AVP INFRACON LIMITED
Formerly - AVP INFRACON (P)LTD & AVP CONSTRUCTIONS (P)LTD
Reg. Off: E-30, IInd Floor, IInd Avenue, Besant Nagar,
Chennai-600090. Tel No: 044-4868 3999
CIN: L45400TN2009PLC072861

To,

Date: 05-05-2025

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

Scrip Symbol: AVPINFRA

Subject: Submission of Transcript of the Earnings Conference call held on Friday, May 02, 2025 at 02:00pm.

Dear Sir /Ma'am,

In continuation of our earlier letter dated May, 02, 2025 informing about the audio link of the Earnings Conference Call and Pursuant to Regulation 30 of Securities Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015, the Company is hereby submitting transcripts of Earnings Conference call of the analyst/investor conference call which was held on Friday, May 02, 2025 at 02:00 P.M. to discussed the Audited Financial Results (Standalone and Consolidated) of the Company for the Half Year and Year ended 31st March, 2025.

Kindly acknowledge and take the same on records.

Thanking you,

Yours faithfully,
For AVP Infracon Limited

PRIYANKA SINGH
Digitally signed by PRIYANKA SINGH
Date: 2025.05.05 19:01:25 +05'30'

Priyanka Singh

Company Secretary and Compliance Officer

“AVP Infracon Limited

Conference Call”

May 02, 2025

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

MODERATOR: **MR. RAJDEEP – AKMIL STRATEGIC ADVISORS**

Moderator: Ladies and gentlemen, good day and welcome to AVP Infracon Limited's Conference Call hosted by AKMIL Strategic Advisors. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing the star then zero on your touchtone phone.

I now hand the conference over to Mr. Rajdeep from AKMIL Strategic Advisors. Thank you and over to you, sir.

Rajdeep: Hello and good afternoon everyone and thank you for being here. On behalf of AKMIL Strategic Advisors, I welcome you all to the conference call of AVP Infracon Limited. From the management side, we have with us Mr. Prasanna, Chairman and Managing Director and CEO and Ms. Priyanka Singh, CS and Compliance Officer. Now I hand over the call to Mr. Prasanna. Over to you, sir.

Prasanna D.: Good afternoon everyone. I sincerely extend a warm welcome to all the participants on today's earnings call for AVP Infracon Limited. Thank you for joining us. A brief introduction about AVP. AVP Infracon began its journey in 2009 with a clear objective to contribute meaningfully to India's infrastructure growth. Over the years, we have built a strong portfolio shaped by engineering precision, timely delivery and a deep commitment to quality.

While we are rooted in Tamil Nadu, we are trying to grow our footprint in Andhra Pradesh, Madhya Pradesh, Maharashtra and Telangana, underscoring our evolving national presence. India is undergoing a historic transformation in infrastructure. The government targeting a $5 billion economy, a INR10 lakh crores infrastructure outlay in FY24, an aggressive development of roads, highways and urban infrastructure.

The sector is poised for multi-year expansion. The Ministry of Road Transport and Highways has set a target of 40 km of national highway development per day, while the NHAI is enabling large-scale PPPs through HAMP and TOT models and digitizing project management for faster execution. We are proud to be a part of this nation-building journey.

With this backdrop, I am proud to share that AVP Infracon Limited has delivered its strongest financial results to date. On a standalone basis, we have recorded a revenue of INR272.45 crores for the financial year 2025, up 80.43% from the previous year. EBITDA stood at INR59.07 crores, and net profit came in at INR33.10 crores, which is up 80.97% year-on-year, adding to an earnings per share of INR13.25.

On a consolidated basis, our revenue increased by 82.02% year-on-year to INR292.81 crores. EBITDA rose to INR62.77 crores and the net profit remained strong at INR33.10 crores, reflecting significantly scalability in our operations. These results reflect not just strong execution, but also the benefits of our strategic and operational discipline.

Our business approach is focused on maintaining cost efficiency, upgrading technology, and driving profitability. We continue to backward integrate through our in-house RMC plans, our blue metal crushers, our own fleet of vehicles, which helps us control logistics and reduce overheads. A strong relationship with queries ensures smooth raw material availability, while

long-standing ties with clients have helped us win and repeat order against government and public sector units.

We are now also expanding geographically across Tamil Nadu, Andhra Pradesh, Telangana, Maharashtra, Madhya Pradesh and exploring joint venture partnership to bid for large and complex infrastructure projects. With an order book exceeding INR400 crores, a sharp focus on in-house integration, and a strong culture of on-time execution, with workplace safety, we are laying a strong foundation for sustainable and long-term growth.

Looking ahead, we remain confident in our ability to scale further and are working towards achieving INR500 plus crore revenue in the coming year with a substantial order book in the medium term.

Thank you once again for your continued support. I look forward to take your questions now on the floor. Thank you.

Moderator: Thank you very much. We will now begin the question and answer session. The first question is from the line of Prateek Chaudhary from Saamarthya Capital. Please go ahead.

Prateek Chaudhary: Hello. Sir, are there any updates on some of the large orders that we had bid for, which we had communicated in an earlier call?

Prasanna D.: We are in the process of the tender opening for the recent bids we have bidded, sir, which we dated during the last call. It is in the process. Technical bid has been open and we are waiting for the commercial bids on the latest tenders we have submitted. We can expect any time the tender opening process to be concluded.

Prateek Chaudhary: Okay. And the INR400 crores you mentioned, INR400 plus crores has been as on date?

Prasanna D.: Unexecuted order book as on date.

Prateek Chaudhary: Okay. And the INR500 crores that you mentioned, INR500 plus crores, that is your target for FY26?

Prasanna D.: Yes.

Prateek Chaudhary: Okay. And, sir, say maybe a year down the line. What do you expect the broader share of revenues from different states to be? And what is it right now? Tamil Nadu versus others. What is it right now?

Prasanna D.: The revenue is entirely from Tamil Nadu as of now. We are targeting to explore other states. Across states, we are down, a year down the lane, we are expecting at least 25% to 30% of the revenue from other states. But we are not particular about which state we are getting that and all. We are expecting something to be very clear and maybe around the end of H1.

Prateek Chaudhary: Okay. But 25%, 30% from other states is a reasonable likelihood?

Prasanna D.: Yes. We are just encoding a conservative amount, at least 25% we are targeting from other states.

Prateek Chaudhary: Okay. And would it lead to any sort of margin dilution for us? Because we will be entering newer states and we might have to lower our price maybe to entrench ourselves against the competition?

Prasanna D.: Just by lowering the price, bagging orders very, very, very easy. We are trying to maintain that PAT percentage what we are maintaining till date. So, we are bidding very conservatively or else we would have got a handful of orders from other states by now.

If we want to just enter the foray with just out of book, we would have done that. But we are not doing that. We are trying our match to sticking on to our profit percentage, what is workable for us and what percentage of profit we desire to complete this project and what we have, what we want to retain at the end of the project. So, we are quoting based on that. And hopefully, we are trying to maintain this PAT in other places also.

Prateek Chaudhary: Okay. And broadly for FY '26, do you expect the PAT percentage to remain the same as FY '25?

Prasanna D.: Definitely. So, definitely we are maintaining. We want to maintain that. We are working, we are finding ways to reduce. There may be some expenditures which will go up when we are going big and when we are going out of our geographical area.

But we are focusing on different arena to bring down what that is going up in some sector. We need to bring down in the sector where we are very confident and where we can achieve easily so that it is matchable and this PAT is maintained throughout.

Prateek Chaudhary: Okay. Okay, sir. I will get back in the queue. Thanks a lot and all the best.

Moderator: Thank you. The next question is from the line of Agastya Dave from CAO Capital. Please go ahead.

Agastya Dave: Hello, sir. Congratulations on a great performance. You have definitely surpassed the very first guidance that you had shared with the market. Very few SME companies are doing that. So, congratulations, sir. Sir, there were three, four questions that I have. One is on the solar initiative. How has the progress been? Have you already started receiving larger orders in the solar piece? And in the INR500 crore guidance, how much do you expect solar to contribute?

Prasanna D.: Sir, we are targeting a INR75 crores to INR100 crores revenue minimum of solar in the largest segment, but we have not received any major order in the solar segment. We have received only one megawatt. In the size of megawatt, we have received only one order.

And we are in the process. It's just a three months old company, and we have founded in the month of January only. And we are working towards that. And this year, we are definitely planning to have a good order book, and as well as a good executed numbers from solar. We'll definitely have a good number from solar company also.

Agastya Dave: Excellent, sir. So, there were a few variations with respect to at least my understanding of the company in the annual results. So, if you can provide some color or as to what exactly happened in which impacted these specific line items?

So, I'll start with the balance sheet, sir. There are short term loans and advances, which have jumped by INR28 crores, Y-o-Y, from INR17.8 crores…

Prasanna D.: You're talking about standalone or a consolidation?

Agastya Dave: This is consolidated.

Prasanna D.: Okay. Yes. Can you just repeat?

Agastya Dave: Short term loans and advances, INR17.8 crores has gone to INR38.5 crores. And then the other current assets, which have gone from INR3 crores to INR27 crores. So, I'm sure there is like a reasonable explanation, which would obviously be explained in the annual report. But unfortunately, annual report is still not out.

And I don't have access to the schedule. So, I just wanted to understand what exactly led to these jumps in the balance sheet items. And then there is quite a significant deviation in the working capital trends also. So, it has surprised me positively. You have reduced the payable days, and you've also reduced the inventory and receivable days.

So, I was just wondering, sir, if you can provide some commentary around these numbers. And what should we expect going forward? Because as you scale up and enter new states, logic would dictate that some spikes would happen. So, how did you manage to control all of this? And what do we expect going forward?

Prasanna D.: So, now the scenario, which is in the market generally supports people who pay on time and people who pay advance payment to the suppliers. Credits are always available in the market, but it is available at a cost. So, what we have thought and implemented in this year is, we have taken some short-term loans or overdrafts at a lower interest, which will definitely be available at a cheaper cost than what we are paying for a creditor at a higher credit rate.

For example, if I am taking some product at a 45 days credit, definitely they are not giving the same rate for the advance payment or what you call the immediate payment structures. So, we thought this will definitely work out. And if we are good at making the payments on time, we definitely have an edge of getting the supplies on time, which have reduced the project delay or project time.

So, we were working out on this and we implemented this and we are really successful. I understand that the working capital has been increased and what we have utilized from the bank has increased, but that has not cost me a reduction in my PAT or it has not costed me a figure down in PAT or whatever it may be. We have matched that in the place where it has to be matched.

And I am not an accounting guy. I just discussed with my people what if they were talking about ratios, but what I want is I do not want each line and each and every line item to be changed.

Agastya Dave: My question was more around what exactly happened. The commentary was much more important than the individual numbers. I will wait for that and I am pretty sure I will get my

answers from there. But I got your point. This is exactly what I was asking, sir. So, your answer is much better than just discussing numbers.

It gave the background to the question. So, one final question, sir. On the EBITDA margin side, you said that you are trying to maintain your EBITDA margin. So, what kind of number should we assume going forward? And even the working capital thing, whatever you have done this year, you expect next year to be similar that you will continue to have the same strategy in place?

Prasanna D.: Yes. Actually, we are looking for the same strategy and all. People also suggested me to go for preferential allotment so that this debt cost or whatever it may be, may be reduced. But I do not want to go at an immediate thing. And we just wanted that this process and this whatever practice what we have done last year to continue this year also. And let it go and we will see how it goes for the first quarter. Based on the assessment of three months, then we decide upon what we can do in this.

Agastya Dave: And so, the margins, we will strive to maintain those as well. This is a good base to assume around 21%.

Prasanna D.: We are striving hard to maintain that. Definitely, we will do that.

Agastya Dave: Excellent, sir. All the best, sir. And I would also suggest, sir, do not dilute unnecessarily that equity raising should be the last resort. You are not a levered company to that extent. So, your decision making has been pretty sound regarding preferential allotment. So, please maintain that. I am sure everyone would appreciate it, sir. Sir, thank you very much and all the best and great performance. Good luck to you and the team. Thank you, sir.

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

Moderator: Thank you. The next question is from the line of Kaushal Sharma from Equinox Capital. Please go ahead.

Kaushal Sharma: Hi, sir. Very good afternoon. So, my first question is regarding our order book. So, what kind of order inflows are we expecting in financial year '26? As we have given around 500 plus revenue guidance. And are we targeting any big chunk of order like because our debt level has increased so much. Our debt equity is around 1.30 and we require funds to manage our working capital as well. And our debtor days has been increasing from the past. So, how do we raise the funds in near future?

Prasanna D.: The debtor days has been on the decrease only. It has not been an increase, if you could see clearly. And our order book stands at 400.

Kaushal Sharma: So, if we see your debtor days, like in absolute term, there was around 10 crores of debtor in financial year '23, become around 63 crores. And afterwards also, it can be increased because we are going to bid in different geographies and the order size may be increased. So, we require working capital. So, how do we manage our funds in near future? Because our debt level is huge currently.

Priyanka Singh: Sir, can I say?

Prasanna D.: Yes. Please.

Priyanka Singh: Sir, actually, our debtor days, no, we are maintaining at that level only, sir. If you go for days wise, it is always in the range of 80 to 90 days only, sir. So, we are trying to maintain the debtor days no matter what. And as far as working capital is the requirement for working capital, since, sir, we are a growing company. So, since we are targeting a INR500 crores turnover, we do need working capital in the form of, again, like a CC limit and all.

Like, sir has already informed that we are paying this credit around time. In fact, if you see the turnover, this pay per turnover ratio, it is almost 5, which is very high, like in an infrastructure industry. So, we are maintaining that, sir, because we want to maintain our PAT and in order to maintain that PAT, we need to pay our creditors on time and all.

So, sir has already given in the last call also, he has said that while we are doing this, it is helping us with the path and all. So, working capital, that debt might go little high in the form of CC limit and all. But overall, sir, we are maintaining all the margins.

Kaushal Sharma: Okay, ma'am. And what about our order book inflow in financial '26? Already, we are having around INR400 plus crores. So, what kind of amount of -- chunk of order included are we expecting in financial '26?

Prasanna D.: The financial year '25-'26, as we have started with the INR400 crores unexecuted order book, and we are expecting around INR700 crores to INR800 crores of orders to be received in this financial year, which will be substantially enough for us to cover the next half yearly also. So, we have an order book to complete this financial year and the next financial year orders we are targeting as of now.

Kaushal Sharma: So, incremental INR700 crores to INR800 crores of order, we are targeting for financial '26, right, sir?

Prasanna D.: Okay, sir. Thank you very much and all the best.

Kaushal Sharma: Thank you, sir. Thank you.

Moderator: The next question is from the line of Paras Chedda from Purple Knox Vortex Ventures. Please go ahead.

Paras Chedda: Thank you, sir. Sir, first of all, congratulations. It was quite a strong set of results. One thing I wanted to understand, sir, for the first half in general, now that we have INR400 crores order book and we will incrementally expect INR700 crores to INR800 crores of order book probably in this year. But for the first half of this FY26, do we sort of expect that because immediately we do not have new orders other than the order book that is outstanding.

So, we would probably assume 40%-50% of the current order book gets executed, which means that about INR150 crores to INR200 crores of order book is possible to be executed in the first half. So, is that sort of correct? That's my first question.

And second is, sir, margin maintenance would be tough in the sense, obviously, as a group. On that, if you, what kind of side of floor margin you would expect, whether, you know, 17%-18% is what you would expect on a consoled basis when you do a INR500 crores this year as a floor margin, which would probably be a floor to us. And we will be happy, of course, if we get 20%-21%. But just in case, you know, as a sort of early sort of a cautious approach. So, these were the two questions. If you can answer, I have one more. But if you can just answer these two first.

Prasanna D.: Yes, thanks for the questions. The first question, we have an order book of INR400 crores, which will be executed over this year. We have many tenders lined up and we are positive about acquiring few of the works. So, that won't be a problem -- before these tenders what we are targeting doesn't need much of downtime or for work to speak of. We need at least three months, a minimum of three months or a maximum of four months. So, that would definitely be surface for us to...

Paras Chedda: Right. So, some of the new tender wins also will be executed in the first half, you mean to say?

Prasanna D.: Yes, definitely. It is not that only we have to complete this and if any work we enter into agreement, we have milestones to be completed. So, we need to start that. That is the reason why we don't have that much of order book on, I mean, have a safety backup we cannot have.

Once we enter into agreement, we should start execution of the project and we will have milestones to be covered or else we will be fined for the delayed progress or something like that. So, that once we have all the projects which are live, we are all on the process of execution only. So, that we will be taking care and there won't be much lapse in that or much gap. Right, right.

Paras Chedda: On the margin front, sir?

Prasanna D.: Margin front, we have to estimate...

Paras Chedda: What would you put as a slower margin in your opinion, sir, even if you have to compromise a little bit?

Prasanna D.: Sir, as of now, we have not decided anything on compromising the margins. We have to compromise on one side. End of the day, we are seeing this as a package. End of the day, we are talking about the PAT of the company and not PAT of each and every project. So, we are targeting in such a way that if we have to lower our margins in one or two projects, we will be increasing the margins or we will be working hard to sustain some higher margins in the other to keep this levels of the margin.

So, we have not, as you have quoted -- honestly telling, we have not given a thought about lower margins or we have not worked on that. If that is going to be the case of what you are talking about, the lower margins, we would have had enough works on hand that I am not at all interested to go for that. Okay.

Paras Chedda: So, more or less, you are fairly confident that somewhere around current levels, closer to that, we still be able to execute contracts?

Prasanna D.: Yes, we are definitely confident. Let us see that if it is coming down or something, I will definitely let you know. Some of these projects or something on the lesser side, which may impact our part of something, which we are on a later stage, but not at this stage. At this stage, we are confident of maintaining. We have been maintaining all these years, so I should be confident enough to maintain this also.

Paras Chedda: So, just two more questions. One is this, again, you know, there was this question, short-term loans and advances, which went up to INR38 crores. It's just that I wanted to understand what is this short-term loan advance as in are the advances to suppliers or I mean, how is it? I mean, what is that item basically?

Priyanka Singh: Sir it is basically the trade advances and site expense advances, which we are giving. So, it's like, we have to give some trade advances to a supplier. So, it's like a combination of trade advance and some site expense advance, we have to incur. Sir this is that actually.

Paras Chedda: Okay. And the other current assets that have gone up by INR10 crores for example, what would be that comprised of?

Priyanka Singh: Sir, it is basically the withheld, which we will receive later. So, it is a combination of withheld receivable and…

Paras Chedda: The retention money, right?

Priyanka Singh: Correct, correct.

Prasanna D.: Yeah, retention money with the department. That will be always on the rise. Whenever turnover multiplies, that will be multiplied.

Paras Chedda: No, I agree, sir. As the scale increases, this will definitely go up, yeah. And the inventories would be some machinery that would be added.

Priyanka Singh: No, sir, inventories is a combination. Sir, inventories is a combination of the raw material and an unbuilt revenue and capital work in progress. So, what inventory you are seeing under current asset, it's a combination of every three items.

Paras Chedda: Understood. One last question on my end. There is this tax implication, which I saw about INR10 crores odd for this year and about some INR6 crores, which was there last year, right? And on the cash flow statement that I saw, we actually made a cash payment of about in the region of INR4 crores to INR5 crores for FY25 as well as FY24. So, I just wanted to understand, you know, some advance payment in my understanding should have gone for the…

Priyanka Singh: Sir, I'll tell you. No, no, no problem, sir. I'll tell you. So, today whatever income tax payment comes, we do a part payment of advance also plus there's a concept of TDS receivable. So, we deduct the TDS receivable and whatever less balance is there, that is what we pay to government that is the income tax payment.

Paras Chedda: Okay, so it's a net item, you mean to say.

Priyanka Singh: Correct, correct. Actually, cash flow is this income tax, yeah. So, cash flow basically, this is what we pay, the rest got adjusted with the TDS receivable.

Paras Chedda: Okay, so this is a net item of direct access.

Priyanka Singh: Correct, correct, sir.

Paras Chedda: Therefore, it may not represent the actual overall implication or liability.

Moderator: The next question is from the line of Amit Jain, an Individual Investor.

Amit Jain: Yeah, good afternoon and congratulations for your wonderful results. I would like to know about whether what is going to be the guidance for the 2025-26?

Prasanna D.: We are targeting at a top line of INR500 crores plus.

Amit Jain: And you are going to maintain the same state margin or it is going to be improved?

Prasanna D.: We are trying to maintain that same PAT margin at this level, essentially.

Amit Jain: Okay, okay. So, means basically, if I consider INR400 crores order book, then you are going to execute this in current year. And plus you are expecting more order and out of that INR100 crores, you may be executing.

Prasanna D.: Correct, correct.

Moderator: The next question is from the line of Pranav Shrimal from PINC Wealth.

Pranav Shrimal: Most of my questions have been answered and congrats on the great set of numbers. Just a couple of questions. Sir, going forward, do we need any more capex or are the answers that we have enough going forward?

Prasanna D.: No, capex is whenever we require something, we add on to it. So, we do not have any particular budgetary plans for this. When the site demands or when it is needed for the faster execution of the project, we implement those. That is how we operate on the capex.

Pranav Shrimal: Okay. So, nothing planned? It will be as on basis?

Prasanna D.: Whenever we require anything that it demands, we make that implementation of that capex. And it is not a future plan and whatever we have is substantially enough. And at the point of time, if that is needed for a faster execution or some timely completion, we will definitely go for that.

Pranav Shrimal: Got it. And just one last question. In our P&L, we have a line item, other direct expenses. Can I get a break off of what the other direct expenses are?

Prasanna D.: This is mostly about the subcontract expenses, what we make to the labour contractors. Okay. Which falls under this subcontract expenses, we have classified in the other direct expenses.

Pranav Shrimal: Okay. Just one last question. Can I get a revenue split? If that's possible?

Prasanna D.: Revenue split in the sense, I could not get you.

Pranav Shrimal: In the services that we offer. Is that possible? As in the industry which we serve?

Prasanna D.: Yeah, that is always possible. Our revenue from operations for the standalone is around INR272 crores. And this is all from what you call the works contract receipts, what we have received. And you want sector-wise or cloud-wise?

Pranav Shrimal: Sector-wise, sir.

Prasanna D.: Sector-wise, it's almost 90% of this is from the roads thing, and 10% will be from other lines, works such as drains and supply of steel or something like that.

Moderator: Thank you. The next question is from the line of Paras Chedda:

Paras Chedda: Sir, just one query I had. Currently, of course, we have used this short term borrowing the CC limit that we have gone up to INR112-odd crores. And the long term has also gone up a little bit. Now to execute INR500 crores of projects or plus, what kind of, I mean, because somewhere, again, I'm sure, you know, this CC limit will have to go up for the working capital.

What kind of working capital are you anticipating or to what level short term borrowing do you think you will go up to if you're not raising equity?

Prasanna D.: This may go up another, not much, because this is on a revolving basis only. This short term borrowing is on a revolving basis. We'll see the CC limit…

Paras Chedda: But we'll need some additional working capital for additional INR250 crores of projects, for example.

Prasanna D.: And maybe around, yeah, I understand what you're up to. And we don't need this much of increasing the working capital. Maybe around 50% of what we are using now, we may be using higher than, I mean, of this -- it will be around INR50 crores extra, maybe we can be.

Priyanka Singh: Sir, I just want to clarify few things. So this short term borrowing basically is a combination of our CC limit. And also we have some equipment loan because as you can see, our plant and machinery has gone up around INR48 crores this time. So we bought a few new machineries -- plant machinery and equipment. So this is actually basically a combination of CC limit and also the borrowings which we are taking in form of term loans. So the maturity, which is falling in one year, we are classifying it as a short-term borrowing.

So CC limit, if you ask me, we have a CC limit of around INR65 crores to INR70 crores, which again I'm telling you, 272 within our revenue. For that, that CC limit, which we have utilized, it's like very considerable. So again, in future also for achieving INR500 crores, this might go up a little, but short-term borrowings is not only for that. It is a combination of the term loan and the CC limit.

Paras Chedda: Understood. So the CC limit may marginally go up, you mean to say, but not significantly, about INR30 crores, INR40 crores, INR50 crores in that region, you mean to say?

Priyanka Singh: Correct. Yeah.

Paras Chedda: Okay. So just last query, my end. Do you target to become cash flow positive at some point in time from operations, I mean to say, and a dividend payout to investors at some point?

Priyanka Singh: Sir, I'll answer that question. First of all, our cash flow from operating activity, the main reason why it's negative, as you can see, is because we are paying the supplier on time. And again, as I told earlier also, we are having a Payable Payout ratio of 5. Sir, in our industry, a Payable payout ratio of 2.5 is considered to be good, but we are maintaining at a 4.57 to 5 payout ratio. The main reason is for that.

And secondly, sir, as far as dividend is concerned, we are basically concentrating right now whatever profit we are having, we're putting it in retain earnings and we're trying to grow. Because, sir, you know the borrowings are coming up. So we as a company are trying that borrowing should not go up. So we are trying to put it in retain earnings. And we are growing vertical wise also. So that's the reason we have not decided anything for this dividend as of now, sir.

Paras Chedda: Understood. I understand. Dividend, I think, will come in later. At this moment, there is growth. And you would like to utilize working capital over there. I understand that. Only thing, of course, the cash flow from operations, when they become positive, that could be a good sort of a...

Priyanka Singh: Sir, we are trying for that, sir. We are trying that. Most probably by next year, it should be positive.

Moderator: The next question is from the line of Rajendra, an individual investor. Please go ahead.

Rajendra: So, sir, first of all, congratulations on this great set of results. You have even surpassed the estimates. And whoever was expecting 250, you have given us like a much better number than that, even in this kind of environment. So first of all, congratulations.

Most of my questions have been asked. Only just one question. As we are targeting INR500 crores of like revenue within this year, so what kind of capex can we expect going forward, since INR15 crores of our capex money is still in FD, right, from IPO time.

Prasanna D.: Yeah, it is still in FD. It is still in FD.

Rajendra: Yeah. So what kind of capex can we expect within this year?

Prasanna D.: Yeah, we are planning to invest around INR15 crores to INR20 crores based upon the project, but our top -- maximum utilization in capex will be INR20 crores.

Rajendra: And that will be mostly in machinery within Tamil Nadu or like we are expecting in other states?

Prasanna D.: That depends upon the project, sir. We are not bound by any geography in this. Wherever the need arises, we are planning to deploy that.

Rajendra: Okay. And as you have mentioned that we are targeting an order book of INR700 crores to INR800 crores, fresh order book basically within this year. So what kind of revenue are we expecting, let's say, one or two years down the line? So we know that we are targeting for 500 for this year. So what is the plan that is there in your mind for the next few years with the company?

Prasanna D.: Sir, after moving -- and everyone will be anticipated to know about this since our jump from April -- I mean, March '24 to March '25 was definitely high. So we are conservative about quoting some figure about the next two years. We are planning 500 this year and the next year we are at least planning INR750 crores to INR800 crores. And we wanted to take that way. So maybe around in a two years down the track, we are expecting around INR1,000 crores, four-figure number.

Moderator: The next question is from the line of Hardik Satya, an individual investor.

Hardik Satya: Congratulations once again on a fantastic set of numbers, especially for investor fraternity. We needed something really positive to cheer and you have done that for us. I have two questions. One is -- so one bifurcation, if you can give us between H1 and H2, will we be maintaining a similar ratio? Or like, let us say H1 will be INR200 crores and H2 will be INR300 crores. Is it safe to assume that?

Prasanna D.: Sir, FY '26 will be INR500 crores.

Hardik Satya: No, just for a little bit of clarity, as in how do you see?

Prasanna D.: The scenario changes and the climatic conditions changes. We cannot just depend upon, this is not indoor game, right? We have to depend upon many factors. So that is why I am conservative on quoting about this. We are targeting anything to be close to INR500 crores. If that everything is supporting, we are planning to go in a phased manner. So we are -- H1, we are targeting -- anyhow, H1 will be on a slightly lower side than H2. It is actually normal. But let us see how it goes. But end of the year, we will be having those numbers.

Hardik Satya: Fantastic, sir. No, the clarity with which your accounting team and everybody is replying to the finer details of having the short-term borrowings, etcetera, we wish to see many such companies come up who are so serious about reducing the interest cost and having a clear idea towards becoming cash positive. Fantastic numbers, sir.

Moderator: The next question is from the line of Agastya Dave from CAO Capital.

Agastya Dave: So based on what you have replied so far, that the short-term loans and advances and other current assets now become part of working capital, right? Because the retention money and all the advances are getting accounted for there. Am I right, sir?

Prasanna D.: I am not clear about your question. Can you please just repeat?

Agastya Dave: These will continue, right? So the advances…

Prasanna D.: Yeah. This has to continue. This will be on the…

Agastya Dave: There is no one-off.

Prasanna D.: Yeah. This will be continuing. Once our graph grows, this also has to grow the same way.

Agastya Dave: Understood, sir. And finally, sir, one just request. You have done -- like, as the previous participant was also saying, you answered my questions and all the other questions in such a great detail. We will continue to push for even better corporate governance, sir.

One request is that if you can publish your quarterly numbers going forward. It will be a very nice thing for us because six months is too large a gap. And if we have like more frequent results, it will be easier for us to track any variations and any improvements or -- because what you have delivered is much better than everyone's expectations.

And it would have been nice if the progress -- we could have tracked all through Q3 and then Q4. So, this is a small request that if possible, kindly start doing quarterly numbers. That would be of great help to everyone. That is it from my side. So, thank you very much.

Prasanna D: Thank you, sir. Thanks for your suggestion. We are also on the cards of forward thinking about this. We are just working on it. We will definitely let you people know that if there is a plan getting on track. And, yes, we have to go quarterly as we have just two more years to get onto the main boards and we are working, we are planning about this quarterly and Ind_AS accounting systems also. We will definitely update you. And thanks for the suggestion. Keep supporting us.

Agastya Dave: Thank you, sir. It will be taken very nicely by everyone because there are many extremely crazy rules by SEBI and their changes. One of them is just allowing so many companies to just report twice a year. That's not a good idea. That's not a good idea for anyone. I don't know what SEBI was thinking when they allowed this. There could have been other things that they could have given to the SMEs. But this is too long a gap.

Just six months in such an uncertain environment where domestically, internationally, everything is up in the air. Everyone would take it very, very positively, sir, if you can do it as soon as possible. Thank you very much for giving me the opportunity, sir and all the best.

Prasanna D: Thank you, sir and all the best to you too.

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

Nitin: Sir just had few questions. The INR500 crores revenue guidance that you gave and the solar EPC revenue that you mentioned around INR75 crores to INR100 crores. So would that be separate from the INR500 crores revenue guidance you gave?

Prasanna D: Yes, it will be separate only. It was not included in the EPC revenue.

Nitin: Okay. So basically including solar EPC and the normal EPC we do, we'll be doing somewhere about INR575 crores to INR600 crores revenue. Would that be correct?

Prasanna D: Yeas, perfect.

Nitin: Okay, great. And sir the PAT, you said the PAT percentage would be similar to the one you did in FY25, correct?

Prasanna D: Correct. Exact.

Nitin: Excellent. That's fair enough. So thank you. That's the only thing. Really a commendable job you've done that even in H1 you reported and H2 you definitely added up to it. So thank you very much and hope to be a long-term shareholder in your company. Thank you so much.

Prasanna D: Yes, please, sir. We would love to have you on with us. Thank you.

Nitin: Thank you so much.

Moderator: Thank you. The next question is from the line of Paras Chheda. Please go ahead.

Paras Chheda: Sir, I don't have a question. Just a suggestion, just adding on to other some of the previous participants' point of reporting quarterly results. That would be a good idea if you can implement that. And additionally, one request that if you choose to do that or even if you don't choose to do that, maybe if you could have a concall quarterly so that there is some engagement and understanding of the business, how it's evolving? That's it from my side.

Moderator: We are having a concall every month, sir. Basically we try to maintain that.

Paras Chheda: Yes. Thank you so much. That's what I said.

Moderator: Thank you. The next question is from the line of Abhishek Kumar, an Individual Investor. Please go ahead.

Abhishek Kumar: Thank you, sir. Many, many congratulations on this outstanding performance. I have a quick question. So the previous participant asked about solar EPC project. Wanted to check when that would start realizing and I understand it's around INR100 crores revenue for FY26. Could you a bit elaborate on that?

Prasanna D: Solar we had started three months ago and we are building our base in that segment. And we are planning to build maximum minimum of INR75 crores this current financial year. And this is a small company to give more guidance about that. And we are confident of achieving this turnover definitely. And anything more than that will happen just like that I think. And it is a good business to evolve around.

And we are having good inquiries and we are having a good number of small orders, which we are executing. We are having some major orders for which we have bided and we are waiting for some approvals and other things. That's it in that part, let's see how it turns out.

Abhishek Kumar: Sure. Thank you. This is very helpful. And another this is more general question, sir. So in general, how are your orders like split up like government orders or private players, some kind of description on that, if you could help us?

Prasanna D: We are doing 100% government orders till now. And any back to back works is also towards government only. And we have started targeting private players and public sector units also. And this year revenue, we cannot quote about the percentage of the private sector, but we are planning to go private as well also.

And the next year, we can say that we will definitely have a major orders from private sector also, as we are planning to foray into the infrastructure sector in all segments that is blinks as a complete package. Maybe if a company is coming to set up an establishment, we go and do all the civil works, steel, structural works, roads, drains and whatever they may require in that also -- that way also we are working and we are also expanding in that line also.

So next year, we will definitely have such kind of projects, which we have not touched till now. And that will definitely improve our private participation, I mean, in the private sector.

Moderator: Yes, sir, the current participant has been disconnected. As there are no further questions, I would now like to hand the conference over to Mr. Rajdeep for closing comments.

Rajdeep Patil: Thank you, everyone for joining the conference call of AVP Infracon Limited. If you have any queries, please feel free to write us at info@akmiladvisors.com. Once again, thank you all for joining the call. Thank you.

Moderator: Thank you. On behalf of AKMIL Strategic Advisors, that concludes this conference. Thank you for joining us and you may now disconnect your lines. Thank you.