



February 24, 2025

National Stock Exchange of India Limited
Exchange Plaza, C-1, G Block,
Bandra-Kurla Complex,
Bandra (East), Mumbai – 400 051
Symbol: AVG

BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai - 400 001
Scrip Code: 543910

Dear Sir/Madam,

Sub: Transcript of Earnings Call Q3FY2024-25

With respect to the Investor/Analyst conference call held on February 21, 2025, we are enclosing herewith the transcript of the Earnings Call for Q3FY2024-25.

The transcript is also available on the website of the company i.e. www.avglogistics.com.

The above information is for your record and further dissemination.

Thanking You

Yours faithfully,
For AVG LOGISTICS LIMITED

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“AVG Logistics Limited Q3 FY25 Earnings Conference Call”

February 21, 2025



**MANAGEMENT: MR. SANJAY GUPTA – MANAGING DIRECTOR AND
CEO, AVG LOGISTICS LIMITED
MR. HIMANSHU SHARMA – CHIEF FINANCIAL
OFFICER, AVG LOGISTICS LIMITED**

MODERATOR: MR. JAINAM SAVLA – KIRIN ADVISORS



*AVG Logistics Limited
February 21, 2025*

Moderator: Ladies and gentlemen, good day and welcome to the Q3 FY25 Earnings Conference Call of AVG Logistics Limited hosted by Kirin 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 '**' then '0' on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Jainam Savla from Kirin Advisors. Thank you and over to you, sir.

Jainam Savla: Thank you and good afternoon, everyone. On behalf of Kirin Advisors, I am pleased to extend a warm welcome to all the participants joining Q3 FY25 Conference Call of AVG Logistics Limited.

Please note that this discussion may include a forward-looking statement based on the company's belief, opinions and expectation as of today. These statements are not a guarantee of future performance and are subject to risks and uncertainties that may be challenging to predict. Additionally, this call does not constitute of any forward-looking statement or projection related to revenue, EBITDA and PAT.

Joining us today from the Management Team are Mr. Sanjay Gupta - Managing Director and CEO; Mr. Himanshu Sharma - Chief Financial Officer and with that now, I hand over the call to Mr. Sanjay Gupta - Managing Director and CEO. Over to you, sir.

Sanjay Gupta: Thank you. Good afternoon, dear investors, and a very warm welcome to Q3 Earning call of AVG Logistics Limited's. We sincerely appreciate your continued trust and support as we progress our journey

I believe you must have had the opportunity to review our financial results, press release, and presentation, which have been filed with the stock exchanges and available on our website also.

The global logistics industry is experiencing a period of rapid transformation, driven by technological advancements, evolving consumer expectations, and geopolitical shifts. Our company is committed to growth by embracing these industry transformations. We are actively integrating technological advancements, prioritizing real-time fulfilment of customer needs, and adapting to the evolving requirements of geopolitical shifts. This proactive approach ensures that we remain at the forefront of the industry and continue to provide best-in-class service to our customers.

The Q3 of Financial year typically covers India's festive season, including Diwali. This period usually sees a surge in consumer spendings and e-commerce leading to increased demand for logistics services. Ongoing government initiatives like the PM Gati Shakti National Master Plan

and the National Logistics Policy (NLP) likely continued to drive infrastructure development during this period. This includes the construction of new highways, freight corridors, and multimodal logistics parks, which aim to improve connectivity and efficiency for logistics.

With increasing awareness of environmental issues, logistics companies likely continued to focus on sustainability initiatives. This could include the use of alternative fuels, electric vehicles, and more efficient logistics practices to reduce their carbon footprint. Your company strongly supports green logistics and, as part of this commitment, we focus on rail transport which allows us to offer more environmental friendly solutions to our clients. We are pleased to share various key developments from this Q3 FY25 quarter. Firstly, We have added 137 Fleets during 9 month ended 31st December 2024. The company has also announced its decision to acquire a major stake in Kaizen Logistics, a move expected to be completed by Q4 FY25. This acquisition will enhance operational capabilities and further strengthen our market position. we have secured a prestigious order from one of India's leading heavy infrastructure base companies including cement, steel etc.

Furthermore, the **union budget FY 2025-26** presents several growth-enabling initiatives that align with AVG Logistics' strategic objectives. The government's planned allocation of ₹2.9-3 trillion for railway development supports our expansion into rail logistics, reinforcing our multimodal capabilities. The government's incentives for EV production align with our commitment to green logistics. As we integrate EVs into our fleet, this initiative will enhance sustainability while driving operational cost efficiencies.

As we look ahead, AVG remains focused on delivering 25%-30% annual growth, supported by our diversification strategy, emphasis on sustainable practices, and our commitment to operational excellence. I am confident that our continued investments in strategic partnerships will position AVG at the forefront of India's logistics sector.

Our commitment to honesty, responsibility, customer dedication, set us apart in the competitive landscape.

Thank you for your continued support and partnership, which remain pivotal to our success. Thank you for being an important part of the company's journey.

We are also delighted to share the robust financial performance achieved in the reported quarter and for a detailed overview of our "Financial Performance," I invite Mr. Himanshu Sharma, our CFO, to take the lead. Thank you.

Himanshu Sharma:

Thank you, Sanjay Sir. Good afternoon, everyone. I am pleased to share our consolidated key financial highlights for Q3 and 9-month Financial Year '25. In the third quarter of Financial Year '25, AVG has demonstrated robust financial performance on a consolidated level.

Moderator:

I am sorry to interrupt, sir. Sir, could you please repeat the last part? The voice was breaking off.

Himanshu Sharma: Yes. In the third quarter of FY25, the AVG has demonstrated robust financial performance. On a consolidated level, the company achieved a total revenue of ₹142.44 crore, reflecting a year-on-year growth of 14.20%. The EBITDA stood at ₹26.46 crore, representing a YoY increase of 14.40%, with an EBITDA margin of 18.58%, up by 3 BPS. PBT amounted to ₹7.93 crore, a substantial year-on-year growth of 12.30%, resulting in a PBT margin of 5.57%, up by 35 BPS year-on-year.

On a 9 months consolidated basis, we reported a revenue of ₹403.81 crore, a year-on-year growth of 17.70%. The EBITDA was ₹74.50 crore, with a year-on-year increase of 17.30% and an EBITDA margin of 18.45%. The PBT for the period was ₹21.61 crore, representing a year-on-year growth of 56.10%, and a PBT margin of 5.35%, up by 131 BPS.

Thank you everyone for your continued support and trust in AVG Logistics. We appreciate your commitment to our journey. Your confidence inspires us to reach new heights in the logistics industry. We value your partnership in our growth.

Now, we are open to any questions you may have. Thank you!

Moderator: Thank you very much. We will now begin the question and answer session. Anyone who wishes to ask a question may press * and 1 on your touchtone telephone. If you wish to remove yourself from the question queue, you may press * and 2. Participants are requested to use handset while asking a question. Ladies and gentlemen, we will wait for a moment while the question queue assembles. The first question is from the line of Mahesh Seth, an Individual Investor. Please go ahead.

Mahesh Seth: Yes, good afternoon, sir. Sir, I have few questions. So my first question is that any new client addition during this reported quarter?

Sanjay Gupta: Sorry, can you come again?

Mahesh Seth: Yes. So I was asking, any new client addition during this reported quarter?

Sanjay Gupta: Yes, we are adding 4-5 new customers in the current quarter.

Mahesh Seth: Yes. And my next question is, what is the realization or margin difference in Cold Chain as compared to the normal logistic?

Sanjay Gupta: So, if you take a FTL business in the industry, so the gross margin is 8%-12% somewhere, whereas Cold Chain, we have a margin of around 20%, 25% to 30% case to case basis, product to product.

Mahesh Seth: So Cold Chain is around 20%-25%?

Sanjay Gupta: Yes, gross margin.

- Mahesh Seth:** Got it. And my next question is, what is your current fleet cold chain and what is the plan addition for FY26?
- Sanjay Gupta:** So we have as on today roughly 400 cold chain fleets with us Financial Year '25 closer and these are a better segment, so we focus on this segment and we have a plan to add approximately 100 fleets each year in this segment.
- Mahesh Seth:** So, sir we plan to do around 100?
- Sanjay Gupta:** As of now, we are the number 2 or number 3 in the number of vehicles because everyone does not have such a big vehicles so we have 400 vehicles, and we will add another 100 vehicles.
- Mahesh Seth:** So, we are around number 2, right?
- Sanjay Gupta:** Yes.
- Mahesh Seth:** That is good to hear. And my last question.
- Sanjay Gupta:** First, we take the LoI from the customers then only we add the vehicles because it is high investment and we need a long term commitment from the customer to introduce, add new fleets.
- Mahesh Seth:** Got it. And how are you leveraging your warehousing assets and what is the outlook for warehouse expansion?
- Sanjay Gupta:** So as of now we are working on two models. One is the own asset and another is leasing model. So own asset, we have around 3 lakh square feet as of now and we are growing around 100% year-on-year or 60% minimum year-on-year in this sector, and 3 lakh sq ft will be added next year, it may be around 4,50,000 because we have already taken the land in Orissa, our new warehouse of 1,25,000 sq ft. is coming in next year of '25-26. So net-net we are adding 1-2 warehouse every year.
- Mahesh Seth:** Got it. So we have planned to add around 50% of the current, right?
- Sanjay Gupta:** Yes.
- Mahesh Seth:** Got it. So thank you for answering my questions. That is it. Thank you.
- Moderator:** Thank you. The next question is from the line of Suresh Pal from KRSP Capital. Please go ahead.
- Suresh Pal:** Yes, sir my question is, in previous con-call, you said that we are supposed to win one government tender that is valued Rs. 500 crores. So what happened to that tender? That tender was supposed to come on or before 15th December 2024. What happened to the tender that I want to know?

- Sanjay Gupta:** That tender, that technical evaluation is still going on and hopefully by next week it will open for the price bid. So because it is a government tender, so they are taking their own time, there in that so mostly it take a little long because it is a big value tender. Hopefully, by 10th of March, it will open and clear it.
- Suresh Pal:** And sir, what is the revenue guidance that you are giving as of now. You are supposed to deliver 40% revenue guidance, which seems to impossible this year due to absence of that tender. So what is the guidance that you see?
- Sanjay Gupta:** Minimum 20% comes so if you see our previous growth, so 15%-20% growth, we are giving to minimum 20% growth will come.
- Suresh Pal:** Thank you, sir. That is all from my side.
- Moderator:** Thank you. The next question is from the line of Subhash P from Value Investments. Please go ahead.
- Subhash P:** So when you say that you would deliver 20% growth excluding the government contract which you are expecting, I think the Q4 should be close with Rs. 182 crores of revenue. So do you think that is possible, Rs. 182 crores?
- Sanjay Gupta:** Yes, definitely because if you see our previous, last year's quarter growth because in Indian industry, many companies are having the target, like all FMCG companies, their own target, so whenever their targets are increasing, then our businesses automatically reaching the last quarter.
- Subhash P:** Last year, you made Rs. 136 crores of sales, so you think Rs. 182 is possible then?
- Sanjay Gupta:** Yes.
- Subhash P:** Great.
- Sanjay Gupta:** As of now, we are earning the growth of around 18%, 17.5% or so?
- Subhash P:** Yes, that is good. And also what is the status on that government contract, like, do you still expect to win it maybe at a later stage or do you think that is out of our hands right now?
- Sanjay Gupta:** No, it will be definitely because lot of new tenders are coming up.
- Subhash P:** No, I am not talking about the new tender. So you had considered a contract from government because of which you guided Rs. 700 crore revenue, right?
- Sanjay Gupta:** Yes.
- Subhash P:** So is that contract gone or?

Sanjay Gupta: No, it has not gone. It is under process and we have been taking up with the concerned authorities. They have assured us that it will be cleared by 10th of next month.

Subhash P: So it is just delayed and maybe in the future you might get it?

Sanjay Gupta: There is some inquiry etc., happened because what happens in government contract there is always some or other issues arises, and it is a big tender so in big tender there are lots of paperwork so it is almost completed.

Subhash P: I think your voice was breaking, but when do you expect this to close?

Sanjay Gupta: By end of March.

Subhash P: And my second question was about the second acquisition. You said you are acquiring two companies. One you revealed that it is Kaizen Logistics. There was another one which is bigger than Kaizen Logistics, which you are planning and in the last con-call you told us that that would be closed by end of March. But I think we are approaching March now and also considering last time in December when you said that you would close Kaizen Logistics acquisition around two weeks you said you would give us the Stock Exchange notification, but that was delayed and then the government contract also did not turn up. So because of all this, I think the investor community was disappointed, and the share price started falling down, so by keeping some buffer time, when do you think the second acquisition would be completed?

Sanjay Gupta: So first of all, I wish to inform you that.

Subhash P: Sorry, sir. Your voice is breaking again.

Sanjay Gupta: Kaizen Logistics transaction is already completed. Hello?

Subhash P: Yes. Now, I am able to hear you.

Sanjay Gupta: Kaizen Logistics transaction is already almost completed. And the new company due diligence is going on, so we need clearance from them, we can go ahead to buy this company. So these companies are taking a little time. I think it will happen if we get all the clearance from our auditors and if due diligence gets cleared, then we will close it in March month only.

Subhash P: In March month only, okay, fine, so in March month we can expect both the government contract and the?

Sanjay Gupta: In both of these it is going to take some time because what happens you know it is a risk if something goes wrong with the investee company it will affect our company also, so we need 100% surety. That is why it is taking some time.

- Subhash P:** So the March month will be big for you because you are saying both the acquisition and also the government contract, the revenues could come in March, right?
- Sanjay Gupta:** Yes.
- Subhash P:** That is great. Thank you so much. I will fall back in the queue if I have any more questions. Thank you.
- Moderator:** Thank you. The next question is from the line of Suresh Pal from KRSP Capital. Please go ahead.
- Suresh Pal:** Sir, can you please tell me the cost of acquisition for the acquisitions that you are doing?
- Sanjay Gupta:** No, we are giving them their investment value only and our target is to take the entire team along with the management of the company, which will work with us for the next 5 years, so the valuation which we are doing as per the book value and total investment done within. We are not giving any cost as of now. It will be given to them after 3-5 years.
- Suresh Pal:** So both of those companies you are acquiring fully, right? It is not like partial acquisition, it is full acquisition, right?
- Sanjay Gupta:** Voice not audible.
- Suresh Pal:** Sir your voice is breaking, can you please repeat, your voice is breaking.
- Sanjay Gupta:** Hello, are you able to hear me, sir.
- Suresh Pal:** Yes, much better now, sir.
- Sanjay Gupta:** Sir, 99% of the company we are acquiring, 1% because we have some sentiment with the company, so we are giving them only 1%.
- Suresh Pal:** Fine. Thank you. That is all from my side.
- Moderator:** Thank you. The next question is from the line of Nitin Verma, an Individual Investor. Please go ahead.
- Nitin Verma:** So what I am going to say is that I am investor in your company for the last 1.5 years and as a shareholder I am really disappointed with the way things have done. First thing, in the last call you mentioned about the acquisition that it will be completed maximum by 2nd December that we got it on the January. So the confirm word should be used if it is actually confirmed. And about the government tender, you said that it is tentative, it is 85% and it is on the hand of government and is being delayed from September. So I understand that government tenders are a bit tricky, but still, the guidance should only be given when things are in hand. And because there is one thing called underpromising and overdelivering and here we are overpromising and

underdelivering which has shattered the stock price and apart from that, sir, in this con-call, like it started 6 minutes late, there is so much noise in the call and everything which shatters investor's confidence. And regarding the second acquisition, you gave that it will be completed in December. It is still not done. It is still in progress. So there are things like these which are not very good for investor, no good investor is taking interest in our company. And I have incurred a big loss in this because I trusted what you said. So I don't know how to trust you, what you are saying now and what you will be saying in future. So it is very difficult for me to trust your words now and as an investor, I don't know what to do. I speak for everyone when I say this.

Sanjay Gupta:

No, actually, things which are happening which we have explained in the old investor call. So the tender which we participated, we have informed and there is a good chance to get this tender and ultimately, we are getting it. But delay because of multiple reason like if there is some complaints in tender, government thing is not in our hand. But as you mentioned here, in future, we have also decided that we will declare only on receipt of the LOI in our hand.

Nitin Verma:

Yes, I am in stock market from the last more than 10 years, and I must tell you as investor, this is just the suggestion, you might take it or not take it. It is just that if the market appreciates the company or the management who under promises and overdelivers if someone says they will do Rs. 700 crores and he is not even able to do Rs. 600. Still even with the 20% guidance you mentioned in the last call that you will do Rs. 600 crores. Even Rs. 600 crores look difficult now because as of now I think we are at Rs. 403 crores. So in the last quarter, Q4, you need to be around Rs. 200 crores, which I don't think is going to happen. So there are a lot of things, not a single thing is falling into place if you look from the company perspective. Yes, you are doing good in the quarter-on-quarter. There is a little growth, but what you said and what has actually happened, there is a huge difference in that and that has shaken the stock price. You can see what has happened to your stock and all of us who had joined con-call, the only thing that matters to us is the stock price and the company's growth. So as a shareholder, as an investor, I am really disappointed, I have been very vocal about your company on social media and everything and I cannot say I have been this much disappointed by any company in my last 10 years journey. So take this as feedback. You might like it or not. You might act on it or not, but.

Sanjay Gupta:

No, I appreciate your concern, and we will be more careful and we are doing that hard work, sir please trust us and by chance, market here and there something is happening, but in future as you mentioned, we will promise less and deliver more. We are working on that formula that is better things for the investment, investor community and we are trying our best to give best result in topline and bottomline and working very hard. And I am sorry for any inconvenience caused to you, but everything will settle and you will find the results very soon of what we are doing, but I am not committing more and overcommitting, but I am just giving a personal commitment that the company is doing very well.

- Nitin Verma:** Thank you. So Rs. 600 crores, I don't think that is going to happen even if we consider 20% growth. Are you still saying that Rs. 600 will be done or should we consider a bit lower than that for this year?
- Sanjay Gupta:** So as of now, we are looking at growth of around 20% or so, but full one month or so is still pending. So if we get some opportunity of Rs. 10-Rs. 15 crores new business, then definitely we will be able to touch. But again, this is not in our hands, so many, 2-3 diversification business of logistics we are developing and we are not telling in this call because of the reason we have told if we tell and not deliver on time. It will be giving you the negative impact. So whenever the things will come in our hand, then we will announce through SEBI or in the next call, we will announce, then you will also feel happy that things are happening in the company. So 3-4 new projects are coming up and I am assuring you personally that we are doing very with lots of hard work, honesty, dedication and the result of that you must be seeing in the profit and topline. Things are getting better. Some things could be lacking but it will be alright. There is no doubt about it.
- Nitin Verma:** Thank you. Thank you, sir. And wish you the best of luck. Hope you will deliver. Thank you.
- Moderator:** Participants who wish to ask a question may press * and 1. The next question is from the line of Abhishek Sharma, an Individual Investor. Please go ahead.
- Abhishek Sharma:** Hello.
- Sanjay Gupta:** Yes, sir.
- Abhishek Sharma:** Sir, my question is, are there specific regions or customer segments where you foresee rapid revenue growth?
- Sanjay Gupta:** I couldn't hear you.
- Abhishek Sharma:** Sir, my question is, are there any specific region or customer segments where you foresee rapid revenue growth?
- Sanjay Gupta:** Yes, couple of divisions we are entering new which we would be (Inaudible).
- Moderator:** Sorry, sir, we couldn't hear you. Could you please repeat that?
- Sanjay Gupta:** Yes, so there are expansion plans into other divisions. So we are diversifying. In the logistics business where we are already diversifying into heavy segments now like steel and cement and we are diversifying ourselves into some other sectors also which we would be informing to exchange and investors.
- Abhishek Sharma:** Sir, next question is can you please elaborate in your details about expansion efforts in Nepal, Bangladesh and Bhutan?

- Sanjay Gupta:** Nepal, Bangladesh and Bhutan, this is existing supplies we are doing. It is for our current customers, so we are supporting them for logistics solutions that the existing business going on since.
- Abhishek Sharma:** Sir, my last question is, what is the revenue and profitability guidance for Q4 FY25 and FY26 considering macroeconomic factors and demand trends?
- Sanjay Gupta:** So, Q4, as we promised that we would maintain, yes, revenue targets we are not able to meet this year what we advised in the beginning of the year or before last fiscal year, but we are maintaining this 18%-20% growth and profit, whatever we promised at last year, we did operating profit of 2.8%, whereas this has been improved to 4% approximately YTD, which is happening. So we would be closing with that. So the PAT will be 4%-5%.
- Abhishek Sharma:** That is it from my side. Thank you.
- Sanjay Gupta:** Thanks.
- Moderator:** The next question is from the line of Basant Reddy, an Individual Investor. Please go ahead. Mr. Reddy, your line has been unmuted. Please go ahead with your question. Basant Reddy, your line has been unmuted. Please go ahead with your question.
- Basant Reddy:** I think I was on mute. I think all of the questions with respect to the number of new projections apart from the government tender and stuff, so I do not have anything further, but I think even the management also clarified when the previous investor asked the same question, so I am good. You can please respond to the next question.
- Moderator:** Thank you. The next question is from the line of Sujeep Samant, an Individual Investor. Please go ahead.
- Sujeep Samant:** Hello, sir, I have two questions. First of all, last 2-3 con-call, we continuously say we focus cement and steel sector. So what is that trajectory, could you please explain little bit?
- Sanjay Gupta:** Sorry.
- Sujeep Samant:** Cement and steel sector, you said last 2-3 con-call, you said you guys focus cement and steel sector, right?
- Sanjay Gupta:** Yes.
- Sujeep Samant:** Please tell me the future outlook, what is the target or any specific guidance you guys are saying about?
- Sanjay Gupta:** Yes, actually it is a heavy goods transport industry and huge amount of turnover is involved because in India infrastructure is developing a lot, so the value of the transportation in cement

and steel is around Rs. 1 lakh crore. So our targets are little high and already 4-5 customers we have identified and work has already started. So it is a very good business and short route business, 300 kilometer radius and we are putting associate vehicles and our vehicles and moving by train also. So we are having a good target for this business for next 2-3 years.

Sujeep Samant: But we like to dominate only FMCG. They give good margin. If you talk about cement and steel sector, the margin is very low because I just track 2-3 company?

Sanjay Gupta: No, I will explain, sir. Actually, the FMCG companies are giving the money in 92 to 100 days, whereas these companies are giving us the money in 7 days, so margins are at (Inaudible) whereas the margin is still (Inaudible). But if you see the revolving of our investment, then it is a much better composition. So they are cash rich company like Ultratech, Dalmia Cement, these are the cash rich company. If you submit a bill today, they are getting the payment within 7 days, whereas FMCG companies are having the pressure from their headquarters abroad and they are increasing the payment terms day by day. So we feel that the same money we can rotate 4-5 times, then our profit will be same as the FMCG number.

Sujeep Samant: Automatically, the EBITDA margin will be increased?

Sanjay Gupta: Yes. So we are focusing on EBITDA margin and you must have seen the result and our growth is around 17%-18% EBITDA margin.

Sujeep Samant: Great, sir. Sir already we are complete.

Sanjay Gupta: Second thing what happens in this is operating cost is little less so ultimately by the bottom-line also increase because (Inaudible).

Sujeep Samant: Sir your voice is breaking.

Sanjay Gupta: Cement and steel operating cost is less. So that is why we hope our bottomline will increase by developing that business.

Sujeep Samant: So what do you think, sir? We invest like we purchase new vehicle, or we just go through asset light model?

Sanjay Gupta: Maximum we are doing light asset model, but in few routes customers are asking for alternative fuel vehicle like electric vehicle and LNG gas vehicle. So those are not available in the market. So these vehicles we are buying and getting the contract from the customer for a long period of 8 years.

Sujeep Samant: Then we can purchase our own balance set?

Sanjay Gupta: Yes. If we get the long term contract, we can purchase our own vehicle.

- Sujeep Samant:** Good, very good strategy. Sir, please tell me 2-3 year prospective, already we done 9 months, right? So we have some projection. I am not saying like a huge projection we are saying like that, at least 2-3-year prospective 2027 or 2028. So how much we can grow at least 20%-25% or more than that or less than that, if you can please tell me?
- Sanjay Gupta:** Our growth target is around 20%-30% only and now we learn from the last 2-3 quarters, one is 10% growth we will take from our existing client which is.
- Sujeep Samant:** FMCG business.
- Sanjay Gupta:** FMCG business and road and 10% growth we will take from the new business like FMCG customer or steel business, cement business, pharma business, road business and 5% to 6% because (Inaudible).
- Sujeep Samant:** Sir, your line is breaking. Your voice is breaking little bit. Last statement I can't hear you. You say we have previous customer, so easily we can grow 10%. If we acquire new customer, we can grow 10%, so it will be 20% and another 5%-6% you said something. I just can't hear you. Please repeat. Yes, please. Gupta sir, can you hear me?
- Moderator:** Sanjay sir, can you come closer to the mic and speak, please?
- Sanjay Gupta:** I was saying that 5% growth of our company comes from acquisition. If we buy couple of companies in this year we will have the growth in the company.
- Sujeep Samant:** So around it would be 25% at least you can grow?
- Sanjay Gupta:** To survive ourselves we have to do minimum growth of 25%.
- Sujeep Samant:** Great, sir. That is why I just wanted to know like 2-3, already this year has gone, so next 2-3 year prospects at least we can grow 25%-30%.
- Sanjay Gupta:** We will be more careful and we will do a lot of hard work.
- Sujeep Samant:** Yes. Market is little bit disappointed sir because last time you gave some guidance, but.
- Sanjay Gupta:** We will take care of because sometimes it happens, but it will happen, there is no issues.
- Sujeep Samant:** No, I can understand the market is little bit tapered right now, so it is okay. Great, sir. Thank you.
- Moderator:** Thank you. The next question is from the line of Reha Chauhan, an Individual Investor. Please go ahead.

- Reha Chauhan:** Sir, my question is, how has the recently secured Indian Railways contract impacted revenue and profitability?
- Sanjay Gupta:** May you please speak bit loud? I am not able to hear, Ma'am.
- Reha Chauhan:** Yes, I am repeating again. How has the recently secured Indian Railways contract impacted revenue and profitability?
- Sanjay Gupta:** Yes, Indian Railways contract we have around 6 routes of around Rs. 700 crores that is for the six year.
- Reha Chauhan:** Sir, my next question is, can you share more details on capital expenditures and investment plans for the next few quarters?
- Sanjay Gupta:** Yes, we can explain, ma'am. We can provide you separately of next one year, we are making the budget for March 26.
- Reha Chauhan:** Thank you. That is it from my end.
- Moderator:** The next question is from line of Ananda Swaminathan from C Square. Please go ahead.
- Ananya Swaminathan:** Yes, sir. I want to know how has the multimodal transportation segment performed in Q3 FY25?
- Sanjay Gupta:** Yes, it is doing well. It is growing same around 15%-20% and multimodal is the future of logistic industry.
- Ananya Swaminathan:** So the revenue contribution is 15%-20%?
- Sanjay Gupta:** Yes, we have grown 25% in the last quarter.
- Ananya Swaminathan:** Alright, sir. And could you provide an update on the adoption and operational impact of LNG and electric vehicle, please?
- Sanjay Gupta:** Adoption of LNG is we are buying around 100 vehicles in the next one year and these are applying for all major FMCG companies and cement companies and their profitability EBITDA margins are better than the diesel vehicle.
- Ananya Swaminathan:** Sir, and in line with the previous participant's question, I want to know what steps are you taking to improve efficiency and reduce cost in railway logistics?
- Sanjay Gupta:** So we are buying our own big size of truck to better utilization of our railway wagons and pick up of the material and delivery of the material. This will help us to improve the profitability in the train business.

- Ananya Swaminathan:** Good to know, sir. Thank you so much. That is it from my side.
- Moderator:** Thank you. The next question is from the line of Subhash P from Value Investments. Please go ahead.
- Subhash P:** Hello, sir, I just have two feedback points and another one last question that I have. So the two feedback point is today your call is not at all clear, so I am able to hear all the investor's questions, but your responses are not clear. I think definitely, there is some problem with your mic or something. Just try to figure out what the problem is and try to fix it in the next quarter call. And also can we please schedule this call a little bit earlier because we got the results last week and almost after a week we are having the call. If it is possible, just try to have it a bit earlier.
- Sanjay Gupta:** How many days early you want, sir?
- Subhash P:** Maybe right after 3 days after the result also could help us.
- Sanjay Gupta:** So in future we will make it within 3-4 days after, actually I was traveling, hence it is a little delayed.
- Subhash P:** Sir, no problem.
- Sanjay Gupta:** We will ensure it will happen within 3-4 days.
- Subhash P:** And my another feedback was on the dates of acquisition and the revenue guidance. I know that AVG Logistics have worked very hard and I see your growth from overall so many years, you have grown very well and you have worked hard definitely yes, but when you have this investor call when the analysts try to question, you are saying can we get the acquisition news in another two weeks or can we get it by December 2nd, instead of just saying yes right, so just try to give some buffer time and try to.
- Sanjay Gupta:** Yes, we learned a lot because this investor calls we are doing first time, so we feel that we tell the dates honestly because it is not any other reason to tell in advance but what happens we get scare if we get into the wrong acquisition then all the hard work of over the last so many years will just go in vain.
- Subhash P:** So we totally understand that you are not misguiding anybody from the investor community, but I feel the management is a little bit innocent when it comes to guiding on revenue numbers and that dates because usually what other companies do is they under promise and over deliver, so just as the another investor has said.
- Sanjay Gupta:** The first person who said, so he was telling the same thing. And I also really appreciate and apologize. Because We did not want to misguide anyone intentionally but we learnt a lesson that

things should be talked only once the things are in hand, so it is not required to do our promises. So we learnt a lesson and in future you find that we are not over-promising, and we learnt our lesson and in future we are not going to do overpromising, we will do the opposite of that giving you the guidance of less and achieving more than the given guidance.

Subhash P: Thank you. And the next year guidance of 20%, that is excluding the acquisition and the government tender, right? So just by organic growth, you are guiding 20% growth?

Sanjay Gupta: Yes. In this what happens as I have told you 10% of our business grows with the growth of the FMCG companies who are our client. So suppose if I do work for a customer so if his company grows with 10% then our business also grows with him and 10% new clients get added to the company through our marketing team who are working very hard and doing a lot of marketing and some growth would come with acquisition so including all three 20% growth we will achieve. New customers, old customers and acquisition.

Subhash P: The acquisition is fine, but this 90% growth does not include this government tender what you are waiting for, right?

Sanjay Gupta: That government tender those are different tenders if it comes then it will be different thing.

Subhash P: Then it will be more. Thank you. That is all. All the best and just try to fix your mic issues in your next investor call, my request.

Sanjay Gupta: Yes, I will buy some new instrument that it will keep close to my mouth.

Subhash P: Thank you.

Moderator: Thank you. Ladies and gentlemen, that was the last question for today's conference call. I now hand the conference over to Mr. Jainam Savla for his closing comments.

Jainam Savla: Thank you. Thank you all for joining the conference call of AVG Logistics Limited. We appreciate your participation and all questions placed during the session. We trust the management team has addressed your queries comprehensively. Should you need any further assistance or you want to reach out, you can write us at research@kirinadvisors.com. Thank you once again, Mr. Sanjay sir, Mr. Himanshu sir and Steve for arranging this call. Thank you.

Sanjay Gupta: Thank you, sir.

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