 or 2014 and it has been a consistent growth year on year and I think the same growth can be expected in the coming years also because the government is very aggressive in getting the energy demand lower from fossil fuel-based sources.
- So, the aggression for Renewable Energy will always be there at least for the next 10 years is how we see and all policies would also govern in the same space. Basically, more private players have come up because of these policies and we see that because of this we will be having better and good growing business in this sector because of the spot in this Renewable Energy growth at least for the next 5 to 10 years.
- Aditi Roy:** Okay, sir. That's it from us.
- Rahul Shah:** Okay, ma'am. Thank you.
- Moderator:** Thank you. The next question is from the line of Kushal Kasliwal from InVed Research.

Kushal Kasliwal: Hi, sir. Thanks. This is actually my follow-up question. Sir, I was just wondering you know, seeing at our cap table we have increased the promoters have increased your promoter stake in the company couple of months back.

So, given that there is a certain financial limit from banks and given the kind of growth the sector is looking at especially the T&D space would you guys actively consider to do a preferential fundraise in the company to capture this increased growth in the market or would you just grow organically?

Rahul Shah: No, I mean see if we keep on growing organically I think the numbers which have been speaking since the last I think 2 years I think it would not be just to say that we can do a similar justice maybe we can do it for the next year but after that we will have to and we are looking for a preferential issue maybe in the coming future that is going to happen maybe next year is how we are looking at it.

Because like you said this is a capital-intensive industry and currently, we are majorly most of our money is from the government other than the IPO initial IPO that we had so government banks are basically funding us right now as in bank debt-based funding is currently being focused on.

Just to give you a small brief, so the collateral coverage in our industry is very important and we are not basically we are not completely tapped out this market as to basically get we have the ability to get more debt than 50% and the trend in our industry is somewhere around 25% is the lowest that the banks do go at.

So, the target is to basically maximize the debt ceiling first and then go for a preferential issue and first to generate growth from the debt portion that can still be enhanced and after that maybe plan for a preferential issue so that is how I -- I hope that answers your question and gives you clarity as to how we plan on and understand on the preferential issue

Kushal Kasliwal: Understood fair enough sir fair enough thank you.

Moderator: Ladies and gentlemen that was the last question for today I now hand over the conference to Mr. Ganesh for closing comments thank you and over to you sir

Ganesh: Thank you everyone for joining the conference call of HEC Infra Projects Limited if you have any further queries, you can write us at research@kirinadvisors.com once again thank you everyone for joining the conference

Moderator: Thank you on behalf of Kirin Advisors Private Limited concludes this conference thank you for joining us and you may now disconnect your line.