

Sathlokhar Synergys

Operator: Ladies and gentlemen, good day and welcome to Sathlokhar Synergys E&C Global Ltd. Q1 FY27 earnings conference call, hosted by Kiran Advisors Private Limited. As a reminder, all participant lines will be in listen-only mode, and there will be an opportunity to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal the operator by pressing '*' and then '0' on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Parth Acharya. Thank you, and over to you, sir.

Parth Acharya: Thank you. On behalf of Kiran Advisors, I welcome you all to the conference call of Sathlokhar Synergys E&C Global Ltd. From the management team, we have Mr. G. Tyagi, Managing Director and CEO; Mr. P. Vijaya Kumar, CFO; and Mr. Anil Kumar Sahu, Company Secretary. With that, I now hand over the call to Mr. G. Tyagi. Over to you, sir.

G. Tyagi – MD & CEO: Good evening, everyone. Greetings from G. Tyagi. I welcome you all to Sathlokhar Synergys E&C Global Ltd. Q1 FY27 earnings conference call. Thank you for joining us today and for your continued trust, confidence, and support. I am pleased to share that we have delivered another strong quarter, marked by healthy growth in revenue, profitability, and business development. The performance reflects the strength of our execution capabilities, diversified project portfolio, and our continued focus on disciplined and sustainable growth.

For those joining us for the first time, let me briefly introduce the company. Established in 2013 and headquartered in Chennai, Sathlokhar Synergys E&C Global Ltd. is one of the leading EPC companies providing end-to-end turnkey construction services across design, civil construction, pre-engineered metal building construction, MEP systems, solar installation, interior works and finishes, utilities, and statutory approvals. Over the years, we have built a diversified presence across industrial, warehousing, commercial, healthcare, institutional, hospitality, pharmaceutical, textile, food processing, and renewable energy sectors. Our fully integrated execution model, supported by dedicated in-house architecture, engineering, civil, PEB, and MEP systems, enables better project control, faster execution, improved operational efficiency, and consistent delivery. With strong execution capabilities, technology-driven project monitoring, and longstanding relationships with leading corporates, we continue to strengthen our position as a trusted EPC partner across India.

Operational highlights.: During the quarter, we received new orders aggregating INR 272.55 crore, strengthening our execution pipeline and providing a solid foundation for future growth. Among the notable order wins during the quarter were an INR 105.37 crore order from a {? Grand Atlantea Phanapa ?}, Taiwan-based company, SEZ Developers Private Limited, for a Phase 3 project and TB works; an additional 22.5 crore order for Phase 2 and TB works from the same Taiwan-based company; and an INR 102.71 crore order from Reliance Consumer Products Limited for additional civil and TB works at the {? Kurnool ?} facility. In addition, we secured orders from Adak Engineering Limited, {? Fenom Beverages Sri Lanka ?} company, and {? Annaban ?} Limited India, further strengthening our diverse project portfolio. A significant portion of these orders has come from existing clients, demonstrating the confidence they continue to place in our execution capabilities and our ability to secure repeat business through consistent project delivery.

Report is AI-generated and may contain inaccuracies.

Sathlokhar Synergys

Our total order book, including orders secured during Q1 FY26–27, stood at INR 1,015.18 crores after adjusting for Q1 project execution of 204.81 crores during the quarter. Our effective executable order book stands at INR 810.37 crores. In addition, we have a robust bid pipeline of approximately 22,106 crores. Even assuming a conservative 10% success conversion rate, this will be enough to achieve our 70% growth guidance for the previous financial year, FY25–26.

During the quarter, CRISIL assigned ratings to our 200 crore bank facilities, with a long-term rating of {? CRISIL BBB+ ?} with a positive outlook and a short-term rating of {? CRISIL A2 ?}. The rating reflects our improving financial profile and further strengthens our ability to participate in larger projects where financial strength and credit quality form an important part of the qualification criteria.

Construction of our own PEB manufacturing factory is progressing as planned. We remain on track to inaugurate the factory building during our annual day, on August 30, 2026. Commercial production is expected to commence within 60 working days from the date of factory building inauguration, subject to successful commissioning, testing, and trial runs of the proposed machines, as well as obtaining statutory approvals for the PEB plant and machinery. This facility marks an important step in our backward integration strategy and is expected to strengthen supply chain control, improve execution and timelines, and support long-term margin expansion. Our long-term vision of establishing five to six PEB manufacturing facilities across India remains unchanged, with Odisha continuing to be the next planned location.

Financial performance.: Coming to the financial performance of the quarter, total income for Q1 FY27 stood at INR 206.19 crore, registering growth of 67.76% over the corresponding quarter of last year. EBITDA increased by 131.4% to INR 31.35 crore, while the EBITDA margin improved to 15.2% from 11.02%, representing an expansion of 418 basis points. Profit after tax grew by 132.59% to INR 21.41 crore, with the net profit margin improving to 10.38% compared to 7.49% in Q1 FY26. Diluted earnings per share stood at INR 8.21 against 3.70. The improvement in profitability was supported by better operating efficiencies and lower material costs as a percentage of total income, reflecting disciplined project execution and efficient cost management.

Industry outlook.: The overall demand environment continues to remain encouraging. We are witnessing healthy enquiry levels across manufacturing, industrial, warehousing, electronics, renewable energy, and infrastructure sectors, supported by sustained private-sector capital expenditure. Fuel prices have moderated from the elevated levels witnessed earlier last year, while our disciplined bidding approach and contractual price-escalation mechanisms continue to provide appropriate protection against raw material price volatility. We are also seeing an increasing preference for established EPC companies with proven execution capabilities, integrated delivery capabilities, and strong financial credentials. Our recently obtained Class 1A PWD registration further enhances our eligibility to participate in larger government and infrastructure projects.

Outlook.: We remain confident about our growth prospects for FY27. Our healthy order book, strong bid pipeline, and ongoing investments in manufacturing capabilities provide a solid foundation for sustainable growth. As projects progress through engineering, procurement, mobilization, and execution stages, revenue recognition is expected to remain stronger during the second half of the financial year, consistent with the nature of our business. Our priorities for the

Report is AI-generated and may contain inaccuracies.

Sathlokhar Synergys

remainder of the year remain focused on successfully commissioning the PEB manufacturing facility, converting our bid pipeline into quality orders, strengthening our working capital management, and continuing to deliver projects with excellence in execution.

Before I conclude, I would like to sincerely thank all our clients, shareholders, investors, lending institutions, vendor partners, and every member of the Sathlokhar family for their continued trust, confidence, and support. Their collective contribution continues to inspire us as we build a stronger and more scalable organization. With that, I conclude my opening remarks and would now be happy to take your questions. Thank you all.

Operator: Thank you very much. We will now begin the question-and-answer session. Anyone who wishes to ask a question may press '*' and '1' on their touchtone telephone. If you wish to remove yourself from the question queue, you may press '*' and '2'. Participants are requested to use handsets while asking a question. Ladies and gentlemen, we will wait for a moment while the question queue assembles. The first question is from the line of Suyash Jaiswal Mantri from Mangaldas Venichand Trades and Investments. Please go ahead.

Suyash Jaiswal Mantri – Mangaldas Venichand Trades and Investments: Hello, am I audible?

G. Tyagi – MD & CEO: Yes, sir. Good evening. Please go ahead.

Suyash Jaiswal Mantri – Mangaldas Venichand Trades and Investments: Sir, thank you for taking my question, and congratulations on a good set of results. I wanted to know how much order inflow you expect from repeat business with existing clients and from new clients in this financial year.

G. Tyagi – MD & CEO: Overall, from existing clients, including the existing order book and expected orders, we are expecting around INR 600 crore, sir.

Suyash Jaiswal Mantri – Mangaldas Venichand Trades and Investments: 600 from existing clients. From that 22,000 crore pipeline, how much do you expect to be converted?

G. Tyagi – MD & CEO: At least another 600 to 900 crore, sir, apart from the existing clients.

Suyash Jaiswal Mantri – Mangaldas Venichand Trades and Investments: Okay, so 600–900 plus 600 would be the order inflow expectation.

G. Tyagi – MD & CEO: I am talking about from now onwards. With the existing clients, we expect to book at least around 1,000-plus crores in another 3 to 4 months, sir.

Suyash Jaiswal Mantri – Mangaldas Venichand Trades and Investments: Okay. In total, from existing clients plus bidding.

G. Tyagi – MD & CEO: Yes. This is the minimum conservative number I am trying to communicate, apart from the orders in hand.

Suyash Jaiswal Mantri – Mangaldas Venichand Trades and Investments: Okay, understood. Thank you, sir. That was my question.

Sathlokhar Synergys

03 August 2026

Operator: Thank you. The next question is from the line of Gaurav Shukla from Finer Investor. Thank you.

Gaurav Shukla – Finer Investor: Am I audible, sir?

G. Tyagi – MD & CEO: Yes, very much, sir.

Gaurav Shukla – Finer Investor: Thank you, sir, for giving me the opportunity. Sir, in the...

Gaurav Shukla – Finer Investor: [inaudible] in the previous question. I have one order-book-related question. Regarding the order book, I want to ask: we are now at 810 crore at this time, and you are saying that with existing clients you will get 1,000 crore, and from the 22,000 crore pipeline, 600 to 900 crore. Am I understanding this correctly?

Operator: Sorry to interrupt, Gaurav Shukla. Your voice is not clear.

Management: Your voice has been cracking from the beginning. Am I audible, sir?

Operator: Sir, your voice is audible, but when you are speaking, it is not coming through clearly. When you are asking or communicating, it is not being properly identified.

Management: Just one clarification. You are saying that with existing clients you will get 1,000 crore, and from the 22,000 crore pipeline, 600 to 900 crore. Am I understanding this correctly?

Management: Yes. I mentioned that we expect to book 600 crores from existing clients for this financial year, including the 282 crores already booked. From the existing clients, we currently have 810 crores in hand, plus another 400 crore, which includes the 200 crores already booked. So 800 plus 400 is 1,200. Apart from that, I am expecting at least another 600 crore, which is the conservative number I mentioned. In totality, there is a 22,102 crore bid debt. Even a conservative 10% is more than sufficient to cater to this financial year's requirement as well as to carry forward to the next financial year.

Gaurav Shukla – Finer Investor: Okay, sir. And regarding the guidance, are we maintaining 20%, or approximately 1,300 crore for this year?

Management: Yes. As committed, we are on the job. We have already achieved our results. We have booked 1,015 in total for this financial year, as we have already communicated. After deducting the Q1 results, 810 is there. With that 810, plus another 400 from existing clients, it comes to 1,200, in addition to the orders already booked. Overall, the lined-up and proposed orders are more than sufficient to cater to this financial year.

Gaurav Shukla – Finer Investor: And, sir, what blended EBITDA margin do you expect for this year?

Management: We are expecting net profit of 10% plus, sir.

Gaurav Shukla – Finer Investor: 10% plus. Thank you, sir. That is all from me. All the best for the future.

Management: Thank you.

Report is AI-generated and may contain inaccuracies.

Sathlokhar Synergys

Operator: Thank you. The next question is from the line of Himanshu Bikhani from Pinpoint X Capital. Please go ahead.

Himanshu Bikhani – Pinpoint X Capital: Hello, am I audible?

Management: Yes, you are audible. Go ahead, sir.

Himanshu Bikhani – Pinpoint X Capital: Thank you for the opportunity, and congratulations on a steady set of numbers. My first question is regarding Reliance. What kind of conversations are we having with them right now? As we have already mentioned, we are on a significant capex plan and are a prime beneficiary of that. What kind of conversations are we having with them now, and are we expecting some large orders from them as well?

Management: Yes, sir. Thank you very much for raising this question. I hope all our clients and investors are aware that during the last 3 years, we have consistently booked some good orders from the Reliance Group every year. Similarly, we are also expecting a good order from Reliance this financial year, which is expected to be booked and built before March 31, 2027. Another new project is under discussion, sir.

Himanshu Bikhani – Pinpoint X Capital: Can you quantify that? What kind of numbers are we talking about in terms of order booking?

Management: I would like to put it this way, sir. As I have repeatedly mentioned, as of now, 1,015 has already been booked for this financial year, and the Q1 results have already been announced. Overall, 1,015 has been booked, and another 400 crores are expected from existing clients. That will serve the purpose of this financial year's requirement. Hopefully, if everything goes well, almost 250-plus or 300 crores are expected from Reliance itself. Hopefully, we will win that order.

Himanshu Bikhani – Pinpoint X Capital: So, of the 400 you mentioned, could 250 or 300 crores come from Reliance?

Management: Yes. That is the reason I mentioned that the total existing-client orders for this financial year are 600, of which 200 has already been booked, leaving a balance of 400 crores. Some of the clients I do not want to mention at this juncture because they are still in discussion. Once the order is confirmed, we will communicate it properly through the exchange and intimate you, sir. Even now, I am at Delhi airport. I have come for a negotiation meeting today and am attending it from the airport. That is the reason there is some background noise.

Himanshu Bikhani – Pinpoint X Capital: Understood. No issues, sir. On raw material volatility, there has been a significant spike in the building-material space. How are you looking at this, and are these contracts passed through? What kind of margins are we looking at after this volatility?

Management: Actually, since March 2020, we have been mentioning the base price while also protecting the current market price. We have been addressing both aspects with the clients. Clients are fully aware that contractors work with very limited margins, so in the event of any surprises, clients are willing to support us, and most of them do support us. Regarding some of the clients, Mr. Tyagi communicates that we should block everything now and do what is necessary. So we are open and are working with all our clients. With the blessings of God, we are protecting the base

Report is AI-generated and may contain inaccuracies.

Sathlokhar Synergys

price on all our projects, including the timely material requirements.

Himanshu Bikhani – Pinpoint X Capital: So, the major portion is passed through. Whatever raw material volatility we are seeing is passed through, including steel for the PEB, correct?

Management: The major materials are steel and cement in any project. Whether it is PEB or RCC structures, steel and cement are the primary factors, so we are protecting those materials, sir.

Himanshu Bikhani – Pinpoint X Capital: Understood. Considering this, what kind of EBITDA and PAT margins are you looking at for this year?

Management: As I explained, we are looking to sustain a net profit margin of 10%; we are working toward that. As you are aware, we are going to inaugurate our PEB factory by August 30, and hopefully, from November–December onwards, it will start generating billing from our PEB facility as well. That will further improve our bottom line. At least 4 to 5 months of performance from the PEB factory during this financial year will also support the company.

Himanshu Bikhani – Pinpoint X Capital: Understood, sir. Thank you very much.

Management: Thank you.

Operator: Thank you. The next question is from the line of Ashish Khurana from ANK Capital. Please go ahead.

Ashish Khurana – ANK Capital: Thank you for the opportunity. Congratulations, sir, on the very good year-on-year performance. Good evening, and congratulations on the year-on-year performance.

Management: Thank you, sir. Good evening. Thank you very much.

Ashish Khurana – ANK Capital: Sir, I had one doubt. We did roughly 200 crore in the first quarter, and if I take the July month, let us be slightly generous and add 100 crore, we did 300 crore up to July 31. The order book on July 31 is around 800 crore, and you say another 400 crore will come, taking us to 1,300–1,400 crore. My doubt is that, in our previous calls, we have mentioned that even for our fast-track projects, it takes around 7 months to complete the project. So, for whatever orders we receive after August, will we have time to complete them by March 31 and achieve 1,300–1,400 crore of revenue, or do you think we might run out of time in that regard?

Management: Thank you very much for raising a very good question. As you correctly pointed out, for current ongoing projects, when it comes to steel and PEB, the skeleton, factory building, and factory box would be completed well within 5 to 6 months. Only the MEP work extends to the fourth, seventh, eighth, or ninth month. When it comes to civil and PEB construction, every company obviously pushes to install its entire machinery and production requirements in the factory. Last year also, when we commenced the Reliance Jamnagar Terminal project, the project started only on September 13, 2025, and we successfully completed it well within March 2026. What we are trying to say is that even for orders received up to October, we are able to complete any civil and PEB building before March 2027, sir.

Sathlokhar Synergys

Ashish Khurana – ANK Capital: This quarter is usually slightly lower because of the monsoon. How do you see Q2? To achieve, say, 1,300 crore, we still need to do 1,100 crores in 3 quarters. So perhaps...

Management: When it comes to execution, with the blessings of God, all the projects are progressing, and whatever orders are in hand will definitely be completed before March 31, 2027. I do not see any challenges for the ongoing projects at this juncture. Everything is happening with the blessings of God, and everything is progressing. The only challenge is that in August and September, we have to book another 300 crores, after which we will comfortably complete the entire 70% guidance before March 31, 2027. We are on the job as a company. For August, September, and October, our guidance is that we will book at least 100-plus crore every month. With that, the entire financial year will be highly successful.

Ashish Khurana – ANK Capital: That is good to hear, sir. Just 2 more quick questions. This PEB manufacturing unit is supposed to come online at the end of August or in September. All the revenue is captive, correct? It will only reflect in margins, and there will be no additional revenue from this, correct?

Management: No. This financial year, it will be part of the business, and from the next financial year, it will be additional because we are treating the PEB facility as a separate business model, even though it is part of the company. Other competitors will also take PEB from us.

Ashish Khurana – ANK Capital: So, this year there is no revenue, and next year it will show as separate revenue. Is that what you are saying?

Management: No, I am saying that there will be revenue this year as well. Other third parties can also take PEB from our company. At present, we need it for our own requirements. From the next financial year onwards, third-party companies can approach us and take PEB from Sathlokhar Synergys E&C Global Ltd.

Ashish Khurana – ANK Capital: So, next financial year it might have revenue. Lastly, sir...

Management: No. Even this financial year itself, there will be revenue. I am talking about keeping the PEB facility as a separate vertical. From this facility, we are targeting at least 200-plus crore of turnover apart from the ongoing business. That is the aim and intention we are working toward. To facilitate an improvement in Sathlokhar Synergys E&C Global Ltd.'s bottom line, we will handle our own PEB requirements through this facility and also produce third-party PEB through this facility.

Ashish Khurana – ANK Capital: So, for this year, my next question is: how much of the 1,300 crores will include a component from the PEB facility?

Management: Whatever business Sathlokhar Synergys E&C Global Ltd. is executing, which includes civil and PEB, will obviously involve orders from the main company. The PEB will be the primary focus for the new manufacturing facility, through which we will further improve our bottom-line margin.

Ashish Khurana – ANK Capital: Third-party revenue may come, but currently we cannot provide guidance for whatever third-party revenue might come from the PEB facility this year, correct?

Report is AI-generated and may contain inaccuracies.

Sathlokhar Synergys

Management: Yes. The point is that, as of now, our own requirements are substantial. Therefore, we are unable to commit to third-party revenue. That is what I am trying to communicate. Whatever the case, the bottom line from PEB margins will improve when we execute our own requirements through the manufacturing facility.

Ashish Khurana – ANK Capital: That is very clear. Lastly, one small bookkeeping question. If you are comfortable sharing it, as of March 31, 2026, our unbilled revenue was approximately 234 crore. If you have the figure for June 30, 2026, readily available, could you share it? Otherwise, I can send an email.

Management: As of now, as I mentioned, I am at the Delhi airport. If you could send us an email, we will come back to you, sir.

Ashish Khurana – ANK Capital: Thank you so much for answering the questions patiently. All the best for the rest of the year.

Management: Thank you very much.

Operator: Thank you. The next question is from the line of Aniket Madhwani from State Street Capital. Please go ahead.

Aniket Madhwani – State Street Capital: Hi, sir. Am I audible?

Management: Yes. Good evening. Go ahead, sir.

Aniket Madhwani – State Street Capital: The 22,000 crore bid pipeline you mentioned—how much of that do we expect to convert into our order book?

Management: Our conservative target is a minimum 10% success rate, which itself would be 2,200 crore. Even if we are very selective in choosing clients, we will be in a position to complete our 70% growth over the last financial year. That is what we are trying to communicate.

Aniket Madhwani – State Street Capital: You are expecting a minimum 10% conversion rate?

Management: Yes. That applies to this financial year as well as to the orders carried forward to the next financial year. The balance orders will be carried forward because, when we execute civil and PEB, further work such as MEP and electrical work will be carried forward to the next financial year.

Aniket Madhwani – State Street Capital: The next question is regarding your new facility. You mentioned that the revenue potential from the new facility is approximately 200 crore. Will this contribute to revenue from this financial year, or...?

Thiago: As I mentioned, for a 12-month performance period, our guidance for the proposed facility is based on the total turnover from the facility and the EBITDA from the facility. At this juncture, we need to assess the performance for 4 to 5 months. The factory construction is currently almost complete. Hopefully, we will inaugurate it by August 30. After that, the plant will need to obtain approvals from the Pollution Control Board, which are expected only after installation and inspection, as well as high-tension power and a fire licence. Once all these statutory approvals are obtained, trial runs of the machines will commence, likely from November or December and

Report is AI-generated and may contain inaccuracies.

Sathlokhar Synergys

03 August 2026

continuing through January, February, and March. Five months of performance are expected from this facility, sir.

Aniket Madhwani – State Street Capital: What is the current capacity utilization?

Thiago: At this juncture, we do not have our own facility. As of now, we have taken over 2 or 3 facilities on a job-order basis. We deliver the steel, they carry out the processing work, and we pay them for the labour. We would like to integrate this with our own facility once the inauguration is completed, as I mentioned.

Aniket Madhwani – State Street Capital: Could you highlight what margins can be expected to increase? Currently, you are at around 10–10.5%.

Thiago: It is currently 10.5%, sir. Once the PEB facility operates efficiently, the profit margin would definitely increase by 1%, 1%–plus, or a further 1.5%. That is what we are targeting. More than the profit, the advantage is that with our own facility, we will gain greater expertise in construction. This provides comfort and greater assurance to customers, encouraging them to give more business to {? Softloke ?}.

Aniket Madhwani – State Street Capital: Okay, understood.

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

Tejas – Individual Investor: Good evening, and thank you for taking my question, Mr. Thiago.

Thiago: Good evening, sir. Please go ahead.

Tejas – Individual Investor: I have a couple of questions. In terms of our order book, we have not been growing. Even this quarter compared to the previous quarter, the ending order book is declining. In the March 2026 quarter also, the order book was declining. So, for 2 consecutive quarters, our order book has declined. Although we have been saying that we have been receiving orders, I think we have missed that mark in the last 2 quarters. How are you planning to rectify that?

Thiago: First of all, I am sorry to say that it has definitely not declined, as you are aware. The total order book from Q4 until date is 1,035, which has already been intimated. However, despite the West Asia challenges, since March, and particularly during the last 50–70 days, clients have been very careful because of cost escalations. That has been the challenge, and they have taken time to settle down. To answer your question, as of now, the overall cumulative order for this financial year is 1,035, including Chandigarh. As I mentioned, ongoing client issues are expected to be resolved within 60–75 days, and we will book the required orders for this financial year's guidance from October. With that, I do not see any challenges in achieving last year's performance of 800–plus. Our guidance for this financial year of 70%–plus will definitely be ensured from October.

Tejas – Individual Investor: I understand, sir, but the order book has declined. To clarify, we ended Q1 last year with an order book of 421 crore. This Q1, we ended with 231 crore. Similarly, in March 2026, we ended with approximately 721 crore, whereas previously we were at 800 crore. I understand what you are saying, and it makes sense. You are saying that because of the war, there

Report is AI-generated and may contain inaccuracies.

Sathlokhar Synergys

has been some delay in the plan. I hope that going forward, at least from Q2 onwards, we should see growth in the order book. Otherwise, it might be challenging for us to achieve our numbers. That is my only point, sir.

Thiago: Sir, in July, at any given time, Sathlokhar Synergys E&C Global Ltd. has never booked 1,000-plus crores in any financial year. Even now, that is what I am trying to say. I do not know in which period you are referring to, but I would again highlight that in the last 3 to 4 years, we have never booked 1,035 crores within July. Now, despite the West Asia challenges, with everyone's support, we have booked 1,035 in totality. Therefore, I am unable to understand your question. However, to answer your question, I do not see any challenges in achieving the guidance we have committed to all investors, sir.

Tejas – Individual Investor: In the order book in your presentation, you have mentioned that we closed Q1 with an order book of 271 crore. However, the orders you mentioned from EDAC, {? Anabond ?}, and Reliance were actually received on March 31. Have you considered those in Q1? Only when those 3 companies' numbers are added do we arrive at that figure. According to your information in the software, these orders were actually received by March 31.

Thiago: The Q1 results are different from the orders booked recently, sir. In fact, the new orders from EDAC and Selvan Guru are still not part of Q1.

Tejas – Individual Investor: But according to your intimation, they were given on March 31, sir.

Thiago: The intimation was for the LOI, sir. We received the confirmation subsequently. Even today, approvals for EDAC are still in progress. I am aware of that. I had also visited the CMD's office in Chennai to obtain support. The new government has been formed, and the matter is still under process. What I am trying to say is that the order has been received. In any case, the EDAC project has not even started yet. Only land development work and approvals are taking place, which form part of Sathlokhar Synergys E&C Global Ltd.'s overall work.

Tejas – Individual Investor: My last question is regarding the land purchase we are making using the preferential amount and the warrants that were issued. It has been deferred or delayed slightly. That land has been purchased from a related party. Why are we purchasing land from a related party? Also, what is the ready-reckoner rate compared to the price at which we are purchasing the land?

Thiago: I am sorry, I am unable to understand your question.

Tejas – Individual Investor: There is a land purchase of approximately 23 crores from our related party, correct? We have already paid 4 crores to that party. I think the party's name is M/s Krishna, Lokesh Krishna, although I am not sure. I am trying to understand, first, why we are purchasing it from a related party, and second, what the current ready-reckoner rate is compared to what we are paying the related party.

Thiago: As of now, we had shortlisted 7 locations that were at various stages of legal approval. At 6 locations, challenges arose, and ultimately we dropped those options. We then started looking at land belonging to our related party, where all approvals were in place and the banker also agreed to provide support, including the legal approvals. All commitments have been provided by the related

Sathlokhar Synergys

party. That is the reason we have taken over the land under a lease arrangement at this stage. After obtaining all the necessary approvals, we will register the property.

At this juncture, it is located on the National State Highway and has more than 400 feet of frontage. The property is well suited to our requirements in terms of its layout and size, so we have taken it over and started construction. We are proceeding with it, sir.

Tejas – Individual Investor: My question is about the current rate at which we have purchased the land compared to the government's ready-reckoner rate. Are we paying a premium to the related party?

Thiago: No, sir. The valuation report from the bankers and the prevailing market rate will be used to settle the matter once all approvals are granted to us.

Tejas – Individual Investor: Is it possible to share that banker's report in the next quarter or whenever possible?

Thiago: Yes, definitely, sir. A third-party valuer's report has been obtained, and we are working based on that report.

Tejas – Individual Investor: Thank you for that. That is all from my side.

Thiago: Thank you.

Operator: Thank you. The next question is from the line of Sunil Kothari from Tanush Investments. Please go ahead.

Sunil Kothari – Tanush Investments: Good evening, sir, and congratulations on the set of numbers. You have mentioned in your presentation that you want to set up 5 to 6 PEB manufacturing units across India over the next 5 years. I understand that we are inaugurating our first PEB setup by approximately August 30. That will be for captive consumption, and later, if capacity is available, we will use that facility for others as well and generate revenue. For the 5 to 6 PEB manufacturing units that we are going to set up over 5 years, how much capital expenditure will be required? Where will that money come from, and how will we fund that capex? Also, how much revenue are we planning to generate over a period of 5 years?

Thiago: As I mentioned regarding our regional expansion, we have started trial runs at our first PEB facility. Our dream is to have 5 to 6 facilities. At this juncture, construction of the second facility is already underway. If everything goes well, we will definitely have more PEB facilities in different locations, which will serve the purpose of regional reach and also facilitate our customers. In summary, the first PEB facility will be ready in another 1 to 2 months, with its inauguration to follow. As I mentioned, the second location is also likely to be under construction, and hopefully the second facility should be inaugurated by the next financial year.

Sunil Kothari – Tanush Investments: How will we fund this capex, and how much will the capex be to set up a new factory?

Sathlokhar Synergys

03 August 2026

Thiago: For the internal setup, overall capex would be 500 to 600 crores. At this juncture, we are managing it through internal accruals from the existing business. We are not going to take a major loan; everything will be on a lease basis.

Operator: Sorry to interrupt, Mr. Thiago, but there is a lot of disturbance from your side.

Operator: No, sir. Let me disconnect your line and add you through a different value.

Sunil Kothari – Tanush Investments: Sir, you answered some of the questions related to capex for the PEB facility. You mentioned that you will initially use internal accruals, correct?

Thiago: Yes, you are right, sir.

Sunil Kothari – Tanush Investments: Later, I do not know whether it will be through accruals, fundraising, or something else. One more question related to the same matter: our existing supplier, {? Zamil ?}, currently supplies PEB work to us, correct? Like {? Zamil ?}, several other companies are also expanding their facilities. Considering demand and supply, do we still see substantial demand for PEB work, and are we looking to expand our PEB manufacturing facilities?

Thiago: Yes, of course. At this juncture, we are an EPC turnkey construction company. When it comes to PEB, we manufacture PEB, but we are an EPC company.

Sunil Kothari – Tanush Investments: Yes.

Thiago: We are an EPC turnkey construction company. We consider EPC to include civil and PEB in totality. When it comes to PEB suppliers, they only supply the PEB. They are not involved in civil and other packages. We take a barren piece of land, complete the building, and hand it over for inauguration. That is the difference from the client's perspective, sir.

Sunil Kothari – Tanush Investments: Understood. Over a period of 5 years, how much revenue do we expect only from the PEB facility?

Thiago: From our first factory, we expect a minimum of 1,200 tonnes, with almost 18,000 tonnes per annum. The minimum conservative turnover is 180 crore, up to a maximum of 200 crores, from one PEB facility. This would be at a 10% EBITDA margin, which I hope you will understand.

Sunil Kothari – Tanush Investments: Understood, sir. Thank you very much. That is all from my side.

Thiago: The final advantage for Sathlokhar Synergys E&C Global Ltd. is that we are not only a PEB company; we are a turnkey contractor. In India, we have executed 105 manufacturing buildings. Even today, I am in Delhi, and I am the only EPC construction company participating. The other companies are PEB companies such as Zamil and other top-notch companies that have attended. The client gives importance to Sathlokhar Synergys E&C Global Ltd. because we execute the entire project, starting with a barren piece of land, including land development, compound wall, civil, PEB, electrical, mechanical, and all other requirements. That is the strength of the company and the value that clients place on EPC partners.

That is the area where we are strengthening our capabilities. The companies you mentioned are also subcontractors. They have executed some of our projects successfully and have become our

Report is AI-generated and may contain inaccuracies.

Sathlokhar Synergys

PEB partners as well. That is what I am trying to say, sir.

Management: Clients are not looking at us as a PEB partner; they are looking at us as a turnkey construction partner of {? stabilizers ?}.

Sunil Kothari – Tanush Investments: Sir, I think your audio is clear now. Thank you very much. That is all from my end.

Management: I am sorry, sir. I am currently sitting at the Delhi airport, and I do not know what happened. That is okay.

Operator: Thank you. The next question is from the line of Sunny Singhal, an individual investor. Please go ahead.

Sunny Singhal – Individual Investor: I wanted to ask whether you can explain the NCLT proceedings that were intimated.

Management: I am sorry?

Sunny Singhal – Individual Investor: Can you tell us the current status of the NCLT proceedings that were going on?

Management: Yes, sir. You are right. Regarding the NCLT proceedings, we obtained a stay from the NCLAT in relation to the earlier company where I had served as a personal guarantor. The original issue dates back to before 2014. That company had taken a {? 2.4 ?} loan, and I had signed as a guarantor in 2014. I resigned and left that organization in 2016. After a gap of 8 years, in 2022, they approached me as a personal guarantor. The NCLAT clearly stated that it was a time-barred case. It also stated that, since the property had been sold, whatever money had been taken from the company and the banker meant that the personal-guarantor contract had become null and void.

On this basis, the NCLAT granted a stay in my case. Hopefully, with the blessings of God, our advocate and legal team will help us come out of this case soon, sir. The challenge is a maximum of {? 2.4 ?}, and, in addition, they had already sold the property and shared {? 1.4 ?}. That has also been intimated.

Sunny Singhal – Individual Investor: In the next 3 to 4 years, at what pace do you see Sathlokhar Synergys E&C Global Ltd. reaching its targets?

Management: For 2027, our guidance would be around 2,000-plus. For 2028, it would be around 2,400. By 2028, it would be around 3,000-plus crore, sir. That is our guidance.

Sunny Singhal – Individual Investor: Thank you for the value-added response. Best of luck for the future.

Management: Thank you, sir.

Operator: Thank you. The next question is from the line of Jay, an individual investor. Please go ahead.

Report is AI-generated and may contain inaccuracies.

Sathlokhar Synergys

Jay – Individual Investor: Good evening, sir, and congratulations to the entire team on a great set of numbers. Can you provide more details on the current accounts receivable, accounts payable, and short-term borrowings?

Management: As of now, we have taken... with me, sir?

Jay – Individual Investor: Can you share the details, sir?

Management: Accounts receivable as of June 30 stands at approximately 99 crores, including the retention amount.

Jay – Individual Investor: Sorry, sir, can you repeat that? June 30, yes, the receivables.

Management: Receivables as of June 30 stand at approximately 99 crores, and the on-date receivable stands at around 60 crores, including retention money.

Jay – Individual Investor: How much is payable, and what short-term borrowings have we taken?

Management: Short-term borrowings include approximately 250 crores of overall bank facilities sanctioned to us. Of that, 30% is for bank guarantees and 70% is for the working-capital limit. At this juncture, we have utilized almost 70% of the amount for capex, sir, approximately {? 180 ?}.

Jay – Individual Investor: So that is 70% of 250 crore, which is approximately 175 crore that you have taken, and the rest is for bank guarantees.

Management: Yes, sir.

Jay – Individual Investor: That is all I have. Thank you.

Operator: Thank you. The next question is from the line of Anuboli, an individual investor. Please go ahead.

Anuboli – Individual Investor: Good evening, sir. Happy Independence Day. What price increase have we made for customers from last year to this year? Compared to last year, how much have we increased the price for the service?

Management: You mean to say that we always operate based on the current market price and quote according to the zone and location wherever we receive the tender. It depends on the prices prevailing in the market during that particular period, including labour costs, which we assess before submitting the quote. There is no standard price that we can highlight here. However, as you are aware, there has been 7-10% overall growth in the construction sector across India.

Normally, when it comes to the zone, location, and tenure, whenever we receive a tender from any location, we visit the local area and obtain the aggregate rates, including the steel price, cement price, and everything applicable to that area. Only then do we submit our quote. Therefore, there is no standard price for every location. It is not one standard price; it varies from location to location and from tenure to tenure, sir.

Sathlokhar Synergys

Anuboli – Individual Investor: I understand, because we could see the same price in your brochure compared to last year. That is why I am asking this question.

Management: I would like to highlight that we mention 996 rupees per square foot for a top-speed building, subject to certain conditions. Whoever receives the 996-rupee offering is provided with the entire scope included in the 996, which includes civil and PEB, along with the stated inclusions and exclusions.

The price mentioned in our marketing for 996 has remained the same since we started in 2018. The advertisement mentioned a building height of 12 meters. Over a period of time, we reduced the height to 7 meters, with the tied height and high... tied height. We fixed the price, while the market rate was not changed. The change was that we reduced the height of the side building from 12 meters to 7 meters.

Anuboli – Individual Investor: I understand. It is working like shrinkflation. What sort of government projects are we looking at?

Management: At this juncture, the company's entire focus has been on booking projects from multinational and private companies. For more than 1 decade, 99% of our orders have come from multinational and private companies. We used to tender for very limited government projects. Now, considering the policies framed by the new government, we are interested in focusing on and bidding for government projects as well.

Hopefully, we will participate in government projects. However, as a company, more than 80% of our projects have been executed for multinational companies, and 20% for Indian companies such as Reliance, TVS, Godrej, PepsiCo, and other reputed Indian companies.

Anuboli – Individual Investor: So you are saying that, particularly for the Uttar Pradesh government, you will be targeting more government projects as well, correct?

Management: We will submit bids based on merit. If everything goes well, if the project meets the government's requirements and also suits our requirements, we may focus on booking government projects. However, as a company, we prefer to execute more projects for private and multinational companies.

We are on the job. As you are aware, more than 22,000-plus crores have been bid, and even a conservative 10% is more than sufficient to cater to this financial year as well as the next financial year. As I have already intimated, more than 22,000 clients are in our bidding pipeline and in contact with us. Therefore, for the next 1 decade, we do not see any challenges in receiving new enquiries or in continuing with existing clients.

As I mentioned in one of the investors' meetings, we receive more than 300 clients in our books. Every year, 60–70% of growth would be generated from existing clients themselves. For example, if a client constructs a factory today, it generally tends to grow, and in the fifth or sixth year it may either expand its existing project or look for a new geographical location to construct its next project.

Sathlokhar Synergys

Based on that concept, we have been executing more repeat orders from various clients, including Reliance, SB Apparel Limited, Kemin, LifeLike, and many other clients. Taiwanese companies and many other companies that have experienced Sathlokhar Synergys E&C Global Ltd.'s performance in terms of safety, quality, and on-time completion tend to call us again for further projects.

With that trend, I am sure that from 2017 onwards, 70-80% of orders are expected to come from existing clients themselves.

Anuboli – Individual Investor: One final question. From the existing large pipeline, I understand that approximately 10% will be converted. When can we know what percentage will be converted? Is there a deadline or timeline?

Management: I would like to put it this way. As I mentioned, we are very selective when signing up with a client because we need to understand their level of interest. As you are aware, last year also we had committed a 4-digit number but ended up with a 3-digit number, moving from 400 crore to 800 crore.

The point is that, even though we have bid 22,000 crores, we are very selective in evaluating clients. The way they view their investments and the contractor's expected margin matters a great deal. Therefore, we are very selective. At this juncture, as I mentioned, even a conservative 10% is well within the limits of our 70% guidance from last year to this year. That is what I am trying to put forth, sir.

Anuboli – Individual Investor: I am only asking whether there will be a deadline or timeline for converting this large pipeline into orders. When can we expect it?

Management: Imagine that you are my client, sir. The moment you see the advertisement, you call us and obtain a quotation. What more can I explain? You may be interested in purchasing land, you may be obtaining a quotation, or you may be working with a banker. Your clients may also need to sign off on your entire business plan. How can we commit to a date?

For us, when it comes to any project, at least 9 to 12 months are involved before it is triggered. That is what I understand from the client. I believe I have answered your question, sir.

Anuboli – Individual Investor: Thank you. I understand.

Operator: Thank you. The next question is from the line of Darshan Patel from Top Secret Holdings. Please go ahead.

Darshan Patel – Top Secret Holdings: Good evening. Am I audible?

Management: Yes, you are very much audible. Happy Independence Day, sir.

Darshan Patel – Top Secret Holdings: Happy Independence Day to the team. My question is an extension of a previous question asked by someone else. It relates to the land acquired from a related party. This land is not related to the PEB manufacturing plant that is going to be inaugurated on August 30, correct?

Management: No. We are constructing the PEB factory on that land itself.

Report is AI-generated and may contain inaccuracies.

Darshan Patel – Top Secret Holdings: So this land would be an extension of sorts?

Management: No. We have taken over this land at this juncture. The related party has committed to obtaining all the approvals. Only after all approvals have been obtained will we proceed with registration. Until then, the landlord has committed to supporting the entire approval process.

Darshan Patel – Top Secret Holdings: Understood.

Management: I would be pleased to welcome all investors to our facility. You will appreciate that it is a National State Highway property with 400 feet of frontage. We have shared videos and pictures with some of our major clients as well. If time permits, I will also share pictures after the inauguration.

It is a National State Highway property with 400 feet of roadside frontage. It has been developed well, and we have taken over this property because it is legally free from all encumbrances and satisfies all the required legal conditions. In fact, we identified 7 locations but were not satisfied with their legal status. That is why we proceeded with this property. It is very close to the Bangalore Highway.

Darshan Patel – Top Secret Holdings: Is one of the reasons for the steep price—6 crores per acre—that it is close to the highway?

Management: No. It is the prevailing market rate, sir. The current market rate for that particular zone is high because the location is developing significantly. Several industrial zones and SIPCOT zones are nearby, as are Tata Motors and other facilities. It is on the same road and in the same zone, which comes under the Ranipet area, toward the Bangalore Highway.

Darshan Patel – Top Secret Holdings: Should we expect the value of the asset to increase in the coming years?

Management: The value is high everywhere. That is the area where we have already started constructing a PEB factory. Regarding other locations, such as Cheyyar and the other areas, it is almost a junction where I would like to comment...

Darshan Patel – Top Secret Holdings: Will this manufacturing facility be of any help?

Management: As I mentioned in one of the meetings, we transferred a project from Chennai to Varanasi during the Kumbh Mela period to construct a {? campus ?} hospital project, moving from Chennai to Varanasi.

Darshan Patel – Top Secret Holdings: Understood. My last question is about the next few years, say the next 3 to 5 years. One of our competitors already holds certifications such as AISC or CWB, which gives them an opportunity to sell in North America. Are you planning to certify your manufacturing unit in the next 3 to 5 years? It may be too soon to say at this point, but is this something you are considering for markets outside India?

Management: Yes, we have plans to export. The export plan is there, but not for only one country. We plan to export globally. Some companies in India are exporting only to the United States, and I

Report is AI-generated and may contain inaccuracies.

Sathlokhar Synergys

am also planning to begin exports shortly, perhaps from 2024-25 onwards.

Darshan Patel – Top Secret Holdings: Understood. Thank you for answering all my questions. Best of luck to the team.

Management: Thank you.

Operator: Thank you. As there are no further questions from the participants, I now hand the conference over to Mr. Parth Acharya for closing comments.

Parth Acharya: Thank you, everyone, for joining the conference call of Sathlokhar Synergys E&C Global Ltd. If you have any further queries, you can write to us at research@kiranadvisors.com. Once again, thank you, everyone, for joining the conference.

Management: Thank you.

Operator: On behalf of Kiran Advisors Private Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.

Management: Thank you.

Note: {? ... ?} indicates a figure or name where audio clarity was insufficient for confident transcription. Verify against the source audio or the company's published filings.

Report is AI-generated and may contain inaccuracies.