



“Sugs Lloyd Limited
Investor Conference Call”
November 18, 2025



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PROMOTER – SUGS LLOYD LIMITED
MR. SATYAKAM BASU – CHIEF EXECUTIVE OFFICER –
SUGS LLOYD LIMITED
MR. VICKY KUMAR – CHIEF FINANCIAL OFFICER –
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MODERATOR: **MS. JANHAVI PATIL – ORIM CONNECT**

Moderator:

Ladies and gentlemen, good day and welcome to Investor Conference Call for Sugs Lloyd Limited hosted by Orim Connect. This conference call may contain forward-looking statements about the company, which are based on the beliefs, opinions and expectations of the company as on the date of this call.

The statements are not the guarantee of future performance and involve risks and uncertainties that are difficult to predict. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touch-tone phone. Please note that this conference is being recorded.

I now hand the conference over to Ms. Janhavi Patil from Orim Connect. Thank you and over to you ma'am.

Janhavi Patil:

Thank you. Good afternoon everyone and a warm welcome to all of you. I am Janhavi Patil from Orim Connect representing the Investor Relations team of Sugs Lloyd Limited. On behalf of the company, I would like to thank you all for joining us for the H1 FY '26 Earnings Conference Call. I am pleased to introduce the members of the management team present with us today, Mr. Santosh Shah, Chairman and Promoter, Mr. Satyakam Basu, CEO and Mr. Vicky Kumar, CFO.

With that, I would now like to hand over the call to Mr. Santosh Kumar Shah for his opening remarks. Thank you and over to you sir.

Santosh Kumar Shah:

Thank you Janhavi. Good afternoon and welcome everyone to our earnings calls for the second quarter and half year ended September 30, 2025. I am the Executive Chairman and Managing Director and I am joined today by Mr. Satyakam Basu, the CEO, Mr. Vicky Kumar, the CFO of the company. Our performance for the half year had a strong finish driven by our work in the power T&D, solar EPC and our high margin products. We are growing fast and executing well, which is exactly what we promised during our IPO. Our financial results are excellent.

Revenue from operation was INR123 crores, nearly doubling last year's number with 94% year on year growth. Our profitability is just as strong. EBITDA grew by 91% to INR18.88 crores and the profit after tax jumped by 94% to INR11.82 crores. Our diluted EPS stood at INR5.10 for the half year.

Now I would like to address two key structural updates which underline our long-term commitment to growth and stability. First, the Board has approved my transition from Non-Executive Director to the combined role of Managing Director and Executive Chairman of the company.

Second, the management is actively working on plans to align the promoter ownership structure. I would also like to clarify that we are absolutely committed to fair play. We completely reject any attempt at preferential deals or private shareholding arrangements outside the regulated market.

We ensure all our shareholders are treated equally. Coming to our operations, our success comes down to how we operate. We have several key advantages. First, we use integrated digital

platforms to manage all our projects. This infusion of technology helps us with real-time tracking, leading to reduced project timelines and reduced costs. Second, the majority of our team have more than a decade of experience in their relevant field and they come from top-notch companies in those respective segments.

I would also like to emphasize that 40% of our staff are graduate engineers, giving us the technical expertise required for execution excellence. Third, our strongest asset is the pool of trusted contractors we have built over time. This empowers us with the ability to mobilize at sites immediately.

This directly feeds our track record of nearly 99.8% on-time deliveries. To put on record, the cumulative liquidated damages deducted from SugS Lloyd till date has been only 0.016%. To enhance our eligibility to bid for bigger projects, we are actively making arrangements and tie-ups with certain public sector undertakings. These arrangements will help us meet the stringent steep qualification criteria required for high-value government tenders.

We are also actively working on improving our working capital cycle. We want to bring it to 4x to 4.5x from the current of around 3x. The data realization has been taken on a war footing basis. Various new tools, new software has been developed to monitor the movement of each and every bill submitted by the company.

Also, to support our growth, we plan to increase our working capital limits from INR125 crores to INR250 crores, for which we are already in discussions with banks and expect to conclude very shortly. We have also decided that the company will be publishing quarterly results to keep our investors updated regularly. We are proactively addressing the concentration risk by diversifying our market exposure.

Currently, Bihar accounts for approximately 60% of our order book. Though we have a robust track record with zero payment delays from Bihar, to mitigate risk, we are actively seeking and targeting projects in the states like Punjab, Delhi, Odisha, Maharashtra, Gujarat, UP, trying to increase our footprint and revenue contribution from these regions.

As of date, we have started working in these states and we are looking to increase the number of projects in these very states. This will also support our goal of achieving a top line of INR1000 crores by financial year 2028. While government solar project accounts for 99% of our order book, we are increasing our focus on commercial and industrial markets. This shift is expected to further improve our working capital cycle.

Now, to the most important part, that is innovation, technology and R&D, which is in our genes. We are in the process of upgrading our existing flagship fault passage indicator. Our R&D team is developing a new compact fault passage indicator that achieves 99.99% accuracy. Critically, this new version detects low earth leakages, conductor snap faults, it measures three phase voltages and provides secured data accessibility from anywhere.

These advanced features are currently not available even with global giants like Siemens, hence giving us a significant competitive advantage. The outlook for fault passage indicator and our other niche products is extremely strong, driven by government's focus on reducing EPMC

losses to 12%. The market is also supported by RDSS scheme with an outlay of INR1.5 lakh crores. In fault passage indicator and niche products, we have a strong pipeline of tenders worth INR120 crores.

Our R&D team is also developing medium voltage switchgears, targeting a market opportunity of INR4,500 crores. We are in the process of supplying our first medium voltage switchgear on a pilot basis in one of our 33 by 11 kV power substation project. Team is also working on dry compressed air reinforcement units, which is latest technology that is environment friendly as it does not use the unsafe SF6 gas. This product targets a substantial market opportunity of INR38,000 crores.

Our 28%, 21% associate company VYNA Electric has successfully launched consumer electrical and lighting products. The overall market is very supportive. Power transmission and distribution demand is driven by schemes like RDSS with an outlay of around INR1.5 lakh crores. The national transmission plan of INR2.4 lakh crores.

As of today, in power transmission and distribution segment, we have a tender worth INR480 crores. We have got tenders worth INR480 crores at final stages. In solar, we have started bidding for battery energy storage system, that is BEST projects, which opens a new door for massive future opportunities.

We have over INR158 crores worth of solar tenders at final stages. I would like to say we have a strong financial momentum, plenty of opportunities and the right team to achieve our INR1,000 crores revenue goal by financial year 2028.

With this, I would like to end my session and open the floor for questions. Thank you.

Moderator: Thank you so much. Our first question comes from the line of Amit Agicha from H G Hawa & Co. Please go ahead, proceed.

Amit Agicha: Sir, what is the management's aspiration of becoming a mid-sized EPC player like INR15000 – INR2000 crores revenue timelines and keep that is like you are told INR1000 crores by FY '28 like can you just use a brief -- right now, I think so what I can see like in FY '25 the revenue was INR175 crores. So like there's almost like a 5x type of a jump in three years?

Santosh Kumar Shah: Amit, if you can just uh repeat the question you know we couldn't...

Amit Agicha: Sir, what I can see is the revenue, which I can see is like in FY '25, it was INR175 crores, am I correct, sir?

Santosh Kumar Shah: Yes.

Amit Agicha: And the management is giving the guidance of almost INR1,000 crores by FY '28. So, like, can you just briefly, like, mix in FY '26, FY '27, what would be the guideline, what would be the targets?

Santosh Kumar Shah: Amit, thank you. Because of these regulations, we may not be able to comment on the exact figures for FY '26 and FY '27. But what I can say is the kind of momentum which we have

maintained over the last two years, the same kind of momentum will be maintained. If you can extrapolate the things, you can see that we are going far beyond INR1,000 crores with those momentum.

Plus, as I said in my session that we have got plenty of opportunities available and our eligibility to build for bigger projects is also increasing. At the same time, the kind of team we are having, which is capable of executing such projects. So, we are fully geared up and all the factors are in our favor to achieve the goal, which we have set for financial year 2028.

Amit Agicha: And sir, does the company also plan to enter new verticals like smart infra, EV charging networks, IoT solutions or grid automation tech?

Santosh Kumar Shah: As on date, we do not have any such plans because in the existing sector, we have got plenty of opportunities available. And the niche product segment where we are into, which is our gene into R&D, there also we have got huge opportunities to further diversify the product range. So, as on date, we want to stick to our core business.

Moderator: Our next question comes from the line of Rajesh Singla from VTG Capital.

Rajesh Singla: Thank you for arranging the conference call and a good set of numbers and very good opening remarks and the discussion so far. A couple of questions specifically on the niche product segment. Sir, how big is our R&D team? And also like what kind of share of this niche products is likely to have in your target of INR1,000 cores by FY '28?

And also, third question would be that you had mentioned in your opening remarks that you are using a digital platform to manage all the projects. So, is this digital project, digital platform developed in-house or can we monetize this as well?

Santosh Kumar Shah: Yes, Rajeshji, you asked three questions. First question was, what is the team's strength in R&D team? As on date, we have got around 10 people who are continuously working on R&D and they are working on various products and various developments. Second, you asked what will be the contribution from these niche products in FY 2028.

We are very confident that this business of FPI and our niche products is going to grow at a better speed than our EPC business. So, financially at FY 2028, we see somewhere around INR100 crores contribution from these products in the top line. And your third question was, if you can come again, Rajeshji.

Rajesh Singla: Yes. So, you had mentioned about the integrated digital platform. So, was this developed in-house and can we monetize this?

Santosh Kumar Shah: Yes. I would like to explain. We are a technology-oriented company where we keep on investing on developing tools and software, etcetera, for efficient projects. We have developed certain tools which are developed in-house and some services, few tools have been outsourced also. But again, these tools are totally brainchild of the team who is working with the company. So, we can say these are proprietary tools.

As on date, we cannot say that we will be able to monetize it. But yes, later on, maybe two years or three years down the line, we can explore the opportunities how we can monetize because the tools which we are making, these are unique tools and whoever, our peers who comes to know about these tools, they have appreciated a lot.

Rajesh Singla:

Great. So, just one more question, sir, maybe if I can. Earlier, you also had mentioned that VYNA Electric, which is an associate company of Sugs Lloyd with 20% share. So, right now, I think it is in a very early stage of development. We are still testing the market. So, maybe down the line, let's say in a couple of years' time, do we have any plan to merge that segment with Sugs Lloyd in the niche product segment?

Santosh Kumar Shah:

See, as on date, the VYNA brand which we have launched, it is for consumer segment and that is a B2C business, whereas Sugs Lloyd will always remain a B2B and B2G business only. So, whatever niche products we are having, this will be totally separate from the business of VYNA.

Moderator:

Our next question comes from the line of Garvita from Seven Islands PMS. Please go ahead.

Garvita:

I have just one question, which is on the margins. We see that the company is doing good, 15% of margins. Is this sustainable? And what is going to help us to sustain these margins, sir?

Santosh Kumar Shah:

Yes. Nice question. My answer will be yes. These margins are sustainable. And there are reasons for it. One reason is that our efficiency, the way we execute the projects, the way -- the kind of software, the kind of processes which we have developed, it helps us. It improves our efficiency and we are able to minimize our cost. That caters to such a margin.

Second is once we are growing, our size of project grows. With that, the fixed cost and all those things, it remains the same. So, we can say certain improvement in margins because of that also. And third and most important, as we grow, the contribution from our high margin business, that is niche products, that contribution is going up. So, that will also contribute in maintaining this margin.

Garvita:

Sir, can you give me bifurcation between EPC business margins and the niche product margins?

Santosh Kumar Shah:

We can give you consolidated, which is there on the books. I'm not sure whether -- as per regulators, I'm allowed to speak on the numbers exactly. But the niche product is because of low competition and less number of players. Our competition is with global giants like Siemens and Schneider. We command better margins on those products.

Moderator:

The next question comes from the line of Maitri Shah from Sapphire Capital.

Maitri Shah:

Firstly, could you give us a bifurcation of the current revenues that we had in the three verticals? What revenues did we earn from the T&D, from the solar EPC and also from the niche products in the first half of this financial year?

Santosh Kumar Shah:

For the H1, we are having 38% from power transmission and distribution, 58% is from solar EPC and 2% from the products.

- Maitri Shah:** Going forward, we expect the niche products to go from 2% to 10% in FY '28. What sort of revenues, like how do you expect this to scale up? Are we in talks with certain government sectors? Are the developments done? Do we have any commercial orders already received from the niche products? What sort of order book we have just on the niche products right now?
- Santosh Kumar Shah:** Niche products, this 2%, it may appear for H1 it is 2%. But if you say for the entire year, it will be somewhere around 8% to 9%. And the same figure was last year also. So it may be because of bundling of orders and all, it happens that these orders get bundled and in one particular quarter, we need to deliver all the orders, all the supplies. So because of that, it may appear that we are having 2% in H1. But closing this year, it will be somewhere near to 10%, 8% to 10%. And same thing we expect in further years henceforth, '26-'27 and '27-'28 also. Now coming to...
- Maitri Shah:** Sorry for me to interrupt, but are we not expecting this vertical to contribute more upwards of 10% going forward? Because we are having a lot of research going on, we're adding new products to this vertical as well.
- Santosh Kumar Shah:** Yes, we expect -- we are very much confident that this product is going to contribute even more. I'll tell you how the development and what all developments are happening in the market. Today, the total penetration of Fault Passage Indicators in Indian electrical grid is just 10%. Now, as per Indian electrical DISCOM standards, the product is a bit expensive.
- As time passes, the private DISCOMs like Tata Power and all, they have already tasted the benefit out of this product and they are using these products on mass level. Similarly, we are expecting other state governments -- and they have started following also, like we have started getting orders from Gujarat, from Noida, from Himachal, from Uttarakhand, and other states also. So the entire volume is going to get increased.
- But yes, the penetration is so low, slowly, slowly. We cannot see, you know, the jump in just a year or two. Slowly, slowly it will capture, it will come to its level. And maybe after three years or four years, we'll see it will be huge volume. Today, as on date, we are having an order pipeline of around INR150 crores in FPI. The tenders are at various stages. And maybe in H1 or H2, we expect some good orders.
- Maitri Shah:** That is great. What sort of capacity do you have in the FPI side, if you can quantify that?
- Santosh Kumar Shah:** We are highly underutilized as of now, because the volume which is there in India is, as I said, it is just 10%. So we can say we are highly underutilized. We have got the capacity of, you know, meeting almost 5x of the current demand with the current setup.
- Maitri Shah:** Okay. So could you quantify, like the maximum potential from this capacity we can generate from the FPI side?
- Santosh Kumar Shah:** Sorry, I couldn't get you. Can you come again, please?
- Maitri Shah:** So like our capacity, what sort of maximum revenue it can generate from the FPI production, if you could quantify? Is that possible?

- Santosh Kumar Shah:** For us, you know, the extension of capacity or enhancement of capacity will not be a problem at all, because it's not that big. Because these are all project-based orders we get, and we can enhance the capacity anytime. So capacity will never be a constraint in the business growth.
- Maitri Shah:** Yes, that's great. Secondly, since you said you can't give the individual margin numbers to the EPC vertical and the niche products vertical, but right now we are having close to 15% margins in EBITDA, which is a lot more than other EPC companies clocking in. So any sort of reason why we are having such high margins? And with the new projects that we have in our order book, do we see the similar trend of margins on the EPC side?
- Santosh Kumar Shah:** Yes, yes, it is a very insightful question. I really appreciate it. See, the kind of projects which Sugs Lloyd is executing is not similar to other majority of the EPC players in the market. Now, there are three segments in which Sugs Lloyd is operating. First is power T&D. Now, power T&D is the same across all the EPC players. But in power T&D, we are able to have better margins based on our execution expertise, our strength, and our skills.
- Now, second segment is solar EPC. In this solar EPC, when we say EPC, it is EPC including -- it is turnkey EPC, which includes supply of modules, etcetera, everything. Whereas majority of the EPC players, they work without supply of modules. So this is one factor which is contributing to higher margin in solar. And second and most important factor is we are into execution of projects which is scattered over districts, which is scattered over entire state.
- And the kind of skill set which is required to manage such projects is not available with major players. And bigger players, they do not want to enter into such segments. Smaller players, they are not able to execute it efficiently.
- So this is a space where we are operating, and we are able to manage good margins. So this is why we are able to get comparatively a better, higher margin.
- Maitri Shah:** And our current order book is close to INR400 crores. What sort of split do we have from the power side, the solar side, and the niche product side? Could you list the order book, if that's possible?
- Santosh Kumar Shah:** It is INR114 crores from power transmission and distribution. INR280 crores from solar.
- Maitri Shah:** Thank you...
- Moderator:** I'm sorry to interrupt you, but you can rejoin the queue for more questions. Our next question comes from the line of Nawal from Credent AMC. Please go ahead.
- Nawal:** Yes, you are. First of all, congratulations on a good set of numbers. Sir, I have a question regarding the order book. Of the total order book we are having of INR400 crores, can you provide us the break-up for the verticals? What proportion comes from the power T&D? What comes from the solar APC? And what comes from the niche products?
- Santosh Kumar Shah:** Just now I answered this question. It is INR280 crores from solar, INR140 crores from power. These are the two major things. Product orders are in pipeline.

- Nawal:** Okay, sir. And sir, your revenue and the profits have grown sharply this year. So, sir, what could be the major reason behind the strong performance?
- Santosh Kumar Shah:** Strong performance is our abilities, our capabilities and the market opportunity which is available.
- Nawal:** Okay. And sir, one more question about the trade receivables. So, we can see that the trade receivables are more than INR124 crores, which is a large portion of the balance sheet. So, what is the average collection cycle across key clients?
- Santosh Kumar Shah:** Average collection cycle is around 140 or this. And these trade receivables are, if you say, across the EPC industry, the norms remain almost similar. Or maybe you can say it is average, then there are even worse conditions also. But even after that, the company is fully geared up to improve this better status. Everybody is working.
- We have developed certain tools, certain procedures, softwares to monitor movement of each and every bill which the company has submitted. So, in this quarter we can expect improvement on this front.
- Nawal:** Okay.
- Santosh Kumar Shah:** And sir, whatever debtors you can see today, these are all from, you know, you can say very high-grade customers, blue-chip customers, either preponderated or backed by the government of India. So, we cannot see any or we should not see, we should not expect any kind of bad debt from these.
- Nawal:** Okay, sir. And sir, about the 800 crores qualified bids, which are under evaluation currently. So, what is the expected conversion timeline for this year?
- Santosh Kumar Shah:** We should expect our conclusion maybe in next, for all these 800 maybe in next three months. Within three months, we should be able to get the results.
- Nawal:** Okay, sir. I will join back in the queue. Thank you.
- Moderator:** Thank you. Our next question comes from the line of Rajesh Singla from VTG Capital. Please go ahead.
- Rajesh Singla:** Yes. Hello, sir. Thank you for taking my question again. My first question is on the order size. So, right now, so what is the maximum order size we can get based on our capabilities? And once we execute FY26, then what kind, what would be the largest order which we would be eligible to take on in the coming year?
- So, that is the first question. And the second question would be as Bihar is a major revenue driver for us, if you can just highlight a bit about Bihar as a renewable energy market. And also, I think the concern regarding the renewable, regarding the debtors, you have already addressed. So, anything which you have seen in the past, like what kind, what was the payment cycle in the past? And have we any, have we seen any delay in the payment in the past, sir?

Santosh Kumar Shah: So, your first question was the order size capability, like what is -- Yes, order size capacity. So, today, now it depends, it varies on both the sectors. In power transmission and distribution, we are able to bid for around INR100 crores project. And in solar, we are able to bid around INR150 crores project. And after this FY26, our eligibility for power transmission and distribution will be more than 200.

For power transmission and distribution, it will be more than 200. And for solar, we can bid up to any level. We will achieve that kind of eligibility criteria. Now, your second question regarding Bihar. We have been operating in Bihar since long.

And, since we have been working, we have got good inroads, good network. And whenever a network is there, we would always like to capitalize over those relationships and all. That is the reason why we are, you know, continuously bagging or getting more orders from Bihar and executing more business in Bihar.

So far, there has been no instance where there has been inordinate delay from customers in making us the payments. Everything has been on track. Few cases come here and there, but these are just delays. There has been no bad debt, there has been no liquidated damages, nothing. So, Bihar, we can say, okay, from outside, it may appear to be something not so attractive. But when it comes from EPC point of view, from companies who are going and getting the work executed there, it becomes very, it is very easy.

Because, the cheap labor, people are very supportive. They want the development to be done. So, all those factors, contribute in making it easier for us to do business in Bihar, in our segment. Now, coming to opportunities, in Bihar, we see major opportunities in power transmission and distribution. Going forward for solar, the only opportunity which we see in Bihar is, rooftop solar projects. So, major order which we expect from Bihar will be on power transmission and distribution front.

Rajesh Singla: Excellent. So, just a follow-up question on Bihar. So, now that elections are over and there is no, the government is likely to become a much stronger government than the previous five years. So, what kind of acceleration do you see in all these segments where you are operating in Bihar?

Santosh Kumar Shah: Yes, the number of tenders being floated will definitely go up because for last, because of model code of conduct, the tenders were put on hold, then certain projects which were at planning stage, that will also get expedited. So, we'll see, you know, inflow of orders, it will be coming at a higher speed and more number of business opportunities will be coming from Bihar.

Rajesh Singla: Apart from Bihar, sir, which other state we can say that we are very strong as far as our capability or market positioning is concerned?

Santosh Kumar Shah: Instead of saying strong, I can say which all states we have got the maximum lineage. After Bihar, we have been working with Odisha. We are working with Odisha on all the fronts, power transmission and distribution, niche products, as well as solar products, solar projects also.

So, it is Odisha, then Punjab, we have taken up, you know, good projects in a very short duration of time, and we are executing those projects very well. Then another state which we see is

Maharashtra, even Gujarat, we are exploring how we can have some, you know, major business from Gujarat. So, all these states we are working.

You know, what happens whenever we make an entry, once entry is made, definitely all the relationship and all those networks starts, building. And based on opportunities and other factors also, we can expect bigger business. So, going forward, what we say, Bihar will remain the major contributor towards revenue, but the percentage contribution will come down from 60 because other states will also start contributing.

Rajesh Singla: Great sir. Maybe, sir, just, I think it is our first conference call. So, my last question would be if you can provide a bit of introduction or background about yourself and maybe the key managerial personnel who are maybe in the product development or in the sales. So, a little bit of introduction on them will be quite helpful, sir.

Santosh Kumar Shah: I am a graduate engineer in electrical with around 21 years of experience in electrical product as well as, projects and business. And then with me, I am having Mr. Basu, who is an industry veteran. Basu sir, if you are on call, I request if you can introduce yourself, please.

Satyakam Basu: Okay. My name is Satyakam Basu. I am an engineer with a post-graduation from IIM Calcutta and have worked for now 45 years in various industries, including steel, power and all the related industries, basically core sector.

And I run the company as a Chief Executive Officer, hand in hand with Santosh ji and bring all my experience into the system so that the company can be led to become a proper big conglomerate. Thank you.

Santosh Kumar Shah: So, Rajesh ji, rest of my colleagues may not be on this call, but the kind of team we are having, majority of them, the top people, they are having more than, you know, 17, 18 years of experience in their respective fields. Like people who are heading the electrical transfer or power transmission and distribution have been working in this segment for maybe 18 years or 20 years. And they are from top-notch companies like Bajaj, Godrej, L&T, Ashoka BuildCon, etcetera.

So, the kind of team which is there, not only the top-level senior management team, but also people at execution level or people at managerial level, everybody comes from top-notch companies in their particular segment and with good hands-on experience.

Rajesh Singla: Excellent. Thank you very much. Best of luck and I will get back in the queue sir.

Santosh Kumar Shah: Thank you.

Moderator: Thank you. Our next question comes from the line of Sidharth Chandrasekar from SGN Securities. Please go ahead.

Sidharth Chandrasekar: So, my first question is related to our civil orders. So, I see in DRHP, you mentioned some civil projects that you are working. So, in future, you want to continue to bid for such products or like you want to stick to, you know, power side and don't want to go into civil?

Santosh Kumar Shah: See, we, now, the only project which we are executing in civil is, that is also again for a DISCOM, because based on our, performance in electrical sector, in solar sector, it was, in fact, the DISCOM wanted us to execute that project for them. So, the first project which we are executing is for a DISCOM. We are constructing a 125-bedroom hostel building for them.

We are waiting for it to get completed. Once it is completed, we will be having certain credentials for us to bid for other projects. As on this, we are not bidding right now. Once these credentials, these handing over certificate and completion certificates are there, that time we will explore.

But again, we will not go bullish on civil because being an orthodox business house, we want to go slow and steady. First, we want to see what exactly, what kind of, you know, margins and what, how we can operate in that. And then, if everything is as per our expectation, we may go in full throttle in civil also.

Sidharth Chandrasekar: So, there is no plan to enter into, you know, roads, bridges, all those kind of things, right?

Santosh Kumar Shah: Not as of now.

Sidharth Chandrasekar: Okay, okay. So, one more question. So, regarding, in your PTT, you mentioned the smart metering solutions, right? So, like, when you say smart metering, like, are we installing it or, like, can you elaborate a bit on smart metering part? Because right now, the smart metering is going by AMISP, right? So, can you elaborate on what we are doing there?

Santosh Kumar Shah: See, as on date, we have got capacity to execute projects on entire AMASP, entire advanced metering infrastructure. But as on date, we have got, we were having contracts with Tata Power, we were having contracts with, which got, concluded with [inaudible 0:45:27] and one other company, IntelliSmart.

And those projects, the scope of work under those contracts was only installation and then, connection with the network and the commissioning of the project. The HES, MDMS, etcetera, they were not in our scope.

Moderator: Thank you, sir. Our next question comes from the line of Imran Khan from HNI. Please go ahead.

Imran Khan: Hi, thanks for the opportunity. Sir, could you tell us more about your bed debt, if any, in the last maybe 3, 4 years? Any peak that you have seen or any more colors, on the bed debt?

Santosh Kumar Shah: See, we have seen one bed debt in financial year '22, '23. That was for INR1.18 crores. And that was not from these business, like power transmission and so, it was from one business we started that time, it was manpower staffing. So, from there, there was a customer, private customer called Carvey. So, there we had a bed debt of INR1.18 crores that we had written off and the arbitration and all. We have won the arbitration degree also and further we are taking it up. Apart from that, there has been no bed debt in the company.

Imran Khan: So, no bed debt from the government side, right? Bihar, whether it's Bihar or some other states, right?

- Santosh Kumar Shah:** As of date, no. And in future also, we do not see any bed debt, because whatever projects we are executing, even for state governments, these projects are funded by Government of India under schemes like RDSS. And so, when these are funded by Government of India, payment security remains there.
- Second, whatever projects we are executing are socio-economic in nature, right? And beneficiary for our projects is the voters. So, government remains very alert on these projects. They would never let anything, hurt the execution of these projects. So, our payments are very secure.
- Imran Khan:** Right, right. And sir, out of this INR124 crores of trade receivables, how much would be, let's say, more than 6 months old?
- Santosh Kumar Shah:** Our INR20 crores is older than 6 months.
- Imran Khan:** And when do you expect to collect that? Do you think it will take more time? And if you can mention the clients who are, delaying it by more than 6 months?
- Santosh Kumar Shah:** I would like to further clarify. See, this INR124 crores or this INR20 crores, what he say, it may appear as outstanding debtor, but it is not due because these are retention payments, which gets removed after a certain time once we have completed the projects. So, as of date, these projects are under completion. Once these are completed, we can claim those retention. So, as of date, we cannot even claim those retention. That is intrinsic nature of our business.
- Imran Khan:** Right, right. And have you given any target for this year in terms of revenue profitability or you are not doing that?
- Santosh Kumar Shah:** We have given the target. It is there, means, the DRHP. So, and we are in line with achieving those, even to, overachieve those targets.
- Imran Khan:** Okay, got it. Thank you so much. And congratulations on the very good set of numbers and best of luck for the future.
- Santosh Kumar Shah:** Thank you, Imran.
- Moderator:** Thank you, sir. Our next question comes from the line of Shubham Gupta, an Individual Investor. Please go ahead. I'm sorry, but that participant has left the queue. So, our next question comes from the line of Navin Soni. Please go ahead.
- Navin Soni:** Yes. So, what's your guidance for FY '26 and '27? Actually, I joined the call a bit late.
- Santosh Kumar Shah:** You are talking of revenue guidance?
- Navin Soni:** Yes, revenue and PAT margins?
- Santosh Kumar Shah:** Mr. Soni, because of these regulations, we may not be able to comment on the exact revenue and exact numbers. What we can say is that the kind of momentum which we have maintained

in the past 2 years, that momentum will be maintained in the future also for the next 2, 3 years. We do not see any changes in that. In fact, we can even overachieve those things.

So, and we are on track. We are on track to the projections we gave in our DRHP. So, that is what we can say. And as we said, financial year 2028, we expect to achieve a top line of INR1000 crores. That is very much in line. And we are fully geared up to achieve that.

Navin Soni: How much amount of crores in your order book is bided?

Santosh Kumar Shah: As of date, the tender which has been bid is around INR800 crores.

Navin Soni: Okay. And conversion ratio?

Santosh Kumar Shah: Conversion ratio stands somewhere around 20%, between 20% to 30%.

Navin Soni: Okay. Thank you so much.

Moderator: Thank you. Our next question comes from the line of Jignesh from JIVA capital. Please go ahead.

Jignesh: Yes, sir. To get more understanding on your niche products, since many of these products are provided by Schneider and Siemens big companies, and very few people are willing to move to other small companies. What new features are we adding in such products that we are expecting to get good business out of it?

Santosh Kumar Shah: Yes. As I said, I think you joined a bit late. Our R&D team is working on upgrading this fault passage indicator. As of date, the fault passage indicator, what we are using, these are a combination of fault passage indicator and data concentrator units, which is a bit bulky and there are various components which needs to be installed on lines and poles.

Now, the team is working on developing a compact FPI. Now, this compact FPI will be very handy. It will be a smaller compact, smaller and compact unit. Plus, we are expecting it to be a bit economical for the DISCOMs also. And then there will be many other technical features, technical specifications this product will be having, which even Schneider and Siemens are not having in their product line.

So, going forward, once we are done with this and these products are approved, we will be having a significant competitive edge over these global giants for these products. We are having more than 50% of the market share for FPIs in India.

Jignesh: Okay, okay. So, many of our approvals are already in place and we are selling these FPIs also?

Santosh Kumar Shah: Yes, the conventional FPIs we are selling to almost all the states as of now, except the very few states in certain part of the country. This conventional FPI is under development and once the system is ready, thereafter we can start commercial application of these products.

Jignesh: Right. So, it will be sold separately or packaged with our other transmission projects?

- Santosh Kumar Shah:** It goes both ways. There are many EPC companies who bag RDSS contracts. So, we supply these products to those EPC companies also. Whereas, certain projects which we buy, which we are able to win and if these products are there, it goes as our EPC package only. Like we can say even L&T is our competitor, but L&T is our customer for FPIs. So, we can say Bajaj is our competitor, but Bajaj is our customer for FPIs. Ashoka Buildcon is our competitor in power transmission and distribution, but they are our customers for FPIs. So, it goes both ways.
- Jignesh:** Right. Thank you, sir.
- Santosh Kumar Shah:** Thank you.
- Moderator:** Thank you. Our next question comes from the line of Rajesh Singla from VTG Capital. Please go ahead.
- Rajesh Singla:** Hi, thank you for the opportunity again. So, I just wanted to confirm that most of the projects which we are doing are mostly central government funded, right? If I heard you correctly?
- Santosh Kumar Shah:** Yes, yes. These are either central funded. See, there is a criteria which our tendering team has to follow. The first criteria is what is the funding arrangement for that project. While making a go and no-go decision, they have to follow it. So, the instruction which has been passed is first, the project has to be either funded by Government of India or it has to be funded by multilateral agencies like ADB, etcetera, or it has to be under some deposit scheme.
- Like in many states, many other utilities, they want to get some projects executed. So, they deposit the fund to DISCOM and then DISCOM executes. So, apart from these three criteria, the tendering team is not allowed to bid for any third option.
- Rajesh Singla:** Excellent, sir. Well done. Best of luck. Thank you very much, sir.
- Santosh Kumar Shah:** Thank you.
- Moderator:** Thank you. Ladies and gentlemen, due to the time constraint, that was the last question for today. I would like to hand the conference over to the management for the closing comments. Thank you and over to you, sir.
- Santosh Kumar Shah:** Thank you, everyone. Thank you for sparing time and listening to us. We really appreciate your contribution and the way you have supported us after this IPO. We are really thankful for that and we look forward to continued cooperation in the future also. Thank you very much.
- Moderator:** Thank you, sir. On behalf of Sugs Lloyd Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your line.