



“Envirotech Systems Limited
H1 Financial Year 2026 Investors Conference Call”
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**MANAGEMENT: MR. MANOJ KUMAR GUPTA – MANAGING DIRECTOR –
ENVIROTECH SYSTEMS LIMITED**

Moderator: Ladies and gentlemen, good afternoon and welcome to the Envirotech Systems Limited H1 Financial Year 2026 Investors Conference Call. 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 touchstone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Manoj Kumar Gupta, Managing Director, Envirotech Systems Limited. Thank you, and over to you, sir.

Manoj Kumar Gupta: Thank you for this investor conference call. I, Managing Director, Manoj Kumar Gupta, welcome on this half-yearly position of our balance sheet and revenues. I'm proud to say that our revenues have increased by approximately 56% and our profits are also grew up by 110%. As you might be aware are leading manufacturers for a new field of engineering that is acoustics and noise control doing well.

We are getting good support from the market and with a good demand to meet, we already set up the new plant which has been under operational up to the maximum extent. We are having good orders and doing well and I hope that we'll be definitely putting some value for the investors.

So, I'm open for any queries in the call. Please.

Management: Hello?

Moderator: Yes, sir.

Management: I mean, we can open it for our Q&A then.

Moderator: Thank you very much. The first question is from the line of Amitabh Vatsya from Sadhan Ventures. Please go ahead.

Amitabh Vatsya: Hello. Yes. Thanks for the opportunity. My question is with respect to the recent investor presentation which you have uploaded, where the company wants to go into the aluminum doors and structural windows on the web of three, four companies who are operating to you PVC and aluminum structural doors are mentioned as a product.

So, my question is that whether our company is making the full door by themselves or there is some arrangement with other manufacturers and how acoustic, how these doors are acoustic and what is the plan there?

Manoj Kumar Gupta: Okay. Thanks for the question. I would like to update you that we are a manufacturer for industrial B2B acoustical solution. Looking at the market demand and to expand our business, we are entering into B2C vertical too. So we are looking into several opportunities. Acoustic doors and acoustic windows are one of the portfolios we are working with.

So nowadays, there has been a huge demand of B2C and aluminum windows because of increased demand in the market. So, we have initiated and we put the brand name new. So we are adding new to our brand name and you can also look in and find interesting windows there. So we are planning to make it our own. We have started selling it. Currently, few components are being outsourced.

We are working on the process of the plant and the facility because of B2C, you are well aware, is a very tough work, but it's high demanding nowadays. You know, B2B players are doing good business over this. So we reach only the acoustic means soundproof solution.

So in short, the reply of your question is we have started work for all the manufactured windows. We have conducted a CSIR-NPL test report for the acoustic performance. So we are just starting the process. So soon it will be into full-fledged for this vertical. So we will be own, not trading. Currently, it is partially we are getting together with the trial and test period to that building. I hope I have replied to your question.

Amitabh Vatsya: Just last point was not clear. So, for trial purpose, we are making ourselves or we are testing the water through some outsource?

- Manoj Kumar Gupta:** Correct. Since we have started selling it, the team has been deployed. So, currently, what sort of orders are coming with us that we are getting with our restricted sources. Parallely, we are developing our in-house line also. So, currently, we are getting it with our supplier or vendors because of -- we have started selling with the parallely setup that we are planning.
- Amitabh Vatsya:** Okay. So, the second question is with respect to the capacity which we have expanded. So, how much of, what is the plan of that 88,000 square feet? What are the smaller sub-units if you can mention that? Like, this would take some space. The window manufacturing itself will take quite some 10,000 square feet or something like that.
- So, if you can give us a layout of what you are going to make manufacturing the new plant and how it would reflect into the top line in next two-three years.
- Manoj Kumar Gupta:** So, considering the introduction of the new vertical that we are working with, not only this window, we are working with one or two more verticals also. So, looking at the future requirement, that is the reason the plant development is taking time. We have made the specifications. The drawing has been approved. As a matter of fact, the construction is proposed very soon. So, we have kept the space for this vertical too.
- For the line setup, for the aluminum, soundproof windows and the doors. So, we have already considered it in our new plant. Our space is around 25,000 square feet. Initially, we have kept for this environmental technique, soundproof windows.
- Amitabh Vatsya:** Okay. And then, sir, what is the utilization level since it is partially operational since last July? So, how much off-take, if you can just point out that out of the growth which we have seen around 56% Y-o-Y growth, how much of it has come from the new plant?
- Manoj Kumar Gupta:** Definitely, it makes a very important role in our half-year research with respect to the revenue and profit because we are operating with the current specialties and orders that we are having taken sometimes -- a little bit of time. So, yes, it makes an impact on the growth. And so, if I can say so, it will be something around -- but it is because of what is happening, we have several plants and facilities.
- We have installed a specific laser machine. We have placed a CNC press brake. We have made the conveyors powder coating plant. So, these new facilities to improve the production capabilities that we have discussed. So, it is making a difference because of the space cost. We cannot upgrade with the latest machines. So, it overall impacts our production capabilities and we are doing well.
- Management:** What has happened is that earlier we didn't have a lot of machines and that was limiting our growth. Now, since the commencement of the new factory, we have brought in a lot of new machines and all that has resulted in the revenues going up. But to give you what percentage of that revenue is coming from the new facility, that itself is quite difficult because it is a mix of both the old and the new one.
- So, there is no demarcation as such that I can say that okay, 20% or 30% of the revenues are coming from the new one. That is really difficult to say, but of course, our capabilities have

increased a lot because we have added new machinery. So, we can do a lot more kind of work that we were not able to do even earlier. So, I hope I have answered your question.

Amitabh Vatsya: Yes, thanks for the answer. I have one more question if I can squeeze in. If I can ask one more question.

Management: Sure.

Amitabh Vatsya: Yes. So – thanks. So I wanted to have a view of funding plan of this company since you are in a growth phase. So, are we planning to onboard some new investors or what is the capital base plan for the next two years?

Management: See, it is very difficult to say right now, but of course, as we grow, we will be requiring more of working capital. As of now, it is very difficult to give in terms of numbers what is the working capital that will be required. It is a kind of moving object because as we grow, we will come to know what are the exact requirements in terms of working capital. But yes, going forward, we will require working capital and that is for that we might be raising capital.

Amitabh Vatsya: Okay, thank you. Thanks for the question.

Moderator: Thank you. The next question is from the line of Rohit Singh from Nvest Analytics Advisory LLP. Please go ahead.

Rohit Singh: Hello. Am I audible?

Manoj Kumar Gupta: Yes, please.

Rohit Singh: Sir, first of all, I think operator should have squeezed in. Your voice was not clearly audible. So I hope it will be clearly audible now. So my first question is on the order book. We are currently at INR20 crores, right? What is the execution period of this order book, sir? That is my first question.

Manoj Kumar Gupta: Okay. So reply number one, whether my voice is clear now?

Rohit Singh: A little bit better.

Manoj Kumar Gupta: Okay. So, I have to bring my mouthpiece closer. Anyhow, so your question is that what is the cycle time of the orders we are having in hand for the execution?

Rohit Singh: Yes.

Manoj Kumar Gupta: So the reply is that we are basically a project based company doing a number of acoustical solutions in India. We have recently exported to Egypt also and we are having some overseas orders too. So sometimes what happens is that the ticket size may vary from INR20 lakhs to the INR3 crores.

So the smaller jobs can be catered in two weeks, three weeks or four weeks of the next time depending upon the technicalities and engineering. Whereas the project execution may take a

little bit of time because not only we have to supply, but we have to execute because we do the turnkey solution.

So, it takes a little bit of time. So, yes, it depends upon the ticket size or the order sizes. So the current orders we are having, some are at advanced stage because of in the half yearly till the closing we cannot invite them. So I'm pretty sure that in the next 2 months -- 2.5 months that all orders in hand currently we are having are going to be executed and a lot of good opportunities are knocking to us. And I'm damn sure that will come to an end very soon. So, the short reply is something around 2.5 months. We are expecting the current orders can be executed.

Rohit Singh: And regarding the order inflows, what is the size of order inflows do we expect as of now because I'm asking this because our full year guidance earlier was INR100 crore, right? So I don't know whether we are still holding on to that or not. So can you put some color on that like what is the target forever 2026 and how we are going to achieve that?

Manoj Kumar Gupta: So are you replying...

Management: Actually, we have started since our new facility is partially operational now we are able to execute even large size orders. So we have started with which are INR10 crore plus. So we are in advanced stages of closing some of those orders. Some of those orders are with our regular customers, which we have been servicing since many years and some of them are from new players. Okay. But however, we are targeting at 10-plus crore order. And I think that should get added to our order book very soon. So that is one thing. And what was your earlier question?

Rohit Singh: Regarding the FY '26 target sir, both on top line margin.

Management: We are still targeting around INR100 crores. Let's see because the second half has always been much better than the first half. Historically, 70% of our revenues have come from the second half. But having said that a lot also depends on the macroeconomic situation. So we are still targeting the same number, but let's see.

Rohit Singh: And at what kind of margins, sir?

Management: Margins would remain almost the same. It might be -- Yes, we are seeing almost the same margins or might be slightly lower depending on there will be some few costs that will come online like we have recruited some people and all that. So, salaries and depreciation and all that thing will come. So -- but that should not impact our margins much. You can see even our margins right now are quite healthy. They have remained the same.

Rohit Singh: Last year in the second half we did the EBITDA margins around 36% and this year first half it is 33%. So that is why I am asking.

Management: No, no. See in the second half last year there was an extraordinary income from sale of property of approximately INR4 crores. That is there in other income. That is why.

Rohit Singh: Even after including that number I am saying it is 36%, sir. That's what I am saying.

- Manoj Kumar Gupta:** If you exclude that other income and all, I think it is more or less the same, hardly a percentage difference here and there. That's it. I don't think that there will be a difference of more than that.
- Rohit Singh:** Okay. And secondly, the newer areas that we are entering into, the aluminum doors and all don't you think it is entirely a different category apart from the existing business or the focus area that we are currently having?
- So, what is your take on that? Why are we not scaling on the existing business? Instead of scaling on the existing business we are entering into the different areas that are totally different customer base and different environment, right? So, what is your take on that?
- Manoj Kumar Gupta:** So, yes, Manoj Gupta, here. So, your question is right. Because of we are doing the project this work, so that's the part.
- Moderator:** Sorry to interrupt in between, sir. Your voice is not audible. Can you please come closer to the device and speak?
- Manoj Kumar Gupta:** My device is having very bad network and everything. So, is it well audible now?
- Moderator:** Yes, sir. It's much better. Please proceed.
- Manoj Kumar Gupta:** So, look, on the growth of an organization, there should be several arrangements to be explored. As an environment, we are very much clear. We are not going to deviate what we are doing for the society.
- Like acoustics or noise control is our sole object which we are going to deliver to the society. But we are very much keen to enter into the segment where we can move like an FMCG item. So, the windows are not one of them.
- We are precisely focused on the soundproof windows. Because while we are in the market, we are regularly getting a lot of inquiries on a day-to-day basis due to the construction noise, due to the traffic noise, due to other several aspects, the noise is being affected.
- So, it is very much clear that we are not deviating from the window. If you go to our profile and website, you can find we are making soundproof doors and windows. All our doors and windows are duly tested. But this is for the specific project or the industrial work.
- The similar work we are replicating for the end-users into B2C segments. It is like a strategy that Envirotech is having to enter into the B2C, the same portfolio with the same line. So, I hope we are not deviating, taking a call, because it's a very huge segment. If we have an opportunity, that is going to boost our revenues.
- Rohit Singh:** Okay and sir, one last one...
- Moderator:** Sorry to interrupt in between. Rohit, can you please rejoin the queue again.
- Rohit Singh:** Okay. Fine.

- Moderator:** As there are other participants. Thank you. Ladies and gentlemen, in order to ensure that the Management: will be able to address all the questions from the participants in the conference call, we request you to kindly limit your questions to per participant. If you have a follow-up question, please rejoin the queue again. The next question is from the line of Prashant Kale from Star Capital. Please go ahead.
- Prashant Kale:** Hello. Good afternoon, sir. Congratulations for good set of numbers.
- Manoj Kumar Gupta:** Good afternoon, Prashant.
- Prashant Kale:** Yes. Sir, we have done some INR26 crores of revenue in H1, but our trade receivables have piled up to INR31 crores. So, I think we have too much money stuck with the customers. What is the plan to recover this money and bring the trade receivables to, let's say, like INR10 crores or a reasonable amount?
- Manoj Kumar Gupta:** See, what has happened is a lot of orders got executed in August and September.
- Prashant Kale:** Okay.
- Manoj Kumar Gupta:** So, in normal course, even in the last half year, that is in March, February, March a lot of orders got executed. So, in normal course, in three-four months, we recover the money. That has already been true and having said that in certain cases, certain milestones need to be specific. So, it is not that of course, in our line, this has been the thing that our working capital is a bit stretched, but it is normal. It is nothing out of routine right now.
- Prashant Kale:** Okay, okay. Sounds good. Another question is about this partnership with CKM Taiwan. What is the potential of this partnership? How much business can we expect from this one?
- Manoj Kumar Gupta:** Look, we are associated with a company of Taiwan, that is the name CKM. They are the manufacturer of SoundMicro. It is a very ultimate and patented product, which is used to reduce the noises. It is very well applicable for the noise barrier application, which is high in demand for the metro and the existing business. It's a aluminum perforated – It's patented. So, we are the sole representing this.
- We are participating in a Central Road Research Institute exhibition on the 21st and 22nd of November. We are introducing this product. All the top metro and ministry persons are approaching to Central Road Research Institute. So, the assignment of the first is landed with us. We are very much hopeful that this requirement is going to work, because it is utilizing a new technology. It's a very ultimate, fine holes to trap the noises without any insulating material. And it's being an aluminum; it is good for the outdoor.
- And why it is very important? Because with the existing metro, if the noise issue is coming, challenges can hurt you, they cannot put their structural role in bridge or a metro track. So, this is a very lightweight and performance is internationally tested is quite well.
- The similar product the company has already done in Mumbai, in flyover. So, that is very successful. So, now for the noise barrier application, this is going to boost. But how much

percentage, it is very difficult to say because it requires a couple of months because introduction is going on of this top metro noise barrier, powered by CTR. So, I'm sure that it may go something around 5% to 10% of revenue in the coming time, that I hope so.

Prashant Kale: We will make the panels in our facility, or we will import it from Taiwan?

Manoj Kumar Gupta: No, we get the basic sheet, basic material, because it's patented, perforated sheet. No one can work and boost this type of perforation. So, we will take the basic sheet and rest the manufacturing and all the process and implementation exploration will be done by Envirotech only. Basic raw material that is in the form of sheet, plain sheet, that we are going to import.

Prashant Kale: Okay. And, sir, we were expecting some collaboration with Siemens for some soundproofing of some of their equipment's. So, they were waiting for our new facility to come up and then they were going to order some big order. What will happen to that? Is there any progress on that one?

Manoj Kumar Gupta: To be very honest, because of what I have conveyed to you, because we are having conversations at the first stage when they are currently preparing for the Europe requirement with the China, and then global requirement, they are looking for India, they visited us, the things were well, but there is nothing that can be a good update. It is still on a pending; not no, not yes. So, I am not in a position to say any positive news on that because of the conversation is going on. So, nothing likely to update on that, sir.

Prashant Kale: Yes. Thank you very much, sir. That was my question.

Manoj Kumar Gupta: Thank you.

Moderator: Thank you. The next question is from the line of Akash Gupta, an Individual Investor. Please go ahead. Akash Gupta, please proceed with your question.

Akash Gupta: Hi, am I audible?

Moderator: Yes, please proceed.

Akash Gupta: Yes. Yes. Hi. So, thank you for taking my question. So, my question is with respect to your FY26 guidance, which is roughly INR100 crores and we have done INR26 crores. That means we have to do INR75 crores in the second half and we have just INR20 crores of order book. So, that means we need to get orders of roughly INR50 crores in the second half and execute the same in the second half.

So, my first question is, what is the value of orders that we have bidden for, and how confident are we are getting that additional INR50 crores of orders and executing them in the next six months?

Manoj Kumar Gupta: This is an ongoing thing. We already have orders in hand of approximately INR21 crores as of 1st November. We have bidden quite a bit of orders. But having said that, if I can give you a guidance of INR50 crores of orders or something, that's difficult to say as of now. But yes, the second half has always been quite robust for us.

So, I can't give you in terms of numbers that we have bidden for say INR80 crores, INR100 crores or INR200 crores of orders. I can't give you that figure. But yes, the second half has always been much better. Our first half has been doubled up on last year and even in the second half, we feel that our performance would be quite good.

Akash Gupta: And my first half, I think we were expecting roughly 30 crores in the first half on the top line.

Management: We had already got around INR26.25 crores.

Akash Gupta: It was a little below expectation. Why is that the case?

Management: One of the orders, for some logistical reasons, it could not leave. So, that milestone of booking of revenues could not leave. That was approximately INR2 crores. I think we would have achieved around INR28 crores, INR29 crores. So, that's something like when milestones hit, only then we can book the revenues.

Akash Gupta: Okay, got it. And then, thinking about your FY '27, once your entire new capacity comes online and you have an existing plant already, how should we think about FY '27 revenues? So, suppose we do roughly INR100 crores in FY '26, what kind of growth should we look at in FY '27 and FY '28?

Management: What we are trying to do is, we will try to ramp up our capacity as fast as possible. But having said that, we will be requiring some working capital for that. But yes, we are looking to ramp up our capacity as soon as possible. I can't give you in terms of numbers, what kind of numbers we will be able to achieve. It's too early to say. But maybe in next half year call, we will be in a better situation to give guidance for the next year.

Akash Gupta: Okay, got it. Thank you so much.

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

Maitri Shah: Hello, am I audible?

Manoj Kumar Gupta: Yes, please.

Maitri Shah: Firstly, on the defense side, so you said we have a few large defense orders in our pipeline. So, could you quantify what is the size of those orders and what sort of win ratio are we looking at over there?

Manoj Kumar Gupta: So, this is because a lot of development is going on with the government support to the Indian companies that some ventures and some good orders have been awarded to APL, using their partner for the technical side. We are in conversation and involved in the designing of that system. So, that bidding and procurement is in the process. We are also in advanced phase conversation with some prestigious DRDO orders. So, that all is in the pipeline.

And the order value of size of these defense orders, which we are in conversation with, is quite high in comparison to what has been executed, but it's very difficult to say the numbers as of

now, because of some design and engineering is about to conclude that everything is in the pipeline. So, yes, the numbers will be quite good. We are hopeful for that. But decreasing the amount of the order size might be difficult at this junction, as I said.

Maitri Shah: Okay. And when do we expect these orders to kind of inflow in our order book? Any kind of timeline on that?

Manoj Kumar Gupta: We are working on this very seriously. And within this financial year, definitely, I hope Envirotech will be interested to give a good news to the investors and to the exchange that good things can happen. But it's difficult to say as a firm. But we must show that within this financial year, it's going to happen.

Maitri Shah: Okay. And on the B2C side, what sort of revenue are we expecting in FY '26 and also FY '27 going forward? And how low are the margins compared to the B2B while we're looking at B2C?

Manoj Kumar Gupta: So, B2C is like an exchange for us. We are looking for the longer prospects of Envirotech. So, in this current year, might be the sales of the B2C vertical might be less, but it requires some market penetration, presentation and so on.

So, we are working like a preparation in this current financial year. And may God, next financial year, we are expecting to do good because we are not only working on this windows and door solution for the soundproof, but also we have put good efforts on our e-commerce side too. So, that also because in India, there is nothing like any side because we are getting credit for the smaller jobs, which the end user is, it's not easy for him to get.

So, an exclusion for the e-commerce side of the costing that Envirotech is developing, it's like an initiative. So, within this financial year, that also will be live and activated, even though we have another advance in sourcing and recruitment and all as we have done. Margins definitely will be a little bit less in comparison to projects like the defense of the law engineering projects. So, margins will be less and will be what can say because of it's an initiative and they just say.

Management: We are at a stage where we are building the basics, we are building the distribution network, we are building the entire delivery system and all. So, it's too early to say anything. Yes, this is a very big opportunity.

We are slowly working towards it and maybe next year, it will start picking up. But as of now, our contribution to the revenue would be very minimal. Going for next year or 2027-2028, we expect it to contribute a bit more or maybe substantially to our revenue.

So, it's a long thing. It's not something that will happen in a very short span of time and it is something that is also new for us. So, that's why we are a bit working on it and we are not in a rush to escalate it to a level where we can handle.

Manoj Kumar Gupta: One thing is very much sure, if this happens, that B2C window opens for us, this is going to be one of the things. I'm very much sure. Yes, that may be against India, but it's very difficult because it is mass production, market size.

Yes, there is a lot of force. That's the reason we are putting our best of our efforts, best of our knowledge, best of our experience, but B2C is always tough and critical market. Yes. If it happens, that is going to be good actually that is good, any other first to do. I am very pretty much sure it will going to happen.

Maitri Shah: Okay. And the current capacity we have built, we do have the manufacturing capabilities to build for B2C products. Is that correct?

Manoj Kumar Gupta: Yes, we are in the process of creating the facility for this B2C virtual. That's the reason sometimes in the last meeting, you also see that this is partially applicable, partially operational because we are thinking big.

We are in advanced stage for making all the facilities so that whatever philosophy we are having, whatever the target we are having, if that is, we should not be in backlog. We'll be in position to fulfill all the requirements because of. So, yes, we have already completed in all the facilities for this vertical queue.

Maitri Shah: Okay. And the CKM Taiwan partnership that we have...

Moderator: Sorry to interrupt in between, Maitri, please rejoin the queue again for the follow-up question.

Maitri Shah: Yes, sure. Thank you.

Moderator: Thank you. Participants are requested to restrict their questions two per participant. The next question is from the line of Javed Khan from Infinity Invest. Please go ahead.

Javed Khan: Good afternoon. Am I audible?

Manoj Kumar Gupta: Yes, please.

Javed Khan: Yes. Good afternoon, sir. Sir, my question is regarding the capacity utilization because if I have to see your presentation for the last two conference. In each of the presentation, we have seen that the capacity utilization was almost to the full of the existing plan, 90%-95% was seen. So, my question is, like, say, we did INR31 crore in the last six months, I mean, the last two last six months, and now we did INR26 crores.

So, I'm just not able to understand that if our capacity utilization was almost full when we did INR31 crore, and now we have done INR26 crore, that too with some contribution from the new facility. So, would you please help me to understand this thing?

Management: Yes, see, first half, what happens is, you know, in India, three months is rainy season. Okay, that also affects. And first half is usually quite a bit less compared to the second half. It has always been so. And in fact, even in many other industries, you'll see that, you know, the first half, the orders or the, you know, capex is a bit low. That affects our thing also.

We are dependent on infrastructure building and everything. That is the reason why, you know, we are dependent on the first half. Hello. First half we're dependent, you know, on that macro cycle, whatever the capex is happening. So, it is not because of the capacity constraint this time,

it is more because of the thing that, you know, three months is affected by rainy season. And overall, you know, it's a bit low. It starts picking up in the second half.

Javed Khan: Understood. So, can we make it this way that normally the first half, because of these factors and the seasonal effect also may be because the first half is normally low compared to the second half. So, in the first half, the entire--

Management: Yes, the entire 30/70 is the ratio approximately.

Javed Khan: Okay. Okay. Got it. Got it, sir. Sir, my second question is related to, as just now mentioned by Gupta sir, that the metro can also be one of the area where the product can be gone. Now, since the Indian government is also pushing for the railways and metros, I mean, is that sector -- I mean, how this sector you look at as a contribution to our overall revenue? That's my last question. Thanks.

Manoj Kumar Gupta: Like the, you know, increasing infrastructure to cater the huge population of India, government is running a large infrastructure product and equity to bring down the traffic on the roads. So, metro network is, you know, operational very soon in, you know, small cities too.

So, the government principle, since we are into the line, in the BOP or the tender document, barrier is a mandatory requirement of the metro. But, due to the political reasons, due to the elections and all, government has to operate the metro first. Then it comes to the balance work, that is the metro which is parking to the hospital, residential societies, schools or anywhere else. So, barrier is proposed. So, that is going to be a very huge requirement, subject to the government budget allocating further.

First type of, you know, metro barriers are entirely our government has to impose due to some grievances with the residents or other complainants. So, that is a very big, you know, opportunity we are exploring with. But, due to the cost of the budget with the government, after putting the BOQ or the line item, they are not implementing the thing.

And, considering this huge opportunity, we have introduced this, you know, lightweight barrier system so that it should not put any additional weight on the parapets of the metro, where the railings and all have been fixed. So, we are very much positive about this. We are introducing it to the government department. We are participating in some exhibitions. We have got -- we have some clicks and a good opportunity. So, we are looking at a good opportunity for this metro.

Javed Khan: Fine, sir. Thank you.

Moderator: Thank you. The next question is from the line of CA Vanch Handa from Nvest. Please go ahead.

Vanch Handa: Yes. Am I audible?

Manoj Kumar Gupta: Yes, please.

Vanch Handa: Yes. So, my first question is on the, like guidance part. You are saying that FY '26 will be INR100 CR of the value. So, what gives you confidence on this INR70 CR in the H2?

- Management:** See, the second half, I have already said that 70% of the revenues have come in the second half. And, second half has been more over. So, it is too early to say that, you know, we will be able to achieve INR100 CR or not in total. Okay. But, Yes, considering, you know, our order book, our execution and everything, we are very hopeful that we will be able to reach that target.
- Vanch Handa:** Okay. And, my second question is on the -- like you are saying, 30/70 ratio is between H1 and H2. So, what is the reason of that? Because, as per my view, like the solutions you provided will be used in the industries that are in peak in the first half also. So, what is the reason for H2 is heavily skewed in terms of the value?
- Management:** See, our experience, if you see even our historical numbers, it has been the same 30-70 ratio. Most of the orders that we receive, mostly in the second half. I am not sure what industries you are targeting or, I mean, you are saying. But, it has been a historical thing for us. I would say this is the kind of routine now for us, 30-70 ratio. And, also, government tenders and all -- most of the things, I mean, are related to infrastructure. So, all these government tenders and all mostly come out in the second half much more.
- Vanch Handa:** Okay. Okay. Thank you.
- Moderator:** Thank you. The next question is from the line of Jay Wadhawan, an Individual Investor. Please go ahead.
- Jay Wadhawan:** Hello. Am I audible?
- Manoj Kumar Gupta:** Yes, please.
- Jay Wadhawan:** Manoj, sir, can we speak in Hindi?
- Manoj Kumar Gupta:** Any language is good enough, sir. Good in Hindi, sir?
- Jay Wadhawan:** Hello.
- Manoj Kumar Gupta:** Yes, yes. Good in Hindi.
- Jay Wadhawan:** Yes. Yes. I am saying, sir, whatever customers we are servicing in B2B, now, for example, we have a growth rate of 50%-60%. So, before this, who was servicing these customers? And, now, how are we able to take business from them? Can you tell us a little bit about this?
- Manoj Kumar Gupta:** Okay. First of all, I would like to tell you that this is a new field. With this awareness, the market is growing. First of all, you will be able to do a lot of things with your nearby and surrounding. Earlier, there was no such thing. Now, it is increasing. Sound and acoustic noise is increasing due to our stress society awareness.
- If we are serving in the industry segment, the reason for that is, mainly, there are guidelines. ISO 15,000 implements this. Now, I am getting enquiries that if someone wants to get a certification for green building, then they will have to do noise survey and also have to provide noise mitigation technology.

So, its size is increasing. Some new regulations are coming. New guidelines are coming from the government. Guidelines are also coming from the pollution control board. So, due to awareness and the new guidelines being laid, its size is increasing and there is a possibility of increasing much more. This is my full belief.

Jay Wadhawan: Sir, we are increasing with this rate. The industry is also increasing at the same speed.

Manoj Kumar Gupta: I think this can happen exponentially. Because there are a lot of new guidelines. We are in this field. We are also in touch with many government departments and authorities that this is going to increase.

Management: For example, western guidelines, western specifications are being implemented in India. For example, you see the energy star rating. Earlier, there was no energy star rating. It came and then there were changes. Our energy star rating is almost western. When we talk about car safety, there was nothing like car safety in India. But now, car safety standards are also copying western standards. So, when India involves western standards in its specifications, soundproofing and acoustic insulation is a very important part.

So, if you look at the energy star rating, it doesn't mean that it will reduce the energy consumption. If you compare it, you will find that the old 3-star AC makes more noise and the 5-star AC makes less noise. If you compare it with the old 3-star model, it used to make a lot of noise. But today, it is very quiet. So, this is all because of specifications. So, this awareness is also increasing among people.

Right now, when there are exams nearby, if there is a noise, earlier it used to be that no matter how you study, but now the awareness is increasing. So, they need a solution for that. So, as a side-kick also, we are becoming more aware about this and are also finding new solutions.

Jay Wadhawan: Okay, sir. Second question is, we are still in the growth phase, but most of our revenue comes from project-based solutions, that is, according to specific customers. So, according to that, we will have to bring manpower, we will have to increase skills, and we will have to dedicate people. So, are we getting operational leverage from somewhere or will the costs increase along with it as our revenue increases?

Manoj Kumar Gupta: This is a continuous process. There is an upgradation of any system, there is a new technology, there is a new requirement. Everything has to be designed according to that. We are understanding the market. We are continuously updating ourselves.

Considering all this, we have bought some new softwares, free analysis for regulators, because what we are playing in, these are individual games, which affect humans or society heavily. So, a lot of technology is needed for this. We take continuous recruitment, R&D, training and auditing from our team.

We don't normally get ready-made team members for this. So, it's a continuous process. So, updating and upgrading our team with the technical know-how and in line with the current work that we are doing. So, it keeps on going. This is a new demand, a new type of design. We are fine.

You may not be able to see the revenues. You may not be able to see the market size. From what we are seeing as a company, I think there are a lot of opportunities. And we are customizing our team, we are playing games, we are doing R&D.

Jay Wadhawan:

Yes, sir. And the last question, sir. Is there any progress in the IIT Delhi project?

Manoj Kumar Gupta:

Of course, sir. That work is going on continuously. Even now, we have secretly tested the product at the Plastic Technology Institute in Odisha. It will take some time. And as we have said, we are utilizing plastic waste and agri waste. And some research has been done there. Some data has come, some results have come.

Our team will require a new system for its manufacturing. A customized machine will also be required for it, large production. The parallel work is also being done on that. It will take some time. So, when the technicalities are completed, its production will be completed, the results will be in line then we will start the process. So, it is complete. We have talked to our IIT staff. They also said that by the end of next year, we will be in a position to call it a market fit product. It will take some time.

Jay Wadhawan:

One last question. One-minute last question. How many of our customers are repeat customers and how many new customers can we bring every year? Please answer this question.

Manoj Kumar Gupta:

We are a repeat customer. We are up to the next level. Those who are involved with the environment, the product, quality, services, they are always satisfied. So, we have not made a ratio yet. We are still in the process of capital investment.

There is a requirement, for example, if we want to start a good industry, we need end number of acoustic solutions. Once we install, when they come up with a new set-up, for example, they have proposed a new set-up. So, whenever they come, they come to us. So, it is a big challenge, I can say. It will be a little difficult to eliminate them.

Management:

We have done it once before. So, approximately 88%-89% are our repeat customers.

Moderator:

Thank you. The next question is in the line of Sriram R, an individual investor. Please go ahead.

Sriram R:

Thank you for the opportunity. Sir, I have just two questions. Who are your competitors in India and do you have any plans to migrate from SME to main board?

Management:

There are no listed competitors as such. There are certain players in unorganized sector, but there is a really big difference. We are into almost all phases of, you know, noise control solutions, but they are limited to a very certain segment of certain pockets.

See, our biggest USP or our biggest advantage is our research and development, our designing team, and what all we have invested to build up that, right? For others, it is just they import ready-made, I mean ready-made raw material, and they aren't able to customize. Most of our competitors are unorganized, and they are in certain pockets only.

Sriram R:

So, sir, what is the market size for your products currently?

- Management:** It's very difficult to say about that. We don't know the entire market because it is growing. Each segment itself is growing. It's a new thing. And it is expanding. So, to say what is the market itself, it's very difficult.
- If you Google market size for acoustic installation, you will not get it for India, I'm saying. Okay, if you Google it for the world, you will find some random figures like \$97 billion or something like that. But for India, even not a remote figure is available.
- So, having said that, and to say that, okay, we hold 30% or 40%, it's very difficult to say because this segment is growing. And in pockets, you'll find many unorganized clients, but a player of our size and of our capability, it's difficult to find one.
- Sriram R:** Fine, sir, that's helpful. And lastly, sir, on the SME to mainboard migration.
- Management:** I think the rule is after two years or so, we'll see. I mean, it's a very far-fetched question. It's been just one year from listing, but certainly we have ambitions to go to the mainboard very soon.
- Sriram R:** Okay, sir. Wishing you all the best. Thank you.
- Management:** Thank you.
- Moderator:** Thank you. Ladies and gentlemen, that was the last question for today. I would now like to hand the conference over to Mr. Manoj Kumar Gupta for his closing comments.
- Manoj Kumar Gupta:** Thanks a lot for participating in the conference call. And we hope to create value for all our stakeholders. We are on the growth trajectory. This is a new segment altogether, and the market itself is growing. So, it has been quite an exciting journey, and we hope that this will create value for each and every all stakeholders. Thank you.
- Moderator:** Thank you, members of the Management team. Ladies and gentlemen, with that, we conclude today's conference. We thank you for joining us, and you may now disconnect your lines. Thank you.