

# Bajel Projects

29 May 2026

**Operator:** Ladies and gentlemen, good day and welcome to the Bajel Projects Limited Q4 FY26 earnings conference call hosted by Antique Stock Broking.

**Dhirendra Tiwari – Antique Stock Broking:** Thank you very much. Good afternoon everyone. Welcome all of you to the Q4 FY26 post-result conference call of Bajel Projects Limited, a Bajaj Group company. To discuss the results, I am extremely pleased to have with us today Mr. Shekhar Bajaj, Chairman of the company; Mr. Rajesh Ganesh, Managing Director and CEO; Mr. Nitesh Bhandari, CFO; and Mr. Harshil Vyas, Head of Corporate Strategy and Communications. As you all have seen, the company has reported a very strong set of numbers and we believe that they are well on track to achieve significant improvement in years to come under a very capable leadership. Now to discuss the results, I invite Mr. Bajaj to give his initial remarks and then it will be over to management for a detailed discussion on the call. Over to you, sir.

**Management:** Thank you very much. Good afternoon everyone and a very warm welcome to the inaugural annual earnings conference call of Bajel Projects Limited. I am Shekhar Bajaj. It is my privilege as Chairman of the board to open this inaugural earnings call of Bajel Projects Limited and address all of you today as we discuss our operational and financial performance for the quarter and the financial year ending March 31, 2026. This is a milestone moment for us. While Bajel has now been listed for over 2 years, this is the first occasion on which we are formally engaging with the investor and analyst community through an earnings call. We see this as the beginning of an ongoing and transparent dialogue and we look forward to building this relationship in the years to come.

This year, the Bajaj Group celebrates 100 years. In 1926, my grandfather, the late Shri Jamnalal-ji, laid the foundation of what would become one of India's most endearing business houses, built on the belief that business must serve a larger purpose. Through the freedom struggle, through the license raj, through liberalization, and now at the age of artificial intelligence, that founding philosophy—the alignment of word and deed—has remained our North Star. Every Bajaj company in every era has been measured against this standard.

The origin of Bajel, the power transmission and distribution business that today constitutes Bajel, was envisaged and nurtured for many years within Bajaj Electricals by my son Anant. By 2022, the Bajaj Electricals Limited board had arrived at a clear conviction: this business has outgrown the confines of a consumer-led parent. Its capital needs, execution rhythm, and strategic horizons were fundamentally distinct and it deserved an independent platform with its own focus, its own balance sheet, and its own runway. The de-merger was born out of the belief in what this business could become when given the freedom to chart its own course. Bajel Projects Limited was the result of that conviction.

Where Bajel stands today, 3 years on, I am pleased to share that Bajel today stands as a focused independent projects and products company with a clear strategic agenda, a robust order book, and a steadily improving margin profile that spans across domestic power transmission, new energies, manufacturing, and select international markets.

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## Bajel Projects

29 May 2026

The financial outcome of the year reflects this trajectory. Standalone revenue from operations grew to 2,792 crores, a 7% increase, while profit after tax expanded to 27 crores, a 74% growth that speaks to the discipline of selective execution. EBITDA grew to 125 crores with the margin improving from 3.4% to 4.4%. In lieu of this strong performance and to mark 100 years of Bajaj, the board of directors has recommended a maiden dividend of 0.60 per equity share, which is a 30% dividend payout on the face value of 2 rupees per share for the financial year ending March 31, 2026, subject to the approval of the shareholders at the ensuing Annual General Meeting.

But what gives me as Chairman the greatest satisfaction is not in any single number or order. It is that Bajel has carried forward intact the values it inherited: quiet execution, integrity in every dealing, and care for the people and the community we operate in. This is the operating philosophy the Bajaj Group has run on for the last 100 years and hopefully, this will be the philosophy that Bajel will run on for the next 100. With this, I would like to hand over to Rajesh Ganesh, MD and CEO, to take you through the year's performance and the road ahead. Thank you.

**Management:** Thank you, Mr. Chairman, for setting the context. It is both a privilege and a responsibility to take this company forward in the spirit you have outlined. Let me now walk our investors and analysts through the business, our strategic direction, the operating environment, and our performance for the year.

For those of us joining for the first time, Bajel Projects Limited was carved out of Bajaj Electricals Limited through the de-merger of its EPC arm with the clear objective of creating a focused and sustainable business for power infrastructure. Since our listing on December 19, 2023, we have remained committed to building a specialized projects and products organization, one defined by safer and stronger execution capabilities, cost discipline, and a long-term value creation mindset. We have built capabilities across extra high voltage transmission lines, substations, and monopoles, enabling us to qualify for projects up to 765 kV. We have executed multiple projects across India and internationally. Today, Bajel stands as a specialized power transmission player with a focus on execution.

At the heart of this transformation story is Rasta 2030, our 6-year strategic roadmap to position Bajel as a future-ready and globally recognized player in the power transmission infrastructure sector. The roadmap rests on a few clear pillars: expanding our presence in high voltage and technically complex EPC projects, growing our international business selectively and profitably, improving margins through operational excellence and digitization, diversifying into adjacent infrastructure opportunities, and strengthening organizational capabilities to support long-term scale. Underpinning this is a deliberate shift in our orientation from scale-led growth to quality-led growth. This means better project selection, disciplined bidding, execution excellence, and a sharper focus on operating margins. I am pleased to share that this shift is now becoming visible in both our operating performance and the composition of our project portfolio.

Before turning to our performance, allow me to talk about the industry. India's power sector continues to be one of the most attractive markets globally. The country is targeting roughly 900 gigawatts of non-fossil fuel-based installed capacity by 2030, which represents a significant increase from current levels. To enable this transition, the Central Electricity Authority (CEA) has outlined a transmission roadmap requiring approximately 114,687 circuit kilometers of transmission

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## Bajel Projects

29 May 2026

lines and 1,274,185 MVA of transformation capacity. All of this at an estimated investment of around 9 lakh crore through 2032, which translates to roughly about 1 lakh crore per year. This spans high-capacity 765 kV and 400 kV extra high voltage AC corridors as well as 800 kV and 350 kV HVDC lines. Looking further out, India's National Electricity Plan envisages this transmission capex outlay driven by large-scale renewable integration, growing electricity demand, and the modernization of the national grid. Inter-regional transfer capacity will play an increasingly central role in moving renewable energy from generation-rich regions such as Rajasthan, Gujarat, Ladakh, and the offshore wind corridors of Gujarat and Tamil Nadu to demand centers.

Additional structural tailwinds are emerging from green hydrogen corridors, data center capacity, industrial electrification, EV charging infrastructure, and the need to replace aging grid assets. While ordering activity in FY26 saw a temporary moderation owing to capacity and bandwidth, the medium-term opportunity remains robust and well-funded. Internationally, the Middle East, Africa, and parts of Southeast Asia are witnessing a parallel investment cycle in high-voltage transmission. The Kingdom of Saudi Arabia, in particular, has committed significant capital towards grid expansion under its Vision 2030 framework, and several Middle East and North Africa utilities are actively tendering large 500 kV transmission projects. This presents selective, well-priced opportunities for established EPC players with proven delivery capabilities. Against this backdrop, we see a meaningful opportunity for Bajel to participate selectively and profitably in this multi-year growth cycle, leveraging our capabilities, our strategic partnerships, and our disciplined approach to project selection.

As I have mentioned in prior interactions, execution is the heartbeat of our organization. During the year, we successfully commissioned 17 power transmission projects, completing 1,168 circuit kilometers across transmission lines and substations, which I believe is roughly 10% of India's total transmission line capacity addition in the entire year of FY26. This was achieved despite significant headwinds.

The last financial year was characterized by shifting trade policies and heightened geopolitical uncertainty, which has affected growth across regions and sectors. This has also impacted global supply chains and significantly impacted commodity prices. Towards the end of the year, the US-Iran conflict further stretched global supplies with crude oil reaching over \$100 a barrel, giving rise to overall inflation. This conflict also resulted in a slowdown of our plans in the Middle East and North Africa region.

As an EPC company, Bajel remains exposed to the vagaries of market fluctuations in aluminum, zinc, and steel prices. Components made from these commodities incur a significant amount of the company's total procurement cost. Aluminum and zinc prices on the LME witnessed an overall uptrend throughout the year. In the first half, prices were at the mercy of trade tariffs and counter-tariffs imposed by major economies, while geopolitical tensions supported strong momentum in the second half. Steel prices followed a downward trajectory until December but rose again thereafter post-imposition of safeguard duties on imports, supported by surging material costs and a flat infrastructure demand cycle. A depreciating currency further added to the challenges.

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## Bajel Projects

29 May 2026

We also faced manpower challenges, especially in execution due to a shortage of skilled labor in core activities like foundation, erection, and stringing. Oil prices going up and the non-availability of LPG adversely affected our supply chain operations towards the end of FY26. Higher wages and the imposition of the new labor code are also expected to increase costs further.

Despite all the above challenges, our unexecuted order book as of March 31, 2026, stands at 3,442 crores. Order inflow for the year stood at roughly 3,100 crores as compared to about 2,000 crores last year, which is a 55% increase year-on-year. Among the notable milestones of the year was the 700 crore order from MSETCL for a 400 to 220 kV substation and transmission line project in Saswad. We also secured key project wins from PGCIL, such as the Mandsaur transmission project and the Vindhyachal pool project, further strengthening our domestic order book in both interstate and intrastate transmission infrastructure building.

Post March 2026, we have secured orders exceeding 1,000 crores, including our first order from the Middle East and North Africa region valued at approximately 400 crores for the construction of a 500 kV overhead transmission line. We are currently LI or in advanced stages of negotiation with customers on orders worth over 2,000 crores. We are also actively pursuing opportunities worth 22,000 crores. We expect this trend to continue over this financial year, which should further support our order book growth.

FY26 was also a defining year in shaping our strategic partnerships, both domestic and international. On March 10, 2026, we announced a strategic collaboration with NIIF (National Investment and Infrastructure Fund) and Anant Grid Private Limited, an NIIF-promoted power transmission developer. This tripartite arrangement enables us to jointly deliver high-quality and cost-efficient power transmission projects in India. We also entered into a 50-50 joint venture in the Kingdom of Saudi Arabia with Al Sharif Contracting and Commercial Development Company Limited, establishing a long-term platform for growth in the Middle East, one of the fastest-growing electricity infrastructure markets globally.

To support our growth ambitions, we have been investing in strengthening our manufacturing capability. We want to continue improving our margins by reducing our cost of goods sold. Focus areas include bidding at better margins, achieving hedging of commodities, and efficiency improvements across manufacturing, supply chain, and execution led by an internal initiative called Project Neev. This transformation initiative aims to improve data systems, processes, and our broader digitization agenda. Our manufacturing facility at Ranjangaon near Pune is being expanded to 110,000 to 120,000 metric tons per annum. Once operational, the expanded facility will significantly enhance our captive capability and ability to serve both domestic and international demand.

The macroeconomic optimism that characterized FY26 has been considerably tempered as the world enters FY27. Conditions turned challenging in March 2026 with the intensification of the US-Iran conflict. But despite all the challenges, India remains a considerable power sector growth market underpinned by increasing power demand and supply. We remain cautiously optimistic as we enter FY27. With that view of the business, the operating environment, and our strategic progress, let me now invite Nitesh, our Chief Financial Officer, to take you through the detailed financial performance. Over to you, Nitesh.

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## Bajel Projects

29 May 2026

**Management:** Thank you, Rajesh. Good afternoon everyone. It is a pleasure to address all of you on our inaugural earnings call. Let me now take you through the financial performance for the fourth quarter and the full year, followed by an overview of our balance sheet and our credit profile.

The commodities have been on a bit of a run. Aluminum, steel, zinc, copper—all of them have been on a bit of a run. So it does present a challenging environment. Aluminum we have managed to by and large hedge. We still have some open exposure, especially for new orders, but up to the end of March in this financial year, I think we were completely hedged. However, there is no way to hedge steel, zinc, and others, so those have to be dealt with.

Now, we are in conversation with our customers to see, given the extraordinary circumstances, if some sort of leeway can be provided. In the meantime, we are also looking at the possibility of tightening costs further, especially improving productivity in order to keep the margins going. Hopefully, that answers what you were asking.

**Operator:** Nishita, do you have any follow-up questions?

**Nishita:** Yes. Am I audible?

**Operator:** Yes, you are audible.

**Nishita:** I just wanted to know, you mentioned that the capex would be phase-wise. From what I understood, phase 1 and phase 2 will be operational by the end of FY27. Is that correct?

**Management:** Yes, that is correct, Nishita.

**Nishita:** And majority of it—around 130 to 140 crores—will be spent on phase 1 and phase 2? Is that understanding correct?

**Management:** More or less, Nishita. I would say approximately 60 to 70%.

**Nishita:** Okay, understood. What is the revenue potential that we can get from this expanded manufacturing facility that will be operational by the end of FY27? And how are we going to ramp up this facility?

**Management:** Tower capacity and monopole manufacturing capacity is a challenge in the market, Nishita. As the sector is witnessing quite a bit of demand, there is also demand happening at the suppliers' end as well. There is a lot of substitution happening because solar is growing and so is wind. So it is becoming challenging to have long-term relationships with suppliers who manufacture the good quality towers needed for our work.

The endeavor here is really to try to insource as much as possible and the raw material we need as much as possible. It is more to ensure that we protect our margins and that we, to some extent, insulate ourselves against possible increases in conversion costs due to higher demand. The big objective is to ensure that we have sufficiently in-housed our captive demand.

**Nishita:** Okay, understood. Thank you so much.

**Management:** Thank you.

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## Bajel Projects

29 May 2026

**Operator:** Thank you. We have the next question from Yash Sarda from Antique Stock Broking. Please go ahead.

**Yash Sarda – Antique Stock Broking:** Hello. Thank you for the opportunity. Can you throw some light on the industry dynamics both on the domestic as well as international front? And secondly, are we bidding for any export or HVDC projects in the coming months and the coming year? Thank you.

**Management:** Could we take one more question and then perhaps I can answer?

**Yash Sarda – Antique Stock Broking:** I also have one more question on the capacity expansion side. Since we have announced the capex for FY27 and FY28, how is that shaping up and how will it help us in execution as well as on the profitability front? Where do we see this going forward?

**Management:** Let me take a stab at the industry dynamics. As I mentioned in my opening remarks, India is an exciting market for power transmission and distribution. The demand for electricity and energy overall continues to grow. We see electricity application increasing in mobility with EV vehicles, in kitchens due to the LPG crisis, and in several industrial applications. From a demand point of view, there are significant industry tailwinds. Government outlay for intra as well as interstate projects is close to or greater than 1 lakh crore every year. The ambitions of the government to have 900 to 1,000 gigawatts of capacity coming on stream in the next 5 years is a significant target. More than half of that will come from renewable energy, which means grid stabilization becomes a challenge and more work needs to be done there. Overall, generation is not the bottleneck; transmission and distribution appears to be, so a lot of work is being done in that space.

I would be quite optimistic about the industry picture for India, and I would say the same for international with select markets. We are looking at the GCC, the MENA region, and parts of Africa. In all these markets, we are seeing capacity expansion in line with what we see in India. For example, in Saudi Arabia, UAE, Oman, or Egypt, there is considerable work and big plans for grid expansion. So, Local and international, the industry picture is rather bright.

Regarding bidding for HVDC, we do not have HVDC in our portfolio yet, but we are keen. If an opportunity presents itself, we are sure to grab it. We are qualified for 765 kV for both GIS and AIS, so credentials are no longer a challenge for us. We are waiting for the right opportunity for HVDC.

On capacity expansion, as I mentioned, it really helps our execution. We have much better control over manufacturing these tower parts, which involves significant design and engineering. We want that in our own hands. It also has a bearing on cost; if we are able to insource and build scale, we can bring down the cost of goods sold.

**Yash Sarda – Antique Stock Broking:** Thank you so much.

**Management:** Thank you.

**Operator:** Thank you. Next question is from Ashok Jain from Ayush Capital. Please go ahead.

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## Bajel Projects

29 May 2026

**Ashok Jain – Ayush Capital:** Hello? Am I audible? In the tripartite SPV of Bajel Projects, NIIF, and Anant Grid, who will be funding the selected power transmission projects? Since we are already paying finance costs of about 63 crores for FY26, the additional borrowing burden for project execution and ownership of these assets will draw our EPS further down. My query is, how will the dual role of Bajel Projects as a turnkey EPC contractor and also a 26% equity stakeholder in the SPV impact the P&L, balance sheet, and cash flow during and after commissioning?

**Management:** Certainly, I am happy to answer that. I want to take a couple of steps back and tell you why we did this. We have no interest in asset ownership; that is not the business we are in. We have done this for two reasons. First, NIIF is half-owned by the Government of India. As a Sovereign Wealth Fund with marquee partners like the Canadian Pension Fund and Abu Dhabi Sovereign Wealth Fund, it gives us an opportunity to work with these entities. Second, it gives us a way of improving the quality of our order pipeline and unexecuted order book.

The arrangement is very clear: the financing is largely going to be done by NIIF and Anant Grid. We would be taking a small equity stake, and in return, we get the back-to-back EPC agreement for executing the projects we win. It is a strategic win for us. These are large-scale projects that give a significant boost to our pipeline. These are high-quality orders where parameter control regarding execution and commodity prices could be in our hands. This would help us earn better margins and terms for EPC execution. I see a positive impact on the P&L. There is no long-term asset ownership; the agreement stipulates we would be exited as soon as the project is commissioned. We don't see ourselves managing Operations and Maintenance (O&M) of these assets on a long-term basis.

**Ashok Jain – Ayush Capital:** Okay, sir. Thank you. My second question is, have the losses of the five joint ventures of the employee welfare trust of 6.67 crores been fully booked, or are more to come in the coming years?

**Management:** Nitesh Bhandari here. These are five employee trusts and the impact is primarily because of the mark-to-market we have done as part of the trust accounting. On March 31, the equity markets were quite low. As they improve and share prices come back, we should be able to get those numbers back on track. The real impact is 6.68 and 1.57 for the quarter ended March 31, 2026.

**Ashok Jain – Ayush Capital:** Okay. Thank you so much.

**Management:** Thank you.

**Operator:** Next question is from the line of Vedant from Choice AMC. Please go ahead.

**Vedant – Choice AMC:** My question is regarding working capital and receivables. We have seen an increase in debtor days and receivables meaningfully during FY26 alongside a rise in borrowings. Is this linked to execution timings or milestone-based billings in the order book, or are payment cycles across PSUs being structurally elongated? Additionally, how should we think about the normalization of working capital and cash conversion as higher-margin orders start getting executed?

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## Bajel Projects

29 May 2026

**Management:** Thank you, Vedant. The debtors have increased by around 590 crores, from 1,258 crores to 1,849 crores. This is primarily on account of higher last-quarter billing. The billings have increased on a year-on-year basis, which accounts for an impact of around 194 crores. Also, one marquee customer held back payments in the last fortnight of March of around 225 crores. We have collected most of both of these since then. The other increase is part of the EPC cycle where final retention amounts increase as you do projects. That increase is around 100 crores. This is a one-time thing and, as I said, has been largely collected back. Does that answer your question?

**Vedant – Choice AMC:** Yes, it did. Thank you.

**Management:** Thank you.

**Operator:** There are no further questions. I will now hand the conference over to Mr. Dharendra Tiwari for closing comments.

**Dhirendra Tiwari – Antique Stock Broking:** Thank you very much. Let me take this opportunity to thank the entire management of Bajel Projects—Mr. Bajaj, Mr. Rajesh, Nitesh-ji, and Mr. Harshil—for giving us the opportunity to host them. We look forward to continued strong performance from the company in the future. Mr. Rajesh, would you like to give any final remarks before we close?

**Management:** None from me, Mr. Tiwari. Thank you for hosting.

**Dhirendra Tiwari – Antique Stock Broking:** Alright. We can close the call now. Have a great evening and best wishes to all of you. Thank you to all participants for attending.

**Management:** Thank you very much. Goodbye.

**Operator:** On behalf of Antique Stock Broking, that concludes this conference. Thank you for joining us and you may now disconnect your lines.

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