



ISO 9001 : 2015

CIN No : L32109MH1995PLC091107

ISO 14001:2015 & ISO 45001 : 2018

**Ref: STL/SEC/2025-26/DT-047**

**May 26, 2025**

The Manager,  
Listing Department,  
**BSE Limited**  
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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 Q4 & 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 Audited (Standalone and Consolidated) Financial Results of the Company for the Quarter and Financial Year ended March 31, 2025 (Q4 & FY25), organized and held on Wednesday, May 21, 2025 at 11:00 A.M (IST), are hereby enclosed.

The aforesaid transcript is also being made available on the website of the Company at [www.suyogtelematics.co.in](http://www.suyogtelematics.co.in).

Request you to take the same on record.

Yours faithfully,  
For **Suyog Telematics Limited**

**Aarti Shukla**  
**Company Secretary & Compliance Officer**

**Encl.: A/a**



## **SUYOG TELEMATICS LIMITED**

**Q4 & FY25**

### **POST EARNINGS CONFERENCE CALL**

**May 21, 2025, 11:00 AM IST**

#### **Management Team**

**Mr. Shivshankar Lature - 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**

**Call Coordinator**



**Strategy & Investor Relations Consulting**

***Disclaimer: E&OE - This transcript is edited for factual errors. In case of discrepancy, the audio recordings uploaded on the stock exchange on May 21, 2025, will prevail.***

## Presentation

### **Vinay Pandit:**

Ladies and gentlemen, I welcome you all to the Q4 and FY25 Post-Earnings Conference Call of Suyog Telematics Limited. Today on the call from the management team we have with us Mr. Shivshankar Lature, Managing Director; Mr. Tushar Shah, Business Head India; Mr. Ajay Sharma, Chief Financial Officer; Mr. Suyash Lature, Business Development Manager and Ms. Aarti, Compliance Head.

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 business highlights and performance highlights for the quarter-ended 31 March 2025, the 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:**

Thank you, Vinay. Thank you everyone for joining our quarterly call. So before I start my presentation, I would like to thank each one of you. Because of your support and employee hardwork, once again we have declared a very encouraging result. We are able to rolled out close to 1,800 tenancies the entire financial year. We've again improved on our PAT and EBITDA margins.

So it has been one of the very encouraging results against all the odds. So I know there are lot of questions among the investors, so we are keeping our presentation limited to critical slides, which I will explain to you in detail, post which we will open it for Q&A. Kamlesh, can you scroll down?

So in FY25, if you see our Q4 percentage of revenues here, there is a drastic improvement in BSNL numbers which has gone to more than 2% of my overall revenue in Q4. So if you consider the entire year, my Airtel share is almost 49%, followed by Jio in 23% and VI on 27%. Again, we will see a drastic change in coming quarters for VI and BSNL because we are rolling out max of this sites for VI and BSNL. As you know, we have informed earlier, we have presence across India. Now we are able to successfully reach 7,000 tenancies.

Obviously, it is not as per the expectation, but we will be able to achieve 7,000 sites against all financial odds. But we have a lot of business. Incoming quarters will surely make up for it.

Kamlesh, next slide. To be specific on numbers, one of the critical highlights is that to be specific on numbers, we have now 5,704 total towers and 7,002 total tenancies. We have also crossed 1,000 landmark in my government portfolio which is one of my biggest USP and we have crossed 5,800 kilometre of fibre network.

So one of the biggest highlights of the year was the acquisition of Lotus which we completed on 31 March. So as you all know, we are very strong here in Mumbai which is the financial capital of India. Now we also have a very stronghold in Delhi which is the national capital of India. So any company who are very strong in Delhi, Mumbai will always be a part of top notch of the industry. And in Suyog, we were having the same thinking that with Mumbai we should have a very strong presence in Delhi and we have got lot of advantage of Lotus acquisition.

If you see, we have got INR15 crores to INR16 crores of revenue will be added to our consolidated revenue and we have got almost 120 sites followed by 140 tenancies in Lotus. And we are very sure that we will add another 50% of tenancies in coming quarter on the Lotus portfolio which will make one of the most critical pair of Delhi circle. So with this acquisition, Suyog now have become a very strong player in national and financial capital both of India.

And it fits our strategic planning where we wanted a presence in a circle where we were weak. Now I have always been saying throughout the year that government is supporting telecom industry like never before. So one of the most important decision which government has recently taken is the RoW guideline which has been released centrally which is now mandate for all the states to adopt that policy.

The major benefit of this new RoW policy is it's a single window clearance for all my tower permissions from any corporation or any panchayat or any central state body. I just need to apply on Gati Shakti portal. There are 30 days deemed approval process where I need to upload my documents and all my sites become legal from BMC or any regulatory approvals. So I don't need to go on a different corporations or different panchayats. It's a single window clearance where within 30 days all my sites are legal. That is now standard RoW charges across India.

While there was a lot of disparity in different states or different states were having different charges, now all states need to follow this central guideline and there is a common rational charge across India.

Third biggest benefit, no corporation can take any legal action of any of our tower without giving any proper notice, and if I have Gati Shakti approval on all my towers. So government has been supportive and we are sure going forward in next one or two years we will see many such rules which will benefit IP companies specifically.

In terms of our future plan we are still very sure of achieving 10,000 -- we are sure of achieving 10,000 tower rollout in next two financial year. We are very sure we will be achieving this. We are planning to add another 5,000 tower in FY -- current financial year. And we will add same 5,000 number in the next financial year. We have got enough business from Vodafone, Airtel, Jio and BSNL to achieve our target. And now we are on a course of arranging funds and we are sure this financial year we will be going to achieve this target.

Again I said we are still focused on FTTH and fiber vertical and we are in next two or three years would be ruling out huge number of FTTH and fiber across India. Recently we have bidded for one of the MTNL fiber tender in Mumbai where we have been awarded L1 and we are very close of awarding that tender to us which will give another 500,000 sites benefit in Mumbai.

And we are working on many such tenders of FTTH and fiber which will complement our addition which will add to our revenue figure in coming years.

So one of the biggest BSNL update like I am saying that BSNL has become one of the key important customer for us. Recently there was a letter released by BSNL central office to all the circle offices stating please transfer all the sites of non-performing IP company to Suyog. So we are expecting now huge jump in BSNL business with this. So if you see overall BSNL is now dependent majorly on two players one is the India second most power company and second is Suyog for their rollout. And the top largest company has defaulted on the performance followed by all other IP companies.

So we are expecting all that SOs to get converted to Suyog in next say weeks or 15 days time. And we are expecting huge jump from BSNL across India in our revenue and in our business. And that's officially declared by central team that Suyog is one of the most best performing company for BSNL. And we want to give -- Suyog has become our preferred partner for BSNL where they want to give more and more business to Suyog compared to any other IP.

So we'll move on financial statement. So I believe you must have seen financials declared by now. So here what we are showing is a financial statement excluding ESOP impact which is one time exceptional impact. So that there is an apple to apple comparison and there is no confusion in terms of our results. So if you see my EBITDA margin has improved. Now my EBITDA margin for Q4 is almost 71.4% compared to 62% year-on-year. So there is an 853 basis points improvement. Even if you compare to financial, it has improved by 104 basis points on an overall yearly basis.

We have reached -- even if you see my EBITDA margin has gone to 46.5% compared to 41.5%. Again PAT margin, we have sustained the PAT margin. It has improved by 275 basis points to 18s basic points. My reported net profit may be negative. That's because of an ESOP impact, which I'll explain to you in the next slide. But if you remove that ESOP impact, we are able to maintain net profit of 32% and EBITDA has further improved.

So these are the important notes which we have highlighted on our financials. So if you see, we have taken a hit of ESOP, which is a notional loss for Q4. This ESOP was already approved by shareholders in a shareholder meeting, which we have taken impact on. There is an INR27 crore ESOP impact on my financials, which is mainly a difference of exercised rate versus the fair value rate. And this entire valuation was done by a registered valuer. And based on that, we have taken an impact of INR27 crore. And this is as per the accounting policy. We need to take this hit, even though it's a notional hit, it needs to be part of the financials.

And hence, we are seeing a loss in current quarter. Actually, if you remove this INR27 crore, we have reached 50 crore per revenue in current quarter. And we have maintained the same EBITDA and PAT margins.

Second point, if you see, the EBITDA margin excluding ESOP, we have improved drastically. So it stands at 71.4%, which is 853 basis point increase from year-on-year. So our results are extremely encouraging and it's much better than even previous year.

Net profit at 35.3%. What we have been committing year-on-year, that we will maintain net profit between 32% to 35%, we are continuing same in current year and current quarter also. And EBITDA is also 70% plus.

Our biggest gain in this current year is our cash flow. We have managed our cash flow excellently well. So against all odds, even though we have deployed 1,800 plus sites, majorly for Vodafone and BSNL who are making payments for 90 days, still we are able to improve our cash flow.

We have generated a positive cash flow of INR211 million compared to INR14.8 million in previous financial year. So this is one of the biggest upside on our financials, which we can further utilize to improve our rollout in next financial year.

Now in a financial year also -- see this revenue recognition happens on quarter-on-quarter basis. For this entire financial year FY25, we have done a revenue recognition of INR24 crores. So when we say it's revenue recognition, we have fulfilled all our contractual obligations with private operator and government operator both. They have accepted and they have given me a sign off. But due to certain technical reason, we are not able to bill it. So contractual obligation has been done. We have received commitment from operator that they are going to pay me this.

Only thing my billing is pending, which will happen in coming quarter. And if you see the breakup, my around INR4 crores of revenue billing is pending with Airtel's fiber team for certain PO related issues. My maximum around INR19 crores of revenue is pending from BSNL. We have started rollout for BSNL in month of October. Now as a process BSNL allow -- they give me acceptance of the site, but they allow me to bill only when their site is on air. And obviously there was -- you all know that there was a certain delay from Tejas due to their backhaul issue, which has been now resolved.

And as and when BSNL is integrating that site, we are billing them. And obviously some INR7.9 million is pending between Airtel and Voda-Jio, which is a normal regular new site billing, which happens after one or two months. So all these are contractual obligations are over. We have received confirmation. Only thing billing is pending for this INR24 crores, which will happen in subsequent quarters.

So that's all in terms of presentation. I have been trying to clear all the questions which we have. Now, Vinay, can you open the floor for Q&A?

## **Question-and-Answer Session**

- Moderator:** Sure sir. All those who wish to ask a question may use the option of raise hand. And we will invite you to ask the question. We will take the first question from Varun Gia. Varun you can go ahead please.
- Varun Ghia:** Hi sir. Couple of questions from my side. Sir this INR24 crores which you mentioned, so these are pertaining to the tenancies added in Q3 or these are prior to that. And despite such good addition of tenancies and towers it doesn't reflect in the overall revenue growth which should have been in Q4.
- Tushar Shah:** So Varun, first thing that this INR24 crores is spreaded across the year. But as majority of that INR24 crores which is with one of the government player which is INR 19 crore are mainly to a rollout related to Q3 rollout. So if you see actually I have done a revenue of INR50 crores in Q4. If you see my revenue of INR50 crores in Q4 is INR50 crores. And even though we have revenue recognition of INR24 crores because billing has not happened but we have considered it in the revenue. And expense also booked for this. All these expenses are already booked. Only billing is pending. So majority of that is for Q3.
- Varun Ghia:** It should have been quite more because you added almost 1,200 tenancies in Q3, and 600 this quarter.
- Tushar Shah:** No, this quarter we have not added.
- Shivshankar Lature:** Varun, Varun. Tushar, one minute. Varunji, we are previously working with the three operators like Airtel, Vodafone and Jio. These are private operators. Due to the market scenario, this is indigenous product done by Tejas. Their stability of product is very much important for BSNL aspect. And fibre connectivity is there. The issue is not pending from Suyog has done as per his skill and all the site has deployed. Now government has to on-air the site. But they have given the SO and everything is in place. First question is which quarter is this? This is Q3 and Q4 only. And now we are in a better position to get that optical fibre tender. So that government will clear the dues, because there are two where BSNL is present as MTNL, in Mumbai and Delhi.
- So we acquired the Delhi company due to this purpose only. Government billing is slow. Everybody knows that. That is not new. But they have already given the following procedures and their due diligence. And their clearances we have got it. So Tushar wants to say that third quarter and fourth quarter is the only issue. That billing will be subsequently handled. Okay.



**Varun Ghia:** Okay. And this ESOP which you have issued, was issued at what price? And has this been exercised?

**Tushar Shah:** Sharmaji.

**Shivshankar Lature:** Ajay Sharma.

**Tushar Shah:** Aarti please unmute. Sharmaji.

**Ajay Sharma:** This ESOP has been brought for the benefit of the employees. And the registered valuator has done its specified valuation, with effect from 2019 to 2023. And according to this, the price is INR527, sorry its – INR 541.67.

**Varun Ghia:** Okay. And has it been exercised?

**Ajay Sharma:** No, it will be exercised in the coming period.

**Varun Ghia:** So in cash flow, it is showing that the money is received.

**Ajay Sharma:** Money is not received in cash flow. That is of the warrant, last year we gave warrants, that money has come from warrants. Till now the money has not come from ESOP.

**Varun Ghia:** Okay. And warrants, how much the remaining pending will be done in what time? 5 Lakh shares are pending.

**Ajay Sharma:** 5 lakh shares still pending.

**Varun Ghia:** That will be received in what period of time?

**Ajay Sharma:** I think that will be received in the month of June or July.

**Varun Ghia:** Okay. And can you also let me know what is this jump in other current assets? There is a big jump of INR33 crores. So what is that pertaining to?

**Ajay Sharma:** The loan that we have taken from ICICI Bank, it was disbursed on 31 March. So its bank balance has been added. That bank balance will not come. And because its utilization will come on 1st April. So for that, it is an accounting norm you have to call it in the current asset.

**Varun Ghia:** So how much total debt has increased? INR37 crores is visible. It has increased. Plus this INR33 crores.

- Ajay Sharma:** In comparison to the increase in debt flow, my debt has also decreased. So there is no drastic change in my debt.
- Varun Ghia:** So this INR33 crores will be added, right?
- Ajay Sharma:** You have added INR35 crores debt. But in comparison to that, we have reduced around INR20 crore in April. So the net effect is INR15 crore.
- Varun Ghia:** And one last question. Vodafone receivables as percentage of total receivables would be how much? Because there is a good amount of jump in receivables, around INR22 crores.
- Ajay Sharma:** Vodafone is around 28% to 30%.
- Varun Ghia:** And any issues in --?
- Ajay Sharma:** No, no issue.
- Varun Ghia:** And Vodafone recently mentioned that it will be very difficult for them to survive.
- Ajay Sharma:** Varun, I have also put notes in my balance sheet. There is an issue with Vodafone. But as far as power companies are concerned, they are paying everyone equally. The payment that they are stopping, they give me rent and GST immediately. Yes. The money for IP fees is coming in 90 days.
- Tushar Shah:** Varun, I will take this question. In terms of Vodafone, they have been very aggressive in nature. They have rolled out 5G services in Bombay last month. And in the current month, they have already rolled out 5G services in Delhi. So I have been in and out of Vodafone on an almost daily basis. Vodafone has been very aggressive. They will surely do more and more business in coming years. And we don't have any doubt on the sustainability of Vodafone. They will make statements because they play some games with the government.
- There are some internal discussions happening with the government at that time. We don't comment. But in terms of the IP company, in terms of sustainability, we are 100% sure that Vodafone will become much stronger in coming years.
- Varun Ghia:** And out of these 10,000 which you have guided, how much would be the potential BSNL and Vodafone?

- Tushar Shah:** Basically, we are guiding for 8,000 towers with 10,000 tenancy. So in 10,000 tenancy, we are expecting 5,000, 6,000 tenancy from BSNL and around 4,000 tenancy from Vodafone.
- Varun Ghia:** Understood. Thank you. I will come back and check.
- Moderator:** Thank you, Varun. We will take the next question from Mahek Talathi. Mahek, you can unmute and go ahead, please.
- Mahek Talathi:** Yeah. Hi, sir. Good morning. Thank you for the opportunity. So, sir, I wanted to understand for the provisional revenue part. We have recorded INR24 crores as a provisional revenue out of the INR50 crore. So our revenue from operations in Q4 is just INR26 crore.
- Tushar Shah:** No, no, no. Varun, Varun, Varun. Sorry. Mohit, right? Mohit, so I said in my presentation also and if you see that slide, that INR24 crore is for the entire year and not for Q4. See, this provision, we keep happening on quarterly basis, but there was never remarked because all were unaudited. Since this was an audited balance sheet, the results which we have declared, there is a remark stating it's a revenue recognition which happens for every company in every quarter.
- There would be something where bidding would be pending. So this INR24 crores, out of this INR24 crores, INR4 crores are for the fibre which is for entire year. Around INR19 crores is for government player where provision has been for 6 months and not for Q4 alone. And there is another INR78 lakhs or something which is for another 6 months. So more or less these provisions are for 2 quarters and INR4 crores provision is for entire year. It's not for Q4 only. And we have also given corrigendum of the remark yesterday night by the auditors.
- Mahek Talathi:** Okay. And by when can we expect full impact of the new tower addition of close to 1,800 towers which will be added? Because revenue from operations is not flowing there, it's not visible there.
- Tushar Shah:** So it will happen from coming quarters because when we roll out a tower, we don't roll out on day 1 of that quarter. It happens for entire quarter. So full potential of receivable, it will be visible in current quarter.
- Mahek Talathi:** And the INR24 crore which is the part of the provisional revenue, is it a part of the trade receivables or is it a part of the current assets because the billing is yet to be done?

**Tushar Shah:** Sharmaji?

**Ajay Sharma:** It is a part of the other current assets.

**Mahek Talathi:** And so the ESOP portion in cash flow is showing as an INR35 crore receivable from ESOP. And if we receive the INR20 crores which we received from --

**Ajay Sharma:** It is not received from ESOP, it is received from the share warrant. That was issued to Shivshankar Lature and Suchitra Lature.

**Mahek Talathi:** Sir, but the warrant amount is just INR20 crore. So the remaining INR15 crores is from?

**Ajay Sharma:** 25% was received from Shivshankar Lature earlier and balance INR20 crore in the month of March.

**Mahek Talathi:** Sorry sir, can you explain again?

**Ajay Sharma:** 25% comes at the time of application of the warrant. Shivshankar Lature and Suchitra Lature gave their 25% earlier. Shivshankar Lature gave their 75% on 31 March. So Shivshankar Lature's warrant has been completely compiled. And Suchitra Lature's will be compiled in this particular financial year.

**Mahek Talathi:** Okay, understood. So the INR25 crore which we have recorded as an exceptional item of ESOP. So that will not come in the future quarters or years, because we have done that in one end.

**Ajay Sharma:** Now only INR25 crores will come from Suchitra Lature. Nothing else will come.

**Tushar Shah:** Sharmaji he is asking about ESOP. Whatever ESOP we have done, we have made a complete impact in this quarter. So its impact will not come in the future, right?

**Ajay Sharma:** Expenditure impact will not come. Whatever will come will be capital. That money will come.

**Mahek Talathi:** When are you expecting to convert this warrant into --?

**Shivshankar Lature:** Simple answer is that impact will come only after one time.

**Tushar Shah:** Sharmaji he is asking about the conversion of ESOP. He is asking when will it be exercised.

**Ajay Sharma:** What did you say?

**Tushar Shah:** They are asking when will we do exercise.

**Ajay Sharma:** It is open for exercise. All employees can exercise it.

**Mahek Talathi:** Okay, so sir now we have two ESOPs lined up for exercise, right? One is on 2018 where we are close to 15 lakh shares and 5 lakh shares which we have recently issued.

**Ajay Sharma:** Yes.

**Mahek Talathi:** Okay. And sir last question is regarding the -- so last quarter you mentioned we are in talks with two bankers for an INR100 crore loan. So when can we get an update for the same and when can we receive the funds?

**Tushar Shah:** Sharmaji?

**Ajay Sharma:** What is the question?

**Tushar Shah:** Sharmaji, last quarter we told them that we are raising INR100 crore debt from two of the bankers. So he is asking them when will we get INR100 crore? And how much money have we received so far if any?

**Ajay Sharma:** I have received INR50 crore from Axis Bank in March. And INR20 crore from ICICI bank. INR30 crore will come in April quarter. It comes in April month of ICICI bank. And INR50 crore is already in due with Axis Bank. So mostly I will get by June.

**Tushar Shah:** So what we are expecting Mahek is that out of INR100 crore, INR30 crore, INR35 crore we have received in the last day of March. And the balance we are expecting in Q1. So the entire INR100 crore by the end of Q1 will be with us. And which will help us to a very strong rollout in Q1 plus Q2.

**Mahek Talathi:** Tusharji, last question from my side. Practically if we look then the receivables would stand at INR87 crore. Because of INR63 crore of receivables plus INR24 crore of unbilled revenue. So net-net we have to take INR87 crore from the market, right?

**Tushar Shah:** No, but when say INR87 crore, that INR87 crore that INR87 crore is not part of my top line because that receivable also include electricity receivables, which is not part of my top line. Around INR30 crores

would be an electricity receivable out of that which happens on a two months, or three months cycle on monthly basis. So top line it would only be around INR50 crores receivable. Balance INR30 crore is electricity receivable.

**Mahek Talathi:** Okay, thank you.

**Moderator:** Thank you Mahek. We will take the next question from Darshil Pandya. Darshil you can unmute and go ahead please.

**Darshil Pandya:** Hi, can you hear me sir? Yes. Sir, what was the CapEx for Q4 that we have spent?

**Tushar Shah:** So in Q4 we have done only 50 odd sites. So not spent much. It would be INR4 crores, INR5 crore CapEx. My major CapEx happened in Q3.

**Ajay Sharma:** I will tell you one thing. This year I have around INR50 crores in WIP.

**Darshil Pandya:** Correct.

**Ajay Sharma:** So that was also a CapEx. We have already infused money from our side. As soon as it gets realized, we will put it in CapEx.

**Darshil Pandya:** Sir, when will this CWIP come in fixed assets? By September or when do we expect?

**Ajay Sharma:** It will come in first quarter or second quarter.

**Tushar Shah:** It will come in assets. Partly in Q1 and partly in Q2.

**Darshil Pandya:** Got it. And sir, whatever towers we have shown in the presentation, is the Lotus Tower included in that list?

**Tushar Shah:** No. No. We have not consolidated yet because the acquisition happened on 31 March. So now in Q1 it will get added.

**Darshil Pandya:** Got you. And sir, whatever you have explained with regards to the loan facility that we will be getting up, but then we will be needing some more capital for doing that 5,000 towers. So what will be that amount that we are --?

**Tushar Shah:** We have planned INR500 crore CapEx in coming year. Out of which INR100 crore we are able to successfully raise from banks. Sharma, the INR150 crores will be internal actual?

**Ajay Sharma:** Yes.

**Tushar Shah:** INR150 crores will be internal. So we have around INR250 crores. We have a shortage of INR250 crores, out of which I think around INR50 crores we should receive from preferential and ESOP. So balance INR200 crores we are still trying to raise the funds. So again when we get some positive news, we will update you.

**Darshil Pandya:** Okay. Last question would be on the kind of guidance that we had shared. Is that outlook still on track?

**Tushar Shah:** Yes, 100%. Because of last year, since market was not good enough and we were not able to do up our preferential. So it has just got spillover by another say two quarters. Numbers are intact. Only thing it will be spillover for two quarters.

**Darshil Pandya:** So INR320 crores is still visible as per your --?

**Tushar Shah:** Yeah, maybe not if FY25 then six months later. But it's 100% there on cards and it can be more than that. The way we are seeing and positive feedback from BSN and VI, we can cross that also. But there can be slight bit of one or two quarters in achieving that number. That's it.

**Darshil Pandya:** Okay. And sir, one last question with regards to Vodafone Idea. Sir, I heard you saying about Vodafone, how strong it is going to be coming back. But the also thing is that, what the other participant also talked about, the Vodafone is not -- they are saying that it's hardly -- they can hardly go for six months and they will need the government intervention. But then you are saying something else and ---

**Tushar Shah:** Since it's a recorded call, I can't say much. But then if you see, there is also news of AGR waiver, which is happening. So, if they want an AGR waiver, they have to make many such statements. So that's a part and parcel of company's strategy. And we can't comment on VI's strategy. But we work on ground with Vodafone. On ground, actually there is a clarity that Vodafone will come much stronger. They have started rolling out 5G. Don't quote me, but by August, I think in this H1, they will be rolling out 5G across India.

So they are going to come back very stronger. They are putting a lot of money into business. They are coming up with almost -- we have seen

the number of sites they are coming up with. So undoubtedly Vodafone will come stronger. And the statements which have been made by VI management are part of their strategies. And I can't commit much on recorded calls.

**Darshil Pandya:** For this fiscal year, any one-off -- any other expenses that we are seeing for this fiscal year?

**Tushar Shah:** Other than CapEx?

**Darshil Pandya:** Other than CapEx, this one-time hit that we have taken for ESOP, something like that, any other expenses that we are seeing as in that might hit our profitability?

**Tushar Shah:** Sharmaji, will there be any other ESOP this year? In this entire financial year you are talking, right?

**Darshil Pandya:** What did you say, sir?

**Ajay Sharma:** This year, there won't be. Next year, there will be.

**Darshil Pandya:** Next year, there will be. There won't be any one-off like this this year?

**Ajay Sharma:** No, there won't be any big one-off.

**Darshil Pandya:** Okay, got it, sir. I will fall back in the queue. Thank you so much.

**Moderator:** Thank you, Darshil. We will take the next question from Rishi Kothari. Rishi, you can unmute, please.

**Rishi Kothari:** Yeah, hi. Thank you so much for the opportunity. I had a couple of questions on the P&L front. I mean, in terms of expenditure, if I see, there's a drastic increase in cost of material consumed as well as, you know, for the quarter and employee benefit expense post the adjustment of ESOP. I mean, what exactly is driving this sort of expenses? Is margins front more or less has been intact because of the other expense went down. Otherwise, you would have taken a huge hit in margins and EBITDA --.

**Tushar Shah:** Sharmaji?

**Ajay Sharma:** Other expenses, the expenditure increased, is that what you are saying?

**Tushar Shah:** Cost of raw material.



**Ajay Sharma:** Cost of material. Cost of material increase is not drastic. It has not changed much. It has gone down.

**Tushar Shah:** Rishi, I think you have seen the consolidated balance sheet, where --

**Rishi Kothari:** No, no. I mean, your PPT that has mentioned the financial statement on slide number 40, that YoY percentage I'm looking at for the quarter, right? So, top line, I see a 10.4% of YoY growth. But at the same time, my cost of material consumption has increased by 53.9%, around 54%. So that's the main question. I mean, I don't know why exactly no one has addressed this yet, but this is something that's to be looked at right now.

**Tushar Shah:** Sharmaji, Kamlesh, can you open that slide what he's talking? So, it will be more clarity.

**Tushar Shah:** Sharmaji, look at the slide, what he's asking, financial statement slide.

**Rishi Kothari:** Yes, financial statements, slide number 40, just before the supporting note that we have published. These are standalone numbers, if I'm not wrong. These are purely standalone numbers based on your statement.

**Tushar Shah:** So which line item you're talking about, cost of material consumed, right?

**Rishi Kothari:** Yes, and that third line it is on the quarter basis, Q4.

**Tushar Shah:** Q4 is INR35 crores, right? INR35 crores.

**Rishi Kothari:** INR3.5 crores, yes. 35 million.

**Tushar Shah:** INR3.5 crores and 55 [ph] compared to Q3.

**Moderator:** So, he's comparing this year Q4 versus last year Q4. This is what he's asking.

**Tushar Shah:** Okay, INR23 crores versus INR35 crores, you asked? Sharmaji?

**Ajay Sharma:** Yes.

**Tushar Shah:** Cost of material consumed, Q4 last year was INR23 crores, this year it's, this quarter it's INR35 million.

**Ajay Sharma:** Last year, my entire in this, last year's interest rate is the highest, last year's was 10.49% material cost, this year my material cost is 10.11%. So, my cost has decreased, it has not increased. If we see this. Sometimes what happens during the quarter, some expenditures shift to the next quarter, so in the balancing it goes up and down. But there is no drastic change in this also.

**Rishi Kothari:** But on that front, my in a way margins, because of other expenses, my margins were pretty much stable on that front. Otherwise, my margins would have been drastically YoY. I also want to ask, at other expense, what exactly do we include? If at all, there is a huge fluctuation in the cost of material consumed, right? So, it's true.

**Tushar Shah:** So this is what I can tell you, my operation cost has gone down because of a massive rollout, which we did in Q3. My operation cost on per site basis has gone down. So, overall my cost has reduced in terms of actual operation expenses. About this, I think we will get back to you with the query. Share your email id on a comment message. We will share you the entire breakup of this.

**Rishi Kothari:** I will be very happy if you are able to provide the full breakup of cost. And also on the other questions I had, apart from cost the other income has also reduced drastically. I mean what exactly is driving our other income first thing. And if at all that is the thing, is it a sustainable thing for our future next two-three quarters how exactly we are looking at?

**Ajay Sharma:** Rishi, for other income, our decrease has happened is that last year, we gave interest on the loan given to Supreme Suyog Furniture Company, Suyog Gurubakshani, that loan and the interest, from last year, was paid off in the last year. Okay? Till 31 March 2024, 90% of the loan was paid off. Now, its interest came in the last year, but not in this year. Due to the interest not coming, the other income is shortened. The other income is not my main source of business.

We don't have that interest. Our interest is that as a call, because of the previous call, we gave them money. If we get that money back, then there is no requirement of interest on that.

**Rishi Kothari:** Which I get it. But I mean, last quarter YoY, the margins were pretty much sustainable because of them. Right now, we are claiming that

**Ajay Sharma:** Yes, they are sustainable.

- Rishi Kothari:** So we are claiming that 32% to 35% of the margins are sustainable for us.
- Tushar Shah:** So even if you see, Rishi, my other income percentage is right now very low. Other income is only interest from loan or bank or something. My entire EBITDA and PAT they are sustainable based on my revenues from operations.
- Rishi Kothari:** Okay. Sir, also in terms of employee benefit expense, how exactly is it drastically increased? I mean, we are hiring more people for it. What exactly is the reason behind that?
- Tushar Shah:** One is this INR27 crore ESOP which has increased the employee benefit.
- Rishi Kothari:** I am adjusting for that. Post that we have seen YoY increase.
- Tushar Shah:** There was a change in director revenue. Obviously, we are hiring more people. There is a recruitment which is going on. But major impact has come because there was a revenue from directors. There was a change in some revenue from remuneration to directors. And yes, we are hiring more people because since we are rolling out more sites, we will need to also hire people in terms of our operations team and that is also driving the upward cost of employee benefit.
- Rishi Kothari:** So in a way, we have changed the compensation for our directors and management level.
- Tushar Shah:** Yes, plus an employee addition put together other than ESOP.
- Rishi Kothari:** Do we have any sort of break-up for that? Is it at all possible for you to give me?
- Tushar Shah:** We will share with you. So what I am suggesting is, you can just send a mail on our CS investor ID with all the data you need and my CS will be back to you as per the SEBI rules.
- Rishi Kothari:** Okay, sir. I will do that. And in terms of --
- Moderator:** Rishi, again, I think you can just get back into the queue. There are a few questions we will take first.
- Rishi Kothari:** Sure, thanks.

- Moderator:** Thank you. Mr. Deepak Pandey, you can unmute and go for your queries, please.
- Deepak Pandey:** Hi. Thank you. Sir, as on 31 March, we have 5,700 towers, 7,000 odd tenancies. Can you just give me a number? What does it look like by the end of FY26 and also FY27? And how much incremental CapEx do we need to get to those numbers?
- Tushar Shah:** So what we are planning is another 4,000 towers in FY25. So 5,700 will go to around 9,700 plus towers. In terms of tenancy, it will be 5000 addition in both the years. And we are planning CapEx of around INR400 crore in each financial year. We need on an average INR10 lakhs CapEx per tower between different categories of tower. So if I am able to roll out 4,000 towers in current year, then I need INR400 crore CapEx and same goes for next FY also. And we are targeting to achieve tenancy of 15,000 by next FY end.
- Deepak Pandey:** Got it. Got it. Now, this INR400 crores also, if you can break it up year by year, how you will get it in FY26 and then in FY27?
- Tushar Shah:** For FY26, we are raising INR100 crores from bank debt right now. Another INR150 crores raised from internal accrual. So it becomes INR250 crores. Another INR50 crores will come from promoter for their past warrants and ESOP. So we are able to reach around INR300 crores easily. And INR100 crores shortage will again go for bank debt where we are working with the bankers.
- For next financial year, we have still not have clear plans. As and when we get some positive output, we will update you on every quarterly call. But this year, we are more or less that we will be able to arrange INR400 crores easily. For next year, we will update you as and when we get some positive feedback from the lenders or maybe bankers.
- Deepak Pandey:** So it is INR200 crores of loan, INR150 crores of promoter internal accruals and INR50 crores from the promoter.
- Ajay Sharma:** So right now we are thinking as of today we will increase the bank debt...
- Shivshankar Lature:** Sharmaji, one minute. I am stopping. It is simple, out of INR400 crores, INR200 crore is income from bank, INR150 crore from our internal accruals and INR30 crores ESOP is there. So INR380 crores, INR20 crore or some less is there. We can manage it. Okay. That is the INR400 crores plan.

- Deepak Pandey:** Sir, INR200 crores is the incremental amount that we need, right? Yes. But we are already in May.
- Tushar Shah:** No, no, no. Sorry.
- Shivshankar Lature:** INR 100 crore has already come. We will get additional 100 crores.
- Tushar Shah:** Let me give you a break up. From 31 March till now we have got more or less INR70 crores. And another INR30 crore are pipeline. It will come any time in Q1. So Q1 we have already raised, you can assume that we have raised INR100 crore in Q1. Balance INR100 crore will follow in next quarter.
- Deepak Pandey:** Okay, and I don't understand INR150 crore of internal accruals also. Can you also break it down?
- Shivshankar Lature:** You just see the operational cash flow. The very high operational cash flow we have got and even if you see my PAT, which is around 35%. I have a top line of 192%.
- Deepak Pandey:** Sir, there is an OCF of INR80 crores. In INR80 crore, you will get INR80 crore, INR90 crore this year also, which will eventually come quarter by quarter. So I still don't understand how you will manage INR150 crores CapEx.
- Shivshankar Lature:** Sir, it is like this. You said INR90 crores. ESOP of INR30 crores from Suchitra Lature is left, INR120 crores. Now the arrangement of ESOP of INR27 crores is INR30 crores. INR30 crore and INR 30 crore, INR60 crore and INR90 crore, so INR150 crores is done.
- Deepak Pandey:** But you are adding ESOP separately also, right?
- Tushar Shah:** No, no. I am doing internal accrual.
- Ajay Sharma:** Sir, when internal accrual will be done, then our company's profit plus our preferential shares will also get money.
- Tushar Shah:** Sharmaji. Sharmaji. Internal accrual of INR150 crores that we have planned, that explanation is left. If you see my top line, it is INR192 crores. So explain to him, how INR150 crores is coming.
- Ajay Sharma:** Okay. My EBITDA is 71% today. Do 71% of INR192 crores.

**Deepak Pandey:** But that won't be the cash that you will get, right? You have receivables also.

**Ajay Sharma:** Sir, but my previous receivables, my outstanding cash will also come to me, right?

**Shivshankar Lature:** Sharmaji, he is saying that your outstanding INR30 crores, this is the monthly cash that is being generated.

**Tushar Shah:** Sharmaji, against that, you also get credit from suppliers and vendors. So it gets adjusted. So we will 100% use this INR150 crores. It may not come in this year, but in the next quarter of finance, I also have a credit period for my suppliers.

**Deepak Pandey:** Got it. Sir, we can understand it like this, if you explain INR400 crores quarter wise or half wise, that the CapEx will be INR200 crores in H1 and INR200 crores in H2.

**Shivshankar Lature:** That will be the more better. Yes.

**Deepak Pandey:** So let's hold INR200 crores in H1 and H2.

**Ajay Sharma:** Correct.

**Deepak Pandey:** So we already have INR200 crores in H1. Is that understanding clear?

**Ajay Sharma:** Yes, sir.

**Deepak Pandey:** We have it in H1. And we have to arrange for it in H2, right?

**Ajay Sharma:** Yes, sir.

**Deepak Pandey:** Got it. Sir, average revenue per tenant per month, can you give the figure?

**Tushar Shah:** Close to INR35,000. So it will vary from operator to operator. But on an average, it will be close to INR35,000.

**Deepak Pandey:** Got it. And on the fundraise part, is there any planning going on for the fundraise?

**Tushar Shah:** No planning as of now. No plan. So we will wait for how the market plays and then we will see. And that's why we have not given you any fundraise possibility for this INR400 crores of current FY, where we

are keeping INR400 crores other than the fundraise. So INR400 crores is only from bank debt, internal accrual and so on.

**Deepak Pandey:** Got it. And sir, you were telling about the loan Axis bank, ICICI bank, can you please explain that again?

**Ajay Sharma:** My proposal is approved by both Axis and ICICI Bank. Top up of INR100 crores. It will get closed roughly in June. So my debt comes to me.

**Deepak Pandey:** Got it. I will join back in the queue. Thank you.

**Moderator:** Thank you, Deepak. We will take the next question from Saket Kapoor. Saket, you can unmute and go ahead please.

**Saket Kapoor:** Yeah. Namaskar, sir. Sir, as you were explaining, so our closing debt on the basis of long term what will it be, sir, FY25 and FY26?

**Tushar Shah:** It will be INR225 crores.

**Saket Kapoor:** Okay, sir. And on this, what will be our interest rate? At what rate are we getting the loan?

**Tushar Shah:** 9.5% million.

**Saket Kapoor:** 9.5%. And sir, in terms of maturity, what is the moratorium and when do we start repayment?

**Ajay Sharma:** We don't have any moratorium of even a single day. We start our EMI on the first day and we get the term loan of 5 years.

**Saket Kapoor:** Sir, as we can see, there are a lot of questions regarding our financial reporting and as it is said, those numbers are not understood in the investing community. You are taking a lot of time to explain them but even now, sir, the clarity is not clear to that extent. And as the market is also anticipating its market cap, there is a gap in perception.

So, since you have taken the decision of preferential allotment, the market cap is also on a declining trend. So how do promoters and other people take it? Where is this gap in perception or confidence? Because of which the market is anticipating this reaction?

**Shivshankar Lature:** Sir, you have asked a very right question. I would like to answer it well. See, when we did the fundraising program, it came in 1875.35 . Because of the sudden American view, our price did not fall alone, the

entire market fell. That is the first point. The second point is that this is our growth story and our Business Head, Tushar Shah or CFO, wants to tell the market that if the fund is not raised by the market, then we are going for the debt purpose. The market wants to understand where you will raise money and how you will work.

We want to say that if we have not received this money from here, then we are comfortable with bank debt. This is a misunderstanding. Investors want to understand that the money you were going to raise for growth, there are two models. Out of two models, one model is not lucrative for us, so we have gone to the debt model. We are reaching our target. We want to tell the market that the orders we have and the speedy development of Suyog and deployment of site, we should capture it as soon as possible. That solves the issue.

**Tushar Shah:**

I will give three bullet points there. First is as a company we are very sure that markets will react to our results and our performance. So as a company we are purely and purely focused on our performance. We want to achieve what we have committed and what we have 10,000 additional towers. So our focus is actually clear in terms of whether it's top management or any employee of the company, focus is only and only on performance and we are confident that if I am able to achieve my guided numbers, market will surely react positively to my results.

Second, in terms of perception, I would accept that there are some communication gaps which are happening when we are declaring some results or something which we are working on and it will be rectified immediately with immediate effect and next quarter onwards, I don't see there will be any gap between investors' perception and the company's performance. But yes, performance is guaranteed and I am also confident that the market will react positively to our performance.

**Saket Kapoor:**

Okay, sir. The story of tower fiberization in which we hear from the telcos that they are not doing CapEx in the same way. Regarding the rollout of 5G, all the telcos have commented that their -- Jio has said that they have rolled out 5G nationwide. But the fiberization part of the story in terms of percentage is still trending on the lower side. Is the quality of 5G going to remain low like this because the percentage of fiberization has not increased. Fibre sales have not increased.

**Tushar Shah:**

Fiberization has two parts. One is underground fiberization and one is aerial fiberization. Now, underground fiberization is very costly because if you see Mumbai, ROW charges are INR1 crore per kilometre where operators are not very keen to invest.



So, if you see my model from day one, we are focused only on aerial fiberization and structured aerial fiberization. Luckily, in a new ROW, you know structured fiberization has been made an option as a legal option for all the operators. So number of fiberization like BSNL's recently done one tender in MTNL for fiberization. There are many more such tenders happening. Vodafone is going behind the fiberization. See Jio is already 75% fiberized tower. Airtel is close to 55%, 60% fiberized tower. BSNL has become very aggressive. They are running multiple projects for fiberization and Vodafone is also going for aerial fiberization. So, 5G quality will improve. 100% 5G services will improve.

Yes, fiberization is not an overnight job. It takes a lot of effort and a lot of time. So you can see next 2, 3, 4 quarters, there will be many much fiberization projects which are getting deployed and towers are getting fiberized and improvement is there. 100% there and people are investing in fibre. But yes, there is a different model now. Initially it was all underground fibre. Now, more or less, focus is on aerial fibre or structured fibre which Suyog has been following from day 1. So, as always even in fiberization, we are one step ahead of market because we were aware this was coming.

**Saket Kapoor:** Okay, sir. I'll join the queue.

**Moderator:** All right. Thank you, Mr. Sakhi. I would invite Mr. Tushar Talwar to ask the question in the chat box. Mr. Tushar Talwar, you can unmute and ask the question.

**Tushar Talwar:** Good morning, sir. Thank you for taking my question. I just wanted to ask, sir, that it's been now 2 full audited financials where we have an emphasis of matter on the lack of internal controls. I just wanted to ask, like, why is this continuing for 2 years in a row and what is the lacunae that we are not able to fix for 2 years in a row that our auditor has to give this kind of a comment?

**Tushar Shah:** Sharmaji, you are taking it? Sharmaji, there is a question on IFC.

**Ajay Sharma:** Talwarji, we are doing our own internal finance control from our own team. Our own internal control is very good. But the technique, some subjects are like invoicing, our whole system is manual for invoicing, for sales. One part is that we are trying for automization. There is a requirement for system automation. And we are working on it. There are already 2-3 software companies with whom we are talking about

it. Because of automation, that comment has been audited for 2 years that you do automization of this subject.

**Tushar Shah:**

Let me take this question ahead from here. In terms of IFC, we are very strong. We have an in-house IFC team. My billing is subject to all MSAs. We have only 4 customers, 4 MSAs, where my billing is governed by Master Service Agreement, which is also cross-verified by operator. So there is any hardly chance of revenue leakage over there. In terms of cost, again, we have 4-5 suppliers to which we pay costs against the invoices.

But yes, where we are lacking is automation. We have started a journey of automation in Suyog. We have already deployed software in warehouses for us. Very strong inventory control because inventory is my topmost priority. We have already deployed software over there. Now we are creating our own network operating system to manage my uptime and improve operational efficiency, even in terms of cost.

So we have already deployed this. We have started deployment in Punjab circle. In next 3 or 4 months, we will have a network operating system, which is a remote-based monitoring system and a SIM-based monitoring system, which will be deployed in next 6 months across India for all my 5,700 towers. Same way, we are also working with few software companies, like Sharmaji has said, for automation of billing. So only that remark is pertaining to automation rather than actual IFC control.

**Tushar Talwar:**

Understood, sir. This was just coming from Saketji's question also. Sir, I understand that you may have everything completely transparent and under control internally. But as far as an investor is concerned, an emphasis of matter is a serious issue. So maybe you need to take it from the auditors and what do you need to get rid of this comment and then work backwards from there? Because, sir, this is going to be very important going forward and when you are raising funds from third-party investors, preferential issue, these are things which weigh on investors' minds. And they will continue to weigh the longer they remain on the books.

**Tushar Shah:**

We will definitely take on it, we will speak to the auditor and let him frame it better way. As a company, we have always been transparent. My numbers are available with most of the investors. Even since today morning I am receiving I am transparently sharing all the numbers and figures. So in terms of transparency, I actually have no doubt that any investor should have doubt in mind whether Suyog is

transparent. We have been absolutely open book and transparent with you.

Yes, there are certain remarks on which we have to work with auditor and get it proper framed or get --

**Tushar Talwar:**

I understand, sir. I understand your business is like a capital allocation and capital efficiency business. So these kind of things, even though for someone who understands the business well, this is -- I understand what is happening. But for others, it may not work out that way. And you know, where there is a doubt, people prefer to just stay away. That is the point number one.

So, point number two was on the ESOPs, sir. Sir, I -- you know, we are not able to find -- at least, I am not able to find any disclosures around the ESOPs, these 5 lakh ESOPs that have been issued. That is fine. Maybe I have missed it on the exchange website. But my larger question, sir --

**Tushar Shah:**

We will share it. So, if you send a mail to my CS on investor ID, we will send all the disclosures which we have declared. All disclosures on exchanges.

**Tushar Talwar:**

Right, sir. Sir, my larger comment on the ESOPs was, sir, that, you know, given that, you know, we are a cash flow generation business and we don't trade at a very high price to earnings multiple. Sir, isn't really a good idea for us to permanently be diluting, 5%, 10%, 15% via ESOPs at such a low valuation. When instead you could come up with some sort of a variable compensation element for these employees and actually pay them out in cash when the milestones are hit. Because, sir, as you know, dilution is permanent. You are going to raise more money in the future also. There is going to be more dilution.

So as an investor who is looking at this as a capital allocation business, you allocate large sums of, it's a capital intensive business. You make high returns on cash. A permanent dilution of such a large magnitude happening this year and then I think someone mentioned that it's going to happen again next year as well. I mean, sir, maybe we need to think about that, sir, because this is permanent.

**Tushar Shah:**

So Tushar, I'll give you my version of it. We are not into a manufacturing industry where we are dependent on machines. We are dependent on manpower we are a service industry. So my 100% of revenue comes from manpower efficiency and manpower hard work.

Now what I want -- see, if you see the larger picture, even though if I am able to dilute my maybe 2%, 5% lower rate, but from a bigger picture perspective, if that improves the efficiency that motivates my employees who can give me double the efficiency, then that overall will be traded at high value based on my performance. Now we want even employee blood and money to be part of our company so they get more motivated. Now, we have employees across India. It's not that we have employees stationed only in Bombay office. And most of our employees on field who are working day and night.

So, if I am able to show them that if you are able to perform X, Y, Z, you are able to achieve your target, you have certain shares, which valuation will go up by X, Y, Z. It motivates them further and at the overall company level, it becomes much more beneficial in terms of valuation or traded value.

**Tushar Talwar:** I understood, sir. And sir, just to clarify, someone had asked a question. So, the exercise price of these ESOPs is 542 something per share?

**Tushar Shah:** No, no, no. 541 is a difference value between exercised price and the fair value.

**Tushar Talwar:** Right, sir. So, what is the exercise price?

**Tushar Shah:** Sharmaji?

**Shivshankar Lature:** Around INR300.

**Tushar Talwar:** Around 300. That's exactly what I am talking about, sir. You need to price your ESOPs a little better, sir. Because the market price has not been near INR300 for a very long period of time and ESOPs are supposed to incentivize for the future. We are taking an outsized impact on our P&L because you are giving a much lower exercise price, sir.

**Shivshankar Lature:** Sir, see. One minute, one minute. Sir, Sharmaji, one minute, hold on. See that, sir, the employee's salary is ranging between INR50,000 to INR1 lakh or INR1.50 lakh. Okay? So how can they raise their money for INR300 rupees? Suppose when the person is there, INR15 lakhs, whole year salary he has to invest in my shares only.

**Tushar Talwar:** Sir, you can give them a loan. There is also financing these days. The company --

**Shivshankar Lature:** See, there are a lot of options there, but company decision is ultimately we have to take care. These are the agreements of 15 to 20 years. And our SLA time is 99.9. So we have to only depend upon our people. So unless and until they will also, the growth story part, how should they participate in our company? Then it will be coming and going system will be happen.

**Tushar Shah:** So Tushar, let me explain in detail. Basically, what we have done is, these ESOPs don't get allocated blindly to any employees. If you see my age on network of employees, average it will be 7 years. So if you take any telecom industry, attrition rate is lowest in Suyog Telecom. Any tower company you take, attrition rates are very high. If you see attrition rate in Suyog, maybe you can come down to office and ask any employee, you will find employees 10 years, 15 years, 7 years minimum.

My average would be 7 to 10 years minimum. People don't leave me. Because we want, like sir said, we want people to become part of my growth story because all my agreements are for 15-20 years. Here, we don't have office timing. We work 24x7 because we are on a live network and we have to keep motivating people to have a very low attrition rate and that's the reason we are doing this.

**Shivshankar Lature:** Sir team is very old and this policy was been made. We have taken this approval in 1920 and we are executing in 2025. So see the people also waiting for long time.

**Tushar Talwar:** All right, sir. I leave that to your good judgement. I just wanted to bring that up.

**Shivshankar Lature:** Thank you.

**Tushar Talwar:** Thank you. That's all from my end.

**Moderator:** Thank you, Tushar. We will take a question from the chat from Rohit Priyadarshi. He is asking, hi, sir. Can you tell about the CapEx we did in FY25 worth INR138 crores?

**Tushar Shah:** What do you want to say? Can you unmute and explain it in a better way because I am not able to understand the question only.

**Moderator:** Hello, Mr. Rohit.

**Rohit Priyadarshi:** Hi, sir.

**Tushar Shah:** Hi, Rohit. Can you reframe or re-ask your question? What you asked in chat box.

**Rohit Priyadarshi:** Sir, I was looking at this cash flow statement and there was this purchase of PPE worth rupees INR130 odd crores. So can we get a break up like what is the source like where do we spend this money exactly?

**Tushar Shah:** Sharmaji, you tell.

**Shivshankar Lature:** The details are given in the balance sheet.

**Ajay Sharma:** INR138 crores CapEx means the money we utilized that was for a tower and fiberization only.

**Tushar Shah:** So I tell you a break up where we spend this money. One is my tower structure which is 50% of my cost. Balance 50% goes in SMPS  
Balance 40% goes in SMPS and battery bank.

So, majorly I get supplied towers from Odisha and Nashik. We have two major suppliers of towers. SMPS are from all the branded companies like Delta, VNT, Greenpool. Battery banks are from Intellect, Amara Raja and we are also now converting from VRL to Lithium battery and 10% is miscellaneous on that tower. So these are the only major bucket where we spend our money.

**Rohit Priyadarshi:** Okay, okay. Thank you, thank you. Got it.

**Moderator:** Thank you, Rohit. We'll take a follow up question from Mahek Talathi. Mahek, you can unmute and ask a question, please.

**Mahek Talathi:** How much of this ESOP is given to the promoters?

**Ajay Sharma:** Promoters don't get ESOPs.

**Tushar Shah:** No one gives ESOPs to promoters. Everything is to employees only.

**Mahek Talathi:** Okay. And what is our cost of debt?

**Tushar Shah:** Cost of?

**Mahek Talathi:** Debt. The loans which we do.

**Tushar Shah:** Interest. 9.5

**Mahek Talathi:** And what is the maximum amount of interest that we are paying for this loan? Like, I understand there are multiple tranches.

**Tushar Shah:** You are talking highest percentage, right? Highest percentage of loan. Sharmaji what is the bank which has the highest percentage?

**Ajay Sharma:** Highest percentage is our Axis Bank.

**Tushar Shah:** And percentage?

**Ajay Sharma:** 9.5%.

**Tushar Shah:** 9.5% is the highest percentage.

**Mahek Talathi:** Okay.

**Tushar Shah:** Can you just hold? I believe he was asking some question and you unmute yourself. Or you are together. I don't know.

**Mahek Talathi:** Yes. Yes, sir.

**Tushar Shah:** Okay, you are together. Okay. So, can you repeat your question?

**Mahek Talathi:** Yeah. So, my question was efficiency of quarterly realization per tower trend. There has been a slight significant decrease from INR36,000 to INR29,000 on a monthly basis. So, what is the specific, what is the reason for the same?

**Tushar Shah:** So we have done a huge rollout of upgrade and small sale. So, if you see this revenue also consists of upgrade and small sale. So, my entire last year, if you see, actual revenues increased, real revenues increased. That's only from upgrade. And secondly, we are doing lot of small sale rollout in Mumbai and all the metro cities of India. So, that's why your per site realization goes down when you do small sale and upgrade. But then your EBITDA and PAT is better in both the categories compared to my metro sites.

**Mahek Talathi:** But sir, in FY25, we have added only 196 small sale tenant sales and majority are large -- or majority are --

**Tushar Shah:** No, but we have done 1,000 plus upgrade for Airtel and Jio, right?

**Mahek Talathi:** Yes.

**Tushar Shah:** Upgrade gives you a much better margin and a low realization per site because when I do upgrade, I get around 4,000 to 5000 per site per month. So that's why you are seeing it as 29,000.

**Mahek Talathi:** Okay. And this will be sustainable going forward or we might see an increase?

**Tushar Shah:** No, it will increase because now I am doing more or less macro tower. So, realization per tower will increase in coming quarters.

**Mahek Talathi:** Wonderful. And sir, in the opening commentary, you mentioned that there was an increase in the order from the BSNL. Can you please specify in terms of numbers?

**Tushar Shah:** As per my agreement or MSNL, BSNL I cannot disclose the number, but what I can say we are working on multiple projects with BSNL. One is a new site rollout where we are building anchor sites for BSNL. Second is the relocation sites where their existing site they want to terminate from the existing IP and move to Suyog. And third, the new site rollout which they have given to many IPs and they are not able to deliver. There is an official letter released by BSNL stating all the non-performing IPs needs to cancel the SOs for the non-performing IPs and need to be given to Suyog.

So between three projects we are targeting around 5,000-odd tenancies from BSNL in this financial year. But I cannot give specific number for each year.

**Mahek Talathi:** Wonderful. And sir, so we saw the fair value is INR541 or it's higher, it's INR841. What's the fair value?

**Ajay Sharma:** INR541.67 is the fair value.

**Mahek Talathi:** Sir, then the difference exercised priced is INR300 and fair value is INR541. So the difference will be INR241.

**Tushar Shah:** Sharmaji, difference value is INR541? Fair value will be higher. Hello.

**Ajay Sharma:** I can't understand what you are saying.

**Mahek Talathi:** Sir, is fair value INR541 or exercised -- fair value is more? Difference is INR541?



**Ajay Sharma:** Fair value INR541.

**Mahek Talathi:** Sir, if fair value is INR541, then the impact on P&L should be less. Because the difference on P&L should be around INR12 crores.

**Ajay Sharma:** According to my registered valuator, when we have evaluated, then P&L should have a value of INR541.67. Market value at that time was INR771. That was in October 2023.

**Mahek Talathi:** Okay, understood.

**Ajay Sharma:** When valuation is done from there, then the value of exercisable value is INR541.

**Mahek Talathi:** Okay, understood. Sir, last question. When we are in need of funds, what is the reason for paying dividends?

**Ajay Sharma:** There is a need of funds, but my investors are also my part.

**Mahek Talathi:** Sir, when so much CapEx lined up then if we utilize this fund in CapEx, then we will be able to add more towers.

**Ajay Sharma:** If my investors give me more money, then I will be able to do more.

**Tushar Shah:** We are happy when such comments come from investors that you can postpone the dividend and invest in Capex. That is absolutely encouraging from your side. As we say, we take care of all our stakeholders. Like we take care of employees, we also want to take care of one of our most important stakeholders who are investors. That is why we have declared dividend.

**Mahek Talathi:** Okay, thank you.

**Tushar Shah:** Thank you.

**Moderator:** Thank you. We will take the follow-up question from Darshil Pandya. Darshil, you can go ahead please.

**Darshil Pandya:** Sir, just one question from my end. If I am not wrong, our promoters were supposed to infuse around INR100 odd crores during the pref. Is that right?

**Tushar Shah:** Right.

- Darshil Pandya:** Just a thing that came up. Since our stockpile has corrected significantly, don't you think it's the right time for the promoters to step in and increase their stake and also boost the market confidence?
- Ajay Sharma:** Darshil, the reason to take a stake from the market is that if I take a stake from the market and the promoter wants to increase it, then it won't bring money to the company. Okay? We have a very clear objective that the company should get money and the company should get towers.
- Tushar Shah:** Yes, so the money will come to the company Mr. Sharma, can you please clarify why do promoters...?
- Ajay Sharma:** It's already in plan.
- Shivshankar Lature:** Sir, sir. One minute, one minute Mr. Sharma, one minute Hold on Sir, out of that INR521 I have already increased my 5% stake. Okay. Second part is that your suggestion is welcome No doubt at all for that I am ready to invest but the purpose is that the money will not come to the company.
- Tushar Shah:** Sir, he is saying that--
- Shivshankar Lature:** If we try to calculate the prefs from our side the bank debt that gets over orders are seen in a vision we will think on that. Okay.
- Tushar Shah:** Darshil, I will rephrase the answer. Promoter is 100% interested in increasing more stake. They are already -- we did warrants last time. Unless that warrant gets completed one more warrant cannot happen. So that warrant is still due for conversion right now and he is 100% ready to invest and we also got some feedback from other investors stating if only promoter invests then there can be logic that companies giving warrants to promoter but not diluting stake with other investors. They also don't want to send that wrong signals but in terms of readiness promoter is 100% confident on the business and they are ready to invest any amount of money in business. So let's this warrant conversion get over then we will think about your suggestion we may move forward.
- Darshil Pandya:** Got it All right.
- Moderator:** Thank you Darshil. We will take the question from chat from Karthik Bhatt. He is asking could you please explain about tax percentage as it is varying over the years.

**Tushar Shah:** Sharmaji?

**Ajay Sharma:** Tax percentage is 25% plus 12% plus 4%.

**Moderator:** So he is asking why is your tax percentage varying over the last few years.

**Ajay Sharma:** The main reason is IndAS. Second is ESOP, Deferred tax asset.. Main is the IndAS because it causes more fluctuation in expense and amortization. The more effect I do the more amortization changes.

**Moderator:** Sir there is a follow up question from Mr. Tushar Talwar. He said I need to ask a follow up question of ESOP response to his question, was that the difference in fair value was INR540 but in subsequent question, the response was that the exercised price is INR540. Can you please clarify on that?

**Tushar Shah:** Sharmaji.

**Ajay Sharma:** Value of option is INR 541.6.

**Tushar Shah:** Tushar, basically we have done a valuation report from a registered valuer. As per registered valuer, if we take exercised price of INR 3000, the impact which will hit our P&L would be INR541. So, difference between the market price of -- like Sharmaji explained earlier, and the exercised price, is INR541.6 which impacts my P&L. I think I have cleared this now.

**Tushar Talwar:** That's fine. Thank you sir.

**Moderator:** Sir, there is one question from Megh Shah. FY26 revenue and operating margin guidance.

**Tushar Shah:** Sharmaji are you saying, expected revenue?

**Moderator:** And operating margin guidance also.

**Tushar Shah:** So we are expecting around INR320 crores of top line in FY26. And we will sustain EBITDA margin at around 62%, 65%, and PAT margins will be around 32% to 35%.

**Moderator:** All right, sir. We will take a follow-up question from Varun Ghia. Varun you can unmute and ask your question please.

**Varun Ghia:** Sir, how much tenancy ratio can we see increase in tenancy ratio in FY26?

**Tushar Shah:** We should be able to touch a tenancy ratio of 1.5 on overall portfolio basis.

**Varun Ghia:** In FY26?

**Tushar Shah:** In FY26.

**Varun Ghia:** And what is the rental yield per tower?

**Tushar Shah:** Right now, it is around INR29,000, INR30,000. It should go to INR32,000, INR33,000 in FY26 because we are doing more of a macro site rollout now. So, it will increase.

**Varun Ghia:** The yield. How much percent do you earn on that?

**Tushar Shah:** In terms of? Percentage of what?

**Varun Ghia:** Rental yield per tower.

**Tushar Shah:** In terms of overall revenue, all the top line you are saying entire revenue is from rental and IP fees. Sharmaji, can you explain it better? He is asking yield value per tower?

**Ajay Sharma:** Yield.

**Varun Ghia:** How much is the net yield?

**Ajay Sharma:** I have not taken it out. I will take it out and give it to you.

**Varun Ghia:** And what is this goodwill of INR10 crores? This is related to --?

**Ajay Sharma:** Lotus Infra.

**Varun Ghia:** Lotus Infra? Yes.

**Tushar Shah:** It is the goodwill of the company which we purchased.

**Ajay Sharma:** It is the goodwill at 31 March 25.

**Varun Ghia:** Thank you.

**Moderator:** Thank you. So, there is a question in chat from Himanshu Agarwal. How much ESOP is pending?

**Ajay Sharma:** 5,07,720 ESOPs are taken in exercise or next 10.14 lakhs, more pending.

**Moderator:** Okay, sir. We will take a follow-up question from Rishi Kothari. Rishi, you can go ahead, please.

**Rishi Kothari:** Yeah, thanks for the opportunity again. Sir, in terms of tower addition and tenancies, this quarter we have added at what percentage increase this time around?

**Tushar Shah:** Q4, you are saying? Number of towers, we have just added 50 to 70 towers. My major work happens in Q3. So, in overall yearly basis, we have added 1,800 tenancies. Overall?

**Rishi Kothari:** Yeah. Okay. This quarter was pretty much muted because mostly we did it in Q3.

**Tushar Shah:** No, it's mainly because we were not able to arrange funds. Because at the end of Q3, we withdrawn our preferential. And bank debt, we were able to materialize bank debt only in the last month of Q4. So, that is the reason Q4 rollout was lower compared to Q3.

**Rishi Kothari:** So, this actual muted tower addition should affect my P&L next quarter, right? Or top line or whatever.

**Tushar Shah:** Yeah, it will not have an actual impact. There will be a delay on P&L. It will impact your P&L only for one quarter or two quarter<sup>4</sup> because the entire target is getting shifted by one or two quarters because of the funds management. Otherwise, you will not have actual impact in the long run.

**Rishi Kothari:** Which I get it. So we can say that for the next quarter or something, we are still not pretty much very good or higher numbers in terms of the growth rate. At least for a quarter or two, probably full year, we might achieve the target of INR2.4 crores.

**Tushar Shah:** Yeah, you are right.

**Rishi Kothari:** Next quarter could be muted because of that. Because we do not have able to arrange funds.

**Tushar Shah:** Right.

- Rishi Kothari:** Okay. Interesting. And in terms of, as you said, that INR320 odd crores of top line, 32% margin that comes to around INR20 crores, INR25 crores of bottom line per quarter. And we are claiming of next two quarters of a bit muted. So most of that part will be seen in H2.
- Tushar Shah:** So, Q1 would be muted. Since now we have arranged funds in Q1, Q2 would be aggressive rollout. Q3 would be the highest rollout. Q2 also get impacted because of rainy season. So if you see a seasonal every year, Q3 will always be highest followed by Q4. So we are seeing a massive rollout starting from Q2, Q3, Q4, all three quarters, since now we are able to arrange funds. But as Q2 will be lower compared to Q3 and Q4, and mainly because of rainy season impact.
- Rishi Kothari:** Okay. And Q1 would be muted because of the...
- Tushar Shah:** Q4 we did not did any rollout. So in terms of numbers, tower number we will get in Q1. But in terms of revenue, as it would be muted because there was no major rollout in Q4.
- Rishi Kothari:** Okay. Got it. Okay. Thank you. Thank you so much for that.
- Moderator:** Thank you very much, sir. Is there any closing comment that management wants to give?
- Shivshankar Lature:** Yeah. Yeah. Yeah. First of all, I want to thank everyone for joining the investor and their valuable suggestion. I want to -- two things I want to clear. Previous year, we have learned more thing about the market situations. And now this '26, '25, '26, '25-'26, '26-'27 we also want to enter in EPC contract of the BSNL. For new tender has come for 40 meter for all over India. More than INR3,000 crore tender. Previously, we are working in IP model also. But this is the new opportunity is coming to market for erecting and operation maintenance for five years of the tower of the BSNL.
- So we are looking for that and we are preparing the tender. This June end, we may participate in the tender of BSNL. We have good relations with the BSNL for their rollout. So they are insisting us to go ahead. So we want to increase also top line and as well as bottom line what we have planned. So we are new venture is adding to Suyog feature. That one of the EPC contract also we want to start vertically to get the immediate funds also, and increase our profit and top line as well as bottom line.

This is the final comment from my side. Okay. We are looking great future for the Suyog.

**Moderator:** Thank you very much, sir. Thank you. Thank you to the management team for giving us their time. Thank you to all the participants for joining us on the call. This brings us to the end of today's conference call. You all may disconnect now. Thank you.

**Tushar Shah:** Thank you, everyone.

**Shivshankar Lature:** Thank you.