November 27, 2026

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 Q2 FY2026-27

With respect to the Investor/Analyst earnings call held on Friday, November 20, 2026 at 12:00 P.M, we are enclosing herewith the transcript of the Earnings Call for Q2 FY2026-27.

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

SANJAY GUPTA
Digitally signed by SANJAY GUPTA
Date: 2026.11.27 12:59:41 +05'30'

SANJAY GUPTA
MANAGING DIRECTOR
DIN: 00527801

“AVG Logistics Limited

Q2 FY27 Earnings Conference Call”

November 20, 2026

MANAGEMENT: **MR. SANJAY GUPTA – MANAGING DIRECTOR – AVG LOGISTICS LIMITED**
MR. RAJESH ROHILLA – CHIEF FINANCIAL OFFICER – AVG LOGISTICS LIMITED

MODERATOR: **MS. SAKSHI SHAH – GO INDIA ADVISORS LLP**

Moderator: Ladies and gentlemen, good day, and welcome to the Q2 FY27 Earnings Conference Call of AVG Logistics Limited, hosted by Go India Advisors LLP. 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 star then zero on your touch-tone phone. Please note that this conference is being recorded.

I now hand the conference over to Ms. Sakshi Shah from Go India Advisors LLP. Thank you, and over to you, ma'am.

Sakshi Shah: Thank you. Good afternoon, everyone, and welcome to the Q2 and H1 FY27 Earnings Con Call of AVG Logistics Limited. We have on the call Mr. Sanjay Gupta, Managing Director; and Mr. Rajesh Rohilla, CFO of the company.

We must remind you that the discussion on today's call may include certain forward-looking statements and must, therefore, be viewed in conjunction with the risk that the company faces. May I now request the management to take us through the business outlook and financials, subsequent to which we will open the floor for question and answer. Thank you, and over to you, Sanjay, sir.

Sanjay Gupta: Yes. Good afternoon. Thank you, ma'am. Good afternoon, everyone. On behalf of the Board and the entire AVG family, thank you very much for joining us for quarter 2 and H1 FY '27 earnings call.

16 years ago, AVG began with one customer, mainly Nestlé, and one warehouse, about 25,000 square feet. Since then, we have worked through many ups and downs in the logistics sector, including fuel price swings, the move to GST and the disruption of the pandemic. Through all of it, our focus has stayed on delivering our customers' goods on time and in good condition.

Coming to our performance on a consolidated basis, quarter 2 year '27 revenue stood at INR151.6 crores, up by 6% year-on-year, while EBITDA was INR23.6 crores and PAT increased 39.2% to INR7.10 crores. For H1 '27, revenue grew 6% and INR284.10 crores, EBITDA stood at INR44.7 crores, and PAT rose to 33.7%, to INR13.5 crores.

The results were possible because of the hard work and commitment of our 600-plus employees who keep our network running round the clock. The first half of this year brought a sharp rise in fuel costs, which are the single largest cost of the logistics sector, when the conflict in West Asia began at the end of February.

But AVG managed this very well because of systems we had put in place much earlier. We have a fuel surcharge mechanism and revise freight rates periodically on the basis of increase and decrease of the diesel price. Since most of our business is under contract, fuel price changes affect us far less directly.

At the same time, a growing part of our fleet now runs on CNG, LNG and electric. So we depend less on diesel than we did a few years ago. this is where our green logistics strategy has turned from a long-term idea into a practical advantage.

The theme of our annual report of this year, “Enabling the Future of Green Logistics, modern supply chain needs seamless integration across transport modes, real-time visibility and cleaner, more resource-efficient operations. At AVG, these changing dynamics are shaping the way we invest, innovate and expand.

By integrating multimodal transportation, specialist logistics capabilities and lower-emission transport solutions, we are building a connected network that delivers seamless end-to-end supply chain solutions for our customers. That is what AVG has been building one piece at a time. After starting from 2010, we have added cold chain, part truckload services, a cargo express train. We listed in 2018 at NSE and later on, we have shifted to the main board also.

We set up a dedicated rail division. Our network won 6 Indian Railways tenders worth INR5,100 million. Over the last 2 years, green logistics has become a central part of the business. We launched our first LNG fleet in April '24. Soon later, we became the first company in India to deploy a fleet of 55-ton electric trucks.

Starting with Tata Steel, we are now running electric vehicles for Nestlé and LNG for ITC. We formed Carbonlite Logistics, a joint venture with Baidyanath Group, to run LNG-powered fleet at scale. We also started liquid logistics with 96 ISO tanks that move largely by rail. Today, AVG runs more than 3,000 owned and hired vehicles from 70 branches with about 7.5 lakh square feet warehousing across India. We would now like to take you through what each part of the business delivered during this half.

In July, we made our entry into liquor logistics, finalizing long-term contracts with 2 well-known liquor companies. This is one of the most tightly regulated categories in the country. Every consignment needs strict compliance, secure handling, GPS-monitoring vehicles and trained drivers, where few players can offer this consistently, which is exactly why the segment offers better margins than regular transport.

We expect it to contribute around INR24 crores of revenue in FY27 and to scale to about INR100 crores from next year as volumes build. In August, we signed a 5-year contract with cement company in North East, extendable by another 3 years. The first 30 heavy electric trucks under this contract are now in service in Assam, each carrying around 38 to 41 tons, making around 50 trips per month, one vehicle.

And this will go beyond supplying trucks. It is a complete green logistics solution built and run by AVG for one of India's leading cement makers. And it gives us assured recurring revenue in many years. When AVG bought its first 5 such trucks, many questioned whether electric trucks could handle heavy industrial loads.

Today, 30 of them move cement every day for us and what is enabling us future to green logistics looks like in practice and earlier this month, a multimodal beverage company awarded us a 5 year transportation contract for around INR 60 crores over its tenure. For a global company to entrust in product movement to AVG says a great deal about the reliability of our network and standard of our services.

Together, these 3 wins take us into the new categories, deepen our position in industrial logistics and add long-term contracted revenue to the business, which is exactly the kind of growth we want to build. Liquid logistics is still young, but growing every quarter. We move bulk liquid in our own ISO tanks, mostly by rail, which is safer, cheaper and cleaner over the long distances.

Rail, cold chain and warehousing complete our offering. We already operate on Dedicated Freight Corridor. Our 400-plus reefer vehicles service dairy, food and pharma sectors, and our warehouses run on our warehouse management system. Looking ahead, our Vision 2.0 roadmap targets revenue of INR1,250 crores, and PAT is around INR120 crores by 2030.

Over the coming quarters, our work is very specific. We will complete the Haldiram's rollout and continue supporting Dalmia Cement and other cement companies as their electric fleet grows. We will build industrial logistics in steel, cement and coal into major verticals and keep scaling liquid logistics.

We will also expand our warehousing and FMCG and part load and express services for which land is already parceled in Himachal Pradesh, Odisha, and with this growth drivers, in plays and the new fleets contributing fully in second half. We remain committed to the objective we shared on our last call. We're delivering around 15% to 20% growth year in year '27. We thank you, our customers, employee, partners and shareholders, for their continued trust and support.

With that, now I hand over the -- our CFO, Mr. Rajesh Rohilla, who will take you through the financial performance. Thank you.

Rajesh Rohilla: Thank you, Sanjay, sir, and good afternoon, everyone. Thank you, investors, for joining us today. Let us begin with our standalone performance. On a standalone basis, Q2 FY27 total revenue stood at INR154 crores compared to INR144.5 crores in Q2 '26, up 6.6%. PBT was INR10.3 crores compared with INR6.5 crores, an increase of a handsome 58.5%.

PAT increased to INR7.3 crores from INR5 crores, up by 46%. Standalone PBT margin improved to 6.7% from 4.5%, an expansion of 220 basis points. PAT margin increased to 4.7% from 3.5%, an improvement of 120 basis points. For the half year, standalone total revenue was INR286.48 crores compared to INR269.66 crores in H1 FY26. Standalone PBT increased to INR18.5 crores from INR13.4 crores, while PAT increased to INR13.3 crores from approximately INR10 crores.

This represents year-on-year growth, 6.2%, in total revenue; 38% in PBT; and 33% in PAT. The standalone numbers clearly reflect the improvement in profitability during the period. we will now take you through our consolidated performance, starting with the quarter. For Q2 FY27,

revenue from operations stood at INR151.6 crores compared to INR143 crores in Q2 FY26, an increase of 6% on a sequential basis.

Revenue from operations increased from INR132.5 crores in Q1 FY27 to INR151.6 crores in Q2 FY27, a growth of 14.4%. Other income was INR2.6 crores compared to INR2 crores in Q2 FY26 and INR1.6 crores in Q1 FY27. Consequently, total income stood at INR154.2 crores, up 6.3% year-on-year and 15% quarter-on-quarter.

Operating expenses were INR117.9 crores compared to INR101.7 crores in Q2 FY26 and INR100.8 crores in Q1 FY27. Employee benefit expenses stood at INR6 crores against INR6.7 crores in the year-ago quarter and INR5.8 crores in the previous quarter. Other expenses were INR6.8 crores compared to INR10.3 crores in Q2 FY26 and INR6.4 crores in Q1 FY27.

EBITDA, which in our presentation includes other income as it is considered operational in nature, stood at INR23.6 crores compared with INR26.3 crores in Q2 FY26 and INR21.1 crores in Q1 FY27. This represents a year-on-year decline of 10.3%, but a quarter-on-quarter increase of 11.8%. EBITDA margin was 15.6% compared to 18.4% in Q2 FY26 and 15.9% in Q1 FY27.

Depreciation and amortization declined to INR7 crores from INR11.7 crores in Q2 FY26, while finance costs declined to INR6.5 crores from INR8 crores. In Q1 FY27, depreciation was INR5.8 crores and finance cost was INR6.7 crores. This EBITDA margin decline is showing only because of the Ind AS effect. Actual operational expenses remain the same or rather reduced.

As a result, the PBT increased to INR10.1 crores from INR6.6 crores in Q2 FY26 a growth of 53%, and from INR8.7 crores in Q1 FY27, an increase of 16.1%. PAT stood at INR7.1 crores compared to INR5.1 crores in Q2 FY26 and INR6.5 crores in Q1 FY27, translating into year-on-year growth of 39.2%, quarter-on-quarter growth of 9.2%. PAT margin was 4.7% compared with 3.6% Q2 FY26 and 4.9% in Q1 FY27.

To summarize the quarterly movement, revenue and total income grew both year-on-year, and subsequently, EBITDA improved sequentially. Although it remained below the year-ago quarter, PBT, PAT recorded stronger year-on-year growth, supported in part by lower depreciation and finance costs.

Coming to the consolidated half-year performance. For H1 FY27, revenue from operations stood at INR284.1 crores compared to INR268.1 crores in H1 FY26, representing growth of 6%. Other income was INR4.3 crores compared with INR2.6 crores, taking total income to INR288.4 crores from INR270.7 crores, a growth of 6.5%.

Operating expenses were INR218.7 crores compared to INR190.2 crores in the corresponding period last year. Employee benefit expenses were INR11.8 crores compared to INR13 crores, while other expenses were INR13.2 crores compared to INR16.9 crores.

EBITDA stood at INR44.7 crores compared to INR50.5 crores in H1 FY26, declined 11%. EBITDA margin was 15.7% compared with 18.9%. Depreciation and amortization declined,

INR12.7 crores, from INR22.9 crores, while finance costs were INR13.1 crores compared to INR14.1 crores. So this decline in EBITDA is majorly on account of the Ind AS effect, not in the operational nature.

PBT increased to INR18.9 crores from INR13.6 crores, representing growth of 39%. PAT increased, INR13.5 crores, from INR10.1 crores. PAT margin improved to 4.8% from 3.8%. The key point for the half year is that total income grew 6.5%, while PBT and PAT grew at a materially faster rate. At the same time, we recognize that EBITDA, EBITDA margin were lower year-on-year due to the Ind AS, and improving operating performance remains an important focus.

A part of the movement in EBITDA comes from how our costs are now reported. Following the change in our lease arrangements at the end of FY26, lease rentals, that earlier sat under depreciation and finance costs, are now recorded under operating expenses. This lowers reported EBITDA, while depreciation and interest come down by a similar amount.

For a like-for-like view of the business, profit before tax is a better measure. Beyond this, there are 3 reasons why profit has grown faster than revenue. The first is better utilization, improved load planning, fewer empty return trips, meaning more of our trucks are running loaded in both directions.

The second is our business mix. Dedicated long-term contracts with Haldiram's, Dalmia and other renowned customers give us assured volume and lower cost of each trip. The third is cost discipline. Our fuel surcharge mechanism and periodic freight rate revision help limit the impact of higher diesel prices. Haldiram's and Dalmia fleets started running only during the last month of Q2. So, the full benefit, along with the new liquor and beverage contracts will come in Q3 and onwards.

Q2 and H1 FY27 delivered steady revenue growth and a strong improvement in profitability. With every key metric improving quarter-on-quarter, we remain focused on improving EBITDA margins through better utilization, tighter costs and the full contribution of our new fleet. With the second half traditionally our stronger season, we are well placed to build on this performance.

We now request the moderator to open the line for questions. Thank you.

Moderator: Thank you very much. We will now begin with the question-and-answer session. The first question is from the line of Raj Shah from BSE Advisors LLP. Please go ahead.

Raj Shah: Hi, Sir, Good afternoon, So, my first question was on the lines of the guidance for the whole year. So we have held up the guidance at 15% to 20%, even though in H1, our growth was in single digits. So what are we expecting in the quarter 2? And what new things are we expecting that will scale up the revenue to the 15% to 20% level? And wanted the breakup of that between the new contracts, the Haldiram's scaling, as well as the seasonal pickup that we will get?

Sanjay Gupta: Yes. Good afternoon, sir. Actually, if you see the previous history, our quarter 1 and quarter 2 is always a little less compared to the quarter 3 and 4. So in quarter 3 or 4, there will be definitely growth of 15% to 20%. And we will try to compensate the previous quarter also. And hence, we can get the 15% growth this year-end, definitely.

We are working hard for this. And the few contracts, which we have started in August, September, so the revenue is not for the entire half year for this movement. And October-November, total revenue will come, and overall, there will be a good improvement in the business. It will be double-digit, definitely.

Raj Shah: Understood. Got it. So my question was that on this line only. How much of that is already signed and secured? And how much are we expecting to get that is not yet guaranteed right now, sir?

Sanjay Gupta: No, these are guaranteed. Haldiram started in August only. Dalmia started in September only. So, the revenue of these 2, 3 big contracts came only for 2 months in this full half year. But October onwards, they are starting from Day 1. and a few new more contracts are in the hand now, which is implementing in November, December itself. So overall, the revenue growth will be in double digits only, sir.

Raj Shah: Understood, sir. Got it. My next question was on the EBITDA front. So of course, the Ind AS had an effect on the EBITDA. But even if it affected us, it was lower than the last year.

Sanjay Gupta: See, EBITDA is there, sir, but you can see that PAT is overall improved. So, this is just an accounting policy of the government, and this is an Ind AS problem. Now, since we are in the main board, we have to apply the Ind AS formula. but overall, PAT will be improving from the last year.

Raj Shah: Understood, sir. Got it. And my last question was on this front only. So Ind AS effect and everything is sustainable and everything, it has stabilized. What is the sustainable EBITDA and PAT margin that we are expecting?

Sanjay Gupta: PAT margin is expecting around INR35 crores this year. Last year, it was INR26 crores. The PAT margin will be around INR34 crores to INR35 crores this year.

Raj Shah: Okay Sir, Got it. Thank You.

Moderator: Thank You. The next question is from the line of Arpan Gandhi from AG Capital Limited. Please go ahead.

Arpan Gandhi: Hello, Good Afternoon, Am I audible?

Sanjay Gupta: Yes Sir.

Arpan Gandhi: So, I wanted to ask, once all 100 Haldiram's vehicles are on the road and the beverage contract is fully running, roughly what yearly revenue would these 2 contracts be together? And are they more or less profitable than your existing FMCG accounts?

Sanjay Gupta: Yes, yes, total revenue from these 2 contracts will be around INR30 crores -- INR28 crores to INR32 crores, approximately. And these are better margins because one contract is 100% electric and one is on CNG. So that we are using the alternative fuel, so profit margin and PAT on alternative fuel is better than the diesel. Hence, we are going in the green logistics only. So this is a little better only.

Arpan Gandhi: Okay, sir. And my next question is, what kind of investment are you looking at over this year and next year, especially with the alternative fuel vehicles you plan to add? And how will the split be between buying and leasing? And how comfortable are you on leverage by March?

Sanjay Gupta: Yes. We are trying to add around 200, 250 vehicles of electric in this year, March '27. And this will give us good revenue as well as the profit also. And we are using the mix, owned and leased, both model we are working. So CNG, diesel, electric, all 3 vehicles will give us an overall good margin on this, sir.

Arpan Gandhi: Okay Sir, That’s it from my side. Thank You and best of luck for the future.

Moderator: The next question is from the line of Aakash Gupta, an Individual Investor.

Aakash Gupta: So my first question is, the liquor vertical is expected to go from about INR25 crores this year to around INR100 crores next year. That's a big step-up. Is it coming mainly from the 2 clients you've already signed? Or are more customers in the pipeline?

Sanjay Gupta: Yes, a few more customers. There are 6, 7 customers of this liquor industry, one is beer and another is a whiskey. So, we are entering both segments, and we are entering into their raw material also because these companies are having good expenditure on logistics because of the heavy commodity material and all the like empty bottles and barley, etc., they are moving from one place to another place.

And similarly, the finished goods also, and they are into the gas movement also. So, these 6, 7 companies we are approaching all one by one. Almost 2 we have signed and 2 are under pipeline. Another 2 will come up after April '27, we will go, because we want to serve 4 customers in the first year, which will give us revenue of around INR25 crores. After that, gradually, we will increase their business. And our target is to keep this segment at the rate of INR100 crores per year.

Aakash Gupta: Okay. Got it, sir. So the next question is on the Dalmia electric fleet, could you help us understand how the numbers work in terms of earnings per vehicle and profitability compared with the diesel contracts? And since AVG is also setting up the charging stations, how is that investment being paid for and earned back?

Sanjay Gupta: Actually, because we are doing that transportation from one factory to another factory of the raw material, so they have given us the space to install the charging stations. We have put the charging stations, where the cost is around INR1 crore per charging station. We need to put around 4 to 5 chargers at origin location and 4 to 5 chargers in the destination location. So, because our vehicle can run around 150 to 160 kilometers at one go after one charging.

And charger cost is, say, around INR1 crores, but the profitability is better than diesel because we can make more trips in this vehicle. And the electricity, which we are using is solar electric. So, for example, if the industrial electricity cost is around INR8 to INR10 per unit, whereas the solar cost is around INR4 to INR5 per unit. So, we are taking the electricity from the solar system. So, our margins are better than diesel in these movements.

Aakash Gupta: Okay Sir, Thank you so much.

Moderator: The next question is from the line of Harshal Sharma from AS Advisors LLP.

Harshal Sharma: Hi Sir, So, my first question was, how much of your business is covered by fuel price pass-through arrangements? And when diesel went up sharply earlier this year, was there a delay in recovering it from customers that showed up in the first half margins?

Sanjay Gupta: Yes. So around 75% to 80% business, which is corporate clients, is already under the mechanism of decrease or increase in the prices. Our prices are increased according to a formula. Say, around 40% to 45% is the cost of the diesel, where the customer is passing on the same to us. This is just a matter of 10, 15 days, where either in case of increase or decrease because they need some process and approval.

So only 10 to 15 days' losses were there for us or profit for us in case of decrease. But overall, we are able to manage it because our 75%- 80% business is covered under the diesel increase. So, we are having the clause of rider of diesel increase, which has saved us very good. There is no loss to us for this reason.

Harshal Sharma: Okay. and there was one more question. To reach the 2030 targets, both revenue and profit have to grow quite sharply from here, so which business will contribute most to that, especially on the profitability side?

Sanjay Gupta: Yes, we are a 20% year-on-year organic plan. So next 4 years, we will reach INR1,250 crores. And today, we are at margins of around 4% to 5%. But we get the leverage when we have increased the business, so our expenses will not increase in the same ratio. So that is why we have mentioned about the 10% margin.

And after that, in the next 4 to 5 years, our lot of vehicles will be EMI paid, the interest cost which we have taken on the EMI, which has been paid, because the truck life is around 15 years. And in case of the electric, the total life is 20 years. So that EMI burden will remove on us, and it will automatically improve our profit and less interest cost. You understood?

Harshal Sharma: Yes, yes, sir, understood totally.

Sanjay Gupta: As of now, we have a fleet of 1,100 vehicles approximately. So, out of that, next 4 years, around 900 vehicles or 1,000 vehicles will be without EMI. So, the interest burden will reduce drastically on us. And ultimately, it will help us to improve the profitability.

Harshal Sharma: Understood, sir. Understood. And sir, are you also open to acquisitions as of now?

Sanjay Gupta: Yes. We are looking for, 2, 3 acquisitions, but people are asking for some unreasonable value. So, like for example, they ask for a valuation based on EBITDA, a multiple of turnover, or 15 times of that. With that much effort, we could build the same within our own business, so there is not much value in it. So, we are looking for a reasonable deal and if we get any, we will certainly do it.

Harshal Sharma: Okay Sir, Thank You.

Moderator: Thank You. The next question is from the line of Sarthak Jain from Desvelado Advisory LLP.

Sarthak Jain: Hi Sir, the company received around INR52 crores through warrants and equity issuance during H1, but borrowings have still increased to approx INR189 crores. So sir, how have these equity proceeds been utilized? And what is your expected debt and net debt-to-equity ratio by the end of FY27?

Rajesh Rohilla: Pardon your question, please? Rajesh Rohilla this side, CFO. Can you repeat your question, please?

Sarthak Jain: Yes, sure, sir. Sir, the company received around INR52 crores through warrants and equity issuance during H1, but the borrowings have still increased to approx INR189 crores. So sir, I just wanted to ask how have these equity proceeds been utilized?

Rajesh Rohilla: Borrowings have not increased by INR189 crores. I think you have some wrong figure. It has increased by INR30 crores, INR40 crores only. And majorly, the contribution we have taken through the rights issue it has been for the fuel in the working capital. So the major part is for working capital, and 25% of the proceeds is towards the general corporate purposes.

And there, we have utilized that because it's a very working capital-intensive industry. If we want to add more revenue and more customers, then we need to take care of their credit periods also in that case. So, initially, we have to make the payment for the fuel and the drivers and advances, and the recovery is coming in the later time after raising the invoice to the customer. So that is why the working capital we have infused.

And for capex part, majorly, we are looking at either through the debt. As sir is saying, as soon as we make the payment of the loans, so vehicles become free for us, and we have very less cost for operating that vehicle. So, usually, 5 to 7 years is the tenure of the debt usually provided by the different banks and institutions. So all major vehicles get free during that period. And diesel vehicle has only 10 years in the Delhi-NCR region, but it has 15-year life in rest of India.

And EV, CNG, both, they are having the good life. EV is rather having 20-year life as claimed by the company. So we will be making a mix of both debt and equity. And we have not taken debt as much you are saying. INR189 crores is the total. If you see it is around INR120-plus crores in the March. If you see our debt-to-equity ratio, it is very comfortable as compared to our other peers.

Sarthak Jain: Yes. Sure, sir. Sir, my next question is that, when do you expect the new Khurda facility in Odisha to become operational? And what incremental revenue contribution can it generate?

Rajesh Rohilla: Yes, we are targeting it in the next financial year, because there are some developments going on in that industrial area. So once the customers, which we are targeting to cater, so once they establish their factories or the warehouses there, so definitely we will be able to create that facility for further utilization and generating more revenue from there.

Sarthak Jain: Okay sir, that's it from my side. Thank you.

Moderator: The next question is from the line of Krish from Sixth Sense Limited.

Krish: Hi Sir, just had a question about green logistics. AVG has been an early mover in deploying a lot of heavy-duty electric trucks and alternative fuel options. Are you seeing an increased interest from large customers in sustainable logistics solutions, especially in commodity businesses like cement? And could this be a meaningful competitive advantage as in the India opportunity?

Rajesh Rohilla: Yes. Hi, Krish. As Sanjay sir is giving this answer to me, thank you for your queries. So, as you see, we have already given our announcement on that. The EV vehicles in the heavy-duty is making a mark because these 2 industries, cement and steel, they have carbon reduction targets to the government. So they are under tremendous pressure to achieve those numbers.

So they are putting long-term contracts with us. And already one big client is already in our bucket, and a few more are in discussion for further putting the vehicles with their more capacity. Because cement, you know that it is not centered on a particular location. Cement industry, usually, they have to put the cement plant at every 400 kilometers, if it is more than that, their logistics cost will not survive for them in the competition.

So for various reasons in India, one company is given for one region only. And once we place the vehicles for that region, they will be adding more vehicles for the other locations. Similarly, the other companies, which are into the same stream of cement or steel, so they will also come to know through the media announcements that AVG has did that successfully.

So from there also, we are getting some deals from more customers. And they know that we have already delivered. So, we have an advantage of that. The customer is coming to us with long-term contracts. And the advantage here with us is we have tied up with NBFCs, where we have the lease arrangement operating lease with them for a longer duration, where the revenue, we do not have to bear the cost of the EVs from the company's funds.

It is funded by them, and we are just paying part of our revenue from these clients, and it is adding on our top line as well as we are getting better margin as compared to the traditional fuel. I hope your query is answered?

Krish: Yes. Sounds very exciting. So would a lot of the clients, especially in the cement industry that we partner with, see an uptick in margins themselves as their logistics costs go down when they partner with us?

Sanjay Gupta: Yes, yes. Krish, it's Sanjay Gupta this side. The logistics cost is reducing in electric because partially, we are using their infra also. Like electricity, we are using of the solar, where operational cost and per-unit cost is less. So we found that the operational cost of logistics is less than the diesel vehicles.

Hence, there is huge demand of electric vehicles in the heavy industries like cement and steel, etc. And it has shifted on another raw material also for one place to another place. There is a huge demand is coming up in the next 1 or 2 years, and the industry will change because of the alternative fuel.

Now, like Mumbai-Delhi and like Delhi-Kolkata, these are 2, 3 routes, where 100% electric chargers are available on this route. And we have tried our vehicle from Mumbai to Delhi also. So if it is a successful run, then a lot of business will change in the industry.

Krish: Okay Sir, thank you for answering the question.

Moderator: Thank you. As there are no further questions from the participants, I now hand the conference over to the management for closing comments.

Sanjay Gupta: Thank you, everyone, for your time. We hope this call has given a clear picture of how AVG performed in the first half and where we are heading. For any further queries, please feel free to reach out to us or our Investor Relationship Advisor, Go India Advisors. We look forward to speaking with you again next quarter. Thank you.

Rajesh Rohilla: Thank you.

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

Rajesh Rohilla: Thank you, ma'am. Thank you.

Moderator: Thank you, sir.