

DRAFT INFORMATION MEMORANDUM

[In accordance with Chapter XC of the SEBI (ICDR) Regulations on Listing and Issue of Capital by Small and Medium Enterprises on Institutional Trading Platform without Initial Public Offering]

HEC INFRA PROJECTS LIMITED

Our Company was originally incorporated in State of Gujarat as "HEC Infra Projects Private Limited" on October 6, 2005 under the Companies Act, 1956 vide certificate of incorporation issued by the Registrar of Companies, Gujarat. Our Company was subsequently converted into a public company and consequently the name was changed to "HEC Infra Projects Limited" vide fresh certificate of incorporation dated 1st October, 2014 issued by the Registrar of Companies, Gujarat.

Registered Office: Sigma – 1 Corporates, Corporate House No. 6, Sindhu Bhavan Road, Nr. Mann Party Plot Cross Road, Bodakdev, Ahmedabad Gujarat 380054, India

Tel: +91-79-40086771 - 74, **Fax:** +91-79-40086771 ;

Corporate Identity Number : U45200GJ2005PLC046870

Website: www.hecprojects.in

Contact Person: Mr. Gaurang Shah

E-mail: elect@hecproject.com

Company Secretary & Compliance Officer: Ekta Rajpurohit

NO EQUITY SHARES ARE PROPOSED TO BE ISSUED OR OFFERED PURSUANT TO THIS INFORMATION MEMORANDUM

PROMOTERS: MR. GAURANG PARMANAND SHAH and MRS. RUPAL GAURANG SHAH

Information Memorandum in terms of the SEBI (Listing of Specified Securities on Institutional Trading Platform) Regulations, 2013 for the purpose of listing of the Equity Shares of the Company on the Institution Trading Platform (ITP) of NSE Emerge.

Absolute Responsibility of HEC Infra Projects Limited

HEC Infra Projects Limited having made all reasonable inquiries, accepts responsibility for, and confirms that this Information Memorandum contains all information with regard to the Company, which is material, that the information contained in the Information Memorandum is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Information Memorandum as a whole or any of such information or the expression of any such opinions are intentions misleading in any material respect.

TABLE OF CONTENTS

SECTION	TITLE	PAGE NO.
I	GENERAL	3
1.	Definitions and Abbreviations	3
2.	General Information	6
3.	Eligibility Criteria	10
4.	Forward Looking Statements	12
II	RISK FACTORS	13
III	INDUSTRY OVERVIEW	29
IV	BUSINESS OVERVIEW	34
1	Our Business and Operations	34
2	Financial Information	49
3	Capital Structure	61
4	Property	72
V	SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT	75
VI.	OUR PROMOTERS	76
VII.	OUR MANAGEMENT	78
VIII.	RELATED PARTY TRANSACTIONS	86
IX	LEGAL PROCEEDINGS	87
X.	DECLARATION	89

SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

Unless the context otherwise indicates or implies, the following terms have the following meanings in this information Memorandum and reference to any statute or regulations or policies shall include amendments thereto, from time to time:-

Term	Description
“HEC Infra Projects” or “HEC” or “the Company” or “our Company” or “we” or “us” or “our”	HEC Infra Projects Limited, a public limited company incorporated under the provisions of the Companies Act,1956, having its Registered office at Sigma-1 Corporates, Corporate House No. 6, Sindhu Bhavan Road, Nr. Mann Party Plot Cross Road,Bodakdev, Ahmedabad, Gujarat 380054 India

General Terms

Term	Description
Articles/Articles of Association	Articles Association of HEC
Accounting Standard	Accounting Standards , as issued by the Institute of Chartered Accountants of India
Auditor	The Statutory Auditors of HEC
Board/Board of Directors	Board of Directors of HEC
Chapter XC of the SEBI (ICDR) Regulations	Listing and issue of Capital by Small and Medium Enterprise on Institutional Trading Platform without Initial Public Offering
Companies Act/Act	The Companies Act, 2013 and/or the Companies Act, 1956,as applicable
Companies Act, 1956	Companies Act,1956,as amended (without reference to the provisions thereof that have ceased to have effect upon the notification of the Notified Sections)
Companies Act,2013	The Companies Act,2013, to the extent in force pursuant to the notification of the Notified Sections
Capital/ Share Capital/Equity Share Capital	Equity Share Capital of HEC
DP	Depository Participant
Equity Share (s) or Share (s)	Equity Share of HEC having a face value of Rs. 10/- unless otherwise specified in the context thereof.
FDI	Foreign Direct Investment

Financial Year/Fiscal/FY	Period of twelve months ended March 31 of that particular year, Unless otherwise stated .
HUF	Hindu Undivided Family
IFRS	International Financial Reporting Standards
ITP	Institutional Trading Platform
ITP Regulations	The SEBI (Listing of Specified Securities on Institutional Trading Platform) Regulations,2013
Listing Agreement	Listing agreement to be entered into by our Company with the Stock Exchange (s)
Memorandum/Memorandum of Association. MOA	Memorandum of Association of HEC
NSE	National Stock Exchange of India Limited
NSE Emerge	SME Platform of National Stock Exchange of India Limited
Promoter(s)	Mr. Gaurang Shah and Mrs. Rupal Shah
R & D	Research & Development
RBI	Reserve Bank of India
ROC	Registrar of Companies
SEBI	Securities and Exchange Board of India
SEBI Act,1992	Securities and Exchange Board of India Act,1992 and amendments thereto
SEBI(ICDR) Regulation	SEBI(Issue of Capital and Disclosure Requirements) Regulations, 2009 and amendments thereto.
SIA	Secretariat Of Industrial Assistance
SICA	Sick Industrial Companies(Special Provision) Act, 1985
Stock Exchange (s)	Shall refer to NSE where the Equity share of HEC are proposed to be listed

ABBREVIATIONS

ABBREVIATION	FULLFORM
PPP	Public Private Partnership
AS	Accounting Standards issued by the Institute of Chartered Accountants of India
A.Y	Assessment Year
B.Tech	Bachelor of Technology
B.Com	Bachelor of Science
B.Sc	Bachelor of Commerce
BSNL	Bharat Sanchar Nigam
BTS	Base Transmitter Station
BWA	Broadband Wireless Access
CAGR	Compounded Annual Growth Rate
C.A	Chartered Accountant
CDSL	Central Depository Services (India) Limited`
CEO	Chief Executive Officer Chief
CFO	Financial Officer
C.S	Company Officer
DCS	Distributed Control System
DOT	Department of Telecommunication
DP	Depository Participant
ECS	Electronic Clearing System
EMF	Electro-magnetic field
EPS	Earning per Share
EPC	Engineering Procurement Construction
FDD	Feature-driven development
FY/Fiscal	Financial Year
GDP	Gross Domestic Product
INR/Rs/Rupees/	Indian Rupees, the legal currency of the Republic of India
SME	Small And Medium Enterprise
MTNL	Mahan agar Telephone Nigam Ltd
MSOS	Mobile Service Operators
MSPs	Mobile Service Providers
NAV	Net Asset Value
No.	Number
NR	Non Resident
NSDL	National Securities Depository Limited
P/E Ratio	Price/Earning Ratio
PAN	Permanent Account Number
RBI	The Reserve Bank of India
RBI Act	The Reserve Bank of India Act,1934, as amended from time to time
RF	Radio Frequency
RoC / Registrar of Companies	The Registrar of Companies, Gujarat
RONW	Return on Net Worth

2. GENERAL INFORMATION

Our Company was originally incorporated in State of Gujarat as "HEC Infra Projects Private Limited" on October 6, 2005 under the Companies Act, 1956 vide Certificate of Incorporation issued by the Registrar of Companies, Gujarat, Dadra & Nagar Haveli. Our Company was subsequently converted into a public company and consequently the name was changed to "HEC Infra Projects Limited" Vide fresh certificate of incorporation dated 1st October, 2014 issued by the Registrar of Companies, Gujarat, Dadra & Nagar Haveli.

Registered Office of the Company :

Sigma – 1 Corporates, Corporate House No. 6,
Sindhu Bhavan Road,
Nr. Mann Party Plot Cross Road, Bodakdev,
Ahmedabad,
Gujarat 380054
India

Tel: +91-79-40086771 - 74, Fax: +91-79-40086771;

Website: www.hecprojects.in

Contact Person: Mr. Gaurang Shah

E-mail: elect@hecproject.com

Corporate Identification Number : U45200GJ2005PLC046870

Branch Address :

- 1) G-1-101, RIICO Industirl Area, Sanchore,
District Jalore, Rajsthan
- 2) Nagarwala Building, 1st Kasturba Road,
Boriwali (East), Mumbai-400066
Maharashtra

Address of Registrar of Companies :

Registrar of Companies, Ahmedabad
RoC Bhavan , Opp Rupal Park Society ,
Behind Ankur Bus Stop ,
Naranpura Ahmedabad - 380013,
Gujarat
Phone: 079-27437597,
Fax 079-27438371
Email Id : roc.ahmedabad@mca.gov.in

Board of Directors:

Our Board of Directors comprise of the following members :

Name	Designation	Director Identification Number	Address
Gaurang Parmanand Shah	Director	01756079	22, Shivalik Villa, Nr. Saundarya Vila Rajpath Club – Ambli Road, Ambli, Ahmedabad 380 058 Gujarat
Rupal Gaurang Shah	Director	01756092	22, Shivalik Villa, Opposite Saundarya Villa, Ambli, Ahmedabad 380 058
Aniruddhasnh Harendrasinh Gohil	Director	06971592	29, Vrajnandan Bungalow Part-1, Ghuma, Ahmedabad, 380058, Gujarat
Yogesh Popatlal Shah	Director	06971596	4, Bk Nagar Soc, P.T.College, Paldi, Ahmedabad, 380007, Gujarat,

For further details for management of our Company please refer to Section Titled “Our Management” on page no. 78.

Company Secretary and Compliance Officer :

Name	Ekta Rajpurohit
Address	B/24, Ravirandal Society, Jashodanagar Char Rasta, Nr. Canal, Amraiwadi
City	Ahmedabad
State	Gujarat
Pin Code	380026
Telephone No.	+91-79-40086771
Email Id	elect@hecproject.com

Statutory Auditor :

Name	Raj P. Shah & Co.
Address	C/802, Sankalp Apartments, Opp. L. J. Collage, Vastrapur
City	Ahmedabad
State	Gujarat
Pin Code	380015
Telephone No.	91-079-40036616
Email Id	rpaghdiwala@gmail.com
Firm Registration No.	127284W

Registrar and Transfer Agents:

Name	Cameo Corporate Services Limited
Address	"Subramanian Building No.1, Club House Road,
City	Chennai
State	Tamilnadu
Pin Code	600002
Telephone No.	044 28460390 (5 lines)
Fax No.	044 28460129
Email Id	cameo@cameoindia.com
Website	www.cameoindia.com
SEBI Registration No.	INR000003753

Absolute Responsibility of HEC Infra Projects Limited

HEC Infra Projects Limited having made all reasonable inquiries, accepts responsibility for, and confirms that this Information Memorandum contains all information with regard to the Company, which is material, that the information contained in the Information Memorandum is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Information Memorandum as a whole or any of such information or the expression of any such opinions are intentions misleading in any material respect.

Authority for Listing of Equity Shares :

The listing of Equity Shares has been duly authorized by the Board of Directors of the Company in their meeting held on 5th November, 2014. The Members of the Company in their meeting held on 18th November, 2014 has also granted their consent to list the Equity Shares.

3. ELIGIBILITY CRITERIA

We are an unlisted company as on date and we propose to list our Equity Shares on Institution Trading Platform(ITP) of NSE Emerge in terms of the Chapter XC of the SEBI (ICDR) Regulations, 2009. Our Company is eligible for listing in terms of 106 Y and other provisions of Chapter XC of the SEBI (ICDR) Regulations, 2009.

We Confirm that:

1. The name of our Company, our promoters, any of our group Companies or directors do not appear in the willful defaulters list of Reserve Bank of India as maintained by Credit Information Bureau (India) Limited;
2. There is no winding up petition against the Company that has been admitted by a competent court;
3. Our Company, group Companies have not been referred to the Board for Industrial and Financial Reconstruction for a period of five years prior to the date of application for listing;
4. No regulatory action has been taken against the company, its promoters or directors, by the Board, Reserve Bank of India, Insurance Regulatory and Development Authority or Ministry of Corporate Affairs within a period of five years prior to the date of application for listing;
5. Our Company has been incorporated on October 6, 2005 and thus not completed more than ten years after incorporation and our revenues have not exceeded Rupees One Hundred Crores in any of the previous financial years.
6. The paid up capital of our Company has not exceeded Rupees Twenty Five Crores in any of the previous financial years;
7. We have one full year of audited financial statements, for the immediately preceding financial year at the time of making listing application;

8. The Company has received finance from Bank of India, Nationalized Bank in accordance with Reserve Bank of India Act, 1934 for its working capital requirements and a period of three years has elapsed from the date of such financing and the working capital limits so sanctioned by Bank of India have been fully utilized;
9. In accordance with Regulation 106 ZB of Chapter XC of the SEBI (ICDR) Regulations, 2009, our promoter i.e. Mr. Gaurang Shah has given his consent to lock- in 297767 equity shares representing 20% of paid up capital of the Company.
10. We have entered / proposed to enter into a tripartite depository agreement with NSDL and CDSL. Our ISIN is INE558R01013.

4. FORWARD LOOKING STATEMENTS

We have included statements in this Information Memorandum, that contain words or phrases such as "will", "aim", "will likely result", "believe", "expect", "will continue", "anticipate", "estimate", "intend", "plan", "contemplate", "seek to", "future", "objective", "goal", "project", "should", "will pursue" and similar expressions or variations of such expressions that are "forward-looking statements". All forward-looking statements are subject to risks, uncertainties and assumptions that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. All forward looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results and property valuations to differ materially from those contemplated by the relevant statement. Important factors that could cause actual results to differ materially from our expectations include, among others:

- General economic and business conditions in India and other countries;
- Our ability to successfully implement our strategy, our growth and expansion plans and technological changes;
- Changes in the value of the Rupee and other currency changes;
- Changes in Indian or international interest rates;
- Changes in laws and regulations in India;
- Changes in political conditions in India; and
- Changes in the foreign exchange control regulations in India.
- Potential mergers, Acquisitions or restructuring.
- Occurrence of natural calamities or natural disasters affecting the areas in which the Company has operations.
- Performance of industrial sectors in India.
- Performance of Indian Debt and equity markets.
- Cost and availability of equipments, materials, labour and fuels.

For further discussion of factors that could cause our actual results to differ, see the section titled "Risk Factors" beginning on page 10 of this Information Memorandum. By their nature, certain risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated. Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed under "Industry Overview" and "Our Business".

We do not have any obligation to, and do not intend to, update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition.

SECTION II - RISK FACTORS

An investment in equity shares involves a high degree of risk. You should carefully consider all of the information in this Information Memorandum, including the risks and uncertainties described below. The risks described herein below may not be the only risks we face. Additional risks that we do not yet know of or that we currently think are immaterial may also impair our business operations. If any of the events or circumstances described in the risks actually occurs, our business, results of operations or financial conditions could suffer. If any of the following risks actually occur, our business, financial condition and results of operations could suffer, the trading price of our Equity Shares could decline, and you may lose all or part of your investment. Unless otherwise stated in the relevant risk factors set forth below, we are not in a position to specify or quantify the financial or other implications of any of the risks mentioned herein.

1. Dependence on Technology

Our Company is a Electro-mechanical contracting firm undertaking various turnkey as well as engineering procurement contract (EPC) projects. Electro-mechanical industry is faced with continuous technological changes/upgradations/obsolescence. Our Company has to continuously upgrade its technology to compete with the other players in the market. In addition, rapid and frequent technology and market demand changes can often render existing technologies and equipment obsolete, requiring substantial new capital expenditures and/or write downs of assets. Our failure to anticipate or to respond adequately to changing technical, market demands and/or client requirements could adversely affect our business and financial results. In the future, our Company may be required to spend considerable amount on Research and Development activities, procurement of new technologies and on latest machines and equipment to be employed. If our Company is unable to keep itself updated with latest technological changes, we may lose out on our business and customers.

2. Our business is dependent upon securing Bids / Tenders :

Our business is dependent upon securing Bids / Tenders from Government, State Government, Local Authority, Corporations owned by Central Government, state Government, Local Authority, or jointly by any of them or firms, Corporations, entities whether Body Corporate or not. The future growth of the Company depends upon the Bids / Tenders secured by the Company. Almost majority of the Companies business comes from participation in and winning of tenders and projects. Failure of the Company to win the Bids / tender or to qualify for the Bid / Tender may affect the Company's operations and its profitability.

3. Our performance could be affected if we are unable to respond to rapid changes in the market, consumer preferences or other competitive factors.

The Company's revenue is mainly from Electro-mechanical contracting firm undertaking various turnkey as well as engineering procurement contract (EPC) projects. The tenders / contracts contains various clauses, stipulations and agreement. The contracts are normally huge in terms of value and quantities but are generally not spread uniformly throughout the year and hence the revenues and profitability of the Company could differ significantly from quarter to quarter.

4. The industry in which the Company operates is technological in nature. HEC Infra Projects Limited requires skilled & trained personnel to execute various Electro-mechanical Contracts including engineering procurement contract (EPC). The Company's growth and success is dependent on the continuance and performance of its team of skilled & trained personnel.

Competition for skilled & trained personnel in this industry is intense, and the Company may not be able to retain its existing skilled & trained personnel or attract new skilled & trained personnel in the future. The loss of any such personnel may adversely affect the business, results of operations and financial conditions of the Company. The Company cannot assure that it will be able to retain any or all of the Key members of management. The loss of the services of such Key managerial person of our management team could have an adverse effect on our business and the results of our operations. We have not taken any Keyman insurance Policy.

5. The Company has not yet registered any service mark or trademark used by it.

The Company has not registered any of the service mark or trademark used by it. The Company has not made any application for the registration of the same. Any present or future use is subject to the applicable law. Further, it can provide no assurance that third parties will not infringe upon its trademark and/or service mark, causing damage to the Company's business prospects, reputation and goodwill. The Company can provide no assurance that the unauthorized use by any third parties of the trademark "HEC Infra Projects" will not similarly cause damage to its business prospects, reputation and goodwill.

6. Projects included in our order book may be delayed or cancelled for reasons beyond our control. On account of such delays, cancellations or circumstances where we are unable to resolve related matters or issues, our cash flow position, revenues and earnings could be materially adversely affected.

The Company has orders from which it expects future revenue and profit. Order Book refers to a compilation of our expected revenues from uncompleted portions of construction contracts received. Projects in the order book represent business that is considered firm. Our order book does not necessarily indicate future earnings related to the performance of that work, as contracts may be amended, delayed or cancelled before work commences or during the course of construction. As of September 30, 2014, our order book (which included the value of unexecuted orders as of September 30, 2014 and the value of new orders received until September 30, 2014) was approximately Rs. 85 Crores. Due to unexpected changes in project scope and schedule, we cannot predict with certainty when or if expected revenues as reflected in the order book will be achieved. In addition, even where a project proceeds as scheduled, it is possible that contracting parties may default and fail to pay amounts owed or receivables. Any delay, cancellation or payment default could materially harm our cash flow position, revenues and/or earnings.

7. We have high working capital requirements. If we experience insufficient cash flows to meet required payments on our debt and working capital requirements, there may be an adverse effect on our results of operations.

Our business requires a significant amount of working capital and financing. In many cases, significant amounts of our working capital are required to finance the performance of construction and other work on projects before payment is received from clients. In certain cases, we are contractually obligated to our clients to fund the specific plant and equipment required for the execution of the projects. Moreover, we may need to incur additional indebtedness in the future to satisfy our working capital needs.

It is customary in the industry in which we operate to provide bank guarantees or performance bonds in favor of clients to secure obligations under contracts. If we are unable to obtain bank guarantees or performance bonds, our ability to enter into new contracts could be limited. We may not be able to continue obtaining new bank guarantees and performance bonds in sufficient quantities to match our business requirements. We may also need to offer performance bonds for projects executed partly or largely by our joint venture partners, exposing us to associated risks. If we are unable to obtain guarantees or performance bonds in connection with our contracts, our financial position may be materially adversely affected.

8. The Company's ability to pay dividends in the future will depend upon future earnings, financial condition, cash flows, working capital requirements and capital expenditures and the terms of its financing arrangements.

The Company has paid dividend in the past. The amount of its future dividend payments, if any, will depend upon the company future earnings, financial

condition, cash flows, working capital requirements and capital expenditures. There can be no assurance that we will be able to pay dividends in the future.

9. Our indebtedness and the conditions and restrictions imposed by our financing agreements could adversely affect our ability to conduct our business and operations.

As of September 30, 2014, we had total secured and unsecured loans of approximately Rs.21.13Crores excluding Bank guarantee. In addition, we may incur additional indebtedness in the future. Our indebtedness could have several important consequences, including but not limited to the following:

- A portion of our cash flow may be used towards repayment of our existing debt, which will reduce the availability of our cash flow to fund working capital, capital expenditures, acquisitions and other general corporate requirements.
- Our ability to obtain additional financing in the future on reasonable terms may be restricted.
- Any adverse fluctuations in market interest rates may affect the cost of our borrowings, as some of our indebtedness is at variable interest rates.
- There could be a material adverse effect on our business, financial condition and results of operations if we are unable to service our indebtedness or otherwise comply with financial and other covenants specified in the financing agreements.

10. Our ability to borrow funds at acceptable rates and in required amounts has been aided by the willingness of our Promoters to provide personal guarantees of our indebtedness. We cannot give any assurance that our Promoters will be willing, or able, to provide such guarantees in the future.

Some of our financing agreements include conditions and covenants that require us to obtain lender consents, prior to carrying out certain activities and entering into certain transactions.

Failure to meet these conditions or obtain these consents could have significant consequences on our business. Typically, we require, and may be unable to obtain, lender consents to incur additional secured debt, issue equity, change our capital structure, undertake any major expansion, change our management structure or merge with or acquire other companies, whether or not there is any failure by us to comply with the other terms of such agreements.

We believe that our relationships with our lenders are satisfactory. Any failure to comply with the requirement to obtain a consent, or other condition or covenant under our financing agreements that is not waived by our lenders or is not otherwise cured by us, may lead to a termination of our credit facilities, acceleration of all amounts due under such facilities and trigger cross default provisions under certain of our other financing agreements, and may adversely affect our ability to conduct our business and operations or implement our business plans.

11. An inability to manage our growth could disrupt our business and reduce our profitability.

We have experienced high growth in the past few years and expect our business to grow significantly. We expect this growth to place significant demands on us and require us to continuously evolve and improve our operational, financial and internal controls across the organization. In particular, continued expansion increases the challenges involved in:

- Maintaining high levels of client satisfaction.
- Developing and improving our internal administrative infrastructure, particularly our financial, operational, communications and other internal systems.
- Recruiting, training and retaining sufficient skilled management, technical and marketing personnel.
- Adhering to health, safety and environment and quality and process execution standards that meet client expectations.
- Preserving a uniform culture, values and work environment in operations within and outside India.
- Any inability to manage our growth may have an adverse effect on our business and results of operations.

12. We are exposed to significant liability under our construction contracts.

We provide construction services under contracts entered into by us with our clients. A majority of these contracts specify a period (generally for a period of 12 to 24 months from the date of completion) as the defects liability period during which we would have to rectify any defects arising from construction services provided by us within the warranty periods stipulated in our contracts at our cost. Our operations are subject to hazards inherent in providing construction services, such as risk of equipment failure, work accidents, including hazards that may cause injury and loss of life, and severe damage to and destruction of property and equipment. Our contracts also usually include liquidated damages which is dependent upon the contract price, which may be enforced against us if we do not

meet specified targets during the course of a contract. Our risk of incurring such liabilities is greater for long term contracts, generally over two years long, than short or medium term contracts. Actual or claimed defects in construction quality could give rise to claims, liabilities, costs and expenses, relating to loss of life, personal injury, damage to property, damage to equipment and facilities, pollution, inefficient operating processes, or suspension of operations. Our practice of covering these risks through contractual limitations of liability, indemnities and insurance may not always provide full cover. These liabilities and costs, if not covered, could have a material adverse effect on our business, results of operations and financial condition.

13. Given the long-term nature of the projects that we undertake, we face various kinds of implementation risks.

Our projects involve agreements that are long term in nature. All long term projects, which include item rate, lump sum and EPC contracts with or without price escalation, have inherent risks associated with them that may not necessarily be within our control and accordingly our exposure to a variety of implementation and other risks, including construction delays, material shortages, unanticipated cost increases, cost overruns, inability to negotiate satisfactory arrangements with joint venture partners, and disagreements with our joint venture partners is enhanced. The long term nature of our contracts exposes us to increased risk of unforeseen business and industry changes and could have a material adverse effect on our business, financial condition and results of operations.

14. On fixed price contracts, lump sum or EPC contracts, we are exposed to significant construction risks that could cause us to incur losses.

Some of our contracts, whether item rate, lump sum or EPC, are on a fixed price basis. Under the terms and conditions of fixed price contracts, we generally agree to a fixed price for providing construction services for the part of the project contracted to us. These contracts may not include escalation clauses covering increased costs. The actual expense to us for executing a fixed price contract may vary substantially from the assumptions underlying our bid for several reasons, due to more than anticipated increases in the cost of materials, labour and others.

Additionally, the item rate, lump sum or EPC contracts with price escalation clauses entail risks of unforeseen construction conditions, including the inability of the client to obtain requisite statutory clearances and approvals, resulting in delays and increased costs, and delays caused by unusual weather conditions or force majeure events. These variations and the risks generally inherent to the construction industry may result in our profits being different from those originally estimated and may result in our experiencing reduced profitability or losses on projects. Depending on

the size of a project, these variations from estimated contract performance could have a significant adverse effect on our results of operations.

15. We face significant competition for the projects that we bid for Tenders / Contracts. As a result, we may be required to charge low prices for our services in response to such competition, which may materially and adversely impact our operating revenue and profitability.

We operate in a competitive environment. Our contracts are awarded following competitive bidding processes and satisfaction of other prescribed pre-qualification criteria. Our competition varies depending on the size, nature and complexity of the project and on the geographical region in which the project is to be executed. We compete against major domestic companies as well as smaller companies. While service quality, technological capacity and performance, health and safety records and personnel, as well as reputation and experience, are important considerations in client decisions, price is a major factor in most tender awards. The competitive nature of this process may necessitate us and other prospective bidders to submit low bids to win the award of the contract so as to maintain our respective market share. Our industry has been frequently subject to intense price competition. As a result of this competition, we may face margin pressure. Consequently, this could have a material adverse effect on our results of operations, financial condition and prospects. If we do not succeed in being awarded the contracts for projects, we could fail to increase, or maintain, our volume of order intake and operating revenues. There can be no assurance that we can continue to effectively compete with our competitors in the future, and failure to compete effectively may have an adverse effect on our business, financial condition and results of operations.

16. We face margin pressure as a large number of the projects that we work on are awarded by the Government of India and state governments following competitive bidding process.

We derive a substantial part of our revenue from projects awarded by the Government of India, State governments or Local authorities or their respective authorized agencies or Domestic Companies or Corporations. Prospective bidders must meet technical requirements of the tender specified by the relevant government, and the contract is usually awarded to the most competitive financial bidder. We face competition from companies that operate on a larger scale than us and are able to achieve better economies of scale when bidding on government contracts. The nature of the bidding process on government contracts may cause us to accept lower margins in order to be awarded the contract, which may have an adverse effect on our business, financial condition and results of operations.

17. Our insurance coverage may be inadequate to satisfy future claims against us.

We maintain insurance which we believe is typical in our industry in India and in amounts which we believe to be commercially appropriate for a variety of risks, including: fire, burglary, professional liability, group medical and personal accident insurance and key man insurance. However, such insurance may not be adequate to cover all losses or liabilities that may arise from our operations, particularly when the loss suffered is not easily quantifiable. Our insurance policies contain exclusions and limitations on coverage, as a result of which, we may not be able to successfully assert our claims for any liability or loss under the said insurance policies. Additionally, there may be various other risks and losses for which we are not insured because such risks are either uninsurable or not insurable on commercially acceptable terms. Furthermore, there can be no assurance that in the future we will be able to maintain insurance of the types or at levels which we deem necessary or adequate or at premiums which we deem to be commercially acceptable. The occurrence of an event for which we are not insured, where the loss is in excess of insured limits occurs or where we are unable to successfully assert insurance claims from losses, could result in uninsured liabilities. Further, despite such uninsured losses we may remain obligated for any financial indebtedness or other obligations related to our business. Any such uninsured losses or liabilities could result in an adverse effect on our business operations, financial conditions and results of operations.

18. Some or all of the unsecured loans availed by us may be recallable on demand by the lenders at any time which could adversely affect our cash flow position, financial condition and results of operations of our Company.

Our Company has availed interest free unsecured loans from our promoters and their relatives which may be subject to repayment on demand at any time. Such repayment demands on short notice, if any, could adversely affect our cash flow position, financial condition and results of operations of our Company.

19. The portions of projects sub-contracted by us could be affected on account of the subcontractors' performance, resulting in delayed payments.

In the projects awarded to us we sometimes sub-contract some portions of the work to subcontractors. For such projects we are dependent on the skills and labour provided by the subcontractor. Timely and satisfactory performance of the subcontractors plays an important role in the payments we receive. Any delay or failure on the part of the sub-contractor could result in delayed payments to us which may affect our profitability.

20. We maintain a workforce based upon current and anticipated workloads. If we do not receive future contract awards or if these awards are delayed, under-utilization of workforce could result in higher operating costs.

In planning for our growth, we continue to add to our workforce as we anticipate inflow of additional orders. Should the same be delayed or reduced, it could cause under-utilization of human resources resulting in additional costs of operation affecting our financial results.

21. The failure of a joint venture partner to perform its obligations could impose additional financial and performance obligations resulting in reduced profits or, in some cases, significant losses from the joint venture.

We enter into various joint ventures with various Companies or Entities in order to pre-qualify and meet eligibility criteria for contracts, in order to further our expansion plans. The success of these joint ventures partly depends on the satisfactory performance by our joint venture partners and fulfillment of their obligations. If our joint venture partners fail to perform these obligations satisfactorily, the joint venture may be unable to perform adequately or deliver its contracted services. In that instance, we may be required to make additional investments and/or provide additional services to ensure the adequate performance and delivery of the contracted services. We may also be subject to joint and several liabilities as a member of the joint venture in a number of projects. These additional obligations could result in reduced profits or, in some cases, losses for us. The inability of a joint venture partner to continue with a project due to financial or legal difficulties could mean that we would bear increased and possibly sole responsibility for the completion of the project and bear a concomitant increase in the financial risk of the project. We may also lose a project altogether, either because we are no longer eligible on a standalone basis, or because the joint venture was based on a firm delineation of roles and we lack the ability or capacity to execute the partner's allocated work.

22. We have entered into, and will continue to enter into, related party transactions. Further, certain of our related party transactions may not have been undertaken on an arm's length basis.

We have entered into transactions with related parties. While we believe that all such transactions have been conducted on an arm's length basis, there can be no assurance that we could not have achieved more favourable terms had such transactions not been entered into with related parties. Furthermore, it is likely that we may enter into related party transactions in the future. These transactions may involve conflicts of interests which may be detrimental to our Company. We cannot

assure you that such transactions could not have been made on more favourable terms with unrelated parties.

23. Members of our Promoter group have majority control in the Company, which will enable them to influence the outcome of matters submitted to shareholders for approval.

As of September 30, 2014 members of the Promoter and their relatives including Bodies Corporate owned by the Promoter, beneficially own approximately more than 99% of our Share capital. See *“Capital Structure and Promoters” on page no. 61 and 76 respectively*. As a result, the Promoter group has the ability to control our business including matters relating to the timing and distribution of dividends and the election or termination of appointment of our officers and directors. This control could delay, defer or prevent a change in control of the Company, impede a merger, consolidation, takeover or other business combination involving the Company, or discourage a potential acquirer from making a tender offer or otherwise attempting to obtain control of the Company even if it is in the Company’s best interest. In addition, for so long as the Promoter group continues to exercise significant control over the Company, it may influence the material policies of the Company in a manner that could conflict with the interests of our other shareholders. The Promoter group may have interests that are adverse to the interests of our other shareholders and may take positions with which we or our shareholders do not agree.

24. An increase or decrease or withdrawal of tax benefits and other incentives by the Government of India will have an impact on our net income.

Any increase in our effective tax rate as a result of the expiration of tax benefits. Changes in applicable tax laws or the actions of applicable income tax or other regulatory authorities could materially reduce our profitability. Furthermore, any significant increase in our future effective tax rates could adversely impact net income for future periods.

25. Our revenues and profits are difficult to predict and can vary significantly from period to period, which could cause the price of our Equity Shares to fluctuate.

Revenues from construction work vary and are dependent on various factors such as the current stage and size of the project, the expected completion dates, increases in the price of raw materials, shortages of raw materials, delays in execution of the contracts, and others. The anticipated completion dates for our projects, including those set forth in this Preliminary Placement Document, are estimates based on current expectations and market conditions, and could change significantly, thereby affecting our income. The combination of these factors may result in significant variations in our revenues and profits.

26. Our inability to maintain our credit rating could have a materially adverse effect on our financial position.

We received a Credit rating of SE 2C from ONICRA Credit Rating Agency of India Limited for our loan which indicates High Performance Capability and Low Financial Strength. The report pertains to the period from 1st April, 2010 to 31st March, 2013 and the report is dated of 7th November, 2013 and is valid upto 6th November, 2014. In making its rating, ONICRA Credit Rating Agency of India Limited noted among other things, our long and satisfactory track record for decades, engineering capabilities and experience in executing high value projects. We need to renew the ratings and if we are unable to maintain our ratings, our interest rates may increase, which may have a materially adverse effect on our access to indebtedness and results of operations

27. We may not be successful in implementing our growth strategies.

To remain competitive, we plan to grow our business as well as expand into new geographic markets outside India. Our success in implementing our growth strategies may be affected by:

- our ability to maintain the quality of our products and services,
- our ability to create brand awareness in the new markets;
- our ability to increase our user base;
- our ability to attract, train and retain employees who have the requisite skills;
- our ability to continue to expand our products and services;
- our ability to build, acquire, maintain and update the required technology and systems;
- the general condition of the global economy (particularly of India and the other markets we may operate in);
- our ability to compete effectively with existing and future competitors;
- changes in our regulatory environment.

Many of these factors are beyond our control and there can be no assurance that we will succeed in implementing our strategy. If we are not successful, our business, financial condition and results of operations may be adversely affected. We may need to raise funds to implement our business strategy successfully to increase productivity, developing new technology and developing new and expand current products and services to generate demand. We cannot assure you that we would be able to raise funds in a timely and cost efficient manner, on commercially acceptable terms, or at all. Our inability to raise funds may impair our ability to effectively implement our business strategy. If we cannot obtain such required financing on acceptable terms or at all may impair our business growth and results of operations.

28. We have contingent liabilities in our balance sheet, as stated herein below, as at March 31, 2014 and March 31, 2013 and March 31, 2012

If the above contingent liabilities actually occur, they may adversely impact our performance and may have an adverse effect on our results of operations and financial condition.

EXTERNAL RISK FACTORS

29. Political, economic and social changes in India could adversely affect our business.

Our business, and the market price and liquidity of our Company's shares, may be affected by changes in Government policies, including taxation, social, political, economic or other developments in or affecting India. In addition, any political instability in India may adversely affect the Indian economy and the Indian securities markets in general, which could also affect the trading price of our Equity Shares.

30. Natural calamities and force majeure events may have an adverse impact on our business.

Natural disasters may cause significant interruption to our operations, and damage to the environment that could have a material adverse impact on us. The extent and severity of these natural disasters determines their impact on the Indian economy. Prolonged spells of deficient or abnormal rainfall and other natural calamities could have an adverse impact on the Indian economy, which could adversely affect our business and results of operations.

31. Public companies in India, including our Company, may be required to prepare financial statements under IFRS or IndAS (a variation of IFRS). The transition to IFRS or IndAS in India is still unclear and we may be negatively affected by such transition.

We currently prepare our annual and interim financial statements under Indian GAAP. Public companies in India, including us, may be required to prepare annual and interim financial statements under Indian Accounting Standard 101 "First-time Adoption of Indian Accounting Standards ("IndAS"). The Institute of Chartered Accountants of India ("ICAI") recently published a near final version of IndAS. On February 25, 2011, the Ministry of Corporate Affairs ("MCA") of the Government announced that IndAS will be implemented in a phased manner and the date of such implementation will be notified at a later date. As of the date of this

Information Memorandum, the MCA has not yet notified the date of implementation of IndAS. There is not yet a significant body of established practice on which to draw in forming judgments regarding its implementation and application. Additionally, IndAS differs in certain respects from International Financial Reporting Standard ("IFRS") and therefore financial statements prepared under IndAS may be substantially different from financial statements prepared under IFRS. There can be no assurance that our financial condition, results of operations, cash flow or changes in shareholders' equity will not be present differently under IndAS than under Indian GAAP or IFRS. As we adopt IndAS reporting, we may encounter difficulties in the ongoing process of implementing and enhancing its management information systems. There can be no assurance that the adoption of IndAS by us will not adversely affect our results of operations or financial condition and any failure to successfully adopt IndAS in accordance with the prescribed timelines may have an adverse effect on our financial position and results of operations.

32. Hostilities, terrorist attacks, civil unrest and other acts of violence could adversely affect the financial markets and our business.

Terrorist attacks and other acts of violence or war may adversely affect the Indian markets on which our Equity Shares will trade. These acts may result in a loss of business confidence, make travel and other services more difficult and have other consequences that could have an adverse effect on our business. In addition, any deterioration in international relations, especially between India and its neighboring countries, may result in investor concern regarding regional stability which could adversely affect the price of our Equity Shares. In addition, India has witnessed local civil disturbances in recent years and it is possible that future civil unrest as well as other adverse social, economic or political events in India could have an adverse impact on our business. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse impact on our business and the market price of our Equity Shares.

33. Our Company may raise further rounds of equity financing in which the existing shareholders may not participate resulting in reduction of their percentage of holding in our company.

In order to grow business, our Company may require additional funds at various points of time. Our Company may raise funds through various means including debt, equity and securities convertible into equity. Any such issuances of equity and securities convertible into equity would dilute the holding of Equity Shareholders.

34. The price of our Equity Shares may be volatile.

The trading price of our Equity Shares may fluctuate after the listing due to a variety of factors, including our results of operations, competitive conditions, general economic, political and social factors, the performance of the Indian and global economy and significant developments in India's fiscal regime, volatility in the Indian and global securities market, performance of our competitors, the Indian Capital Markets, changes in the estimates of our performance or recommendations by financial analysts and announcements by us or others regarding contracts, acquisitions, strategic partnerships, joint ventures, or capital commitments. In addition, if the stock markets experience a loss of investor confidence, the trading price of our Equity Shares could decline for reasons unrelated to our business, financial condition or operating results. The trading price of our Equity Shares might also decline in reaction to events that affect other companies in our industry even if these events do not directly affect us. Each of these factors, among others, could materially affect the price of our Equity Shares.

35. We may undertake strategic acquisitions or investments, which may prove to be difficult to integrate and manage or may not be successful.

In the future, we may consider making strategic acquisitions of other engineering and/or construction companies whose resources, capabilities and strategies are complementary to and are likely to enhance our business operations in the different geographic regions that we operate in. It is also possible that we may not identify suitable acquisition or investment candidates, or that if we do identify suitable candidates, we may not complete those transactions on terms commercially acceptable to us or at all. The inability to identify suitable acquisition targets or investments or the inability to complete such transactions may adversely affect our competitiveness or our growth prospects.

If we acquire another company we could face difficulty in integrating the acquired operations. In addition, the key personnel of the acquired company may decide not to work for us. These difficulties could disrupt our ongoing business, distract our management and employees and increase our expenses. There can be no assurance that we will be able to achieve the strategic purpose of such acquisition or operational integration or our targeted return on investment.

36. We are subject to risks arising from interest rate fluctuations, which could adversely affect our business, financial condition and results of operations.

Changes in interest rates could significantly affect our financial condition and results of operations. If the interest rates for our existing or future borrowings increase significantly, our cost of servicing such debt will increase. We borrow funds on both fixed and floating interest rates. The majority of our borrowed funds are subject to floating interest rates. This may adversely affect our results of operations, planned capital expenditures and cash flows.

37. A slowdown in economic growth in India could cause our business to suffer.

Our performance and growth are dependent on the health of the Indian economy. The economy could be adversely affected by various factors such as political or regulatory action, including adverse changes in liberalization policies, social disturbances, terrorist attacks and other acts of violence or war, natural calamities, interest rates, commodity and energy prices and various other factors. Any slowdown in the Indian economy may adversely impact our business and financial performance and the price of our Equity Shares

37. Active trading market for our Equity Shares may not develop.

Till date there has been no public market for our Equity Shares. We propose to list our Equity Shares on Institution Trading Platform (ITP) of NSE Emerge. We cannot assure that pursuant to listing on ITP, active trading market of our Equity Shares would develop as trading on ITP is subject to certain restrictions viz minimum trading lot of Rs. 10 Lacs. Further the securities listed on ITP will be mandatorily exited within 18 months of triggering various events such as completion of ten years on listing of ITP or attaining paid up capital of Rs. 25 Crores or attaining revenue of Rs. 300 Crores or attaining market capitalization of Rs. 500 Crores. Hence, there can be no assurance that an active trading market for our Equity Shares will develop or be sustained after the listing.

Disclaimer Clause on Risk Factors :

HEC Infra Projects Limited cautions readers that the risks outlined above are not exhaustive and are for information purposes only. HEC Infra Projects Limited is not an expert in assessment of risk factors, risk mitigation measures and in having a complete / proper management's perception of risks. Readers are therefore requested to exercise their own judgment in assessing various risks associated with the Company

Section III - Industry Overview

Industry Scenario :

India's Planning Commission has projected an investment of US\$ 1 trillion for the infrastructure sector during the 12th Five-Year Plan (2012-17). India has focused heavily on the sector since the turn of the century, and the sector has contributed to the country's current reputation as one of the fastest growing economies in the world. Foreign investment has helped the sector grow in this duration, with domestic players in the industry also making their mark abroad.

[Source : <http://www.ibef.org/industry/infrastructure-sector-india.aspx>]

Infrastructure development reflects the health of the economy of any nation because infrastructure is directly proportional to the development and growth of the country. Being a rapidly growing nation, India has always given higher importance to the infrastructure sector and it has received considerable attention from the government as well as private players. Indian infrastructure sector mainly includes development of roads, airports, shipping and ports which have contributed greatly to the economy of India over the last decade.

When it comes to development in infrastructure sector, the Government of India has always been very proactive. A large focus has always been given on execution of associated projects via Public Private Partnerships (PPPs), fiscal incentives, tariff policies, budgetary allocations and participation of private companies.

According to research done by Infrastructure Development Finance Co. the infrastructure sector of India contributes more than 8% of the country's GDP. The figures are going to touch 10% by year 2017 to uphold the growth objectives. Indian infrastructure sector is well poised to take a big leap and it provides several investment opportunities for foreign investors from across the world.

Investment Opportunities for Foreign Investors (NRIs/PIOs) in Infrastructure Sector of India

- Private Equity firms which are looking for stable returns on their investment can avail opportunities in the Indian Infrastructure sector. According to a recent analysis, India has been attracting huge amount of unlisted, close-ended fund, thereby making it a highly preferred choice among all other investment sectors.
- PE firms which want to invest in Infrastructure sector of India can opt for segments like roads, power, ports, telecom and many more.

- The infrastructure sector of India will attract an investment of more than US\$1.1 trillion in the next five years. This also includes ambitious projects such as National Highway Development Project (NHDP).
- Investment opportunities for foreign investors mainly offered by NHAI for executing the upcoming phases of NHDP. Contracts will be offered to foreign companies depending upon the sector being tendered. In the next five years, an investment inflow of around US\$75 billion will be required to boost the infrastructure sector in India which is projected to expand at 20% every year.
- Over the next decade, more than 90 million jobs would be generated across different sectors in India, which would create a need for more than 8 million square feet of office space. This would be one of the key attractions for foreign players who are looking for opportunities to invest in industrial infrastructure sector.
- Recently, the Cabinet has given its approval for private investment in Indian Railways (state-run) for constructing new plants and lines with enhanced capacity. This reform will help foreign players to connect railways with industrial plant, mines and port by offering services at lower costs.
- The Government of India has also projected the Indian Railways Vision 2020 which targets to tackle the issues related with infrastructure, by opening up doors for NRIs to invest in Indian infrastructure sector.
- Recently, the Indian government has approved 9 different road projects worth US\$ 2 billion to be implemented by State Governments under Public Private Partnership model.
- Indian Finance Ministry is ready to fund 20% of financial requirement, while the other 20% would come from Highways Ministry. Foreign investment may be invited in order to make all the projects financially feasible.

Government Initiatives to Encourage Foreign Investment in India:

- 100 percent FDI is allowed under automatic route for infrastructure development in power sector.
- Foreign Direct investment of 100% is permitted under automatic route in infrastructure related to petroleum products, natural gas pipelines and petroleum refining by private sector.
- 49 percent FDI is allowed under Government route in any petroleum refining in Public Sector Undertaking (PSU). However, dilution or divestment of domestic equity is now allowed in existing PSUs.
- 100 percent FDI is permitted under automatic route in setting up new and established industrial park.
- In order to ensure quicker execution of major projects, the Government of India has declared a single window clearance mechanism for issue and review of clearance associated with important projects under the Cabinet secretary. The clearance board will be established on the lines of Foreign Investment Promotion Board (FIPB), which would act as investment tracker and problem solver for all the infrastructure projects worth more than US\$150 million.
- The clearance board will possess representatives from ministries of defense, commerce, home, coal, environment & forest and department of space.
- The Indian Cabinet Committee on Investment would also try to ease bottleneck which restrict the expansion of infrastructure sector in the country.
- In order to attract private and foreign investment, some more sectors like telecommunication, oil, gas storage and irrigation have been allowed for viability gap funding under the scheme called 'Support to PPP in Infrastructure'.

[Source : <http://www.oifc.in/infrastructure>]

Raw Materials Required :

The Company needs to purchase various materials depending upon the type of the project to be executed. Various Raw Materials include Power and Distribution Transformer, Isolator, Flow Meter, Pressure Transmitter, Cast Iron Valves, Pipes, fittings, Cables etc. depending upon the requirements of the project. In Certain Project, the raw material brand, specification is required to be used as per the tender conditions.

Sourcing of Raw Materials :

The Company sources its materials from various suppliers. All Materials are available in India. The Company is not required to import any materials required for the execution of the project. The Company procures its materials from suppliers like M/s.Universal Power Transformer Pvt. Ltd, M/s.Voltamp Transformers Ltd, M/s. ABB Limited etc.

Strength :

- 1) The Company has a good track record of Customers.
- 2) The Company has a strong net work.
- 3) The Company has vast experience in executing electro mechanical contracts.
- 4) The Company has a dedicated team for execution of electro mechanical contracts.
- 5) The Company has registration with various Government authorities which makes the Company eligible to bid for more tenders.

Weakness :

- 1) Require high Working Capital requirements.
- 2) Lower Equity Capital is one of the Key weakness as the industry in which the Company operates require high Capital.
- 3) High finance costs is one of the weakness which impede the profitability of the Company.

Opportunities :

- 1) Increase in Government Spending on infrastructure Projects like Power, Energy Sector etc will lead to more demand of electro mechanical projects.
- 2) Development of new cities by the Government will lead to increase in the demand for execution of electro mechanical projects.

Threat :

1) Our industry is competitive. Our competition includes both domestic and foreign competitors. However, the level of competition varies from sector to sector. Competition for any contract depends on the size, nature and complexity of the project, as well as the geographical region in which the project is to be implemented. We believe that our multi-sector expertise and execution capabilities, our multi-location presence across geographies, as well as our diverse project portfolio, help distinguish us from our competitors and protect us from downturns in any particular sector or geography.

2) Increase in Salaries and Wages is a major threat for the Company. The Company is a labour oriented industry and hence increase in manpower costs is one of the major threat to the Company.

3) Delay in payments by the debtors is one of the major threat to the Company.

4) Delays in getting approvals / clearances from Government Departments may extend the time period of the project which leads to increase in the project cost.

5) High costs of funds availability leads to more outflow on account of finance costs and this leads to pressure on the margin and thus high interest costs is one of the major threat that the Company foresee.

The above Strengths, Opportunities, Weakness and threats are based upon the identification by the management of the Company and there can be no assurance or guarantee upon the above mentioned Strengths, Opportunities, Weakness and threats. The Company cannot quantify the impact of above mentioned Strengths, Opportunities, Weakness and threats on the equity shares of the Company.

Section IV – Business Overview

HEC Infra Projects Limited is basically engaged in Electro-Mechanical Contracting Company which undertakes various turnkey as well as EPC Projects.

Main Objects of the HEC Infra Projects Limited:

The main objects of the Company as specified in Clause III (A)1 of the Memorandum of Association of the Company are as :

To carry on either alone or jointly with one or more person, government, local or other bodies , the business to construct, build, alter, acquire, convert, improve, design, erect, establish, equip, develop, dismantle, pull down, turn to account, furnish, level, decorate, fabricate, install, finish, repair, maintain, search, survey, examine, taste, inspect, locate, modify, own, operate, protect, promote, provide, participate, reconstruct, grout, dig, excavate, pour, renovate, remodel, rebuild, undertake, contribute, assist, and to act as civil engineer, architectural engineer, interior decorator, consultant, advisor, agent, broker, supervisor, administrate, contractor, sub-contractor, turnkey contractor and manager of all types of electrical, mechanical, constructions and developmental work in all its branches such as roads, ways, culverts, dams, bridges, railways, tram-ways, water tanks, reservoirs, canals, wharves, warehouse, factories, buildings, structures, drainage and sewage works, water distribution and filtration systems, docks, harbours, piers, irrigation works, foundation works, flyovers, airports, runway, rock drilling, aquaducts, stadiums, hydraulic works, sanitary work, power supply works, power stations, hotels, hospitals, multistory, colonies, complexes, housing projects and other similar works and for the purpose to acquire, handover, purchase, sell, own, cut to size, develop, distribute or otherwise to deal in all source of lands and buildings and to carry on all or any of the foregoing activities with or without building materials, goods, plants, machineries, equipments, accessories, parts, tools, fittings, articles, materials and facilities of whatsoever nature.

General Development of Business :

The Company sees a huge opportunity in the development of the Business. The Company foresee a double digit growth in years to come. The Company is also planning to enter into new segments like execution of civil works for building projects, Supply, installation, treatment and Commission of Water Treatment Plants and Roof top solar plants.

Subsidiaries : The Company has no subsidiary since its incorporation.

Business Process :

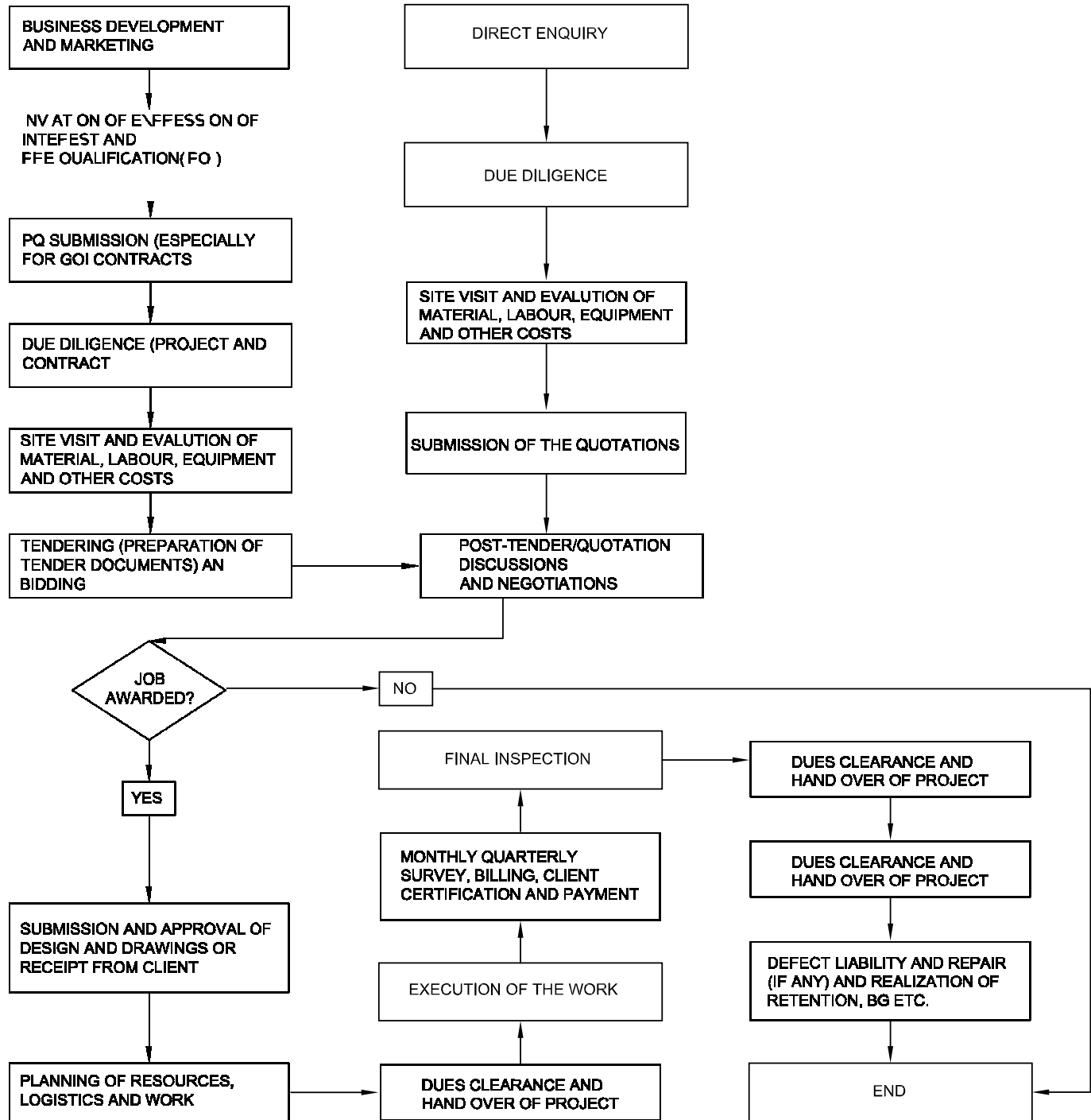
We enter into contracts primarily through a competitive bidding process, which often requires a prequalification process especially in the public sector. Before a tender is submitted, we perform preliminary due diligence at the proposed project site. Once the tender is accepted by the client, it is converted into a letter of intent, and a project manager and the project team are identified. Detailed project planning occurs to estimate resources, cost of completion and profitability. Once all of these items are determined and after final negotiations, a contract is signed with the client. Resources are then mobilized at the project site and execution of work is started. Work begins when the client hands over the site, plans and drawings to our on-site team. The project execution work is carried out as per the plan and the on-going requirements of the client. The Bill is raised for the actual work completed and duly measured, and after certification by the client, the bill is paid by the client as per the contract term and conditions, after reaching the threshold limit of the agreed level of the preparatory work or the completion of Work. The actual cost of the work done and the revised estimates of the cost to complete the remaining work are carried out every quarter. The quality control and safety, health and environment efforts at the site offices are further supplemented by the efforts from the zonal or branch office and the head office by way of technical audits and quality audits as to cost and time parameters as well as client satisfaction.

HEC Infra Projects Limited is basically engaged in Electro-Mechanical Contracting Company which undertakes various turnkey as well as EPC Projects. The Company provides wide range of services in the field of Electrical Engineering for Power installation like Extra High tension, Low tension, Extra Low voltage, Special lighting and many more. We cater to Industries like Steel, Chemical, Cement, Refineries, Petro-chemicals, Gas & Oil Sector, Textile, Pharmaceuticals, power generation plants, Banks ,Multiplexes, Commercial Centers, Ports, etc.

We draw our strength from our dedicated and experienced team of Engineers and technicians. Our performances have been commended by many major Consultants / Prime contractors with whom we have been associated in past.

We have service network set up to cater our clients requirement of routine troubleshooting / annual maintenance contract. This helps in keeping regular touch or co-ordination between our organization and clients. A Chart showing description of Business process is as under :

THE FOLLOWING DIAGRAM DEPICTS OUR BUSINESS PROCESS AT A GLANCE



RANGE OF SERVICES :

We render our services in the electrical field as under:

- Detailed Engineering.
- Carrying out vital data collection at site & offer Energy Audit Programme.
- Preparation of Critical Path Method and Programme Evaluation Review Technique chart.
- Relay testing , calibration & co-ordination as per fault level condition.
- EPC of 220/132/66/33/ Kilo Volt, High Voltage Switchyard & downstream work.
- Medium Voltage and Low Voltage Cabling.
- Internal and External lighting installations for Malls, Multiplexes, Special Economic Zone, Hotels Business Process Outsourcing Units & Call Centers etc.
- Installation, Testing & Commissioning of Diesel Generating set, Uninterrupted Power Supply, Auto Source Changeover control center etc.
- Automatic Power Factor Correction system by providing complete analysis/ design as per requirement.
- Extra low voltage systems like:
 - ✓ Telephone system
 - ✓ Fire detection system
 - ✓ Public Address system and music system
 - ✓ Computer networking system
- Annual Maintenance Contracts.

EXTENT OF SUPERVISION SERVICES DURING EXECUTION:

- Monitoring of project site on day one day to day basis and communication with clients/ Consultants.
- To supervise the progress of work done as per tender specifications and Indian Electricity rules as well as Indian standard specification.
- Co-ordination of Consultants Drawing with respect to site condition with other utility agency.
- Regular checking of incoming material and its quality at our store, department.
- Preparing daily / weekly / monthly work progress report discussing the same with clients' site in charge to forge the exact schedule.
- To evaluate project cost at regular interval & to submit detail report to the executive with suggestions/solutions to control the project cost & to meet Bar chart schedule.
- To maintain all the records of drawing in order to submit the final "AS BUILT" drawings.

Registration With Government / Public Sector/Co-Operative
Undertakings

Sr. No.	Registered with	Class of Registry	Registration No. and Date	Valid till
1	Executive Engineer Ahmedabad Electrical Dn. No.1 Road & Building Department 9/A-Block, M.S. Building Ahmedabad	" A " Class	No.AB/TC/Reg./ 4501 of 2011 Dated 24.02.2011	31.12.2016
2	The City Engineer Vadodara Maha Nagar Palika Vadodara	"AA" Class	No.Group-D/ 2008-09/15 Dated 22.08.2008	31.03.2011
3	The Chief Engineer Public Health Engineering Deptt. Raipur, Chhatisgarh State	"S - 5" Class	No.9234/Reg./ PHED/2007-Raipur Dated 30.11.2007	29.11.2012
4	Indian Farmers Fertilizers Cooperative Ltd. Kandla Unit	Cat.: 5613 5608 5601	PUR/VDC/2009 Dated 27.01.2009	2012
5	The Chief Engineers(Projects) Gujarat Energy Transmission Corporation Limited Vadodara	" B " Class	CE(Projects)SE(Proj.)/V 9677 dated 13.12.2012	31.10.2015
6	The Chief Engineers(Projects) Gujarat Energy Transmission Corporation Limited Nadiad	" D " Class	CE(P)/EE(TR-II)T-1/9702 dated 14.12.2012	13.12.2015
7	The Chief Engineers(Projects) Gujarat Energy Transmission Corporation Limited Vadodara	" C " Class	GETCO/CE(P)/SE©/Reg- C/HEC/2411 Dt.10.06.2013	24.04.2016
8	The Chief Manager (Contracts) Indian Oil Corporation Ltd. Refinery Division, Vadodara	M-017 EPC Jobs	No. CC/16/163 dated 03.02.2009	31.03.2012
9	The Chief Engineers(Projects) Gujarat Energy Transmission Corporation Limited Vadodara	" C " Class	CE(Projects)SE(Proj.)/V 5969 dated 10.09.2012	24.07.2015

In addition to this the Company is also licensed by the Government of Gujarat as Electrical Contractors. The License is valid up to 31st December, 2018.

Customers :

Some of the prominent Customers of the Company include Hindustan Coca Cola & Beverages Private Limited, Adani Enterprises Limited, Hitachi Hi-Rel Power Electronics Private Limited, Indian Oil Corporation Limited, Alstom Bharat Forge Power Limited, Mother Dairy, 3M India Limited, Larsen and Toubro Limited, Sintex Industries Limited, IVRCL Infrastructures & Projects Limited, Bombardier Transportation India Limited, Kohler India Corporation Private Limited, Thyseenkurup Engine Components India Private Limited, Cobra Instalaciones Y Services S.A. and many others. The Company is constantly making its efforts to increase the Customers base.

REGULATIONS AND POLICIES

There are no specific regulations in India governing the construction industry. Set forth below are certain significant legislations and regulations that generally govern this industry in India:

General

The Company is engaged in the business of, *inter alia*, carrying on public and private civil and infrastructural works, engineers, builders, and contractors. Contracts are executed in pursuance of tenders/quotations issued by the Government, Government agencies, private companies, public companies and multinational companies or by orders placed by them. For the purpose of executing the work undertaken by the Company, we may be required to obtain licenses and approvals depending upon the prevailing laws and regulations applicable in the relevant state.

Foreign Ownership

Under the Industrial Policy and FEMA, foreign direct investment up to 100% is permitted in construction and related engineering services. Further, the Industrial Policy now also permits foreign direct investment under the automatic route in projects for construction and maintenance of roads, highways, vehicular bridges, toll roads, ports and harbours. Similarly up to 100% foreign direct investment is also allowed in projects for electricity generation, transmission, and distribution produced in hydroelectric power plants, coal/lignite based thermal plants and oil based thermal power plants. Subject to certain conditions and guidelines, the

Industrial Policy and FEMA further permit up to 100% foreign direct investment in townships, housing, built-up infrastructure and construction development projects which include, but are not restricted to, housing, commercial, premises, hotels, resorts, hospitals, educational institutions, recreational facilities and city and regional level infrastructure. In respect of the companies in infrastructure/ service sector, where there is a prescribed cap for foreign investment, only the direct investment is considered for the prescribed cap and foreign investment in an investing company may not be set off against this cap provided the foreign direct investment in such investing company does not exceed 49% and the management of the investing company is with the Indian owners. The RBI by its A.P. (DIR Series) circular No. 16 dated October 4, 2004 granted general permission for the transfer of shares of an Indian company by Non-Residents to residents, subject to the terms and conditions, including pricing guidelines, specified in this circular.

Investment by Foreign Institutional Investors

Foreign Institutional Investors (“*FII*s”) including institutions such as pension funds, investment trusts, asset management companies, nominee companies and incorporated, institutional portfolio managers can invest in all the securities traded on the primary and secondary markets in India. FIIs are required to obtain an initial registration from SEBI and a general permission from the RBI to engage in transactions regulated under FEMA. FIIs must also comply with the provisions of the SEBI (Foreign Institutional Investors) Regulations, 1995, as amended from time to time. The initial registration and the RBI’s general permission together enable the registered FII to buy (subject to the ownership restrictions discussed below) and sell freely securities issued by Indian companies, to realize capital gains or investments made through the initial amount invested in India, to subscribe or renounce rights issues for shares, to appoint a domestic custodian for custody of investments held and to repatriate the capital, capital gains, dividends, income received by way of interest and any compensation received towards sale or renunciation of rights issues of shares.

Ownership restrictions on FIIs

Under the portfolio investment scheme, the overall issue of equity shares or convertible debentures to FIIs on a repatriation basis should not exceed 24% of post-issue paid-up capital of the Company. However, the limit of 24% can be raised up to the permitted sectoral cap for that company after approval of the board of directors and shareholders of the Company. The offer of equity shares/convertible debentures to a single FII should not exceed 10% of the post-issue paid-up capital of the company or 5% of the total paid-up capital in case such sub-account is a foreign corporate or an individual. In respect of an FII investing in equity shares/convertible

debentures of a company on behalf of its sub-accounts, the investment on behalf of each sub-account shall not exceed 10% of the total issued capital of that company.

Environmental and Labour Regulations

Depending upon the nature of the projects undertaken by the company, applicable environmental and labour laws and regulations include the following:

- Apprentices Act, 1961
- Building and Other Construction Workers' (Regulation of Employment & Conditions of Service) Act, 1996
- Contract Labour (Regulation and Abolition), 1970
- Employees' Provident Funds and Miscellaneous Provisions Act, 1952
- Employers' Liability Act, 1938
- Emigration Act, 1983
- Employees' State Insurance Act, 1948
- Fatal Accidents Act, 1855
- Industrial Disputes Act, 1947
- Inter State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979
- Minimum Wages Act, 1948
- Payment of Wages Act, 1936
- Payment of Bonus Act, 1965
- Payment of Gratuity Act, 1972
- Workmen Compensation Act, 1923

Human Resources :

Our Human Resource Development (“HRD”), being a key function is manned by professionally qualified and experienced personnel and receives attention from senior management. We believe in practicing effective HRD, resulting in greater employee satisfaction and retention levels. Our major HRD practices are:

- a) Manpower planning and proactive recruitment ahead of requirements, greater pan-India campus recruitment and maintaining strong relationships and interactions with technical and management institutions.
- b) Ongoing regular internal on-the-job training programmes including professional development, behavior, management and communication training and training of the trainees
- c) Ongoing competency mapping throughout our entire organization to identify training needs for each employee, plan the career path of employees and profile and track the expertise within the organization.
- d) Systematic job-rotation, regular performance review, promotion programme, rewards and recognition.
- e) Mentoring and providing career progression opportunities.
- f) Performance based reward system and planning the career growth path.
- g) Striving to provide and promote a positive work atmosphere for employees.

As of 30th September, 2014 the Company has total 124 full time employees which are bifurcated as under:

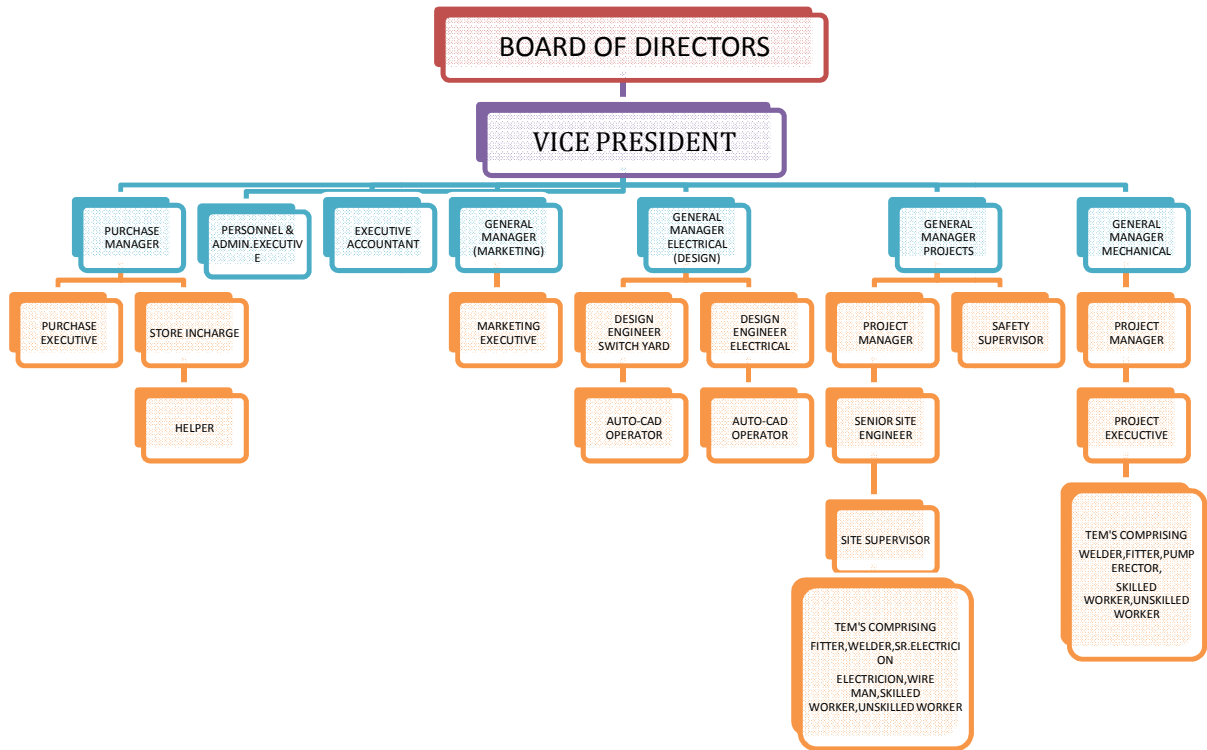
Category of Human Resources	Number of Persons employed
Skilled	63
Semi Skilled	44
Unskilled	17
Total	124

All the employees are required to undergo the training programme formulated by the Company from time to time. Also the Company has a continuous programme of recruitment of employees depending upon the requirement of the projects to be executed. The Company also gives necessary incentives to the existing employees depending upon the performance of the Company. The Company believes in right size of manpower and right kind of manpower for the execution of the project. Depending upon the project requirements single shift or double shift is operations are carried out. Further the Company gives a good environment in order to attract and retain talented manpower.

There is no employee stock option scheme or employee stock option plan for its employees.

Organizational Structure :

Our Organizational Structure is provided as below :



Working Capital

We have been availing the Credit facilities from State Bank of Bikaner and Jaipur since 2008. Thereafter in the year 2009 we have moved from State Bank of Bikaner and Jaipur to Bank of India. The Credit limits comprise of the following as per the sanction letter of the Bank of India dated 21st May, 2014 :

(Rs. In Crores)

Limits	Amount	Pricing	Margin
Term Loan (Corporate)	1.67	3.70% OBR + T[0.50% presently 14.40% p.a. #	Nil
CC		3.95% above Base Rate present	
Stocks	11.50	effective ROI being 14.15% p.a. with monthly rest. #	25%
Book Debts (120 days) Maximum CC	11.50		30%
Total FB	13.17		
Non Fund Based			
LC (I/F) DP / DA 90 days	6.00	Continuation of 50% concession in applicable Charges	20%
BG	12.00	proposed for LC and BG **	20%
Maximum NFB	15.00		
Total	28.17		
Mortgage OD (Reducible)	1.83	1.25% above BR presently 11.45% p.a.	52.94%
Total Aggregate Limits	30.00		

Pricing is after effecting concession of 1% p.a. in TL and 0.75% p.a. in CC account.

** No concession has been permitted on applicable LC/BG Charges and commission on the additional / enhanced portion of NFB Limits.

Repayment of TLs	TL (Original Limit Rs. 4.00 Crores). Repayable in 60 monthly installments of Rs. 6,66,666 each commenced from April 2011. Interest to be serviced as and when applied.
Repayment of Reducible Mortgage OD	Repayable in 144 equal installments of Rs. 138889/- each commenced from April 13. Interest to be serviced as and when applied.

Security :

	Particulars
Principal	1) Hypothecation of Stock 2) Hypothecation of Book Debts 3) Term Deposits (Margin on NFB Limits)
Collateral	1) Residential Bungalow at 59, Milan Park Society, Part – 3, B/H. Sandesh Press, Vastrapur, Ahmedabad admeasuring 231 Sq. yds owned by Mr. Gaurang P. Shah 2) Office Premises – 61, 6 th Floor, Titanium, Nr. Prahaladnagar, Ahmedabad admeasuring 6680 Sq. ft owned by the Company 3) Residential Flat No. E -54, Royal Orchid, Prahaladnagar Road, Ahmedabad owned by Mrs. Rupal Shah. 4) Corporate House at House No. 6, Sigma 1, Sindhu Bhavan Road, Bodakdev, Ahmedabad 5) Lien on LIC Policies of Gaurang Shah 6) Hypo. Of Plant and Machinerics (Gross Block other than Vehicles and Office Building) 7) TDR @ 1.70 lacs per month for 3 years. 8) TDR

Guarantors :

- 1) Mr. Gaurng P. Shah
- 2) Mrs. Rupal Shah.

As of 31st March, 2014 the Working Capital limits comprised of the following :

Particulars	As at 31 st March, 2014	As at 31 st March, 2013
A. Current Assets	(Amount In Rupees)	(Amount In Rupees)
Inventories	48179768	33430107
Trade Receivables	237227087	275832388
Cash and Cash Equivalents	14912197	12273318
Other Current Assets	160849169	47812344
Total (A)	461168221	369348157
B. Current Liabilities		
Short Term Borrowings	194929506	145152314
Trade Payables	167320327	125780409
Other Current Liabilities	11109321	11183052
Short Term Provisions	24190676	18583361
Total (B)	397549830	300699136

Financial Information

The audited financial information of the Company comprising of the Balance Sheet, Profit & Loss Account and Cash Flow statement along with the notes to accounts for the fiscal 2013 - 2014 is provided below:-

A. Balance Sheet as at 31 st March, 2014			
		31.03.2014	31.03.2013
PARTICULARS	Notes	Amount Rs.	Amount Rs.
I. EQUITY AND LIABILITIES :			
(1) Shareholder's Funds			
(a) Share Capital	2	14888320	7911660
(b) Reserves and Surplus	3	86365994	84157957
(2) Share Application Money pending Allotment		0	495000
(3) Non-Current Liabilities			
(a) Long Term Borrowings	4	59515009	62575556
(b) Deferred Tax Liability (Net)		3461254	2521362
(c) Other Long Term Liabilities		601200	601200
(d) Long Term Provisions			
Gratuity Provision		1439429	1207263
(4) Current Liabilities			
(a) Short Term Borrowings	5	194929506	145152314
(b) Trade Payables		167320327	125780409
(c) Other Current Liabilities		11109321	11183052
(d) Short Term Provisions		24190676	18583361
TOTAL.....		563821036	460169134
II.ASSETS :			
(1) Non-current Assets :			
(a) Fixed Assets :			
(i) Tangible Assets	6	31647800	31986683
(ii) Intangible Assets		0	0
(iii) Capital Work-in-progress		0	0
(iv) Other Non Current Assets	7	63959540	55764369
(b) Non-current Investments		7045475	3069925
(c) Deferred Tax Assets (Net)			
(2) Current Assets :			
(a) Inventories		48179768	33430107
(b) Trade Receivables		237227087	275832388
(c) Cash and Cash Equivalents		14912197	12273318
(d) Other Current Assets		160849169	47812344
TOTAL.....		563821036	460169134

B. Profit and Loss Account for the year ended on 31.3.2014			
		31.03.2014	31.03.2013
PARTICULARS	Notes	Amount Rs.	Amount Rs.
I. Revenue from Operations		604611125	597138148
II. Other Income	9	4960952	9271608
III. Total Revenue (I + II)		609572077	606409756
IV. Expenses :			
- Purchase of Stock-in-Trade		448383240	411196444
- Changes in Inventories of Finished Goods, Work-in-progress and Stock-in-Trade	10	(14749661)	2241210
- Employee Benefit Expense	11	28083666	23101955
- Financial Costs	12	27876950	26710721
- Depreciation and Amortization Expense		1768660	1781949
- Other Expenses	13	102145528	126392269
Total Expenses		593508383	591424548
V. Profit before Exceptional and Extraordinary items and tax (III - IV)		16063694	14985208
VI. Exceptional Items			
Depreciation written back		0	0
Profit on Sale of Assets		0	(9000)
VII. Profit before extraordinary items and tax (V - VI)		16063694	14994208
VIII. Extraordinary Items			
IX. Profit before Tax (VII - VIII)		16063694	14994208
X. Tax Expense :			
(1) Current tax		5000000	4500000
(2) Deferred Tax (Asset Reversed)		939892	(237908)
XI. Profit/(Loss) from the period from continuing operations (IX-X)		10123802	10732116
XII. Taxation in respect of the Earlier Years / (Written back)		15023	284046
XIII. Profit/(Loss) for the period (XI + XII)		10108779	10448070
XIV. Earning per Equity Share :			
(1) Basic		14.49	14.98
(2) Diluted		14.44	0

C. Cash Flow Statement for the year ended on 31st March, 2014

Particulars		Year ended	Year ended
		31-03-2014	31-03-2013
		(Rs. In lacs)	(Rs. In lacs)
A	Cash flow from Operating Activities		
	Net Profit Before Tax	160.64	104.85
	Adjustment for:		
	Depreciation	17.69	17.81
	Interest Paid (Net)	278.77	267.11
	Dividend Paid	(7.91)	(7.91)
	Tax On Dividend	(1.33)	(1.33)
	(profit)/Loss On Sale Of Fixed Assets	0.00	(0.09)
	Gratuity Provision	2.32	2.72
	Account Written Off	0.00	0.00
	Excess Depreciation Written Back	0.00	0.00
	Prior Period Expenses/(Income)	0.00	0.00
	Rent Received	(27.66)	(27.66)
	Interest Income	(20.52)	(22.11)
	Operatring Profit before Working Capital Changes	402.00	333.39
	Adjustment for:		
	(Increase)/Decrease in Inventories	(147.50)	22.41
	(Increase)/Decrease in Trade Receivables	386.05	(241.95)
	(Increase)/Decrease in Other Current Assets	(1130.37)	(206.10)
	Increase/(Decrease) in Trade Payables	415.40	(221.11)
	Increase/(Decrease) Other Current Liabilities	506.43	(4.13)
	Increase/(Decrease)Short term provisions	56.07	102.86
	Cash Generated from Operation	488.09	(214.63)
	Direct Tax	59.55	2.84
	Net Cash flow from Operating Activities (A)	428.54	(217.47)
B	Cash flow from Investing Activities		
	Purchase of Fixed Assets including capital Work in Process(Net)	(14.30)	(8.01)
	Sale of Fixed Assets	0.00	6.59
	Rent Received	27.66	27.66
	Proceeds From Sale Of Long Term Investment	(39.76)	12.90
	Net Cash flow from Investing Activities (B)	(26.40)	39.14
C	Cash flow from Financing Activities		
	Proceeds From Issue of Share Capital	(4.95)	4.95
	Proceeds From Borrowings	(30.61)	304.11
	Purchase Of Other Non-Current Assets	(81.95)	(19.35)

Interest Paid	(278.77)	(267.11)
Interest Income	20.52	22.11
Net Cash flow from Financing Activities (C)	(375.76)	44.71
Net Increase in cash & Cash Equivalents [(A)+(B)+(C)]	26.39	(133.62)
Opening Balance - Cash & Cash Equivalents	122.73	256.17
Closing Balance - Cash & Cash Equivalents	149.12	122.73

Notes to the Cashflow Statement :

- 1 All figures in bracket are Outflow.
2. The above Cash flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard 3 on "Cash Flow Statement" issued by "The Institute of Chartered Accountant of India"

		31.3.2014	31.3.2013
		AMOUNT	AMOUNT
		Rs.	Rs.
PARTICULARS			
NOTE - 2			
SHARE CAPITAL :			
Authorized			
1500000 Equity Shares of Rs.10/- each		15000000	15000000
100000 Redeemable Preference Shares of Rs. 10 Each		1000000	1000000
		16000000	16000000
Issued Subscribed and paid up			
1395332 Equity Shares of Rs.10/- each fully paid up (Previous Year-697666 Equity Shares of Rs.10/- each fully paid up)		13953320	6976660
93500 Redeemable Preference Shares of Rs. 10 each fully paid up		935000	935000
(Previous year 93500 Redeemable Preference Shares of Rs. 10 each fully paid up)			
		14888320	7911660
Reconciliation of shares outstanding at the beginning and at the end of the reporting period			
		ADDITION	
		(BUY	
PARTICULARS	OPENING	BACK)	CLOSING
Year ended 31.03.14			
No Of Equity Shares with voting rights	697666	697666	1395332
Amt(Rs.)	6976660	6976660	13953320
No Of Preference Shares	93500	0	93500
Amt(Rs.)	935000	0	935000
Year ended 31.03.13			
No Of Equity Shares with voting rights	697666	0	697666
Amt(Rs.)	6976660	0	6976660
No Of Preference Shares	93500	0	93500
Amt(Rs.)	935000	0	935000

(b) Rights / preferences / restrictions attached to equity shares

The company has only one class of Equity & Preference Shares having a par value of Rs. 10/- per share.

Each Equity Share Holder is entitled to one vote par Share. The Company declares and pays dividends in Indian Rupees. The Dividend proposed by the Board of Directors is subject to approval of the Share Holders in the ensuing Annual General Meeting. The Company has issued 697666 Bonus shares in the ratio of 1 : 1 during the year utilising Share premium amount.

Dividend has been paid during the year and in the previous year. In the event of liquidation of the Company, the holder of Equity Shares will be entitled to receive remaining Assets of the Company, after distribution of all Preferential Amounts. The distribution will be in proportion to the number of Equity Shares held by the Share Holders.

List of Equity Share Holders holding Shares more than 5%				
Equity Shares of Rs. 10/- each fully paid	31.03.14		31.03.13	
NAME	Nos.	% Holding	Nos.	% Holding
Gaurang Parmananddas Shah	1147200	82%	573900	82%
Rupal Gaurang Shah	231000	17%	115500	17%
List of Preference Share Holders holding Shares more than 5%				
Preference Shares of Rs. 10/- each fully paid	31.03.14		31.03.13	
NAME	Nos.	% Holding	Nos.	% Holding
Paras Engen Private Limited	93500	100%	93500	100%
No Shares has been Reserved for Issue under the Employee Stock Option (ESOP).				
No Share options are outstanding at the end of the year.				
No Money has been received for Share Warrants and Share Application during the year.				
			31.3.2014	31.3.2013
PARTICULARS			AMOUNT	AMOUNT
NOTE - 3			Rs.	Rs.
RESERVES AND SURPLUS :				
Profit & Loss Account :				
- Balance B/f.			50569817	41045829
Proposed Dividend			(791166)	(791166)
Tax on Dividend			(132916)	(132916)
Transfer to General Reserve			0	0
- Net Profit for the year			10108779	10448070
Security Premium			25611480	32588140
General Reserve			1000000	1000000
TOTAL.....			86365994	84157957
NOTE - 4				
NON CURRENT LIABILITIES :				
-				
(1) Long Term Borrowings :				

<u>Unsecured Loans :</u>			
- From Shareholders and Directors, Friends and Relatives		34147649	27148240
Total of Unsecured Loan		34147649	27148240
<u>Secured Loans :</u>			
Corporate Term Loan from a Bank See (a) below Schedule 5		8012912	16019304
Term Loan from Banks, Secured loan against Vehicles and Office premises of the Company		17354448	19408012
Total of Secured Loan		25367360	35427316
Sub Total		59515009	62575556
<u>Other Non Current Liability</u>			
Deposit from Tenant		601200	601200
TOTAL.....		60116209	63176756
		31.3.2014	31.3.2013
PARTICULARS		AMOUNT	AMOUNT
NOTE - 5		Rs.	Rs.
<u>CURRENT LIABILITIES :</u>			
-			
<u>Short Term Borrowings :</u>			
Secured			
Cash Credit and L/C from Bank See (a) below Schedule 5		194929506	145152314
<u>Trade Payables :</u>			
- Sundry Creditors for Goods and Expenses		167320327	125780409
<u>Other Current Liabilities</u>			
- Current Portion of Term Loans		10185239	10258970
- Dividend and Dividend Tax payable		924082	924082
Provisions (Taxation)		24190676	18583361
TOTAL.....		397549830	300699136
(a) The Secured Corporate Loan & Cash Credit Facilities from Bank are secured against All stocks, book debts, Plant and machineries and other assets of the Company with a collateral security by Directors of the Company. The above includes Rs. 8692220/- being purchase assistance from National Small Industrial Corporation (NSIC) secured against bank guarantee.			

Note : 6									
PARTICULARS	GROSS BLOCK				DEPRECIATION	NET BLOCK	Depreciation	Net Block	Net Block
	UP TO	ADDITIONS	SALES	UP TO	UP TO	FOR THE	UP TO	AS ON	AS ON
	31.03.13			31.03.14	31.03.13	YEAR	31.03.14	31.03.14	31.03.13
BUILDING	19938619		0	19938619	1240942	324999	1565941	18372678	18697677
PLANT & MACHINERY	1546355	39490	0	1585845	134108	74564	208672	1377173	1412247
COMPUTER	2011935	124175	0	2136110	983642	332076	1315718	820392	1028293
FURNITURE & FIXTURE	5560135	13378	0	5573513	1017409	352437	1369846	4203673	4542734
OFFICE EQUIPMENT	2737015	1172790	0	3909805	395800	163403	559203	3350602	2341215
VEHICLES	5430316	79946	0	5510262	1465799	521181	1986980	3523282	3964517
TOTAL	37224375	1429779	0	38654154	5237700	1768660	7006360	31647800	31986683
Previous year	33244408	801476	(1367802)	37224375	4163798	1781949	5237700	31986683	

NOTE - 7				
<u>NON CURRENT ASSETS :</u>				
Other Non-Current Assets				
-Debtors Over 12 Months		54309740	47417912	
-Fix Deposits Maturing After 12 Months		9649800	8346457	
Non Current Investments				
Deposits		7045475	3069925	
NOTE - 8				
<u>CURRENT ASSETS :</u>				
<u>Inventories :</u>				
- Closing Stock of Goods (Valued at Cost or Market Price whichever is lower and as taken, valued and certified by Director)		48179768	33430107	
<u>Trade Receivables :</u>				
(Unsecured, Good)				
(a) Over Six Months		33518271	128061380	
(b) Others		203708816	147771008	
Total of Trade Receivables		237227087	275832388	
<u>Cash and Cash Equivalents :</u>				
(a) Cash on Hand		705308	89416	
(b) Bank Balances in Current Accounts		5000	77061	
(c) In Fixed deposit accounts		14201889	12106841	
Total of Cash and Cash Equivalents		14912197	12273318	
<u>Short Term Loans and Advances :</u>				
(Unsecured, Good)				
(a) Advances recoverable in Cash or kind or for Value to be Received		160849169	47812344	
Total of Short Term Loans and Advances		160849169	47812344	
Grand Total of Current Assets		461168221	369348157	
NOTE 9				
<u>OTHER INCOME :</u>				
- Discounts & write offs (Net)		143521	4295266	
- Interest & Misc Income		2051911	2210822	
- Rent Received		2765520	2765520	
TOTAL.....		4960952	9271608	
NOTE - 10				
<u>CHANGES IN INVENTORY :</u>				
Closing Stock of Finished Goods		48179768	33430107	

Opening Stock of Work in Proces			33430107	35671317
Decrease /(Increase) in Stocks			(14749661)	2241210
-				
TOTAL.....			(14749661)	2241210
NOTE - 11				
<u>EMPLOYEE BENEFIT EXPENSES</u>				
- Staff Salary			22974890	18185872
- Bonus			1154110	1438886
- Staff Welfare			122500	64825
- Provision for Gratuity			232166	272372
- Directors' Remuneration			3600000	3140000
			28083666	23101955
NOTE - 12				
<u>FINANCIAL COST :</u>				
- Bank Charges & Interest			19479083	16876407
- Interest to Depositors			2838009	2035936
- Interest of Vehicle Loan			176301	248024
- Interest on Term Loan			5182507	6788866
- Other Interest Expenses			201050	761488
TOTAL.....			27876950	26710721
NOTE - 13				
<u>OTHER EXPENSES :</u>				
Advertisement Expenses			60000	118500
Auditors' Remuneration:				
- Audit Fees			90000	75000
- Taxation Matters			35000	25000
Bad Debts			0	9596337
Commission Expense			2000000	3775000
Computer & Internet Expenses			333888	130013
Consultancy Charges			10332866	3929056
Design & Drawings Charges			0	35000
Donation			26000	47000
Electricity			348656	333812
Godown Rent & Expenses			797116	613801
Inspection Charges			603283	667622
Insurance			396714	532471
Labour Charges			60043133	87332934
Legal charges			603067	337559
Office Expenses & Office upkeep			1411929	1187743
Petrol & Diesel & Conveyance			2079020	1426899
Postage and Courier Expenses			100341	72755
Printing & Stationary			345636	286781
Profession Tax			4907	9900
Registration Fees			66493	47045

Repairs and Maintenance			737588	272682
Sales Promotion Expenses			394965	190645
Municipal Tax			151363	443159
Service Tax & Vat			1353382	336920
Site Expenses			7572088	6467732
Subscription Expenses			14354	3700
Telephone			242934	361505
Tender Charges			273776	352143
Testing Charges			45208	26967
Transportation			3761589	4512154
Travelling			3954991	2476388
Vehicle Repairs & Maintenance Expenses			365159	368046
Works Contract Tax			3600082	
TOTAL.....			102145528	126392269

NOTES FORMING PART OF ACCOUNTS

NOTE 1

1. Accounting Policies

The Accounts are prepared on historical cost convention and materially comply with the mandatory accounting standards issued by Institute of Chartered Accountants of India. The significant accounting policies followed by the company are as stated below:

a) Fixed Assets

Fixed Assets are stated at cost of acquisition including incidental expenses related to acquisition and installation.

b) Depreciation

Depreciation is provided at the rates prescribed under Companies Act, 1956 on straight line method and on pro rata basis in case of additions.

c) General

- i) Income and Expenditure are accounted on accrual basis for all known items.
- ii) Contingent Liabilities are not provided for till the same are crystallized.

- iii) Miscellaneous Expenditure shown in the Balance Sheet if any will be written off over a period of 5 years from the year in which the same is incurred.
- 2) Sundry Creditors, Debtors, Loans and Advances are subject to confirmation to be obtained from parties.
- 3) Provision has been made for gratuity for employee who have put in the qualifying period of service for entitlement of this benefit.

The Company does not have any employee to whom the provision of Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules 1988 applies.

- 4) The earnings per share Basic is calculated as under:

Numerator being net profit after tax

Denominator being no. of fully paid up equity shares.

The diluted EPS is calculated on number of shares including the Shares that may be allotted at appropriate premium on the same.

- 5) Expenditure in Foreign currency is Nil and Income in Foreign Currency is Rs. Nil
- 6) Further the Company operates in a single segment and hence Segment reporting is not applicable. Further the operations are only carried out in India and hence geographical segment is also not applicable to the Company.
- 7) According to the information available with the Company regarding the suppliers who constituted a Micro Small or Medium Enterprise [MSME] , there are no amounts due to Small Scale Industrial Undertaking as on 31.3.2014
- 8) Contingent Liability in respect of Bills discounted :Rs 117.07 Lacs

9) The Related party Transactions are as under:

Name	Nature Of payment	Amount	Nature of relation
Shri Gaurang Shah	Director Remuneration (Net)	2123000	Director
	Int. on Deposit	2637932	
	Commission	1500000	
	Dividend	573600	
	Closing Balance	16274421.07 cr	
Smt Rupal Shah	Director Remuneration (Net)	1693000	Director
	Int. on Deposit	469379	
	Commission	500000	
	Dividend	121700	
	Closing Balance	3331228.52 cr	
Highvolt Power & Control Systems Pvt Ltd	Purchases	9464510	Enterprise in which Director is interested
	Closing Balance	7071839 cr	
Shree Krishna Cold Storage	Sales	14617451	Enterprise in which Director is interested
	Closing Balance	24295 cr	

10) Import calculated on CIF basis is NIL.

11) Previous year's figures have been regrouped / recasted / reclassified wherever necessary to correspond with the current year's classification / disclosure.

3. CAPITAL STRUCTURE

The share capital of the Company and the related information as at the date of this Information Memorandum is set forth below.

S. No.	Particulars	Amount(Rs.)
A.	Authorized Capital	
	15,00,000 equity shares of face value of Rs. 10/- per share	1,50,00,000
B.	Issued, Subscribed and Paid-Up Share Capital	
	14,88,832 equity shares of face value of Rs. 10/- fully paid up	1,48,88,320

The securities premium account of the Company is set forth as under:

Date	Particulars	Share Premium	Cumulative Share Premium
05/11/2007	2,45,000 Equity Shares of Rs. 10/- each issued at a premium of Rs. 30/- per Share.	73,50,000	73,50,000
31/03/2009	48,000 Preference Shares of Rs. 10/- each issued at a premium of Rs. 90/- per Share.	43,20,000	1,16,70,000
13/08/2009	1,22,750 Equity Shares of Rs. 10/- each issued at a premium of Rs. 90/- per Share	1,10,47,500	2,27,17,500
31/03/2010	19,916 Equity Shares of Rs. 10/- each issued at a premium of Rs. 290/- per Share	57,75,640	2,84,93,140
31/03/2010	45,500 Preference Shares of Rs. 10/- each issued at a premium of Rs. 90/- per Share.	40,95,000	3,25,88,140
31/03/2014	Less : 6,97,666 Equity Shares of Rs. 10/- each issued as Bonus Shares	(69,76,660)	2,56,11,480

Notes to capital structure:

(I) **Detail of Capital Structure of the Company since inception are as follows:**

Date of allotment	No of shares	Type of Shares	Face value (RS)	Issue Price (RS)	Consideration (Cash, Bonus, Consideration other than cash)	Nature of Allotment (Bonus swap etc.)	Cumulative no of shares	Cumulative paid up capital (RS)	Cumulative share premium
06.10.2005	10,000	Equity	10	10	Cash	Cash	10,000	1,00,000	NIL
05.11.2007	2,45,000	Equity	10	40 (including premium of Rs. 30/- per share each)	Cash	Cash	2,55,000	25,50,000	73,50,000
31.03.2009	48,000	Preference	10	100 (including premium of Rs. 90/- per share each)	Cash	Cash	3,03,000	30,30,000	1,16,70,000
13.08.2009	1,22,750	Equity	10	100.00 (including premium of Rs. 90/- per share each)	Cash	Cash	4,25,750	42,57,500	2,27,17,500
31.03.2010	19,916	Equity	10	300.00 (including premium of Rs. 290/- per share each)	Cash	Cash	4,45,666	44,56,660	2,84,93,140
31.03.2010	45,500	Preference	10	100 including premium of Rs. 90/- per share each)	Cash	Cash	4,91,166	49,11,660	3,25,88,140
28.03.2011	3,00,000	Equity	10	10	Cash	Cash	7,91,166	79,11,660	3,25,88,140
31.03.2014	6,97,666	Equity	10	10	Bonus	Bonus	14,88,832	14888320	2,56,11,480

(II) Shareholding of our Promoters:

Mr. Gaurang Shah						
Date of Allotment / Transfer	Consideration	No. of Equity Shares	Face value per share (Rs.)	Acquisition / Transfer price (Rs.)	Nature of Transactions	Shareholding %
06.10.2005	Cash	5000	10.00	10.00	First Subscription	50%
05.11.2007	Cash	177500	10.00	40.00 (including premium of Rs. 30/- per share each)	Allotment	71.57%
13.08.2009	Cash	73550	10.00	100.00 (including premium of Rs. 90/- per share each)	Allotment	60.14%
31.03.2010	Cash	17850	10.00	300.00 (including premium of Rs. 290/- per share each)	Allotment	55.76%
28.03.2011	Cash	300000	10.00	10.00	Allotment	72.54%
20.03.2014	Cash	300	10.00		Transfer	72.50%
31.03.2014	Bonus	573600	10.00	Not Applicable	Allotment by way of Bonus Shares	77.05%

Mrs. Rupal Gaurang Shah						
Date of Allotment / Transfer	Consideration	No. of Shares	Face value per share (Rs.)	Acquisition / Transfer price (Rs.)	Nature of Transactions	Shareholding %
06.10.2005	Cash	5000	10.00	10.00	First Subscription	50%
05.11.2007	Cash	67500	10.00	40.00 (including premium of Rs. 30/- per share each)	Allotment	28.43%
13.08.2009	Cash	43000	10.00	100.00 (including premium of Rs. 90/- per share each)	Allotment	27.13%
31.03.2014	Bonus	115500	10.00	Not Applicable	Allotment by way of Bonus Shares	15.52%

Mrs. Rupal Gaurang Shah Jointly with Mr. Gaurang Shah						
Date of Allotment / Transfer	Consideration	No. of Shares	Face value per share (Rs.)	Acquisition / Transfer price (Rs.)	Nature of Transactions	Shareholding %
30.09.2009	Cash	6200	10.00	10.00	Acquisition by way of Transfer	1.46%
31.03.2014	Bonus	6200	10.00	Not Applicable	Allotment by way of Bonus Shares	0.83%

Mrs. Unnati Vikram Shah						
Date of Allotment / Transfer	Consideration	No. of Shares	Face value per share (Rs.)	Acquisition / Transfer price (Rs.)	Nature of Transactions	Shareholding %
13.08.2009	Cash	6200	10.00	100.00 (including premium of Rs. 90/- per share each)	By Allotment	1.46%
30.09.2009	Cash	6200	10.00	100.00 Per Share	Sell by way of Transfer	1.46%
31.03.2010	Cash	2066	10.00	300.00 (including premium of Rs. 290/- per share each)	By Allotment	
31.03.2010	Bonus	2066	10.00	Not Applicable	Allotment by way of Bonus Shares	0.83%

Paras Engine India Private Limited						
Date of Allotment / Transfer	Consideration	No. of Shares	Face value per share (Rs.)	Acquisition / Transfer price (Rs.)	Nature of Transactions	Shareholding %
13/05/2010	93500	93500	10/- per Share	Acquisition	By purchase from preference holders	100% of Preference Share Capital
12.09.2014	Not Applicable	93500	10/- per Share	Redemption of Preference Shares by way of Conversion into Equity Shares	Redemption of Preference Shares by way of Conversion into Equity Shares	6.28% of Paid up Capital

(iii) Statement showing Share Holding Pattern of HEC Infra Projects Limited as per clause 34 of Listing on Institutional Trading Platform

Statement Showing Shareholding Pattern								
Category code	Category of Shareholder	Number of Shareholders	Table (I)(a)		Total shareholding as a percentage of total number of shares		Shares Pledged or otherwise encumbered	
			Total number of shares	Number of shares held in dematerialized form	As a percentage of(A+B) ¹	As a percentage of (A+B+C)	Number of shares	As a percentage
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)= (VIII)/(IV)*100
(A)	Shareholding of Promoter and Promoter Group²							
1	Indian							
(a)	Individuals/ Hindu Undivided Family	6	1394932	0	93.69	93.69	0	0.00
(b)	Central Government/ State Government(s)	0	0	0	0.00	0.00	0	0.00
(c)	Bodies Corporate	1	93500	0	6.28	6.28	0	0.00
(d)	Financial Institutions/ Banks	0	0	0	0.00	0.00	0	0.00
(e)	Any Others(Specify)	0	0	0	0.00	0.00		0.00
	Sub Total(A)(1)	7	1488432	0	99.97	99.97	0	0.00
2	Foreign							
a	Individuals (Non-Residents Individuals/ Foreign Individuals)	0	0	0	0.00	0.00	0	0.00
b	Bodies Corporate	0	0	0	0.00	0.00	0	0.00
c	Institutions	0	0	0	0.00	0.00	0	0.00
d	Any Others(Specify)	0	0	0	0.00	0.00	0	0.00
	Sub Total(A)(2)	0	0	0	0.00	0.00	0	0.00
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	0	0	0	0.00	0.00	0	0.00

(B)	Public shareholding								
1	Institutions								
(a)	Mutual Funds/ UTI	0	0	0	0.00	0.00			
(b)	Financial Institutions / Banks	0	0	0	0.00	0.00			
(c)	Central Government/ State Government(s)	0	0	0	0.00	0.00			
(d)	Venture Capital Funds	0	0	0	0.00	0.00			
(e)	Insurance Companies	0	0	0	0.00	0.00			
(f)	Foreign Institutional Investors	0	0	0	0.00	0.00			
(g)	Foreign Venture Capital Investors	0	0	0	0.00	0.00			
(h)	Any Other (specify)				0.00	0.00			
	Sub-Total (B)(1)	0	0	0	0.00	0.00			
B 2	Non-institutions								
(a)	Bodies Corporate	0	0	0	0.00	0.00			
(b)	Individuals	0	0	0	0.00	0.00			
I	Individuals -i. Individual shareholders holding nominal share capital up to Rs 1 lakh	4	400	0	0.03	0.03			
II	ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	0	0	0	0.00	0.00			
(c)	Any Other (specify)	0	0	0	0	0.00			
	Sub-Total (B)(2)	4	400	0	0.03	0.03			
(B)	Total Public Shareholding (B)= (B)(1)+(B)(2)								
	TOTAL (A)+(B)	10	1488832	0	100.00	100.00			
(C)	Shares held by Custodians and against which Depository Receipts have been issued								
1	Promoter and Promoter Group	0	0	0	0	0.00			0.00
2	Public	0	0	0	0	0.00			
	Sub-Total (C)	0	0	0	0	0	0	0	
	GRAND TOTAL (A)+(B)+(C)	10	1488832	0	100.00	100.00	0	0.00	

(I)(b) Statement showing holding of securities (including shares, warrants, convertible securities) of persons belonging to the category of “Promoter and Promoter Group

Sr. No.	Name of the shareholder	Details of Shares held		Encumbered shares (*)			Details of warrants		Details of convertible securities		Total shares (including underlying shares assuming full conversion of warrants and convertible securities) as a % of diluted share capital
		Number of shares held	As a % of grand total (A) +(B) +(C)	No.	As a percentage	As a % of grand total (A)+(B) +(C) of sub-clause (I)(a)	Number of warrants held	As a % total number of warrants of the same class	Number of convertible securities held	As a % total number of convertible securities of the same class	
(I)	(II)	(III)	(IV)	(V)	(VI)=(V)/(III)*100	(VII)	(VIII)	(IX)	(X)	(XI)	
1	Gaurang Shah	1147200	77.05	0.00	0.00	0.00	0	0	0	0	
2	Rupal Shah	231000	15.51	0.00	0.00	0.00	0	0	0	0	
3	Unnati Vikram Shah	4132	0.28	0.00	0.00	0.00	0	0	0	0	
4	Rupal Gaurang Shah jointly with Gaurang Parmanand Shah	12400	0.83	0.00	0.00	0.00	0	0	0	0	
5	Rahul Gaurang Shah	100	0.006	0.00	0.00	0.00	0	0	0	0	
6	Vikram Parmanand Shah	100	0.006	0.00	0.00	0.00	0	0	0	0	
7	Paras Engen India Private Limited	93500	6.28	0.00	0.00	0.00	0	0	0	0	
TOTAL		1488432		0	0.00	0.00	0	0	0	0	

(*) The term “encumbered ” shall refer to a pledge, lien or any such transaction, by whatever name called.

(I) Statement showing holding of securities (including shares, warrants, convertible securities) of persons belonging to the category of “Public and holding more than 1% of total number of Shares

Sr. No.	Name of the shareholder	Number of shares held	Shares as a percentage of total number of shares {i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above}	Details of warrants		Details of convertible securities		Total shares (including underlying shares assuming full conversion of warrants and convertible securities) as a % of diluted share capital	
				Number of warrants held	As a % total number of warrants of the same class	Number of convertible securities held	% w.r.t total number of convertible securities of the same class		
	NIL	NIL	NIL	0	0	0	0	0	
					0	0	0	0	
					0	0	0	0	
TOTAL									

(I) Statement showing holding of securities (including shares, warrants, convertible securities) of persons (together with PAC) belonging to the category “Public” and holding more than 5% of the total number of shares of the company

Sr. No.	Name(s) of the shareholder(s) and the Persons Acting in	Number of shares	Shares as a percentage of total	Details of warrants	Details of convertible securities	Total shares (including underlying shares)

	Concert (PAC) with them		number of shares {i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above}	Number of warrants	As a % total number of warrants of the same class	Number of convertible securities held	% w.r.t total number of convertible securities of the same class	assuming full conversion of warrants and convertible securities) as a % of diluted share capital
	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
TOTAL								

(I)(d) Statement showing details of locked-in shares

Sr. No.	Name of the shareholder	Number of locked-in shares	Locked-in shares as a percentage of total number of shares {i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above}
1	Gaurang Parmanand Shah	297767	297767
TOTAL		297767	297767

The above shares shall be locked-in for a period of 3 years from the date of listing.

Statement showing details of Depository

(II)(a) Receipts (DRs)

Sr. No.	Type of outstanding DR (ADRs, GDRs, SDRs, etc.)	Number of outstanding DRs	Number of shares underlying outstanding DRs	Shares underlying outstanding DRs as a percentage of total number of shares {i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above}
1	NIL	0	0	0.00
TOTAL		0	0	0.00

(II)(b) Statement showing holding of Depository Receipts (DRs), where underlying shares held by "promoter/promoter group" are in excess of 1% of the total number of shares

Sr. No.	Name of the DR Holder	Type of outstanding DR (ADRs, GDRs, SDRs, etc.)	Number of shares underlying outstanding DRs	Shares underlying outstanding DRs as a percentage of total number of shares {i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above}
1	Nil	Nil	Nil	0.00
TOTAL			0	0.00

4. PROPERTY

The description of the Immovable Properties of the Company are set forth below :

A. Owned Properties

Sr. No.	Location	Title	Area	Name of the Seller
1	Sigma corporate1 , Corporate house no 6 Sindhu Bhavan Road, Bodakdev, Ahmedabad 380 054	Deed of Conveyance dated 29 th September, 2009	Corporate House No. 6 comprising of entire ground floor, first floor, second floor and Basement there under totally admeasuring about 6152 Sq. fts i.e. 571.54 Sq. mtrs (Built up area) more or less in plot area of approx. admeasuring 2909.03 Sq. mtrs together with the undivided proportionate share of approx. 79.43 sq. mtrs in the land in the common area / parts and portions of the scheme "Sigma - I Corporates"	Sigma Realities Private Limited
2 *	Office No. 61, 6 th Floor, in the Scheme known as "Titanium" Near Prhalad Nagar Garden, Pralhad Nagar, Ahmedabad 380 015	Sale Deed dated 5 th July, 2008	Unit No.61, 6th floor, admeasuring 6680 sq. ft. equivalent to 620.59 sq. mtrs. together with proportionate undivided share in land admeasuring 1937 sq. feet in the scheme known as "titanium" constructed on free hold non agriculture land bearing survey Nos. 1905, 907/1 911/2 & 901/3, final plot Nos. 49 and 51 of town planning scheme No. 25, Mouje Vejalpur, Taluka	Snehal Developers

			City, District Ahmedabad Registration Sub- District Ahmedabad - 4 (Paldi)	
--	--	--	--	--

* Premises are given on rent to M/s. Duravit India Pvt Ltd for monthly rent of Rs. 230460 plus Service Tax.

Properties Owned by the Company are mortgaged in favor of Bank of India to secure Credit facilities. The properties are not acquired from any related parties.

B. Leased Properties

Apart from the above the Company has taken the following properties on lease basis for its operations :

- 1) The Company has taken a godown on rent situated at Sitaba farm, Nr: AUDA Garden, Bodakdev, Ahmedabad 380 054 on a monthly rent of Rs. 45000/-
- 2) The Company is also using the premises situated at G-1-101 Ricco Industrial Estate, Sanchore, Dist : Jalore, Rajasthan. The Company pays a monthly rent of Rs. 9500. No Written lease agreement is entered by the Company.
- 3) The Company is also using the premises situated at Nagarwala Building.1st Kasturba Road, Borivali (East), Mumbai – 400 066. No rent is paid and no written lease agreement is entered by the Company.
- 4) The Company is also using the premises situated at Plot No. 74, Industrial Area Phase I, Chandigarh. No rent is paid and no written lease agreement is entered by the Company.

C. Intellectual Property :

Presently, we do not own any patent or trademarks or Service Mark or Copy right.

D. In addition to the above the Company also own Plant and Machinery, furniture and fixtures and Office Equipment and Vehicles.

Insurance:

We have taken many types of insurance policies such as contractor's all risk insurance policies, standard fire and special perils insurance for work in progress, theft and burglary policies, contractor's plant and machinery and workmen's compensation policies.

We constantly evaluate the risks in an effort to be sufficiently covered for all known risks. We believe that the amount of insurance coverage presently maintained by the Company represents an appropriate level of coverage required to insure Company's business and operations and is in accordance with the industry standard in India.

SECTION – V SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth certain information concerning the beneficial ownership of our shares by each person known by us to be the beneficial owner (In case different from registered owner) of the issued and subscribed capital.

Class / Type of Securities	Name and Address of Beneficial Owner	Amount and nature of Beneficial Ownership	Percent
Equity Shares	Nil	N.A.	N.A.


SHAREHOLDERS AGREEMENTS

Our Company has not entered into any shareholders agreement as on date of this Information Memorandum.

Section VI – Our Promoters

The Promoters of Our Company are:

1. Mr. Gaurang P. Shah

	<p>Mr. Gaurang Shah is currently the Director of the Company. He is one of the founder of the Company. He has experience of more than 3 decades in the industry. He has vast experience in electro mechanical industry and is known for execution of various projects in the field of electrical, mechanical, solar, water distribution & Industrial projects for various Companies and Corporations. He is having a vast experience in designing in Switchgear , Power Distribution network, Power transmission, Water distribution, Solar Power Plants & ELV products.</p>
Father Name	Parmanand Shah
Date of Birth	04/8/1963
Educational Qualification	B.E.(Mech)
Residential Address	22, Shivalik Villa, Nr. Saundarya Vila Rajpath Club – Ambli Road, Ambli, Ahmedabad 380 058 Gujarat
Director Identification Number	01756079
Voter Identification Number	LBR6733497
Passport Number	J2351499
Driving Licence Number	GJ01 2004 0165965

2. Mrs. Rupal Gaurang Shah

	<p>Mrs. Rupal Gaurang Shah is one of the founder of the Company. Rupal Shah has experience in the field of the accounts, finance and administration of the Company. She provides valuable inputs and her inputs are useful in formulation of various strategies of the Company. She is one of the pioneer in the implementation of accounting system with SAP – B1 module.</p>
Husband Name	Mr. Gaurang Shah
Date of Birth	18/11/1965
Educational Qualification	Master of Commerce
Residential Address	22, Shivalik Villa, Opposite Saundarya Villa, Ambli, Ahmedabad 380 058
Director Identification Number	01756092
Voter Identification Number	LBR6733976
Passport Number	K0256212
Driving Licence Number	GJ01 20070146487

Section VII – OUR MANAGEMENT

As per Article no. 104 of the Articles of association, Our Company is required to have not less than 3 Directors and not more than 15 Directors. This is however subject to the provision of the Companies Act, 2013. Currently, our Company has 4 Directors out of whom 2 are Independent Directors. The composition of the Board of Directors is governed by the provisions of the Companies Act and the Listing Agreements entered into by our Company with the Stock Exchange and the norms of the code of corporate governance as applicable to listed companies in India.

Board of Directors

As on the date of this Information Memorandum, our Board comprises of:

Name, Director Identification Number [DIN], Permanent Account No. [PAN] and Date of Birth [DOB]	Date of assuming Office in the Company	Tenure	Designation	Address	Directors hip in other Companies
Mr. Gaurang Shah DIN 01756079 PAN : ACEPS6664C DOB : 04/8/1963	06/10/2005	Retirement by rotation	Director	22, Shivalik Villa, Nr. Saundarya Vila Rajpath Club – Ambli Road, Ambli, Ahmedabad 380 058 Gujarat	1. Kalp Agritech Private Limited 2. Highvolt Power And Control Systems Private Limited
Mrs. Rupal Shah DIN 01756092	06/10/2005	Retirement by rotation	Director	22, Shivalik Villa, Opposite Saundarya Villa, Ambli,	1. Kalp Agritech Private Limited

PAN AFDPS5118R DOB : 18/11/1965				Ahmedabad 380 058	2. Highvolt Power And Control Systems Private Limited
Mr. Aniruddhasn h Harendrasin h Gohil DIN 06971592 PAN : ABQPG3500 N DOB : 18/01/1967	11/09/20 14	Five years as Indepe nt Director from the date of appointme nt	Indepe nt Director	29,Vrajnanda n Bunglow Part-1,, Ghuma, Ahmedabad, 380058, Gujarat, India	Nil
Mr. Yogesh Popatlal Shah DIN 06971596 PAN : AFDPS5842J DOB : 11/12/1947	11/09/20 14	Five Years as Indepe nt Director from the date of appointme nt	Indepe nt Director	4,Bk Nagar Soc,, P.T.College, Paldi, Ahmedabad, 380007	Nil

The above mentioned Directors are not a member of any audit committee or Shareholder Committee.

Brief Profile of the Directors :

1. Mr. Gaurang Shah

A brief profile of Mr. Gaurang Shah is provided under the section titled "Our Promoters beginning on page no. 76 of this Information Memorandum.

2. Mrs. Rupal Shah

A brief profile of Mrs. Rupal Gaurang Shah is provided under the section titled "Our Promoters beginning on page no. 76 of this Information Memorandum.

3. Mr. Yogesh Popatlal Shah

Mr. Yogesh Popatlal Shah an Independent Director of the Company who is qualified as a Bachelor of Commerce. He was working with the Ahmedabad Municipal Corporation as a Purchase Manager. He is a member of the Audit Committee and also the Chairman of Shareholders / Investors Committee.

4. Mr. Aniruddhasinh Harendrasinh Gohil

Mr. Aniruddhasinh Harendrasinh Gohil an Independent Director of the Company who is qualified as a Bachelor of Engineering. His educational qualification is B.E. (Electronics). He is a Chairman of the Audit Committee and also the member of Shareholders / Investors Committee.

Nature of Family Relationship among Directors :

Mr. Gaurang Shah is the husband of Mrs. Rupal Shah

Terms of Appointment of Our Directors

Mr. Gaurang Shah and Mrs. Rupal Shah are Directors of the Company and they will retire by rotation and they being eligible for reappointment at the forth coming annual general meeting.

Mr. Aniruddhasinh Harendrasinh Gohil and Mr. Yogesh Popatlal Shah will hold office as Independent Director. However their office is subject to the provision of the Companies Act, 2013 and rules framed there under as amended from time to time and as provided in the Listing agreement entered or to be entered with the Stock Exchange.

There is no definitive and / or Service agreement that has been entered into between our Company and the Directors in relation to their appointment.

Non Executive Directors :

The Non Executive Directors who are Independent Directors will be paid sitting fees by the Company, within the limits as prescribed under the Companies Act, and rules framed there under, as amended from time to time.

Changes in Key Managerial Personnel :

Except for the appointment of Mr. Aniruddhasinh Harendrasinh Gohil, Director of the Company and Mr. Yogesh Popatlal Shah, Director of the Company and for the appointment of Smt. Ekta Rajpurohit as a Company Secretary there has been no change in the key managerial personnel during the last three years.

Corporate Governance:

Our Company stands committed to good corporate governance practices based on the principles such as accountability, transparency in dealings with our stakeholders, emphasis on communication and transparent reporting. We are required to comply with the applicable regulations, the Listing Agreement to be executed with the Stock Exchange and the SEBI Regulations, in respect of corporate governance including constitution of the Board of Directors and Committees thereof. The corporate governance framework is based on an effective independent Board of Directors, separation of the Board of Directors' supervisory role from the executive management team and constitution of the Committees of the Board of Directors, as required under law.

We have a Board of Directors constituted in compliance with the Companies Act and the Listing Agreement in accordance with best practices in Corporate Governance. The Board of Directors will be functioning either as a full Board of Directors or through various committees constituted to oversee specific operational areas. Our executive management provides the Board of Directors detailed reports on its performance periodically.

Currently our Board of Directors has four (4) Directors

AUDIT COMMITTEE :

Our Company has constituted an audit committee ("Audit Committee"), as per the provisions of Clause 42 of the Listing Agreement to be entered with Stock Exchange, vide resolution passed in the meeting of the Board of Directors held on November 6, 2014.

The terms of reference of Audit Committee complies with the requirements of Clause 42 of the Listing Agreement, proposed to be entered into with the Stock Exchange in due course. The committee presently comprises following three (3) directors. Mr. Aniruddhasnh Harendrasinh Gohil is the Chairman of the Audit Committee.

Composition of Audit Committee :

Name of the Director	Designation in the Committee	Nature of Directorship
Mr. Aniruddhasnh Harendrasinh Gohil	Chairman	Non Executive Independent
Mr. Yogesh Popatlal Shah	Member	Non Executive Independent
Mr. Gaurang Shah	Member	Executive Director

Mrs. Ekta Rajpurohit, Company Secretary, is the Secretary of the Committee.

The role of the audit committee shall include the following:

1. 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.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements 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 (2AA) of section 217 of the Companies Act, 1956;
 - 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. Qualifications in the draft audit report.
5. Reviewing, with the management, the half yearly financial statements before submission to the board for approval.
 6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
 7. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
 8. 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.
 9. Discussion with internal auditors any significant findings and follow up there on.
 10. 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.
 11. 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.
 12. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of nonpayment of declared dividends) and creditors.
 13. To review the functioning of the Whistle Blower mechanism, in case the same is existing.

14. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.

15. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

In addition to the above, carry out such other functions/powers as may be delegated by the Board of Directors to the Committee from time to time.

SHAREHOLDERS / INVESTORS GRIEVANCE COMMITTEE :

Our Company has constituted a Shareholders/ Investors Grievance Committee ("Shareholders / Investors Grievance Committee) as per the provisions of Clause 42 of the Listing agreement to be entered with Stock Exchange, vide resolution passed in the meeting of the Board of Directors held on November 6, 2014.

The terms of reference of Shareholders / Investors Grievance Committee complies with the requirements of Clause 42 of the Listing Agreement, proposed to be entered into with the Stock exchange in due course. Mr. Yogesh Popatlal Shah is the Chairman of the Shareholders / Investors Grievance Committee. The Committee presently comprises of the following Directors :

Composition of Shareholders / Investors Committee :

Name of the Director	Designation in the Committee	Nature of Directorship
Mr. Yogesh Popatlal Shah	Chairman	Non Executive Independent
Mr. Aniruddhasinh Harendrasinh Gohil	Member	Non Executive Independent
Mr. Gaurang Shah	Member	Executive Director

Mrs. Ekta Rajpurohit, Company Secretary, is the Secretary of the Committee.

Interest of our Directors

Executive Directors

Mr. Gaurang Shah and Rupal Shah are the executive Directors of the Company. The Executive Directors may be deemed to be interested to the extent of remuneration and fees payable to them for services rendered as Directors of our Company such as attending meetings of the Board or a committee thereof and to the extent of other reimbursement of expenses payable to them under our Articles of Association.

The Executive Directors also hold Equity Shares in our Company and are interested to the extent of any dividend payable to them in respect of the same.

Non Executive and Independent Directors

Mr. Aniruddhasnh Harendrasinh Gohil and Mr. Yogesh Popatlal Shah are non executive and independent Directors and they are deemed to be interested to the extent of Sitting fees received by them. The Non executive Directors do not hold any Shares in the Company.

Section VIII – RELATED PARTY TRANSACTIONS

Transaction with related party as identified by the management in accordance with the Accounting Standard 18 “Related Party Disclosures” issued by The Institute of Chartered Accountants of India for the year ended on 31st March, 2014 are as follows :

Name	Nature Of payment	Amount	Nature of relation
Shri Gaurang Shah	Director Remuneration (Net)	2123000	Director
	Int. on Deposit	2637932	
	Commission	1500000	
	Dividend	573600	
	Closing Balance	16274421.07 cr	
Smt Rupal Shah	Director Remuneration (Net)	1693000	Director
	Int. on Deposit	469379	
	Commission	500000	
	Dividend	121700	
	Closing Balance	3331228.52 cr	
Highvolt Power & Control Systems Pvt Ltd	Purchases	9464510	Enterprise in which Director is interested
	Closing Balance	7071839 cr	
Shree Krishna Cold Storage	Sales	14617451	Enterprise in which Director is interested
	Closing Balance	24295 cr	

SECTION IX – LEGAL PROCEEDINGS

Except as stated herein, there are no outstanding or pending litigation, suits, civil prosecution, criminal proceedings or tax liabilities against our Company, our Directors, our Promoters and Group Companies and there are no defaults, non-payment of statutory dues, over dues to banks and financial institutions, defaults against bank and financial institutions and there are no outstanding debentures, bonds, fixed deposits or preference shares issued by our Company; no default in creation of full security as per the terms of the issue, no proceedings initiated for economic or other offences (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (I) of Part I of Schedule XIII of the Companies Act, 1956), and no disciplinary action has been taken by SEBI or any stock exchanges against our Promoters, our Directors or Group Companies.

I. CASES FILED BY OUR COMPANY

Civil Cases

There are no civil proceedings filed by our Company.

Criminal Cases

There are no criminal proceedings filed by our Company.

II. CASES FILED AGAINST OUR COMPANY

Civil proceedings

There are no civil proceedings filed against our Company.

Criminal Proceedings

There are no criminal proceedings filed against our Company.

III. INDIRECT TAX PROCEEDINGS INVOLVING OUR COMPANY

NIL

IV. LITIGATIONS INVOLVING OUR PROMOTER

(i) Proceedings of Civil nature

(a) By the promoters

NIL

(b) Against the promoters

NIL

(ii) Proceedings of a Criminal nature-

(a) By the promoters

NIL

(b) Against the promoters

NIL

V. LITIGATIONS INVOLVING DIRECTORS OF OUR COMPANY

(i) Proceedings of Civil nature

(a) By the Directors of our Company

NIL

(b) Against the Directors of our Company

NIL

(ii) Proceedings of a Criminal nature-

(a) By the Directors of our Company

NIL

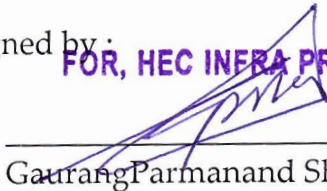

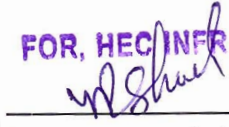

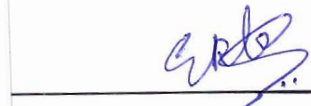
(b) Against the Directors of our Company

NIL

SECTION X – DECLARATION

All relevant provisions of the Companies Act, and the guidelines issued by the Government of India or the regulations issued by Securities and Exchange Board of India, applicable, as the case may be, have been complied with and no statement made in this Information Memorandum is contrary to the provisions of the Companies Act, the Securities and Exchange Board of India Act, 1992 or the rules made thereunder or regulations issued, as the case may be. We further certify that all the statements in this Information Memorandum are true and correct.

Signed by :

1. 
Gaurang Parmanand Shah [Director]
FOR, HEC INFRA PROJECTS LTD.
DIRECTOR
2. 
Rupal Gaurang Shah [Director]
FOR, HEC INFRA PROJECTS LTD.
DIRECTOR
3. 
Yogesh Popatlal Shah [Director]
FOR, HEC INFRA PROJECTS LTD.
DIRECTOR
4. 
Aniruddhasinh Harendrasinh Gohil [Director]
FOR, HEC INFRA PROJECTS LTD.
DIRECTOR
5. 
Ekta Rajpurohit [Company Secretary]

Date : 19/11/2014.

Place : Ahmedabad