



AVP INFRACON LIMITED

Formerly - AVP INFRACON (P)LTD & AVP CONSTRUCTIONS (P)LTD

Reg. Off: E-30, IInd Floor, IInd Avenue, Besant Nagar,

Chennai-600090. Tel No: 044-4868 3999

CIN: L45400TN2009PLC072861

To,

Date: 17-11-2025

The Manager - Listing Department
National Stock Exchange of India Limited
'Exchange Plaza', 5th Floor, 'G' Block,
Bandra-Kurla Complex
Bandra (East), Mumbai 400051

Scrip Symbol: AVPINFRA

Subject: Submission of Transcript of the Earnings Conference call held on Friday, November 14, 2025 at 12:00pm.

Dear Sir /Ma'am,

In continuation of our earlier letter dated November 14, 2025 informing about the audio link of the Earnings Conference Call and Pursuant to Regulation 30 of Securities Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015, the Company is hereby submitting transcripts of Earnings Conference call of the analyst/investor conference call which was held on Friday, November 14, 2025 at 12:00 P.M. to discuss the Unaudited Financial Results (Standalone and Consolidated) of the Company for the Half Yearly ended 30th September, 2025.

Kindly acknowledge and take the same on records.

Thanking you,

Yours faithfully,
For AVP Infracon Limited

PRIYANKA SINGH
Digitally signed by
PRIYANKA SINGH
Date: 2025.11.17
18:10:56 +05'30'

Priyanka Singh

Company Secretary and Compliance Officer



“AVP Infracon Limited
H1 FY '26 Results Conference Call”
November 14, 2025



MANAGEMENT: **MR. PRASANNA D – CHAIRMAN AND MANAGING
DIRECTOR AND CHIEF EXECUTIVE OFFICER– AVP
INFRACON LIMITED**
**Ms. PRIYANKA SINGH – COMPANY SECRETARY AND
COMPLIANCE OFFICER – AVP INFRACON LIMITED**

MODERATOR: **MR. GANESH – KIRIN ADVISORS PRIVATE LIMITED**

Moderator:

Ladies and gentlemen, good day and welcome to the H1 FY '26 Results Conference Call of AVP Infracon Limited hosted by Kirin Advisors Private Limited. As a reminder, all the participants' lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touch-tone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Ganesh. Thank you and over to you, sir.

Ganesh:

Thank you and good afternoon, everyone. On behalf of Kirin Advisors, I welcome you all to the conference call of AVP Infracon Limited. From management team, we have Mr. Prasanna, Chairman and Managing Director and Ms. Priyanka, Company Secretary.

With this, now I hand over the call to Mr. Prasanna.

Prasanna D.:

Over to you, sir. Very good afternoon, everyone and thank you for joining us. On behalf of AVP Infracon Limited, I extend a warm welcome to all the participants to our H1-FY '26 Earnings Conference.

I am joined today by Ms. Priyanka Singh, our Company Secretary and Compliance Officer. I just wanted to begin this with a brief introduction. AVP Infracon Limited was founded in 2009 with a mission to build high-quality infrastructure that supports India's growth. Over the years, we have established ourselves across highways, bridges, flyovers, irrigation and urban development, backed by engineering precision, timely execution and a strong culture of quality.

We have completed several important projects, among them the important projects what we have completed. We, have NH Works, NHAI Works, State Government Works. On the execution side, we continue to work on large and complex projects. As of now, the ongoing projects such as the four-laning of Tirukoilur-Asanur Road, which is valued at INR86.5 crore, the strengthening of NH 2226, valued at INR40.3 crore, the strengthening of Trichy-Thanjavur - NHAI work, which is valued at INR30 crores, likewise.

Let me now turn to our financial and operational performance for H1. This has been a particularly strong period for AVP, marked by sustained execution momentum and the benefits of the work we have put in over recent years. H1 FY '26 stands out as the strongest half-year in our company's history.

Our revenue grew by 79% year-on-year to INR195.7 crores. EBITDA increased 87% and stood at INR44.7 crores, with margins improving to 22.9%. Net profit rose to INR23.2 crores, an 82% increase over last year. This performance reflects disciplined bidding, strong on-ground execution, and the growing contribution from our extending order pipeline.

On the operational front, H1 was extremely active. We secured new orders of around INR124 crores across highways, bridges, and industrial infrastructure. Key wins include a INR39 crores performance-based maintenance contract, a INR16 crores ROB, Railway Overbridge, project on the Singanallur and Peelamedu bridge, a INR33 crore industrial infrastructure project for the Mappedu multimodal logistic path from Reliance, and the strengthening of NH83 from NHA

worth INR10.6 crore, which is additional work on the ongoing Trichy, Thanjavur NH. We also received a INR24.6 crore contract for infrastructure creation at the SIPCOT industrial park in Manapparai. As of 30 September 2025, our un-executed order book stands at around INR475 crore, and the bid pipeline remains strongly at around INR1,500 crores to INR2,000 crore.

This gives us clear execution visibility for the next 18-24 months, and we expect a strong ramp-up in the second half. I am also pleased to share that we have started H2 on a strong note. In early November, we secured new orders totaling INR78.75 crore across highways and industrial infrastructure segments. We have received relevant status for a major INR57.57 crore widening and strengthening project of the Tiruvannamalai Thiyaadurgam Road.

We secured a INR12.77 crores order from Reliance Mappedu Multimodal Logistics Park for internal road and infrastructure development. We also received a INR8.41 crores order for RCC drain and OSDL works in the same logistics park, which are all added to the existing work which has been awarded from Reliance.

Together, these early wins in H2 reinforce the momentum carried forward from the first half. We have also issued INR40 crores of convertible variants with the promoter group subscribing to 75% of the issue, a strong endorsement of AVP's long-term strategy and potential.

Before I move to the outlook, let me touch on the broader industry environment. India continues to see one of its strongest infrastructure cycles, supported by a government capex of over INR11.2 lakh crores for FY '26, around 3.1% of the GDP. Heavy construction has remained robust and investment in logistics, multimodal transport and industrial corridors continue to rise.

This environment is supportive for APC company like us and the shift towards larger and more integrated infrastructure projects plays to AVP's strengths. Looking ahead, our priorities are clear. We look to widen our business horizon, which currently faces concentration loss by expanding beyond Tamil Nadu.

That remains our major focus in India and we target to achieve 25% to 30% revenue from other states in the next financial year. Maintaining strong margins and disciplined working capital management will continue to guide our execution as we scale.

The solar EPC division introduced earlier this year is being developed as a meaningful long-term growth vertical, capable of participating in larger opportunities. From FY '27 onwards, we plan to selectively enter private and industrial infrastructure projects, which will further diversify our portfolio and strengthen our revenue mix. Then too, H1 FY '26 has been a milestone period for AVP Infracon.

We have strong financial momentum, a strengthened balance sheet and a healthy order pipeline. We do have a favourable industry backdrop. With this foundation, we are confident of delivering a strong performance in the second half and continue our growth journey.

Thank you once again for joining us. We will now open the floor for questions. Glad to answer you all. Thank you.

Moderator: Thank you very much. We will now begin the question and answer session. The first question comes from the line of Smit Jain from KTech Family Office. Please go ahead.

Smit Jain: Yes, hi. Good morning. I just want to firstly congratulate you on the great set of numbers. I wanted a couple of clarifications, right? So, although we doubled down on the revenue bit vis-a-vis the first half of last year. If I remember correctly, in the last on-call, on the last call that we had, you had mentioned that we are targeting the full year, I mean we are targeting a revenue of INR550-INR650 crores for the entire year, right?

And that is going to be spread across both our vertical solar equities and the road vertical, wherein road vertical would be INR550 or, you know, INR500-INR550 crores and INR50-INR100 crores is going to be on the solar HVC vertical. We have done INR200 crores in the first half. So, are we saying that, we are targeting a revenue of INR400 crores in the second half? Like, is that possible or is that what we are targeting?

Prasanna D.: Thanks for your wishes, first of all. And to make this clear, always H1 is 40% of what we do in H2, minimum 35%-40% of what we do in H2. We are very clear in that INR500, what we have given the guideline, stand-alone basis INR500 and anything above, over and above that will be happier. And this solar and other, in consolidation with other subsidiaries, we are targeting at another INR50-INR100 crores. So, this is -- our target remains the same and it is not taken back or reduced at any point of time.

Smit Jain: Okay, fair enough. The second question I had in, in line with this was that our stand-alone revenue for this half is 190 and console is 195, right? And I am assuming the PEB and the solar HVC is into a different subsidiary, right, both these verticals. So, we have only clocked revenues worth INR5 crores in this first half and what, I mean, just wanted to get a flavor on what sort of orders, what sort of target, I mean, target you mentioned, but what sort of orders, what sort of work are we going to complete in the second half with respect to these two verticals?

Prasanna D.: The PEBs, we are not taking it to any subsidiaries. We are doing it on the main company only. Pre-engineered buildings are sticking on to the main company and when compared, when this solar is concerned, this is actually, we have started in the first half only and we have not made any order, I mean, any sales on the bigger side. So, we are doing low on this and we have confirmed order for around 15 megawatt, which we have applied for all the approvals, as you know, the approvals take time.

Once this approval is done, we will start the execution. We are targeting at the fourth quarter building, maximum we will do it by fourth quarter and if some delays happen, it will go to the first Q1 of the next thing. But the execution will be starting positively in the first, January 1st, that will be in the Q4.

Smit Jain: Okay. So, what we are saying is the INR500 crores standalone is something that we already have an order book for, visibility for and for the consol level INR100 crores that we are targeting, the INR50 to INR100 crores, currently we are waiting for the approvals to come in, post that we will start the billing and the execution work, right?.

Prasanna D.:

Yes. Correct. We have the orders. Once this comes about, once these approvals are in place, we need a government approval for the establishment of solar parks and something. And we have applied for the same. Once it is done, then we will be in a position to mention when this project will be delivered on something. So, we are on target on that and we will, this, actually we, during the last call only, we have increased this guidance of the solar.

We have not mentioned anything before that and only based on the order, what we have confirmed. This is from a customer, regular customer of ours and we are moving hand in hand for the approval. So, once this approval is obtained, we will be making an announcement about the order procurement and we will start the work also.

Smit Jain:

Fair enough. And just to understand what we are doing on the PEB front, I am assuming that is also a fairly new vertical that we have started. And PEB itself is just picking up really fast in India. So, how big is the opportunity? What sort of plans, vision do we have for that vertical? And if suppose, you can put some flavor with respect to the kind of interactions you are having with customers, it will allow us to bake in, some notes going forward.

Prasanna D.:

See, pre-engineered buildings, this sector, we are very fresh in this and we have started doing this analysis last quarter and we are in the initial phases only. I don't expect much of buildings, much of revenue from PEB structures this year. We are anticipating on a longer run. We are anticipating something in the next financial year.

One of, we have some of these buildings and other thing, we have now taken an order, fresh order from Reliance, which will be executed in this. Apart from this, the other orders what we are planning will be executed in the next financial year only. I don't foresee any orders that will be executed and completed and built in this H2 from pre-engineered buildings.

Smit Jain:

Okay, fair enough. And the last question that I had was, with respect to our business model. So, currently it is predominantly road EPC, bridge EPC that we are doing. And just to understand going forward, what exactly is our focus going to be at it? Because I am sure that Tamil Nadu, the entire infraspaces, the infrastorey in Tamil Nadu is really huge. I was attending a phone call yesterday with an EPC company, which is also into waterworks in Tamil Nadu.

They were also very bullish. So, I just wanted to understand going forward, is it just that we will be restricted to the road and bridge story, EPC story, or is it that we want to expand our product portfolio or service offerings also? And if yes, then, what sort of sectors or segments are we looking at?

Prasanna D.:

So, at the moment, we are core road and bridge player. And now we have started diversifying into pre-engineered buildings and solar. Once we get settled down in this and once we start this flow like a river, which there will not be any interference or hindrances, which takes a slow phase for running, then we will target at something at the next thing.

We want to go baby steps. We don't want to run all the time and get into any trap. So, at the moment, we are targeting at this pre-engineered building and solar EPCs apart from what is our bread and butter. So, after this is getting good, then we will think about other things.

- Smit Jain:** Fair enough. But within our bread and butter, what sort of traction are you seeing on the demand front? Is there enough scope for us to continue growing at the pace that we've been able to in our bread and butter segment? Or you feel that there is some slowdown or there is going to be some saturation after a point and we'll have to look at other avenues. Just wanted to understand on that lens.
- Prasanna D.:** So, two lanes will become four lanes, four lanes will become six lanes, six lanes will become eight lanes. This is an expanding industry where you will not see any downfall or something. Even if I'm not getting any PEB orders or solar orders, I can sustain very well with what we do in the roads and bridges.
- This is the industry which will keep on growing, growing and growing. Only thing is we'll be doing the same thing what we are doing. We need expertise in managing the cash flow and managing the missionaries. If we are good at it, we can do wonders in this.
- Smit Jain:** So, the geographic diversification, are we currently also looking at other places apart from Tamil Nadu?
- Prasanna D.:** We are looking. We are looking to expand beyond Tamil Nadu. We are looking. We have applied for 2-3 tenders which unfortunately we were not L1. And as I said, I have earlier told in my calls also, when someone asks me, you want a healthier order book or a healthier P&L budget, I want a healthier margin.
- We are very conservative in bidding. If I would have gone 2%-3% less, I would have had an order book of around INR1,000-1,500 crores in my kitty by now. But I do not want to do that. We are here to do business. We are here to make money. We are here for the welfare of the company employees, stakeholders. We are not for any boosting our order book and showing big order book and making loss somewhere.
- That is the reason we did not go out of the box and bid anywhere. We are bidding conservatively. We lost a smaller margin only. Anyhow, we had a good lesson and we studied where we lost and all. We are working on it and we will try to increase in those segments.
- Smit Jain:** Fair enough. I will fall back in the queue. I have more question, but I will fall back in the queue.
- Moderator:** Thank you. The next question comes from the line of Pranav Pal from Prudent Equity. Please go ahead.
- Pranav Pal:** Good afternoon. So, I had a few questions. You kind of -- I am audible, right?
- Prasanna D.:** Yes. Good afternoon, sir. You please proceed.
- Pranav Pal:** Yes. So, you kind of double-back down that INR550 crores to INR600 crores guidance and you just got orders and I am assuming these orders take time for the execution to really start. So, that IN400 crores additional revenue in H2 seems kind of unachievable. So, what are your comments on that? How do you plan to achieve that?

Prasanna D:

Sir I have always mentioned about this. We have this numbers. What we have done is already for H1 and after that H1, we have almost a month and a half past and we have done quite a lot of billing and we have some work in progress which will be build everything. So, the work in progress which were not built during the H1, we say we have built in during this two months and we have works which has to be executed and all.

So, this unexecuted order book what we are mentioning, we have quite a lot of opportunity. We are self-sufficient to complete this and close this order book. We have already completed almost approximately INR200 crores and last two months we have built around INR70 crores to INR80 crores. So, we have around INR230 crores which we have around INR400 crores of unexecuted order book which will be completed in March. So, that there is no chance of dropping back in this.

So, INR500 crores plus what we have already given guidance will be done. Apart from that what we are getting is from solar industry. If you attended the last call, we have mentioned that the guidance was given for 500 from the standalone. Apart from that what we have given is for the consolidation.

Pranav Pal:

I think I missed it. How much have you booked until now in H2?

Moderator:

Sir one second. We are not supposed to disclose the figures actually. I wanted to stop you there. Please don't disclose any figures for H2. We will be doing some sort of disclosure maybe quarterly. Sir, we can do that in NSE. But right now in this call, I am sorry, we cannot do that.

Pranav Pal:

Okay. And additionally, you said that to maintain the numbers that you said, you need an order book of around INR750 crores to INR1000 crores and also to maintain a big book to bill ratio of 1 is to 2. So, I am struggling to understand how FY27 will look like?

Prasanna D:

Sir, we are bidding close to 2,000 to 2,500 worth of tenders which are in pipeline. So, we are expecting at least 25% of what we are bidding to be in our favor. So, this will turn out to be in our favor before the month of March or before the year ends. So, that will be suffice for us to operate for the next year. And we will have tenders coming up continuously.

So, as I mentioned earlier, we don't have much of order book in my order bank or something like that. And we have shorter term order book. So, one year to 18 months. So, we keep executing. And once we close some orders, the fresh orders keep coming. So, this is not an issue about the longer run.

Pranav Pal:

Because like until now in FY26, since the year has started, the order run rate is only INR202 crores. So, yes that's under -- that gives me like, okay and like is there additional L1 orders that are yet to be filed for?

Prasanna D:

Yes, we have some orders to be published. Once we have received the L1 status, we will be announcing that.

Pranav Pal:

Okay, that's all. Thank you.

Moderator: Thank you. The next question comes from the line of Samrat Shah, an Individual Investor. Please go ahead.

Samrat Shah: Hello, sir. Am I audible?

Prasanna D: Yes, sir. You are very much audible.

Samrat Shah: Sir, first of all, congratulations for a fantastic set of numbers and a great result and also about the margins that you have improved. Most of my questions have been answered. I had a few questions like regarding the margins with the increase in revenue. And you just mentioned that you don't compromise on just for the sake of bidding. You like to maintain your margins. So, if there is an increase in revenue, is there a possibility of improvement in margins with the economies of scale coming into play?

Prasanna D: Always there will be. When the top line grows drastically, the bottom line will be vice-versa. Bottom line will be reducing. When we are targeting some geographical expansion or something, there may be some decline in what we are getting in our own home ground. When we move out of states and participate in a new territory.

We will not be getting the comfort of working in what we are getting in our hometown or our home state. So, those things were the possibility of what we were considering and we were quoting. So, I don't think there will be increase in any profit margins much above than this. So, we are working on to sustain those margins.

Samrat Shah: Okay, sir. And one more question regarding the solar EPC vertical that we are going to enter. So, what kind of percentage share are you looking for solar EPC and going forward like in the next two years in your regular business of roads, bridges and highways and solar EPC? What would be the percentage contribution in both?

Prasanna D: Sir, we are in the initial stages of the solar business. So, we are targeting somewhere around instead of talking about the percentage of top line share from road infra and solar EPC, I will just say that we are targeting somewhere around in the next year, we are targeting a minimum of around INR150 crores to INR200 crores top line from solar EPC. So, this is what we have planned. So, we are working towards that.

Samrat Shah: Right, sir. And one more thing, sir. I really liked the way that you honestly admitted that you had participated in a few tenders and which did not go into your way. And you have learned a lesson like for future. It is a great thing to know that because it is difficult to admit something like this in a phone call. So, I would like to congratulate you for that as well, sir and all the best for the coming quarters. Thank you. Thank you very much.

Prasanna D: Thank you. Thank you, sir.

Samrat Shah: Yes. Thank you.

Moderator: Thank you. The next question comes from the line of Ajinkya, an Individual Investor. Please go ahead.

Ajinkya: Hi, sir. Hope so you remember me. First of all, congratulations for the great set of numbers.

Prasanna D: Thank you, sir.

Ajinkya: As I know, you are a very honest person. That is why I am a long-term shareholder of your company. Despite I am not getting anything since last one year. Still, I believe in you, sir. I have only two questions, sir. The first question that is irritating me since you mentioned in the last investor call. Sir, that is the big dilution you are doing in EPS or via QIP and warrants. So, what is the plan for it, sir? Why we are raising such high amount likewise, INR150 crores via QIP and warrants, sir.

Priyanka Singh: Sir, can I answer this one?

Prasanna D: Thank you. Thanks for the trust you have in me. And yes Priyanka you can please answer if you could.

Priyanka Singh: Sir, actually, as far as this QIP is concerned, we just wanted to take a blanket approval for INR110 crores. It is not INR150 crores. So, we were planning to do a blanket approval, but we are not raising the funds altogether. I just want to clarify on that. And, sir, warrants, sir, has put in.

Actually, this is maximum promoters, sir, has only put the warrant amount and as far as QIP is concerned, sir, we are going for around, I think, INR50 crores, INR60 crores we are just raising and raising because, sir, the company is growing. Our top line is growing. We are having a lot of work orders coming up. We are doing a lot of bidding which is going to take place.

That's the reason we have decided for around INR50 crores, INR60 crores only fundraise. And again, we are going to do it in tranches also, sir. So, it's not that we are going to do it in one shot. And we are also ensuring that whatever QIP, whoever investors are coming in, we are looking for an association for a long term.

We are definitely not looking for investors who are going to be there for a short period of time. We are looking for somewhere six months and one year time. So, that also we are taking care of. And that is one of the reasons why we are still in this process and we have not just raised the funds till now. So, this is it, sir. You will be assured of it, sir. Even if we are going for QIP, it's just a blanket approval. And we are being very choosy about investors who are coming in, ensuring that they are going to be long in association with the company.

Ajinkya: Yes, thank you. That was the very big concern that I was having, sir. And I know, sir, whatever you give the guidance, 100%, 101%, I am confident more than you that you will achieve it. So, I just want you to clarify that on next year, are we targeting for INR750 crores of guidance?

Prasanna D: Yes, sir. Definitely, we are targeting somewhere around INR700 to INR750 crores we are targeting.

Ajinkya: Okay. Our last question, sir. Are we going to publish quarterly results, sir?

- Prasanna D:** So, once this QIP happens, we are bound to abide by the main board conditions, everything. So, once this happens, if it happens, we are bound to do that and we will be doing that. Even if we are not, if not we are not publishing, we will be giving update at least to the investors.
- Priyanka Singh:** Sir, in fact, we have been doing it for the last two quarters we have been keeping updating our investors about at least the percentage of approx, percentage of revenue growth that we have been achieving. So, that also we are doing it, sir, for the last two quarters.
- Ajinkya:** Yes, yes, yes, yes, yes. Okay, okay. That's it from my side, sir. All the best, sir. All the best.
- Prasanna D.:** Thank you, sir. Thanks for the trust and the upright position towards the company. Thank you. Thank you so much.
- Moderator:** Thank you. The next question comes from the line of Umang, an Individual Investor. Please go ahead.
- Umang:** Hello, sir. First of all, good set of numbers. Really appreciative.
- Prasanna D.:** Thank you, sir.
- Umang:** Sir, I have just a follow-up question, sir. Most of the questions have been answered. I have questions regarding working capital. Sir, sir, top line is good. Everything is good in terms of margin is also good. But what is my concern is working capital days have been shooting up upwards.
- And in the recent cash flow statement also, trade receivables have been shooting upwards only. So, I want just, just want to know specific reasons. Is there any lack of efficiency in collection regarding in trade receivables or anything from your side? Because in past quarters also or half yearly results also, operating cash flow from operating activities is consistently negative. So, any specific reason can you guide for?
- Priyanka Singh:** Sir, I'll reply to this. Sir, first, I'll just do it point wise. First of all, this time our operating cash flow is a positive one. Stand alone is around INR10 crores and consolidation is INR17 crores. Secondly, sir, your concern for trade receivable. I just want to clarify. Right now, we are having a balance of INR85 crores. Major reason because in the month of September alone, sir, we did approx INR70 crores of billing.
- And we as an EPC contractor have a collection period of 90 to 120 days. But it's not for everyone. Sometimes we do have a collection period within 60 days also. So, the main reason is INR85 crores being in the balance for trade receivable is because around INR70 crores we did the billing in the month of September.
- And sir, other reason the working capital going high is not because of the trade receivable or trade payables. Because trade payables are standing at INR20 crores right now. Which again I'm telling you with confidence. Sir, if you go and check any website, any companies, they will not have such a low trade creditors. We are making the payment of creditors on time. In fact, we are giving them lot of trade advances.

And of course, we are also, we are getting good discounts from them and all. We are enjoying that. So, that's the reason our PAT margin is also intact. That is also one of the reason. So, the main concern over here is for inventory. Sir, in inventory we are having around INR81 crores-INR82 crores.

In INR81 crores-INR82 crores, sir, around INR65 crores-INR70 crores is the unbilled revenue. So, for all EPC companies, we do have unbilled revenue, sir. And most of the companies show this unbilled revenue in their revenue itself. But we don't do that. What we follow is what exactly billing we have done. We show it in our revenue.

And unbilled revenue forms a part of inventory which eventually within 2-3 months we actually build it. And this is why this working capital is little high, sir. And definitely it's because this working capital is little high and we do need funds. That's why we are going for QIP since the company is also growing. But other than that, debtors and creditors are actually in a good position, sir.

Umang: Ma'am, I have just one follow-up question regarding that. In last con call, which was in May, you mentioned about factoring or bill discounting options. You were exploring in some trade receivable category, if I am not wrong. So, I just want to know whether it is working or not working in favor of your company.

Priyanka Singh: Sir, we have not started this factoring, trade factoring for us till now for bills receivable. Mainly because, sir, it is all state government projects which we are doing all government projects. State government and central government. So, billing collection is not a problem for us, sir.

But then there is a particular time which we need to collect and we have our receivable days between 90 to 120. So, since our billing for the month of September itself was around INR70 crores. So, that is the reason why this receivable is standing at around INR85 crores, sir.

Umang: Because sometimes when I see your debt profile also, it is very good. No questions about it. But seeing your debt piling up, I have questions regarding interest -- rising interest burden on the company. So, any specific reason you are doing QIP for reduction of debt or only working capital reduction?

Priyanka Singh: Sir, we have, since our company is growing, we do have banks coming up to us for the CC limit and availing debt and all. We are still eligible for that. But we are actually not going through debt and we are thinking of going through equity. So, that this burden of the finance cost and all is also not too much for us.

So, we are trying to come into a position where debt and equity ratio is actually fine. And we are trying to, you know, strike a balance between that. Since we are a growing company, we will definitely need funds. There is no doubt about it. But definitely we are not going for any more further debt, sir.

Whatever debt we are having and that you are seeing in balance sheet is not alone working capital debt. It actually includes Director's money also which was given to company. Part of it is a term loan which we take it for, you know, equipment and machinery. Because if you see,

we have a, it's a capital-intensive market and we have most of our machinery which is owned by the company itself.

So, that is what, and we have, when we have compared also that owing a machinery is much better than going for higher purchase. We saw that owing it is anyways better as some of, you know, in terms of performance, in terms of cost effectiveness, everything. So, that is why our company is majorly, like 90%-95% of assets are all owned by us, sir.

So, this, what debt you are seeing is not alone for CC limit and all. It includes everything. And definitely we are not going further for debt rates. That is why we are actually going through equity rates.

Umang: Okay. Okay. Thank you very much. Thank you.

Priyanka Singh: Thank you, sir.

Prasanna D.: Thank you, sir. Thank you very much.

Moderator: Thank you. The next question comes from the line of Paras Chheda from Purpleone Vertex Ventures. Please go ahead.

Paras Chheda: Yes. Good afternoon, sir. First of all, congratulations, sir. We have a very strong set of results and you have been delivering quite as per, you know, sort of expectations and projections that you have said. Sir, there are two queries, a couple of queries which I have. One is, what is the current order book level, sir?

Prasanna D.: It stands at INR475 crores, sir, un-executed order book.

Paras Chheda: Okay. Understood. And so, that for now and some additional would be sufficient to execute that 500 standalone. And whatever additional little bit from the EPC business?

Prasanna D.: Yes. Correct. Correct.

Paras Chheda: Correct? And sir, for FY27, on the standalone what we are aiming at 700 or 750 in that region, would that be achievable with the, I mean, order bins which we were discussing a while ago, I think some other guy. So, the kind of order bin that will be required for that, would you be confident of that, sir?

Prasanna D.: 100%, sir. I am into this business for the past 16 years. We have never fell short of any orders at any point of time. We just have this order book suffice for this year and the next quarter, what we will be executing. And whatever orders we are winning in this current off yearly and the next, I mean current off yearly and the first Q1, that will definitely help us to finish FY27 of what we have targeted.

So, getting this order book will not be actually, everyone, every investor will be having this, I mean, fear that the order books are less. Every time when someone is asking about the order book, I have been telling the same only.

Whenever -- see, we are not winning any order that is in the size of INR1,000 crores or INR500 crores or something like that. The thing is, we win small orders, we win the sizes of what we can execute and that is adding quietly to our portfolio and we are executing whatever is necessity and we are always good to go with that.

Paras Chheda:

Right. It is just that, sir, because a lot of these orders come quietly to you and most of these are not disclosed to the market and therefore there remains a little bit of that anxiety amongst the investors that maybe the order win is probably limited to achieve our target. But if you are confident, then you have been in business for long, so we will go by that maybe.

And, sir, in terms of operating margin, so far you have held it very, very well. That -- and of course, I do understand that you have lost a little bit of business to maintain our margin, which is also very good. So, the next year projection, you still maintain reasonably healthy margins of 20% and plus EBITDA margin?

Prasanna D.:

Yes, with this EBITDA what we are doing, we are confident of maintaining that. So, we are working towards that only. We have a strong financial team which works for this and we give targets for the completion. Every week we monitor the progress as well as what has been the budget and what has been the expenditure and if it is something falling short, we have calls and we take up those and we maintain all these things.

So, this is something like what I have learned from stalwarts like [Millions 0:40:41] and all. I have seen their follow-up. They don't go to field, but they sit in the office and they run the business only with Excel -- Microsoft Excel. So, this is something which is now the way of business what we have been turning into and we are doing good at it.

We are doing good follow-ups for the execution team and the management team. We are having a good backup call every week. So, we are maintaining. We are very much strong and maintaining this profit margins.

Paras Chheda:

So, then the government, of course, the intention is clear in terms of the spending etcetera. I mean, on the ground, do you see any sort of positive of tenders or limited tenders being sorted out irrespective of the government intent to spend more? But in general, on ground, is there any demand? In terms of tenders etcetera., anyone going forward? Or is there a little bit of a [tull 0:41:40] for now?

Prasanna D.:

See, the demand for the works has always been in the rise. So, every infrastructure, you know, this is just the second sector after defence. I always tell that on the border roads, whatever India spends on these borders and defence sector, it is almost equally spent on infrastructure.

Paras Chheda:

So, there is a positive demand and maybe even at our margins?

Prasanna D.:

Pardon?

Paras Chheda:

So, there is a positive, let us say, tender demand for us, let's say, and our offers for us, let's put it that way. And probably at our margins, I mean, there is enough work.

Prasanna D.:

Yes, there is enough work. There is enough work. Nowadays, the government has come up with very stringent conditions. These HAM mode projects and all, which we are not doing actually at the moment. HAM mode projects, earlier the net worth of the company is calculated only once.

Even a company with INR100 crore net worth can participate in 10 works. But nowadays, to bring in -- to give the works equally, I mean equally to all the companies, what if we have taken one work and net worth is INR100 crore and that pre-qualification for that tender is INR70 crores. But INR70 crores is nullified and you will have a net worth of INR30 crores only available for you to participate in tenders.

In this way, much of the companies, they didn't -- they cannot take 4 or 5 works and have it in their bank and all. Now, the order book for every HAM companies also will start declining. So, it will have a standard size of order book and that will be good for a growing company like us to participate in many books. We will not be short of any projects.

Paras Chheda:

Right. Sir, just wanted to say that, I mean, we will be dealing most of our contracts will be with the government or the central public sector undertaking. The cash flows or the payments from them are reasonably on time?

Prasanna D.:

Yes, the payments are very reasonably on time. There is no delay in any of the payments.

Paras Chheda:

I guess, 90 to 120 days is what we are putting at.

Prasanna D.:

Yes, Yes.

Paras Chheda:

Okay. And sir, just last question and -- just bookkeeping items. If there is a broad breakup available of other current assets and non-current assets. They have gone up a little bit sharply. Just wanted to understand the broad breakup or the reason for that jump?

Paras Chheda:

So we have many -- Yes, please, Priyanka. Yes.

Priyanka Singh:

Sir, other current assets are basically the TDS and GST, this input credit. Like the TDS, TCS receivable and GST, ITC and all. So the main reason for it being so high is because in the September month itself we had a lot of billing, sir, which actually we had to clear it in the month of October.

So, 30th September it is high, again in October when we made the payment, it got knocked off and it is now in normal only. In fact, if you see the other current liabilities also, that is also higher because again the GST payable and TDS payable is higher, sir.

So that is the reason this too was higher. And as far as the other non-current asset is concerned, we had, since we got new orders and all, so this is for the EMDs which we had to pay them, sir. So that EMD, that security deposit. And also, we enjoy CC limit, overdraft limit from banks. So we have to put FD as collateral. So that is the reason other non-current asset is high.

Paras Chheda:

Understood, understood. Fair enough. Thank you for the response, sir. And I can see through, there is a very, very well-managed financials also. And I hope if you just manage good orders

and some of them in time, I think we will be doing quite well over the next couple of years. But I mean financially, we are very, very -- I would just suggest from my end that as you have been doing that, just to keep an eye on the debt-to-equity ratio as far as possible.

Prasanna D.: Thank you very much, sir. Thank you. Thank you so much. Thank you. Thank you.

Moderator: Thank you. The next question comes from the line of Smit Jain from KTech Family Office. Please go ahead.

Smit Jain: Yes. So, thank you again for the opportunity. Just two questions, right? One is a subjective one. I wanted your commentary on it. Next year is an election year in Tamil Nadu, right? And what we have seen, what our usual experience has been that during an election year, EPC companies are the companies which are more, I mean, which get affected the most, right?

Because there is lesser workflow, the payments are usually stuck by the state governments. So, how do you anticipate going into an election year next year in Tamil Nadu from an operational workflow standpoint? I just wanted to get a sense on that.

Prasanna D.: Sir, normally this election year, what you mentioned, it will be a little bit slow. But what will happen in our case is normally all EPC companies, we will be facing a slowdown in the queue once after this financial year completes and all these revalidation of the funds and the budget preparation, either if it is going to be a central government or state government, whatever it is, it has to be done.

And there will be a break in -- there will be a slowdown in operations in the month of April and May. So, this is -- luckily we, Tamil Nadu people are having that elections during those times. So, we will be having the election in May. So, positively we will be having our code of conduct from the month of March and April and May will be a slowdown for us.

But the slowdown will be in the announcement of new tenders or issuing of fresh work orders or something like that. But whatever work we have, we are at liberal to execute the works and there will not be any slowdown in those things.

And, obviously, there will be a strain in some working capital during those times. We have to manage, we have to plan in such a way that it is not spoiling our queue and results. That we have to plan. It is always queue and light. Our industry is always queue and light.

So, we will be managing in such a way that we don't face that challenge. But after June, after the new government is formed, they will be with full of zeal and enthusiasm to go for new infrastructure works. So, that will be managed very well in the queue too. So, that won't be a problem. So, this is the scenario we have been seeing for the past several years.

Smit Jain: Fair enough. And secondly, I mean, you have been very transparent that you don't want to take low margins orders rather than you work on quality work orders right. A solar EPC is a very commoditized business wherein we have seen that the margins are not only low, but currently there is a lot of competition also. So as a segment are you like betting high or betting big on this

segment and why are we wanting to get into a segment which is inherently a low margin business, right?

Prasanna D: I understand that solar EPC business since we have cut throat competition and this is not industry where we get the same margin where we go in the role EPC or other things, but we need some - -- we thought we need some diversification and also we need some top line increase in our company.

So we need to grow good numbers and even at a cost of 1% or 2% lesser bottom line, we are ready to do that. But at the same time that will not – see at any point of time we are not going to dissolve anything in the bottom line of the main company or the EPC company or road EPC. So, we just wanted to have in addition to what we are doing. So, that was the call taken, I guess.

Smit Jain: Fair enough. And do we participate in state orders, state government orders or central government orders is what we apply for in terms of tenders?

Prasanna D: Sir, in tenders for the road EPC company, we participate in both state as well as central government, as well as public sector, everything. And when it comes to solar, we are concentrating 100% on private orders. We are not going for any government tenders.

Smit Jain: Okay, fair enough. I will call back in the queue. Thank you so much.

Moderator: Thank you. The next question comes from the line of Rajender Passi an Individual Investor. Please go ahead.

Rajender Passi: Sir, first of all, a hearty congratulation to you on the great set of numbers, be it revenue, be it the bottom line for the working capital as well as receivables and debt. I guess we have managed everything really well and were able to bring those really good numbers. So, congratulations on that part.

Prasanna D: Thank you very much, sir.

Rajender Passi: I have two questions from you. First, the amount of money that we are going to raise via QIP. So, what will be the justification of the use of that money like will it be mainly for the working capital or some part of it will go into capex? How we are going to use that money and by when can we plan to or do we have a plan in place to bring in the QIP like will it be in H2 or are we planning it in FY27?

Prasanna D: No, this is we are planning in H2 only. The quantum we have been doing the homework. We are getting a blanket approval for INR110 crores, but it is not that we are doing INR110 crores now. We are planning to raise somewhere between INR50 crores to INR60 crores at the first crunch and this is entirely going into the working capital. As you know that we are getting, we almost have all the machines. If we are even going to buy some more new machines, we will get a better rate of interest loans for the machinery. So, we prefer having all these for the working capital.

Rajender Passi: Okay. And sir, the second question would be like we have INR180 crores of debt as of now on our balance sheet. So, what is the current rate of interest on this debt on an average?

- Prasanna D:** Sir, it is from 8.25 to 9.25, 9.5 for both working capital as well as the term loan for the plant and equipment.
- Rajender Passi:** Okay. I guess that's a great rate of interest. The last question would be like we are working on the solar EPC side as well and someone earlier from me have already mentioned basically that it's a cutthroat sector and the margins are not very great now. So, have you looked into like moving into let's say other sector such as transmission, EPC transmission side so that at least in my understanding that is a very good sector which may have let's say 4 to 5 years of very good earning potential up until maybe FY32 or such a thing. So, are we looking into other sectors as well because I think that may also align somewhat with our work?
- Prasanna D:** No, sir. We have not thought anything about that. We have not given any thought about that till now. We are concentrating on these four areas. We want some concrete presence in these areas. Then we will plan for any expansion or diversification or further going into other sectors or something like that. We just do not want to touch every areas as of now. What we have touched we want to make it concrete revenue generating sectors then we will plan about that.
- Rajender Passi:** Okay, sir. That was all. All the best for the future, sir.
- Prasanna D:** Thank you, sir. Thank you very much.
- Moderator:** Thank you. The next question comes from the line of Ajinkya, an Individual Investor. Please go ahead.
- Ajinkya:** My questions are answered, madam.
- Moderator:** Okay. So, as there are no further questions, I would now like to hand the conference over to Mr. Ganesh for closing comments.
- Ganesh:** Thank you everyone for joining the conference call of AVP Infracon Limited. If you have any further queries, you can write us at research@kirinadvisors.com. Once again, thank you everyone for joining the conference.
- Moderator:** This brings the conference call to an end. On behalf of Kirin Advisors Private Limited, we thank you all for joining us and you may now disconnect your lines. Thank you.
- Prasanna D:** Thank you everyone.