Effwa Infra & Resear

Operator: Ladies and gentlemen, good day and welcome to the H2 FY26 earnings conference call of Effwa Infra & Research Limited, hosted by XP4 Advisory. 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 and zero from your touchtone phone. I now hand the conference over to Ms. Rasika Sawant from XP4 Advisory. Thank you and over to you, ma'am.

Rasika Sawant – XP4 Advisory: Thank you. Good evening everyone and welcome to the H2 and FY26 earnings conference call of Effwa Infra & Research Limited. Today on this call, we have with us Dr. Varsha Kamal, Promoter, Chairperson and Managing Director; Mr. Subhash Kamal, Promoter and Whole-time Director; Mr. Bhavin Gahl, Finance Director; and Ms. Leena Lal, Chief Financial Officer.

This conference call may contain forward-looking statements about the company which are based on beliefs, opinions, and expectations as of today. Actual results may differ. The statements are not the guarantees of future performance and involve risks and uncertainties that are difficult to predict. A detailed safe harbor statement is given on the second page of the earnings presentation of the company which has been uploaded on the stock exchange as well as the company's website. With this, I now hand over the call to Dr. Varsha Kamal for opening remarks. Over to you, ma'am.

Dr. Varsha Kamal: Thanks, Rasika. Good evening everyone and thank you for joining us on our earnings call. On behalf of Effwa Infra & Research Limited, I extend a warm welcome to all our shareholders, investors, analysts, and stakeholders on this call. We sincerely value your continued trust and support.

I am delighted to share that FY26 has been a year of encouraging performance reflecting the company's continuous focus on sustainable growth, operational efficiencies, and value creation for our stakeholders. For the year ended March 31, 2026, our revenue from operations stood at 253.29 crores reflecting growth of 36.8% year-on-year. EBITDA for the year came in at 42.11 crores, up by 40.3% year-on-year, while PAT stood at 28.62 crores registering growth of 42.3%. This was supported by stronger operational efficiency achieved through continuous monitoring and control systems, focused value engineering initiatives, adoption of advanced engineering software, and sustained investments in the technical and soft skill development of our workforce.

The company also delivered a healthy operating cash flow during FY26 reflecting our strengthened working capital management practices, efficient realization of receivables, and implementation of stringent credit control measures. In line with our long-term growth vision and expanding scale of operations, the company acquired new office premises measuring approximately 10,000 square feet in a prime location in Thane. This strategic investment will further strengthen our operational capabilities and support future expansion initiatives.

We are delighted to announce a dividend of 10% for our valued shareholders reflecting the company's strong financial performance and reaffirming our commitment to delivering sustainable returns and long-term stakeholder value. With this, I will hand over to Mr. Subhash Kamal, who will share more on our business outlook, growth momentum, and strategic priorities. Thank you, everyone.

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Subhash Kamal: Thanks, Dr. Varsha, and good evening everyone. The environmental engineering industry has been transforming from traditionally known pollution control to sustainability resource recovery and recycling, paving the way for a circular economy. At Effwa, we have consistently stayed ahead by anticipating where the industry is heading. Demand remains strong across steel, metal, oil and gas, infrastructure, fertilizer, and other segments like data centers. Customers today want solutions that improve efficiency, reduce operating costs, and manage the waste streams more effectively—areas where our experience and core strength give us a clear edge.

We have seen strong momentum across our major projects this year, executing key orders for multi-plants. Our order book stands at around 750 crores plus with a pipeline of more than 2,600 crores giving us solid revenue visibility ahead. Operation and maintenance is becoming an increasingly important focus area for us as the project size grows. O&M has recurring revenue and deeper client relationships, and we are actively encouraging customers to bundle it with EPC. Regarding our exports, we continue to selectively expand in Africa and other international markets. Our technical qualifications, financial strength, and execution record are all improving, enabling us to bid for larger and more complex tenders.

Looking ahead, our focus is threefold: executing the order book efficiently, converting the pipeline into profitable orders, and building capability through technology, talent, and innovation. We are also strengthening internal systems to scale up without compromising quality and safety. The combination of industry demand, execution strength, a growing client base, and a technology-led approach positions Effwa well to create long-term value for all stakeholders. Thank you for your support, and I'll request our CFO to present the financial highlights for H2 FY26. Thank you.

Leena Lal: Thank you, Mr. Kamal, and good evening to all participants. Starting with the financial performance for the second half of FY26, we recorded an operating profit of 163.09 crores reflecting a year-on-year growth of 31.2%. EBITDA came in at 26.68 crores translating to an EBITDA margin of 15.4%. Net profit after tax stood at 18.47 crores with a PAT margin of 11.3%. For the full financial year FY26, our operating income was 253.29 crores, a strong growth of 36.8% year-on-year. EBITDA for the year was 42.11 crores, up 40.3% from the previous year, with an EBITDA margin of 16.6%. Net profit after tax was 28.62 crores reflecting a PAT margin of 11.3%.

Let me now walk you through the segmental and business vertical performance for H2 FY26 and for the full year FY26. Starting with H2 FY26, from an institutional perspective, 63.2% of our revenue came from public sector undertakings, while the private sector contributed 36.7% and government institutions accounted for a marginal 0.1%. In terms of geography, our business remained largely domestic with 97% of revenue coming from domestic markets and exports contributing 3%. Looking at the service mix, effluent treatment plants with ZLD dominated our revenue at 95.1%. This was followed by effluent treatment with recycling at 1.7% and operation and maintenance contributing 3.2%.

Now moving to the full year FY26 performance, from an institutional standpoint, 61.1% of our revenue came from public sector undertakings, while 38.4% was contributed by the private sector and 0.5% from government institutions. On the domestic versus exports front, 87.2% of total revenue was generated domestically with exports contributing a stronger 12.8% for the full year. Finally, in terms of service mix, effluent treatment with ZLD remained the dominant contributor at

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92.4% followed by effluent treatment with recycling at 4.6% and O&M contributing 3%. Overall, the numbers clearly highlight our strong positioning in ZLD-based solutions and a predominantly domestic PSU-driven revenue profile. Thank you. With that, I would conclude the segmental overview and would like to open the floor for any questions. Thank you.

Operator: Thank you very much. We will now begin with the question and answer session. Anyone who wishes to ask a question may press star and then one on their touchtone phone. If you wish to remove yourself from the question queue, you may press star and two. Participants are requested to use handsets while asking a question. Ladies and gentlemen, we will wait for a moment while the question queue assembles. Again, to register for a question, please press star and then one. Our first question comes from the line of Ravinder Bir Singh from Alpha AMC. Please go ahead.

Ravinder Bir Singh – Alpha AMC: Congratulations, sir, on the great set of numbers. My first question is regarding the order book. In the last conference call that was held in January, you mentioned that our order book was around 750 crores plus. But at the end of FY26, the order book still remained at 750 crores, even though you mentioned we would be closing this year with more than 1,000 crores of order book. Haven't we been getting any new orders, or how is it working?

Management: Yes, this present order value represents the balance of whatever was executed. Two orders have already been declared in our favor, but we have not yet received the written intimation.

Management: We should intimate the NSE once those are received.

Management: Once we have that on paper. But procedurally, we have been declared successful. So, it will probably add up to almost the anticipated figure of 1,000 crores.

Ravinder Bir Singh – Alpha AMC: Okay. And sir, how much in terms of order book value have you bid for? How many orders are in the pipeline?

Management: When we say pipeline, it includes competitive bids. Those are serious prospects, which total around 2,600 crores. It is a little more than that, around 2,600 crores.

Ravinder Bir Singh – Alpha AMC: Okay. And sir, can you share the progress on the patent you filed for Zero Material Discharge? How is that going to benefit us and when is it coming live?

Management: We expect to launch it by July 2027. We should have received the patent by then. However, with one of the clients under an NDA, we are trying to implement it. I am bound by the NDA not to reveal exactly where.

Ravinder Bir Singh – Alpha AMC: So you will be receiving the patent in July 2027, am I correct?

Management: Yes, we should receive it before that.

Ravinder Bir Singh – Alpha AMC: Okay. And what are the margins that you will be commanding on that project?

Management: We will definitely be improving our margins because this is technology-driven and offers a first-mover advantage. This is going to save a huge amount of money for the industry.

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Ravinder Bir Singh – Alpha AMC: Okay. And sir, my last question is regarding FY26. We have seen capital work in progress of close to 20 crores. What is that related to?

Management: Hello? Yes, can you repeat the question, please?

Ravinder Bir Singh – Alpha AMC: My question is about the FY26 balance sheet. There is capital work in progress of 19.8 crores. What is that related to?

Management: That is basically for our office which is under construction. That 19.8 crores is the amount which we have already paid to the developer. The registration is already done in the name of Effwa and the possession will be in December 2027. That is the part reflected there.

Ravinder Bir Singh – Alpha AMC: Are you shifting your registered office or how is it situated?

Management: Yes, we are shifting our registered office there. Our present office is around 5,000 square feet plus. We have bought this new office of 10,000 square feet as correctly mentioned by Dr. Varsha in her speech because we are increasing our manpower. We have purchased a 10,000 plus square feet office in a very prominent area in Thane, which is currently under construction. The payments made to the developer are reflected as capital WIP in fixed assets.

Ravinder Bir Singh – Alpha AMC: Okay. When is it expected to be commissioned?

Management: We should get soft possession somewhere in September 2027. By December 2027, we expect to shift over there.

Ravinder Bir Singh – Alpha AMC: Okay, sir. I have a few more questions, but I will rejoin the queue. Thank you.

Management: Yes, sure. Thanks.

Operator: Thank you. Before we take the next question, a reminder to all the participants: you may press star and then one to ask a question. Our next question comes from the line of Tahir Hyderabadwala from GoBridge Fund. Please go ahead.

Tahir Hyderabadwala – GoBridge Fund: Hi sir, thank you for the opportunity. I had two or three questions. Are there any developments regarding the Zero Liquid Discharge technology which you are targeting to launch in FY27?

Operator: Sorry to interrupt, Tahir sir. Your voice is slightly muffled. If I can request you to use the handset.

Tahir Hyderabadwala – GoBridge Fund: Thank you for the opportunity once again. I have two or three questions. First was on the Zero Liquid Discharge technology which was planned for launch by FY27. Are there any major updates?

Management: Yes, that is Zero Material Discharge (ZMD) basically, because we are generally a step ahead of ZLD. The process of patenting is ongoing because it is not a one-day process; there is a lot of documentation and clarifications that keep coming. It is in an advanced stage. We hope to be done in the first quarter or sometime around there in 2027. We had planned to launch it

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commercially by July 2027, but we hope it should happen much before that.

Tahir Hyderabadwala – GoBridge Fund: Okay. And sir, we have given guidance for 50% plus growth in FY26. What will be the guidance for the next 2 to 3 years? Going forward into FY27, FY28, and FY29, such a number would be great.

Management: We expect to grow at a 35–40% CAGR for the next 2 to 4 years.

Tahir Hyderabadwala – GoBridge Fund: Okay. And sir, one last question. If you can give us a revenue bifurcation between Effluent Treatment Plants with ZLD, Effluent Treatment Plants with recycling, Waste Management, and O&M.

Management: Around 92.4% is Effluent Treatment Plants with ZLD, 3% is O&M, and Effluent Treatment Plants with recycling is 4.6%.

Tahir Hyderabadwala – GoBridge Fund: Okay. And how will this mix evolve going forward? Looking 2 to 3 years ahead, where will the focus and growth come from?

Management: Currently, we are focusing on ZLD. Additionally, as Mr. Subhash has rightly mentioned, we have already developed ZMD and we will be commissioning some projects in 2027. Once that is picked up, it will provide a first-mover advantage to us. We are the only ones providing this kind of solution to the customer. We are looking at a bigger market there considering the demand, because it can be applied as an upgrade to existing plants plus new plants. That will really change the dynamics.

But at present, ZLD is what is contributing. We are focusing on that part because now all the projects are more than 200 crores plus. The size of the O&M is also higher, and that is spread out over 3 to 4 years for any project. We are expecting 3–5% of revenue to come from O&M.

Tahir Hyderabadwala – GoBridge Fund: Okay. And sir, out of the order book, what is the breakup between the government or public sector and the private sector?

Management: Out of the 750 crores, we have around 500 plus from the private sector, including clients like JSW and others, and the balance part is from PSUs.

Tahir Hyderabadwala – GoBridge Fund: Okay, sir. Thank you for the opportunity.

Management: Thank you.

Operator: Thank you. The next question comes from the line of Pritesh Chheda from Lucky. Please go ahead.

Pritesh Chheda – Lucky: Does this 750 crore order book represent how many sites?

Management: Around five sites.

Pritesh Chheda – Lucky: Okay. And regarding ZMD, what kind of industries will need it?

Management: Let me hand it over to Mr. Sahasrabuddhe.

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Mr. Sahasrabuddhe: Actually, for all the industries that have ZLD today or will have ZLD in the future, the whole concept will change to ZMD.

Pritesh Chheda – Lucky: And what is the difference? Is it basically addressing liquid discharge only, or is it different since you use the word ZMD?

Mr. Sahasrabuddhe: At present, what we are doing under ZLD is that the entire liquid is turned into water and the residue is all unwanted hazardous material for disposal. The client is currently paying heavily for its safe disposal.

Under the ZMD process, we will have water and then we will have several by-products for reuse in different industries, either within the same industry or others. So you will have nothing to dispose of, which saves a lot of money in disposal costs and also in energy costs.

Pritesh Chheda – Lucky: Okay. So basically, in ZLD, liquid is turned into water and whatever sludge or material remains must be disposed of, whereas under ZMD there will be nothing left for disposal.

Mr. Sahasrabuddhe: Exactly.

Pritesh Chheda – Lucky: Okay. And what will be the capex cost premium compared to ZLD?

Mr. Sahasrabuddhe: We should be taking a premium for all our efforts.

Pritesh Chheda – Lucky: Okay. But for any company putting up a ZLD versus a ZMD plant, how much more capex would they have to incur?

Mr. Sahasrabuddhe: In that case, the company will recover the additional premium they are paying for ZMD within a 1 to 1.5 year payback period.

Pritesh Chheda – Lucky: Okay. Has this solution already started being offered to clients?

Mr. Sahasrabuddhe: Not yet. We are waiting for the patent registration to be in place. If we launch now, we might only sustain for a couple of years before others start copying it. So we want the patent first. However, by the time we get our patent, we would like to have one plant operational. We have entered into an NDA with one of our reputed clients with whom we have worked for many years. Hopefully, something will be witnessed there before we receive the patent.

Pritesh Chheda – Lucky: In your opinion, is it a 12-month process to get the plant up for that client, or is it longer?

Mr. Sahasrabuddhe: No, it is less than 12 months.

Pritesh Chheda – Lucky: On the ZLD side, which is the bulk of your business, could you translate that into liters of water treated or annual installations? Also, what is our market share considering the 250-260 crore revenue we have?

Management: The market size is more than 10,000 crores. We are mainly doing only industrial water recycling. We are not into municipal corporations, STPs, or anything similar. Otherwise, the market size is humongous.

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Pritesh Chheda – Lucky: In industrial treatment, what is the market size and our market share?

Management: I will address that. We do not work with just any private sectors; we work with leading, top-notch companies that are almost like PSUs. If you name Tata, JSW, or Vedanta, those are our clients. Our success rate is 30% plus where we bid. We do not bid for general water treatment because we cannot be as competitive there since there are many other people. We are very selective about projects where we can command a premium and where our engineering is valued. Our success rate is 30% plus and we compete against good companies.

Pritesh Chheda – Lucky: What was the order inflow last year?

Management: Order inflow last year was around 600 plus crores.

Pritesh Chheda – Lucky: So when you say a 30% success rate to get 600 crores, does that mean there were 2,000 crores of bids?

Management: Success rate is not on the 600; it means more than 2,000 crores of orders were bidded, out of which we got 600 crores.

Pritesh Chheda – Lucky: So in the client segment you address, there was 2,000 crores of order inflow available and you got 600 crores. And those clients are large, listed, organized corporates in India?

Management: Yes.

Pritesh Chheda – Lucky: Is there a certain size of corporate you go up to?

Management: We don't just look at the size of their revenue; we look at their financial track record and stability. We analyze many parameters before deciding to bid. Right now, we are working with Tata, JSW, Reliance, and Adani in the private sector, and IOCL, BPCL, HPCL, and GAIL in the public sector. These are blue-chip companies.

Pritesh Chheda – Lucky: In oil and refineries, would we be the main provider for that industry?

Management: Yes.

Pritesh Chheda – Lucky: Okay. Thank you, sir.

Operator: Thank you. A reminder to all the participants: you may press star and then one to ask a question. Our next question comes from the line of Aditya from Securities Investment Management. Please go ahead.

Aditya – Securities Investment Management: Hi sir. Thanks for the opportunity. With global conflicts happening, material costs have been increasing. How are we placed against this raw material inflation? Do we pass this on?

Management: Yes, most of our contracts have an escalation clause. Almost all of our contracts include one.

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Aditya – Securities Investment Management: Is this escalation clause for specific metals only or all materials?

Management: They are basically based on RBI indices. Metals and electrical components are tracked separately. Diesel and petrol rates also affect civil work, so we have coverage for almost everything. These are part of the contract, so we are well protected.

Aditya – Securities Investment Management: Understood. So we don't expect margins to take a hit. And what is the retention money amount currently on the balance sheet?

Management: 20–30 crores.

Aditya – Securities Investment Management: We were looking to furnish bank guarantees to recover retention money faster. How is the progress there?

Management: Yes, a couple of clients have accepted it and we are including that point in upcoming projects.

Aditya – Securities Investment Management: We are primarily in steel and oil and gas. Are there any other sectors the company is looking into?

Management: ZLD is majorly used across many sectors, which helps increase our addressable market. We are in mining, steel, metal, fertilizer, oil and gas, and the data center segment is also picking up. We are in those fields as well.

In addition, we were not previously in the municipal business, but given the current trend of treated sewage being used by industry, we are participating in sewage recycling plant projects. There is a huge program for existing sewage recycling.

Aditya – Securities Investment Management: What I understood was that the reason we didn't participate in sewage projects was due to commissioning delays and payment issues. Why are we getting into municipal business now?

Management: Because this business is not being controlled by municipalities. It falls under industrial estates which are not run by municipal authorities. We are dealing with agencies like GIDC or MIDC.

Secondly, the delay in executing past sewage projects was due to laying sewage lines and excavating across entire townships. Those challenges remain, which is why we didn't do that. We are interested now because I am receiving treated sewage at a specific point, treating it further to recycle it, and then supplying it to industrial estates.

Aditya – Securities Investment Management: As we are bidding for larger contracts, how does the 36-month execution timeline differ compared to the smaller orders we used to do?

Management: Some are going up to 36 months. The biggest one in our pipeline will extend to 36 months, but normally it is 12 to 20 months.

Operator: Thank you. The next question comes from the line of Karthi from Suyash Advisors. Please go ahead.

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Karthi – Suyash Advisors: Good evening, sir. Regarding the 750 crore order backlog, what is the committed execution schedule for FY27 and what is the revenue recognition policy?

Management: We are anticipating around 350 plus crores to be commissioned in the coming financial year.

Karthi – Suyash Advisors: The JSW order is an 18-month order and it is already 5 months into that project. Likewise, the HPCL project is 14 months. I am wondering why you are being conservative, or is there a change in the schedule?

Management: There is no change in the schedule. In JSW, we have finished the engineering and procurement is ongoing; the site work has already commenced. The civil work is being handled by the client. By March, we shall be executing almost 25-30% of the order value, and then it goes beyond March. The rest will be executed in the following year. The total period was 20-22 months. We could not do more in this financial year because engineering is still ongoing.

Karthi – Suyash Advisors: And what is the revenue recognition policy?

Management: The revenue recognition policy is the same as always. Once the bill is accepted and approved by the client, we recognize the revenue. It is on a milestone basis. The milestones are defined during the bidding process, and according to those milestones, we submit our bills. Once the client approves, we account for the bill.

Karthi – Suyash Advisors: In FY26 there was a 15-20 crore spillover from the previous year. If I adjust for that, the growth has not been as positive as originally indicated. Are there challenges on the execution front?

Management: There are no challenges on the execution side, but certain factors are not in our control. Due to global conflicts and labor supply issues in the last month, a couple of dispatches were delayed. Uncertainty is the only issue; otherwise, everything is as planned. Those dispatches have been done in this first half.

Karthi – Suyash Advisors: I couldn't see anything in the inventory number.

Management: The material arrived in the month of April. It should have come in March to show in the inventory.

Operator: Thank you. The next question comes from the line of Manoj Shetty from MS Investments. Please go ahead.

Manoj Shetty – MS Investments: Thank you for the opportunity. Regarding the 250 crores of sales done in the current year, I recall a target of around 350 crores. There is a drop of more than 100 crores. Was there any reason besides the global situation?

Management: I think you are referring to a very old call. At that time, we were expecting the JSW order to come in June or July, but due to their SOP systems, it was delayed until December. For another project, we were expecting it in May or June, but their internal approvals and government approvals were required. We got those projects in December. That is why it happened. In all our

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calls after November or December, we began revising those numbers. We were confident, but the procedural aspects caused delays. There is no problem in terms of execution.

Manoj Shetty – MS Investments: For FY27, you are anticipating 35–40% growth. Adding that to the FY26 revenue of 255 crores brings it to about 350 crores. Are the 750 crores in hand plus the 250 crores you recently won sufficient to reach this 350 crores for FY27?

Management: Yes, that is correct.

Manoj Shetty – MS Investments: On the order book, the January call mentioned 750 crores. After executing in the last three months and adding new ones, it is back to 750 crores? And another 250 crores is expected in 2 to 3 months?

Management: Yes, we are expecting that additional amount in the next 2 to 3 months, bringing it to 1,000 crores.

Manoj Shetty – MS Investments: In that 1,000 crores, how much includes O&M?

Management: O&M is a part of the project. There is no separate order for it. For projects completed in the past year that are handed over, O&M revenue will start coming. We anticipate an absolute amount of 10–12 crores for FY27. So over 90% of the 1,000 crore order book is ZLD. All these ZLD projects were quoted with O&M.

Manoj Shetty – MS Investments: In the current year, O&M is 3% of revenue, around 8 crores. For FY27, you are only saying 10–12 crores, so not much of an increase?

Management: O&M only starts once a project is completed. Secondly, the base revenue is going from 250 to 350 crores, so the O&M percentage might get diluted even if the absolute amount grows. O&M has relatively better margins.

Manoj Shetty – MS Investments: You previously mentioned that once you cross 350 crores in revenue, you might need to raise funds. Does that situation remain the same?

Management: We have sufficient bank limits. Our credibility with CRISIL has improved. Our banks have proposed a reduction in collateral. We have sufficient fund-based and non-fund-based limits to execute a project pipeline of around 450 crores plus.

We are now bidding for very high-value projects. Previously we did 50–60 crores, then 100 crores, then 200 crores. JSW is over 300 crores. Now we are looking at 500–600 crore projects. If we get single projects of that size, then we will need to look for funds. To do 450 crores of turnover, we don't require external cash.

Manoj Shetty – MS Investments: As of March 31, there is a debtors amount of 128.7 crores. How much of this is the retention amount?

Management: 28–30 crores, sir.

Operator: Thank you. The next follow-up question comes from the line of Ravinder Singh from SBI MF. Please go ahead.

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Ravinder Singh – SBI MF: Is the largest single order the 300 crore project from JSW?

Management: Yes, that is 313 crores from JSW. That is the highest value project.

Ravinder Singh – SBI MF: For the oil and gas clients, do you think geopolitical tensions will cause them to defer projects?

Management: The IOCL project we are currently executing is almost complete. Regarding capex, we don't see any reduction or deferment from the oil industry at present.

Ravinder Singh – SBI MF: When are you expected to receive the patent for Zero Material Discharge?

Management: That is under process. We have prepared the documents and attorneys are appointed. We expect to file those within a month or two. We are also working on NDAs with a few clients for practical full-scale solutions. Patent registration takes about 12 to 14 months. It will take more than a year because we are filing globally, not just in India. It is a lengthy, technical process, but we have already passed those milestones.

Ravinder Singh – SBI MF: You mentioned revenue growth of 35–40%. If the order book is 1,000 crores and the timeline is 18–20 months, shouldn't revenue be closer to 400 or 500 crores by the end of FY27?

Management: We are trying our best. We are keeping numbers on the conservative side based on projects currently in hand that need to be executed.

Ravinder Singh – SBI MF: What is the total of your fund-based and non-fund-based limits?

Management: We have 235 crores total limit, of which 62 crores is fund-based and the balance is non-fund-based. With current limits, we can minimum do 450 crores plus in revenue.

Ravinder Singh – SBI MF: What is the current employee strength and do you plan to increase it with the new office?

Management: We definitely want to increase our workforce to achieve over 500 crores in revenue in the coming 3 to 4 years. Right now, on-payroll strength is around 140 to 145.

Operator: Thank you. The next question comes from the line of Aditi Sathekar, an investor. Please go ahead.

Aditi Sathekar – Investor: Good evening, sir. You mentioned 145 employees. How many are engineers?

Management: 75% of them are engineers. By the end of next year, we expect the count to grow by 10–15%.

Aditi Sathekar – Investor: In your presentation, you mentioned foraying into high-purity water treatment for data centers. How different is that technologically from ZLD, and who are the competitors?

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Management: High-purity water is primarily required in the pharmaceutical industry, but the quantity is small. For ZLD, I have to add one more filtration step to go from purity to high-purity. Data centers need large quantities of water where we have a proven track record. We were not previously focusing on this, but people are reaching out to us as the segment grows.

Aditi Sathekar – Investor: So the technology is similar but the scale is much larger. You mentioned Wabag and Thermax as competitors in the current segment; will they be competing here as well?

Management: Yes, earlier we were not competitors in that specific area, but now we are. There were many small specialized companies, but they handled machines, not entire projects. If the size goes from 1 lakh liters to 1 crore liters, that is where we come in. We don't see it as a massive opportunity where we can run our entire future business, but we are addressing it for our stakeholders who asked about it.

Operator: Thank you. The next question comes from the line of Atul Kumar, an investor. Please go ahead.

Atul Kumar – Investor: Regarding the ZMD patent, does the technology differ based on whether you are working for steel or pharmaceuticals? Is the patent specific to certain industries?

Management: We are not limiting it to a particular industry. Wherever there is a ZLD, this could replace the concept. There are internal design changes based on the specific waste, but the patent is more general.

Atul Kumar – Investor: You said you are first-movers. Has no one else patented this technology?

Management: There are other patents, but their processes are cumbersome, unreliable, and produce poor-quality material. Those other processes are very expensive with high recurring costs and unproven payback periods. When we made our application, it was verified that our innovation is worth patenting and does not clash with existing options. Once granted, it is for 15 years.

Atul Kumar – Investor: To fund growth, are you planning any capex in the next 2 to 3 years? Will you increase debt-to-equity levels?

Management: No, we don't require any capex. We are an asset-light company. We don't have many tangible fixed assets other than the office we just bought.

Atul Kumar – Investor: When are you planning to migrate to the main board?

Management: As soon as we are eligible. We will have completed 3 years on the SME board in July 2027, so we will look to shift then.

Atul Kumar – Investor: How big is the total addressable market for ZMD?

Management: The market will include all existing ZLD projects and all upcoming ones, because ZLD will eventually change into ZMD since it offers a payback.

Operator: Thank you. Ladies and gentlemen, that was our last question for today. I now hand the conference over to Dr. Varsha Kamal for closing comments.

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Dr. Varsha Kamal: Thank you. Thank you to everyone for participating in this earnings call. I hope we have been able to answer your questions satisfactorily. If you have any further questions or would like to know more about the company, please reach out to our investor relationship partner at XP4 Advisory. Thank you everyone and take care. Good evening.

Operator: On behalf of Effwa Infra & Research Limited, that concludes this conference. Thank you everyone for joining us. You may now disconnect.

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