Greenleaf Envirotech

Operator: Good day and welcome to Greenleaf Envirotech Limited's Q4 FY26 earnings conference call. We have with us today Mr. Kalpesh Gopti, Chairman and MD of Greenleaf Envirotech Limited, and Mr. Harish Butra, CFO of Greenleaf Envirotech Limited. As a reminder, all participants 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 star then zero on your touchtone telephone. Please note this conference is being recorded. I would now like to hand over the floor to Mr. Kalpesh Gopti. Thank you and over to you, sir.

Management: Thank you, Akash. Good morning everyone and thank you for joining us. As this is our first earnings call after listing, I would like to begin with a simple observation. For the last 15 years, Greenleaf has focused on one thing: execution. We started by helping industries meet environmental compliance requirements. Over time, we expanded into laboratory services, environmental consulting, wastewater treatment projects, and operations support. Across each stage of this journey, our focus remains the same: delivering outcomes rather than making promises.

The results of FY26 reflect that philosophy. Our revenue grew by 56% during the year, while profitability improved at a similar pace. More importantly, this growth was driven by our core business. Nearly 90% of our revenue continues to come from project execution activities, particularly wastewater treatment and environmental infrastructure projects. For us, this is an important validation. It tells us that demand for environmental infrastructure remains strong. It tells us that our execution capability continues to improve. And most importantly, it tells us that customers continue to place confidence in Greenleaf's ability to deliver complex projects successfully.

However, when we look at FY26, we do not see it only as a year of strong financial performance. We see it as a year of transition. Not a transition away from our core business, but a transition in the quality of the business we are building. What is particularly interesting today is that the environmental sector itself is changing. A decade ago, environmental spending was largely viewed as a compliance requirement. Today, industries are increasingly focused on water security, water reuse, resource efficiency, sustainability commitments, and long-term environmental risk management.

As a result, the opportunity is no longer limited to building treatment infrastructure. The opportunity is expanding across the entire life cycle of environmental assets. This shift is important because it aligns closely with the capabilities Greenleaf has been building over the years. Our laboratory business allows us to engage with customers before a project begins. Our consulting and compliance services help them navigate regulatory requirements. Our engineering and EPC capability help create the infrastructure. Our O&M services allow us to remain involved long after project commissioning. When viewed individually, these may appear to be separate business activities. Internally, we see them as different stages of the same value chain. The objective is not to participate in single projects. The objective is to build long-term customer relationships across multiple stages of the environmental journey.

This approach has helped us build enduring relationships with organizations such as Larsen & Toubro, Reliance Industries, Tata Motors, and Maruti Suzuki. These relationships were not built through one successful project. They were built through consistency, technical competence, responsiveness, and trust earned over many years. One of the biggest lessons we have learned is that execution creates opportunity. Today, Greenleaf Envirotech Limited serves customers across 10 states of India, including Gujarat, Maharashtra, Rajasthan, Karnataka, Assam, Madhya Pradesh, Uttar Pradesh, Bihar, Jharkhand, and Himachal Pradesh. We are proud to be contributing to India's environmental infrastructure development journey through projects that directly improve water quality, public health, industrial sustainability, and environmental compliance.

Over the years, we have built strong expertise in executing wastewater treatment projects across India. One of our most significant achievements has been the successful execution of a 32 MLD sewage treatment plant for Latur Municipal Corporation, Maharashtra, with a project value of approximately 35 crores. This project represents a major milestone in Greenleaf's journey and demonstrates our capability to execute large-scale municipal wastewater infrastructure projects. Another landmark achievement is the execution of 5 MLD and 1.7 MLD sewage treatment plants at Sirohi, Rajasthan, for Larsen & Toubro. With a project value of approximately 20 crores, this project further strengthened our reputation as a reliable execution partner for some of India's most respected infrastructure companies.

Many companies can bid for projects, fewer companies consistently execute them, and even fewer are able to convert execution credibility into long-term customer relationships. We are proud to share that we have been serving Larsen & Toubro's Hazira operations for nearly 15 years, which reflects the trust we have built through consistent execution and quality delivery. We believe this remains one of Greenleaf's key strengths.

The environmental infrastructure and sustainability sector itself is entering a very exciting phase of growth. Looking ahead, we remain highly optimistic about the opportunities emerging from government initiatives such as AMRUT Mission, Namami Gange, Jal Jeevan Mission, Swachh Bharat Mission, River Rejuvenation Programme, industrial wastewater reuse initiatives, and increasing ESG compliance requirements. These initiatives are creating significant demand for environmental infrastructure and sustainability solutions across India.

At the same time, we are consciously building the next layer of growth for the company. Historically, our business has been largely project-driven. While this model has served us well, we also recognize the importance of improving revenue visibility and creating more durable earnings streams over time. This thinking is reflected in our CETP initiative at Sachin, Surat, through Greenleaf Eco Infra. For many years, we have designed and built treatment infrastructure for our customers. Through CETP, we are taking our first step towards participating in the ownership and operation of environmental infrastructure. For us, this is not merely another project. It represents an opportunity to understand how infrastructure ownership, recurring service revenues, plant operations, and long-term customer participation can complement our existing EPC business.

We believe this can gradually improve revenue visibility, strengthen customer engagement, and enhance the overall quality of the business over time. Alongside this, we continue to invest in technology initiatives such as GS-FBR tech, which is currently under the patent process. Our objective is not technology for its own sake. Our objective is to improve treatment efficiency, strengthen competitiveness, and deliver better outcomes for our customers.

Looking ahead, our priorities remain clear. First, we will continue strengthening our wastewater treatment and environmental infrastructure business, which remains the foundation of Greenleaf. Second, we will continue investing in execution capability, engineering talent, and operational excellence. Third, we will expand our laboratory, compliance, and O&M capabilities, enabling deeper engagement with existing customers. Fourth, we will continue progressing strategic initiatives such as CETP and technology development that can contribute to long-term value creation. Fifth, we are expanding into the resource recovery and circular economy business, including spent acid recycling and activated carbon regeneration to create new high-margin revenue opportunities. Sixth, we are building a comprehensive ESG and sustainability services platform, offering carbon footprint assessment, BRSR reporting, Ecovadis support, life cycle assessment, and sustainability consulting to industries across India.

When we think about the future of Greenleaf, we do not see a company moving away from EPC. We see a company using its EPC strengths to build a broader environmental infrastructure platform. This distinction is important. We believe Greenleaf is uniquely positioned at the intersection of environmental infrastructure, industrial sustainability, ESG transformation, and waste-to-value opportunities. What differentiates us is our combination of execution capability, trusted client relationships, technology-focused approach, sustainability-driven mindset, and long-term industry understanding. I will now take you through the financial and operational performance of Greenleaf Envirotech Limited for FY26.

Management: I am pleased to share that FY26 has been a strong year for the company, marked by robust revenue growth, improved profitability, stronger operational execution, and continued business momentum across key verticals. For FY26, the company reported revenue from operations of 60.61 crores as compared to 38.85 crores in FY25, representing a year-on-year growth of approximately 56%. This growth was driven by strong execution across environmental engineering projects, industrial environmental services, wastewater treatment activities, and increasing contribution from sustainability-focused solutions.

EBITDA for FY26 stood at 10.52 crores compared to 6.69 crores in FY25, reflecting a growth of approximately 57.2% year-on-year. Importantly, the company maintained healthy operational profitability despite continuous investment in capacity building, execution strengthening, and infrastructure development. Profit after tax for FY26 increased to 7.23 crores as compared to 4.59 crores in FY25, registering a growth of approximately 57.5%. This performance demonstrates the scalability of our business model, improving operating leverages, disciplined project execution, and focus on profitable growth.

Our EBITDA margin remained healthy during the year, supported by operational efficiency improvement, project execution management, cost optimization initiatives, and disciplined financial control. We are pleased to share that our current order book stands at approximately 95 crores, providing strong revenue visibility for the coming year and reinforcing the sustainability of our growth trajectory. A significant recent achievement has been the award of a 25.5 crore project for the construction of a 25 MLD sewage treatment plant at Sasaram, Bihar. This project further strengthens our presence in the municipal wastewater treatment sector.

As highlighted earlier, the CETP infrastructure initiative through Greenleaf Eco Infra Private Limited remains a strategically important project for the company. We believe this platform can contribute meaningfully towards future recurring revenue generation and strengthen our infrastructure-led growth strategy. From a balance sheet perspective, we continue to maintain financial discipline and a prudent approach towards capital allocation. The company remains focused on improving working capital efficiency, optimizing project cash flows, and maintaining a healthy financial structure while supporting future growth requirements.

Overall, we remain optimistic about the business outlook, given the strong industry tailwinds, healthy opportunity pipeline, and increasing environmental compliance requirements. As I conclude my speech, I would like to reiterate that Greenleaf Envirotech Limited stands at an exciting inflection point in its growth journey. India's focus on water security, wastewater treatment, environmental compliance, sustainability, and circular economy initiatives is creating a significant long-term opportunity for companies like Greenleaf. We are well-positioned to capitalize on these opportunities through our integrated business model, experienced team, in-house engineering capability, and commitment to innovation.

I would like to express my sincere gratitude to our employees for their dedication and hard work, our customers for their continued trust, our business partners for their support, and our shareholders and investors for believing in our long-term vision. Your confidence motivates us to continue building a stronger, more sustainable, and future-ready Greenleaf Envirotech. Thank you once again for joining us today. We will now be happy to take your questions.

Operator: Thank you, sir. Ladies and gentlemen, we will now begin the question-and-answer session. The first question comes from the line of Mr. Kush Shah from Vivo Commercials. Please go ahead, sir.

Kush Shah – Vivo Commercials: Hi. Congratulations on the good set of numbers. What is your current order book and execution timeline?

Management: Thank you, Kush, for the question. The current order book is 95 crores and out of that, 80 crores will be executed in this financial year, FY27. The remaining approximately 15 crores will spill over to the next financial year.

Kush Shah – Vivo Commercials: And what will be the percentage of government orders or government projects versus the private sector projects?

Management: Right now, the major projects are from the government. However, we are also executing projects for EPC contractors. The ultimate customers are the government, but we receive the work order from the EPC company.

Kush Shah – Vivo Commercials: So, if you could provide the segregation percentage-wise, in terms of the split?

Management: Right now, around 95% of the projects are from the government. But we are also executing projects from the corporate sector. For example, we are currently executing projects for

Adani at the Mundra location with a project value of around 1.5 crores. We have also executed a project for McCain Foods with a value of around 2 crores. So, we have around 90% of projects from the government and the remaining from the private sector.

We have repeat clients representing more than 50% across all our services, such as laboratory and consulting. For projects, generally, particularly for EPC companies, more than 50% of the clients are repeat customers. For the government, it is usually a one-time engagement because they do not execute the same project repeatedly. Currently, 50% of the order book is from repeat clients on average. For O&M services, customers will continuously renew their work orders and we provide the services. As I shared in my speech, we have been working with L&T Hazira for the last 15 years. Similarly, we have many customers like Tata Motors and Maruti Suzuki whom we have been working with for the last 5 to 7 years. For EPC companies, such as Statcon Construction, Webcon Construction, and JVR Infracon, these are all repeat clients.

Kush Shah - Vivo Commercials: All right. My last question is: what would be the expected EBITDA margins for the new orders?

Management: For new orders, we generally bid for projects at a 15% to 20% gross margin. We are not taking any project below a 15% gross margin. So, we will always maintain between 15% and 20% EBITDA for all projects, both existing and new.

Kush Shah - Vivo Commercials: All right. Thank you, sir.

Management: Thank you, Kush.

Operator: Thank you. The next question comes from the line of Mr. Harshit Pontia, an individual investor. Please go ahead, sir.

Harshit Pontia - Individual Investor: Good morning, sir. My question is regarding the debtors outstanding, which stands at 38 crores. What is the reason behind this?

Management: Yes. Regarding the debtors outstanding of 38 crores in the last financial year, the main reason is that the revenue we booked in the last three months—January, February, and March—totaled 25 crores. Most of the debtors outstanding are from this revenue. In the month of March specifically, we booked revenue of 14 crores. So, this 38 crore revenue is currently visible on our books. I also want to add that we have already received around 15 crores in April and May from these debtors outstanding.

Harshit Pontia - Individual Investor: Okay. My another question is: what are the management's strategic priorities over the next 2 to 3 years?

Management: As we look into the great opportunities in wastewater treatment infrastructure projects, we are currently focusing mainly on wastewater treatment projects from the government. We are also looking to acquire projects with a value of more than 50 crores from the government. One focus area will be to acquire orders of more than 50 crores in value in the coming future. Secondly, we are also focusing on private industries. While private industries have smaller order sizes, we are focusing on acquiring orders with a value of more than 5 crores.

In addition to this, we are building our own environmental infrastructure, such as the CETP project I mentioned earlier. We intend to build more CETP projects and other environmental infrastructure in the coming future.

Harshit Pontia – Individual Investor: Okay, sir. Thank you so much.

Management: Thank you.

Operator: Thank you. The next question comes from the line of Mr. Kalpesh Yadav from Blue Chariot Investments. Please go ahead, sir.

Kalpesh Yadav – Blue Chariot Investments: Thank you, sir, for giving me the opportunity. The company mentioned patent and technology development. Can you please explain this further?

Management: Yes. We have currently developed an FBR technology called GS-FBR tech. This technology will be used for wastewater treatment. How is it different? Because of GS-FBR tech, the wastewater treatment efficiency will improve and energy consumption will be reduced. Currently, the majority of companies in FBR technology are from outside India. We are about to file a patent application; we have received the search report and it is positive from our side. After filing and receiving this patent, it will help us improve our technical edge in the market. We can also provide or sell this same technology to other EPC players, which will increase our revenue as well as profitability.

Kalpesh Yadav – Blue Chariot Investments: Okay. Regarding this patent and technology development, does the company have any expected data regarding the impact on revenue?

Management: Right now, as an EPC company, we are sourcing this FBR technology from other technology providers. The overall portion of that specific FBR technology in our revenue is around 20%. Since we have to take that technology from other providers, we will first improve our own profitability by using our own technology. Beyond that, I can capture more market from other EPC contractors.

Kalpesh Yadav – Blue Chariot Investments: Okay, fine, sir.

Management: Thank you.

Operator: Thank you. We have the next question from Maitreesha from Satya Capital. Please go ahead.

Maitreesha – Satya Capital: Good morning. Am I audible?

Management: Yes.

Maitreesha – Satya Capital: Just one clarification on the order book. If you could repeat the timeline for execution.

Management: Currently, we have an order book of 95 crores. As I previously stated, the average project timeline is 18 to 24 months. Out of this 95 crores, we are going to execute 80 crores in this financial year and 15 crores will be executed in the next financial year.

Maitreesha – Satya Capital: Got it. Also, regarding the bid pipeline, do we have orders we have bid for that are not yet awarded?

Management: Currently, we have already bid for 200 crores in projects. This includes some quotations we have submitted to EPC companies. So, right now, we have a pipeline of 200 crores. In the coming months, we plan to bid for around 50 crores worth of work every month. By the end of this financial year, we plan to bid for around 400 crores more in orders. If you look at our average conversion rate of around 20%, this will constitute our new order book during the year.

Maitreesha – Satya Capital: Got it. Also, you mentioned participating in projects where we will own the environmental infrastructure. Could you give me more of a view on what type of infrastructure this is? Is it just in wastewater treatment, and is anything currently bid for? Are we going to bid in a JV or are we qualified to bid individually now?

Management: Regarding our own infrastructure projects, there is no need for any JV. We just have to identify opportunities in an industrial base or industrial cluster where there is an opportunity for wastewater treatment infrastructure. For example, regarding the textile industry in Sayantpur, the wastewater generated there was not being properly treated and the industry was discharging it directly into nearby lakes or rivers. The government became more stringent and ordered the closure of many industries.

Because of that, there was an opportunity for common environmental infrastructure. We grabbed that opportunity and started constructing a CETP there. Similarly, there are many other industrial areas in Gujarat as well as outside Gujarat. we are currently looking into these and performing feasibility studies. There are one or two other projects in other industrial areas of Gujarat where we will move forward to construct new CETP projects under our ownership.

Maitreesha – Satya Capital: How will the revenue recognition work? How much of the EPC portion will be recognized immediately after construction, and what part will be recurring revenue?

Management: This 10 MLD CETP project has a project cost of 35 crores. We have already completed around 70% of the civil work, and this project will be commissioned by March 2027. After March 2027, we will receive revenue from this project. Also, before that, we are receiving membership deposits from industry members. Out of the total 35 crores, we are going to receive around 10 crores in membership fees from our current order booking.

Already 80 industry members have joined us. Around 2,500 textile machines will be booked out of the 4,000 textile machines that represent the total capacity in Phase 1 of the CETP. We have already booked 2,500 machines. In terms of recurring revenue after commissioning Phase 1, we are going to receive around 80 lakh rupees per month.

Maitreesha – Satya Capital: And as we book more facilities, the revenue will keep increasing?

Management: Yes, and we are planning to develop at least 4 to 5 infrastructures over the next 3 to 4 years.

Maitreesha – Satya Capital: How long are these contracts, and for how long is the capacity booked?

Management: Currently in Phase 1, we have developed a capacity for 4,000 textile machines, but in Phase 2, we can increase that up to 8,000. So, this project will continue to serve the textile industries in that particular region for approximately 25 to 30 years.

Maitreesha – Satya Capital: So, this 10 MLD project is for 4,000 machines and you have the capacity to build another 10 MLD project for 4,000 more?

Management: Yes, another 10 MLD for 4,000 more.

Maitreesha – Satya Capital: Got it. And per month you can get close to 80 lakh revenue for the first half, and then it can increase once you increase the number of machines?

Management: Yes, if we expand our capacity, the revenue will almost double. In the future, we also have the option to increase the charges for the maintenance portion.

Maitreesha – Satya Capital: Is there an inflation adjustment where you increase the cost per year?

Management: Yes, the monthly charges are only committed for the first 2 years, and thereafter we can increase them based on inflation and our costs.

Maitreesha – Satya Capital: Got it. On the margins of these projects, how accretive are they compared to a plain EPC project?

Management: Our first focus is on getting the margins while parallelly maintaining the top-line revenue. For any project we bid on now, we do not bid if the gross margin is below 15%. We always look for projects where we get at least 15%. On average, we are bidding at a 20% gross margin to maintain our overall profitability.

Maitreesha – Satya Capital: Correct, but for these CETP projects, what will the margins be compared to EPC?

Operator: I apologize for the interruption. I would request you to join the question queue for further questions. The next we have a follow-up question from Mr. Harshit Kapadia from Elara Capital. Please go ahead, sir.

Harshit Kapadia – Elara Capital: My follow-up question is: are you seeing any increased competition in bidding intensity?

Management: No, I do not feel there is any increase in competition. On the positive side, particularly in our sector, the Ministry of Jal Shakti has allotted around 94,000 crores in this financial year for the development of water and wastewater-related infrastructure. This gives a huge opportunity to all EPC players. So, I do not see an increase in competition.

I want to add a few more points. In day-to-day life, we are facing challenges like water scarcity. Cities like Bangalore and Mumbai are already facing water scarcity situations. In Delhi, rivers are polluted, and in many other areas of India, river pollution is a critical problem. This water scarcity and river pollution will create further opportunities. The government is focusing on and supporting policies for rejuvenating these rivers and saving water.

As a result, the water and wastewater infrastructure business will remain in a growth phase and demand will grow continuously. I am not seeing any competition right now. Furthermore, as we look at the industry, government compliances are becoming more stringent and the government is demanding circular economy and water reuse requirements. Because of that, there is an opportunity in the private industrial sector. Recently, in a textile industry cluster in Jodhpur, the High Court ordered the closure of 300 industries because they were discharging untreated water into the river. All of them now have to adopt this wastewater treatment infrastructure, which will create opportunities for a company like ours. So, I do not see any increase in competition.

Harshit Kapadia – Elara Capital: Okay, sir.

Operator: Thank you. In the interest of time, that will be the last question for the day. I now hand over the floor to Mr. Kalpesh Gopti for closing comments.

Management: Thank you everyone for joining this call. As we look ahead, we remain extremely optimistic about the future opportunities for Greenleaf Envirotech Limited. Our focus going forward will remain on building a scalable, technology-driven, sustainability-focused organization with strong execution capability and long-term recurring business potential.

We see significant growth opportunities across ESG consulting, environmental infrastructure development, wastewater treatment systems, waste management, circular economy solutions, waste-to-wealth initiatives, and industrial sustainability services. At the same time, we will continue strengthening our existing client relationships while expanding into new industrial sectors and geographies. The company will remain focused on innovation, operational excellence, environmental stewardship, and disciplined growth execution. If you have any further queries, you may connect with our IR team. Thank you very much for joining this call.

Operator: Thank you, sir. Ladies and gentlemen, this concludes your conference for today. On behalf of Greenleaf Envirotech Limited, thank you for your participation and for using Doorasabha's conference call service. You may disconnect your lines now. Thank you and have a pleasant day.