



AVP INFRACON LIMITED

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

Reg. Off: E-30, 11nd Floor, 11nd Avenue, Besant Nagar,

Chennai-600090. Tel No: 044-4868 3999

CIN: L45400TN2009PLC072861

To,

Date: 27-05-2026

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 Saturday, May 23, 2026 at 11:00 A.M.

Dear Sir /Ma'am,

In continuation of our earlier letter dated May, 23, 2026 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 Saturday, May 23, 2026 at 11:00 A.M. to discussed the Audited Financial Results (Standalone and Consolidated) of the Company for the Half Year and Year ended 31st March, 2026.

Kindly acknowledge and take the same on records.

Thanking you,

Yours faithfully,
For AVP Infracon Limited

PRIYANKA SINGH Digitally signed by
PRIYANKA SINGH
Date: 2026.05.27
19:26:18 +05'30'

Priyanka Singh

Company Secretary and Compliance Officer



“AVP Infracon Limited
H2 FY26 Results Conference Call”
May 23, 2026



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
ATLAS CAPITAL, INVESTOR RELATIONS ADVISOR – AVP INFRACON LIMITED

MODERATOR: **MR RUTUL SHAH – ATLAS CAPITAL**

Moderator: Ladies and gentlemen, good day, and welcome to AVP Infracon Limited H2 FY26 and FY26 Earnings Conference Call hosted by Atlas Capital. We have with us the management today represented by Mr Prasanna, Chairman, Managing Director, CEO; Ms Priyanka Singh, CS and Compliance Officer; and Mr Rutul Shah from Atlas Capital, the company's Investor Relations Advisor.

As a reminder, all participant lines will be in the listen-only mode. Should you need assistance during this conference call, please signal an operator by pressing star, then zero on your touchtone phone. Please note that this conference is being recorded. Since there are no opening remarks, we will begin the question-and-answer session. We take our first question from the line of Raghav from R21 Ventures.

Raghav: Good morning, and thank you for giving me the opportunity. My first question is regarding the PAT and EBITDA margins. Looking at the financials, we have observed that PAT and EBITDA have been compressed by around 1% or 2%. So, can you brief about what the key drivers were behind this compression?

Priyanka Singh: Good morning, Sir. There are about 3 factors this time which has affected PAT and EBITDA. And to begin with, we all know that because of this geopolitical war, bitumen prices went up. It happened only for 1 month, but that also took a toll. Other than that, we were actually planning to go for QIP in the month of September or October. But because of this crisis, our share prices fell, so promoters decided not to dilute shares.

So, in order to achieve around INR440 crores of turnover, they have actually gone to banks and taken debt and other things to ensure that our turnover is there. Therefore, finance costs also went a little high compared to the last financial year.

Other than that, I want to just say that because in the month of March, we have the maximum billing. We have a high unbilled revenue of around INR80 crores, which we couldn't bill during February and March. The problem is that in accounts, you have to follow the accrual system and book all the expenses.

But since this unbilled revenue was not billed, it is not formed as part of sales. So for that, our PAT margin fell a little.

Raghav: Okay. Got it. Following this, what is the realistic, sustainable PAT margin you are looking for in the future?

Priyanka Singh: So we will be trying to maintain this because I think this is the worst scenario that we have faced. So we are trying to ensure that 9% - 10% of PAT will always be maintained. I hope MD also actually agrees to it. Sir, do you have anything to add to this?

Prasanna D.: Yes. Good morning, everyone. Thanks for attending our earnings call. I just want to add a few words in this regard. When we were maintaining a PAT of around 11.5% - 11.7% we were always questioned about how our PAT margins are so much higher when compared to the peers.

Now, actually, what happens is that certain factors were adding on to our margin levels. These margin levels are expanding drastically, our concentration is on a smaller circle and for a smaller top line, the PAT margins are always maintainable. When we are expanding, there is some dilution in the PAT level, but that is not alarming.

Even then, 10% of what we have achieved is not a low PAT margin when compared to our peers. And we assure that this will be maintained. And we are trying our best to regain our PAT of around 11% - 11.5%. Since whatever has happened, which could not be predicted or what you call anticipated.

If we had anticipated this, we would have done some homework and done something. Something like price escalation or price increase to a point of 1% or 2% or maybe even 5% is anticipated in the industry. But when a price hike of around 50% or 60% happened in the raw material, that too in the bitumen, which is a major raw material in road laying, will definitely have a hit.

I don't know whether all the other people know how they are mitigating this, but this is the fact that has happened to us, and we are trying our best to get that resolved in the next half year. And, also adding to this, we are expanding brutally. And this expansion will have 1% or 2% hit on the profit, which I have disclosed in the earlier calls.

Priyanka Singh:

Sir, also, can you just throw some light on this competitive bidding as well, because bidding has been very competitive now, both at the centre and state?

Prasanna D.:

When we come into this NHAI bidding, the price has to be much more competitive. Now that prices are very competitive in the market, people are ready to go for higher prices. We are very conservative in this.

I've always been conservative, and I'll try to be conservative. In fact, if we are increasing this 1% or 2% profit margin directly, we will be able to get further orders also. So we are just working on that, and we'll get back to you in the next month's call about all this.

Raghav:

Okay. So, following up on what you have said, as you have mentioned, there has been an increase in the raw material prices. So, how well are your contracts protected from this volatility in the input cost and raw material costs? And are there any clauses that protect you from this volatility? For example, there are price variation clauses. So are there any similar kind of clauses that protects you?

Prasanna D.:

Yes. There are price escalation clauses based on the tender and based on the nature of the work. There are some works that, if we are bidding on a tender that is less than a year, that was not covered in the price escalation clause. Only if the duration of the work is more than 12 months, that is, 13 months or more, will price escalation be there.

Previously, price escalations were applied only on the final bill. It will not be applied to every bill. We have to work and produce a running account bill, and the price escalations will be calculated and provided to us in the final bill only.

So, at the same time, when we were doing some work, price escalations were not provided. And in state government work, there is only a cap of 5% variation in price escalation. After that price escalation of 5% or more than 4%, it has to go for a revised administrative sanction, which will take some time for the sanction to come. So there is a greater chance for us to get that price escalation, but it will take some time. That will not happen immediately, which will affect the cash flow.

Moderator: Next question is from the line of Murtaza from PinPoint X Capital.

Murtaza: Good Morning, thank you for the opportunity. I wanted to understand that earlier, we were guiding for roughly INR500 crores. So, the key reason for the shortfall is just the billing cycle? Or were there some order execution delays or something else?

Prasanna D.: Sir, we have achieved INR500 crores practically. But theoretically, when it comes to the books, we could not book them. See, we have done INR440 crores, and our unbilled revenue stands at INR70 crores. This INR70 crores, when you see, Q4 will be very much high on our side. But this is due to certain scenarios where we could not complete the works entirely, and we could not achieve that milestone because of external factors like the price increase of this bitumen and the unavailability of bitumen.

Bitumen availability was very scarce in the last month. Normally, our milestones would have been achieved, and these billings would have happened. Actually, what we thought this year was that we wanted to close our unbilled revenue and the work in progress at less than INR20 crores, but this did not work out, and this took a toll on other things. On average, we have done INR500 crores, which could not be billed.

Murtaza: Right, sir. So we can say that the execution of INR500 crores was done. It was just the billing cycle, because of which we are not sort of able to see that number.

Prasanna D.: Yes, absolutely correct.

Murtaza: Right. And sir, coming up next regarding our order book, what is the unexecuted order book for the year? And what's our guidance for FY27? What sort of inflow are we expecting for FY27?

Prasanna D.: So FY27, we are sticking to our guidance of INR700 crores. For that, we have to do our best to raise funds either through equity or debt. This is well planned, and I have been hinting about the INR700 crores from last year itself. And this we will definitely achieve. Not every year, we'll fall short of guidance. This is the first time we have fallen short of guidance. And this guidance will be erased in the next earnings call.

Murtaza: Right, sir. And regarding the order book, what is it currently? What's the current unexecuted order book as of now?

Prasanna D.: It's roughly around INR500 crores. We have started bidding after the elections are over, we will try to increase our order book to a phase where we'll be able to achieve it in the next year, and we'll have a sufficient order book to face the consequent years also.

- Murtaza:** And sir, what is roughly the bid pipeline that we have already booked?
- Prasanna D.:** No, we don't have any bid pipeline. We have participated in 1-2 tenders, and that is in the pipeline. All the others, we are going to participate in this month. The tenders have been floated, and we are participating in the months of May and June.
- Murtaza:** Okay. And sir, what was the revenue split between Tamil Nadu and the other states for FY26?
- Prasanna D.:** Sir, as of now, we don't have any orders outside Tamil Nadu. I don't want to comment on anything before we get confirmed orders in our hands. We are bidding outside Tamil Nadu also. If everything goes well, we will start our work outside. But as of now, we don't have any tenders positive in our hands outside Tamil Nadu.
- Murtaza:** Okay. And sir, regarding the split in the revenue that we had already done in FY26. So, was there any revenue that came in outside Tamil Nadu?
- Prasanna D.:** No, sir. nothing. It's all inside Tamil Nadu only. To date, we have not gone out of Tamil Nadu.
- Murtaza:** Okay. Understood, sir. Can you give some commentary regarding the finance cost and borrowings? Are we getting some visibility? I just wanted to understand the funding bridge aspect better because the finance cost has slightly increased this time. So just wanted to understand the trajectory going ahead.
- Prasanna D.:** Sorry, sorry.
- Priyanka Singh:** Sir, I'll reply, it's okay. Actually, you know that we are planning to go for this equity raise soon, once the share market is a little better, and prices are better. I think by the half-yearly, once we declare our results, post that, we will be going for an equity raise. So once this equity raise is done, whatever funds we have taken as debt, as of now, are there, which is like a bridge funding for us.
- So we were just waiting for this equity raise. Once we do that, we will make sure that a chunk of the debt that we have right now, we pay off because, anyway, it is like a bridge fund for us, and it is like short-term for us. So with that, I think our finance costs will also come down.
- Murtaza:** Okay. That means we're expecting that our fundraiser will be better.
- Priyanka Singh:** Yes, yes.
- Murtaza:** We'll be on a better front. And lastly, I just wanted to understand a little bit regarding elections in Q1. So in terms of execution, was there any impact?
- Prasanna D.:** No, there is no such impact in the difference in government formation or something like that. Executions are going on as such. There is no difference between the previous thing and the current scenario.

- Murtaza:** Understood, sir. Just a request for the coming results, I would really appreciate it if we could start with the investor presentation as well. Otherwise, thank you very much for the detailed responses.
- Prasanna D:** Yes, yes. I'll take this up. Normally, we do this with the investor presentation. But this time, we could not do it for various reasons. So we'll do that from next time. And you can share your mail ID with Rutul; he'll be good to share the investor presentation.
- Moderator:** Next question is from the line of Mukesh Panjwani from W.C. Securities.
- Mukesh Panjwani:** Good morning, Sir. Am I audible?
- Prasanna D:** Very much audible, sir. Yes.
- Mukesh Panjwani:** Sir, going ahead, would we be able to give the quarterly update as you have also talked about earlier? Would it be possible?
- Prasanna D:** Sir, actually, we are in talks with our auditors for this Ind AS system, sir. Once we are through that, the migration may happen, and we'll try for this. But as all of our investors are asking about this, we are taking a thought about this, and we will definitely try to do that, sir.
- Mukesh Panjwani:** Okay. My only question is regarding the cash conversion cycle, as we know that it is going up year-on-year. So, what we are doing to bring it under control, and especially our inventory days, are also going up year-on-year. So, can you throw some light on that?
- Priyanka Singh:** Sir, inventory days are higher because of unbilled revenue. Since we are not following Ind AS, whatever sales we are showing are actually the billed sales. Once we start following Ind AS, unbilled will become a part of revenue itself, sir. So inventory days will automatically come down because, sir, our inventory is somewhere in the range from INR15 crores to INR20 crores, actually, not more than that. So once this unbilled becomes part of sales, the cycle will also be better, and I think inventory days will also come down.
- Mukesh Panjwani:** When would we be following that?
- Priyanka Singh:** Sir, actually, we wanted to do it in this financial year. But as you know, once we opt for Ind AS, then the last 2 financial years have to be reinstated, and everything has to be done. We fell short of time this time. But I'm sure we are speaking to our auditors. So we'll start the process soon and convert it into Ind AS this time.
- Mukesh Panjwani:** Okay. And in this case, our debtor days will increase. Would that be the case?
- Priyanka Singh:** Sir, debtor days increased because during this election, the receivables got delayed a little. So what we were supposed to receive got delayed. Secondly, more than that is in the month of Feb and March, we had a very high billing.
- And our debtor days are anyway somewhere between 90 and 120 days, depending on the project. So in February, we built somewhere around INR50 crores approx and in March, we did INR75-

78 crores. So this high billing is because of that only; we have started getting the receivables in the first quarter itself. So that won't be a problem next time, sir.

Mukesh Panjwani:

Okay.

Prasanna D:

More than one-third of our trade receivables are received within 45 days itself. We have around INR140 crores in the trade receivables in the standalone. Out of which we have received around INR55 crores to INR60 crores in April and May till date. So that is not an alarming factor, we think, because see, when we wait for the receivables to come down, we cannot just halt our operations like that. These receivables take time.

And we expected these receivables would be high because of these elections, because people have a tendency not to take risks to get funds from the finance and have it in their accounts for either the highways department or the PWD department.

At the end of the 31st March, they could not surrender the same. So they take a lesser amount of funds from the finance department, and they want to exhaust whatever it is that they have received. And after the elections, the government formation took so much time.

And definitely, even before that, when this revalidation happened, our funds were in place, and we were getting funds regularly. So that was not a point to be afraid of.

Mukesh Panjwani:

Got it. And, can you now throw some light on the borrowings part? Like right now, the debt is the total borrowing amount is INR234 crores on a consolidated basis. So, going ahead would it be in the same range, or do we have the goal to reduce it by the end of FY27?

Prasanna D:

Yes. We are planning to reduce the debt, sir. You see, we need some funds to keep the ball rolling. So we have taken some debt. It has taken a toll on the bottom line because of this financial cost.

But something or the other, we need funds, so we have taken this. Even one investor has asked me about this pledging of shares. This pledging of shares by one of the directors is done for a volume of INR 10 crores. The entire INR 10 crores has been pumped into the system alone. And it has not come as a director's loan, and it is not taken for any personal use or some other purpose.

So this is what we have when the market is not giving. I cannot just like that abandon my company, right? I have to work on XYZ. I have to work some way, and I have to do that. And moreover, adding to this debt side, I have subscribed for a warrant of INR30 crores, in which I have already done INR7.5 crores. So I'm monetising the balance of INR22.5 crores so that I can infuse the same. I'm not worried about the share price or something.

I know the share prices will come up anyhow more than what I have subscribed for the warrant. So I'm not worried about that. And I am definitely going for this subscription of warrants at the earliest, positively in the first half of the year itself. So that my debt level will also increase. I can repay some debt with that, or else I may use that for my working capital or something, which will be helpful for the company. So I'm monetizing that funds.

- Mukesh Panjwani:** So the pledge will be released this year itself?
- Prasanna D:** Absolutely, it will be released.
- Mukesh Panjwani:** Okay.
- Priyanka Singh:** Sir, actually, I'll just add on something, since we don't have the schedule, people will be thinking that we are having too much debt and all. If you just concentrate on the standalone, our total debt is coming somewhere INR206 crores in the standalone. I'll just give a small bifurcation on this. Out of this INR206 crores, we have INR140 crores as CC limit with our banks. And we have around INR15-18 crores, which we have from the promoters an unsecured interest-free loan from the promoter itself.
- The balance of around INR48 crores, INR50 crores is nothing but the term loan, which we do for our machinery and vehicles. Since we are an asset-heavy industry, we own our own fleets and all.
- So, INR48-50 crores is like a term loan, which we have taken from the banks because you get it at a very cheap rate compared to blocking your funds and cash flow and buying it, so it is always better to go for a term loan and take it from the bank. Out of that INR48-50 crore, I think INR32 crores are anyway short-term, which we are writing like we will be paying it in this financial year.
- So, if you see the broad INR140 crores CC limit, around INR50-51 crores of term loan, out of which INR32 crores is short-term, and INR15 crores is from the promoters, which they have put in the company. So this is the bifurcation, sir.
- Mukesh Panjwani:** Got it. Got it. But then now, like we are targeting around INR700 crores of revenue this year. So, how are we going to manage? It would be difficult to reduce the debt if we have such a big target, because the working capital would be required for that.
- Priyanka Singh:** Definitely, working capital will be required. With the increase in our top line, our CC limits can also increase. And parallelly, we are also going for our equity raise. And the warrants balance amount also, promoters will be putting in, because the maximum is for the MD. So I think with everything like this, I think it is pretty good, and we are pretty confident that we'll be able to achieve what we are targeting.
- Moderator:** Next question is from the line of Rajender Passi.
- Rajender Passi:** Okay. So, my first question was regarding the margin. Consider for this year that we are targeting a top line of INR700 crores. What kind of margins would we be comfortable with that you think we can confidently achieve? I'm not saying that we should be targeting 11% or 12%, but where it should lie for this year, because the bitumen prices are still high and it may remain high for, let's say, for the next 6 months or maybe for a year as well.
- Prasanna D:** Sir, we are on stage where we just want to target maintaining at this 10% minimum and not comment or commit anything above 10% because of these geopolitical tensions. But 10% would

be achievable given what we have. I mean, we have worked out or whatever we have calculated based on that 10% would be workable.

Rajender Passi: Okay. So you mean even with the price hike in bitumen as well as our debt level, 10% should still be achieved?

Prasanna D: 10% will definitely be there. As these escalation clauses, the government have come up with some notifications and because of this geopolitical tension, the government has come up with a circular for the escalation clauses, explaining how things have to be followed, and also these are all positive things. And that will definitely contribute to that 10%.

Rajender Passi: Okay. The second question, I guess you mentioned that in our balance sheet, the receivables were at INR160 crores, and now we have almost reached INR55 crores to INR60 crores. So they are at INR100 crores as of now, right?

Prasanna D: What is that, sir?

Rajender Passi: From the receivable side, sir, I think they were at INR160 crores towards the end of March. And as you mentioned in a question earlier, that we have received INR55 crores to INR60 crores out of those INR160 crores within April and May?

Prasanna D: Correct.

Rajender Passi: Okay, sir. And the third question would be regarding the bidding pipeline and on our order book side. So when can we expect, like, the new orders coming in towards our side basically?

Prasanna D: The tenders across Tamil Nadu will start now. 2- 3 NHAI projects have floated, and all the other tenders will start floating only from June or something. So we can expect something in the first half of Q2.

Rajender Passi: Okay. And do you think the same margins can be maintained in those new tenders as well?

Prasanna D: Absolutely. What will happen is that the increased prices of the bitumen will be taken into account while preparing. So any tenders that are floated from now on will have the new cost implemented into this. So that will not be a problem. Again, whatever price increase will be implemented in making the estimates, and that will not have an impact on the profit margins.

Rajender Passi: Got it, sir. That's good to hear. The last question would be from the fundraising side. Sir, as you know, the stock price is really down as of now. So, it may take some time to come back, and we may be in a situation where we can't raise the funds as of now, right? So, given that scenario, do you think that we can sustain for the next 6 months or 1 year if the fundraiser does not happen? With debt and with everything?

Prasanna D.: On the funnier side, I'll say that we know how to build roads, but we don't know how to build this balance sheet. I have learned that building a balance sheet is harder. People look at only the balance sheet and not at the efforts and results of the company.

So they just want a day one result. No company can give a day-one result, and the company will not give positive results day after day. There may be a shortfall. There may be a dip, but there will be a rise. So this is what the investors should have in mind, but I don't know what the mindset of all the investors is.

And again, when coming to your point, what I say is even if the fundraising is not happening, we are on the hunt to raise any debt, actually, because maybe the debt level increases, maybe the bottom line will be decreasing because of this finance cost or something. But at the same time, our target will be the same.

What we are planning is that we have to reach it either with the help of equity or with the help of debt. So we are planning in some way or other. So we are planning in some way or other. If equity is not happening, we'll go with the debt. But I hope that investors will have some confidence in the company and will bring back the prices for us to go for the equity raise.

Rajender Passi: Got it, sir. And are we still looking to raise it in the range of 160 to 170, as we guided earlier, like the stock price should be at 160 to 170?

Prasanna D.: Yes, minimum of that price.

Rajender Passi: Got it, sir. And one request...

Prasanna D.: Diluting at this current price is not good for me again. I did this 2 years ago. I cannot do the same after 2 years.

Rajender Passi: I get that, sir. And I am in support of that. But we should not be raising at least on this price range because we have come so far within this.

Prasanna D.: I will instead buy back myself.

Rajender Passi: Definitely, you should do that, sir. One request from my side would be, sir, given that we have all these discussions, right? So, as the earlier investors have also asked for that, if we can provide a PPT with all these details, like the current debt breakdown in terms of CC limits, term loans and everything like what we are planning.

Prasanna D.: Yes, definitely. We are working on that. We have a detailed PPT presentation getting ready. It could not be done today. That is the reason we could not have the investor presentation ready. It will be presented to you very shortly. For all the investors who wanted this to take place, please just drop an email to the company or Rutul. We will get back to you at the earliest.

Rajender Passi: I would say, sir, upload it to the exchanges so that it could be available to everyone who wants to see.

Prasanna D.: That sounds good. We'll do that, sir, thank you.

Rajender Passi: Yes. That's all from my end, sir, all the best.

Prasanna D.: Thank you, sir. .

- Moderator:** Thank you. The next question is from the line of Murtaza from Pinpoint X Capital. Please go ahead.
- Murtaza:** Hi, again, sir. Sir, I just had a handful of more questions. Just wanted to understand better regarding the capex we had done this year, and what kind of capex are we planning for the coming year?
- Prasanna D.:** Priyanka, can you help me with this?
- Priyanka Singh:** Yes. Sir, actually, capex, I think we are having enough of fleets and enough of assets as of now. Even if we expand, we are looking and eyeing for a turnover of INR700 crores. So we can actually shuffle our assets from one site to another. And as of now, we don't have any requirement for capex.
- But again, sir, it is difficult to say anything regarding, again, which location we are going to get what site and all. If at all required, we will go. And whenever we go for any capex, we always go through term loans. It is easy for us also, the rate of interest is very low compared to giving the entire cash flow and blocking a cash flow for buying an asset.
- So as of now, we don't have any plans. We are enough with whatever fleets we have, whatever assets we have. But again, it all depends on the future, which project we are getting in which location. As you know, we are actually planning to expand also outside of Tamil Nadu. If at all, we think that we need an asset over there, or we will buy it, or else we will hire the machinery then and there. So as of now, no plans for capex, sir.
- Murtaza:** Understood. And roughly, if you have a ballpark figure for the capex done in FY26?
- Priyanka Singh:** Sorry, sir, capex done in, what figure you want?
- Murtaza:** The capex done in the year that has ended, FY26?
- Priyanka Singh:** Sir, I think we took around INR25 crores, if we are not mistaken, worth of capex.
- Murtaza:** Okay. And another question I wanted to ask was regarding our employee costs. So this year it has roughly increased in proportion with our revenue, roughly 50%. And, I just wanted to understand, as we're targeting around roughly INR700 crores, which is roughly 40%-odd.
- Will we see the same increase in our employees, or will there be some sort of leverage kicking in over here, so that we'll be able to do more revenue per employee? Or will we have to proportionately increase the number of employees?
- Prasanna D.:** Headcount has to be increased, sir. If you are increasing our projects, the team has to be instated totally. We cannot do 2 simultaneous projects with 1 team. So we need a fresh team, also be increased. So we will be having the head of operations for each project, and newly recruited engineers or something like that, we'll shuffle and keep increasing our team. The team has to be increased at any cost.
- Murtaza:** Sir, will it be in pace with the increase in revenue?

- Prasanna D.:** Yes. Definitely, when revenue increases, you have to keep your team size. See, the number of projects is the thing. I mean, for executing a project worth INR50 crores or INR100 crores, we need 15 to 20 members of the team. If you are going for another INR100 crores, another 20 members of the team should be increased or something.
- Murtaza:** Fair enough, sir. Understood.
- Priyanka Singh:** I just want to add on to this that whatever increase in employee cost you are seeing, it is all because we have hired people for our project sites and all. There is no increase in promoter salary in any way. I just wanted to add that thing, sir.
- Murtaza:** That's understandable. And I would really appreciate it if we could get some commentary regarding our PEB vertical, which is pre-engineering buildings, and regarding our solar EPC subsidiary that we were planning. I just wanted to understand what the status is currently. And what sort of outlook are we looking from it? I just wanted to understand that aspect better.
- Prasanna D.:** See, solar EPC, we have obtained a first order, and we have just started our work. And since the government change has happened, there are some changes in the approval scenario, everything. So we'll be getting the approvals as soon as possible. I could not commit anything to the timeline, but we will start this year. This year, we are looking for some good orders from solar EPC.
- Pre-engineering building, we are at the entry level. We are bidding our best. But since we are very new to this, and we don't have much prequalification, we have not done bigger buildings or something like that. It is pretty tough to get into big-sized tickets.
- So now we are targeting a smaller thing to build our qualification level, and we are bidding tightly so that we will be getting some entry into that segment this year, but it has not been fruitful till now. So we are still on the run only for that.
- Murtaza:** Understood, sir. So we have an actual team readily available for PEB. It's just that -- as of now, we don't have any orders at hand?
- Prasanna D.:** Yes, we are executing one order as of now. This is the first order being given to us. And we are looking for us for some breakthrough in the short term.
- Murtaza:** Sure, sir. Understood. Thank you very much. Really appreciate your answers.
- Prasanna D.:** Thank you.
- Moderator:** Thank you. The next question is from the line of Paras Chheda from Purpleone Vertex Ventures LLP. Please go ahead.
- Paras Chheda:** Yes. Hello, sir. Good morning. I just joined in late. So, apologies if some of the questions get repeated. But sir, just first on the receivables bit, out of these INR160 crores receivables that were outstanding, how much have we collected in April and May? And how much is expected to be collected by Q1 end?

Prasanna D.: So out of INR160 crores, INR120 crores from the standalone, sorry, INR140 crores is from the standalone. Out of INR140 crores, we have done around INR55 crores to INR60 crores to date. And in this console thing, another INR5 crores or something we have received. So this is what has happened till now. So we are very much below that 120-day receivables cycle, we'll be able to receive the entire INR160 crores into our books.

Moderator: I'm sorry, you're sounding muffled. Paras?

Paras Chheda: Yes. Sorry. I was saying that out of INR160 crores, INR60 crores we have already received is what you're saying.

Prasanna D.: Yes, yes, yes.

Paras Chheda: And by the end of June, how much more do we expect to come out of this?

Prasanna D.: Pardon?

Moderator: Paras, you're sounding muffled.

Paras Chheda: Okay, sorry. One second. By the end of June, [inaudible 0:42:13] sir?

Prasanna D.: His voice is not audible. Yes, your voice is not audible.

Moderator: Paras, we are not able to hear you clearly.

Paras Chheda: Can you hear me now?

Prasanna D.: Yes.

Paras Chheda: I think out of this INR160 crores, we've collected INR60. Now there is June left for Q1. Potentially, how much can we collect this month?

Prasanna D.: Sir, that cannot be committed to anything. I'll collect INR20-30 crores or whatever it is. We are just on the run. Even if we may collect even the entire INR160 crores or something may be pending also. But everything is falling on time, and there is no lag in anything. This is all happening on time only.

Paras Chheda: Yes

Prasanna D.: We have some timeline for this receipt also. So this is happening on time. Because of this election and all these scenarios, there is some slight lag in that, but that is not that much alarming as to our knowledge, whereas we have seen 3 or 4 elections crossed, and this time is no exception. And there are some inevitable delays, but it is not that alarming.

Paras Chheda: Okay. So given that, when do you expect this cash flow from operations to turn positive? I mean, because this year was negative and probably due to milestone billing delays, maybe I would think. So, do you expect to get cash flow positive in terms of operations this year, FY27?

Prasanna D.:

Our trade receivables are around INR160 crores, and our trade payables, if you see it, are around INR20 crores. This mismatch sees INR140 crores of our profit, I mean, our funds are with others. When we are paying people on time, just to keep our business good. If we have many creditors and many supplier credits, we can easily make this cash flow positive. But this cash flow is negative, I think we are mitigating. First half-yearly, we have done it.

And the first half of the year, it was probably cash flow positive only. And because of this, see, we have drained every rupee to make the payments for all our suppliers and all our finance banking, everything. We did not have anything just to have our bank balance high. We just want to make an on-time payment for most of this. We do not want to fail in that.

So that is what is making things this cash flow negative. We are trying to make it positive in the next financial year. The same question, you will not be able to ask me in the next financial year earnings call.

Priyanka Singh:

I just want to say that, conservatively, let us not comment that we will be 100% sure that it will be positive. Sir, always, our mission has been that the company can at least run properly, and since we have a good relationship with the supplier, we ensure that the supplier, we pay advance or we pay on time. Sir, I can tell you for sure one thing that a company having almost INR440 – 450 crores of turnover will never have a creditor as low as what our company has.

Paras Chheda:

Sorry, let me comment on this one. See, you can continue to grow, and I'll come back to that in terms of revenue guidance, etc. But that growth is coming from balance sheet expansion. It is not coming from cash flows that are generated internally from the business. See, you can pay your vendors on time. That is a good practice.

But the point is, unless and until your receivables are on time, you are trying to fund the growth out of either debt or equity. And equity will become equally harder unless and until you become cash flow positive. And that eventually, at some point, the next question was about that.

At some point, you will hit a ceiling in terms of how much debt you should sit on, with the kind of receivables that will keep growing. So there has to be some sort of sustainable business model wherein the receivables also come on time, at least within a certain period of time. And then you've got payables also. So you've got to match the cash flow. You can't fund your receivables every time with debt.

Prasanna D.:

No, sorry to interrupt. See, when we have some agreement with the government, there is a timeline for the government to pay the bills for us. It's not that we can take, we have to submit the bill and get the payment the next day. But this is not the case when we are taking materials from suppliers. We don't find much credit.

There are periods when we used to get 6 months of credit also. There won't be enough takers for the materials, wherein they ask just to buy the materials from them, give them whenever it is possible. But now the demand for each and every material in the construction industry is on the rise.

So they demand immediate payment. In that case, if we are not paying them immediately or if we are not paying them upfront or if we don't pay on time, there is always a second thought about supplying materials to us. So I cannot take that risk, right? If I have to run my show, I cannot wait for 90 days for my receivables to come and then pay the supplier and then take the material. Then my cycle will not be there.

In that case, we need to go for another debt or something. It will not be the same thing. Operational cash flow will be negative in all ways. But we are trying all the ways. When we get some payments, we have received some payments out of that.

And whatever we get from the balance sheet, if you just add April and May to that and if you see that, now it would have been positive, or if at least the operating cash flow would have been not INR18 crores, it would have come down drastically.

This is how it happens. We just cannot because in the construction industry, every contractor or every person who is aiming for billing will do their billing in the last quarter. So there is a huge demand in the last quarter. And there will not be any credits in place.

Even when we were taking bitumen from Indian Oil Corporation, we were given an INR7,500 discount, and it was stopped in the month of March because of the availability and because of this price hike.

When there is a demand, there is no need for them to give the discount. Overnight, they stopped the discount. But overnight, we cannot stop our work, right? We have to get on with the work. We have to keep the system flowing.

Paras Chheda: I understood, but this is not the first year we have been cash flow negative. I understand this year has been quite volatile in terms of construction material demand, also. But for the last 3 years from FY24, our cash flow from operations has been negative.

Priyanka Singh: Sir, FY25, I just want to clarify one thing. In FY25, we were INR9 crores negative in cash flow. And the major reason was that we had a chunk of creditors, which we had to repay, and we repaid INR33 crores of creditors in FY25. That was the main reason why our cash flow was negative in FY25.

Paras Chheda: Sorry, I'm talking about cash flow from operations.

Priyanka Singh: That is what I'm telling. If you have our financials in front of you, I'm not having it right now, but for financial year '25, as far as I remember, INR9 crores was the negative balance, which INR33 crores we cleared in that financial year, sir, for payment of creditors.

Paras Chheda: Cash flow from operating activity in March '25 was INR16 crores negative, right? And your payables were INR30 crores at that time?

Priyanka Singh: Financial year '25, operations from cash flow were INR9 crores negative for us, in which we have repaid around INR22 crores to INR30 crores to our creditors, sir.

- Paras Chheda:** The broader point is simple: however you like or don't like hearing this, the angle has been that the cash flow from operations has been negative. You see, I'm also an investor. I'm also equally worried. So there is no discussion in terms of I'm highlighting wrong numbers, etc. I think the entire community of investors on this call can tell me whether the last 3 years have been cash flow negative or not in terms of operations.
- Prasanna D.:** Last 3 years, sir, last 3 years.
- Paras Chheda:** FY26, FY24, FY25, cash flow from operations has been negative. Am I misstating this fact?
- Priyanka Singh:** Sir, you are not misstating the fact, but the numbers you're quoting, where is INR9 crores, and where is INR16 crores, sir. There is a huge difference.
- Paras Chheda:** Priyanka ji, you may be right with your INR9 crores number. Let's put it that way also. I'm open to that as well, right? What I'm talking about, generally speaking, is the sustainable business model practice. I'm also an investor in the company, also equally worried. So we are just highlighting something that you should be looking at. The final fine-tune numbers, we can discuss separately, that's fine. If you're operationally positive, any which way, it's good for us. And for the management.
- Prasanna D.:** We do not claim that we have been operationally positive for the past 3 years. For a growing company like us, you cannot expect 100% operationally positive things. We are trying our level best to bring it to an operationally positive. We have done that in the H1. We just wanted to maintain this year, but this year, due to high debt and low creditors, we could not achieve this.
- If we had received maybe around INR40 crores or INR50 crores extra, we mean, we would have been in a cash flow positive situation. This is all inevitable. If you want a cash flow positive, then my top line would have been lesser then. If we have to -- see anything has to be sacrificed for something to be attained, sir. We are not saying to achieve everything right.
- What I am looking for is for the top line to grow. I don't want the bottom line to decline. And then I want the company to grow. I want the -- I mean, creditors to be paid on time. I want the banks to be paid on time.
- Everything -- this is all I'm concerned about. See, end of the day, after March 31 only, I will just check whether it is -- what is happening and all. This operating cash flow is negative, or operating cash flow positive, or all the sentences or statements I'm hearing for the past 2 months only. I am of the mantra that I should do business, pay my suppliers on time, and pay my workers on time. This is all the mantra I know, and I have learned.
- I am working on it. If that is making me -- if I have done my best to pump in all my A to Z money into the company. And we are taking loans, we have also pledged our shares and put that INR10 crores also into the company.
- Everything we are doing is for the growth of the company alone. We are not just looking at this company that I'm taking part in. This whatever salary of INR10 lakh or INR12 lakh will not be

sufficient for me to stay happy at my home. I want this company to grow big. I want this company to do wonders.

This is how I have been brought up, and this is how I am doing things. So, this operational cash flow thing, I humbly accept your point on this. Definitely point taken, and we will work on that.

Paras Chheda:

Sir, I fully appreciate and acknowledge the efforts of the promoter family and your commitment to the company. I see everything. So I completely agree with every other thing. I'm just trying to highlight. So just to grow at the moment.

So the next question is, sir, we are growing, and that is very good, right? So now we are probably stuck with raising equity for now, right? And the short-term borrowings have gone up. I presume the long term is anyway close to flat, let's put it that way. Now my question is, sir, what kind of debt-to-equity are we comfortable ? I'm okay with taking further leverage if I want to continue to grow.

Because what I'm trying to highlight is that, yes, the growth definitely, every investor wants to see growth, correct? But that growth, the cash flows to fund that growth, are not coming from the business. It is coming either from debt or, if at some point, from equity. Now, since we are in a situation where probably equity will not be the case, it will be debt. So my question is, at what level of debt-to-equity are we comfortable going up to? Currently, we have about INR43 crores in long-term borrowings and INR192 crores in short-term borrowings.

And my understanding, sorry, I joined the call late, so I heard just that, probably for FY27, we are looking at about INR700 crores of top line, if that is correct, on consol, right? So that's quite a good growth that we are targeting. Now, to achieve that kind of growth, what kind of short-term borrowings or long-term borrowings are we looking at in that debt-to-equity ratio? That is the only question, sir?

Prasanna D.:

Sir, if I may ask, we have made this public forum, and we have entered into this capital market when my top line was INR100 crores, okay? It was in the INR100 crores bracket, and we have taken the IPO money of around INR53 crores. Our investment at that time was roughly around INR25 crores to INR30 crores or somewhere in that range, okay? We have grown 4 times since then. And do you think that INR50 crores of equity would have been sufficient for us, or whatever we invested would be sufficient for us for this growth, without taking any debt?

Paras Chheda:

No, sir, you've taken on debt. I'm not saying no. You've grown well.

Prasanna D.:

What my answer is, either the growth has to be either the growth has to be supported in the form of equity or in the form of debt. When there is no point in taking equity or diluting at this price level, we are going for debt. If I'm falling short of my guidance of INR500 crores, even though I explained this is the reason, there is still a question: why is the company falling short? The company is not walking the talk.

And if we wanted to grow at this point also, then questions are arising as to why you are taking too much debt. So there should be some proper understanding in the system, either you see if

you have to catch the bus, you should run. If you cannot run, at least you should walk. You cannot sit at a place, and you want to catch the bus.

Paras Chheda: Sir, we are with you. I'm just trying to say, suppose, you want to have a targeted growth, which I also support, sir. You have to look at some growth. Now my question is, what level of debt-to-equity ratio are you comfortable going up to? This is the ratio that, because banks also at some point will think up to what level. Assuming banks are ready, what level are you ready to go up to is my question, sir?

Priyanka Singh: Sir, we'll try to keep it below 1.5. But again, if equity raise is not happening because of the share market, it might go up. That also does not comment, but we'll always try to keep it below 1.5. Right now, it is 1.23 for us. We'll keep it below 1.5, sir.

Prasanna D.: Anyhow, I am going to subscribe to my warrant. That will also reduce the debt-to-equity ratio. If I subscribe to my warrant and convert it into shares, that will also reduce this debt-equity ratio.

Paras Chheda: So, without offending you, sir, are you sort of prepared to subscribe to your warrants completely, which were at 200, you will probably exercise that, at some point?

Understood. So that shows your commitment to the company.

Prasanna D.: I know my share will not be the same. When we entered, it was INR75, and we went on till INR265. Now again, starting from INR25, I mean INR75, it's not going to be the same again. We will go back to the place where we left off, and we will even go much beyond that. I have the commitment in the company, and I have a belief in my team and people. So we can do wonders with this, I know.

Paras Chheda: Understood, sir. Just one thing, just to reiterate, your FY27 guidance is about INR700 crores. Is that correct, sir?

Prasanna D.: You want to write it on bond paper and give, I'll write it and give it to you.

Paras Chheda: No, no, sir, I just joined in late.

Prasanna D.: It's on a lighter note. I'm telling you it's 100%, we'll do that.

Paras Chheda: I just joined. So I said, I just wanted to confirm that's the number for FY27.

Prasanna D.: Yes, sir.

Paras Chheda: Sir, I mean, typically, what's the order book as of now as we speak?

Prasanna D.: It's around INR500 crores.

Paras Chheda: INR500 crores, fair enough, sir. And just last thing, I mean, from my end, sir, and I know this is, anyway, not the optimal time for an equity raise. So what my understanding is, at least hopefully, as you've committed, that you'll go ahead with the warrants exercising. So that brings in some bit of equity into the system. And at some point, let's say, if the equity markets probably

don't support us, any alternative funding plans you have other than the higher debt that will go up to? I mean, any other idea that has come across or something? Any plans?

Prasanna D.: We don't have any such plans as of now, sir. We are looking for this debt funding as of now. So, equity, we are planning to definitely do so once the markets get better. We are dependent on either of these 2, or we are also in talks with some people for the NCD options. So if that is going to be NCDs at better prices, we are looking at it. If that is also not possible, when some market -- some prices somehow if it increases, we are looking for CCD options also. So these are all the options we have opened with this. So my consultants are working on this. They will be getting us some better results in this.

Paras Chheda: And the operating margins, EBITDA margins about 18% to 20% is workable, given the rise in the fuel prices, etc.

Prasanna D.: Yes, it will be sustainable, and it will be workable, sir.

Moderator: Next question is from the line of Hiren Modi from Balkrishna Family Office. Since there is no response, we'll move on to the next question from the line of Rajender Passi from NP Analysts.

Rajender Passi: Am I audible?

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

Rajender Passi: Sir, one question would be, in the previous years, we had a lot of orders, but those were like smaller orders in the range of INR30 crores to INR50 crores. And towards the end of the last financial year, in March, we got an INR100 crores order, which I guess was in a joint venture, and we had, I guess, 74% or 75% stake of ownership on that.

So going forward, can we look at some big ticket orders, let's say, INR150 crores to INR200 crores worth of orders so that we can grow our order book to a substantial amount that going forward, we can have a meaningful growth even for the subsequent year. Let's say, if we are doing INR700 crores for this year, we may be targeting INR850 crores to INR900 crores for next year as well and things like that. So, for that, we need to grow our order book substantially. So any thoughts on that part from your end?

Prasanna D.: Sir, we are targeting orders of INR100 crores only now. So even though the smaller orders, which we are -- which are nearby our vicinity, we are getting them. And I mean, we are bidding for that. We are targeting an order book of INR100 crores and more only. This order, which we have mentioned as INR100 crores, 74% ownership is just for bidding purposes. We have done that.

And the entire 100% of the work will be executed by us only. So all the profit and losses will be towards us, and it will be a minor 2% royalty charges for that 24% of their share. So we'll be doing that. So 75% of the entire INR100 crores will be used. So we are targeting something in this range alone. So, for some technical collaboration, we are taking the JV thing.

- Rajender Passi:** Got it. But what is the maximum technical order we are capable of -- like where we fall in, in that bracket? Is it INR100 crores to INR200 crores...?
- Prasanna D.:** We can do around INR300 crores, sir. But there are bridges. So, we need some particular quantity exercises to be executed before where we were short. So we have asked them. For that reason only, we have been the major stakeholder of 74%. And, since a minimum stakeholder should be 26%, we have added them as 26% stakeholder.
- Rajender Passi:** Got it, sir. But as of now, we are looking to target INR100 crores orders, right?
- Prasanna D.:** Yes. The maximum is around INR400 crores to INR500 crores, and the minimum, we are targeting at INR100 crores or something.
- Rajender Passi:** Got it, sir. And what are our internal plans on the order book side, like where do we see our order book towards the end of this year? Or how many orders are we looking for in FY27, the new orders?
- Prasanna D.:** Apart from the current unexecuted order book, we are expecting around INR500 crores plus this year also. So anything between INR500 crores and INR1,000 crores, we are trying to have it in our order book kitty.
- Rajender Passi:** Got it, sir. And my other question would be regarding our bank limit from the fund-based limits as well as non-fund-based limits, like what are the total numbers? And what is the current utilization on end?
- Prasanna D.:** Yes. Priyanka, can you take over
- Priyanka Singh:** Sorry, I didn't get your question, sir. Can you repeat?
- Rajender Passi:** Priyankaji, can you provide me with the bank fund-based limit as well as the non-fund-based limit?
- Priyanka Singh:** Yes, sure. Sure, sir. So, fund-based, we have INR140 crores and non-fund-based in the form of BGLC, it is around INR85 crores.
- Rajender Passi:** And have we utilised them completely?
- Priyanka Singh:** No, no, sir. Sir, we are actually nowadays, the government has started taking surety bonds. So we always prefer a surety bond over BGLC. So we have not utilised it. Around I think INR15 crores, INR20 crores are utilised. The rest are all unutilized.
- Rajender Passi:** And what about the fund-based limit? Has that all been utilised?
- Priyanka Singh:** Yes, that is we have utilised INR140 crores.
- Rajender Passi:** Okay. And are we in discussion with the banks to increase it or to have a bigger limit?

- Priyanka Singh:** Sir, as our turnover will increase, we will definitely banks will be open to increasing that limit also for us. And as you know, the rate of interest is also very low. It's around 8.5% to 9% only. So any time we go for debt, our first choice will be the CC limit itself. So I'm sure that as the top line is increasing, sir, I think I announced that our company got 1 notch higher also in credit rating. So we were BBB and we are BBB+ right now.
- So I think keeping in mind all the factors, I'm sure the bank is okay if we increase our CC limit, sir. And other than that, also, sir, we are having some scheme coming up from the government in the form of the ECLGS scheme or something new has come up. So even if we are eligible for that, we'll apply for that as well, sir.
- Rajender Passi:** Got it. So these new schemes are regarding this current geopolitical situation, or are they there to stay basically?
- Priyanka Singh:** Sir, about the scheme you are talking about?
- Rajender Passi:** The one that you mentioned, I guess, some kind of bonds and then this new scheme which you are talking about right now.
- Priyanka Singh:** No, sir, I'm sorry, I didn't get. You're talking about the scheme, or you're talking about debt, sir?
- Rajender Passi:** No. My question was given the current political situation, right, the geopolitical situation.
- Priyanka Singh:** Yes, sir.
- Rajender Passi:** Are we seeing some extra support from the government as well as the NHAI during this time? Or how are things from that end?
- Prasanna D.:** NHAI has come up with some schemes, like, okay, these escalation factors; they have given some sort of relief, and other things like some sort of schemes have come up for the billings also. So earlier, when the billing cycle was high, the escalations would be calculated on the final bill or something like that. Now they have introduced something, like they have instructed all the regional offices to calculate the escalations on a running account basis, so that it will be easier for the contractors. So these are all the basic things and nothing else.
- Rajender Passi:** Got it, sir. So if the price escalation happens, then that is going to be catered to within the current bill itself.
- Prasanna D.:** Yes, yes, it will be taken in the current bill itself.
- Moderator:** Next question is from the line of Hiren Modi from Balkrishna Family Office.
- Hiren Modi:** Am I audible?
- Moderator:** Yes, you are.
- Hiren Modi:** I'd like to congratulate the management on a good set of results.

Prasanna D.:

Thank you.

Hiren Modi:

And sir, to you and the madam, very patiently, you are answering in very good detail to every caller who is there. I was thoroughly listening to everything, sir. And I understand totally that in this industry, sometimes the billing gets carried on, and maybe the target of INR500 crores is not hit directly, but it is there.

I just wanted to make a point where you yourself have answered it that when you started with INR100 crores, you were very clear to pay your suppliers on time, to commit your business and your workforce, and everyone to be punctual in each and every way. But now the investor fraternity has been added to this journey. So, sir, you yourself told that you are good at building roads, but you are trying to learn to be good at the balance sheet.

So I certainly have faith in you, sir, that coming ahead, you will be up to the best mark in this balance sheet, where everything will be very much clear for the investor also. And that will be helpful for our share price also, sir. So my first question is, sir, regarding what the timeframe is that we have kept for the equity fundraise, maybe by quarter 2, or what is the timeframe?

Prasanna D.:

Sir, thanks for the appreciation, and I accept all your views. It's good to hear from an investor about things. And about the equity raise, we are planning something before end of Q2 to happen, sir.

Hiren Modi:

Okay. So that means I should take it that if it happens before Q2, it's good, or else you'll go for the alternate routes, right, sir?

Prasanna D.:

Yes, sir, we are always arranging for some bridge funds. Even if it is going to happen in Q2, we will be paying back our debt or paying back the funds that we have taken. But we are not stopping anything for this equity raise. But if it happens, if the investor gets the confidence about the company and if they increase the share price or something and if we get it as early as possible, the company will grow well, and definitely we will do well in whatever we have committed to or something like that.

Hiren Modi:

Okay. And sir, regarding moving out of Tamil Nadu, so what are we doing something over there in that area? Have we appointed a specific targeted team where they can work out the tenders and related issues, as the way the Amravati project is going to come out hugely? Just an example, I'm talking about, sir. Sir, are we working somewhere to move out of Tamil Nadu, maybe out of the INR700 crores that we are targeting? What portion are you thinking should be out of Tamil Nadu? Can you throw light on that?

Prasanna D.:

We are targeting to go out of Tamil Nadu. We wanted to enter other markets also. But whatever INR700 crores we have committed is 100% within Tamil Nadu only. So, within, let us see, I don't have any reach as of now. We started bidding, I would say, Tamil Nadu 2 months, 3 months ago, maybe around 6 months ago.

And we are conservative in our bidding. I'm always conservative, and we could not get L1 status in many things. And we are still bidding, and we are still looking for good projects to come up. And we just do not want to take a hit on our first or second project in other states. So we just

wanted to have a clean entry, and definitely, this year, we are hopefully positive of getting into other states, sir.

Hiren Modi: Okay. I will once again congratulate the team, sir, and I expect that we will grow 10x from here, sir.

Moderator: Does that answer your question, Hiren?

Hiren Modi: Yes, ma'am.

Moderator: Thank you. The next question is from the line of Umang Adatia, a Private Investor. Please go ahead.

Umang Adatia: Good afternoon, sir. Actually, I have follow-up questions from my side. I want to ask about cash flow only. Sir, our OC operating cash flow from the last 3 to 4 years was around minus INR50 crores, and our cumulative profit PAT went around more than INR100 crores. So the gap was INR150 crores to INR160 crores of working capital. So this is only a follow-up question. What is the immediate liquidity coverage ratio of our company? I mean, what is the company's cash flow plan?

Priyanka Singh: Sir, are you asking what measures the company are taking to ensure that the cash flow is proper? Are you asking about that?

Umang Adatia: So, actually, you mentioned that INR55 crores to INR60 crores is already received from debtors, plus INR30 crores of commitment from the promoters of warrant exercising comes to around INR90 crores. And our short-term borrowing is around INR170 crores to INR175 crores. So what are we planning, or what are we taking measures to address that gap?

Priyanka Singh: Sir, well, first of all, warrants, what you're talking about will be done in a phased way. We have time until March '27. So we will be doing it in a phased way, first thing. Sir, second thing, as far as the short-term borrowings is applicable CC limit, sir out of this INR172 crores, CC limit is INR140 crores, which is also a part of short-term borrowing, correct, sir?

So sir, we don't have to repay the entire INR140 crores. It comes as renewal every year. So every year, when we go for renewal, we either get enhancement or we get the same level. So since our top line was increasing, banks have given us this thing from INR75 crores, we got into INR140 crores last financial year.

This financial year also we are expecting that bank will see our eyeing the top line we are going, banks will definitely give us some sort of enhancement in CC limit. So the short-term borrowings, you're talking about INR172 crores, out of which INR140 crores is CC limit. The remaining INR50 crores, INR51 crores is actually term loan, which we have taken for our vehicle and machinery, which we are going to repay in this financial year. This is what short-term borrowings is all about, sir.

Umang Adatia: So madam, one follow-up question. What is your contractual or operating mechanism to bring down working capital days or days sales outstanding below 90 days in FY27? I mean, can you explain?

Priyanka Singh: Yes, sure. Sir, in our industry, sir, debtor days is 90 to 120. It's like a common practice for any EPC contractor depending on the projects that you are taking. So that debtor days, we cannot help, sir, that is the thing something that the entire industry follows. And as far as inventory days, when inventory days will come down?

I think this working capital cycle will be better. It is because we are not making this unbilled revenue a part of sales. That is why inventory days are so high. Once we start following IndAS, these inventory days will become a part of revenue, sir, I mean, the unbilled revenue. You will see a change in the working capital cycle. It will not be this high. Sir, in this financial year, we are working on it. We spoke to our auditors. We are shifting into IndAS, sir. After that, you will not see this much of a gap in working capital.

Umang Adatia: So actually, I was listening to that engaging conversation. So the question hovers around that only. What are we planning, or what are we taking measures to address that cash flow issue only? Don't you think that it will be as the promoter has addressed that we won't be diluted via QIP at current prices?

And you also mentioned that due to stock market volatility, we won't dilute at the current level. But at a certain point in time, if there is a cash crunch going forward for the company, don't you think it will be somewhat of value destruction for existing shareholders? Can you address that?

Priyanka Singh: Sir, I just want to request you something. I want you to stand in the shoes of a promoter and look at it as your own company, and just answer my one simple question. If you were a promoter, sir, you had issued a warrant at INR200. When it comes to diluting your shares, will you do that at a price of INR75 or INR80? I don't think, sir, anybody will do that.

And sir, the share market share price is something which is not in the hands of management, sir. We are trying our best to maintain the PAT margin. We are trying our best to increase the top line and achieve what we are actually telling. But if you come for dilution of shares, I don't think promoters will take this decision and start diluting at such a low price.

Investors will come up and question us on what we are diluting it at such a low price. Sir, if you see, it is actually not good that promoters dilute at such low prices. That is the reason we are waiting for prices to go up. And we are confident, sir, that maybe this is because of some geopolitical reason or for whatever reason, the prices are low. I'm sure it will go high.

And also, I want to add on that our 3 years will be completed in NSE by next March. So March financial '27, we'll be migrating to the main board as well. So prices will definitely go up, sir. So unless prices are a little, if it's not better, I don't think diluting at so low a price will be a good call for anyone, sir.

Umang Adatia: See, ma'am, actually, what the promoter also mentioned is that prime commitment at exercising warrants at INR200 is also a commitment and also one another thing that the promoter mentioned

is that they are doing everything possible to pay in advance to suppliers also. That is also a commendable thing.

But we, as a company, need to look at our finances also. See, I'm not telling that the company is going to face a situation. I'm just asking an honourable question, that if at a certain point in time, you are on a cash crunch. I'm not telling or asking you to give me a ballpark number. I want to just understand the trajectory the company is going to follow.

Priyanka Singh:

Sir, if we at all have to face that cash crunch at all, we'll make sure that the receivables are there within this cycle of what we are maintaining. And also, we might go for discounting of debtors, which we have not done till now. So we might look into other options as well. But as of now, we are confident that the market will be better.

We are confident that we'll be raising some equity by the halfway mark, and our debt will also come down, because we have taken some bridge funding. So once we raise that equity, this debt will also come down, plus a warrant, sir is going to subscribe. Once the warrant is there and the equity rises, the debt-to-equity ratio will also come down. So these are something which we are confident. But other than that, if it is not happening because of some unforeseen circumstances, then we will be open to discounting our bills also. That also we can do it, sir.

Umang Adatia:

See, as a management, you are committing, or you are guiding for INR700 crores of top line. I'm not going to doubt that, but you also need incremental funds. So in the market, also for incremental revenue, you need to borrow extra funds. So, understand my point, going ahead, you will face a situation in the bottom line part of P&L also. Will you agree with me?

Prasanna D.:

I don't get your question. Can you just repeat, sir, please?

Umang Adatia:

Sir, I'm just talking about rising finance costs going ahead. If you are committing to going INR700 crores of numbers, you need extra funding, definitely. And you also told that going forward, QIP is also in line. So if QIP is not coming, then you have to raise extra funds via debt. So the finance cost will definitely rise. So, the net margin of 10%, I doubt it will be sustainable or will it go down? That's my point?

Prasanna D.:

This debt funding what we raise will substantially be increased, and the financial cost will be substantially increased, but that will be substantially increased in line with the top line expanding. So that whatever funds we have, whatever debt we have taken is for the value of what we have obtained till now. So there won't be much dip in the bottom line as you observed. And I don't think there will be any dip in the bottom line.

Moderator:

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

Paras Chheda:

Sir, just one query or rather one observation I just wanted to point out, sir. And just continuing from the previous gentleman's perspective. And sir, in March '23, our consolidated revenue was about INR115 crores. In March '26, we have grown to INR441 crores, right? So there is 3x, 4x jump in the revenue?

Now let's come to the balance sheet, sir. The trade payables in March '23 were about INR42 crores and even in March '26, our trade payables is INR43 crores. Now there has been 4x jump in the revenue to INR440 crores, but the trade payables absolute quantum remains about INR42 crores, INR43 crores. That was flat, which is a good practice, let's put it that way?

Now our trade receivables have grown from INR11 crores. So what I think the previous gentlemen and also I'm trying to imply, sir, yes, the accessibility to debt may be there. You are showing good commitment in terms of bringing in equity, etcetera. All that is fair enough, sir. But at some point, these payables also at some vendors also, you'll have to extract some from them as well that if you've grown 4x.

Your absolute trade payables remain flat, whereas your receivables grow from INR11 crores to INR160 crores. Obviously, you're funding that working capital from either debt or equity. And in markets where equity is not accessible, you will have to be forced to go to debt. So, how much can you grow just on the back of debt and equity without balancing the business?

I am trying to say that, okay, the vendors also need to come in here, and you take some credit period from them as well because you are seeing growth, and they, in turn, will also witness growth through you. At some point, they should also participate in this because the interest cost is borne by the company, and the PAT margin will suffer. And for you to grow at any point in time, you will just be dependent on external capital, which may or may not be available, and it will always be subject to the external environment, whereas if we manage to balance the business in some way, it will be sustainable.

Moderator:

Sir, you're sounding muffled.

Paras Chheda:

Yes. So once you balance the business or you try and attempt to balance the business, you will be able to come to a situation where your dependence on external capital is reduced, and your PAT margins also do not suffer. So it's a point to rethink your entire working capital management, sir, in terms of growth, growth of the business is fine. But I think the growth is coming at a different level of risk.

If you extrapolate this another 2, 3 years, 5 years down the line, let's say, if you want to grow from INR440 crores to about INR1,000 crores of revenue. And if you continue to maintain trade payables about INR40 crores to INR50 crores odd, imagine the kind of trade receivables that you will have to fund from either debt or equity and that comes only from debt or equity and equity also will be subject to market conditions. So it will be predominantly debt. The business model itself will not be sustainable, sir, if you understand what we are trying to highlight here.

Priyanka Singh:

No, sir, just say, let me just finish one thing. Paras sir, I just have one request for you, since it is something that all investors are listening to. Can you please not quote wrong figures again and again? Sir, the supplier trade payable for us right now is not INR50 crores. For trade payable right now for us is INR 20 crores, sir.

In financial year '25, our trade payable was standing somewhere INR16 crores, where we had a top line of INR272 crores. In financial year '26, we're having a top line of INR420 crores, stand-

alone and the trade payable stand-alone, I'm talking to you, is around INR20 crores, sir. It is INR40 crores, INR50 crores.

Paras Chheda: Fair enough. So okay. So, let's go with your numbers. Okay, Priyanka ji. Now, to tell me your revenue has grown 4x, right, over the last 3, 4 years, correct? Now, how much have the trade payables grown with your numbers, going by your numbers?

Priyanka Singh: So that's what I'm trying to say, that the trade payable has not grown that much, sir.

Paras Chheda: That's what I'm trying to say. Exactly. That is the exact point I am trying to raise.

Prasanna D.: I understood your point.

Paras Chheda: What I'm trying to say is a different point.

Prasanna D.: Yes, yes. Yes, I just wanted you to take support from creditors rather than going for the debt.

Paras Chheda: Yes, correct.

Prasanna D.: Yes, I understood the point. Your point is taken, but it is not that easy to get credit of the size we are looking for. Industry is growing in such a phase that people who pay first take the product first. So, we just wanted that discount that we are getting. And if we are making payments after 60 days or 90 days, again, our PAT margin will come down.

And again, this thing. So, only we have opted for this design. When I could take INR40 crores of debt for INR116 crores of top line in 2023, we have changed this entire scenario, and now we have brought down the credit level, and we are doing this. And whatever you have now given us, let us take this point. We'll also sit with our finance team. We will calculate something that is doable in this format, we will definitely work on that also.

Paras Chheda: Yes, sir. I'm just trying to say that if you get an extra credit period from a creditor, to that extent, short-term borrowing stress will be reduced. So, it's just about rebalancing the business a little bit. even if that means some percentage points of margin here and there because eventually, you are keeping your trade payables happy, the creditors happy, flat, right? I mean, broadly.

And you're continuing to grow with the trade receivables, you're funding the entire working capital from your debt borrowing. And therefore, at every point in time, we will be subject to external capital availability or growth. And most of that will come from that, sir.

Prasanna D.: I understood, sir. I understood, your point is taken. Definitely, I will have a discussion on this, and we will try to implement.

Paras Chheda: And this will go a long way towards improving the financials of the company. This structural change will take some time, maybe, but it will go a long way towards the sustainability of the business model, sir.

Moderator: Thank you. The next question is from the line of Dipankar S, an individual investor. Please go ahead. Sorry, your audio is not clear. The audio is not clear. Please use your handset mode.

Dipankar S: Most questions of mine have been answered. So, one question is how you see these receivables going ahead? What would be the trajectory? Would it be stabilising or coming down?

Prasanna D.: Your voice is not clear, sir. Can you just please make it clear, please?

Moderator: Dipankar, please use your handset mode. Your audio is not clear.

Dipankar S: Can you hear it now?

Moderator: Are you in your handset mode?

Dipankar S: Is it better?

Prasanna D.: Yes.

Dipankar S: Yes. So I was just wondering about the receivable trajectory going forward.

Prasanna D.: Yes, sir, please go ahead.

Dipankar S: So I was just asking about the receivable trajectory going forward. How do we see FY27 receivables lining up?

Prasanna D.: Priyanka, can you just speak?

Priyanka Singh: Sir, he's asking how we are looking at our trade receivables since it is so high. So how is it that we are going to take it forward, like how we are going to take care of this receivable?

Prasanna D.: You'll answer, or I'll answer?

Priyanka Singh: No. Sir, I just want to say that receivable is high because of this election. We were a little high on the trade receivable. And again, as sir has mentioned, we did receive around INR40 crores, INR45 crores already out of that. Sir, in the next financial year, I don't think receivables will be this high because we always get we get it on time only.

But sir, that 90, 120-day cycle will always be there since this is what the trend of -- industry trend is. That we cannot push or go beyond that, sir. But of course, this receivable won't be this much of high sir, that is for sure.

Moderator: Thank you. The next question is from the line of Rajender Passi from the NP Analyst. Please go ahead.

Rajender Passi: Yes. So, my question is also on similar lines to what the earlier investor was asking.

Moderator: Rajender, there's some disturbance on your line. Can you use your handset mode, please?

Rajender Passi: Am I audible?

Moderator: Yes, please go ahead.

- Rajender Passi:** Yes. My question is also on similar lines which the earlier investor was asking. So, regarding the receivable side, what is the general segment or your sector trend, like as a percentage of revenue, where should we look at from the receivable side? So, let's say, if we are doing INR1,000 crores revenue, what should be our ideal receivable numbers in that case, so that we can get an idea of where our peers are and where we are?
- Prasanna D.:** So, it is not about the top line of the company. See, normally, what happens is we do much of the billing in Q4. You are aware of that. Q4 billing will be high. And this will be very much below 90 days to 120 days.
- So, we are trying to bill it maximally so that this will be much support from the departmental people, also to cover the financial expenses. So that is what happens in these EPC contracts. So, most of our billings happen in Q4. That is where we get this problem. And we are trying to mitigate this.
- But at the same time, I cannot reduce my quantum of billing in Q4 because Q4 is a good season to work, actually. There will not be much rain. There will not be many other hindrances. So that is the reason why we can execute the works on full strength.
- Wait, I'm telling. Considering the debtor days, whatever it is for a company performing INR1,000 crores, we can take at least INR200 crores to INR250 crores, that can be INR250 crores at least to be in this unbilled revenue, or I mean debtor trade receivables. Something like that for an INR1,000 crores company, it can be INR250 crores.
- Moderator:** Rajender, I request you to join the queue, please. Thank you. The next question is from the line of Jayesh, an individual investor. Please go ahead.
- Jayesh:** You're able to hear me, right?
- Prasanna D.:** Yes.
- Jayesh:** Yes. So, sir, I have been following the company since the launch of the IPO, okay? Every time everything goes happily, just this time, what I can see in the results is that the other expenses are huge. It has almost doubled, if I'm not wrong, other direct expenses. So, can you please put a light on that, like exactly what the other direct expenses are, and why it has huge spike in it?
- Priyanka Singh:** Sir, it is the subcontract expense.
- Prasanna D.:** No, no, the other direct expenses he's asking about.
- Priyanka Singh:** Sir, it is the subcontract expense that he is asking about, actually.
- Prasanna D.:** That has not gone very high. It was around INR127 crores last year. And this year, it is around INR155 crores. It has grown intact with the top-line growth only.
- Moderator:** Thank you. Jayesh, I request you to join the queue, please.
- Prasanna D.:** Madam, do we have many people in the queue?

Moderator: Yes, sir, we still have a few in the queue.

Prasanna D.: Okay. If not, we could allow them to go for their second question or third question also. That's my request. If there are not many questions, we can ask them to go with the second or third question instead of breaking them.

Moderator: Okay. All right, sir. The next question is from the line of Hiren Modi from Balkrishna Family Office. Please go ahead.

Hiren Modi: Am I audible, madam?

Moderator: Yes. Please go ahead.

Hiren Modi: Sir, as we have guided for INR700 crores, and we have an INR500 crores of order book on hand, I was just reading about these bitumen prices, the way it has been escalated and the way it is nearly doubled. And one of the qualities is VG40 that is being used in roads and everywhere. And now, as the crude has been getting imported from much of the part from Russia, and that crude doesn't give that, it gives VG10 and 30, which is what I was reading about.

So, my concern about the company is that the West Asia crude is important for our bitumen, the quality of bitumen that we require. And the way the prices are escalating, and I don't foresee that the West Asia conflict getting resolved anytime soon, maybe in the next 3 months or what, I don't know.

Sir, how are we going to mitigate this problem? The INR500 crores that we have, how much is getting affected by this bitumen price in this? That is part A, sir. And part 2 is, how we are going to mitigate this, the new orders that we are going to tender into at what price, how it will be, sir, please?

Prasanna D.: Sir, luckily, out of the INR500 crores, we have around INR300 crores to INR350 crores of concrete involved in this; not much bitumen is involved. Bitumen is way less than 10% to maybe around 20% of our entire works on hand. So that will save us big this year. And also, what you are talking about is correct. And see there are some problems in the extraction of this crude, and the demand is on the rise.

The demand for crude is on the rise. But when I'm speaking with the Indian Oil Corporation officials, they have made alternate plans, and they are getting some products. And now they have come up with some other options also.

So, they have some products that are getting it from other places, and they are extracting it in their other refineries. So, which is matching the requirement, and that is also workable. Now, what is the condition in this? VG40 is a problematic thing. So, what the NHAI and other state officials are now on the talks to get it done with VG30 itself. VG30 and VG40 are not much of a difference.

So, they are planning to have the conditions not restricted to VG40 and where they may implement VG30, and they may revise the estimate based on that. So, this is also on talks. So

positively, VG30, if implemented, VG30 will not be a problem at all. So, we are getting Russian crude easily.

Hiren Modi:

Okay. And sir, whatever the new tenders will be there right now, as I was just looking towards the papers, it is showing that every contractor is increasing its cost by maybe 1.5x. So, it will be easy for us to get those tenders, and how will it be, sir? Just for the target of INR700 crores. That is the basic intention.

Prasanna D.:

Getting an order book is not a tough game at all. See, if I'm reducing my margins and if I'm bidding at a lower cost, how many numbers can I get? But we are very much sticking to that percentage, profit percentage, what we want, and we are bidding at that level. And some people are bidding right away, I don't know what they do to maintain that cost or profit margin. There are people who are showing 2% to 3% of PAT in this industry.

So, they are not bothered about anything. They just want to show 2% to 3%. I don't know what profit they are getting, and whether they are just showing 2% to 3% and getting 10% or not. But there are people who are bidding at a very low cost. But I don't go for that. So, what we have decided is instead of bidding for 10 tenders and getting 2 tenders, we have decided to go bid for 100 tenders so that the probability will be much higher.

So, we have recruited a special team in the last 2 months so that they keep on working on all the tenders that are positive for us, which will be good enough for us to execute. So once these tender things are workable, we bid for the best across all the tenders so that we'll have a higher probability of getting the works. So, there will not be any problem in getting the work orders set up, also.

Hiren Modi:

Okay. And sir, any plans to get ourselves diversified a little bit, maybe in sewage or as you were talking about solar also? Means the way geopolitics is turning post Trump era, the things how everywhere it is unstable everywhere, and it is setting a new norm where you cannot be clear about how commodities and every price will be. So are we trying to safeguard somewhere in our margins, in our business, where things won't affect much? So, any plans or something to add to a certain area apart from the road?

Prasanna D.:

Yes. We have already done some buildings. So we are trying to get into this water board and other sewage treatment plant, as you mentioned, we have done one small project in that. So, we are also looking to enter into these things, but not at an aggressive pace. We are trying to reach one by one, so that's how it works, we will plan to withhold those things. And solar is turning out to be positive. This year, we will do well in solar, also.

Hiren Modi:

Okay. Because, sir, every challenge grows us. If you are a student, Narayana Murthy says that it grows, that it teaches us something. So maybe something we are getting to learn from this particular crisis, and where we can safeguard our company, and we can grow hand in hand, sir.

Prasanna D.:

Yes. That I understand, sir, that is always good to have a plan B.

Moderator:

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

- Jayesh:** Yes. So last time I was asking a question, but it was removed from the queue. So, sir, I was asking that the other direct expense is almost 50% increase, like there is a sharp increase in the other direct expense. So, I'm not sure, like if you are looking at that exact point.
- Prasanna D.:** Increased 50% from where, sir?
- Jayesh:** Okay. So, if you see the last H1, okay? So it was INR85 crores, okay? And this quarter, I can see it is INR154 crores. So, it is almost close to 40%, 45% hike.
- Priyanka Singh:** Sir, our direct expenses include mainly the subcontract expense, sir. Since in the first half of the financials, our billing was actually maximum in the second half, sir. So accordingly, in that ratio, the subcontract expense also increased since the billing in the second half was higher than the first. That is the reason you can see that change actually. And also, in September, I remember, some subcontract invoices were yet to come, sir.
- So, we received it, I think, in the month of October or November. So that was also one of the reasons why this is showing a little higher.
- Jayesh:** Okay. So, if you see this -- I mean, this H2, we have received 19% operating profit margin, but it was 21% last year. I'm talking year-on-year, okay? So, would you be able to come back to that 20% plus?
- Priyanka Singh:** Sir, definitely. Sir, we are right now 19.32%, actually. And I also said why our EBITDA was lower. So, we'll definitely try, sir, if prices and all are good, like a geopolitical reason, our bitumen prices went up. But I'm sure, sir, this time, it will be 20% and above only, sir.
- Jayesh:** Okay. Yes. I think that's it from my side. Just one last suggestion. I have already heard lots of conversations about cash flow. So, I would request you to please take a look at it. It will be better for us.
- Priyanka Singh:** Yes. Sure.
- Moderator:** The next question is from the line of Rajender Passi from NP Analyst. Please go ahead.
- Rajender Passi:** Sure. Am I audible?
- Moderator:** Yes, sir.
- Rajender Passi:** Yes, sir. So, from the last question, where our discussion was interrupted. So, my question was, as a percentage of total revenue, where do we see our trade receivables and trade payables in the future? So, let's say, if we are doing INR1,000 crores revenue at a consolidated level, at what percentage should we ideally see our trade receivables as well as trade payables?
- Prasanna D.:** At the top line of INR1,000 crores, I just wanted to take the trade payables higher as per people's suggestion. I just wanted to take that higher and lower the trade receivables. And I'll be happy if the trade receivables are maintained well below 15% of our top line, maybe around INR150 crores or INR200 crores if the top line is at INR1,000 crores.

- Rajender Passi:** So, at a macro level, we should look at least 15% on the trade receivable side and maybe around 10% to 12% on the trade payable side, something like that. Yes, that was the last question. All the best, sir.
- Prasanna D.:** Thank you, sir.
- Moderator:** The next question is from the line of Dipankar, an Individual Investor.
- Dipankar:** So, on that INR78 crores unbilled, how much have you been able to certify? That is the first question.
- Prasanna D.:** I don't understand, sir. Out of that?
- Dipankar:** On the INR78 crores unbilled revenue, how much have you been able to get certified till now? Has the entire thing been certified by the government?
- Prasanna D.:** I don't remember the exact value. It was around INR20 crores to INR30 crores; only we got it certified.
- Dipankar:** Okay.
- Prasanna D.:** This month-end, we'll be able to get it certified further. So, it happens like that. This month, we'll be getting certified in something, and next month, these others will be done.
- Dipankar:** The second question is on the receivable side again. Out of INR140 crores receivables, what is the share of NHAI, and what is the share of TN government and other private entities?
- Prasanna D.:** Priyanka, can you share whatever it is, if you have it in mind?
- Priyanka Singh:** Sir, are you asking the ratio of the state government and the central government, sir?
- Dipankar:** Yes, on the receivables?
- Priyanka Singh:** Okay. Sir, exact percentage, I don't remember, but we usually maintain 60-40, sir, like 60% NHAI, 40% state government, like that. But if you want the exact figure, I'll just check for financial year '26, and I'll mail you, sir.
- Dipankar:** Okay. One more broader question. Like, since the election is done, are we going to see any more impact coming along? Or have we absorbed all the impacts and how things are from the election point of view?
- Prasanna D.:** No, the country is back to normal. The state is back to normal after the elections. So, I don't think there will be any impact after this. We are hopeful about this government, also. This government, whatever they are addressing the public as well as business people as of now, they are positive about zero corruption and all these things, which we look at very positively.
- So, I think this is a brighter environment to work in Tamil Nadu as of now. So, it's good to go now in Tamil Nadu.

- Dipankar:** Okay. One more question regarding the last call, we discussed that in solar, we'll be expanding -we would be having somewhere around INR50 crores to INR200 crores revenue, but I could see only INR20 crores. How is the solar business panning out? And what's our outlook for that for this financial year?
- Prasanna D.:** The solar, we are doing something in this financial year. It's cooking up. And we'll be able to touch something, and we'll be able to deliver something big this year. So, we have gotten the first order, and we'll definitely execute that.
- And apart from that, we are under these approvals, all these will be in place now after the new government has been formed. So, we don't see any backfoot on that. So, we'll be having some good numbers with us also.
- Dipankar:** Okay. One last question. We also thought of expanding beyond Tamil Nadu. Where are we on that? How could we see the revenue mix from Tamil Nadu and apart from Tamil Nadu in this financial year?
- Prasanna D.:** Yes. We started bidding outside Tamil Nadu also, but we have not yet done anything positive on this. We are not winning any tenders. So, we'll keep on bidding. Hopefully, this year, we will start to expand our network outside Tamil Nadu, too.
- Dipankar:** That's it from my side, and thank you so much for taking so much time and answering everyone's questions. It was a real pleasure. All the best for the future.
- Prasanna D.:** Thank you, sir. Thank you very much. Thanks for attending the call.
- Moderator:** Next question is from the line of Nilay, an Individual Investor. Please go ahead.
- Nilay:** Can you hear me?
- Moderator:** It is not clear.
- Nilay:** Is this better now?
- Moderator:** Yes, very clear. Please go ahead.
- Nilay:** Yes. I just want to say I want to congratulate you on the great set of numbers. I'm very happy to be an investor in a company with such a committed promoter group. For a company growing at this pace, even negative OCF or operating cash flow at times is understandable if the capital is being deployed efficiently for growth.
- Also, I have rarely seen con calls extending from 1 hour to almost 2 hours and continuing with the same energy and transparency. Hats off to the commitment. This is all I wanted to say.
- Prasanna D.:** Thank you, sir. Thank you very much for your words.
- Nilay:** And I also support Ms Priyanka.

- Priyanka Singh:** Thank you, sir. Thank you so much.
- Moderator:** Next question is from the line of Jayesh, an Individual Investor. Please go ahead.
- Jayesh:** So, sir, just one question I wanted to ask. Do you have any defaulters in the trade receivables? Like, for example, if there is INR100 crores, just an example I'm taking. Is there any long-term receivable that is pending from the client end or anyone else?
- Prasanna D.:** No, sir. No, sir. We are all government dependent. It is not at all possible in this. It is all certified things and all. We don't have anything at that stage.
- Jayesh:** Okay. And any private players you have?
- Prasanna D.:** No, no, we don't have any such things.
- Jayesh:** Okay. Okay. That's it from my side. Just one thing, sir. What I would suggest is that when the share price falls, right, investors are completely blank at that time. So, at that time, everyone is selling. So, just one thing, if promoters can come up and highlight something positive or anything positive for the investors, that would be really helpful.
- Just for example, last year, for Q1, you shared one tweet or some document to NSE saying that some highlights of the quarter one results. So, at least you can provide that just for the sake of investors, that just really helpful.
- Priyanka Singh:** Sir, actually, when we declare our results for September and March, we don't do that. But other than that, in every quarter, we made it a point to give some sort of highlight. So, this quarter, you'll find in Q1 also, we'll highlight that, sir.
- Jayesh:** Yes, yes. That's what I was looking for.
- Priyanka Singh:** Yes. Okay, sir. Thank you, sir.
- Prasanna D.:** Thank you, sir. Thanks for your advice. Thanks.
- Moderator:** Next question is from the line of Rajender Passi from NP Analyst. Please go ahead.
- Rajender Passi:** Sir, I wanted clarity on one, I would say, misconception, or I'm not sure, like what that is, that there have been certain rumours around the linkup of a certain political party in Tamil Nadu and our company. So, if you can provide some light on that part, like what the truths are, and if you want to basically share anything on that part? I'm sure you may have also seen those kinds of rumours on the social media handles.
- Prasanna D.:** I don't have any link with any political parties except for two days. One day, I'll vote for the State election, one day for the Central election. Apart from that, I don't have any link with anyone. Apart from that, any other thing, see, there is a rumour going on in because my brother-in-law is a leading actor in the Tamil industry.

So, being our new CM, Vijay is an actor; it is a rumour going on that I'm very much closely acquainted with the CM and all, but that is not the fact. My brother-in-law is closely acquainted, but not me. So, it's a rumour only, as you highlighted. I'm answering this. I have not mentioned that my brother-in-law is a leading actor in Tamil Nadu. I've not mentioned it anywhere till this time. So, this has to be highlighted as you have asked me, I'm just telling you this.

Rajender Passi: Yes, sir. That is why there have been a lot of rumours, like the business is going to go downhill as the government has changed and things like that.

Prasanna D.: No, no.

Rajender Passi: So, I just wanted so that you can at least put an end to these rumours in this official con call. So, that is why I wanted to ask?

Prasanna D.: Thank you.

Moderator: Next question is from the line of Ajinkya Pawar, an Individual Investor. Please go ahead.

Ajinkya Pawar: It's always that if you perform well, you will just get a congratulations, one-minute word, and it will be over. If you don't perform well, only your parents will keep on questioning you. First of all, sir, congratulations. Thank you so much because I know when you are running a business, there will be a lot of problems.

And from this conversation, I get it that when the investor was sticking to the one question that when we are growing, we need capital. So, for capital -- and then sir, just having one question, if the stock price didn't go up, then how are we going to fund it? And that is the genuine question, sir. But I know you have been running this business for a long time, and I know you are going to address all the problems.

And just because of you, sir, I didn't sell a stock, when it was INR80, I entered when it went to INR250, I didn't sell, again passing the INR80 level. And I don't worry, sir, because as I said, I am a long-term investor, and I know, sir, not 1 year, 2 years, 3 years down the line, 5 years, whatever we are targeting, let's say, INR2,000 crores or INR2,500 crores of targets, we are going to achieve it, sir, and all the best. I just wanted to say all the best. And the last investor had a very good suggestion.

Whenever there is a fluctuation in the market, the stock goes down. There is for investors, we'll need some kind of support. So, I used to mail Ms Priyanka, CS. But the last 2 months, I'm not receiving any kind of mail. And I want to just tell you one thing, I'm a YouTuber. And in my community, there are at least 150 to 160 members who have invested in AVP.

So, over the last 1 year, 1.5 years, the stock price has been going down. So, we need some kind of motivation. These are the Investor Presentations where we get motivated. So, I just have one request from Ms Priyanka that whenever we don't mail every day, we just mail when there is a fluctuation or say, 2 months or 3 months, because we don't publish quarterly results.

So, I just have a request, and we just ask for a small, small, are we going to the client for any meeting? Or is there any update on business? So, just wanted a small request that she should reply or there should be some kind of mechanism, we should get some kind of feedback what's going inside the business. So, we get motivated, that's a small request for me, sir.

Priyanka Singh:

Thank you, sir. You are here online. Actually, I have been receiving your mail, but I am also replying to the mail, but the mail is bouncing back and MD sir is also marked cc in the mail. Since I did not have your contact number, sir, I'm not able to contact you.

I just request you next time, please, can you also mention your contact number because every time I try replying to a mail, it just got bounced back. MD sir is also marked in all the mails sir. We did not have any alternative number to get in touch with you, sir.

Ajinkya Pawar:

Okay, fine. Sir, all the best. I know you are going to.

Prasanna D.:

Thank you, sir. Thank you very much, sir. Thank you very much.

Moderator:

As there are no further questions, I now hand the conference over to management for closing comments. Over to you.

Prasanna D.:

Thank you, madam. It's always nice to hear from the investors, all the inputs taken, all the feedbacks taken, we will work on for the Investor Relations as well. We will mitigate all the problems, whatever they have suggested us.

And we accept my wishes from all the good-hearted investors. And thanks to all of you. We'll keep meeting you again and again with many good news to come with good news to follow. Thanks again. Thanks a lot for the con call. Thanks for hosting this. Thank you, madam.

Moderator:

Thank you. On behalf of Atlas Capital, that concludes this conference. Thank you all for joining us. You may now disconnect your lines.