



ISO 9001 : 2015

ISO 14001:2015 & ISO 45001 : 2018

CIN No : L32109MH1995PLC091107

Ref: STL/SEC/2024-25/DT-141

February 17, 2025

The Manager,
Listing Department,
BSE Limited
P J Towers, 1st Floor,
Dalal Street, Mumbai- 400001

The Manager,
Listing Department,
National Stock Exchange of India Limited
Bandra Kurla Complex, C-1, Block G,
Bandra (East), Mumbai - 400051

Scrip Code: 537259

Symbol: SUYOG

Dear Sir/Madam,

Sub: Transcript of Post Earnings Conference Call for Q3 & 9M FY25 under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015 (“Listing Regulations”)

In accordance with the Regulation 30 read with Schedule III of the Listing Regulations, this is to inform you that the transcript of the Conference Call with the Analysts/Investors on the Unaudited Financial Results of the Company for the Quarter and Nine months ended December 31, 2024 (Q3 & 9M FY25), organized and held on Wednesday, February 12, 2025 at 01:00 P.M (IST), are hereby enclosed herewith.

The aforesaid transcript is also being made available on the website of the Company at www.suyogtelematics.co.in.

Request you to take the same on record.

Thanking You,

Yours faithfully,
For **Suyog Telematics Limited**

Aarti Shukla
Company Secretary & Compliance Officer

Encl.: A/a



SUYOG TELEMATICS LIMITED

Q3 & 9M FY25

POST EARNINGS CONFERENCE CALL

February 12, 2025, 01:00 PM IST

Management Team

Mr. Shivshankar Lature - Co-Founder & Managing Director

Mr. Tushar Shah - Business Head (India)

Mr. Ajay Sharma - Chief Financial Officer

Mr. Suyash Lature - Business Development Manager

Ms. Aarti Shukla - Company Secretary and Compliance Officer

Disclaimer: E&OE - This transcript is edited for factual errors. In case of discrepancy, the audio recordings uploaded on the stock exchange on February 12, 2025, will prevail.

Call Coordinator



Strategy & Investor Relations Consulting

Presentation

Vinay Pandit:

Ladies and gentlemen, I welcome you all to the Q3 and Nine Months FY '25 Post Earnings Conference Call of Suyog Telematics Ltd. Today, on the call from the management team we have with us, Mr. Shiv Shankar Lature, Managing Director; Tushar Shah, Business Head (India); Mr. Ajay Sharma, Chief Financial Officer; Mr. Suyash Lature, Business Development Manager; and Ms. Aarti Shukla, Company Secretary and Compliance Officer.

As a disclaimer, I would like to inform all of you that this call may contain forward-looking statements, which may involve risks and uncertainties. Also, a reminder that this call is being recorded.

I would now request the management to quickly run us through the investor presentation for the quarter and nine months ended December '24, sharing the performance highlights and their growth plan and vision for the coming year. Post, which we will open the floor for Q&A.

Over to the management team.

Tushar Shah:

Good afternoon, everyone. I am Tushar from Suyog. I'm heading Business for Suyog. So for presentation, we are only displaying key slides for this one, because we believe there are lot of questions coming on. So to have more time for Q&A, we are displaying only the key slides which matters to investor for a presentation. Kamlesh, we can start the presentation.

So again, even in Q3, our 50% of revenue came from Bharti Airtel, 22% from Jio, 27% from Vi, and 0.4% from others. As mentioned earlier, we have 26 states which are operational with us. The total tower count is 5,500 plus towers and we have 6,400 plus tenancy as of Q3 exit.

So to be accurate in numbers, we have 5,517 unique towers with 6,461 tenancies as of Q3 exit. Out of 6,461, 3,989 were our small cell tenancies. Now we have crossed 1,000 tenancies for government sites this quarter. We have added around 350 kilometres odd fibre network and we have reached 5,561 as a fibre kilometre network. And we have another 455 sites ready which are yet to be built, which we'll be building in subsequent quarter.

So if you see a Q3 performance, we have added 1,091 unique towers, which are built by the state in this quarter, which has added 1,215 tenancy and 341 fibre kilometre. So as committed, we have started a full-fledged rollout from Q3 based on the operator equipment's ability. And now this speed will continue going forward and we are getting more and more business opportunity in coming quarters. The way we are discussing with operators, we may even cross our targets of the rollout.

Shiv Shankar Lature is our Managing Director and Co-Founder.

In terms of business, like we have mentioned in earlier quarter, we have Master Service Agreement with all the four operators. Recently, we signed an amendment with BSNL for 10 years lock-in period. And same payment comes continued with all the telco with 2.5% escalation every year.

The best news of this quarter is, we have crossed 1,000 tenancies on government land. So we are continuing our strength and we are being market leader in government tenancies.

Again, all the roll out, what we are doing maximum is coming in a slum side area, which is our strength. So we are playing with our strength and we'll continue playing the same across India for coming quarters also. My 70%, 80% sites which we are rolling out in Q3 have come from slum sectors where we are very strong even compared to our biggest competitors.

We also doing small cell rollout, because the volume bifurcation between macro and small cell has changed. My 70% to 80% sites which we're rolling out are coming from macro and another 20%, 30% is from small cell. My major rollout is happening for BSNL and Vodafone. So BSNL 100% sites are macro sites, since they are doing 4G rollout. And Vodafone is doing small cell majorly in cities like Mumbai or other are coming on the macro site.

So advantage of this is that my revenue percent increases since macro gives me a major higher revenue compared to small cell.

We built a strong and stable team in operations. We're continuing to investing in operations. We are doing many new things like we are installing DC energy meter that's planned for next quarter going onwards. So we'll keep upgrading our operations and we'll ensure that we have one of the best uptime in the industry.

Like earlier mentioned, we have everything in our portfolio. We are like a one-stop player for all the mobile operators from ground-based tower to rooftop, macros, small cells, fibre, FTTH. Whatever operator demands, we can deliver to them across India on the fastest possible time. We work with all the four operators.

So in terms of tower industry, tower industry is going very strong. You have seen many mergers and acquisitions. Now, Indus has gone ahead and taken over Bharti Hexacom sites and Airtel. And the way Vodafone and BSNL is going, we are expecting BSNL to be very more aggressive in coming quarters. And they have got additional ₹6,000 crore approach from cabinet. So Vodafone and BSNL are doing a great job in terms of new site rollout. They have been very aggressive. And this aggressiveness from Vodafone and BSNL will surely benefit the entire industry. And in a maybe couple of years we will see the more than 50% of increase in tower count as an overall industry level.

So our targets are same. Like I have committed, we were planning around 3,000 macro sites plus 500 for MTNL in Mumbai and 1,000 plus small cells in the FY '25. We have already crossed 1,800 plus tenancy up to Q3. We have same order book. We have actually much higher order book than what I'm showing here. But only thing this target may get spread over in coming quarters, based on our funds availability.

Otherwise, what I have committed was around 8,000 towers in FY '25 plus FY '26 put together. We can easily cross that number. The way we are speaking with Vodafone and BSNL, they are increasing their rollout. Vodafone is planning around 10,000 towers every quarter.

You must now also seen the ad of Vodafone where they are adding 600 towers, 500 towers on an hourly basis. Plus Vodafone and BSNL has already started readiness for small cell rollout in coming quarters

or maybe next financial year. So we will see a huge upside in terms of our business opportunity and our rollout which we will do.

So we have already crossed 1,800 tenancy and Q4 we'll try to best deliver them to go closer to our target. But surely all this will be achieved in coming quarters, along with the next year target.

In terms of way forward, we are ready for macro sites, we are rolling out in the huge numbers. We are going very aggressive on small cell. Fibre, we are very positive that very soon we will start fibre work even for government backed operator. And FTTH we are ready and we are deploying it slow and steadily on FTTH we'll grow.

In terms of inorganic growth, we have already declared that we are eyeing one of the company whom we are planning to close in Q3. But maybe we will close all the acquisition, there will be few delays in terms of closure of acquisition of a company because first priority would be to put available funds in an organic growth and based on that we may delay acquisitions by some quarters. Otherwise, we are sure on an inorganic growth target also and organic. We will achieve all of them 100% or we will also close our targets.

BSNL is going very aggressively. They will be more aggressive in coming quarters. You must have heard about ₹6,000 crore approval which BSNL plus MTNL has got from very recent approval from cabinet. So they are going to increase their roll out and they are also going to open new circles like Odisha, West Bengal, as per our discussion with BSNL. So it will be much more aggressive target from us in coming quarters.

Our growth driver remains same. We are going to do pan-India rollout of macro and small cell along with fibre.

I hope you guys have all seen our financials which were uploaded yesterday. So our Q3 revenue was ₹488 million and if you see nine months revenue, it's ₹1,425 million. EBITDA again going very strong. We are continuing on strong percentage of EBITDA here quarter-on-quarter. It's ₹341 million in Q3 and ₹1,019 million for nine months consolidated. EBITDA percentage again remains same, 69.9% which we're going very strong.

Net profit, again, we have clocked ₹172 million in Q3 with ₹543 million in a year YTD. Net profit percentage, again going very strong with 35% of net profit and EPS strong as ever. So in terms of delivery,

we have been delivering revenue as per commitment, we have been delivering EBITDA and PAT as per commitment and same trend will continue in coming quarter and coming years.

I think you guys have all seen this, so I don't need to repeat financial statements. We want to give more time for Q&A so we have kept the presentation limited to key slides only.

So this is all it from my side. Vinay, now we can open floor for Q&A.

Question-and-Answer Session

Vinay Pandit: Sure Sir. All those who wish to ask a question may use the option of raise hand. In case you're unable to raise hand you can drop your question in the chat box. We have our first question in the chat box from R. Dixit. The question is, the number of increase in tenancies and macro towers on Q-on-Q basis, but revenue did not increase proportionately Q-on-Q. Is there some lag in the billing?

Tushar Shah: hi, Dixitji, you are right, revenue did not increased proportionally, because see my entire quarter whenever I say site count it does not come from the first day of the quarter, so you can take an average of 1.5 months. And there is a delay of 30 to 45 days in billing as per the operator expectation. Because MTNL was struggling with the equipment, which they have got now, so there was delay of say 30 to 45 days, maximum delay was 60 days in BSNL case and Vodafone billing is happening as per the RFID tooling. There are minor delay of 60 days for BSNL mainly.

But, yes, we'll see entire 100% revenue impact from the next quarter onwards. Hope I have cleared this or you have any more doubt on this?

R. Dixit: No, I'm good. Thanks a lot for your clarification.

Moderator: We'll take the first question from Varun Ghia. Varun, you can go ahead, please.

Varun Ghia: Hi. A couple of questions. So firstly, you mentioned that there will be a spillover of the overall tenancies which we were trying to achieve, 10,000. So this year-end what would be the actual number which we can achieve?

And secondly, on margin side, you mentioned in last quarter that 73% EBITDA margin, which should be maintained, but there was again, because of lower revenues, your margins also went down. So what would be the sustainable level going forward?

Ajay Sharma: You are comparing with quarter two, the EBITDA margin?

Varun Ghia: Yes, quarter two, quarter two.

Ajay Sharma: In quarter two, the ECN provision which we had done, we have reversed the ECN provision of OCR.

Varun Ghia: Excluding that, the margins were around 73%, EBITDA. So right now it's around 69.9%.

Ajay Sharma: Excluding ₹4 Cr?

Varun Ghia: Yes.

Ajay Sharma: In Q2, our margin, it has the effect of bonus, ₹1.5 Cr we have given as bonus in Q3. Due to that the margin has come down, there is no extraordinary effect.

Tushar Shah: So we are already crossed 1,800 tenancy. We are trying to reach as closer to our target. So see when you started with 10,000 tenancy. 10,000 tenancy target remains same, but 10,000 tenancy was FY '26 exit which we are not changing at all. Yes, the spillover of FY '25 will happen in '26. So suppose there is a spillover of say, 1,500 odd tenancies, we will cover it along with the FY '26 target. We are working on the finances. We are speaking with few of them and it will soon be arranged. So my 10,000 tenancy target of FY '26 plus FY '26 is intact. We will do 10,000 tenancy addition, 10,000 tenancy by FY '26 March exit. There is no change in target or spillover in that case. Only the FY '25 target will get spillover to '26.

Varun Ghia: And what will be your fundraising plan, since you have withdrawn the preference and warrant?

Tushar Shah: So basically, we are speaking with a few bankers. We are trying to get the maximum debt whatever possible, which we are trying to close ASAP. In terms of fundraising, we now will wait for appropriate time and whenever there is an appropriate time, we will again go for the same.

Varun Ghia: Last question, what was the receivable amount as of Q3 December end?

Ajay Sharma: Receivable is around ₹45 Cr.

Varun Ghia: Okay. Thanks a lot.

Moderator: Thanks Varun. We'll take the next question from the line of Saket Kapoor. Saket, you can go ahead, please.

Saket Kapoor: Yes, thank you, Vinay ji, and greetings sir. Thank you for this opportunity. As you mentioned about the preference part, you said, at an appropriate time. So appropriate time is a very subjective matter. So if you could just give some more colour, what according to the management is an appropriate time to raise fund. And the way we have envisaged it earlier in terms of the CapEx and the amount to be spent, how are we going to realign that funding requirement going ahead? And then I have a follow-up for this preference part again. Please answer.

Tushar Shah: Saketji, so we are still working on the finances. So as of now, we are very sure we'll go ahead with debt for time being, where we are speaking with few bankers. We are very positive that we will be closing our fund requirement immediately. Maybe next month or so we'll be closing with the bankers and we will get enough funds to complete our Q4, Q1 targets of next year.

It's really very difficult right now to say when we will again go for fundraising. You all know the market conditions, right? We don't want to take risk on investors' money. Like, we come up with something and again investor gets impacted, that's the only reason we withdraw this. It was keeping the market scenario in mind and investor benefit. So let's wait. This is not a right time. And it's not a right time to say by when we will do the exact date. But, yes, whenever there is appropriate time, we will immediately come to market for the funds.

Saket Kapoor: What kind of debt arrangement in absolute numbers can you allude to for which we will be raising or tying up for March ending '25 and we will be spending...

Ajay Sharma: Our bankers are HDFC and Axis Bank, okay. I have finished negotiation with both yesterday only and we had talks with them. They said they will give approx ₹100 Cr debt immediately.

- Saket Kapoor:** Okay, sir. Okay, now this ₹100 Cr debt, can you give the breakup of the deployment, till when -- yes sir.
- Ajay Sharma:** We have one target, to make the full deployment in our new towers.
- Tushar Shah:** It will be all CapEx.
- Ajay Sharma:** CapEx. Nothing else. We don't want to do anything other than CapEx.
- Saket Kapoor:** Right, sir. Sir, you have made an announcement in the last quarter, in December, to acquire a company with IP 1 asset. If you could say something about that, it's potential and its performance?
- Ajay Sharma:** It has already been acquired. We have also given the advance, which we have shown. It's also shown on the exchange. We have given ₹5 Cr as advance, and we have to give the 8.5 Crs and balance, which probably we will give till the end of Feb. That provision has been done before only.
- Saket Kapoor:** Right sir. I am also aware of this information. But I wanted to know what are the benefits you want to see in the next financial year.
- Tushar Shah:** The company which we acquired, firstly it's a Delhi based company, where we have a strong presence. So it gives me an upside in Delhi where my organic growth was happening very slowly.
- Second, 100% tenant was Jio and Airtel who are not pulling out these sites and there are very high chance of increasing the tenancy immediately from Vodafone and BSNL. We are speaking with both of them. As soon as we complete the acquisition formality, we will bring Vodafone and BSNL on the same sites and improve the tenancy.
- So this acquisition was done and actually as per this strategy, which I declared on my earlier calls also, that we'll acquire a site where organically I am not very strong. Second, which gives me additional tenancy for Vodafone and BSNL. On the same base we have done this acquisition.
- Saket Kapoor:** In terms of revenue contribution, can you give the...
- Moderator:** Shaketji, can I request you to come back in queue. We have lot of people to ask questions.

- Saket Kapoor:** Yes, sir. But if you could just answer what will be the revenue generation. That's it. I will come back in line.
- Tushar Shah:** So revenue generation will be ₹66 crores per annum more or less they are the current revenue generation, so once we add tenancy it will increase much higher.
- Ajay Sharma:** Overhead is double.
- Moderator:** Thanks Saketji. I request all the participants to please limit yourselves to two questions maximum, since there are lot of participants in the line. We will take the next question from Mr. Mahek Talati. Mr. Mahek you can go ahead, please.
- Mahek Talati:** Yes, thank you. So just wanted to understand more from the debt perspective. So we already have a debt of close to ₹100 Cr on our books as of H1 FY '25 and now we are planning for another ₹100 Cr of debt. Is our balance sheet supporting the same? And what is our debt to equity target, which is our target?
- Ajay Sharma:** Debt ratio is looking good. There is no issue with the debt ratio as the debt ratio is very good. Right now we are at 1.29, so if I am doing ₹100 Cr, then it will go to max to max ₹0.75 Cr. So there is no issue in the debt ratio. What else do you want to ask?
- Mahek Talati:** In the ₹100 crore debt which we are planning for CapEx, how many new towers we can add with this?
- Ajay Sharma:** Near about 1,200 new towers.
- Mahek Talati:** 1,200 new towers. So this will be done in entirely in this quarter or there will be some spillovers for Q1 as well?
- Ajay Sharma:** By March or June per year, our target achieve.
- Mahek Talati:** So we can add around 600 in this quarter on an average, right?
- Ajay Sharma:** Yeah.
- Mahek Talati:** And other than this, from internal accruals, are we also planning any new additions or that is done by?
- Tushar Shah:** Mahekji, one more thing. So, when you talking about this, when we are saying we are raising that, it's only a stopgap arrangement because

we have withdrawn from the preferences. So at an appropriate time whenever we raise the preferential, again our equity will improve. In terms of repayment, I think whenever I install this, my revenue starts immediately from the day of installation. And a good cash flow.

So, even repayment should not be an issue. It's just a stopgap arrangement which we are planning and soon at the appropriate time we'll again come with the preferential issue.

Mahek Talati: No, my question was basically that this 1,200 towers which you are installing is on by using the debt, correct? I am asking that if...

Tushar Shah: You are saying that you have installing up to Q3 or you are talking about future towers?

Mahek Talati: So till date what we have installed is by...

Tushar Shah: It was all from internal accruals.

Mahek Talati: Yeah, so going forward also, are we planning, do we have the funds that along with the debt, we can add more towers or only 1,200 towers will be added?

Tushar Shah: No, new towers will not happen through that. So there will be internal accruals because if I have done the 1,300 plus tenancy, I will get full-year benefiting next year. So again, we will get that internal accrual which we will be used for CapEx, plus we will use debt as a stopgap arrangement.

Mahek Talati: Okay, so basically internal accrual, debt will help us in adding new towers for the next two quarters, at least, right?

Tushar Shah: Right.

Mahek Talati: And then we might go for a fundraise for addition of new towers.

Tushar Shah: Yes.

Mahek Talati: Okay. And any specific number how much new tenancies we can, what could be the March ending in terms of tenancies? Any rough ballpark number?

Tushar Shah: It should be 6,500 to 7,000 tenancies.

- Mahek Talati:** So currently you are at 6,400, so around 7,000, 7,500, correct?
- Tushar Shah:** So currently we are at 6,400 as of Q3 exit. In next quarter, let's see based on our financial working, we are trying to add the maximum. So we are trying to reach 7,000. Let's see where we reach.
- Mahek Talati:** And last question was on the tax perspective. So our tax is quite low at around 12% and in some quarters it's around 11%, some quarters it's at 18%. So a reason for lower tax and are we expecting that to go to 25% tax slab?
- Ajay Sharma:** No. Our taxation is deferring because when I put to whatever number of sites, that number of sites' depreciation and deferred tax -- I get the benefit of the deferred, as per company law. So I analyse the ratio according to that. Today I am on deferred asset, due to that you will see that we have deferred assets. Due to that it is deferring. I get the benefit of income tax and company law difference on the number of sites I increase. There is a lot of variation in the rates.
- Mahek Talati:** Okay, understood. Thank you and best of luck.
- Moderator:** Thanks. We'll take the next question from the line of Hemant. Mr. Hemant, you can go ahead please.
- Hemant:** Yeah, thank you for giving me an opportunity. So I just wanted to understand like we have a target of 10,000-odd towers, right, in FY '26. You said you are going to raise debt of ₹100 crores and that would kind of give us 1,200 towers. So we will still be short of around 2,500 towers going forward. So what are your plans with respect to that? How are we going to manage the funds for that?
- Tushar Shah:** So, what we said is again, currently we are using -- see we are adding funds from alternative routes, so debt would be intermit or you can say timing arrangement, stopgap arrangement. Debt is only stopgap arrangement. Again at the right time we will come up with the preferential issue which we will use for new rollout.
- Hemant:** The only concern is like, say you said the market conditions are not correct and you kind of withdrew the preferential. Say, assume the market condition remains like this for another six to eight months or a year forward, so how are we going to raise the funds?
- Tushar Shah:** So we are working with the multiple alternative routes where we are planning to raise the funds even if market condition is not stable. We

are speaking with multiple people. There are a few rules which we will explore and we will raise the funds. But as a management, we are very confident that we'll be able to raise the funds for an entire rollout of FY '25 spillover, plus FY '26. If market condition is very good, if it does not improve, we will use the alternative routes.

Hemant: So just last question, is promoter planning on introducing the funds for the growth aspects of the company?

Tushar Shah: Yes, 100% promoter is planning. The only thing this time will be drawn because that was not solving our purpose and because it was a warrant and it was only giving me 25% in current year which would have not helped my deployment. So, promoter is planning and he will 100% infuse funds in the company.

Hemant: So last question, so what percentage of revenue is coming from BSNL for now?

Tushar Shah: So as of now, it's only 0.4%, 0.5% because we have just started rollout from last quarter for BSNL and MTNL put together. So it will slowly and steadily increase in coming quarters.

Hemant: So any number or any percentage we are looking from BSNL, say in coming two, three years?

Ajay Sharma: I think by FY '26, it should reach 15% of my revenue.

Hemant: Thank you and all the best.

Moderator: Thanks, Mr. Hemant. We'll take the next question from Chinmayi Upadhyaya. Chinmayi, you can go ahead please.

Chinmayi Upadhyaya: Yes, thank you for the opportunity. Sir, one question was that we have written in our PPT that there are 455 sites which are ready for integration. So what does that exactly mean? Because in the 5,500 towers that we currently have, there are also some towers for which you are saying that the billing has not happened. So can you differentiate between the two?

Tushar Shah: So basically what happened, suppose we are talking about Q3. Q3 was October, November, December, so whatever site I must have bidding late November or December, the sign off gets delayed by 30 to 45 days, which basically happens from RFID, but it happens on a pro-rata

basis in the coming quarter. So by Q3 and we may not have billed that 450 sites, which I will bill in this quarter, in Q4.

We have got the orders from operator. Only thing they need around 15 to 20 days, mainly BSNL needs around 15 to 20 days to install their equipment and then they will be sign off to start the billing. But it would be from a back dated.

Chinmayi Upadhyaya: So, this 455 towers, this is not the MTNL towers which we spoke in the last con call which were awaiting integration?

Tushar Shah: 453 would be large, but is already part of billing now. These would be Q3 towers. They're three tower, it would be between MTNL and Vodafone put together, so whatever tower I may have billed in month of December, I cannot bill it in the same month, right? They will install equipment, it will take 15 to 20 days for sign-off.

Chinmayi Upadhyaya: Okay, got it. So my next question was on the acquisition that we have done of Lotus Tele. So I understand that there is going to be some delay on the acquisition part, so I understand there are 120 sites as per your press release. So how many tenancies do they currently have on them?

Tushar Shah: They have 140 tenancy on 120 sites, 140-145 some tenancy count is there and with 120 towers. And see Lotus acquisition has been almost completed but other companies which we are eyeing may get delayed by few quarters.

Chinmayi Upadhyaya: Okay. And how do we plan to source funds for the site acquisitions that we are planning going forward?

Tushar Shah: Obviously, we are planning multiple routes like bank debt is one of these, internal accruals are there, promoter will invest funds, and obviously, at right time will again come in preferential. But obviously, our priority for deploying would be organic route first and then we will manage funds and then we will go for inorganic route.

Chinmayi Upadhyaya: Okay, got it. Next question is how many towers have we currently installed for BSNL considering that they have given a rollout of 65,000 towers already on the 4G side?

Tushar Shah: **No**, So when you say BSNL has done 65,000 4G, it means that they have -- they have 50,000 plus or you can say 60,000 plus tower upgraded from the existing tower to 3G or 2G to 4G. In terms of new

tower, they have deployed around 10,000 odd tower out of which we have done 500 plus towers.

Chinmayi Upadhyaya: Okay. And what is the kind of number we are expecting from BSNL going forward in terms of the number of towers, any visibility we have there?

Tushar Shah: So with the new approvals in place we are eyeing at least 2,000, 2,500 tenancy of BSNL in Suyog portfolio by end of FY '26.

Chinmayi Upadhyaya: Okay. And my last question, how much CapEx have we incurred till date on the number of towers we already have installed?

Tushar Shah: ₹100 plus crores.

Chinmayi Upadhyaya: ₹100-plus CR, Got it. And what is the kind of CapEx we expect to incur in the last quarter of this year?

Tushar Shah: See based on finances we are speaking base once we get, so we are planning around 500 plus sites, so it should be around ₹50 crore plus.

Chinmayi Upadhyaya: ₹50 crores plus, okay thank you so much. That is all from my side. Thank you.

Moderator: Thanks, Chinmayi. We'll take the next question from the line of Agastya Dave. Agastya, you can go ahead please.

Agastya Dave: Thank you very much for the opportunity. Actually, the previous participant asked a lot of questions, but she was looking at different units. I'm looking at different units. Some very similar questions, but where she was asking the number of towers, I want the number of CapEx and vice versa. So the first question is, BSNL announced a lot of CapEx, right, in terms of the amount that was given to them by government.

And that was done last year and allocations were made in the budget and funds were infused in BSNL. So, do you have an idea how much of those funds have been deployed by BSNL across various projects not, just related to your company but just talking macro-wise?

Tushar Shah: So, we know the number of towers. But in terms of fund allotment we don't have any information from BSNL on the fund usage. That's their internal issue which they don't even declare. So it's very difficult to share that information or get that information from BSNL.

- Agastya Dave:** But you would have some idea, right? What was the targeted number of towers and how much have they completed?
- Tushar Shah:** See they have target of 1,00,000 tower in 18 months, out of which 60,000 towers were upgraded and 40,000 towers were new sites. So out of 60,000 upgrades, they have done 40,000, 45,000 upgrade till now. Around 40,000 new towers, they have done around 10,000 towers till now.
- Agastya Dave:** So 3,000 new towers and what was the previous number can you repeat that?
- Tushar Shah:** So out of 60,000 upgrades, 40,000, 45,000 upgraded till now.
- Agastya Dave:** Okay so 15,000 upgrades and 30,000 new sites are remaining.
- Tushar Shah:** Right.
- Agastya Dave:** Correct. And any problems on the payment side from BSNL?
- Tushar Shah:** No, no, no.
- Agastya Dave:** It's coming in smoothly right?
- Tushar Shah:** It's coming properly. There are no issues.
- Agastya Dave:** Okay, perfect. So then the previous participant was asking you about CapEx. So if I take the base of FY '24, you had 5,118 tenancies. And on top of that, if I take your long-term target of reaching like 15,000, so that's a 10,000 difference. Now, am I right in saying that you just mentioned to her that for 500 towers, you require ₹50 crores. So would it be a right idea to extrapolate that number over the entire 10,000 sites? So would you require like ₹1000 crore CapEx in total to reach 15,000? Is it too simplistic from my side if I do that?
- Tushar Shah:** For 15,000 tenancies, which is 10,000 additional tenancies, we have done 8,000 towers. So CapEx plan is around ₹800 crores.
- Agastya Dave:** ₹800 crores, so not ₹1,000 crores. So ₹800 crores starting from the base of '24. Is that right, sir?
- Tushar Shah:** Right.

- Agastya Dave:** And so this is the CapEx which I'll see from the cash out on investments, right? And on the balance sheet, this is the sum total of the changes that we'll see in the gross block from PPE and also from write off way. Right?
- Tushar Shah:** Yes.
- Agastya Dave:** That is exactly how it will work. Right, no additions will be there. So the ₹800 crores is what I need to concentrate on?
- Tushar Shah:** Yes.
- Agastya Dave:** Then final question. Again, on the funding part, sir, sorry to, again, repeat it. So again, taking 2024 as the base, this ₹800 crores, how do you plan to fund the entire amount? So you've talked in pieces that ₹100 crores from here, ₹100 crores from here. But if I look at the big picture, can you give the rough breakup ₹800 crores of this, roughly by when do you want this money. There will be a time limit, right? You cannot wait indefinitely. And then what is your comfort level in terms of debt/equity for this incremental ₹800 crores?
- Ajay Sharma:** Agastya ji, from here I do not have any issues if I raise up to ₹250 Cr debt, right? My debt/equity ratio is maintained. But it is not possible for me to raise more debt than this. So the CapEx of ₹800 Cr which I have to do, I will do it no doubt. There is no doubt the company . We are 101% sure, and our promoters are confident, the business is in our hands, and we are 101% going to do this work. There is no doubt about this. The promoters were ready to do ₹100 Cr in this fund raise. ₹25 cr was decided, rest was in period. It is stuck due to a technical issue, we will raise it through other means. The promoters are getting the ₹250 Cr.
- Agastya Dave:** Understood. And just to be clear, when you said that ₹250 crore is the maximum debt that you are comfortable with, that is the total amount even on the expanded equity raise.
- Ajay Sharma:** Expanded?
- Agastya Dave:** On expanded, right? Whatever equity you raise, you just want ₹250 crore additional debt. You won't go beyond that? So ₹550 crore should be equity raise plus internal accruals, right?

- Ajay Sharma:** ₹250 crore plus ₹100 crore, ₹300 crore is from that, promoter and debt. The balance, ₹200 Cr is from my own internal accruals. I will go max to max around ₹250 Cr. in equity, not more.
- Agastya Dave:** So, ₹250 crore debt, ₹250 crore equity, ₹100 crore from the promoters, so that is ₹600 crores and rest ₹200 crores comes from internal accruals?
- Ajay Sharma:** Yes.
- Agastya Dave:** Thank you very much for clarifying. All the best.
- Moderator:** Thank you, Agastya. I invite Mr. Dhruv Bajaj from the chat line to ask a question please.
- Dhruv Bajaj:** I just had a couple of questions. So my first question was that how many towers have we executed in the current quarter and was the slowdown on the revenue front primarily due to delay in the billing cycles and therefore we should see an uptrend in Q4? Or did I miss something? Because we are guided for a much higher number in Q3 and Q4.
- Tushar Shah:** So Q3 I think it will be around the expected only we have done 30,000 plus tenancy in Q3 with 1,000 plus towers. In terms of revenue upside, you will always get a revenue upside of Q3, Q4 onwards but even in Q4, you will get only three months or 2.5 months revenue upside. Next year, you will get the full-year impact of towers rolled in Q3.
- Dhruv Bajaj:** Got it, and my other question was regarding fundraisers but I guess that has been answered. Thank you so much.
- Moderator:** Thank you, Mr. Dhruv. We will take the next question from the line of Darshil Pandya. Darshil, you can go ahead please.
- Darshil Pandya:** Thank you for the opportunity. Just wanted to understand, will any of our revenue be impacted as what we have guided for FY '25 and '26?
- Tushar Shah:** No, as of now we are on target. FY '25 is also on target, more or less and FY '26 will be exactly 100% on target. I can say vice-versa, we are getting many more orders. We have been speaking with operator. So, we are trying if we can further improve it. But yes, we are on target.

Darshil Pandya: Okay. And a few days ago, Indus Tower had one announcement. They bought some 16,000-odd towers from Bharti Airtel with around ₹330-odd crores. So I just want to understand that how difficult or easy it is to get these towers from slum sale and either building that own towers. Just want to understand that.

Tushar Shah: So it's a wrong comparison, to be frank. So when you buy a tower, obviously it's easy. But when you buy a tower you need, so from a Suyog perspective, I don't know what Indus think, but I can share about Suyog strategy. Whether I acquire a company, it's not only about buying the existing tower at what price, it's more about how many more tenancy I can add on that tower.

So if we feel that the tower is very lucrative and we can add another one, 1.5 tenancy on the existing tower, and it's in the area where we are not organically grown, I will 100% go for that. Organic growth is 100% very difficult. We are being working day and night on field. At night not field. And it's difficult. But then it also gives you much satisfaction as you are able to achieve target your brand name improves and because of organic growth, I get more and more business from operator. Because there are many locations where they want to put anchor sites where existing towers are not there and I get more and more business of anchor site, because my organic growth is very strong compared to competitor.

Darshil Pandya: Okay. Got it. And just want to understand in the previous calls, we discussed about installing wind turbines, solar energy, and something also about zinc batteries that might start in Q4. So where is all this?

Tushar Shah: Zinc batteries are on track. So we are expecting trials in Q4 of zinc batteries. Wind turbine, I think was not found workable, because of energy cost was generating. Yes, but Zinc battery is on track. We will be soon doing a trials of Zinc battery.

Darshil Pandya: Any internally, have you thought, what kind of savings can we do on this? Just a ballpark thing of what today we might be giving and what we might save in future?

Tushar Shah: It's very difficult to do right now, unless we do successful trials, there is no point discussing. Because we have to see what price will get this zinc battery, because it takes volume to manufacture, right? And it's very early stage of trials. Right now we are not even aware of the exact costing of zinc battery. But principally if you feel it will be good

saving, because lithium is very scarce resource, while zinc is available in abundance. So it should give a good saving compared to lithium.

Darshil Pandya: Correct. One last question. Is there any update on the FTTH trials that were underway that they were exploring last mile connectivity through without laying fibre cables? Do you have any update on that?

Tushar Shah: No, still our team is working on it. They are finding various solutions. So nothing concrete has come out yet.

Darshil Pandya: Can we expect in this quarter?

Tushar Shah: Let's hope.

Darshil Pandya: All right. Thank you so much. All the best for your upcoming quarters. Thank you.

Moderator: Thank you, Darshil. We'll take the next question from Yash Nath. Yash, you can go ahead, please. Yash, you can unmute and ask your question, please.

Yash Nath: Thank you for the opportunity. So, I have just one question. I think we had raised some funds with regards to addition of towers from Vodafone and BSNL. So are the tower addition in place or has the plan been sanctioned for addition of those towers?

Tushar Shah: I really did not got -- understand your question. But still we have been adding tower, whatever rollout I am doing right now is 100% for Vodafone and BSNL are rolling out huge towers that's going on quarter-on-quarter basis. We had planned preferential issue raise, which we have withdrawn because of market condition. So as of now we have not raised any funds, but whatever rollout has been happening has been done with the internal accruals till date.

Yash Nath: So can you give just a timeline as to when are these towers going to be added?

Tushar Shah: So I just explain again, we have already added 1,300 plus tenancy in Q3. Overall, YTD it's 1,800 plus tenancy we've added up to Q3. Q4 we are eyeing to get tenancy. Next year we are again planning 5,000 tenancy additional. So FY '26 and we are eyeing around 14,000 to 15,000 tenancies by FY '26 end.

Yash Nath: Okay. Thank you.

Moderator: Thank you, Yash. We'll take the next question from Vineet Khatri. Vineet, you can go ahead, please.

Vineet Khatri: Sir, my question is with respect to the budget of this year. Like BSNL's allocation was reduced, right? So do you see any type of impact on the growth of BSNL?

Ajay Sharma: I have not received any guidelines till now.

Tushar Shah: Additional ₹6,000 crore has been sanctioned by cabinet for BSNL rollout. So BSNL has become more aggressive in market rather than what you were saying. So we are expecting more orders from BSNL. We have been speaking with them on daily basis. They are being very aggressive. They have further improved their rollout numbers and 100% more orders will flow through from BSNL.

Vineet Khatri: Okay. So like what I had heard about was that 53% type of budget allocation towards BSNL was reduced.

Tushar Shah: No, no, so what they are only doing, when you say budget has been reduced. Rather than putting their own sites, which is a CapEx, they are eyeing for more and more IP sites. So there's only change in strategy. What they are doing is, IP sites from Suyog or Indus are much commercially viable for them and they come at much faster pace. So that's where they are changing the strategy and their site rollout numbers remain same. There is no reduction in site rollout numbers.

Vineet Khatri: And the funding to them is intact, right?

Tushar Shah: Yes.

Vineet Khatri: Okay. Thank you.

Moderator: We'll take the next question from Deepak Pandey. Deepak, you can go ahead, please.

Deepak Pandey: Good afternoon Tusharji. I want to understand what is the revenue expected from Lotus Infra for FY '25 and what sort of growth can we expect for FY '26?

Tushar Shah: Yes, there is only three months revenue we should get from Lotus Infra because we are still not complete the acquisition. We are in

process of completing, which might complete in Feb. So in FY '25 there will be no impact in terms of revenue. It is hardly a one month revenue. In FY '26, their original revenue is ₹6 crore plus and we are eyeing to add at least 50% tenancy on Lotus Infra. So target should be around ₹8 crores, ₹9 crores revenue in FY '26 from Lotus Infra.

- Deepak Pandey:** And on the margins front, they are doing 50%, 60% only?
- Tushar Shah:** Yes, margins are almost same.
- Deepak Pandey:** Got it. And once a tower addition order is provided by an operator, how much time do they give generally?
- Tushar Shah:** For normally a ground based tower it's around 30 days, for rooftop tower it's around 15 days.
- Deepak Pandey:** And what happens if you are not able to deliver it in 30 days?
- Tushar Shah:** Probably we have meetings on a daily basis. If I say I am not able to deliver at all because of X, Y, Z issue, then they may open it for some other IP. So, then I will give them commitment that they will deliver it maybe with a lead of 10-15 days, they accept it. Only they will withdraw when I say I am not able to deliver.
- Deepak Pandey:** Okay. And they'll take the whole order or specific location order?
- Tushar Shah:** No, that specific tower. That specific tower will get open for other IPs if I say no to them.
- Deepak Pandey:** Specific location wise site will get open for other IPs.
- Tushar Shah:** Right.
- Deepak Pandey:** Got it. That's it. Good luck for the future. Thank you.
- Tushar Shah:** Thank you.
- Moderator:** Thanks, Deepak. We'll take the next question from the line of Rahul. Rahul, you can go ahead and ask your question.
- Rahul:** Yeah. Hi, I just want to know a couple of things. How many tenancies are coming for renewal in over let's say next six months and what is our retention rate for these renewal of tenancies?

- Tushar Shah:** So 100% we have been retaining the tenancies, because with our agreement what we are signing is for five to 10 years. We don't sign a small contract. In terms of next six months we have around 150 tenancies, which are coming for renewal. And as of now my success rate is 100%. Unless there is a building which is in the redevelopment or something one or two sites may go. Otherwise we have been retaining 100% all these sites.
- Rahul:** Okay. In your PPT you have mentioned that there are some 1,000 new small cell towers you're planning for FY '26 and 3,500 from MTNL, Vodafone. So these are confirmed orders or these are potential business opportunities?
- Tushar Shah:** As of now more than 3,500 of confirm order in my hand, plus it's been adding on daily basis.
- Rahul:** And your number of tenancies has gone up by almost 1,000 plus on a quarter-on-quarter basis. But the impact on the revenue is not visible in the Q3 numbers. So can you explain how does it work?
- Tushar Shah:** See it will not come in Q3. Because when I say it has increased by 1,000 and that does not mean that on first day of Q3 we have rolled out that side. That 1,000 number has come across three months. So we get hardly one month revenue or maybe less than that. So actual impact will come from next quarter and full-year impact will be from next year.
- Rahul:** Okay. And so 1,000 plus tenancy next quarter, how much potential additional revenue can we expect from Q4?
- Tushar Shah:** See, it's normally around ₹25,000 odd revenue on an average basis per site per month.
- Rahul:** Okay. Thank you.
- Moderator:** Thanks Rahul. We'll take the next question from Manish V. Manish you can go ahead, please.
- Manish:** Hi, thank you very much. Firstly, thank you for explaining CapEx, you are demonstrating your effective debt management. At the same time, you talked about strong sales growth. I think what I really want to understand from you, to me the area of concern is the increase in sales does not translate into proportionate profit growth. When I look at your last, I think I put that in the chat as well. Despite of the strong

sales growth that you've mentioned, I'm seeing an impact drop by 10% year-on-year. How are you addressing this? Is this due to high cost, poor operational efficiencies or any other non-operational expenses?

Tushar Shah:

So, Manish, as we mentioned even in my earlier earning calls, we are 100% sure of maintaining EBITDA of 65% plus EBITDA and 32%, 35% of PAT. Only thing you are seeing this difference, one is because of ECL provision which we have reversed, we did not have any ECL in Q3. When we had ECL reversal in Q2 and even in Q3 of last financial year. That's why you are seeing this drop. Otherwise, we are actually maintaining EBITDA and PAT margins.

And also because Diwali falls in Q3, there was a little bit increase in employee cost, which was a onetime in a year cost. Other operational cost remains same throughout the year. Since I have Master Service Agreement only for operators by input, my sales figure don't change. It's a fixed revenue, which I get from operator year-on-year, so my PAT margins and EBITDA are very stable and will continue at the same rate.

Manish:

That's what I am trying to understand. Is it the OPM which has gone down from 80% to 70%? Is it the increased expenses? I am trying to also understand the investor sentiment here given the sharp decline in prices. Of course, if I take macroeconomic conditions into equation, but at the same time I'm seeing a significant dip from highs of ₹1,900 to almost ₹1,000 which is a 50% dip.

Tushar Shah:

So in terms of market drop in share price, see, we are a company who focuses on business. We are very sure of performance, we don't really -- what to say, we don't see a market that much. I will not comment on the drop of share price. But, yes, in terms of EBITDA, PAT, there was an only drop, because there was a Vodafone recovery.

If you compare my Q3 EBITDA with Q3 last year and Q2 of this year, there is a difference or you can say a drop only because in both that quarter there was a Vodafone recovery which happened. We got ₹3.5 crore recovery in Q3 last year. And we got around ₹4 crore recovery from Vodafone in Q2 this year. While in quarter three of this year, which is our current quarter, which we are discussing right now, we don't have any Vodafone recovery. And that's the only reason you are seeing major drop in EBITDA compared to that two years.

Manish:

Understood. My last question, in terms of investor participation, are we seeing an increase? Are we seeing people reducing their positions?

Is it the promoters? Is it the retail investors? What sort of trends are you seeing over the last quarter?

Tushar Shah: So when you say last quarter, the overall investor count, only if you see an increase, we are seeing a lot of participation, and we are getting a lot of queries. We are meeting investors. So in terms of interest in company, we have found it increased. People are more and more interested in Suyog, and they are very confident about our performance.

Manish: Okay. Thank you very much and good luck for the rest of the year.

Tushar Shah: Thank you.

Moderator: Thank you Mr. Manish. We will take the next question from the line of Jai Arora. Jai, you can go ahead, please. Mr. Jai you can unmute and ask your question.

Jai Arora: Hi, good afternoon ji. Tusharji, Sharmaji . Last year, we had achieved revenue of ₹174 crores and our PAT is ₹63 crore. Guidance for FY '25 and FY '26, where are we going to end FY '25 on revenue? And what would be the PAT, because people have raised a lot of questions related to towers, and we want to see the metrics on tenancies at the end, what comes in revenue. It is difficult to calculate for me, because each contract, each tower is different in size, small and big. Just for my simple basic understanding where will we land in this financial year, FY '25 and what is our vision for FY '26? What is the approximate target of revenue and similarly for PAT?

Last question will be if I have not heard wrong, our company's target is to reach 15,000 towers and for that we will require approximately ₹800 crore CapEx. Our vision is to achieve this by when, in which financial year we would want to complete this entire CapEx? I might be wrong whether this 15,000 is tower or tenancy and what PAT can be generated from this, if we achieve this?

Tushar Shah: Hi, Jai. How are you? After long time I speaking to you.

Jai Arora: Yeah.

Tushar Shah: So I will answer your second part first, then first part Sharmaji will answer you. In terms of target, 15,000 is tenancy count, which we want to achieve by the FY '26 exit. The full ₹800 crore, we will be utilizing in FY '26. Already we have done ₹100 Cr plus, out of ₹800

crore. The balance CapEx we will consume till FY '26, which will enable us to reach the 15,000 tenancy in FY '26 exit figures. We're 100% confident about this and will anyway achieve it. Because the way we are getting business from Vodafone, BSNL, 100% sure of achieving it.

Jai Arora: Sorry, Tushar ji. You will complete ₹800 crore CapEx by FY '26?

Tushar Shah: Yes.

Ajay Sharma: Jai ji, you have been associated with us for a long time. You should be having faith in our ability.

Jai Arora: I don't have any doubt. I am associated since 2013, I don't have any doubt. I am very excited. I am very happy that we will be able to do such amazing CapEx, we will deliver it, I just wanted to hear that.

Tushar Shah: Basically we need to add 8,000 towers out of which we have already added 1,000 to the network. If I add more 6,500, 7,000 tower, then my ₹800 crore CapEx will be done, which we are 100% capable, we have aligned all our resources and will be doing it.

Jai Arora: So this is going to be ₹800 crore, our assets on the books today are approximately shown as ₹400 crore. So this will be additional ₹800 crore assets or this from ₹484 crore we will reach ₹800 crores.

Ajay Sharma: ₹800 crore addition of assets you will see.

Jai Arora: Beautiful, beautiful. Superb.

Ajay Sharma: Now what is your next question?

Jai Arora: Next question, it was just this financial year and -- okay, after achieving the tenancy, let's assume we complete by FY '26, again it will take us one quarter to recognize all the tenancy in the revenue.

Ajay Sharma: I will tell you the top line of '27, I will tell '26 and '27.

Jai Arora: Yes, sir.

Ajay Sharma: '27 top line will be ₹570 plus.

Jai Arora: ₹570 plus. Beautiful. And we are going to have the same kind of 32% to 35% PAT or what will be our target?

- Ajay Sharma:** See, by default our EBITDA margin is around 65% in IND-AS. The extraordinary margin was a bit increased this year, it has been increasing for the past two years, the reason is this is that the loading was coming and some of our towers were not upgraded. We were not adding new towers. Due to the increased loading it was increasing due to which the PAT increases, EBITDA increases. This year we are installing new towers, all of them, when we add the new towers, we will get the regular margins. Right, so the regular margins, in that our PAT is around 32%, from 30% to 32%, for EBITDA around 65%.
- Jai Arora:** Okay. Understood. This is my last question on the financials, but this is good. And in between around ₹250 crore equity will be raised? Will we require the infusion?
- Ajay Sharma:** Equity will be raised. Now we will have to see what is the method of equity raising? The talks are ongoing, let's see.
- Jai Arora:** And in this ₹250 crores of equity, the promoter's participation is also included, or this is extra, meaning this is outside investors, different investors? Is this non-promoter or is it including both promoter and non-promoter, our plan to raise ₹250 crore?
- Ajay Sharma:** Without promoter.
- Jai Arora:** Without promoter, good, okay. Got it. That's quite convincing. Last one thing, I am seeing from last quarter also, FTTH, our fibre to home, what is this? I mean these are just, like we setup the tower, like Jio tells us I will setup the fibre to the home, you do this and I will pay you a rent on that network is going to be of that kind of revenue?
- Tushar Shah:** Revenue would be recurring, same IP1 model, recurring revenue from Jio, Airtel, BSNL. Both fibre to home is nothing but doing vertical wiring of your building. Horizontal wiring from a spare box to your house, operator that is you. They will bill you. I will be sharing my vertical backbone of building with operators and you will be paying me recurring rent.
- Jai Arora:** Okay, understood. So the fibre that I give, that infrastructure will be given on rent. That is all from my side. And it has been a long time. If I get an opportunity to be in Mumbai, I definitely want to see you in person. Give my regards to Latureji everybody. Thank you.
- Tushar Shah:** Thank you, Jai.

- Moderator:** Thank you, Jai. We will take the next question from Mr. Yash Adhiyaru. Yash, you can go ahead please. Mr. Yash, you can unmute and ask your question. Mr. Yash, we are not able to hear you. We will move to the next participant. We will take the next question from Mr. Rishi Kothari. Rishi, you can go ahead please.
- Rishi Kothari:** Thank you so much for the opportunity. I mean, we right now anyway cater to the targets for FY '27, right? But still I will be probably more interested in the next quarter per se FY '25 target and as well as FY '26, if at all ballpark numbers that you can give.
- Tushar Shah:** So, in terms of number of towers?
- Rishi Kothari:** In terms of -- no, PAT level and revenue, purely financials.
- Moderator:** Rishi, we would like to avoid any quarterly direct guidances.
- Ajay Sharma:** It is very difficult, Rishi, to give our guidance on revenue and year.
- Rishi Kothari:** And for the whole year also you won't be able to give?
- Tushar Shah:** No Rishi, it could be violation of policies. So, you won't be able to give proper numbers in terms of that. Because it's sensitive information, market sensitive information.
- Rishi Kothari:** Not the proper numbers first, but any growth targets or any expected number?
- Tushar Shah:** First of all, what I can say is, basically whatever guidance we have shared earlier remains intact and will achieve that.
- Rishi Kothari:** Okay, got it. And also in terms of the provisions that we discussed that this quarter we did not have any recovery from the Vodafone Idea debt, right? So is it purely very variable nature? How exactly does that whole thing now?
- Tushar Shah:** Whatever outstanding was there about 180 days has come down to less than, we need to do project only for the recovery, which is more than 180 days, which is not the case anymore.
- Ajay Sharma:** Previously provided.

Tushar Shah: Previously provided that was a recovery. Now we are not providing it because we are getting the payment from Vodafone within 180 days only.

Rishi Kothari: Okay. So what are the provisions that we have created anyway, we have already been reversed it on our P&L.

Ajay Sharma: Yes, we have recorded what, all the provisions have been successful recovered.

Rishi Kothari: So the expenses that we right now see on the other expense category will be more or less in the same.

Ajay Sharma: Yes, same levels.

Rishi Kothari: Same levels, that is around ₹300 crores, ₹320.5 crores.

Ajay Sharma: Yes, same levels.

Rishi Kothari: Okay, got it. Thank you so much for the update.

Moderator: Thanks, Rishi. Yash, you can ask your question.

Yash: Thanks for the opportunity. I have two questions. One is, why is there an execution delay in the new tower rollout? Like you previously guided for 4,500 towers in FY '25, but you have only achieved the almost 1,100 or 1,200 in the first nine months. What is preventing you from meeting the target? That is my first question. And the second one is that, you mentioned that the rollout would spill over into FY '26. So what gives you the confidence that the targets will be achieved then in FY '26, given that they weren't met in FY '25?

Tushar Shah: Yash, what we have done was, we have given a guidance of 4,500 tower for FY '25. What we have achieved is right 1,100-plus tower, which is a build tower. There is one more 453 towers which are not part of bidding. So we have done a unique tower of 1,500 tower plus tower. 1,500 plus tower they have deployed in first nine months, which has given me around 1,800 plus tenancy.

Now, see, if you see my entire year predictions, it was same that Q1 and Q2 would be very slow. Q3 and Q4 would be very fast. So Q3, what we have targeted, we have almost achieved it. Q4 gets impacted because of the planned preferential which have been drawn now based on market condition. So that's why there is a delay in the project,

which will get spill over to a quarter or say a few quarters. Otherwise, the target remains the same.

How we are ensuring that we'll achieve this target in the next financial year? As mentioned earlier on this one, we are arranging funds from alternative routes and we are very confident of arranging funds from alternative routes to deploy this number of towers. The only thing there is a spillover is because of the funds management. Otherwise, we have enough orders, we have enough teams to deploy. There is no concern at all in terms of performance. Once we arrange funds from the alternative routes, we will be deploying 100% of the committed target in FY '26.

Yash: Okay, that is fine.

Moderator: Thank you, Yash. We'll take the follow-up question from Saket Kapoor. Saket, you can go ahead please.

Shaket Kapoor: Right, sir. Are you able to hear me?

Ajay Sharma: Yes, we can hear you.

Shaket Kapoor: Sir, you had done an acquisition just now of an IP1 asset, named Lotus, which you operate in Delhi circle, what valuation metrics did you apply in this, in terms of coming to the enterprise value for the sale.

Tushar Shah: So probably I will not give you exact details but what we normally look is if we build the towers organically what the cost will come, and what is the cost when I buy. Secondly how much tenancy can I add? Whenever I acquire a company we don't want to impact the EBITDA and PAT level at all. So if I am able to achieve and if there is a marginal hike in the per tower cost then we go ahead with the acquisition.

Shaket Kapoor: If you can explain it with numbers, what is your rationale?

Tushar Shah: I won't be able to explain in numbers due to confidential agreements which we sign with the acquiring company. I can tell you the strategy, when I acquire any tower in the company, the per tower cost should be closer to my organic cost. If I put up the towers myself what it cost me, it should be nearly same or little bit premium you can pay because I am getting the revenue from day 1, of the full volume, if it is that, then we are okay with the acquisition of that tower.

- Shaket Kapoor:** Regarding this there was another question. You had said this is not an one-off acquisition. You are also eyeing some more assets. Are those assets of this size or you are interested in acquiring something bigger? And the provision of ₹800 crore of CapEx you have shown, how much money you have allocated to the IP1 asset?
- Ajay Sharma:** Shaket ji, we have not made any provision for the acquisition of this IP1 asset.
- Shaket Kapoor:** Okay.
- Ajay Sharma:** Whatever the organic growth is going to happen, for that we have provisioned ₹800 Cr. ₹15 crores to ₹20 crores any company we see, that we will buyout.
- Shaket Kapoor:** Sir, one last point. We are hearing in the market that there is M&A activity in a big IP1 asset in the final stages. Can you share anything about this? I think there is a company
- Ajay Sharma:** Are you talking about Suyog or overall market?
- Shaket Kapoor:** No, I am talking about the overall market valuation. I am valuing the IP1 asset as per that. Like you have done a small acquisition. Overall as per your knowledge is there anything that you are hearing about a big asset, in which there is unlocking or M&A activity going on?
- Tushar Shah:** No, no, Saket, we are not aware. And even we don't discuss the market rumours. When it comes everyone will get to know.
- Shaket Kapoor:** And lastly as you said, FTTH aspect, if you can clear, in the revenue profile of our ambit, what will be our role in FTTH and will it get converted after being annuity based, if you can explain this line of business?
- Tushar Shah:** FTTH business will be again annuity business. It will be with premium operator on an incoming basis like now I give out. It will be same model which we will follow. Only thing -- that is also growing slow and steady. We will see our major growth maybe post FY '27 we will see a major jump in FTTH rollout by operators.
- Shaket Kapoor:** Okay. And this will be in line with the IP1 story only. This is the same line.

- Tushar Shah:** Only the model would be little bit different but it will be on the same lines and terms.
- Shaket Kapoor:** Right, sir. Thank you sir for the detailed information. And we hope that we get an appropriate time going ahead to raise funds. We were unlucky this time. Okay, thank you.
- Tushar Shah:** Thank you.
- Moderator:** Thank you, Saket. Since we are overshooting on time, we will take one last question from Mr. Darshil Pandya. Darshil, you can go ahead please.
- Darshil Pandya:** Tushar, just wanted to understand what will be the kind of tenancies by FY '25 that we will be having? FY '26 we will be having 14,000 to 15,000. What will be the FY '25 number?
- Tushar Shah:** What you say 14,000 to 15,000? That's the total exit number of FY '26. If you say addition tenancy, FY '25 should have around 2,500 odd tenancy addition and FY '26 will have around 7,000 odd tenancy addition.
- Darshil Pandya:** That will totally give us 14,000 to 15,000 if I am correct.
- Tushar Shah:** Right, right.
- Darshil Pandya:** So FY '25 will be 4,500 plus, plus.
- Tushar Shah:** That's right.
- Darshil Pandya:** And what will be the FTTH revenue per kilometre?
- Tushar Shah:** So if you see FTTH revenue does not depend on per kilo -- it's a per home pass. So it depends on building to building. More the home pass, the better is the revenue.
- Darshil Pandya:** Okay, got it. All right. Thank you so much for the opportunity and all the best for the future. Thank you so much.
- Moderator:** Thank you. Since that was the last question for the day, I would request the management to give us their closing comments.
- Tushar Shah:** Sir, we need your closing comment.

Shiv Shankar Lature: I'm ready to speak.

Moderator: Yeah, Latureji, if you can give your closing comments, sir, that will be very helpful.

Shiv Shankar Lature: Sorry for the interference. Good afternoon to everyone. I am very happy that all the participants and my team, Tushar, Sharmaji and all the Directors are present. I want to mention here two things after listening to all the people. We have strong market orders in hand and I have to deliver whatever commitment my team has given.

And I am very much sure from past two years in the 4G rollout after 5G, there is a lot of requirement has come in the market. And the first -- the rollout of the other two, nobody has asked, but I have to mention here that two people of Jio and Airtel is also coming after March. So looking to the all angle, whatever tower we are installing for BSNL is a rural area and Vodafone is a commercial area. So looking to these perspectives another operator maybe naturally come to our site. So revenue growth is whatever plan is achievable, first of all.

Second, regarding the funds, lot of people ask about the fund arrangement. So my preferential and debt, whatever our CFO has told, whatever permitted is there. Another people are also in line with us for the preferentials and QIP. We'll definitely explore the things whatever possible and how the beneficial to my investors, because Suyog has always given the good return.

Also, we have secured our ESOP and all this procedure for my staff also, because this is a big task, not a simple task. So we are very systematically planning. We have deployed already all over India sites and we have to do this thing properly only, because operator have also trust on us that they are delivering. And even in Mumbai, we are looking the two state, five state, we are focusing: Maharashtra, Mumbai, Delhi, we have acquisition done, Gujarat and Rajasthan.

So considering five state, whatever numbers are there, they are actually orders are in double. But whatever Tushar and other people spoken is only about what deliverable is there. If the funds will get to us, we will definitely increase our capacity and deploy it. Because all our vendors, suppliers are in well-position to deliver us, because the last 6,500 sites is also a difficult task. But after 6,500, once the national highway come by the rural and we will cross the 10,000, then more orders will be come and we are looking very positive to our growth of the Suyog Telematics with the interest protecting to these.

Moderator: I think there is some disturbance or issue in his line. Would you like to close the conversation, Tusharji?

Shiv Shankar Lature: It's impossible due to rainy season and other objectives. All these things are being taken in the mind. And now the working season is going on, so we will deliver our best to the investor protection as well as company's growth. This is my last and final submission for all.

And thanks to everyone for joining and asking questions. Special thanks to asking questions and giving answers, Suyog team is also thanks. I think that we will see the progress in the next quarter. After March, our results, once again, we will meet. Thank you very much.

Vinay Pandit: Thank you. Thank you, Latureji, and thank you to the entire management team for joining on the call. And thank you to all the investors for participating on the call. This brings us to the end of today's conference call. Thank you.

Shiv Shankar Lature: Thank you.

Ajay Sharma: Thank you Vinayji. Thank you, Tushar.