ENVIROTECH SYSTEMS LIMITED
(Formerly **Envirotech Systems Pvt. Ltd.**)
Corporate Office: B-1A/19, Commercial Complex, Sector-51, Noida-201307(U.P.)
Works: Plot No.: 345-346-347, Ecotech-1 (Extension), Greater Noida-201308 (U.P.)
Telephone's: 0120- 4337633, 4337439 **E-mail :** sales@envirotechltd.com
CIN : L31101DL2007PLC159075 **Website :** www.envirotechltd.com
ISO 9001 :2015
ISO 14001:2015
ISO 45001:2018

Date: 19th November 2026

To,

The Manager,
The Listing Compliance Department
National Stock Exchange of India Limited,
Exchange Plaza, Plot no. C/1, G Block,
Bandra-Kurla Complex Bandra (E)
Mumbai - 400051

Symbol: ENVIRO

Subject: Transcript Of the Earnings Call Held on November 16, 2026, At 04.00 P.M On Unaudited Financial Results of The Company as On September 30, 2026.

Dear Sir / Madam,
In compliance with Regulation 30 and 46(2)(oa) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are pleased to enclose herewith the transcript of the audio recording of the Company's Earnings Call to discuss the unaudited Financial Results for the half year ended September 30, 2026.

The transcript is also available on the Company's website at the following link:

Transcript

Kindly take the above information on record.

Yours faithfully,
For **Envirotech Systems Limited**

AVINASH PRABHAT
Digitally signed by AVINASH PRABHAT
Date: 2026.11.19 16:57:02 +05'30'

CS Avinash Prabhat
Company Secretary & Compliance Officer
Membership No. A76831
Place: New Delhi

"Envirotech Systems Limited

H1 FY27 Earnings Conference Call"

November 16, 2026

MANAGEMENT: **MR. MANOJ KUMAR GUPTA – CHAIRMAN AND MANAGING DIRECTOR – ENVIROTECH SYSTEMS LIMITED**
MR. ARUN KUMAR – FINANCE DEPARTMENT – ENVIROTECH SYSTEMS LIMITED

Moderator: Good afternoon, ladies and gentlemen. I am Muskaan, the moderator for today's conference call. Welcome to the Envirotech Systems Limited H1 FY27 Earnings Conference Call. Joining us today from the management team of Envirotech Systems Limited are Mr. Manoj Kumar Gupta, Chairman and Managing Director; Mr. Arun Kumar from -- of Finance Department.

Before we begin, I would like to remind all the participants that today's call may contain forward-looking statements about the company's future business prospects, financial performance, and strategic initiatives. These statements are based on the management's current expectations and are subject to risks and uncertainties that could cause actual results to differ materially.

Envirotech Systems Limited does not undertake any obligation to publicly this forward-looking statements. For a detailed discussion of this risk, please refer to the company's filing with the National Stock Exchange of India. As a reminder, all participant lines will be in the listen-only mode during the management's opening remarks, and there will be an opportunity for you to ask questions after the presentation concludes.

I now hand the conference over to Mr. Manoj Kumar Gupta, Chairman and Managing Director of Envirotech Systems Limited, for his opening remarks. Thank you, and over to you, sir.

Manoj Kumar Gupta: Thank you. Good afternoon, everyone, and a warm welcome to Envirotech Systems Limited earnings conference call for the half year ending September 30, 2026. I hope all of you are doing well, and I would sincerely appreciate you taking the time to join us today. Our unaudited financial results for the H1 financial year '27 and the accompanying investor presentation have been uploaded to the NSE portal and our corporate website. I trust you have had the opportunity to review them.

I will come to our strategic inflection point and core positioning. For those joining us for the first time, Envirotech Systems is a specialized acoustic engineering company delivering end-to-end noise measurement and control solutions across industrial, commercial, architectural, and defense applications.

Over the years, we have built deep domain leadership in anechoic chambers, semi-anechoic chambers, acoustic enclosures, test cell acoustic treatment, noise barriers, and various specialized acoustics work as well as fire-rated doors that we are serving to multiple clients across defense, power sector, HVAC, automobile segment along with our HAL, DRDO labs. We are serving Indian Navy, NTPC, GE, Havells, and other corporate clients too.

Today we have a pivotal strategic information point. Over the last six months, we have moved from planning to execution of our major capacity and product expansion that positions Envirotech Systems for its next multi-year wave of growth. What are the key drivers behind H1 performance to give you clear visibility into the numbers.

Three deliberate strategic factors shaped our H1 financial year '27 performance. They are new capacity expansion, R&D partnerships, and future guidelines. Looking ahead, our growth roadmap is backed by concrete capacity additions, high-margin defense demand, and premium R&D collaboration. Automatic fire-rated door verticals we have just initiated, and we have developed -- established automatic plant for manufacturing of fire-rated doors.

They are equipped with advanced laser cutting technology machines, online powder coating lines. Having an annual capacity of 36,000 doors which represent incremental revenue potential of something around INR72 crores at full utilization. Operating at an initial 20% utilization in financial year '27, this vertical will scale progressively across financial year '27 and financial year '28 to deliver both top-line growth and operating leverage.

Upcoming our new facility that is new plant at D-3, we will have a potential to grow up to INR300 crores. We have secured required regulatory approval for our new 1 lakh square feet facility. It is we are going to construct a basement plus four floors in Greater Noida. Construction and commissioning are on track for the completion within 12 months.

Positioning this facility to contribute meaningfully in financial year '28-'29 and financial year '29-'30. And unlock up to INR300 crores in total revenue once all facilities will be fully utilized. High-margin institutional orders. We are seeing strong recovering demand from the high-margin defense sector, executing specialized unique chambers and acoustic solutions for DRDO, HAL, BEL and other Indian Navy and Air Force at different locations like Hyderabad, Bengaluru, Delhi, and Visakhapatnam, several segment areas we are working with them.

We are also trying to enter B2C with some soundproofing solutions. We are also doing something good in R&D and global technology tie ups. We have signed exclusive partnership, as most of you will be aware, with IIT Delhi, which is for converting agricultural and plastic waste into a sustainable acoustic material. This development is at an advanced stage.

We have also done CSIR, National Physical Laboratory for developing, you know, solar noise barriers, so that it will generate the power as well as protect against noise. That is also at an advanced stage. Hope that both of these will be developed soon. So, it will give a kick-off in the market sphere following the new specific and unique segments.

We are also associated with an exclusive product of CKM Taiwan, that is microperforated aluminum, having very unique performance properties and it is a patented technology. So, we have tie up with them. We are having a robust order book and financials, supported by our current active order is something around INR31 plus crores as of now in the November '26. And we are at advanced discussions with some large orders and repeated institutional orders.

We are striving to achieve approximately 20% full year top-line growth in financial year '26. We are targeting something around INR70 crores nearby in -- for the total revenue in the year end. And utilize some skills across our new verticals over the coming quarters, operating leverage will drive sustained margin recovery, keeping us firmly on track towards our medium-term revenue aspiration of INR300 crores over the next three to four years. That is for sure.

Now, I would like to hand over to Mr. Arun from the Finance Department to take you through our financial highlights. Mr. Arun, please.

Arun Kumar: Thank you, sir. Hello, ladies and gentlemen. I would like to take you through our H1 financial year 2027 financial highlights. Our revenue came in at around INR24.82 crores for the first half. This is almost around 95% of our last year's revenue for the same period, that is INR26.25 crores.

Our operating profits, we generated a positive EBITDA of INR2.9 crores and a PAT of INR10.2 lakhs with an EPS of around 0.05.

While our near-term margins reflect upfront commissioning costs of the new expansion and a step-up in depreciation which rose from like INR19.65 lakhs in H1 financial year 2026 to INR2.01 crores in H1 financial year 2027, as new assets came online. Our core operations remained profitable throughout this transition.

Our net worth has increased, I mean from -- having reached to INR76.11 crores as of September 30, 2026, from INR69.88 crores for the same period last year. Now, we have successfully capitalized a lot of our plant and equipment, and that is why that you see our fixed assets have increased to INR43.55 crores. While there has been a substantial capex cycle, but our debt-to-equity ratio still remains quite conservative at around 0.21x.

Our trade receivables have improved to INR30.84 crores from, I mean, this is a slight improvement over March 2026, which were at around INR31.51 crores. As of date, that is as of 1st November, 2026, our receivables have gone down to INR22 crores, underscoring healthy milestone-linked collections. Meanwhile, our inventory has increased to around INR11 crores.

Now this increase in inventory is more to support our new production lines and it is also a hedge against raw material price volatility. Because of the US-Iran war, the cost of raw materials across has increased a bit. So, taking that into account, we had stocked some inventory in advance.

Now, our key drivers behind H1 performance. Upfront commissioning and fixed cost absorption, as our automated manufacturing lines and expanded facilities ramped up, upfront fixed overheads, including our 25.1% increase in employee benefit expenses to INR4.75 crores and higher operational commissioning costs, flowed through the P&L ahead of full revenue realization.

Non-cash depreciation. Our depreciation has increased quite steeply from around INR19 lakh to more than INR2 crores. This is because of our asset buildup and because the new facility is commissioning online, that is how our depreciation costs have increased. So, initially because of the commissioning of the new facility and other things, the costs both on the expenses side as well as depreciation, everything has increased. Going forward, once the facility is fully operational, our overall margins will revert back to normal. So, for a short while, I think for almost one year, our margins would be under pressure.

With that, I would now like to open the floor for Q&A. Thank you.

Moderator: Thank you very much. The first question is from the line of Aman Soni from Seven Alpha Investors, please go ahead.

Aman Soni: Hi, am I audible?

Management: Yes, sir. Good afternoon.

Aman Soni: Good afternoon. In FY26, we had guided for revenue of approximately INR100 crores, where we have achieved only INR57.6 crores, resulting in a significant shortfall of over 42% on guidance. For FY27, we are targeting around almost 22% revenue growth. But in H1 FY27, we have reported a revenue decline of 5.45%. What are the key reasons behind the continued gap between our growth expectations and actual performance?

Management: There has been some gap last year and that was more so because of the US-Iran war, which affected the supply of raw materials. Also on the demand side, various infrastructure projects were kept on hold and there were certain changes that happened and that affected us. And that was the reason why our revenue for even last year, we couldn't meet the targets. Now, instead of giving lofty revenue targets, we have given a very conservative revenue guidance, which we are very, very hopeful of achieving this year.

Our expansion and transition is ongoing. What is happening is that our expenses have gone up because the number of employees and everything have increased. So, that is the reason why you will see that the top-line growth, although that is just 5% down, but our overall margins have declined a lot. Going forward, once our facility and everything is operational, these costs and will be absorbed and our margins would revert to normal. Thank you.

Aman Soni: Okay, understood, sir. That's all from my side.

Moderator: Thank you. The next question is from the line of Pradeep, an Individual Investor, please go ahead.

Pradeep: Hi, am I audible?

Moderator: Yes.

Pradeep: Hi, thanks. So, on the margin front, I understand that depreciation and employee expenses have taken up quite a bit of the margin. But even the raw material inflation was quite high. So, do we have the ability to pass on the raw material inflation to our end customers?

Management: See, currently what you see is a temporary effect since we had taken certain projects and in that we could not pass on the increased cost fully and that is why it has affected our operating margins. Going forward, we have built in the new raw material costs and everything in our costing and we are very confident that going forward our margins would improve and will go back to normal levels. But, of course, all this is considering that the macro picture remains more or less the same.

Pradeep: Now, respective to the macro environment, so for the current order book, how much of the pass-through is built in the order book and like what portion of the order book?

Management: The pass-through is dependent on each project. In some cases, we do negotiate with the customers and we are able to pass it through entirely in some of them, it is like 50-50. It depends for each contract, it's quite separate. So, I mean, I can't give you one reason that will be satisfactory for all projects, but it depends from project to project. In certain projects, we do not

have the flexibility to pass on the increased cost. But in some of them, we are able to pass-through.

In most of the cases, in fact, we have been able to pass it, but in some cases, of course, we do not have that pass-through. Going forward, we have taken all these into account and if we do not see any drastic or major changes in the macro picture, we are very confident that our margins will revert to normal. Thank you.

Pradeep: Okay. just to kind of dig deeper on the current order book, would you say a majority of them have a pass-through clause, some kind of a pass-through clause?

Management: Sorry, in current order book?

Moderator: Sir, can you speak little louder please.

Pradeep: Sorry, again. On the current order book, would you say that majority of the order book has a pass-through clause, some kind of pass-through clause?

Management: No, in our normal tendering and everything, exclusion clause is not there. Okay, so we can't change it ourselves. Normally we bid for government projects or PSU projects and other things. In that, it is quite strictly, I mean, there are no pass-through clauses as such. But yes, for most of our clients, which are long-term, we are able to negotiate and pass it through. Only in certain, very few cases, it becomes a little difficult. But in our order book, in most of the cases, we are very confident that we have taken into account escalated costs and everything.

Pradeep: Got it. Thanks. My second question is on the facility on the doors, the fire-rated doors. I just wanted to understand our competitiveness over here. Firstly, like what will be our distribution channel to sell this? And secondly, who are our major competitors and how are we faced against them? Like what is our motive?

Management: So, with respect to the fire-rated door facility, we have developed because of the fire-rated doors and the regulations as per the government norms and everything, there is a huge market and it is increasing drastically. So, yes, there are a few big players are there and localized players. We are trying to pitch to major government projects as well as top-level builders. That is what we are targeting for. So, we got our product duly certified.

That was the reason it was delayed a little bit, because of certain regulations and certain certificates needing to be obtained to pitch it into the market. Now, we are ready with all necessary certificates. So, we have developed an enhanced facility to cater to the high volume of market demand. So, I hope I have replied to you regarding the government and large builder products. We will be bidding directly. We are not going with any distribution network in retail. So, we will be targeting big projects only.

Pradeep: Got it. Have we had our first sale yet on that side?

Management: I am sorry.

Pradeep: Have we had any sales yet, or are we still to do the first sale through that?

Management: This is not our first thing. We have been into fire-rated doors for quite a long time. In fact, we have done very prestigious projects in the new parliament building, in many auditoriums and all, like all the Cinepolis auditoriums, you will find our fire-rated doors. Okay, so it's not a new product at all. It's just that we are making it on a very commercial scale now, okay?

So instead of one or two or 10 or 20, we have developed a specific facility for fire-rated doors itself. So, we'll be doing something like 3,000 doors a month, that is around 36,000 doors. That is the capacity that we have built up. And very few players have this rating and certification that we have taken. It has taken us time to reach there. But I mean, there are very, very few players who have that kind of certification for this.

Pradeep: But we are confident on the utilization based on the demand for this, right?

Management: The utilization will not happen on day one. I can't say that 100% utilization will happen in say even the first six months. It would be gradually ramped up. So, we are confident that we will be reaching 100%, but that will take some time. I can't give you a picture that it will happen within one year or so. But yes, we are looking to ramp it up in two to three years.

Pradeep: Okay. Lastly, I think previously you had mentioned that you'll be focusing on large orders like INR10 crores plus, we haven't seen any coming through so any update on that, like when can we start seeing such kind of orders?

Management: Yes, so currently you can see we are serving with orders of INR1 crore or INR1.5 crores or INR2 crores, those orders we are executing. The large-scale projects that we were projecting earlier are still in the pipeline, a few of them are government, leading government ones. So, amendments and technical clarifications are all ongoing.

It's not like that we will not initiate a good order as of now, but in the first half of the financial year, that could not be matured. Although they are in the pipeline and we are sure that definitely a few big orders will come into our funnel. Besides that, we are regularly serving whatever capacity we are having.

We have sufficient orders with us and that we are managing and executing. So that is taking some time being an order.

See, sometimes the delay happens from the government side also, right? And this is our first time that we have been bidding for such large orders, so initially we didn't have an idea that it would take so long.

What happens is sometimes the decision-making from the side of the government or the PSU takes time, sometimes the project itself is on hold. So, we have been waiting, we are still waiting for the outcomes, and we are very hopeful of having one or two or maybe more large-size orders very soon.

Pradeep: Got it. Thank you very much and best of luck. I will get back in the queue.

Moderator: Thank you. The next question is from the line of Abhishek Singh from Six Sense Securities. Please go ahead.

Abhishek Singh: Hello, am I audible?

Moderator: Yes, sir.

Abhishek Singh: I have two questions. I'll start with the first one. So, as of September 2026, the receivables stood at around INR31 crores, that is just about INR1 crore less than the previous year, and in the November presentation, we are mentioning that the receivables have dropped to around INR22 crores, so it is around an INR8.8 crores decrease in receivables. So, has all that amount been collected in cash?

Management: Actually, what happened was that I couldn't hear the first part. It was inaudible. Can you just repeat your query, please?

Abhishek Singh: Yes. I'm saying that in September 2026, the receivables were around INR31 crores. Okay, but in the presentation, we are quoting that the receivables came down to INR22 crores. So, all the INR8.8 crores…

Management:: Correct, has been recovered, and none of our receivables as of now, I mean, all of them are good and none of them are ones for which we have to make any provisions or so. But yes, our receivables were high at that point. Now the collections and all are going on fine and receivables are coming down. That is also the reason that as of November 1st we posted the update.

Abhishek Singh: Okay, so none of the outstanding ones are like we are making any provisions or they are outstanding for let's say 180 plus days. So, nothing of that sort.

Management:: No, no. Most of our customers are long-term customers. So, we have comfort and I don't think that we will need any provision as of now.

Abhishek Singh: Okay, okay. Thank you. My next question is on the order book part. We have a current order book of around INR31 crores that is broadly in line with all the previous years and the previous commentary. But we are guiding for a 20% growth year-on-year this time. We are still having unit three not at 100% utilization.

And the incurring costs that we are facing due to the ramp-up, the higher employee costs and the higher depreciation. What is the EBITDA margin that we are expecting maybe in the next financial year or the next half year? And how much of the 100,000 square feet unit capacity of unit three are we currently utilizing?

Management:: As far as EBITDA margin is concerned, I think it would not be right for us to comment as of now because the expansion process and everything is ongoing. We are still adding more employees, still expenses are being incurred on expansion, growth and all that. So, our margins as of now will remain under pressure for some time. And once our utilization picks up, then the margin itself will recover.

Abhishek Singh: Okay, okay. And on the units, how much of that 100,000 square feet are we currently utilizing? What percentage?

Management:: So, on the second part, we are utilizing approximately 20,000 square feet of the D3 facility. The total size would be more than 100,000 square feet once it is fully developed. I would say that of this 20,000 square feet, we are utilizing around 80% to 85% of the space.

And we have received approvals that were pending for the remaining part and the work is going on to develop that. I think it will take approximately 12 months to develop it entirely.

Abhishek Singh: Okay. Thank you.

Moderator: Thank you. The next question is from the line of [Sonpan 0:27:20] and Individual Investor.

Sonpan: Hello?

Moderator: Yes, sir.

Sonpan: We can't hear the query. I mean…

Moderator: Mr. [Sonpan 0:27:40], go with the question, please. As there is no response from the participants, we'll move to the next. The next question is from the line of Manish, an Individual Investor. Please go ahead.

Manish: Sure.

Management: Hello? Yes.

Manish: Hello? Yes, I'm audible now. I'm Manish. Actually, I have 2-3 questions. One question is about your expansion plan which you have described last year where 40% capacity was started around July 25th and 60% was due to start in January 26th. So that capacity, 1 lakh 21 square foot, I think so, is started or is due?

Management: No, no, what has happened is that it was partially operational in July 2000 -- I think 2025.

Manish: Yes, right.

Management: And after that we were stuck with the approvals and all. Approvals have come now and we are in the process of completing that D3 facility entirely. So, I think it will take approximately 12 months to complete that. Once that is complete, we'll be adding in total approximately 1 lakh square feet.

Manish: And 36,000 doors which you have said in recent…

Management: That is different. That is our -- we have another plant which is existing with us that in that we have created this, you know, the facility for fire-rated doors. So that is 30,000, 36,000, Yes, doors. Kind of capacity.

Manish: And any plans to raise money within next 1 year or so?

Management: At our current prices, no, not at all.

Manish: Not at all. I mean, last year you have given guidance which was too high. So, what do you expect for FY28?

Management: See, the point is there were many things that were out of our control. I mean, war happened in February and it impacted our projects, our raw material availability, and anything. That was something unforeseen. Okay, so that has impacted us. And of course, there were certain what should I say, our approvals didn't come, you know, as we expected. So Yes, we could not achieve the guidance that we could, that we gave.

But this year, that's why we are very, very conservative, and we say that approximately around 20% is the guidance that we give that we'll perform over last year. if we are able to do better, then that's good for everyone, but I think it's better to be conservative.

Manish: Okay, okay. And that's all from my side. Thank you. Thank you.

Moderator: Thank you. The next question is from the line of [Dhirendra Gupta from Investec 0:30:45]. Please go ahead.

Dhirendra Gupta: Yes, hi. I had a couple of questions. First is on the capital allocation. I just wanted to understand the reasoning behind the dividend that you've declared, because we've reported negative operating cash flow this quarter for this half year. And then we, we do have debt and we're also going through expansion. It looks like the business does need cash, but we've still declared a dividend. I just wanted to understand the reasoning behind that.

Management: The point was that I mean point was to bring some positivity. I mean our share price has corrected a bit and we have been getting a lot of queries from the shareholders, and we just wanted to bring in some kind of positivity, and of course you must have also read that the promoters have waived their right to dividend. Okay, so it is only for I mean, outside shareholders.

And we have the confidence that we will be able to transition to a much larger capacity. And once those capacities come online, we'll be doing far, far better than what we are doing right now. So, we are confident of that. And that also reflects in our decision-making.

Dhirendra Gupta: Sure. My only concern is that if we're reporting negative operating cash flow, are we going to be doing this on a continued basis, or is this just a one-off case?

Management: Right now it is a one-off, but this is not -- I mean, once our capacities are operational, our revenue and everything picks up, we intend to make it on an almost annual basis.

Dhirendra Gupta: Okay. Then the next question I have is on the products that we're offering. I just wanted to understand, are there any products for which we are sort of sole producers or we have some differentiated offerings?

Management: See, for all our acoustic products, for most of them, we have a very unique positioning. Because in this line, this is mostly an unorganized line. There are very few players who are operating at

an organized level and at such a scale. I mean, most of our competitors are local competitors who are restricted to a certain thing.

Certain thing means either they are just making enclosures or just making acoustic -- I mean, architectural holdings. So, we are almost -- I mean, one of the very few who are into all lines of acoustic insulation. So that is there. Also, we have a research team and all design team. So, for high-end products, for, I mean, defense and high-end solutions we have a kind of a unique positioning. That is our USP, and that is where we feel that it will be very difficult for any new player to come in and compete with us.

Dhirendra Gupta: So, would you say that we have a cost advantage over the other producers in India? Given that we have a…

Management: See, we have a kind of a USP, is more of a technological advantage. I would not say cost or something, it would not be right, but technological advantage. The kind or the thorough solutions, customized solutions that we provide some of them cannot be provided by almost anyone. So, for defense purposes, we have provided certain things. That we can proudly say that we are one of the unique ones.

Dhirendra Gupta: Good. And lastly, I just wanted to get an idea on the revenue. I just wanted to get an idea. So, in case we reached to utilizations close to, let's say 80% to 90%, what sort of revenue can we generate from a from our installed asset base, and what revenue can we generate from our new expansions that are going, let's say, 2-3 years down the line? If you could give me the numbers individually.

Management: D3 facility has a capacity of revenues up to INR300 crores, and the fire-rated doors, we see something around INR70 to INR75 crores. Of course, later on, this, this can change slightly. But we see that once -- I mean, this capacity of almost 90 to 100%, we should reach in approximately 2 to 4 years. We can't give a timeline because this kind of expansion we are doing it for the first time. We try to do it -- I mean, we ramp up the capacity as soon as possible, but I mean, with our last year's guidance and all that, you know, experience, we would like to be more conservative this side.

Dhirendra Gupta: So you'd say based on the capacity, once the capacities go online, the current capacity and that can give us at a peak utilization of around INR370 to INR400 crores?

Management: Correct, correct. Now if we'll be able to reach that in 2 years or 3 years or 4 years, that is something is still open. I can't give any time because this is something, this kind of expansion we are doing it for the first time, but we are hopeful that we'll be able to reach that at the earliest.

Dhirendra Gupta: Oh sure, best of luck.

Moderator: Thank you. The next question is from the line of Dinesh Jain, an Individual Investor. Please go ahead.

Dinesh Jain: Yes, hello sir. I wanted to know what is the capex requirement, balance capex requirement for our D3 You know, going for launch and how it is going to be funded?

Management: Capex funding, see, gradually it is from internal accruals.

Dinesh Jain: And how it would be funded?

Management: Currently it is through bank funding and internal accruals, bank debt and internal accruals. Going forward, I mean, see, this is a slow ramp-up that is happening, but going forward, mostly through internal accruals and bank debt. That's what we see right now.

Analyst: Okay, and what is the balance capex that is required?

Management: Balance capex that is required I think close… It would be on the maximum side, it would be close to 8 to 10 crores.

Dinesh Jain: Okay. Okay, and the next thing I would like to know is whether this expansion Will be gradual. Like D3, you're already occupying 20% of the area which is under commercial production, right? So, balance, whenever you are developing, it will also be gradual, or it will commercial production will start only after 100% thing is set up?

Management: No, gradual. It will be gradual process.

Dinesh Jain: Okay, so can you just let us know, like, in financial year '26-'27, how much would be completed in '26-'27?

Management: Not in '26-'27. I think right now we have GRAP provisions, so there can't be any construction till January. I think GRAP provisions: will be in place in Delhi NCR. You must be aware that because of the pollution, we have GRAP provisions, right?

So there is no construction going on, and I think this position will remain till January, if not February. I'm right. So, once those GRAP provisions and all are gone, only then we'll start. So, this year you can't -- we are expecting next year gradually, I mean, this construction and everything should happen, and slowly the new capacity should come online.

A lot of work is going on behind the scenes -- training of employees, hiring new employees, Because scaling is not just adding capacity, it is also about creating a second line of management and adding…

Dinesh Jain: Yes, right, correct, understood. And I wanted to know, like, what are long-term loans and advances of INR583 lakhs which are shown in balance sheet?

Management: Sorry, long-term loans and advances of?

Dinesh Jain: INR583 Lakhs which are shown on 30th September?

Management: Sorry, I'll have to check that and I'll get back to you.

Dinesh Jain: I mean, right now I mean, paid any capital advances for fixed assets?

Management: What I'll do is, I mean, we'll take this question offline and then we'll answer you.

Dinesh Jain: Okay. And my next question is, sir you are projecting a turnover of around, I mean, 20% plus for this financial year 26-27.

Management: That would be around 70% of the turnover.

Dinesh Jain: Yes. So, majority of the turnover will come from this fire doors because we are…

Management: No, no, no, fire rated doors it, it's still to be ramped up and all hardly. Yes, most of it are traditional business. Okay. And from fire rated doors, I think most of it will come from next financial year, not this one.

Dinesh Jain: But fire rated door is project is 100% complete? No. So I wanted to know like what it means…

Management: Machinery installation and other things are still happening. Okay, so we have commenced, we are executing certain orders, but that is at a very preliminary level. If I say that I mean, the real ramp-up will happen next financial year. It cannot be this financial year. Of course, we have started operating it, but that is at a very minuscule scale right now.

Dinesh Jain: Okay, okay. Thank you very much for answering my all questions.

Moderator: The next follow-up question is from the line of Prateek, an Individual Investor. Please go ahead.

Prateek: Hi, thanks for the opportunity again. So, on our current revenue, I just wanted to understand would there be a government versus private split, like the revenue that we are booking from government entities versus non-government?

Management: Sorry your voice not very clear.

Prateek: What I wanted to check is whether we have a split of government versus non-government revenue from the current revenue that we have booked. Like in general,

Management: I think it would be around 60-40 ratio 60% private and 40% government. Slight changes does happen, but most probably I would say ballpark would be 60-40 ratio.

Prateek: And how much of the government would be defense related? Is all of it mostly defense?

Management: In defense, that we have not calculated it, but this is something that we calculate and get back to you. Defense earlier, I remember, was approximately 30%. Let's see, I mean, we'll have to work out those numbers. For defense, we do not work out -- I mean, it's not a separate division for us, so that's why we haven't worked out those numbers. But we'll get back to you on this.

Prateek: Okay, no problem. Second question is I might have missed this earlier Unit 1 and Unit 2 utilization has dropped. Uh, what is the reason? Uh, like, what is happening there?

Management: Sorry, what has happened?

Prateek: Unit 1 and Unit 2 utilization, if I'm not wrong, in the presentation it shows around 11%.

Management: So what has happened is Unit 1 and 2 we have created this fire-rated door facility in that, and the existing utilization that was happening, some of it we have shifted to D3. Okay, so D3 now is almost at 80%-85% level. The earlier Unit 1 and 2, we have created this facility of fire-rated doors.

So that has become operational and it will ramp up, and once it ramps up, then the utilization for Unit 1 and 2 will also change. So what has happened is the actual -- I mean, the traditional work, we have shifted a bit from, from the Plant 1 and 2 to D3 unit.

Prateek: Okay, understood, makes sense. Lastly on the private side, do you get any orders from GCC? Like, there is a boom of GCC in India, and I know that there are a lot of soundproof rooms that are required there, but I'm not sure if that's a big market for you. Just wanted to understand that.

Management: GCC I mean, can you just, I mean, give the full form so that we'll be -- because we don't…

Prateek: Like, global capability centers, like banks and other institutions setting up their commercial complexes here. There are a lot of rooms like meeting rooms and stuff that are soundproof and require like special materials. And actually…

Management: For data centers, we are doing A lot. Almost for almost all data centers, or say 90% of the data centers, we are the ones who are doing acoustic insulation.

Prateek: Got it. That makes -- that's helpful. Thanks. Lastly, I'd just like to appreciate the management on the investor communication piece. It's commendable that a company your size is conducting con calls. And even when there is a bad result, usually companies tend to kind of skip it. But thanks for keeping the con call and keeping the communication lines open. Thank you.

Moderator: Thank you. As there are no further questions from the participants, I would now hand the conference over to the management for closing comments. Over to you, sir.

Management: Thanks everyone for participating in the earnings con call. We are committed to maintaining our transparency and to ramping up our capacities. So, I would say the near term we have challenges, but going forward, once all these capacities come operational, we think that we'll be having a very good growth going forward. So thanks a lot everyone for participating in the con call.

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