



“Sugs Lloyd Limited
H2 & FY '26 Earnings Conference Call”
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Moderator: Ladies and gentlemen, good day and welcome to the Sugs Lloyd Limited H2 and FY '26 Earnings Conference Call hosted by Orim Connect. 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 this conference, please signal an operator by pressing star and then zero on your touchtone 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: 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 H2 and FY '26 Earnings Con Call.

Before we begin, I would like to state a brief cautionary statement. Some of the statements made during today's call may be forward-looking in nature. These forward-looking statements are subject to certain risks and uncertainties that will cause actual results to differ materially from those expressed or implied.

These statements are based on management's current expectations, assumptions, and information available as of now. Investors are therefore advised not to place undue reliance on these forward-looking statements when making any investment decisions. The purpose of today's call is to share insights into company's business, performance, and financial results under review.

Now I am pleased to introduce the members of the management team present with us today, Mr. Santosh Shah, Managing Director and Promoter; Mr. Satyakam Basu, Chief Executive Officer; Mr. Vicky Kumar, Chief Financial Officer.

With that, I now hand over to Mr. Satyakam Basu for his opening remarks. Thank you and over to you, sir.

Satyakam Basu: Hi, good afternoon everybody and thanks for coming on this call. To start with, I would like to inform you that despite all the geopolitical problems happening in India all over the place, your company had a very good year this year, primarily because of the government's emphasis on both the transmission distribution area as well as on the renewable energy area, primarily solar which is of interest to us.

As compared to the last year, we have shown a growth of about 70% on our revenue. Last year we concluded the year with INR176 crores, this year we have clocked INR300 crores, that leads to a 70% increase. Our EBITDA has increased by 69%. I am not rattling off the figures because all of you have seen the presentation and figures are with you.

And PAT has also gone up by 71%. More importantly, as the business has grown almost double, we have been able to retain both our EBITDA margin as well as the PAT margin over this period as compared to the last year. And of course, the earning per share has also increased; it has increased by almost 37%, 38%.

Primarily, this year has been our growth stage, which will continue for next couple of years. We have been able to grow geographically as well as include some key marquee customers into our fold over the period. We have been able to book almost INR500 crores plus order during the course of the year and as a result, we have laid the foundation for even more robust growth for the next year.

Obviously, we will not be talking about next year, but this is what we have been able to do and we feel very confident that the momentum will be carried on for the next year as well. And as I said, primarily government's emphasis is on the transmission distribution through the RDSS and other schemes, government's emphasis is on renewable energy, and we are ready to capitalize on that and moving forward.

Also on our key product, which is our niche product that we have for fault passage indicators, sectionalizers, etc., we have been able to grow and make penetration to the new customers in new geographical areas. This is one area where we foresee a large growth because it's mostly not yet grown, not yet been fully utilized, but people have started understanding the need of it.

They understand that this actually leads to your transmission loss and distribution loss and as well as reduce your downtime, so the DISCOMs are slowly one-by-one adopting this. We are already on the ball discussing with various other customers on the same.

Our order book as of now stands around INR825 crores and we have already participated on the various other tenders whereby we expect some reasonable and sizeable orders to come in during the course of this year.

And this emphasis is not only on the line of business but also emphasis is on geographical spread. As you all know, we initially had most of our revenue coming from Odisha and Bihar, but slowly we have now moved into Gujarat, we have moved into Maharashtra, we have moved into Punjab, we have moved into Chhattisgarh, we have moved into various places and we are now really planning that by the end of this year you will see us covering much, much more geographically of the country than anywhere else.

We also have a map drawn on the international expansion, which we are planning to do, of course not immediately with a large amount, but definitive steps will be taken towards entering and increasing our international business, that is what we will do. As far as our balance sheet is concerned, courtesy the IPO that we had, successful IPO that we had, we have been able to increase a lot of shareholders' capital into the scenario.

As a result, our debt to equity ratio has improved from almost 0.5 to 2 level. And this is a very, very healthy situation. Our current ratios have improved. Everything is now going on the right way. So with this, you will see a lot of things coming up in the next year as we come and we have already crossed a year or a month of the year and we really see those signs coming in.

We are actually very bullish on this product, which is now getting a lot of acceptance, a lot of tenders coming up. We have also bagged some sizeable orders on that, which will make us one of the premier players in this industry and we'll go forward.

So just to conclude before I go any further, we had a good year. We have increased our top-line from INR176 crores to INR300 crores. We have increased our bottom-line from INR16 crores to INR28 crores. We have maintained the margin despite this growth, we have maintained the margin on EBITDA and PAT.

The EPS has gone up by 38%. A healthy amount of capital has been introduced in the company and thereby we are maintaining all the ratios properly, including the current ratio as well as the debt to equity, etc.

With this, I would request Mr. Santosh Shah to add some from his side to add to this call before we open it for the questions.

Santosh Shah:

Yes, thank you Basu sir and thank you to all the listeners for joining us. I would try to keep my remarks as brief as possible. As already Basu sir, has informed we have overachieved our guidance for financial year '26, delivering a turnover of INR300 crores against our stated guidance of INR270 crores.

We are well on the track to deliver similar consistent performance in the years ahead. I would like to share three areas where we are placing full focus and energy as we move into financial year '27. First, growth. Our target of INR1,000 crores revenue by financial year '28 is firmly on track. Financial year '27 will be a significant and visible step towards that milestone.

Second area of focus and energy is financial strengthening. Improving receivables is our top priority and we are working hard on it. Alongside this, we are building multiple levers to improve our fund flow through a balanced mix of debt and equity and through market instruments such as purchase invoice discounting, surety bonds, and other structured financing options available.

All of this is geared towards funding our growth to INR1,000 crores in a prudent and sustainable way. Our third focus area is product and technology leadership. Our FPI business is growing at a pace which is very exciting. The order quantity received in Q1 financial year '27 alone is already comparable to the entire FPI order book of last year. Our other products like auto reclosers and sectionalizers are also gaining strong momentum.

We have already started receiving new orders for these products, which is very encouraging for us in this category. Our next generation compact FPI is almost ready and will be launched very shortly. We are also in discussion with select companies for technology transfer to offer more advanced solution to the industry.

On the systems side, building on our SCADA contract with Konkan Railways, we are now aggressively pursuing SCADA compatible grids, ADMS, DMS, and distributed automated system projects. These are high value engagements with us and it will be having a strong and growing pipeline.

All of this is fully aligned with India's massive investment in energy infrastructure. Sugs Lloyd is at the center of that investment and we intend to stay there for long. You have placed your trust in us, we honor that trust every single day. Thank you to each of our listener. We are now open to the floor for your questions, please. Thank you.

- Moderator:** Our first question comes from the line of Agastya Dave from CAO Capital. Please go ahead.
- Agastya Dave:** Yes, okay. Thank you very much. Sir, congratulations on great set of numbers. Sir, I have one clarification on the balance sheet, which is the other current assets which have jumped to INR42 crores. There seems to be a reclassification. Is this retention money, sir?
- Santosh Shah:** Yes, Mr. Dave, this is retention money which is not due, which will get due after completion of certain or discharging certain responsibilities by the company in project.
- Agastya Dave:** Perfect. So if I include this in the receivables, then the receivables have gone up. That is the only not great part of the results, otherwise the results are pretty good. Sir, you mentioned in the opening remarks that you are concentrating on this part, on managing receivables. If you can elaborate that point more. And then I'll also ask the second question. Sir, you received a very, very large order, INR600 odd crores.
- Can you take us through what are the terms and conditions there, what kind of working capital needs will we have, plus the margins that you'll see in this particular project? So the 14.5% that you have been maintaining for the last two years, will you be able to maintain the same margins with this new project coming in or will we see some slight improvement in the margins?
- And you also mentioned that you are also working on large ticket size orders, so when can we see those coming? Are there any tentative timelines that you can discuss and what would be the scope of work there?
- Santosh Shah:** Yes, Mr. Dave, I'll answer your questions one by one. First question is regarding receivables. Now one thing I would like to bring to your focus that majority, 40% of our sales has happened in Q4. Now the, Yes, and the majority, so 40% of that always, you know, it appears in the balance sheet as debt and rest 10% is carried from, you know, previous this thing. So this is how the, you know, it has been the trend in past.
- Now we are working on, you know, making some arrangements and doing some things so that we can avoid this concentration of revenues in the last month of the year. So we are working on it, how we can further, you know, we can avoid this concentration. So that is one of the strategies which is there in place. Second is that yes, we are strengthening, we are, you know, tightening our entire receivable collection process and all.
- Certain tools, certain procedures, you know, teams has been formed, certain task force has been defined, made to address any kind of delay which is there. And third, we are further looking for projects. Now the projects which we were having, majority of these projects were, you know, like in some of the projects the payment was to be received after installation and after commissioning and again after three months of satisfactory operation.
- So now going forward, we are trying to concentrate more on the projects where payment terms are easy, where we can get majority of the payment terms once we have started billings and then it is the retention which is linked with final installation and commissioning or after completion of defect liability period should not be more than 10%. So these are few steps which we are taking to improve our receivable figures. Now coming to your second question, which was...

- Agastya Dave:** The large ticket orders. The large ticket order that you have won, sir, what is the margin, working capital requirement for that particular project? And you mentioned in the opening remarks that you have some other large orders in the pipeline, so again sir, if you can elaborate, provide some additional commentary there.
- Santosh Shah:** Yes. See the this INR640 crores project which we are executing, it has got, we will, there will not be any kind of a pressure on margins because of this project. The payment terms, it is a normal RDSS project and the payment terms are again 60% once we supply the material, we get 60% on that. 30% is linked with installation and commissioning and 10% is the retention which gets released after completion of project and against a bank guarantee. So this is the common payment terms which used to be in every RDSS project.
- Now coming to other big ticket projects, we have started bidding for, we are preparing our, we are in the process of bidding many. There was a few projects in Tripura, somehow we missed it, but yes, there are other tenders also which are coming on the same grounds where lot of automated distributed management systems, SCADA compatible grids, these kind of high technology products, projects are there.
- So we are eyeing those. And it is very difficult to say when we will be able to receive those because these are, you know, entirely beyond our control. It is directly depends on customer to customer and government to government. But yes, in this financial year, we expect similar such project, at least one similar such project in this financial year.
- Agastya Dave:** Excellent, sir. Thank you very much for giving me the time. Sir, one request, kindly consider moving to quarterly results, sir. It's a very uncertain period, sir, and for investors and for the company it would be better that if we have more frequent engagement and more frequent reporting. Everyone would really appreciate it, sir?
- Santosh Shah:** Yes, Mr. Dave, I really appreciate. I'll, I would like to further add on that we have already opted for quarterly results the day we were listed and every quarter we are publishing our results. Not only publishing, we are having a, we are sitting a earnings call also.
- Agastya Dave:** Okay. I may have missed...
- Santosh Shah:** We'll ensure that next time henceforth our IR team should get in touch with you and should inform you of the earnings call and results everything.
- Agastya Dave:** No, it's not that, sir. I'll, sir, the report which has come out right now, the earnings report, it has half-yearly numbers. That's why I said it. So if you're doing it quarterly, sir, that's perfectly fine, sir. Thank you very much. Thank you. All the best, sir.
- Santosh Shah:** Thank you.
- Moderator:** Thank you. Our next question is from the line of Nishita Shanklesha with Sapphire Capital. Please go ahead.

- Nishita Shanklesha:** So I just wanted to understand more on our niche products. So you mentioned that the Q1 FY '27 order book till date that we've received in that is comparable to the entire year of FY '26. Can you quantify the order book that we have currently in the niche product segment?
- Santosh Shah:** Yes, we are having multiple orders, Nishita, for our communicable FPIs. The orders are from various customers, mostly these are Tata Power DISCOMs and then we are having one order from NPCL also. Do we have the quantities right now? The total value for FPIs, the orders which we are going to execute in Q1 or maybe in by month of June or maximum July will be around INR8 crores we will be billing only for FPIs.
- So that is the order and there are many others also which is in pipeline, which is at various advanced stages of discussions and negotiations. And we expect, as I said, we expect a good jump in FPI business in this financial year.
- Nishita Shanklesha:** Understood. So like is it safe to assume that in the total of FY '26 we've executed INR8 crores of FPI orders, like the revenue from FPI was INR8 crores?
- Santosh Shah:** Sorry, didn't get you. Can you come again, please?
- Nishita Shanklesha:** Is it safe to assume that in FY '26 our revenue from FPI was INR8 crores because you mentioned that that's the comparable amount?
- Management:** Last year, last year, no? The INR6.6 crores.
- Santosh Shah:** Yes, it was around INR7 crores against which the current order which we are having is around INR8 crores.
- Nishita Shanklesha:** Okay, okay. Understood. And what is the order book pipeline for our power T&D and solar EPC business if you can quantify that as well?
- Santosh Shah:** INR708 crores from power T&D. These are the evaluated on unexecuted order book. INR825 crores. Order pipeline she's talking about, expected orders, tenders in bid. INR1,225 crores. The total tenders which are at various stages of evaluation is around INR1,225 crores. Over and above and our strike rate somewhere goes around 20% to it stays between 20% to 30%. So we can say around 200 to 300 out of these we are going to book.
- And around INR3,000 odd tenders we have already identified for which bidding, bid preparation is undergoing and we will be bidding in a month or in next two months. So from there also we will, we expect inflow of orders.
- Nishita Shanklesha:** Okay, okay. Understood. And earlier you guided for INR600 crores of top-line in FY '27, is that still achievable?
- Santosh Shah:** Yes, it is very much achievable. We are on line.
- Nishita Shanklesha:** Okay, okay. Perfect. Thank you so much.
- Santosh Shah:** Thank you, Nishita.

- Moderator:** Thank you. Our next question is from the line of Harshit Pandey with Bluestar Capital. Please go ahead, Harshit.
- Harshit Pandey:** First of all, congratulations, sir, for amazing set of numbers. Sir, my question is on margins. So will the margins be maintained or it will be slightly less or it can be improved? If you could guide me on that, it would be really helpful.
- Satyakam Basu:** Pandey sahab, as I, this is Satyakam Basu here. As I said during my introductory call, we have been growing almost like an 1.7, 1.8x over the last year and we will maintain the momentum. I cannot say the exact numbers. And we have been able to retain both the EBITDA margin as well as the PAT margin. So it always comes with a, you know, various basket of products, basket of orders and basket of customers. Somewhere it goes a little low, somewhere it goes a little high, but we are very confident that we will be able to maintain at least the trend over the next year and more.
- Harshit Pande:** Got it, sir. So, we can expect similar margins, right, sir?
- Satyakam Basu:** Yes, more or less. Yes. More of more, less of less.
- Harshit Pande:** Got it, got it. Thank you very much, sir. All the best.
- Satyakam Basu:** Thank you.
- Moderator:** Thank you. Our next question is from the line of Deepak Rajpurohit with Rajpurohit Capital. Please go ahead.
- Deepak Rajpurohit:** Hello. Am I audible, sir?
- Satyakam Basu:** Yes, you are audible, Deepak.
- Deepak Rajpurohit:** Yes, sir. Congratulations first of all for getting excellent numbers, sir. Sir, my question is with regards to this change, a margin pressure that can be arise due to this changing in copper prices and this one. Is there anything which will help in out to maintain our margins, sir? I mean to say, the orders which are in pipeline are will be of can be achieved with the same margin?
- Santosh Shah:** Yes, Deepak, majority of our orders are with price variation clause. Like if there is any change in the commodity prices, the same gets, you know, passed on to the customer. So from fluctuation of commodity and all these things, we are fully safe. And moreover, you know, we undertake, we ensure that whatever projects we execute or we bid in this point in time, it should have that price variation clause. That whatever, whatever may be the changes, not only in the LME prices or in the, you know, commodity prices, even if there is any change in the statutory taxes and all, that will also get, you know, that gets replenished. So we ensure those things. So from that point of view, we are fully secure.
- Deepak Rajpurohit:** Okay, sir. Thank you, sir.
- Moderator:** Thank you. Ladies and gentlemen, to ask a question, you may please press '*' and '1' on your touchtone telephones. Our next question is from the line of Vaibhav Mishra with Finvestors. Please go ahead.

- Vaibhav Mishra:** Hello, sir. Congratulations for the very good set of numbers and the trajectory that company is showing for the last many quarters. Sir, one concern, in this I think March quarter our margins have been under pressure. For the half year it is showing around 14% kind of a number, but for the March quarter particularly, it was I think 12% kind of a number. So what exactly happened, while in the previous call we were hoping to improve our margins, so was that due to order, that kind of orders were executed in March or was that due to, I mean, raw material price increase? What exactly happened, sir?
- Santosh Shah:** See, there, numbers will have to go through, Mishra. There has been one, like one MAHAGENCO order was there, which we could not execute in because of some land dispute in Q3, which got shifted to Q4 and while shifting all these things, there had been certain, you know, interference from local political, you know, fraternity and all these things. So that may have cost some kind of a extra or some escalation in our costing. Otherwise, if you will see year-wise, the margin has been stagnant and it will remain. Maybe in Q1 quarter there may be something less, but if you see year-wise, it will remain the same, almost same.
- Vaibhav Mishra:** All right. So sir, it was like one-time kind of a thing that happened in March quarter, correct, sir? Going forward we can at least maintain the margins that we have achieved in FY '26, correct, sir?
- Santosh Shah:** We are very much confident of maintaining the same.
- Vaibhav Mishra:** Okay, okay. That is it from my side and all the best. Company is doing fantastically well, sir. Thank you.
- Santosh Shah:** Thank you, Mishra. Thank you.
- Moderator:** Thank you. Our next question is from the line of Nishita Shanklesha with Sapphire Capital. Please go ahead.
- Nishita Shanklesha:** Yes, thank you for the follow-up question. I just wanted to understand what is the margin profile like for the FPI business?
- Santosh Shah:** Nishita, we may not be able to comment exactly on the figures, on the margins for FPIs, but it is far, far better than the EPC business what we are doing because of our, you know, strong position, leadership position and our ability to customize the product as per various state utilities.
- Nishita Shanklesha:** Okay. So like is it safe to assume that as we grow the revenue from FPI, our margins can get better on a consolidated basis as well?
- Santosh Shah:** Yes, you are very right. FPI, the more is the contribution from FPI, the better will be the margins.
- Nishita Shanklesha:** Right. And so like if we have any target of what revenue contribution we see from FPI business in FY '28, FY '29, like in percentage terms if you can just grant?
- Santosh Shah:** I could not get you. Can you come again Nishita?
- Nishita Shanklesha:** Yes. Like if we have any internal target about the revenue contribution from FPI in percentage terms in FY '28, FY '29, like do we see any?

- Satyakam Basu:** Yes correct. We intend a contribution of around 10% of the total revenue from FPIs. And we are working on it because we are yet to convince a majority of the state governments to deploy FPIs on a mass level basis. If you will see only few states like Odisha or states which are, you know, where the DISCOMs is owned by private players, they are aggressive about this product. And whereas the DISCOMs which are run by government, they have introduced the system on pilot basis, but going forward they are going to, they are going to get benefit out of this and then slowly they will also start putting this product on a mass level in their system.
- Nishita Shanklesha:** So can we see this 10% revenue contribution in say FY '28?
- Santosh Shah:** Yes, we are very much hopeful that the contribution in FY '28 may be even better than 10%.
- Nishita Shanklesha:** Okay, understood. Thank you so much.
- Moderator:** Thank you. Our next question is from the line of Hiral Desai from Ethigrity Financial Services Private Limited. Please go ahead.
- Hiral Desai:** Hello. Am I audible?
- Moderator:** You are audible, sir. You may proceed.
- Hiral Desai:** Yes. So thank you for the opportunity and congratulations on the great quarter. I had couple of question. One is can you sort of apprise us on the current credit lines that you have with various banks? And what is the current utilized facility and what is the total outstanding credit limit that you have?
- Santosh Shah:** The total facility for non-fund and fund-based taken together as on date is 201 as on date. It was for the quarter, for the financial year, I am talking of as on date. Or you want year figures?
- Hiral Desai:** No, I want the annual numbers.
- Santosh Shah:** INR125 crores was the total credit facility from banks in financial year '26. Out of that INR125 crores, INR65 crores was non-fund and INR60 crores was fund-based. And against INR60 crores fund-based, the utilized was INR49 crores.
- Hiral Desai:** Okay, okay. And as we get to this target of let us say INR1,000 crores of revenues by FY '28, what would be the peak credit utilization that you guys will be at?
- Santosh Shah:** We are for INR1,000 crores, we are making arrangements for a credit limit of around INR300 crores, INR300 crores to INR350 crores, mix of both fund-based and non-fund-based. At the same time, we are in discussion for other, you know, financial this tools which are there, like purchase invoice discounting, TReDS, and even we are convincing many of our customers for acceptance of surety bonds instead of bank guarantee.
- So all these things taken into this thing, we are fully, I will say, comfortable for this financial year '28 INR1,000 crores turnover. And one more thing what I would like to add here that based on our performance and the way we are growing, we are able to get confidence from creditors, from suppliers. So the, our earlier creditor days which used to be 18 days, this year we have brought it to 61 days. So that is also helping us in funding this growth.

- Hiral Desai:** Got it, got it. And the other question is as we scale up, you know, our operations to let us say about INR1,000 crores, will we also sort of apply to banks for an improvement on the credit rating?
- Santosh Shah:** Yes, that is there and we are already in discussion with our rating agency, ECR, and maybe very soon we are going to put up the case for some upgradation.
- Hiral Desai:** And what is the current rating that we have, the current credit rating?
- Santosh Shah:** It is BBB minus from CARE. First time we got rated, that was the first rating for the company.
- Hiral Desai:** Got it, got it. And the other question that I had was this INR600 crores order that you have got, how much of that will get executed in let us say FY '27 and FY '28?
- Satyakam Basu:** We should expect somewhere around INR200 crores to INR250 crores we should be able to bill in this financial year and balance will get shifted to the next year.
- Hiral Desai:** Got it. And any fund-raising plan till sort of FY '28 or we will be covered with the credit lines and the current internal accruals?
- Santosh Shah:** As on date, we do not envisage any need of raising any funds from the market. But again, now if there is some very good decent valuation and if it is in the interest of stakeholders, definitely we can explore. But as on date, we are not having any such plans.
- Hiral Desai:** Okay. And the other question that I had was, you know, since you have already won a large like a INR600 crores order, the focus is now on, you know, winning a lot of smaller orders or you will continue to win such large orders as well?
- Satyakam Basu:** See, those large order will bring us credentials once it has been completed. So till the time we complete this project, we have to, you know, depend on both sizes, the smaller ticket projects also as well as large ticket projects also where we are qualified. So it has to be a mix of both. But again, we will not be bidding for very small projects, something we will be raising up.
- Hiral Desai:** Got it, got it. Thank you, thank you and all the best.
- Santosh Shah:** Thank you.
- Moderator:** Thank you. Participants who wish to ask questions may please press '*' and 'I' on your touchtone telephones. Our next question comes from the line of Chenna Satyanarayana, an Individual Investor. Please go ahead.
- Chenna Satyanarayana:** Yes, good afternoon, sir.
- Santosh Shah:** Good afternoon.
- Chenna Satyanarayana:** Yes, congratulations, sir, as being expressed by others also I'm also expressing congratulations, especially for having double the employee strength in the last three months and also order book size, considerable order book size, and major breakthrough in achieving the Konkan Railway

order and also healthy operational and financial performance and also geographical spread of operations has been expressed by the CFO.

And overall very good show, as an investor I am very much convinced with the company's performance. But small clarifications are required. One thing is order book position. In the previous call, the order book position as on February '26 was indicated as INR418 crores and execution in Q4 was around INR115 crores, that means balance must be at least INR303 crores. And fresh order we got on 17th March, INR639 crores. That means the position of order book must be at least INR942 crores as per my understanding. But in information it is given as INR825 crores. I do not know, something is missing, INR115, INR117 crores is missing.

Satyakam Basu: Yes, Satyanarayana, there is one small clarification. The order of INR640 crores is inclusive of 18% GST. Now what we are giving and what will get converted into revenue and all will remain without GST, that is around INR540 crores. So that is the difference.

Chenna Satyanarayana: Yes, got it, got it. And if I see, there is a, don't think otherwise, there is a slowdown in the fresh order inflow last three months actually. Leaving aside this Konkan Railway order, there are no other orders the company could achieve in the last three months actually.

Santosh Shah: There was an order from BSES for around INR86 crores or something. Then there are smaller orders which are coming regularly for FPIs and all. Being smaller in nature, you know, we are not uploading it on exchange. Otherwise, there are orders, yes, but and now after this Konkan Railway orders, we are getting a bit more choosy and selective also on which orders to accept and which to let go.

There are few orders which are in pipeline and we are almost on the verge of either we have to accept or we have to let it go. So soon you'll see, you'll see inflow of orders.

Chenna Satyanarayana: That's good on part of the company, sir. Another thing as far as the order is concerned, this Konkan Railway orders SCADA-DMS means what it stands for, sir, actually?

Santosh Shah: See, earlier the normal electricity grid is a normal grid where, you know, majority of the equipments are operated by, you know, manual operators. Whereas now smart grid concept has come, all the metros like, you know, in south Chennai, Bangalore and in west Bombay, Delhi and all, they are all smart grids where smart grid the entire all the grid equipments, all the lines, all the transformers, everybody is, you know, all the equipments are connected with each other, they communicate and it is a smart system with less manual intervention.

So that is the process of SCADA. SCADA's full form is Supervisory Control and Data Acquisition. Now SCADA is a method and DMS is Distributed Management System, ADMS is Advanced Distributed Management System. So, these are technologies, these are tools which are being used in, in India it has started with metros and capital cities and later on it will flow to other Tier 2 and Tier 3 cities also.

Chenna Satyanarayana: Sir, another thing, sir, this previously you have indicated that you will be utilizing the name of some PSU kind of thing and in this Konkan Railway order also you have utilized that PSU's name, sir, actually?

- Santosh Shah:** Yes, Konkan Railway is that PSU.
- Chenna Satyanarayana:** So, the award giving agency itself is the name you have used.
- Santosh Shah:** Yes.
- Chenna Satyanarayana:** Then this FPI, regarding FPI you have given some clarity in the previous question. What I understand, what I'm unable to understand is actually you have indicated that market potential and share of the company is more than 50%. But market size is INR100 crores as per your PPT in 2024 itself. That means the company should have shown at least INR50 crores FPI turnover, sir, previously?
- Santosh Shah:** See, those are potential numbers. Some are getting converted, some are not getting converted. And, you know, if you see today, majority of orders are there, but it is not getting, you know, converted into clear order. So that is also there. Market potential is there, market potential is there and we see by 2030 market potential will be somewhere around INR3,000 crores for FPI.
- Chenna Satyanarayana:** INR1,329 crores like that you have indicated in the PPT actually I saw that. -- Anyhow, the company is showing good progress on FPI, but by the way, when this compact FPI will see the markets, sir, actually? Any timelines you can give for that?
- Santosh Shah:** Latest by Q2, we will be able to, you know, launch this FPI into the market. And this will be again a game changer for us because it will have all the, you know, options which our current FPI is giving, all the deliverables will be there. At the same time, it will be a bit more economical which will further, you know, make government to go on a mass scale deployment.
- Chenna Satyanarayana:** It'll be more economical you mean to say.
- Santosh Shah:** Yes.
- Chenna Satyanarayana:** Okay, right, right. Any other products, any timelines you can give, sir, that switchgear and also RMU?
- Santosh Shah:** See, switchgear we have already given that it is again at a quite, you know, advanced stage, but exact numbers, exact dates we may not be able to give because these products needs to be type tested by CPRI and ERDA before launching into the market. So maybe next year we will be able to bring the VCBs and RMUs may take even further more time.
- Chenna Satyanarayana:** Anyway, the market size what you have indicated in the last call, it is around INR43 crores for the both the products put together. Actually, as an investor I will be waiting eagerly to see the commercialization of those two products, sir, actually.
- Santosh Shah:** Yes, definitely we are working on it, Satyanarayana ji, and very soon you'll see the results and you'll see products moving. And the what we are developing will be the latest technology. The RMUs on which we are working, it is dry compressed air insulated RMUs, which are different than the conventional RMUs which are SF6 insulated which is available in the market today.

So, we are coming up with technology which is of the latest where India only pilot projects has been launched and the RMUs are coming from Europe or maybe in some cases China also. But we would like to bring, develop those things in India.

Chenna Satyanarayana: But the R&D work is actually continuing now, sir?

Santosh Shah: Yes, that is continuous. That is, that is going on.

Chenna Satyanarayana: That last time you have indicated that 10 engineers are working on that. 10 engineers are continuing, sir, any increase is there in that number?

Santosh Shah: It keeps on increasing. There is some more engineers and, you know, those people keep coming and going, but that R&D work is on.

Chenna Satyanarayana: Right, sir. Very good, sir. Congratulations once again, sir.

Santosh Shah: Thank you, thank you.

Moderator: Thank you. Our next question is from the line of Jignesh from Jiva Capital. Please go ahead.

Jignesh: Sir, wanted to understand in this SCADA order that we have got, what is the broad the market potential in the coming years and whom are we will be competing with in coming years for such bigger size of orders?

Santosh Shah: Yes, Jignesh ji, very nice question. This SCADA order, you can say today the grids in India only the metro cities and some capital cities has been converted into a SCADA compatible grid or a smart grid. Whereas all the Tier 2 cities and Tier 3 cities needs to be converted into smart grid to have better consumer experience, for reduced AT&C losses, for better SAIFI and SAIDI figures. So, Government of India is very bullish, not only Government of India but state DISCOMs are also very bullish to go into this latest technology.

So definitely the market potential is going to be huge going forward. We cannot quantify it in numbers because, you know, these are all funded by central government so there must be some plan, we do not have access to those. But acceptability and one has to shift to these kind of projects going forward. So that potential is there. Now coming to this question, whom we will be competing with?

We will be competing majorly with companies like L&T. L&T was a competitor in this project also. Then we will be competing with companies like Voltas and other major EPC players. And once we have completed this project, I think this will be the second largest SCADA project ever executed in India.

Jignesh: Okay. And sir, regarding the sectoral bifurcation, in FY '26, 46% was from power T&D and solar was 52%. So majorly going forward hope we are lowering our focus on solar and BESS kind of projects and focusing more on power T&D. So, by FY '28, what kind of that percentage can we look sector-wise?

Santosh Shah: See, I can give you the current order book. Out of INR825 crores today, unexecuted order book, INR708 crores is from power T&D, INR110 crores is from solar, and INR8 crores is from niche

products. So, from this you can make that major contribution will come from power T&D. And given that transmission is also into pipeline, we expect some billing coming from transmission from H2. So that will also contribute. So, power T&D is going to be the major contributor, the topmost contributor, followed by solar and then followed by products.

Jignesh: Okay. So out of that 3,000 bidding projects that you are going to bid, power T&D would be the biggest.

Santosh Shah: Yes, the power T&D is biggest.

Jignesh: Okay. And all this bids that you have already done or will be doing, it will be majorly with the private entities or bigger government entities? Hope it will directly not be DISCOMs.

Santosh Shah: The billing is directly to the government entities, DISCOMs. The DISCOMs are majority of the DISCOMs in India are held by government, state government or PSUs and all. So, and 99% of our business is with government only.

Jignesh: No, because sir, from the DISCOM side, lot of DISCOMs are in a very precarious condition if we see their credit ratings. So was just looking at the kind of debtor days that we might see in going forward.

Santosh Shah: Jignesh ji, I would like to add on here. We nowadays, given the health of DISCOMs, they are not in position to float any tender which is funded by their own accruals or their own money. Majority of the tenders, majority of the projects which is being floated by them is either funded by Government of India or funded by multilateral agencies like World Bank or Asian Development Bank and etc.

And we are eyeing only those kind of projects. We are not bidding for projects which are funded by state government or DISCOMs. So, in that case, we are fully secure. Majority of the projects which you see, these are RDSS projects which we are executing and these are entirely funded by Government of India, so there is no shortage or there is no scarcity of money in these projects.

Jignesh: Okay, right. Thank you, sir.

Moderator: Thank you. Our next question is from the line of Tejas Khandelwal with Prudent Equity. Please go ahead.

Tejas Khandelwal: Hello, sir. Am I audible?

Santosh Shah: Yes, you are, please.

Tejas Khandelwal: Sir, I just wanted to know the execution timeline of current order book.

Santosh Shah: The normal this thing project timeline which we are having is around 18 to 24 months, that is the project completion timeline. So, this INR825 crores order which you say, you know, every it comprises many orders. Some may have been completed, some must have been started. So, you can say by next 18 months or something we'll have to close majority of this order.

- Tejas Khandelwal:** Okay. So, sir, if we take 20 months on an average for the execution period, the revenue is coming around INR480 crores. So, are you saying that we are going to grow our revenue by 60% over FY '26?
- Santosh Shah:** We will be growing even more because this is the order under in hand as on date. We have got entire year to further book more orders and then bill them. So, the total revenue which we will be, you know, achieving in this financial year will be far more than the figure which you have said.
- Tejas Khandelwal:** Okay, okay, sir. Great, great. That was from my side. Thank you.
- Moderator:** Thank you. Our next question is from the line of Rajendra Jain, CA. Please go ahead. Rajendra Jain, your line has been unmuted. You may proceed with your question. We're not receiving a response from the current participant. Ladies and gentlemen, we have no further questions at this time. I would now like to hand the conference over to Ms. Janhavi Patil for closing comments. Over to you, ma'am.
- Janhavi Patil:** Thank you. Thank you everyone for joining the call today. On behalf of Sugs Lloyd Limited, we appreciate your time and participation. For any further queries, please reach out to us at letconnect@orim.in. Thank you.
- Moderator:** Thank you. On behalf of Orim Connect, that concludes this conference. Thank you all for joining us. You may now disconnect your lines.