ENVIROTECH® SYSTEMS LIMITED
(Formaly **Envirotech Systems Private Limited**)
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CIN: L31101DL2007PLC159075 **Website:** EnvirotechLtd.com

To,

Date: 05/05/2025

The Listing Compliance Department
National Stock Exchange of India Limited,
Exchange Plaza, Plot no. C-l, G Block,
Bandra-Kurla Complex, Bandra (E)
Mumbai - 400051.

Script Code: ENVIRO

Sub: Submission of transcript of earnings conference call pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Dear Sir/Madam,

We wish to inform you that the Company had conducted an Analyst Meet with Investors/Analysts on May 2nd, 2025, with respect to the financial results of the Company for the year ended March 31st, 2025,

The transcript of the aforesaid Analyst Meet with Investors/Analysts is available on the Company's website and can be accessed on the following link:

https://www.envirotechltd.com/assets/images/investor/financial/transcript-for-H2-&-Year-Ended%20-FY-25-Earnings-Conference-Call-May-02-2025.pdf

The Transcript is also attached along with this intimation letter. Kindly take the above information on record and disseminate**.**

Thank you.
Yours sincerely,
For Envirotech Systems Limited

PALLVI SHARMA
Digitally signed by PALLVI SHARMA
Date: 2025.05.05 19:09:57 +05'30'

Pallvi Sharma
Company Secretary & Compliance Officer
Membership No: A51237
Date: 05/05/2025
Place: Noida

“Envirotech Systems Limited H2 & Year Ended FY'25 Earnings Conference Call”

May 02, 2025

MANAGEMENT: **MR. MANOJ KUMAR GUPTA – MANAGING DIRECTOR, ENVIROTECH SYSTEMS LIMITED**
MR. ASHOK KUMAR SHEKHAWAT – CHIEF FINANCIAL OFFICER, ENVIROTECH SYSTEMS LIMITED
MR. ARUN KUMAR – SENIOR FINANCIAL OFFICER, ENVIROTECH SYSTEMS LIMITED

Moderator: Ladies and gentlemen, good day and welcome to the Envirotech Systems Limited H2 & FY25 Earnings Conference Call.

As a reminder, all participants' line will be in 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. Manoj Gupta – Managing Director. Thank you and over to you, sir.

Manoj Kumar Gupta: Thank you, ladies and gentlemen. Thanks for attending this Investor Con Call. We, as an Envirotech are the Manufacturer of Various Noise Control Products and Providing Acoustic Solutions Pan India, and even Overseas too. So we are a growing organization.

We have started our journey with several innovative products and now demand is going on with all the good efforts of yours and the team we are now listed and doing well. Our results has been declared.

Ashok K Shekhawat: Hello, everyone. I am Ashok Kumar Shekhawat, the Chief Financial Officer of Envirotech Systems Limited. I am here to present a brief overview of our financial performance for the fiscal year ending March 31st, 2025, including the second half of the year.

Let me now take you through the "Key Financial Highlights":

Our total revenue for Financial Year '24-25 stands approximately Rs.5221.11 lakhs compared to Rs.4687.95 lakhs in financial year 2023-24, reflects a year-on-year growth of 11.37%. Profit after tax has increased to Rs.1,405.78 lakhs in '24-25, up from Rs.1,142.88 lakhs in the previous fiscal year, a 23% growth year-over-year. We recorded a robust growth of EBITDA which results to Rs.1,992.97 lakhs in financial year 2024-25 from Rs.1,660.09 lakhs in 2023-24 making a 38.17% year-on-year increase. The net worth of the company has significantly increased to Rs.6,390.39 lakhs in 2024-25, up from Rs.1,960.62 lakhs in 2023-24.

In summary, the year-on-year growth is as follows:

Revenue growth 11.37%, PAT 23%, EBITDA growth 38.70%, net worth Rs.6390.39 lakhs in '24-25.

With that, we conclude the financial briefing. Thank you for your attention. I now request the moderator to open the floor for the question-answer session.

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

Varun: Good afternoon and thank you for the opportunity. So, in the previous call, we mentioned that we make acoustic enclosures for turbines, compressors and centrifugal blowers. So, I just wanted to get the rough revenue split?

Manoj Kumar Gupta: Okay. So, as I explained that we are a leading manufacturer for acoustic housing for different wires equipment. Since we are a basically project-based company and doing a number of projects Pan India for the different applications, so for the turbines we are executing several projects for Bharat Heavy Electricals for a few locations and for centrifugal compressors, we are doing for more than a decade. So overall we don't have very precise data, but approximately it will be something around 20% to 25% in between for the major sections you ask because of besides the acoustic enclosures in our funnel, there are several other project range that we are having because we are executing several very precise projects for the noise control solution. Because of with the rapid changes in the current environment, lot of new opportunities we are exploring for us. So not only that these machines what we stated here, further we are getting a lot of opportunities that we are exploring. Precise percentage to your question is approximately 20% to 25%.

Varun: Sorry, can you repeat the numbers? I couldn't hear you.

Manoj Kumar Gupta: The precise percentage as you ask will be something around 20% to 25% of the total revenue.

Varun: Okay. And between these three turbines, compressors and centrifugal?

Manoj Kumar Gupta: So, you asked me in comparison to last year what is the incremental, is it like that?

Varun: No, like the split between three products like our products goes for which application, something on those lines like what percentage of our acoustics goes for turbines and what percentage of our revenues goes to compressors and what goes to centrifugal blowers?

Arun Kumar: See actually, these are customized solutions that we provide to the customers. As such, we do not have product-wise categorization, right? But on a rough scale we say that around 25% of the revenues comes from these three products. Because we do not have product wise because these are customized solutions, we customize it according to the requirements of the customer.

Varun: So our applications are diversified. We do not concentrate on only these three?

Arun Kumar: These are not standard products as such. These are customized totally according to the requirement. That is why according to the product, it would not be apt to give you any number.

Varun: So just to understand your business better, so how many SKUs do you have like in our -?

Arun Kumar: I will hand it over to Mr. Manoj. Ji. He will answer that.

Manoj Kumar Gupta: I again repeat that we are the solution provider for several noise related problems and issues. So there are three basically verticals, one is an engineering acoustic, there's a lot of noise equipments as you stated like the turbine, blowers, compressors and all. That are being manufactured at our organization and we provide the acoustic housing to control the noise. So beside that engineering acoustic, there are lot of opportunities for us in the project because not only these machines but several utilities also making a lot of noise like with the current urban development, there are several cooling towers, we are executing few crores of project at Bengaluru, at BALCO, at Korba, where they are facing some cooling noise. So it's a primary project where we are providing some good works and the barriers. So yes, the SQUs are customized and designed which depends upon the site requirement and the constraint. So besides the enclosures, we also do acoustic duos is a product which allow the air to release but arrest the noise waves. For that we have a noise barrier which builds like a wall which barricade the noises. Along with this, we are having some commercial products too which are applicable for auditorium and the office space like the soundproof doors and all. So yes, the queues are in multiple. I request if you please have some time to visit our website you will find a lot of interesting things of yours.

Varun: Okay. Thank you. And in the last call, we also mentioned about our new products like the soundproof doors and soundproof windows. So these are already manufactured in our existing facility, or will these commence once we have our new bigger facility in place?

Manoj Kumar Gupta: Yes. So we have initiated the activities. With the growing demand of our product in the market, we have enhanced our facilities, and the new facilities have yet to be commenced and partially it is expected to be operated in a month's time. So yes, beside the engineering acoustic, we are also focused on the soundproof doors and the windows and that we are very much inclined and interested to launch into the B2C space. So partially it has been done, preparation is at a very advanced stage, and I am very much sure after this quarter end, it is going to cater the market.

Varun: Okay, sir. Any timeline on when the new capacity would be commercialized and how much of ramp up in percentage terms that we look to do in the new facility in this financial year FY26?

Manoj Kumar Gupta: Absolutely correct. So I would like to reply that we have made the facility, several registrations and plant machinery has been upgraded and partially it has started. So we will be getting fruit from this new facility by the mid of June and we are considering the huge demand of our product in the market, we would like to spend in a good way. So, we are making a very beautiful production line, and we are inclined to create a huge, covered area so that whatsoever our upcoming requirement will be fulfilled by this facility. So by mid of the June, approximately, 40% of the capability of the plant will be starting utilization and further by end of December it will be fully functional. So we are trying to

make a 1 lakh square feet of covered area so that we can meet our requirement for a couple of years. So yes, partially by 15th June, precisely priced back and filled by December '25.

Varun: How much do we look to utilize it in this financial year?

Manoj Kumar Gupta: 100% we are going to utilize in this financial year after six years. What capacity we will expand, after adding this facility, is it like that?

Varun: Yes, correct, sir. Correct. Yes.

Manoj Kumar Gupta: Our partial capacity will be by June, full capacity will be by December '25, so we will be getting something amount approximately. 150% kickoff in this financial year and onward it will be good. With this facility 150% what we are expecting with this, am I right?

Arun Kumar: Yes. I mean the total capacity would not be fully utilized. I mean in the sense that the total revenue that we are targeting once it is fully operational would be close to Rs.200 crores to Rs.250 crores. But this year I think it will be prudent to say that we will be reaching around Rs.100 crores.

Varun: Okay, sir, that answers my question. I will rejoin the queue later. Thank you.

Moderator: Thank you. The next question is from the line of Yash Vardhan from Tiger Assets. Please go ahead.

Yash Vardhan: Thank you, sir. Just wanted to understand what will be your sustainable margins moving on?

Arun Kumar: Currently, we have higher margins. This is the same reason as we said last time because we are operating at 100% capacity, that's why our margins are pretty high as of now, 26.92% is the net margins that we have, right. But these margins would go down once we ramp up because right now we are choosing orders which are high margin orders. But because the new facility will be up and we will try to first fill the entire capacity, the margins will suffer slightly and projected I mean it would go down slightly. But revenue will absolutely increase, so the absolute profit will definitely increase quite good.

Yash Vardhan: Understood. Also, on the payment side, are you experiencing any delays from any of our clients?

Arun Kumar: No, no, actually, you must have seen our receivables, right? So what happened is that the entire cycle is such that most of the demand comes in the later half. I mean I think even in India it is so that October to March is much more productive compared to the first half. So if I have to give a kind of breakdown between first and second half, it would be either 30:70 or 35:65 ratio. Because most of the execution is happening in the second half, that's why the orders that are getting billed in February, March, the receivables that is coming up, are slightly higher, but of course I think by May also once we start getting this, I mean realizing the amount, the amount of receivables comes down.

Yash Vardhan: Understood. So all in all, we are not experiencing any delays in payments?

Arun Kumar: No, not at all.

Yash Vardhan: Okay. Understood. Also, on the domestic-export mix, currently I was reading I think it's 10%, right, of our total mix between domestic versus exports. So are we planning on increasing exports?

Arun Kumar: No, export, I would say, see what is happening is we are not so much focused on export, we are currently focused in the domestic market itself. Export is only when we get a good order, and we are very confident of executing it. So it depends on the order specifically, but we are not very much right now focused on the export market. But once we have that in mind that we can execute orders outside, but currently our focus is the domestic market.

Yash Vardhan: Understood, understood. Got it. Also, what is our average client acquisition timeline?

Arun Kumar: I mean, I couldn't get your customer acquisition timeline. How much time does it take to acquire the customer?

Yash Vardhan: Right, right.

Manoj Kumar Gupta: See, most of our customers are repeat customers in the sense that all the large companies normally are our repeat customers and in this space, we are the leading player. So I mean there is no timeline as such, but once I mean they have a requirement something it definitely comes to us. So as such I would not be able to give you any timeline of acquiring new customers or so, but whenever they have a requirement or something, it usually comes to us. But if you say how much time it takes to close, then I would say approximately two months it takes from the start till the finish.

Yash Vardhan: Right. Understood, understood. And lastly I think we are focusing on the B2C currently. So, how is that fairing?

Manoj Kumar Gupta: So besides that because nowadays noise pollution is adversely affecting human beings, and we are regularly getting queries from the individual. So this year we are also initiated on the B2C. So there are two type of activities we have initiated. We have launched our acoustic or soundproof windows and door under the brand name of Mute. The website is live. We are getting enquiries, and we are starting to materialize that. Another point of view for the B2C we are doing that is e-commerce where we would like to target the individual customers who are facing some noise-related issue or they want to have some comfort. So this is for the B2C we are doing besides that -

Yash Vardhan: Understood. Sir, any number on the conversion rate?

Manoj Kumar Gupta: It's just being initiated in the current financial year. So we will be in a position to give you numbers. This is a tough market and that's different vertical is working on that. So I will be able to give some number by the half year, by September, because of lot of work is required, in the industrial acoustic we are the leader, there is nothing like that challenge and all. So for the domestic, there is a different type of strategy to be adopted. So the team is working over there. So just give me two quarters, then we will be able to reply precisely over this question sir.

Yash Vardhan: Understood, sir. Thank you, sir. I will get back in the queue.

Moderator: Thank you. The next question is from the line of Kishan Gala from Gala Investments. Please go ahead.

Kishan Gala: Sir, first question is obviously answered. I wanted to know like by when you will be able to use your full capacity. So you said by December. I will go into your LinkedIn post, sir. I found something very interesting is that we can use our panels in data centers as well. So, if you could just elaborate on our product base case in data centers?

Manoj Kumar Gupta: Yes, yes. So in the previous question I had replied that we are a customized solution provider for the acoustics and noise control project. So currently we are executing several data center projects. In the data center, there is a huge power requirement and huge power backup is required, the power consumption is very high. When the power source is like the generators and others, utilities are running at full capacity. So there is a huge amount of noise being transferred to the nearby locations because they are not in a very remote location, they are within the city. So currently for L&T, we are executing a data center in Mumbai. It is going to be completed. Recently we got an order from Adani for that Google data center. We are providing acoustic over there and some soundproof chambers there for several power sources and others. We are in process to acquire several very good orders. One is for the overseas. L&T is doing. So that is in a very advanced and hopefully after a quarter, we will be in a position to grab that order. So for the data center, for the power back up, and other utilities, we are providing our soundproof blowers, acoustic chambers and all so that the noise cannot be transferred to the nearby resident even if they operate 24/7, 365 days.

Kishan Gala: So the second question is what would our market share be in the total acoustics and soundproofing sector as such?

Manoj Kumar Gupta: What is the percentage or market share? I cannot get exactly.

Kishan Gala: So what is the percentage in the entire market like what is the market size of this acoustic panels and the noise cancellation devices and also what would be our market share in that space?

Manoj Kumar Gupta: So I would like to reply that but that is a new type of problem society is facing. Earlier there were several utilities, infrastructure developments and others are making a huge role in the incremental of

the market size of this requirement. For example, if I say that, urban development like the metro, like the highways, like the flyways and all has increased and expanding. So that is creating the market size. So currently it's very difficult to say the exact market size, but it's a new type of problem which society wants a solution. So it's going to be assessed very soon.

Arun Kumar: As a society, as we are growing more aware about the harmful effects of sound pollution, there is more and more demand, also as we adopt more technical specifications from the west, those technical specifications also required that there has to be certain level of soundproofing. Like I will just give you an example. Like if we all use air conditioner, say the air conditioner that we used to use 10 years back, they make much more loud noise compared to what we use right now. So that is also there because as the technical specifications, new western technical specifications get adopted, the requirement for installation goes on, I mean it increases. So that is there in everything, I mean from automobiles where we have engines or even basic lamps and all that, in everything we have a certain level of sound insulation that is required. So the market is growing and the B2B and B2C market is of course there and growing, but I also see a large impact on B2C because B2C is something which I mean the requirement is there, but it has not been tapped, there are no products as such available for B2C market. That is where we want to tap that market now. This market to give a number, it would be difficult, but of course this market is growing really good.

Kishan Gala: Okay. So sir, in the last call, you said Maruti or government orders like HAL they come to you, I mean, what is something that they look into you as like why is the reason they select you for acoustic panels or something, what I am trying to ask is what gives you the right to win that order?

Manoj Kumar Gupta: So I would like to reply for the question that we are servicing the several type of industry, defense is one of the sector, which is fast growing, as we are having several test results, test certificate required for testing facility. So if I come directly to the defense as on date, we are executing a good order for HAL. We are already having orders for an air force station at Kanpur. We have recently executed the project for Naliya, Gujarat. We have done several registration and approval. That is taking the time. Even though in our funnel and we are expecting in one quarter or the next quarter the orders of the defense, we have in communication that is true for the Indian Air Force, for New Delhi, Indian Navy at Kochi, we are also working precisely on the Goa CPR, the tender is there, the advanced technical conversation is going on, we are working for MES at Jammu and so on. Recently, I would like to say that since we used to produce innovative product, we develop our product named “Blast Proof Door” that is utilized for various where the ammunition and all being stored. So, recently we got an order from Bhutan government for their ammunition stores. And so yes different type of defense orders not only we are executing, but several are internal. So precise reply to your question is you say what makes us different from the market. So the price will be like that. We have developed several technicalities in our panel, lot of India's top notch technocrats are being associated who are highly qualified and having experience, we are having licensed software and the simulation procedures, we are having several Masters in mechanical or acoustics in our payroll. So we together always use to

identify and develop innovative products, and the products are not only proven by our experience but also having good test results. So that makes us a difference in comparison to any local player.

Kishan Gala: What would be your order book for next year? What is your order book at present?

Manoj Kumar Gupta: Currently, we are having more than Rs.22 crores to Rs.25 crores orders in hand. Few major orders I hope Mr. Arun, you have shown. Approximately Rs.25 crores orders we closed at March that was in hand. And yes, it is a good start for us, we get good orders loaded or added into the previous funnel of Rs.25 crores approximately.

Kishan Gala: Okay, sir. Thank you. That's it from my side.

Manoj Kumar Gupta: Thank you. Thanks a lot.

Moderator: Thank you. The next question is from the line of Deepak Poddar from Sapphire Capital. Please go ahead.

Deepak Poddar: Yes. Thank you very much for this opportunity and many congratulations for good set of numbers. So, on this order book of Rs.20, 25 crores, what's the execution timeline?

Manoj Kumar Gupta: All are going to be executed by a quarter plus one month approximately because of certain government orders we are executing, the facility is getting ready so sometimes it takes time. For example, like HAL, we got the order for the Bangalore facility, but the flight is not ready, so that is going to be ready by approximately, they explain that it will be by September. So few orders will take time, not due to delay at our end, but due to the customer site not ready. But generally max of the order is going to be executed in a quarter, I assume that by June or July we will be able to execute up to 80% of the order.

Deepak Poddar: Three to four months?

Manoj Kumar Gupta: Yes.

Deepak Poddar: And what is the pipeline? I mean, you mentioned pipeline of around Rs.25 crores of more than an additional funnel you have?

Manoj Kumar Gupta: The current orders as I've said already have been something around Rs.25 crores. The order book for the upcoming thing is very huge as we are expecting to have a very good number. So the pipeline in something around Rs.80 crores that you will be surprised, but yes, that's true.

Deepak Poddar: Okay. Pipeline of around Rs.80 crores we have and of that how much we are expecting to convert?

Manoj Kumar Gupta: After we have approximately Rs.80 crores of orders which we have bided or in our pipeline in which conversation is going on, I am very much sure that by July, approximately 30-plus will be in our funnel and this I assume because as per the conversation we are having with the customer.

Deepak Poddar: So out of Rs.80 crores, about Rs.30 crores, we are expecting to convert, right?

Manoj Kumar Gupta: Yes, yes. And that will be going on.

Arun Kumar: One thing, I mean not all orders, I mean what happens is the bidding for it takes time, some of them might happen after 10 months, some of them might happen after six months. So it depends. So on a conservative note, we will have something like Rs.30-plus crores as we guided.

Deepak Poddar: That would be the next three to six months, would that be a right time?

Arun Kumar: Yes. Correct.

Deepak Poddar: Okay, understood, understood. And you mentioned this year we are targeting around Rs.100 crores of revenue, is that right?

Arun Kumar: Correct.

Deepak Poddar: What PAT margin is there? I mean you mentioned your PAT margin will decline from I think this year it was about 29%.

Arun Kumar: Yes, I mean slightly, slightly, not very much, but slightly, yes.

Deepak Poddar: So what is the range I should look at, I mean plus/minus 25%, is that a right range to work with in terms of PAT margin?

Arun Kumar: No, whatever margins we have, it would be I think 5%, 10%, that's it, nothing more than that.

Deepak Poddar: So maybe what 2% to 3%, from 29, it might go to 26. And we are taking the base as the entire year PAT margin, not the second half PAT margin as a base, right?

Arun Kumar: Yes, correct.

Deepak Poddar: But this year we also had around Rs.4 crores of additional other income, right, so which might not be repeatable. So what is the comment?

Arun Kumar: Yes, it would not be repeatable.

Deepak Poddar: So, how will we maintain the PAT margin then? I mean your other income itself of Rs.4 crores is adding to your PAT margin, right?

Arun Kumar: See, the overall growth would be really good. That would be there. Also, we have some high margin orders, I mean the concentration of high margin orders is quite good.

Deepak Poddar: How do we see the seasonality? I mean first half versus second half; I mean how much percentage of your revenue comes in first half?

Arun Kumar: First half is less. I mean if you have seen even last year, the first half was approximately around 30% and second half approximately around 70%. This is a ballpark figure, but that is how it is. If things are good, then we might surprise on those numbers.

Deepak Poddar: And what about the defense? I mean defense is contributing about 30%, I mean you expect this vertical to grow at a fast rate.

Arun Kumar: So yes, we are very much focused on defense.

Deepak Poddar: How much percentage of revenue can come from defense in the next two, three years?

Arun Kumar: That's a bit difficult to say, but we are bidding for a lot of defense orders, in the past also we have done for DRDO, HAL and many others. So approximately, I think it should be around 30% to 35%, but it's too early to say right now.

Deepak Poddar: But it will be on the increasing trend, I mean at least that's what we -

Arun Kumar: Yes, yes, definitely, definitely.

Deepak Poddar: Okay. That would be it from my side. All the very best.

Arun Kumar: Thank you.

Moderator: Thank you. The next question is from the line of Keshav from Ragson Investec. Please go ahead.

Keshav: Sir, first question is in continuation to the earlier one. We just mentioned that the concentration of high margin orders is good. But we have about Rs.20 crores to Rs.25 crores order book currently and we need to do another Rs.75 crores meet our guidance. So how are we confident of maintaining the margins where we just have 20% to 25% of the order book currently?

Arun Kumar: Actually, we have certain internal guidelines of what orders we should bid for, what is the margin that we should maintain. That is why we are very confident we would not be going beyond a certain limit.

Keshav: Okay. And six months back, we had given a guidance of Rs.55 crores to Rs.60 crores for this year. So what led to not meeting that? And I mean how can we be rest assured that we will meet the guidance of Rs.100 crores in the coming year?

Arun Kumar: There can't be 100% assurance of course, because these are future statements and there are a lot of variables that affect that. But having said that, certain orders we have not been able to hit the milestone because of various reasons, might be that the customer site was not ready or something. That is why we were not able to bill those. One thing was our capacity constraint because we were already operating at 100%. The other thing was that in some orders the onsite work has to be done and the client site was not prepared or something like that. So it depends on a lot of factors. That is why we can give you a ballpark thing. But of course to give an assurance, that would be too far-fetched.

Keshav: Understood. Sir, what utilization do we expect to have EBITDA breakeven on the new facility?

Arun Kumar: See, initially the facility will be partially operational by June. So let's see. I mean, it's too early to say anything on that. But we will be trying to maintaining the same EBITDA margins and everything. That's our endeavor for sure.

Keshav: So it will be fair to assume that we will be breaking even pretty fast on the -

Arun Kumar: Yes, yes, definitely, yes.

Keshav: Okay. On that front, I think we paid Rs.21 crores for the land. And what's the rest of the cost for this expansion?

Arun Kumar: Machinery cost, I think close to Rs.8-9 crores and there is amount being spent on building, I mean, construction and everything. So total cost would be approximately around Rs.35, 37 crores.

Keshav: Okay. Just one small question. So considering that we have pretty long projects, and we are carrying very low inventories on our books, so how is the margin built into the agreements because I am assuming projects must be on a fixed price, so there we may lose out on some gross margin if the RM prices vary a lot. So how do you minimize that risk?

Arun Kumar: Normally what happens is when we bid for orders we usually take that into account the cost escalations and everything. So that has not been a problem up till now unless and of course in a very short time the prices change very drastically. But even in those cases, we have a very good

relationship with customers. So partially we do get compensated for that. So I mean, I understand your question about the escalation in raw material prices, but usually that is taken care of.

Keshav: Thanks a lot, sir. I will come back in the queue.

Moderator: Thank you. The next question is from the line of Rahil Dasani from MEDL Limited. Please go ahead.

Rahil Dasani: Yes. Hi, good afternoon, sir and thank you for this opportunity. Sir, looking at the overall industry and a few peers, all of the players have more or less the similar products and the same customer list as such. So I just wanted to get some understanding around the product complexities to the point you said that there are some technicality because all the competitors have the same product completely, have the same exact same list of customers, so how should we think about it?

Manoj Kumar Gupta: I understand with the incremental in demand, you said that similar inclusion and players are also supplying. So I would like to be ahead with the several innovative work we are doing to the market like we always try to be ahead of others, we always have several things in our funnel and that we do a lot of development, R&D and the latest technologies we are using. For example, I would like to say, we are being associated or having collaboration with IIT Delhi for development of very innovative products which is made with plastic waste and aggregate. It will take more than approximately two years' time to get it commercialized. So that is very cost-effective and high performance wise in building materials. Along with that, we are also working with several various industry projects with our highly technocrat team. General product anyone can make like the simple form is like acoustic is a very big field. I would like to explain that it's having a lot of application nowadays. Why? Because now people are aware that is heavily affecting the physical and the mental health of the human being in society. So no sooner the awareness is increasing, accordingly, the market size will increase and we as Envirotech always design the product with the customized utilization which very less people having experience in that because with the urban development, there are new type of problems being generated. So with the new innovative techniques, high performance, product testing and putting a very good effort on product development, we feel that we will be ahead with any competition because of the trend in this field and we know all in and out of this field.

Rahil Dasani: While I agree with your identity product, but I believe the majority of our sales is from the industrial like the chambers and a few other chambers. So I am particularly speaking about those products. Separating point can we create for our company here? Otherwise, that's what is the case, then how will we scale up compared to these other guys, if you can just explain a bit technically?

Arun Kumar: See, one thing is there that, as you that we are the only listed company. When we talk about our competitors, most of them are small unorganized players which are giving what is available, they

import or they get the soundproofing enclosure and they just supply it, they are not able to customize it, so far I can say for 90% of our competitors they do not have that kind of customization that we are able to provide. That is our USP. We have the technical know-how, we have the testing capabilities which not many in the in this industry have that kind. We have spent a lot of money in building that kind of research-based, research team and everything. So all our products are tested in government laboratories and are certified. And all this have taken a lot of time. I mean it is not something that you can get it done in say maybe three, four months or six months. It takes years and years to build that kind of research team, technical knowhow and everything. That is what differentiates us. And that is why we are able to customize to a level where others are not able to do so. I mean we are getting orders from defense, from ISRO and others. That itself shows the kind of technical knowhow and skills that we possess.

Rahil Dasani: So the next question is we were expecting to convert Siemens in three to six months from November '24. So what's the update there?

Arun Kumar: Sorry, we were expecting to.

Rahil Dasani: Convert Siemens as a customer for some European project if I am not wrong for the gas turbine.

Manoj Kumar Gupta: Yes. So earlier we were having an opportunity, and that conversation is going on. But we are getting regular in touch and updated to our future associate. But that is a little bit linked with the new plant and facilities. Because once the facility is ready because they want the dedicated space for their project. So the conversation is in very healthy stage, but it will take a little bit time because they would like to acquire a dedicated space because of their expected volume, just going to take a little bit time approximately I can say once the new plant is operational fully then the German team and -

Rahil Dasani: So when we say we want to do Rs.100 crores next year, I believe the current unit that we are operating at least can do Rs.50 crores . So we are expecting some new Rs.50 crores from the newer plant. So how does it behave in that contribution?

Arun Kumar: No, I mean there is some misunderstanding. I mean the total capacity of a new plant would be much higher than Rs.100 crores. We are not talking of -.

Rahil Dasani: Of course, of course. I am just saying like the utilization we are planning because we are targeting some Rs.100 crores next year?

Arun Kumar: Correct. We are targeting in this year around Rs.100 crores.

Rahil Dasani: The older unit will do Rs.50 crores, the new unit will do the rest of the Rs.50 crores, right?

Arun Kumar: Yes, kind of, yes.

Rahil Dasani: So that's what I am asking. How much of that Rs.50 crores do we plan to get from Siemens?

Arun Kumar: Siemens would only come once the new facility is totally operational. That is what we have guided in December, right? And Siemens revenue has not been included, there is not even a single thing that we are assuming that will come from Siemens right now. So if that comes, that would be a bonus, but as of now, we have not counted anything from that.

Rahil Dasani: Understood. So once the plant is ready, then they will -

Arun Kumar: I mean it is in early stage because once the plant is operational, there will be site visit and everything conducted, all that will be worked out.

Rahil Dasani: While you explained the receivables point, I didn't really understand this because what I can see is we did Rs.31 crores of sale and Rs.27 crores is the receivables. So if you can please explain? This is very high.

Arun Kumar: Sorry.

Rahil Dasani: So if you can just please explain this number because on a sales number of Rs.31 crores, we have receivables of Rs.27 crores and same was the condition that we were very high.

Arun Kumar: No, no, not Rs.31 crores, total is Rs.51 crores.

Rahil Dasani: No, sir. I am talking of this particular half, not the whole year.

Arun Kumar: But in this particular half, it is not Rs.20-something crores total. I mean, if you break down the half and you see -

Rahil Dasani: The balance sheet please.

Arun Kumar: For H2 you will see that the profit before tax is Rs.14.65 crores on a revenue of Rs.31.3 crores. So I didn't understand, I mean it's the same kind of -

Rahil Dasani: So I am not speaking about the margins, I am just speaking about the receivables. So while we have done Rs.31.3 crores of sale excluding the other income, our receivables are Rs.27.53 crores.

Arun Kumar: That is also because that most of the deliveries take time most of the deliveries and invoicing has happened in February and March.

Rahil Dasani: Okay. That was the same piece last quarter also when I see H1 numbers, we had very high numbers again.

Arun Kumar: Correct, yes, because execution takes time and then billing and invoicing, everything.

Rahil Dasani: Okay. So the point is, this will not reduce, right, it's how the industry moves. Is that right?

Arun Kumar: Correct, correct. You will see that same trend even going forward.

Rahil Dasani: Thank you very much.

Moderator: Thank you. The next question is from the line of Vishal, who is an individual investor. Please go ahead.

Vishal: Sir, I just want to understand what is the success percent of the bidding whatever we build?

Arun Kumar: Sorry, I couldn't get you what is the success -

Vishal: Percentage of the bidding.

Arun Kumar: That is quite somewhere around 30% to 40% is the success rate.

Vishal: So we are planning to bid approximate how much of the order this year so that we reach the Rs.100 crores revenue?

Arun Kumar: You must understand that not all revenue is coming from tender itself. There are also Plan-B to C, there are other things also they are repeat customers, some of them are repeat, so they directly give the order and somewhere I think the bid pipeline is approximately around Rs.80 crores as on date.

Vishal: Okay. Thank you.

Arun Kumar: As on date it is approximately Rs.80 crores, but as we go forward we will be bidding for more.

Moderator: Thank you. The next question is from the line of Parin Godia, who is an individual investor. Please go ahead.

Parin Godia: I have two questions. One, why do we see only in such a small order book in the presentation when you had earlier commented about 30%, 40% growth? Also like this time we don't see any such big jump in numbers on a year-on-year basis neither we notice any like material -

Arun Kumar: I mean in the order book you are saying?

Parin Godia: Yes.

Arun Kumar:: The order book is something that it depends at that time what is the kind of orders that we are getting, also, materialization of that orders takes time. I mean say if some of them are government orders and the site is not ready, then we can't do much about it. So order book and materialization of that orders, these are two very different things.

Parin Godia: Okay. And also we don't see any big jump in numbers also on year-on-year basis?

Arun Kumar: That is because we are operating at 100% capacity, the same as last year. You will see this year. We were operating at 100% capacity; we couldn't do much about that.

Parin Godia: But you had given some guidance on that, right?

Arun Kumar: We thought that our new facility would be operational by March, but because of certain government delays, you know how government operates, right, so we were not able to register and all that within time. We thought that by November I mean registry and everything, all the transfers and everything will be done, but that happened almost February.

Parin Godia: Okay. Since you're telling that by March you were expecting but that number won't be counted in the last financial year, right, in FY'25?

Arun Kumar: Yes, now we feel that realistically it will be operational partially by June. So that's why the jump in numbers we are expecting after that becomes operational.

Parin Godia: Okay. And another question like I was going through DRHP of yours. There I see some obligated to pay Rs.1,174 crores, but we don't see any effects on the balance sheet.

Arun Kumar: No, because I don't think that we have written anywhere around Rs.1,000 crores.

Parin Godia: What is this purchase regards to like the 88,000 square feet that you have been funded, how is that being funded?

Arun Kumar: Partially through internal accruals and partially through IPO proceeds. It is clearly mentioned in the DRHP how much is the total amount, what part has been funded internally and what part has been funded through the IPO proceeds.

Parin Godia: Okay. Yes, that's all. Thank you.

Arun Kumar: Thank you.

Moderator: The next question is from the line of Rahil from Crown Capital. Please go ahead.

Rahil: Yes. Hi. Sir, harping back on the margins, just to clear my confusion, your other income was Rs.4 crores in the second half, correct as compared to Rs.40 lakhs in the first half. Now that I believe has led to 29.5% of PAT margins for the full year, right. Now if you remove that and even if you consider the same other income as the first half which was Rs.40 lakhs, the PAT margin comes to 22%. Now, if you say that going ahead or the other income will not be the same, so are we supposed to expect PAT margin in the -?

Arun Kumar: One more thing that you have to consider is that there were certain expenses that were incurred which had nothing to do with the current operating. I mean like first was the IPO expenses, other is that for the new facility we spent a lot of money. See, before our facility becomes operational, you have to hire people, train them much before it becomes operational. So there were a lot of costs approximately, I would say Rs.1.2 crores to Rs.1.5 crores easily or maybe more than that we spent which would be more related to once the facility becomes operational. And of course other than that, there were certain IPO expenses also which we had amortized.

Rahil: What explains the other income of Rs.4 crores suddenly from Rs.40 lakhs in the first half? That's what I am asking. And if it's not going to repeat in FY26, what kind of PAT margin, if you can just suggest a certain PAT margin range, it will be really helpful because you did mention that it will fall slightly and it will take a hit? So just to clear the confusion, is there a certain internal number you're working with?

Arun Kumar: Why I am not able to give you kind of a range or something is because we will be starting with B2C products also. Now B2C is a very different ball game. This is something that we are doing it for the first time. We know there is a huge market for it and that will impact our overall margins also. So, we don't know on the higher side or on the lower side, but we are working on it. It's a bit too early to give you a kind of range, but yes, it would surely fall by around 5% to 8% compared to our earlier margins. But having said that –

Rahil: In FY25 you closed with 29.5% and that will drop by 5% to 8%?

Arun Kumar: Yes, it might be something like 25% or around 23% as a whole, but that we will come to know once we start off with B2C. Also, the revenue share that we will be getting from B2C will also have an impact. Just giving you an example please, it's just an hypothetical example, our margins on that is say 21% or 22% B2C, and that is lower than our current B2B margins and say our sales happen quite good and the share that we were expecting say we were expecting around 25% from B2C, but we happen to get around 50% or 60% from B2C just give you an example, then the overall margin itself will shift on the lower side. But yes, on the absolute numbers, it would be much bigger. But because B2C is totally different, it's a huge market, B2C is a much, much larger market compared to B2B and B2G.

Rahil: Okay. But then you also said concentration of high margin products is also very good. So will not that kind of compensate for lower B2C margins?

Arun Kumar: Yes, that's what I am saying that if the B2C share rises above our expectations, then of course then it would dilute our margins.

Rahil: Okay, fine. Okay, got it. Thank you and all the best to you.

Arun Kumar: But as of now we don't know anything, I mean it's a new thing for us.

Moderator: Thank you. As there are no further questions from the participants, I would now like to hand the conference over to Mr. Manoj Gupta, Managing Director for closing comments.

Manoj Kumar Gupta: Thank you for arranging this call and interesting questions. I hope we as Envirotech has replied well and the questions you asked us. I would like to give why we are being exclusive and have been looking at the high potential in this field because nowadays there is a lot of awareness campaign not only driven by the government, even on the media with respect to the noise. Noise is now considered as a new challenge because we are always talking about the water pollution and different other pollutions, but noise pollution is ignored. Now it has been a necessity of the society because it is having a several physical and mental effect, like if I come to the fridge, that create the hearing not only but hypertension, blood pressure also, mentally, if I come to concentration and productivity even I feel that in a silence or in a quieter environment there will be a drastic improvement in productivity. Because I am in the field of acoustics and noise control, I got the information that somewhere DJ and some social gathering are all making nuisance to the society. With the growth of the urban development, it is going to be a necessity and since we are doing very exclusive and experimental work in this field, we are very much sure that this market is going to expand, which was not expected as on date because to whom earlier we meet and now we meet they said they require a solution for the noise because of any nearby nuisance or anything else. So I am pretty sure and we as Envirotech are doing a lot of work in this field. We are partnering with various experts of the acoustics. We are searching for new materials. We are developing the technology, as on date the innovation we are doing, we are working on the ANC, AMC means Active Noise Control, which is coming in your earphone and all. We would like to make the environment quieter from software and technology. So a lot of development we as Envirotech are doing in this. And soonest, I expect that we as Envirotech will be able to give a quieter environment to society. This is our field. So business is one thing, but a quieter environment is our necessity and we as Envirotech is dedicated to delivering to society. So anyhow, thank you. Thanks a lot.

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