

18 November 2025

To,
National Stock Exchange of India Limited
Exchange Plaza, Plot No. C/1, G Block,
Bandra-Kurla Complex, Bandra (E),
Mumbai – 400051
Symbol: EFFWA

Subject: Outcome of H1 FY26 Earnings Conference Call - Transcript

Dear Sir/Madam,

In compliance with Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the transcript of the Company's H1 FY26 Earnings Call.

The same is being made available on the website of the Company at
<https://www.effwa.co.in/announcements.php>

Kindly take the aforesaid information on record.

Thank you.

Yours faithfully,

For **EFFWA INFRA & RESEARCH LIMITED**

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DR. VARSHA KAMAL
CHAIRPERSON AND MANAGING DIRECTOR



“Effwa Infra & Research Limited Q2 FY-26 Earnings Conference Call”

November 13, 2025



MANAGEMENT: **DR. VARSHA KAMAL – PROMOTER, CHAIRPERSON,
AND MANAGING DIRECTOR, EFFWA INFRA &
RESEARCH LIMITED**
**MR. SUBHASH KAMAL – PROMOTER AND WHOLE-
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**MR. BHAVIN GOR – FINANCE DIRECTOR, EFFWA
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**MS. LINA LAD – CHIEF FINANCIAL OFFICER, EFFWA
INFRA & RESEARCH LIMITED**
MODERATOR: **MS. RASIKA SAWANT – XB4 ADVISORY**



Moderator: Ladies and gentlemen, good day and welcome to the H1 FY' 26 Earning Conference Call of Effwa Infra and Research Limited, hosted by XB4 Advisory.

As a reminder, all participants' 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 '*' then '0' on your touchtone phone.

I now hand the conference over to Ms. Rasika Sawant from XB4 Advisory. Thank you and over to you, ma'am.

Rasika Sawant: Thank you. Good evening, everyone, and welcome to the H1 FY '26 Earning Conference Call of Effwa Infra and 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; Bhavin Gor – Finance Director; Ms. Lina Lad – 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.

Varsha Kamal: Thank you, Rasika. Good evening, to everyone who is joining us today on this earnings call. On behalf of Effwa Infra & Research Limited, I extend a warm welcome to all our shareholders, investors, analysts, and stakeholders who are present on this call. We value your continued trust and support.

This is our second earnings call post-listing and we are glad to share that the momentum we witnessed in the previous financial year has meaningfully carried forward into H1 FY '26. Our execution across ongoing domestic and export projects has remained disciplined and efficient, and we continue to strengthen our capabilities in integrated water and wastewater treatment, recycling, and Zero Liquid Discharge that is ZLD Engineering Solutions.

Building on this foundation, H1 FY '26 has also been a period of strategic consolidation and expansion for the company. In our order book, as of today, it stands at over INR 450 crores, complemented by a healthy pipeline of more than INR 2,600 crores, reflecting strong demand visibility across Domestic, PSU, and International markets.

Repeat projects from Tata Steel, SAIL, AFCONS, IOCL, and other marquee clients further reinforce Effwa's differentiated positioning and our proven execution reliability in high recovery and ZLD-based systems.

Our International business continued to gain traction with exports contributing 31% of revenues in H1. The African region remains an important growth lever, where multiple projects are currently under evaluation, and we are also progressing well on expansion opportunities across East Asia through collaborations with leading Indian infrastructure partners.

These efforts are steadily strengthening our global footprint and diversifying the revenue mix. Operationally, we have taken meaningful steps to enhance execution efficiency, the adoption of advanced engineering software, streamlined project monitoring processes, and continuous technical and soft skill training across our teams have translated into faster delivery cycles and improved margin performance. These initiatives, coupled with a focused approach to working capital management, have supported healthy operating cash flows during the period.

We are also witnessing encouraging momentum in the operation and maintenance segment. Long-term contracts, including the recently secured 5-year engagement at SAIL Durgapur, are laying the foundation for predictable recurring annual revenues.

Several additional O&M opportunities are currently being evaluated and we are actively encouraging all clients to integrate O&M with their EPC scopes, as this is the strategy which is bringing to yield positive results.

Looking ahead, the execution of major projects such as SAIL, RSP, and newly awarded Hutni orders at RSP and IISCO shall further accelerate revenue and profitability, which our enhanced technical qualification, now enabling participation in single projects which are exceeding INR 400 crores. We believe Effwa is well positioned to scale into larger, more complex opportunities in the coming years.

In line with the operational progress, we have secured a significant and strategically meaningful contract. Effwa has been awarded an EPC project valued at over INR 150 crores from Hutni Projekt FM (India) Private Limited, a subsidiary of Czech engineering conglomerate, Hutní Projekt Frydek-Místek a.s.

This project involves the design, supply, installation, and commissioning of BOD treatment, raw water treatment, and a complete zero-liquid discharge system for SAIL. This contract is important not only for its scale but also for what it signals is it reflects international engineering firms choosing Effwa as their ZLD execution partner in India. It also strengthens our execution credentials in steel sector, which is one of the most regulation-intensive segments for water reuse. And third, and most importantly, it sets a strong reference benchmark that will support our credibility in future large industrial ZLD bids, both domestic as well as overseas.

Now, I would like to request our CFO to present the financial highlights for H1 Financial Year 26.

Lina Lad:

Thank you, Varsha ma'am. Good afternoon to all participants on the call.

Let me now briefly share the financial performance of Effwa Infra & Research Limited. for H1 FY '26.

For the first half of FY '26, our revenue from operations was INR 90.21 crore, reflecting a 48.23% year-on-year growth. This growth was supported by steady progress in execution across key industrial ZLD and effluent recycling projects.

Our EBITDA during the period stood at INR 15.42 crores, marking a 111.30% year-on-year increase percentage. The EBITDA margin improved by 510 basis points to 17.1%, driven by disciplined project planning, value engineering initiatives, and a controlled cost structure. Net profit after tax for H1 FY '26 was 10.14 crores, an increase of 112.93% year-on-year.

The PAT margin expanded by 341 basis points to 11.24%, supported by our capitalized execution approach and prudent working capital management, which continued to reinforce our profitability and margin sustainability.

Coming to segment-wise performance, effluent treatment plants with recycling contributed around 6.78% of the revenue. Zero-liquid discharge systems, which remain the core strength of our portfolio, accounted for about 90.60%, reflecting strong demand from highly regulated and water-intensive industries.

Sewage treatment and reclamation projects constituted approximately 1.48%, driven by ongoing industrial water reuse initiatives. The operation maintenance segment contributed around 1.13%, continuing to scale as a stable, recurring revenue stream and enhancing long-term annuity income visibility.

From a geographical standpoint, domestic projects accounted for approximately 69% of revenues, while exports contributed to 31%, supported by steady execution across African markets and ongoing expansion discussions in select international geographies.

With that, we would now like to open the floor for questions.

Moderator:

Thank you so much, ma'am. Ladies and gentlemen, we will now begin with the question-and-answer session. Anyone who wishes to ask a question may press * and 1 on their touchtone telephone. If you wish to remove yourself from the question queue you may press * and 2. Participants are requested to use handsets while asking a question. Ladies and gentlemen, we will wait for a moment while the question queue assembles.

Our first question comes from the line of Siddhant Chauhan, an individual investor. Please go ahead.

Mr. Chauhan, you may proceed ahead with your question, please.

Siddhant Chauhan: Thank you so much for posting the wonderful results. So, I just wanted to ask, what is this trade receivables INR 95 crores in the balance sheet? Can you comment on what is the easing of these receivables?

Bhavin Gor: Sorry, can you repeat the question, sir?

Siddhant Chauhan: I just wanted to ask about these trade receivables of INR 95 crores. Yes.

Bhavin Gor: So, INR 95 crores comprise of some part of retention and some is regular receivables. So, almost 30% of our receivables that is around INR 27 to INR 28 crores is retention part and the rest is receivable within the 90 days' time.

Siddhant Chauhan: Okay. And how about this INR 2,600 crores pipeline projects you were talking about in the investor presentation, right? So, what is the expectation, how much percentage you will be getting from these INR 2,600 crores?

Bhavin Gor: This INR 2,600 crores projects, is the bidding in pipeline, as we mentioned. Now, those projects are under various levels, in bidding stages. Okay. So, generally our success rate is 20%-25%. Okay. So, we expect that it will come according to that.

Siddhant Chauhan: 20%-25%. Okay.

Bhavin Gor: Yes.

Siddhant Chauhan: All right. All right. Thank you so much.

Moderator: Thank you. Our next question comes from the line of Darshil Jhaveri from Crown Capital. Please go ahead.

Darshil Jhaveri: Hello. Good evening, sir. Thank you so much for taking my question. Sorry, I missed the opening. So, pardon if there are some repeated questions. Just wanted to know what kind of revenue growth guidance we want to produce for this year and next year, sir?

Bhavin Gor: So, for right now, we are looking for around, on an average, 40% plus growth year-on-year.

Darshil Jhaveri: 40% plus growth for the next 2 years, right, sir?

Bhavin Gor: Yes. Yes.

Darshil Jhaveri: Okay. That's really great, sir. And in terms of margin, sir, how would those behave, sir?

Bhavin Gor: You are talking about EBITDA?

Darshil Jhaveri: Yes, sir. EBITDA margin.

Bhavin Gor: Yes. There will be an improvement of around 1% and so on EBITDA per part.

Darshil Jhaveri: Okay. 1% year-on-year improvement.

Bhavin Gor: Yes. Yes.

Darshil Jhaveri: Okay. That's really great to hear, sir. And, sir, just wanted to know like we have been now for this growth order book, we have a decent order book till next year, but the pipeline that we are bidding for, which segment are these more in, sir? Are they international more or private, like, which part are they, sir?

Subhash Kamal: Well, this is Subhash. Actually, we are bidding mostly for public sector and also overseas market.

Darshil Jhaveri: Okay. Sir, just wanted to know, sir, in terms of your net economics on overseas projects is a better margin yielding or how is that, sir?

Subhash Kamal: We cannot standardize this. The market is competitive as long as we have China around. So, we need China everywhere. So, I don't see. Yes, almost, it's competitive.

Darshil Jhaveri: Okay. But in general, is it better than our Indian margins? Like don't want an exact figure for us, but just in general, sir.

Subhash Kamal: See, we have enjoyed good profit also in some projects, but widely as we are putting a lot of thrust. So, now we know everywhere you have, what kind of competition is there, right?

Darshil Jhaveri: Okay. Fair enough.

Subhash Kamal: But it's still you can have a little more margin. Financial is more attractive for sure.

Darshil Jhaveri: Okay.

Bhavin Gor: Because of the increase in the dollar rate.

Darshil Jhaveri: Okay. I got that. Currency appreciation also.

Bhavin Gor: Yes. Because that is impacting quite more on the profitability.

Darshil Jhaveri: Okay. And sir, just wanted to know, like we have a very good target of growth of revenue. So, in terms of capacity constraints, like for us, what would that be? Like, would it be working capital or what would be a limiting factor which can impact our growth, right?

- Bhavin Gor:** No, in terms of capacity, see, we are EPC company. So, we are an asset-light company, basically. Okay. So, there is no capacity...
- Darshil Jhaveri:** So, I need it on the working capital
- Bhavin Gor:** Yes, working capital definitely, but bankers are ready to extend their cooperation. Okay. So, till reaching INR 500 crore plus top line, banks are ready to fund us. So, that is not a concern right now.
- Darshil Jhaveri:** So, okay. Okay. Yes. Fair enough, sir. That's it from my side. Thank you so much. All the best.
- Moderator:** Thank you. Question comes from the line of Karthi from Suyash Advisors. Please go ahead.
- Karthi:** Yes. Good afternoon to the entire team. Sir, many congratulations on the Hutni contract. I just thought it will be interesting to understand this slightly better. Did I hear you say at the beginning, opening remarks that you would be the partner for Hutni for all future ZLD projects? Did I hear you right?
- Subhash Kamal:** Not all the time. These two contracts, yes, they were kind of pre-bid. And we stand with the best credential for that kind of project. So, naturally, they were the choice and they are bidding for many more projects where we are working in the same line.
- Karthi:** Right. Sir, I see that the Rourkela plant, BOD plant contract was awarded to them October last year. Is this a part of the regular project schedule that there is a one-year gap between when they won the contract and when they awarded you the contract? Just trying to understand scheduling here, sir.
- Subhash Kamal:** Yes. So, in fact, their contract is for total package of the steel plant, that particular unit. Okay. Now, the wastewater and ZLD is part of their total package. So, once their part is finalized, their engineering and the sizing of effluent plant and all those things are cleared by their consultants, then our time comes.
- Karthi:** Right. Fair. Would there have been any inputs or validation by Hutni of the solution proposed by you, sir?
- Subhash Kamal:** No, not by them. It is by other consultant of the steel authority.
- Karthi:** Okay. Because Hutni also seems to have a lot of credentials in this area, especially in coke oven batteries globally. Therefore, I was trying to understand this.
- Subhash Kamal:** Exactly. So, they are coke oven battery people and we are ZLD for coke oven effluent.
- Karthi:** Absolutely. Yes. And the schedule, the commissioning for this would be in what time frame, sir? When would you start having meaningful revenues?

Subhash Kamal: In March, in fact, we are trying to, we still have to discuss because Hutni side, they also want to progress in March. Our engineering has already commenced. Okay. So, that's one, it's 18 months is commissioning.

Karthi: 18 months is commissioning. And payment would be on a milestone basis or would it be at the end of completion of the project basis, sir?

Subhash Kamal: No, it's back-to-back, like whatever terms Hutni has with the steel authority are the same terms of ours and they are milestone based.

Karthi: They are milestone based. So, it won't be like you have to wait for 18 months for invoice.

Subhash Kamal: No, It's every month billing, monthly billing.

Karthi: Right. And in the INR 2600 crore, do you want to call out how much would be such coke oven related projects, sir, if I may ask you?

Subhash Kamal: Well, I think there are 2 and we hope by December, before December, we should be inking a deal.

Karthi: Okay. Two more, is it?

Subhash Kamal: One is bid. Okay. And in fact, the steel plant is going for expansion in every place. So, batteries are being installed. So, we hope there will be two of coke oven, but not Hutni. It's not Hutni.

Karthi: Will Hutni be interested in taking you abroad with them, sir, for any of their projects?

Subhash Kamal: Yes. We are.

Karthi: Have you discussed anything with them?

Subhash Kamal: No, not with them. But we are already working in many other countries, exploring some new areas also.

Karthi: Yes. Sure. Just one last question. And this is more to the CFO, if I may ask. There were some deliveries, which was pending in previous half year, in fact, before March. So, how much of that spillover would have been accounted for in the first half, sir?

Bhavin Gor: I didn't get your question.

Karthi: If I remember, some amount of deliveries of components was pending.

Bhavin Gor: Yes. Okay. Pending. Yes, it is around INR 10 crores to 15 crores.

Karthi: INR 10 crores to 15 crores was booked in the first half.

Bhavin Gor: Yes.

Karthi: Okay. Thanks for answering the question. And best wishes sir.

Bhavin Gor: Yes.

Moderator: Thank you so much. Our next question comes from the line of Shaurya Punyani from Arjav Partners. Please go ahead.

Shaurya Punyani: Sir, I wanted to know, in the last call, you mentioned about that zero material discharge. So, what's the status regarding that?

Subhash Kamal: Now, papers are with our attorney. We have had several rounds of discussions and some additional input they needed. So, it's in advanced stage of filing.

Shaurya Punyani: Okay. We are still filing. So, do we have a timeline when it can be commercialized?

Subhash Kamal: By '27, we are planning to do.

Shaurya Punyani: FY '27?

Subhash Kamal: Yes.

Shaurya Punyani: Any idea about what kind of margins that we will get from this?

Subhash Kamal: I guess we will try to use what efforts we have put in. Naturally, we will encash it.

Shaurya Punyani: Okay, sir. Thank you.

Moderator: Thank you so much. Our next question comes from the line of Kenil Mehta from Boring AMC. Please go ahead.

Kenil Mehta: Sir, would like to know what will be the growth for the Financial FY '26? And what should be our growth trajectory and which are the projects we are targeting for next 3 years?

Bhavin Gor: Sir, actually, can you repeat the question?

Kenil Mehta: Sir, we would like to get a growth guidance for our FY '26 revenue? And also, what are the projects we are targeting over the next few years? What should be the trajectory on earnings and profitability?

Bhavin Gor: Yes. So, from a project perspective, growth perspective, we are looking around 40% growth for FY '26 over the last year, we are targeting.

Kenil Mehta: 30%?

- Bhavin Gor:** 40%.
- Kenil Mehta:** Okay.
- Bhavin Gor:** And as far as the EBITDA and PAT is concerned, obviously, we are going to improve on that by almost 1% in a year.
- Kenil Mehta:** Okay. Understood. That's all. Thank you.
- Bhavin Gor:** Thanks.
- Moderator:** Thank you, sir. Our next question comes from the line of Damodar Baliga from DB Investments. Please go ahead.
- Damodar Baliga:** Yes. Thanks for the opportunity. Sir, in the RHP, it was mentioned that we as a company operate in a very highly competitive environment. And if we are unable to meet the eligibility criteria and industry expectation in comparison with our competitors, we may not be successful in qualifying to bid for various future projects. So, I know eligibility criteria, you have already installed so many high-capacity ZLDs.
- So, other than that, is there anything very, very important criteria that you have, this is there in the mind, that's why it was mentioned in the RHP?
- Subhash Kamal:** Now, for, you see, one is technical, where mostly we meet the eligibility requirement. Financial are also there. When we look for large size project, there are financial criteria also. So, year by year, we have been improving. And I guess we are in a comfortable situation now with our revenue and all those criteria, mostly we are meeting, net worth and all those financials.
- Bhavin Gor:** Sir, there are a couple of projects that are criteria like last audited turnover price of that you can bid for that single project. So, gradually as and when we are growing, we are increasing our single project capacity. Okay, previously it was INR 200 crores or something. Now it is going with these financials, we can go up to INR 500 to INR 600 crores on single projects.
- Damodar Baliga:** Okay. Sir, I know, since you have listed and your net worth also is going up, so your eligibility to take up a single project would have gone leaps and bounds. But what I am worried more is the technical eligibility criteria. Is there any other things which prevents the company from participating in any other bids? Any technical eligibility criteria, that's all I want to know.
- Subhash Kamal:** Technical eligibility comes by your size of the project and also the type of processes. Now, when you say ZLD, you should have done a ZLD project, right, which is the market, that's the opportunity. So, where we do have several references by now. Earlier, yes, we were struggling, we didn't have our own credential, but progressively we got established.
- Damodar Baliga:** So, now, fairly, we cover all the bases and we can take part in most of the tenders?

- Subhash Kamal:** Yes. See, the growth process, now the projects we have got or we are executing, we just handed over, right?
- They are creating my eligibility for next financial year. Okay. Right. The new contract I have signed it now, the result I will see after 2 years. So, this is a continuous process. So, what I am doing today, I couldn't do 4 years back. I was not eligible. What we will do now, will make you 5 times bigger, 2 years down the line. That's how we grow.
- Damodar Baliga:** Okay, good. Sir, just if you are comfortable, is it possible to share some few major competitors' names both in the domestic and the export market where we are currently quoting and getting the orders?
- Subhash Kamal:** We like good companies, VATech is one, then case-to-case, sometimes, now as we are going for larger projects, we also meet L&T, Tata Projects, right, VATech is there, Ion Exchange is there. And when it's EPC, similarly we do not find Ion Exchange and Thermax. They prefer to have only supply kind of thing without involving site work.
- Damodar Baliga:** The names you mentioned are all very big players. So, we would be winning the orders, not only on the technical aspect, but also on the financial, where we would be the L1 for the, whatever the projects that they have tendered, correct?
- Subhash Kamal:** It's always L1, but our preference is where the evaluation is not only based on figure, but arrive the figure by giving weightage to the efficiency, energy saving, waste generation quantity should be minimum, so there are so many other evaluation criteria which are weighed. So, if I do better engineering at bidding stage, then we have edge over others in terms of figure.
- But in many cases, it's a state what the figure is. If I am L1, then it's mine.
- Damodar Baliga:** Okay. Sir, my second question is regarding the margins. Normally your H1 margin used to be low, comparatively. Like last year, for September '24, it is at 11%, now September '25, it is at 17%, which is almost similar to the March '25 margin figures. So, my first question is, what are the reasons for this improvement in margin, one.
- Second is, for March '26, can we expect like this 5% to 6% increase in margins vis-a-vis versus March '25 margin figure?
- Bhavin Gor:** Yes, see, our EBITDA in general is 16%, 17%, 15%. Okay. So, see, basically the margin depends on the sales mix, okay. And sales mix again depends on the project cycle, at what stage the project is. Now a project is also bifurcated in multiple parts like design, engineering, civil part, supply part, commissioning, okay. So, that is the reason that there is a change over it. But on an average yearly, we have stabilized at 16%, 17% margin.
- Damodar Baliga:** What I was saying is, for example, for September '24, our EBITDA margin was around 11%. Whereas for September '25 H1, we are at 17%. Now there is a 6% increase in margin.

Bhavin Gor: Yes.

Damodar Baliga: Now, are you saying this increase in margin is purely attributed to whatever the product...

Bhavin Gor: That is because of the sales mix, yes. ZLD technology, we are more of the ZLD. Now if you look at in this quarter, we are 90% of the revenue from ZLD projects. That carries high margin.

Damodar Baliga: Okay. So, now, for next H2, see for March '25, half yearly EBITDA margin was 18%. So, what I am asking was, for March '26, will it become 22% or 23% is what my question is.

Bhavin Gor: No, no, no, no. It was not 20%, 18%. See, March '26, we did a 16%, 17% EBITDA, which remains continued.

Damodar Baliga: No, sir. You are taking for the full year. What I was telling March '25 is for H2 FY ' 25, the margin was 18%. EBITDA margin.

Bhavin Gor: You are referring...

Damodar Baliga: H2 FY '25.

Lina Lad: H2 FY '25. Not in consolidated.

Bhavin Gor: Okay. Not in consolidated. You are only taking that half of the year.

Damodar Baliga: Correct. H2, that's what I am trying to tell you.

Bhavin Gor: Yes. That we can. On an average, see, because in first half EBITDA was less, so on an average it is 16%, 17%. Okay. Because that may happen that there was some design engineering billing was done. Okay. So, in that cost is less, margins are high. But on an average, the margin remains 16%, 17% EBITDA.

Damodar Baliga: So, you are saying basically 16% to 17% is what we can expect.

Bhavin Gor: Yes, that is stable margins.

Damodar Baliga: Okay. Sir, we have heard of this zero liquid discharge, but I believe the company has come out with, I don't know whether I should say technology or a process to have even zero solid discharge. That understanding is correct?

Bhavin Gor: Yes, I can just hand it on to Subhash sir. He will be able to add more on this.

Subhash Kamal: Yes, sir. In fact, zero liquid discharge is current reality, but anything that works for a couple of years, then something new has to come. So, the pain point of ZLD we have addressed, on which we were working for quite some time. Now after several trials and all, we are in the stage of

filing for the patent before we commercialize it. And my several clients eagerly are waiting for a patent to be in place. So, that will help you to really make zero discharge.

Because we are patenting under zero material discharge. That's what we got approval for. Wherein there will be no residue. That will also be a product. Presently, zero liquid discharge makes you selfish, just by taking out water for reuse and dumping all the contaminants. So, finally, it's going to pollute somewhere. So, we are turning that into product.

Moderator: Yes, Mr. Damodar has left the queue. Our next question comes from the line of Srinivas Janga, an individual investor. please go ahead.

Srinivas Janga: Yes. Good afternoon. Congratulate the team for your efforts. And it's a really good number. So, looking forward, just about the zero discharge only. So, once this commercializes, and you are going to make products through this wastage also. So, what are your expectations going forward after another 2 years? And how much margins we can expect in this one?

Subhash Kamal: With something new, which is going to help industries reduce their operating costs. Of course, they would like to share with us in terms of better improved profit. And with our patent, I think we can expect good time frame to keep on propagating the zero material discharge.

Srinivas Janga: Okay. So, the products, what kind of products we can expect sir, with this wastage?

Subhash Kamal: From this, the product.

Srinivas Janga: Yes. Product.

Subhash Kamal: It's industry specific actually. So, we can't say which industry, and what product. That too, we can only reveal once we have our patent in hand.

Srinivas Janga: Okay. Sir, my next question is, do you see any headwinds going ahead? And how you would be mitigating the risks in those kinds of things?

Subhash Kamal: Risk?

Srinivas Janga: Any headwinds, and how to mitigate those things?

Subhash Kamal: No, I am not getting you, sir.

Srinivas Janga: Sir, I am asking about the headwinds, any headwinds you see going forwards?

Lina Lad: Any issues.

Srinivas Janga: Like project cancellations or any other things are...

- Subhash Kamal:** Mr. Srinivas, we do a lot of analysis before we decide to participate. So, that does not happen. And it's not that we are dealing with unorganized sector. We are only with public sector, NTPC, ONGC, and IOCL, Steel Authority. Right? So, there, even before the requirement comes, the day bidding opportunity comes, it's almost more than a year. So, it's well-planned, it's part of the strategy, right from Government. And they are irreversible, irrevocable.
- Srinivas Janga:** Yes. I understand.
- Subhash Kamal:** And not affected by global at all. They are typically not at all affected by anything. They have to move forward one way.
- Srinivas Janga:** Wonderful, wonderful, sir. That is really good. Thank you, sir.
- Moderator:** Thank you so much. Our next question comes from the line of Sivaramakrishna Kodali, an individual investor. Please go ahead.
- Sivaramakrishna Kodali:** Yes, please accept my congratulations for a very good performance in the first half. My first question is, like the order book has improved significantly compared to about 6 months ago. But about a year ago, we had an order book of INR 500 crores. Compared to that, after a year, a 450-year crores order book is slightly disappointing. What are the reasons that we are not able to increase the order book, point number one?
- Point number two is this zero discharge that you people have been talking about and wanting to patent. Is there anybody else in India doing it?
- And the next question is, who in the world is doing the zero discharge process? Who are the companies? In a sense, like which companies in the world are doing it? And the follow-up question for that is, zero discharge right now, I don't think is statutory. So, it has to be voluntary from a potential client of yours. So, that means you will have to promise them a payback period for using your zero-discharge technology.
- So, what sort of payback, whatever it is, because typically, which type of companies are you looking at? Because this is the sort of initiative that only companies which are very, very progressive can really look at, right?
- So, are you really looking at companies which would be using the zero discharge technology, sir? So, these are my questions.
- Subhash Kamal:** Yes, I will take your last question first. As you rightly said, voluntarily, there's no one to do it. This concept was evolved to reduce the pain point of industries who are compelled to go with zero liquid discharge. After our ZLD, what is left over is a pain point. It costs a lot of money for industries.

So, if we could address that, then in the interest of industry, it's not a choice or, you know. Therefore, when you implement zero discharge, right, it means you are reducing your operating cost. And that cost is primarily disposal of the residues in landfill sites.

Sivaramakrishna Kodali: You are looking at offering an upgraded, value-added solution to your existing clients?

Subhash Kamal: Yes, and to new, all new. Even today, whoever has done zero liquid discharge, they all are suffering very badly. They are paying every month, huge money. So, CapEx is one part for ZLD. But OpEx is important. Those days are gone when, okay, CapEx one time and OpEx in our hand to operate or not. That is not happening. So, beyond ZLD, you have lot of issues to be handled. That's where we want some solutions.

Sivaramakrishna Kodali: But why do you need a patent to offer this solution?

Subhash Kamal: Yes. We have put in a lot of efforts, and finally my company has put in efforts. So, they need to be rewarded. And we have to mitigate the copiers, again producing the same concept.

Sivaramakrishna Kodali: So, the patenting is to protect your intellectual property?

Subhash Kamal: Exactly.

Sivaramakrishna Kodali: Let's go back to my first question in terms of why the order book is not really moving the rate at which the revenues are moving?

Bhavin Gor: So, order book, we have already bidded last time also, and last call also we mentioned that more than INR 2,000 crore orders were already bidded. Out of which INR 150 crore order just we announced last week. Another INR 400, INR 500 crore orders are on the final stage where we are expecting to get it in a month's time. So, by March, we are expecting INR 700 crore confirm order book in hand.

Sivaramakrishna Kodali: By March 2026?

Bhavin Gor: Yes.

Sivaramakrishna Kodali: Okay. And somewhere in the presentation was there a mention about shortage of manpower for operations and maintenance?

Bhavin Gor: No.

Sivaramakrishna Kodali: Would there be a limitation in terms of availability of manpower that could limit the potential contracts for operations and maintenance which you started in a very small way?

Subhash Kamal: You know, as far as earlier days of operation and maintenance was limited to supplying the manpower, not the quality manpower. So, when you have got sophisticated systems to operate, that is ZLD, right? These plants are almost like an industry, running industry, right? So, you

need qualified people, qualified electrical engineers, you need mechanical, you need automation. These are all PLC-based systems, right? So, initially there was a challenge.

See, if I deploy a team of 40 people, all with this qualification, I have to pay heavily, where the industries were not willing to pay, right? So, either you had good profit by employing illiterate manpower with such systems. Now our focus is operation maintenance, where you make money, where your quality of manpower is valued.

So, what we have done, we have been talking to all PSUs, our clients, that when you go for your EPC portion, why don't you add at least 5 years of O&M also? So, your plant will be run by anyone. We are winners, so we will be taking care of your project. So, now that trend has already started and all the projects that we have, in fact, almost all the projects, they have either 3-year operation or 5-year operation.

Sivaramakrishna Kodali: Okay. And what percentage of revenue would you like to achieve through O&M going forward, maybe 3 years down the lane?

Bhavin Gor: 3% to 4%, sir, on the top line.

Sivaramakrishna Kodali: Only 3% to 4% of the top line?

Bhavin Gor: Right now, in the coming couple of years. Then we may increase.

Sivaramakrishna Kodali: Okay. Thank you.

Moderator: Thank you, sir. Our next question comes from the line of Prabal Jain from SM Holdings. Please go ahead.

Prabal Jain: Yes, actually, most of my questions have been answered. But just to check on the order book, just want to make sure I heard it right. You are expecting INR 700 crore plus of confirmed order book by this year end. That is what you are targeting?

Subhash Kamal: Yes. Correct.

Prabal Jain: Okay. Yes, fine. That's it. Thank you.

Subhash Kamal: Thanks.

Moderator: We will wait for a moment while the question assembles. Our next question comes from the line of Sameer Qamdar, an individual investor. Please go ahead.

Sameer Qamdar: I wanted to ask what would be the addressable size of the market for the zero material discharge product that will come up probably in a year or two down the line? What kind of market are we envisaging in terms of revenue?

- Bhavin Gor:** Just a minute, sir.
- Subhash Kamal:** I have some data. Total ZLD market in India is expected to double to almost \$20 billion. Indian market, I am referring to. In '23, it was around \$8 billion. It's expected to grow to more than 2x in the next 5 years. Now, these I am referring to ZLD projects, because most of the projects are ZLD projects when it comes to industries. And all ZLD projects will become zero material discharge projects. Those who are existing ones, they will probably go to upgrade it to zero material discharge to reduce their recurring costs. And all the new projects will surely be zero material discharge.
- Sameer Qamdar:** Okay. So, the solution that we are going to patent, are we applying for international and domestic patent, or is it just for a domestic patent?
- Subhash Kamal:** No, it's for international and domestic both.
- Sameer Qamdar:** Okay. And one more question is in terms of, is there a similar kind of product in the market with other competitors, or would this be a first to the industry, especially for India?
- Subhash Kamal:** See, when you apply for patent, the process has been going on for more than 6 months internally. That's where all these questions come from the authorities, right. Before it comes from our authority itself, wherein we have to give all global, similar, or very close to what you are doing. Those details are shared. And only after they find it worth, they consider you for the step where we are, number 1. 2, there are processes where people have tried zero material discharge.
- By part recovery, there are few in China. But the process that they adopt, your CapEx increases, and the output is not really zero. So, I am aware in one of the leading client, he's our client also, some companies approached, but they could not afford to implement. That process was so big, so complex. So, what we have done is a simple process. And if I have to set up a new project of zero material discharge, will cost you the same, if not less, what costs a ZLD system. Right? So, our whole process is different.
- Sameer Qamdar:** Okay. So, you are saying that the companies would then definitely prefer to go for ZMD instead of ZLD?
- Subhash Kamal:** You are right. Yes.
- Sameer Qamdar:** Okay. Right. Yes, I think that's all my question. Thank you.
- Moderator:** Thank you, sir. Our next question comes from the line of Sanfu from Dream Big. Please go ahead.
- Mr. Sanfu, you may please proceed ahead with your question. As there are no response from the line, we will move forward to the next participant.

Our next question comes from the line of Neelabh Tewari, an individual investor. Please go ahead.

Neelabh Tewari: So, sir, I have a follow up question on the new technology. So, I think you just mentioned that we can also upgrade the existing ZLD plants also, right? So, I just want to understand that when we finally launch it, will we grow faster in upgrading the existing facilities or will we kind of go with new establishments? Like the purpose why I am asking is that I want to understand that how fast we will be able to prove this technology to our customers, so that the adoption will be faster.

Subhash Kamal: Yes, those existing plants, they will be very desperate to implement it, because every day it costs a lot of money to them, and disposal costs for the residues. So, all existing ZLDs will go.

Neelabh Tewari: Right. So, basically, our first attempt would be to kind of work with the existing facilities, quickly prove it, and then kind of scale with new. So, you will probably not take new contracts for that from scratch. You will first work on the existing ones to upgrade them.

Subhash Kamal: Both are parallel. In fact, somewhere with some kind of NDA, we have already given our proposal for zero material discharge, with some NDA we have to sign, and we would share and we hope in the next 6 to 8 months that first project we should get.

Neelabh Tewari: Right. Cool. Thank you, sir. That answers my question.

Moderator: Thank you so much. Ladies and gentlemen, due to the time constraint, that was the last question for today. I would like to hand the conference over to Mr. Subhash Kamal for closing comments. Thank you and over to you, sir.

Subhash Kamal: Thank you everyone for joining us today and for the insight questions. We trust the discussion offered meaningful clarity on our performance and strategic direction. For any additional information, please feel free to reach out to our investor relation officer. We appreciate your time, and look forward to engaging with you all very soon once again. Thank you.

Bhavin Gor: Thank you.

Varsha Kamal: Thanks.

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