“Sathlokhar Synergys E&C Global Limited

H2 & FY25 Earnings Conference Call”

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MODERATOR: **MR. RAJDEEP PATIL – AKMIL STRATEGIC ADVISORS**

Moderator: Ladies and gentlemen, good day and welcome to the H2 and FY25 Earnings Conference Call of Sathlokhar Synergys E&C Global Limited hosted by AKMIL Strategic Advisors. As a reminder, all participant lines will be in 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 touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Rajdeep Patil from AKMIL Strategic Advisors. Thank you and over to you, sir.

Rajdeep Patil: Hello, everyone. Good afternoon and thank you. On behalf of AKMIL Strategic Advisors, I welcome you all to the conference call of Sathlokhar Synergys E&C Global Limited. From the management side, we have with us Mr. G. Thiyagu, Chairman, Managing Director and CEO, Mr. P. Vijay Kumar, Chief Financial Officer, Mr. Anil Prasad Sahoo, Company Secretary, Mr. Hitesh, Statutory Auditor, Mr. Vigneshwaran, Independent Director and Mr. Arun, General Manager. Now I would like to hand over the call to Mr. G Thiyagu. Over to you, sir.

G. Thiyagu: Hi. Happy afternoon and thank you all for joining us today. This is Thiyagu from Sathlokhar Synergys E&C Global Limited. I'm really pleased to walk you through the latest updates from Sathlokhar Synergys E&C Global Limited, including an overview of our company, some recent milestones, and our financial performance of S2, Finance Year '25, Finance year '25. We start with briefly introducing who we are and what we stand for as a company.

Company overview. Sathlokhar Synergys E&C Global Limited is an integrated EPC industrial construction -- turnkey construction company. We provide one-to-one solutions, and we are executing various projects across India. Our goal has always been to deliver turnkey, high-quality projects while continuously improving our efficiency, safety, and sustainability.

On-border projects. We are doing strong momentum in our order book recently, including the recent books and excluding the last year build. At this juncture, INR800 plus crores worth of ongoing projects are on hand now. Some of our key projects, which include recently started Mr. Muthyamalle Dharam project, Ceylon Beverage at Pune and Grand Atlantia Panapakkam, again, Taiwan-based company, Reliance Multimodal Logistics Park in Chennai and Kriska TIDEL Park and Vikram Solar projects and some of the other projects put together around INR800 plus crores worth of orders are under construction now.

This means not only add to our top line but also reinforce our position as a trusted and capable execution partner in the industry. Financial snapshot. Let's take a look at our financial

performance as this has been a particularly strong year of the company. In the second year of the year, we made INR257 crores in operating revenue, which is 28% more than what we made during the same time last year. Our EBITDA was INR36.59 crores up by 21% and our PAT was INR26.3 crores, which is an 18% increase. Now, if you look at the full financial, the results have been even more impressive.

We earned INR39.9 crores in operating revenue, which is 62% higher than the last year. Our EBITDA went up to 57%, that is INR59.94 crores, and our PAT rose by 64%, that is INR42.77 crores. This shows that we are not just growing in size, we are also working more efficiently, managing costs well and delivering better results. It's a strong sign that the company is moving in the right direction.

Reflecting on the year, we can confidently say that it has been a success driven by a strong pipeline, efficient execution, and a clear focus on sustainable profitable growth. Our commitment to operational excellence, timely delivery and most importantly, creating long-term value of our stakeholders remains at the core of everything we do. We deeply appreciate your continued support and praise. I'm happy to take any questions you may have. Thank you once again.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Agastya Dave from CAO Capital. Please go ahead.

Agastya Dave: Good afternoon, everyone. Thank you very much for the opportunity and so congratulations on a fairly decent set of numbers. So I have two questions. The first one is the demand outlook for next year. You keep on posting a number of order wins on the exchanges which is commendable but how do you see the next year panning out in terms of order inflows and are you satisfied with the order inflows in the second half?

I personally thought we were slightly off in terms of what we were thinking or targeting in terms of closing order book. So how do you see the next year panning out? The second question is there were two-line items where I wanted certain clarifications. One was the employee expenses, and the second one was receivables. So receivables have jumped quite substantially. So what was the reason for that? How do you see the receivables panning out again going forward?

And employee expenses also jumped quite sharply but I'm pretty sure that's for future growth. So again, if you can provide some qualitative commentary over that, that would be very helpful. Thank you very much, sir.

G. Thiyagu: Thank you, sir. And I would like to answer the first question like as such. With the blessings from God, our order books have been consistently insured, and we have booked a good amount of orders in a qualitative manner whereas we have become very choosy in executing or even selecting our clients.

As a company, we are focusing more on fast-track projects wherein, like example, we always pick up the projects between nine to 12 months wherein any company when they come forward to install their machinery, as I used to say that the focus is on production. So end of the day whoever is the investing company, when they come to India, when they start doing constructions and their focus is on installing their machines and start taking prior production from their commencement of operations. So that's the area where we pitch in.

And we are consistently focusing on, as a company, we have been benchmarked predominantly for industrial, factory and warehouse projects wherein we are highly successful. And at this juncture, almost around all the projects which is in pipeline, also majority in terms of industrial, factory and some of them in residential, I mean in the sense of multi-service buildings and over 10K projects. But honestly speaking, we have been bidding and almost around INR7,000 plus crores worth of order, I mean, quotations we have given to the market.

Agastya Dave: 7,000, 7?

G. Thiyagu: Yes, we have already given quotations to various customers, around 500 plus customers we have participated, we have given quotations. Our success rate is in the range of earlier 12% to 14%. Since we are also focused and we are trying to take the minimum goods volume of the business, so we look for at least 15% success rate.

So according to our company and whatever we invested in the last six, seven years and the various advertisements, we are pretty confident that in India and almost southern part, even northern side also, we have been getting lots of opportunities to participate and we are sure that we'll be successful in booking whatever we have been quoted, at least bare minimum, if you achieve in 10%, that itself around INR700 crores. And as of now, the order in kitty is INR800 plus.

So I am sure, with the blessings of God, we will try to ensure what we committed to the investors, and we will definitely achieve whatever has been committed, we will definitely try to honor, sir. And the second question, as we have been addressing and repeatedly, even before DRSP, after DRSP also, our model of business is like between 10th month and 12th month when it comes to... Once the missionaries are positioned by the client, then only they will consider that we have built something for them to use. So that's the nature.

And if you look at the last quarter of last financial year, we have built around INR230 crores. And out of that, the outstanding is INR135, whereas 55% is the last quarter of last year, sir. That's what our efficiency has been demonstrated, witnessed for the last two years, which we are also aware of that.

So as a company, our business model is always on fourth quarter. That means January, February, March is the phase where we'd be in a position to build more and we'll achieve what we committed, sir.

Agastya Dave: Thank you, sir. Sir, one request, if you can start giving quarterly numbers that would be appreciated by each and every investor. Six months is too long a time for... I mean, the gap is just too long. I will really appreciate if you can do quarterly numbers. Thank you very much and all the best.

G. Thiyagu: Thank you so much for the opportunity to raise two valid questions. I would like to answer you again now. Since you know, you have been witnessing that our performance of the company only in January, February, March, if I started submitting the quarterly, you will not be -- As a company, our business model in such a way that our success rate is 45 to 50% over the first nine months and last three months only 55%. That's how we have been... Our business model is such a way that you have to support us, you have to accept our situation, and you have to bless us.

Agastya Dave: We completely understand that sir. But still, sir, if quarterly numbers can be presented, we can compare it with adjusting the seasonality. We can look at how the company is growing. It's just the frequency of communication will improve sir. Nothing more than that. I understand your position, sir.

Moderator: The next question is from the line of Sandeep, who is an Individual Investor.

Sandeep: My first doubt was that in your presentation, you have given an order book of INR800 crores, but does it include this Ceylon Beverage order of INR219 crores? It should be more than 800 or it does not include. The latest state of order book I wanted to know.

G. Thiyagu: Sir, whatever I have shared at this juncture, 800 is the as on date in our hands and total order in hand, sir, 800 plus, yes.

Sandeep: This includes the Ceylon Beverage order of INR219 crores, sir?

G. Thiyagu: Yes, you are right, sir.

Sandeep: And my second thing is, sir, like INR800 crores you have got as of today on this financial year, what is your pipeline order and what is your vision for like next year on 1st April or 1st May of next year to FY '26? What is our -- is there any plan? What will be order book like generally you're planning?

G. Thiyagu: Sir, I think again, thank you very much. Our earlier submission when we discussed last year, we are committed for sure 40 plus – 40% to 50% of last year to last year performance. Thank God, we achieved this year around 51 plus, say 52% what we committed in the last year to current, last 31st March 2025.

With the same way, we would like to commit 50% to 60% above or 60% above is our focus and we are working towards that. And when it comes to additional orders, we will definitely take steps to do our best and then our commitment to all our stakeholders that earlier 40% to 50%, at this juncture, we would like to commit that 50% to 60% above, sir.

Sandeep: Okay, sir. And sir, regarding the cash flow from operations, this time it was looking on the higher side. So is it likely to improve in this financial year?

G. Thiyagu: Yes, sir, definitely it will improve.

Moderator: The next question is from the line of Akhilesh, who is an Individual Investor.

Akhilesh: How do you see the industry growth potential and total addressable market, and what is your view on the competition over the next five years? This is my first question.

G. Thiyagu: As you all know that with various valid reasons, India is now flourishing and growing, especially industry sector across almost all the states. Now, not only we see that the growth of every state is now growing, the current central and all the state chief ministers are trying to do their best. Definitely, apart from the roads and bridges, everywhere, almost across India, all the states are now growing.

And some of the states are being blessed with various incentives by the government to the investors. So, I could see that maybe not only limited to five years, next one decade, definitely industry sector will be growing, specially manufacturing. We can't restrict to only automobile hubs.

Now, India is ensuring growth of each sector, not only limited to industry and auto hub. And we could see that now -- in fact, most of our projects are in different, different sectors. And though a few of the projects from Campa, like the storage sector, and the other projects are even solar manufacturing, some of them warehousing, and of course, the VinFast car manufacturing company.

So, even -- I could say that India is growing well and I'm sure the next one decade would be again and again, you will see more growth, especially when it comes to manufacturing and with various other countries are in different status and because of the various valid reasons, India will grow further and further, sir.

Akhilesh: Okay. My second question is, is the company adopting any new technology to speed up order execution and improve efficiency?

G. Thiyagu: Sir, as of now, as a company, we are taking all the best efforts and steps to bring the latest technology. When it comes to latest technology, there is a cost factor. So, it depends on the customers' investment and as long as they -- see, a war is coming to India, they're more happy to construct the factories between 9 to 12 months.

So, beyond 12 months, only they are worried. And every day, companies like Sathlokhar and some of the other companies, everybody is trying to do fast track projects. So, as long as they get the buildings with the commencement of operation within 12 months, they're more happy to continue with the same technology with the same cost.

When it comes to technology, there is a cost factor. And also, it's not easy to digest them because their revenue and their sales model, once the war is investing in India, they have to see their retro investment six to eight years. So, they are also focused on investing in the industrial or any other sector. They are very, very considerate in investing in the technology, sir.

Akhilesh: Okay. One last question. What are the challenges that the company face while executing orders and participating in the tenders? This is my last question.

G. Thiyagu: So, the challenges are pretty -- the competitive world, we should be very, very focused while booking. Even, say, many projects at the end of the minute, I used to say no because -- the no should be a strong no. I can't take just like that because while booking the order, you'd be very careful that at the end of the day, we know our strength, we know our capabilities, and we will not go for a – even though the competitive world will be very careful in choosing our clients.

And when it comes to cost, yes, of course, the purpose of our success rate becomes 15 because we are not bent enough to support the clients to go for their rates instead of looking at our rates. That's the reason we are very, very, very limited, conservative percentage of success in our bookings. Of course, there are good clients and there are the clients who are all very focused to have the factory in place. They don't look at the cost predominantly.

Some of them are, of course, the middlemen who can always say, you know, they want to add valuation. They look at the cost factor. So, at the end of the day, we are very choosy, as I mentioned from the beginning, like we are very, very focused in while booking the orders with our clients. And at the end of the day, client success is our success, and their successful funding matters a lot. So, we are very focused.

Akhilesh: Okay. One last question. What is your view on the competition and pricing like that? Can you explain briefly?

G. Thiyagu: Complicated world, when it comes to customers, 70% of the customers are cost, like they look at the lowest one. They don't look at the other benefit factors like are they with the safe hands and whether the company is in a position to hand over safety, quality, on-time handover, which is lagging on their focus. So, that's the area where we are very focused working with the client.

That's the reason if you could look at that number of international companies we executed, and even now executing in India is pretty much more than the Indian companies. I'm not saying that Indian companies are not focusing us. At the same time, we are very focused to book with the right person, with the right investors who is investing.

They have to have aggressiveness in pushing us and getting their building in order for them to start the commencement of construction in order for them to settle our payments. So, we are very focused.

Moderator: The next question is from the line of Manav Mehta from Vrindavan Plastic Industries.

Manav Mehta: So, I had a couple of questions, mainly regarding the order book. How long -- what is our execution period? I'm assuming from 6 months to 12 months. Is that right?

G. Thiyagu: No, no. Actually, between 7 to 12 months. It depends on the customers. It depends on the machinist's arrival. It depends on their factors contributing a lot of other factors like their loans and their approvals and their customers in place to approve for their machinery. So, it's between 7 to 12 months, sir.

Manav Mehta: Okay. And what about our working capital requirements in case like if we get the orders as desired around INR750 crores as you mentioned earlier. Would you require fund raise and how will company manage the working capital to execute these orders?

G. Thiyagu: Good question. And as committed earlier to achieve every INR1 crores -- I mean 20% is our minimum requirement. If you raise the 30%, we'll furthermore increasing our bottom line. That's what instead of going for credit, we'll again squeeze the purchase rate, and we'll improve the bottom line. To sum up our recent learnings, we need 30% working capital to do a best business and to improve both top line and bottom line.

At the same time, at this juncture, last year we achieved around INR399.3 crores and now that we are looking at INR600 plus crores. So, definitely we need to have at least INR150 crores working capital to honor and to serve these numbers. But however, we are aiming to do if required -- See, as a company, we are from Tamil Nadu. We have traditional background where we are very keen. We don't take just like that loans and we don't pick up any other loans.

That's how we are brought up and we are very conservative if required. Even pre-IPO also, as you all know that our company was a debt-free company. Even now, we are aiming to execute the projects with the client's money, not by our own money. However, we changed because some of them are cooperating in terms of giving advance. Some of them are asking for PBG. Some of them are asking for advance bank guarantee.

So, many of the companies are supporting without bank guarantee, without performance guarantee. So, to answer your question, we are confident to achieve what we committed now around 50% to 60% with the existing and if required, we may go for bank loan. Bankers are ready to support us for any fund requirements, sir.

Manav Mehta: Okay. Thank you, sir. Very well explained. Thank you very much.

Moderator: Thank you. The next question is from the line of Tejas Thakkar, who is an individual investor. Please go ahead.

Tejas Thakkar: Good afternoon. Thank you for the opportunity, sir. So, just a couple of questions from my end. First is, I think the margin, this year-end, we went about 14.5% margin against 15% previously. So, what is the margin scenario going forward? Are we going to maintain this or because we are going for higher numbers, are we looking at dilution of the margin? That is my first question, sir. If you can answer that, I will probably go for the second question.

G. Thiyagu: Actually, we are trying to improve or sustain, or we definitely try to improve the bottom line, as I informed in the other calls also, that we will try to know, definitely sustain and improve, sir. We are confident that we will try to improve the bottom line.

Tejas Thakkar: So, what is the outlook for FY26 then, sir, for the EBITDA margin for FY26 would be what, in your opinion?

G. Thiyagu: Maybe we will try to honor above what we have achieved now, definitely. We are trying to work out more than 11 or we do not know, we are trying to work out, sir, yes. Because obviously what happens when we are improving the top line, when we have a limited working capital, we obviously go with the credit customer. That is the area where we will be losing and of course, I got your point and we will try to maximize the bottom line, sir.

Tejas Thakkar: Okay, sir. So, second question is regarding the order book. Actually, I am not, there is, I think I need a little bit of clarification because I am not able to add up the number. Have we recently lost any orders or have we, from what you had shown in the stock exchanges, is there a loss of order?

Because if I see, correct me if I am wrong, sir, on 18th February, you had sent a release when we had won the Vikram Solar Glass green power order that our total, at that time the outstanding order was INR981 crores at that time. INR981 crores was the outstanding order book as on 18th February as per the letter released to the stock exchanges.

Post that, we had, you know, the company has updated about winning 12 more orders, which add up to about INR487 crores. So, ideally our order book should be, outstanding order book should be INR1,468 crores by that math, given per the numbers that you have given. You are suggesting that as on date, the order book is INR800 crores.

G. Thiyagu: Sir, I think, good that you have, thank you so much. I think at this juncture, I would like to highlight, it is true that whatever the numbers we have posted, it is true and correct. One of the projects from Jammu has been shifted to Lucknow, wherein I have just, I have not included the number which I have addressed now. I think one of the other investors also asked, I forgot to share, and I have excluded the Jammu order because that Jammu order, I have a doubt after the last four or five days and last week itself, we have taken a call and the investor also now trying to shift the project to Lucknow.

So, I have not taken into account, without Jammu order. I mean, same Mr. Muttiah Muralitharan, had given the interview also, he wanted to construct Jammu and Hubli and now we are constructing Pune, which was not addressed, but which is awarded, it is under construction. But the Jammu order has been now, I would like to say that he invested in land, I doubt whether he is going to continue, and his plan is now shifted to Lucknow, that is what I understand. I have not taken into, in the submission now, whatever I said, the Jammu order is not being considered, sir. That is INR250 crores.

Tejas Thakkar: So, that was for...

G. Thiyagu: No, I have removed at this juncture to convey to all our stakeholders because the moment I heard about the shifting of Jammu, so I have not taken it. So, whatever I am sharing with you now, without Jammu order and with Pune order, Ceylon Brewery, one of the other investors also asked, with Pune and without Jammu, the 800 is the order in hands.

Tejas Thakkar: So, sir, when you are referring to Jammu order, are you referring to the order release that you have given on 11th April, which was for INR185 crores plus GST? Is that the one you are referring to?

G. Thiyagu: No, no, no. I am talking about last year, Mr. Muttiah Muralitharan had planned to start Jammu, that has been under approval and with various valid reasons and incentives, things get delayed now. Now, I think the entire Jammu has been -- whatever the 20, 25 hours is already in, we have already performed, started construction, I mean, the compound works have started now. We are at Pune; our team is at Pune now.

Tejas Thakkar: But sir, even if you deduct that INR250 crores, the total should still come out to be around INR1,200 crores, based on the calculation, unless something is wrong. Correct, sir.

G. Thiyagu: But the last year performance, I could not delete now. So, the 399.3 has to be deducted now, on the overall, because we cannot, when we say that the total order between, we also mentioned on the next line, it will be achieved in 1 to 15 months. We carefully communicated, because we are not here to share the, deducting the build value at this, at that juncture, because we remove that, then the end of the day, you will come through the entire build value at that month itself.

So, we have to be careful in communicating in letter of draft, that on this third line of total, we have clearly mentioned that whatever the value is being cumulative, we also mentioned between 1 month to 15 months, 3 months to 15 months, like that, we had mentioned, sir.

Tejas Thakkar: Correct, sir. That is absolutely right. So, all the orders that I am mentioning right now, are all of exhibition dates, which are, starting from August '25, December '25. What I can do, sir, I mean, if you will allow me, if I can reach out to your team, and you can give some more clarity to the investors, as what is the entire order book today, with what have been executed in the last one quarter by quarter, it will be very helpful for us to track it, sir.

G. Thiyagu: Sir, I am trying, I hope all the stakeholders are in the same call. I am humbly submitting, we achieved INR399.3 crores in the last year submission. The 31st mark is completed. At this juncture, we have got order books in hand, 800 plus, excluding Jammu, I am just removing Jammu at this juncture, without Jammu project, 800 is for solid, and which is under -- in our kitty now. Yes.

Tejas Thakkar: Okay, sir. Okay. Thank you, sir. That is all from my end.

G. Thiyagu: Thank you. Thank you so much. Yes, I think your question, valid question, it will answer many of other stakeholders also. Thank you so much, sir.

Moderator: Thank you. The next question is from the line of Rajendra, who is an individual investor. Please go ahead, Mr. Rajendra.

Rajendra: Thanks for the opportunity, sir, and congratulations for the good set of numbers, sir. Sir, my first question is, expected target revenue, HoH and YoY basis, sir, by FY26. Can you give some light on, in terms of number approx., or maybe in growth, possible in percent, conservatively?

G. Thiyagu: To answer your question, based on the last year performance, our, I mean, sales for the last quarter, last year, last quarter was 55%. As a company, nine months we are performing only up to 45%. The last quarter only we are able to do balance 55%. So now the projected is 50% to 60% is our commitment, minimum guarantee commitment to all our investors. Because the ROI in hand is 800, we are aiming to achieve 50, I mean, 50 plus, 50% to 60% or above. We are trying to, you know, do our best. This is what I would like to convey, sir.

Rajendra: 50% to 60% HoH basis or YoY basis?

G. Thiyagu: YoY basis, okay.

Rajendra: YoY basis. Conservatively, you are telling?

G. Thiyagu: Yes, we have to be, sir, I'm answerable to many stakeholders. We should always know, we should commit and then we'll execute better is appreciated. When we, whenever our aim, our focus is in different number, and our aims are there. God blessing, sir. Whenever we depend on customers and customers calls. For example, even now, one of the other customers question was Jammu.

Jammu is being now hold, because as we all know, even now, Mr. Muttiah Muralitharan, if he is calling me, I will not go and do any, execute projects at Jammu Kashmir now, any further. You have to be careful and unforeseen ..

Rajendra: Okay. Secondly, sir, once again, I'm on order book. And can you tell me about the total order book as on by 14 May 2025? Till date?

Management: No, no, sir. I would like to say, apart from the last year build, as of now, from April, 1st of April onwards, our kitty is INR800.57 crores, which is in our order books, excluding Jammu.

Rajendra: Okay, okay, sir…

Management: And what Including Jammu 1050, I am just detecting the Jammu. In fact, I'm just omitting the Jammu, because as of now, I have no clue, better to convey the right numbers to all the stakeholders, so that I'd be having more clarity to convey to everybody. So that INR800.57 crores is our order book from the April 1st onwards to ensure up to 31st March 2026. As of now, order book in hand. Yes.

Rajendra: Okay. Okay. And expected what it will be at the end of FY 26?

Management: It should be, we committed 40% to 50%. Last year, we achieved 60% to 62%. Similarly, the same line we are looking at improving. We are above 50% or above 60%. We are aiming to do our best.

Rajendra: And what is the conversion ratio of unexecuted order books into execution?

Management: No, you're talking about offer submitted or no, no, no. Sorry, sir. Can you just repeat your question? I said, order in hand is INR800 crores, and our commitment is 50% to 60% above. And our offer submitted is around INR7,000 crores to various customers. That is a quotation given to various customers. And even if you look at 10% success rate is INR700 crores plus is expected. We are aiming to achieve. That means that will be carried forward.

So that will -- it will be carry for us. Yes it's a cycle, sir. In our business model, when we meet a new client, it will take some of the clients come forward three months, some of them come for six months, some of them coming for even one year. And the other day, we have to go along with the flow, like we have to be with them for design and all their approvals and changing all everything will happen sir

So we need to have a solid customers. As I mentioned, one of the investors meeting also, our aim is to have 300 customers. The moment we have 300 customers in our profile and every year, our minimum guaranteed assured order from the same clients around 30% to 40% growth has been ensured for the subsequent year for the existing clients itself. So I have to work out only 20% to 30% for the new clients.

Rajendra: Okay, okay. My last question is, sir, actual operating cash flow negative reflecting and give some light on it. And when it will turn into positive and some light on debtor days increasing the reason cycle and last in which -- INR121 crores standable and light on it, please?

Management: Yes, yes. One of the other customers, I mean -- our last year, quarter four, we booked, our sales was INR230 crores. Build value.

Rajendra: Okay.

Management: Okay. And that is 55%. And the outstanding is 135 out of 230.

Rajendra: Okay, sir.

Moderator: The next follow up question is from the line of Manav Mehta from Vrindavan Plastic Industries.

Manav Mehta: Again, a follow up question. It's regarding our geographical concentration. Do we derive 90% or 75% or 75% to 80% of revenue from Tamil Nadu?

Management: No, actually -- Karnataka 20.27%. Tamil Nadu is 73.18%. And Uttar Pradesh is 6.55%.

Manav Mehta: Are we approaching new geographies?

Management: Sir, as such we are taking steps but end of the day, our focus is on the -- I mean our business model we used to do advertisement and some of them referred to our clients and we are not. We are not taking sufficient steps to penetrate in all the other states like Tamil Nadu. And we are taking gradually and we will definitely become a benchmark construction company in the states also sooner, sir. Yes.

Moderator: Thank you. The next follow up question is from the line of Siddharth Goel, who is an Individual Investor.

Siddharth Goel: So, I just wanted to somehow clarity on the receivables that you are told, that amount. So, you said INR235 crores was built in the Q4 FY25 and out of that INR135 crores is yet to be received. Am I right?

Management: Yes. Yes. You are including retention INR17 crores. Yes, you are right, sir.

Siddharth Goel: Okay. Sir, I just want some more clarity on that, sir. Have we received that amount in Q1 FY26? Otherwise, have we received that amount yet?

Management: Yes. Yes. Out of 230, we already received around 100. Yes. Yes.

Siddharth Goel: Out of 213, we have received 100. But this we have received in the last quarter. And have we received the rest of the amount?

Management: Yes. As of now, till now, the outstanding out of INR230 crores, only INR67 crores is outstanding as of now. Yes,

Siddharth Goel: Okay. Approximately INR50 crores outstanding. So, basically, after the INR121 crores that we have shown in the Q4, we have received INR70 crores more in Q1, right?

Management: Without retention. Yes, sir. You are right, sir. INR67 crores excluding retention. Yes.

Siddharth Goel: We have received. Okay. And I would also like to understand. So, like going forward as one of the biggest USPs of our company is that we take shorter duration, shorter tax projects that get completed in 6 to 12 months. So, how long will be the receivable cycles normally and how much of the money can we expect, you know, in the receivable section? How much percentage?

Management: Usually, considering the relationship with the clients, it is taking at least 90 to 120 days, sir.

Siddharth Goel: 120 days after the completion of the project?

Management: Yes. Yes. Yes. Max. Max.

Siddharth Goel: Max. Okay. So somewhere between…

Management: Because, you know, I just tell you the reason. Imagine I am constructing a factory. I hand over the factory. I started running the operations. Even though, still, we have good understanding. You expect me to serve your company for first three months to give you all the snack points, benchmark, whatever the list of pending or trivial finishes.

There is a tendency to hold, you know, sir. That is the reason we are. And we also happily extend because when it comes to service, they are more happy. And when they go for expansion, they refer four other new clients. That's also indirect marketing. So, they are supporting us and we are also equally supporting them to know pay us a little later.

Siddharth Goel: Okay. And how much percentage? Do we have any percentage that, for example, you know, like 25% or 50% of the amount maybe at the completion or in the middle of the project and this much amount will be paid after the completion of the project? Do we have any ratios like that?

Management: Sir, when we submit the bill, usually they take 30 to 40 minutes to settle us, 60% to 70%. And then on the 19 to 100 days, they settle the balance 1%. However, the retention money would be kept towards the 10%. So, when it comes to the final bill, certifying and then releasing it will take two months time for them to get the comfort. And by that time, it's a good thing for us also. When they go for any expansion, any size of any new orders, when it comes to repeated orders with the same client, we'll be getting good margins.

So, that's also one way of extending our salary. When it comes to the concept of their reference clients and also their own expansion projects, also being preferred contractors like Sathlokhar would be continuing to do business. So, that's the area where we kept quite well.

Siddharth Goel: Okay. I get your point. So, correct me if I'm wrong. So, basically, we get 65% to 70% of the money on average till the end of the completion of the project and maybe 20% to 30% which is left. We normally get that money somewhere between 60 to 120 days, right?

Management: Yes, you're right. Absolutely right.

Siddharth Goel: Okay. And sir, have we faced any issues in collection of the payment or any NPAs for any project that we have done so far?

Management: No, no, no, sir. All our clients are pretty good and they are given confidence and they are our... No, sir. Definitely, I don't see any challenges, sir.

Siddharth Goel: Okay. We haven't faced any challenges in terms of collection, re-payment of the money.

Management: Sir, all this will be filtered when it comes to business booking itself, sir. We don't pick up the projects just like that with any other customers. We know when it comes to -- whoever is the customer, when it comes to Sathlokhar, we understand their focus. We understand the emergency requirement of the factory while they erect the machine. So, that's the area. It's a mutually winning situation. They get their buildings and we get our business and buildings. So, we are carefully travelling with win-win situation, sir.

Siddharth Goel: Okay. I got your point. So, basically, even going forward as we increase our revenues, we expect that our receivable days should never cross. It should be between 60 to 120 days. It should never cross that threshold, right?

Management: It won't go beyond that, yes.

Moderator: Thank you. The next question is from the line of Amit Agarwal, who is an Individual Investor.

Amit Agarwal: Thank you for the opportunity. Sir, my first question is, are you eyeing for any other higher margin EPC work in the near future?

Management: Sir, we are aiming to do. For example, when it comes to 20, when it comes to only any electrical, when it comes to only some of the packages where they look for speedy execution, that area, we get more margin, which is beyond our expectation at times. But as a company, we have been demonstrating, establishing as a turnkey contracting company.

And some of the projects even I would like to highlight at this juncture, you know, in India, VinFast is like, in India, Reliance is India. In Vietnam, VinFast is one of the biggest groups. You can see that Vinhomes. In fact, entire Vietnam, 70% is being handled, driven by Vinhomes. VinFast, V-I-N is the name. And they have got, like how India, Reliance, same way, Vinhomes group in Vietnam.

And VinFast is turnkey. I mean, we are not doing turnkey projects in VinFast for car manufacturing company, Tuticorin. We are only executing electrical and fire fighting, wherein order of value is around now INR100 crores, I mean, INR97 crores in totality. If you look at that number, and our billing and our profits are really attractive.

And I would like to say that, if you pick up only electrical and fire fighting, and some of the MEP packages, interior finishes and packages are good margin than the EPC. But at the end of

the day, we have been breathing with the EPC turnkey business. And once in a while, when we get a MEP package, we should appreciate is fine.

But our bread and butter is from EPC turnkey construction business as a company. We have been demonstrating design and build contracting company. I would like to continue to what we are doing. But since you asked the questions that, yes, good margin in interior works and electrical and fire fighting works, when it comes to overall turnkey projects.

Because other projects are in India. When it comes to construction, no company will get beyond 20% to 24%. Nobody, even L&T, I don't think so they will get that. That's the area where it's highly competitive world. And we are pretty good in booking. And the biggest thing for the customer whoever is investing in India, when it comes to big company.

Or when it comes to Sathlokhar level of company, here, they can easily catch hold like Thiyagu as a CMD and CEO of ours. Whereas, when it comes to big company, wherein they can't even call the vice president to meet them. There is a world called -- I will check and come back to the world being delivered from the other company wherein the owners or promoters or directors will never attend the meeting.

Whereas here, we used to attend, we used to directly meet the client. Almost all the projects as a MD, I'm a visionary worker of our company, and I used to be at all the sites to answer our client's question. In fact, I would like to motivate my own team. Come what may, in all our projects monthly ones, I used to be at all our project premises to meet our own team members, to motivate them, guide them.

And they have a prayer with the site and meet the clients, give them confidence. And that's how the purpose of sharing all this information. There's a big company and a company like us, the big strength of the company is we don't use the word called check and come back. That's the area where get annoyed by the customer. Whereas here, I can't say because when Thiyagu said, I will check and come back, there's no value to the word. So that's the strength of the company.

Amit Agarwal: Okay, sir. Got it, sir. Sir, regarding the growth for FY26, can we safely assume that we are looking for a turnover of more than INR600 crores? That's 50% growth?

Management: Yes, boss. I have carefully communicated. And in fact, just to give you a brief, since we are also promoters of stake holding more, and our numbers are also pretty good. I mean, any motto is good when it comes to stakeholders. And I would like to be careful to communicate that last time we committed 40% to 50% growth.

Thank God, with all your continued prayers, wishes, and team efforts, we achieved 61%, 61.7%, 62%. We are hoping with the same belief and prayers and pushes and we're aiming to achieve same 60% above is our focus.

Amit Agarwal: Okay, sir. One more question, sir. Do we undertake any sub-contractual works?

Management: Sorry, boss. We hear the word called sub-contracting work. Right from tender, we used to say that whomsoever it may concern, even a big company, L&T or whoever, we don't participate. We don't even encourage to meet or to even to discuss. We heard that word, sir.

Amit Agarwal: Okay, sir. Thank you so much, sir.

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

Suman Kumar: Hi, good afternoon, sir. Unfortunately, this is again the same question on receivables. So, I have heard you say that out of INR257 crores that we have done in this half, we've built around INR235 crores. What I'm unable to understand is if I compare it with the last year, so FY2024, in the second half we had done a turnover of around INR201 crores. So, fundamentally, we have not grown very sharply. I mean, roughly about 20%.

However, if you look at receivables for the last year, it was only around INR14 crores. Now, which has jumped to a very sharp INR135 crores, almost 10 times increase for a revenue increase of 20%. So, just wanted to understand where has this increased so sharply? Is it the phasing of the completion of the product that has changed or it is some payment terms that has changed because of which we see this sharp increase? So, this is my first question. I'll ask the second question once you clarify?

G. Thiyagu: Yes. Thank you so much. And again, I would like to highlight the last quarter of last financial year, we have built 230. Our outstanding, as we have mentioned now, it is INR67 crores excluding retention. Our last March itself, we have booked we have given, I mean, built 35 percentage and only one month, that is March 2025 our build percentage is 35 percentage. Out of around INR137 crores, we have built in March 2025.

Suman Kumar: In the last year, if I look at your total trade receivables, it was only INR14 crores. Am I reading the number right?

G. Thiyagu: You are right. Absolutely, you are right. But at that point of time, the quarter you have mentioned about the quarter of last financial year. You are talking about March itself.

Suman Kumar: Second half of the last year.

G. Thiyagu: Yes.

Suman Kumar: When you had presented the balance sheet.

G. Thiyagu: No.

Suman Kumar: When you had presented the balance sheet last year, sir. Sorry.

G. Thiyagu: Yes, sir.

Suman Kumar: So I am saying that you had presented the last year balance sheet, your total trade receivables was only INR14 crores. Is that right?

G. Thiyagu: Yes, sir.

Suman Kumar: On a revenue of around INR201 crores in the second half?

G. Thiyagu: You are right, sir.

Suman Kumar: Right. If I look at that number, I mean, the way I look at it is from INR201 crores, we have done a revenue of around INR257 crores in this half in FY 2025, second half?

G. Thiyagu: Yes, sir.

Suman Kumar: However, our receivables have increased very sharply from just INR14 crores to INR135 crores?

G. Thiyagu: Sir, that's what I have mentioned.

Suman Kumar: So, what are the fundamental things?

G. Thiyagu: Sir, if you look at the comparison between the last quarter of last year and the recent year, the entire building, 35% that is INR137.9 crores, we built in March 2025 alone, not that January, February, March. When it comes to last year, the INR201 crores from January, February, March, put together that's the difference. Whereas, we have built in the month of March 2025, that's the difference. We received, though the quarter was INR230 crores built, out of that, as of now, the outstanding is only INR67 crores. I'm talking about till May.

Suman Kumar: No, I'm only talking, of course, when we talk of May, it will change, but I'm only looking at the balance sheet number the way we have presented it to the exchanges. Okay, no worries. Secondly, tell me, what is your working capital requirement? Is it going to remain as high as it is right now?

So, if I look at the working capital requirement for you, it is currently at around INR180 crores. So, total turnover is around INR400 crores. So, basically, you are saying around 45% of the working capital requirement is what you have, right? Is it going to be elevated like this in coming year also? So, if you are talking about INR600 crores kind of Revenue next year?

G. Thiyagu: No, our business model is such that we will definitely handle with the same, sir. So, we'll sustain with that.

Suman Kumar: So, your current working capital, which is currently at INR180 crores, is it going to be at this level or it would increase again to a level of around INR250 crores, INR300 crores, or something like that?

G. Thiyagu: No, no, we'll try to operate with the available.

Suman Kumar: At INR150 crores?

G. Thiyagu: Yes.

Suman Kumar: Okay. Fair enough. So this is all that I had to ask. And secondly one about customer concentration. So, of INR800 crores of the revenue that we have INR800 crores of order book that we have currently, what is the contribution of, let us say, the top three customers or the top five customers? How much is the contribution of sale on out of this INR800 crores?

G. Thiyagu: Out of 800, around 220.

Suman Kumar: Okay, around 25% is you're…

G. Thiyagu: Yes 25%, yes.

Suman Kumar: The biggest customer?

G. Thiyagu: Yes.

Suman Kumar: All right, sir. Thank you so much. That is all that I have.

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

Atharva: Hi, thank you for the opportunity. Congratulation on the great set of numbers. Sir, I had a couple of questions. One, can you give a -- we saw some margin deterioration as compared to H1. So and we also know that you have got some large orders from single customer. So, what is the margin that we can expect in the next year?

G. Thiyagu: Sir, as I conveyed, we are aiming to achieve around 11% net. That is what we are trying to achieve.

Atharva: And what would be EBITDA percentage guidance?

G. Thiyagu: I am talking about net margin only 11 percentage.

Atharva: 11 percentage.

G. Thiyagu: Yes.

Atharva: Okay. So we may see some margin reduction as compared to this year?

G. Thiyagu: No, sir. You are talking about -- I am saying net profit margin is 11%, EBITDA 15%, greater than 15%.

Atharva: Understood, sir. And we also saw that you have disclosed the order book of around INR800 crores as on March. While if we were to just reconcile the disclosures previously made at multiple intervals, we were seeing around INR1400 crores plus without GST order book?

G. Thiyagu: I think can I brief you, sir, around INR400 crores, INR399.3 already built 31st March 2025.

Atharva: Okay. That is the main reconciliation?

G. Thiyagu: Yes. Meaning the last financial year, we have already completed around INR400. So, left out is INR1,000. Out of 1,000 also -- no, sir around INR1,450. As of now, the order book in hand from April is INR800.57 crores. And rest all, excluding Jammu, Jammu project, I have not taken into consideration now at this juncture. Excluding Jammu…

Atharva: Okay, excluding Jammu it is INR800 crores?

G. Thiyagu: Yes INR800.57 crores. You are right, sir.

Atharva: Okay. And, sir, we saw that most of the orders are executable or delivery is planned by March 26. So, considering the -- what do we say, execution timeline that has been disclosed, is it safe to assume companies will have to in essence build around INR700 or to INR800 crores revenues by next year?

G. Thiyagu: Yes, sir. As such, as per work order which we have received from the customer, yes, it is true, we have to honour because it has been clearly mentioned in the work order. And considering our commitment to our investors, we are committing, last year we have committed 40% to 50% growth and this year we are trying to achieve 60% above. That is what we are trying to convey.

Atharva: Understood, sir. Sir, just last couple of more questions. We have seen recently that we have started to get bigger order size of INR100 crores, INR200 crores. Is there some investment that we will have to do in terms of capex or additional manpower to execute in terms of operational capabilities?

G. Thiyagu: Sir, it is as equal to like we have a strong design team, strong procurement, strong all the operation team. Only thing is that it is like wherever we used to book the order, we have to deploy the site team and the doers, construction team has to be deployed at the site. Rest all handled by our head office and all team members are travelling across India.

And we do not see any challenges and scaling up the team members are developed labour strength. So, we have been sailing with almost 15 years in the construction business and we have confidence in adding up. At this juncture around 2,000, 250 labourers are working with us, around 360 plus own employees are working with us. With this we are trying to scale up another thousand wherein we would like to honour what we committed to investors now.

Atharva: Understood, sir. And how is the bidding pipeline looking, sir? You mentioned some INR9,000 crores of orders for which you have already bid. So, do we see some big traction of large orders flowing in as well, probably?

G. Thiyagu: Yes, sir. We have been bidding about 500 plus new clients and our cumulative submitted offers put together around INR7,000 plus crores. Even if you achieve INR700 crores, it will be executed and then some of them executed this year and some of them we carry for the next year.

So, we are not sure when they will award. But as you all know that we are trying to achieve good amount of orders in every quarter. So, we hope and we pray with that same model we will be booking good amount of orders at the earliest.

Atharva: Understood. Sir, just one last question from my side. In terms of reward, since we know that there is lot of working capital needs that company has and probably dividend is not really an option, can we expect some bonus issue or something by next year or if the board feels?

G. Thiyagu: As a stakeholder, as you all know that we are strongly pitching in growth of the company, our focus and vision, mission, everything is on scaling up the top line and then improving the bottom line. Maybe at this juncture, we are unable to convey anything. But for sure, maybe post 2027 we may after sustain with the certain numbers, we will definitely do our best to -- we are unable to commit at this juncture sorry.

Atharva: Understood. Thank you so much for taking the question. Best wishes for the growth.

Moderator: Thank you. The next question is from the line of Sandeep, who is an Individual Investor.

Sandeep: Sir, one more question that regarding the – you have said that you are examining and maybe you may apply for road tenders. So, I want to know, are you going with the planning or it is not there today, sir?

G. Thiyagu: Sir, it is true that we discussed in one of the meeting about highways and bridges and roads. And as of now, we are not taking sufficient steps to register our company into CPWT because as such, our business model, our focus is on multinationals and private companies in need of construction of factories and even construction of industrial institutions. Any projects we look for less than one year kind of projects.

And as of now, maybe we will try to register at the earliest. But our focus is predominantly on construction of these sectors instead of highways and bridges because other companies are pitching in and some of them, some of the specific skill set that we have to improve to become a government contractor, which we have to work out.

Sandeep: Okay, sir. And second thing is regarding the solar, any solar orders likely to come on solar?

G. Thiyagu: Sir, as such, honestly speaking around every year we are trying to do something INR6 crores to INR9 crores in solar. As of now, our team is silently doing, but the sectors are the only sector where we are doing something in residential is solar and some of them in commercial and some of the other projects from industrial. But our solar team is predominantly involved in residential sector, pretty stronger and we are looking for industrial projects.

And I am sure the clients who we have constructed, whenever they wanted to have a rooftop solar system, we are the first preferred solar contractor to execute the project. So, I am sure all our customers will call us and support us for that when it comes to their need of solar erections, sir.

Sandeep: Yes, sir, that would be great, sir. And secondly, things are like your trade receivables days, you said it is 120 days. That is good enough for a construction company. Basically, the trade payables are very good. It is only 62 days, basically. Because of that, cash flow problem is coming. Basically, if that trade payables they need to be slowed down a little bit, then everything will come in that balance. That is just the situation?

G. Thiyagu: Correct, sir. But while executing the project, we cannot say that settle us the last bill, then only we will continue, because every day is cost for us.

Sandeep: Let us say we are likely to cash flow. Is there any hope of coming in slightly flat after the corporate last few years is very good? It has always been positive. This is the first time it has happened in the last 4 years, I think, in a major way. So, let us say it is likely to be zero or slightly positive…

G. Thiyagu: We will improve further, sir. Definitely, we will improve.

Sandeep: Right, sir. Thank you so much, sir.

G. Thiyagu: Thank you so much.

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

Tejash Thakkar: My question has already been answered. Thank you.

Moderator: The next question is from the line of Agastya Dave from CAO Capital. Please go ahead.

Agastya Dave: Thank you for the follow-up, sir. Sir, thank you for answering all the questions. Some of them were repeated several times. So, you patiently answered every time. Thank you very much for that. Sir, one request. There was a suggestion for a bonus issue. Please do not do that. It is a pretty bad idea?

It just increases the tax liability if someone wants to sell, converts the long-term capital gains into short-term capital gains, and it adds absolutely nothing to, no value whatsoever, either to

the company or to the stock price. So, please do not do it. Dividend is your call, sir. It is the call of the Board?

If you want to return some capital to the shareholders, which I do not know why you will do, because you are in a growth phase, but if you do at some time in the future, consider a buyback that has a permanent impact on the share count and improves ROEs and improves the ratios. But again, we are far away from that phase, sir, because we are growing at such a high phase.

And if the working capital will continue to suck capital out, you need all the capital that you need. But please do not do the bonus issue. I do not know why everyone is obsessed with it. It does absolutely nothing. It just increases the tax liability. So, thank you very much. All the best, sir.

G. Thiyagu: Thank you so much, sir. Thank you for the input, sir.

Moderator: Thank you. The next question is from the line of Sai Krishna, who is an individual investor. Please go ahead.

Sai Krishna: Sir, you mentioned that this time the billing happened in March, while previously it was January till March. Can you explain this deviation by this time it was totally billed in March?

G. Thiyagu: Sir, it is purely our customer call because, as of now, we depend on customer's support. Their green signal matters when it comes to their production machines in place. Upon satisfied their position of our machines only, we are able to bill in our business model. So, it is not in our hand. It is purely we depend on our customer support and we follow their advices in order to complete. And then after the green signal only, we will be raising the bill.

Sai Krishna: Okay, sir. So, sir, basically, this was a temporary thing. It will not be like this going forward, right?

G. Thiyagu: Sir, if you look at the majority of the billed value from VinFast, because VinFast is a car manufacturing company. And I would say that, again, to highlight in India, I think it is the first company where in June they are going to produce cars in India, especially from Tuticorin. Such a short span, they have executed 12 lakhs square foot in Tuticorin.

One of the largest investor in Tamil Nadu, I would even say that in short span, they have acquired around 600 acres almost and now they are trying to know manufacturing the car from June 2025. The point here is that the people who are all working there, we become Vietnamese now, meaning in India from Vietnam employment, one employee of Vietnam equal to six employees of India. That is a learning we have learned in an honest way.

Such a fast track project, it is really good to associate with the companies like Vietnam. You can see that how they have grown in the last 15 years with their hard work and we are happy to associate the company again to appreciate Vietnam and Vinfast. The point here is that we Indians

and even traditional Tamilians, I have also learned many things from the recent projects, how one can do in overnight and how can we construct a factory car, manufacturing factory with such a big size scale.

We can do it with wind speed. I think they would have changed the name. Vinfast can become with wind speed of factories and by June 2025, the car is going to be manufactured in Tuticorin. So all these factors, the reason why the purpose of violating all these messages, building is purely based on the green signal from the clients. Their strength, their happiness, their blessings are matters for us to raise the bill. Then only they will process and certify and pay us.

Sai Krishna: Sir, I need some clarification. There is an increase in the rupee figure in the employee benefit expenses. Can you give some clarification on that?

G. Thiyagu: Sir, to expand our business model, we have taken a good amount of business development team and I have taken some of the region wise also. We have increased a number of employees. Those benefits we can see in the future because around 30 to 40 people we have scaled up for the expansion of other region where we are taking trial to sustain our business model to even every department.

We have scaled up another 20% to 25% of employment so that when we get a new project, I can't make it something overnight. I have to be mentally prepared to starting from design, HR, admin, procurement, accounts, operations, site team, civil team. I have to be mentally prepared because people who are coming to us, they used to say, Mr. Thiyagu, when can you mobilize your site?

I can't say that, sir. I will recruit and my employee will join after 90 days. Until then, wait, I can't say. I am mentally prepared to take another 15 more projects. I am trying to add up and scale up the quality of employment on Board so that they can undergo our company's business procedures induction so that they will start settling and start marking from day one once their mobilization is done.

Sai Krishna: Noted, sir. Just one more point. What is the current employee attrition rate?

G. Thiyagu: In our company, I would even say that yearly I would even say that maximum 3% to 5%, sir. We don't see any challenge because we always keep our employees. People who are all coming to us, they are more happy and they used to give their best because the company is treating them best.

We give them freedom to play and we appreciate them, motivate them. In their CV, our company name matters to them because we are the only company in Tamil Nadu as an EPC player. They get this strength. When it comes to now, when they attend another company, the moment they see the company is doing well, that's what I understand from some of the few employees. Even once the over is attended also, they again come back and whoever left also, they re-joined. Almost 15 to 16 employees re-joined in the last year, sir.

Sai Krishna: Thank you, sir. That's a good thing to know. It shows that there is a good corporate culture in the company. Just one more thing, sir. Can you tell…

G. Thiyagu: Myself, I am an employee worker, sir.

Sai Krishna: Yes, thank you, sir. So, how well are we positioned when it comes to our peers?

G. Thiyagu: Sir, peers, actually speaking, client has to decide end of the day because these days, client has to be very sure when they look for the comparative quotation. They should not look at the Mannar & Co. Company versus multinational company.

Both are MNCs in short words. By looking at, they have to be very clear in their proceeding in order to. I think nowadays, clients are very sure because they used to come to site, they used to come to office, they used to meet people, they used to get the feedback from their clients, then only they are avoiding.

But some of them, some of the companies, they deploy employment professional as a running driven company where that's the area where some of the places where we are unable to success because when it comes to owners, owner-to-owner, when they visit us, they are more happy, they are more comfortable, they are happy to associate with Sathlokhar.

Sai Krishna: Thank you, sir. That's all for from my side. Thank you for answering all the questions, sir.

G. Thiyagu: Thank you so much, sir. It's a pleasure.

Moderator: Thank you. The next follow-up question is from the line of Suman Kumar, who is an Individual Investor. Please go ahead.

Suman Kumar: Hi, sir. To deliver the number that you are talking of around INR600 crores plus, do you think there will be any need of raising further…

Moderator: Sorry to interrupt, sir. I would request you to please use your hand, sir.

Suman Kumar: Am I not audible to you?

G. Thiyagu: Yes, you are audible, man. You are audible. Go ahead. I understand. You are talking about 600 plus?

Suman Kumar: So, yes. You gave a guidance of around INR600 crores plus revenue for FY '20, right?

G. Thiyagu: You are right, sir.

Suman Kumar: Just wanted to know whether you would need to raise any capital for the same or with the current capital that we have, we would be able to meet the guidance?

G. Thiyagu: Sir, at this juncture, to achieve 600, definitely we need to have 150. But as of now, our bankers are willing to support us if we require only. But our focus, as I mentioned, we are from a traditional Tamil Nadu background. We don't pick up loans just like that. If need be only. But we used to operate with the client's money. And if required, we will operate with our bankers' funds. Yes.

Suman Kumar: So, currently, is it fair to assume that you are not looking at any debt or any further capital raise?

G. Thiyagu: No. As of now, we are not going to do any. I understand your question directly or indirectly. You are talking about preferential, sir. But as of now, no plans to do such.

Suman Kumar: Neither debt nor preferential, right?

G. Thiyagu: Yes, sir.

Suman Kumar: Okay, sir. And, sir, would you be able to give a broad estimate of what is the total number of employees that we have today? And maybe a year back, what was it? Just wanted to understand what is the kind of scale-up happening in terms of numbers?

G. Thiyagu: Sir, prior to IPO, our strength was 139. Post-IPO, as of now, 360 plus.

Suman Kumar: Okay. Thank you so much.

Moderator: Thank you. The next follow-up question is from the line of Sandeep, who is an Individual Investor. Please go ahead.

Sandeep: One question only. Next 2 years or next 2, 3 years, from our vision, are you planning any capital raise of equity dilution for the next 2, 3 years? Is there a high probability or there's no chances left?

G. Thiyagu: Sir. Definitely, when you know the speed in which we grow, and definitely we'll try to explore the preferential share maybe next year, sir. We are aiming for some numbers. Once we attain that, definitely we'll look for working capital, yes.

Sandeep: Okay, sir. So that means next year. But I just wanted to have your thought process that as a company grows, it's growing very fast. You will require a lot of capital raise from time to time. So as a thought process, is there a possibility of not holding in the long term vision that it can go below 50% also, or you're stick to 50% and above type thought process, sir?

G. Thiyagu: Sir, our focus is also like such -- sir, we have to cross the bridge time to time. As of now, we are unable to comment, but we have a long-term mission. And as I mentioned, this is not just namesake Sathlokhar. It is Sangeethaa, Thiyagu, Lokesh. It's a family, and already all four of us are engineers, and our blended butter is dependent on this company. And we have a long-term mission, sir.

Sandeep: Right. Thank you, sir.

Moderator: Thank you. As there are no further questions from the participants, I would now like to hand the conference over to Mr. Rajdeep Patil for closing comments.

Rajdeep Patil: Thank you, everyone, for joining the conference call of Sathlokhar Synergys E&C Global Limited. If you have any further queries, please feel free to write to us at info @akmiladvisors.com. Once again, thank you for joining the call. Thank you.

G. Thiyagu: Thank you, all.

Moderator: Thank you. On behalf of AKMIL Strategic Advisors, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.