

**Praj Industries Limited**  
**Q3 & Nine-Months FY26 Earnings Conference Call**  
**February 13, 2026**

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**Moderator:** Ladies and Gentlemen, Good Day and Welcome to the Praj Industries Limited Q3 & Nine-Months FY26 Earnings Conference Call.

As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing “\*” then “0” on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Ms. Purvangi Jain from Valorem Advisors. Thank you and over to you, ma'am.

**Purvangi Jain:** Good afternoon, everyone, and a warm welcome to you all. My name is Purvangi Jain from Valorem Advisors. We represent the Investor Relations of Praj Industries Limited. On behalf of the company, I would like to thank you all for participating in the Company's Earnings Conference Call for the Third Quarter and Nine-Months ended of the Financial Year 2026.

Before we begin, I would like to mention a short cautionary statement: Some of the statements made in today's earnings call may be forward-looking in nature. Such forward-looking statements are subject to risk and uncertainty which could cause actual results to differ from those anticipated. Such statements are based on management's belief as well as assumptions made by and information currently available to the management. Audiences are cautioned not to place any undue reliance on these forward-looking statements in making any investment decisions. The purpose of today's earnings conference call is purely to educate and bring awareness about the company's fundamental business and financial quarter under review.

Now, let me introduce you to the management participating with us in today's earnings call and hand it over to them for their opening remarks. We have with us, Mr. Ashish Gaikwad, Managing Director, and Mr. Sachin Raole, Chief Financial Officer & Director of Resources. Without any delay, I now request “Mr. Ashish to begin with his Opening Remarks.” Thank you and over to you, sir.

**Ashish Gaikwad:** Good day, everyone. I Welcome You to Praj Industries' Earnings Call for Q3 & Nine-Months Performance of FY26. Trust all of you had an opportunity to go through our results for the quarter-ended 31st December 2025.

The external environment remained challenging for Praj in Q3 of FY26. We are able to deliver a steady quarter-over-quarter performance due to our focus on operations. However, we believe things are moving in the positive direction now, which will help our business to perform better in the times to come.

I will first cover the “External Developments” and then I will talk about the updates on the “Praj Businesses” subsequently.

Recently, India announced trade agreements with the USA, EU, and the UK governments. The USA has announced the tariff reduction for Indian capital goods from almost 50% to 18%, and while there will be a zero percent tariff from the exports to the EU markets. This will help our business to build a competitive advantage in these geographies. Also, import of ethanol from USA is not allowed, which is a reassuring news for the Indian ethanol market.

In the Union Budget of 2026, our government has made several announcements. These announcements are expected to create opportunities in the sectors that we operate in. To strengthen the CBG ecosystem, the government announced phased mandatory blending of CBG into CNG for transportation fuel and also in the pipe natural gas for domestic use. The government has also announced central excise duty exemption on the biogas and the component of that biogas blended into the CNG. These steps will help enhance the commercial viability and attractiveness of CBG.

The budget also embarked on an outlay of Rs.20,000 crores over the next five years for the development of Carbon Capture, Utilization, and Storage or (CCUS), an important enabler for industrial decarbonization. This opens up opportunities for our CO2 capture solutions.

Additionally, strategic initiatives such as the Rs.10,000 crores Biopharma Shakti Program aimed at positioning India as a global pharmaceutical manufacturing hub and the schemes to promote semiconductor and electronic components manufacturing in India will generate new growth avenues for Praj's water businesses.

This week, our government's public policy think tank, NITI Aayog, released a study report. It is titled “Scenarios Towards Viksit Bharat and Net Zero.” It is an overview. The report highlights the expanding role of biofuels in the net zero journey. The report mentions that biofuels ensure our challenging sectors, particularly the aviation sector, long-haul freight transportation sector, and rural mobility sector, they must have an access to clean fuel alternatives. The report underscores the importance of bio-fuels in energy self-reliance as well. Ethanol, CBG, and other advanced bio-fuels, along with SAF, are set to remain an integral part of the country's clean mobility landscape over the upcoming years. These suggest a positive outlook for our businesses in the near future.

Now coming to our Praj Businesses' Updates.

Our 1G domestic business is continuing to experience a slowdown in the Greenfield projects due to supply and demand imbalance. However, we see strong traction in our Brownfield solutions where our customers are prioritizing the operational efficiency improvements and value-added co-product additions, such as the distillers corn oil. During the quarter, we secured a good number of DCO orders and have a good enquiry pipeline as well.

On the project execution front, existing project execution cycles are still getting extended due to funding and other challenges in the Greenfield project scenario.

Apart from the ethanol, Bio-Isobutanol, or Bio-IBA, the blending with diesel is another growth area that we are working on. I am happy to share that we have made progress in this technology development of Bio-IBA and we believe that our technology is ready for commercialization and scale-up.

In the 1G international market, countries like Indonesia, Panama, Argentina, Guatemala, Costa Rica, and Bolivia, have made positive announcements around increasing the share of bio-fuels in their energy mix. We are engaged in these markets.

On CBG front, slowly but steadily, we are establishing our technology progress on a variety of feedstocks. We have already proved the performance of the CBG plants based on Press mud. Recently, we have commissioned two plants using Napier grass and rice straw as mixed feedstocks. These plants have started production and the capacity ramp-up of these plants is underway. We are confident of demonstrating the rated performance on these plants. We will continue our journey of working on these and other feedstocks and we hope that this sector gathers further momentum due to the positive announcements in the union budget.

In our "Services Business," there is a healthy order booking for performance enhancers as well as the biogenic CO<sub>2</sub> capture solutions. The customer-installed base of Praj, which is developed over decades, is a source of growth for our services business.

On SAF front, there has been a good appreciation of our integrated ethanol-to-jet demo plant at our R&D center Matrix. In the recently concluded WINGS INDIA 2026, in this conference, Mr. Maneesh Kumar, Joint Director General of DGCA, made the announcement of this development. While the draft policy of SAF blending is expected in near future, this development is very important from a technology-readiness point of view. Praj has the ready-technology to convert ethanol-to-jet. Currently, we are executing basic engineering orders of ethanol-to-SAF plants for our customers in the USA and we are planning to complete this work by end of this fiscal.

Moving to our "Engineering Businesses," on the Praj GenX front, after a sharp slowdown in the ETCA, which is the Energy Transition and Climate Action segment, we mentioned about shifting our focus on traditional energy and some of the new segments. In the last few quarters, we

worked with a new set of customers to get our GenX facility audited and certified and also entered into new framework agreements with some of the key customers. As a result of this, I am happy to share that we have received our first breakthrough order for the delivery of the CCUS skids from one of the global oil majors. This order is an outcome of a framework agreement which has potential for more work to come our way.

The Union Budget 2026-27 introduced a one-time measure allowing Special Economic Zones or SEZs manufacturing units to sell goods in domestic tariff areas as well. This will help in serving the potential market in the segments of data centers and green energy initiatives to increase our facility utilization.

On “Brewery Business,” we received a contract for a Greenfield project to set up a large brewery in India. Our ZLD business received a significant order from one of the leading metal majors for integrated plant, offering effluent treatment, water recycle, and ZLD solution. Both the orders individually are valued over Rs.100 crores.

On the “Praj HiPurity Front,” apart from our traditional offerings such as High Purity Water Systems and Modular Process Systems, we are focusing on the precision fermentation area. I am happy to share that we received a key order for precision fermentation from Embio Limited in Dahej. This order is significant since it is our first contract under the National BioE3 Policy.

Overall, we believe the external business environment has started showing signs of improvement. We look forward to take these opportunities to profitably grow our businesses.

With this, I will now hand over to “Mr. Sachin Raole for his Comments on the Financial Performance.” Thank you.

**Sachin Raole:**

Thank you, Ashish. Good day, everyone. Let me take you through the Financial Highlights for the Quarter and Nine Months ended 31st December 2025. The consolidated income from operations stood at Rs.8.41 billion in Q3 FY26, more or less same as compared to the September quarter of Rs.8.42 billion. PBT before exceptional items stood at Rs.216 million in Q3 FY26 as compared to Rs.296 million in Q2 of FY26.

Following the notification of the new labor codes issued by the Government of India on 21st November 2025, the company recognized an incremental Rs.3,344 million impact arising from the increased gratuity and leave liabilities due to the revised definition of wages and enhanced employee benefits.

Profit after tax stood at Rs. negative 124 million in Q3 FY26 as compared to Rs. 193 million in Q2 of FY26. The overall margins are impacted by almost 1% this quarter due to the reduction in the export revenue.

For nine months FY26, income from operations was Rs.23.23 billion as against Rs.23.7 billion in nine months of last financial year. PBT before exceptional items stood at Rs.608 million in nine months of FY26 as against Rs.2.1 billion in nine months of FY25. PAT of Rs.122.4 million in nine months of FY26 as against Rs.1.8 billion in nine months of last financial year.

Export revenues accounted for 34% of Q3 FY26, and of the total revenue, 71% is from bio-energy, 19% from engineering and 11% from PHS business.

The order intake during the quarter was Rs. 9.14 billion with 68% from the domestic market. Of the total order intake, 45% came from bio-energy, 42% from engineering and balance 13% from PHS business. The order backlog as of December '25 is at Rs.44.91 billion comprising of 66% of domestic orders. Cash in hand on 31st December '25 is Rs.5.9 billion.

I now conclude my remarks and would like to thank you all for joining us on this call. We would now be happy to discuss any questions, comments or suggestions you may have.

**Moderator:** Thank you. We will now begin the question-and-answer session. The first question is from the line of Sani Vishe from Axis Securities. Please go ahead.

**Sani Vishe:** Thanks for taking my question. First, on the margins. We can see that gross margins are also impacted. Do we see this as one-time and can we expect it to improve? Similarly, employee and other expenses, I think you have managed to reduce strategically. What are your expectations on that front as well?

**Sachin Raole:** Sorry, your question was not clear, but I could understand that you are asking for margin and the change in the employee expenses. Margin, the way in which if you look at from the cost of material point of view, it looks like that 8% cost of material has gone up. But if you look at the other expenses have gone down. Both these compensates each other and when I mentioned that there is a change in the margin by 1% is including the other expenses, because our project expenses fit into the other expenses. So, the execution was on a higher side, supply component was on a lower side. All both put together, if you look at from the margin point of view, then there is a change of 1% in the margin between September quarter and December quarter. Regarding employee benefit expenses, of course, the incremental cost which has come up on the past services account is sitting in the exceptional item and not in this year, and there is some kind of rationalization which we have seen in the employee headcount and employee benefit in this quarter based on the last three quarters performance. So, that is the change which we have seen majorly on that account.

**Sani Vishe:** As you said, you have done rationalization, so it will only go up when the performance improves. Is that the right understanding?

**Sachin Raole:** That is right.

**Sani Vishe:** Okay. The second question is on the CCUS order. What are our quarterly expectations and when do we see this coming on the books? And the order book growth that has happened during the quarter mainly appears to be from this order and the bio-energy segment actually saw a decline. So, does it mean that the order intake may taper down in Q4?

**Ashish Gaikwad:** Yes. So, Sani, maybe I will take that question. Firstly, as you must have noticed that quarter-over-quarter, we have grown about 12.4% from Q2 of FY26 to Q3 of FY26. Secondly, if you see the mix between the orders, the portion of bio-energy has gone down and the portion of the PHS and the engineering orders has gone up. And the reason for that is what we just highlighted in the beginning that in the bio-energy sector, mostly on ethanol, because of the current imbalance between the demand and supply, the Greenfield opportunities are of course not coming as much as they were in the previous years, right? And so, therefore, although that particular portion has gone down, we have been able to manage the quarter-over-quarter growth by growing our PHS and our engineering sector. These projects are also in a way beneficial, because we are able to turn these orders into revenues, because we have seen that the orders in the bio-energy in the last few quarters, were also stalled mainly because of some of the funding issues that our customers have faced in the recent past. So, that is why this is a better situation.

**Sani Vishe:** Yes, but I am trying to understand the trajectory for Q4. Do you mean that we will be able to sustain this higher level of order intake from non-bio-energy business?

**Ashish Gaikwad:** Yes, I do not want to make the future statements on the numbers, but we certainly see that the bio-energy, especially on the ethanol side, we will see some subdued trajectory for the new Greenfield projects. What we are going to now work on is the Brownfield projects where the performance enhancement and efficiency improvement projects on the existing plants where we have existing customers is where our focus is going to be.

**Sachin Raole:** And Sani, if I may add, the CCUS opportunity which we just mentioned, technically it is bifurcated into two components -- one is basically the process equipment which we can provide for the recovery solution, and another one is the skids or the modularization solutions. So, we have both the segments in the current order book and this has not happened just from the quarter perspective, we are working on this development or we are working on this segment since at least a year. And in the GenX also we started working when we decided that ETCA is not contributing to our order book and we need to do something else. We started developing the skill sets for these new technologies or new avenues which are opening up. So, it is not only from the quarter point of view, it is actually from the overall growth or the new businesses which we are looking for. So, this is forming a part of that book in any case.

**Sani Vishe:** Understood. That is great. And any expectations on the run rate revenue or when it can start from the CCUS order?

**Sachin Raole:** See, I would rather give some kind of a view on the overall GenX story. We were always talking about that GenX will have the order coming up from the larger kind of a number. The change has just happened. This is the first order, and that is also as Ashish mentioned earlier, it is under the larger framework agreement with a specific customer who has approved our facility and given us a clearance for this big order. We believe that this is just the beginning. I will not be able to tell you exactly what is going to happen in next quarter, but we will have to wait for one more quarter to see how the other customers are going to start placing order on GenX. But this is just the beginning.

**Sani Vishe:** Okay, great. Thank you for the detailed answer.

**Moderator:** Thank you. The next question is from the line of Shailesh Kanani from Centrum Broking. Please go ahead.

**Shailesh Kanani:** Good afternoon, everyone and thanks for the opportunity. So, I have three questions. The first one, Ashish sir, you on the opening remarks told about we are ready for ethanol blending with diesel on the commercial scale. So, I just wanted to know what things have changed from last quarter and the roadmap over there? My second question is something what Sachin sir kind of highlighted in terms of order inflow. We have kind of showcased many orders on the PPT. So, can you walk us through any order details like timelines or margins, how would they kind of aid to our profitability in FY27-28? And third is on the Mangalore facility. We had earlier indicated that FY27 would be the year where we would break even. So, any update on the same? That would be my three questions.

**Ashish Gaikwad:** Okay. So, I will take the first one and then I will hand it over to Sachin. So, the first one that you mentioned was ethanol blending in diesel. That is not what I said in my opening remarks. What I said was we are working on Bio-IBA or Bio-Isobutanol, which is different than ethanol. Right? And there are scientific reasons why this is a molecule that is more amenable for blending in diesel. We can separately get into the details of that. And what we believe is that the transport sector in India majorly uses diesel. And when the government's agenda to use bio-fuels into hard to abate sectors like transportation sector, this can be an opportunity. And should it open up through policy framework, etc., Praj is ready with its technology to make it commercially and scale it up. I think that is just a quick clarification I wanted to make as far as the Bio-IBA is concerned.

**Shailesh Kanani:** But yes, you are right. But I just was wondering if anything has changed from last quarter, because earlier we always had that view that it is not commercially still kind of viable?

**Ashish Gaikwad:** Yes, I think this is a continuous improvement process. We keep working on the technology so that the efficiency is improved, the yields improve and the technology becomes better and better. And as we get an opportunity to make the commercial plants, we will be able to further improve on it. But the direction of using a bio-fuel into diesel is what continues.

**Shailesh Kanani:** And any nudge from the government side with respect to this, because earlier also the commentary has been that there are a couple of issues regarding the same?

**Ashish Gaikwad:** Yes, I think government is actively thinking about this. It is an alternative that is something being discussed. They have not yet announced anything officially, but certainly, this is being debated right now.

**Shailesh Kanani:** Thanks, sir. That is useful. My other two questions?

**Sachin Raole:** Can you please give this second question -- order booking-related? What you wanted to understand, Shailesh?

**Shailesh Kanani:** So, sir, if you can walk us through any finer details, like in terms of timelines when this order execution will start, and also in terms of margin profile, how would that kind of aid FY27-28 going ahead, basically? And my third question was with respect to Mangalore facility. We had earlier indicated that FY27 would be the break-even year. So, any update on that?

**Sachin Raole:** Okay. So, Ashish will give you some kind of a highlight on the order booking and the timelines for that.

**Ashish Gaikwad:** Yes. So, I think we talked about three orders mainly in the opening remarks, Shailesh. I talked about the two orders in the engineering businesses, one which is a Greenfield brewery, and the other one which is a zero-liquid discharge project from a large metal manufacturing company, both of them individually upwards of Rs.100 crores. Now, these project executions have already started as we speak. And typically, our execution period is in the range of about 12-to-14 months. So, we do see the conversion of these orders in FY27. The third one which I talked to you about was this CCUS skids order from an oil major, which is a global order coming into our GenX facility, right? So, it links to your third question as well. We expect that about 50% to 60% of this order will get converted into revenue in FY27.

**Sachin Raole:** And just to add regarding the breakeven, what we mentioned earlier, I think we are on the course. We are still seeing that we will be able to do that in the FY27. As I said, this is just the beginning of first order. We are handling a couple of more high-value orders in the different segments for the Mangalore facility. And Quarter 4 is yet to get over. So, depending on how we will close this quarter 4, we will have far more clarity about how we will be seeing FY27 from Mangalore facility point of view.

**Shailesh Kanani:** Thanks a lot, sir. That's very useful and best of luck, sir

**Ashish Gaikwad:** Thank you, Shailesh.

**Moderator:** The next question is from the line of Aditya Mongia from Kotak Securities. Please go ahead.

**Aditya Mongia:** Thank you for the opportunity. A few questions from my side. If I can have some more clarity on why the EBITDA margins are taking a leg down would be useful? Our sense is that your revenue and backlog are fairly well, reflecting similar numbers of export mix. So, I am not sure why the export mix change is being attributed to a decline in margins? That is my first question. I am going to link to that thing as in where do you see, given your backlog, margins should be stabilizing in FY27, because you would have a fair sense of the backlog and the margins for FY27?

**Sachin Raole:** Okay. So, regarding the margin, we were talking about what happened in the quarter of December number. Quarter September was having little higher export realization as compared to quarter of December. And that to the composition within these two quarters, we had delivered a little bit more on the Africa market side in this quarter as compared to the last quarter. Africa margins, as I earlier also mentioned, that we are actually executing a very big order. And that order is not only for supply of equipment, but it is also for the construction activity. Because of that, the margins are not generally what we get in the international market, because generally we only do a supply portion in the international market. So, as I said, the larger component within this quarter's export is sitting from the African market. And that is the reason there is a drop in the margin as compared to the September margin. What was your second question?

**Aditya Mongia:** Just linked up to this, so let us say if it is 5.6%, it has happened for you on the consol operations, as in barring any changes in GenX, should this be a steady run rate incrementally because it appeared to be higher on the counts that you said, should one assume this kind of number?

**Sachin Raole:** So, we will see quarter-on-quarter improvement definitely going forward. But it will take maybe one more quarter. We will have to wait for Quarter 4 to actually see how this development is going to span out. And importantly, which component of orders are getting executed, and to what extent we are in a position to absorb the Mangalore facility's fixed cost. So, that is what is going to define. Maybe we will have to wait for at least a quarter to say that now on a steadily basis, we will improve our margin on a quarter-on-quarter basis.

**Aditya Mongia:** Okay. Alongside this, the cash position of the company has been weakening as in if I just see your comments year-on-year, over the last few years, your cash position only has gone down. I think on YoY 6.4 has become 5.9 billion as you said in your remarks. Why would that be happening and how to think through it?

**Sachin Raole:** Okay. So, if you look at our cash position from Quarter 1, Quarter 2, Quarter 3, has constantly gone up. Quarter 1, we had mentioned that there was some kind of a slowness that affected on the recovery of receivables and the piling up of inventory. But, because the execution focus which we brought in, in Quarter 2 and Quarter 3, the receivables has also started improving and inventory also started getting diluted. Second one, the larger orders which we are executing from Kandla, that was also mentioned in the earlier quarter that these are very large

orders and those orders will get dispatched over a period of time starting from Quarter 3 and will get over in Quarter 4. So, that liquidation of inventory has also started. But, if you look at Quarter 1, Quarter 2 and Quarter 3, the cash position has improved.

**Aditya Mongia:** Yes, that I do understand. So, YoY is still down? So, a little bit concerned from that perspective.

**Sachin Raole:** Sorry, Kandla orders were of a very high value and the delivery cycle was almost 18-months for them. Even though we were having some milestone payments happening in between, but the larger component was linked to the dispatches of the last set of equipment which has just started happening now. And that is how the cash flow position has got improved over the last three quarters.

**Aditya Mongia:** Maybe just a final question. Thanks for the color over here. You talked about SAF, the design part for the U.S. major happening by March-end. By when will there be clarity as to who is going to get the plant order in this regard? And if any comments that you would want to make on CBG and why the scale-up is taking time? Thank you.

**Ashish Gaikwad:** Those are too many questions, but I will take those very quickly. So, on the SAF, I mentioned that we are doing a detailed engineering services order which is for one of our U.S. customers. This is going to be over by end of March or probably middle of April at most. After that, the customer looking at the detailed engineering estimations, etc., will take a decision on their investments and then we will know more about it. So, you will have to wait for the Quarter 1 of next year, because that is when we expect the customer to take any kind of decision based on that. Currently, our involvement is only for the detailed engineering. And on CBG, we are making steady progress. If you had a chance to listen to my opening remarks, we said that we are going slow and steady because we are a technology company. We are making sure that the technology works. The Pressmud part is working really well. We have started two more plants which are mixed feed, which is rice straw and Napier grass. And we will continue to give you the updates as we go along. So, we are again encouraged by the union budget and the kind of focus that the government is trying to bring in the sector.

**Aditya Mongia:** Those are my questions. Thank you so much.

**Ashish Gaikwad:** Thank you.

**Moderator:** Thank you. The next question is from the line of Amit Anwani from PL Capital. Please go ahead.

**Amit Anwani:** Hi, sir. Thanks. So, first question on GenX and congratulations for the order first of all after the challenges which we had faced. In GenX, one, I would like to understand what is the status with respect to the inspections now? So, earlier we had five to six clients and there was a challenge and this CCSU order which you got. So, I just wanted to understand in terms of client inspections or pipeline of clients, what is the number there? And broadly, in terms of number

of orders, if you could at least highlight what one should expect in terms of inflow from GenX next year for FY27? And third portion you highlighted is data centers. would like to understand what is the addressable market there, what exactly would you like to supply, is it international, domestic use, that would be helpful?

**Sachin Raole:**

Okay. So, the total approvals and audit number has reached to 12 and the framework agreement which we were mentioning earlier are almost now four. Out of that, one has already resulted into an order in this quarter and we believe that this journey should continue now as it has just begun. The idea for next year is naturally from the planning point of view, I am not talking about the numbers which you can look at from the guidance point of view, but our target is at least we should be hitting a number on order booking of not less than Rs.500 crores. That is the target which we have kept for ourselves from the order booking side, and the idea is also to capture as much of possibilities or the opportunities which are there in the first two quarters of the next year maximum. So, that is the picture which we are right now having from Mangalore facility point of view.

**Amit Anwani:**

Right. So, sir, on data center, some color?

**Ashish Gaikwad:**

So, on the data centers there, you must have seen all the buzz around data centers and its growth due to the artificial intelligence and some of the other applications developing very fast. We are specifically focusing on currently the international market, but soon even India can be the place for us to look at it. So, we are assessing that market space. Depending on how much of the scope we can take up, the total available market can vary. Our current focus is on the cooling systems that we have and this is basically to provide the cooling system-related infrastructure, the piping and the frames that go into the data center. It is a precision fabrication type of work which we are quite capable of doing in our GenX state-of-the-art manufacturing facility. But, we are also exploring other areas beyond this that go into the data center where Praj can develop expertise. So, early days we are developing this, but since it is a sector that is growing fast, we are keeping ourselves engaged there.

**Amit Anwani:**

Right. So, second question is on the bio-energy international. Earlier, you highlighted that Brazil was one of the markets where you won orders and you also highlighted the positive policy development with the other markets. I wanted to understand in the first nine months how many orders we won in international? And second, is there an immediate international market probably in the next 6-to-12 months where we might be targeting more order wins there?

**Ashish Gaikwad:**

So, you must have seen in our investors' presentation that order booking for the current quarter, it is about a domestic of 68% and 32% of international. That is the split that we have.

**Amit Anwani:**

Right. So, in terms of new markets, anything which is kind of converting and probably converting to orders for you in the next 12-months, the markets you have highlighted?

**Ashish Gaikwad:** Yes. Some of these orders will start converting into revenues. I do not have the exact numbers right now, but yes, these will start converting into revenues.

**Sachin Raole:** Amit, the markets which we just mentioned, some of them are from the Latin American side and we are already getting some orders from that market because of the increased blending mandates which are getting announced. So, that one is happening. I would not like to say that there is any virgin-virgin market which is not being served by Praj, which is anyway getting served, and we are only increasing our presence over there.

**Moderator:** The next question is from the line of Sandip Sabharwal from Asksandipsabharwal.com. Please go ahead.

**Sandip Sabharwal:** I just want to know more about the 2030 target of Rs.10,000 crores of revenue which was announced by the chairman. Because when that was announced, it was already known that there is going to be a tapering off of the 1G ethanol demand in India. And so, in that context, that target was announced. And since then, the revenue growth has actually flattened and profitability has also come under pressure. So, -

**Sachin Raole:** Sandip, unfortunately, we are not able to hear you. Can you be a little louder? And your line seems to be having a disturbance.

**Sandip Sabharwal:** I just wanted to know more about the 2030 target set by Mr. Chaudhari. Because when that target was set, it was already known that there is going to be a slowdown in the 1G side. And even after that, that target was announced. So, how do you see your company moving towards that?

**Ashish Gaikwad:** Okay. Maybe I can take that and Sachin can add to me. So, first of all, Sandip ji, thanks for the question. If you see, our fundamentals are still the same. And there are strong vectors that will enable us to go towards our ambition to be Rs.10,000 crores company. Now, whether we will reach there by 2030 or 2031, will depend on a few mandates that were assumed at that point in time. For example, the 1G projections that we talked about, we probably expected that beyond the successful EBP-20 program which is 20% blending in petrol, there is a capacity to go even higher than that. There is flexible fuel engines that can come in or even the vehicles can take up to 100% of ethanol. So, there are other pathways for ethanol that are being worked upon. They will have different inflection points in the future. And we believe that that ambition that we as a company have to reach Rs.10,000 crores and the vision that is set by our chairman, we are working on that step.

**Sandip Sabharwal:** Is that all? Because you just talked of 1G as an opportunity to get there. I do not think you are going to get there on 1G itself.

**Ashish Gaikwad:** Yes, correct. So, Sandip, I will give you a little bit more color. I would say as the Bio-IBA sort of blending gets accepted by both the government and the industry, that opens up a new market in the bio-fuels. SAF is another area where Praj is one of the first companies ready with the technology. We also talked about favorability that is seen in the union budget for compressed biogas, which is a sector that we are a strong player in. I am also encouraged by lowering of tariffs in the key markets for international business that Praj has. So, all of these put together, are very encouraging for us. And what happens over the next four years is going to be something which will be interesting. What I would like you to take away from this discussion is that Praj is ready with as a technology company and we are ready to engage in these new markets and new opportunities. There are dependencies on policies and some of these triggers that I talked to you about. And I am sure that, if not all of them, some of them will fructify and we will be able to march towards the target that was set for 2030.

**Sandip Sabharwal:** Pardon me for the skepticism of investors. Over the years we see a series of press releases from Praj relating to their technology and how the technology is first-in-class or unique, etc., But I will just give you a couple of examples. Like, Balrampur Chini announced a bio-plastic venture of 2,000 crores. But then the company which is doing that, technology partners are different. You said that your technology on SAF is one of the best. But recently, I think, TruAlt Energy announced a SAF plant where the technology is coming from some other company. It is a big investment. So all that is the thing which concerns us because we see these announcements of Praj being at the forefront of technology, but then we do not see the orders getting translated.

**Ashish Gaikwad:** Fair point, Sandip. So we cannot comment on the decisions taken by some of the other industry players. For Balrampur Chini, when that project got announced, maybe we had not completed our technology offering. But now we have, and we can certainly be ready for any new opportunity that comes up in the market. And the same thing is true for the SAF technology that we have. So your concern is well noted. I understand the skepticism that you mentioned. But yes, I think in a market there are players and there is competition and there are opportunities that will come up. And what I can only assure you is that we are ready with our technology and our intent to engage in these markets.

**Sandip Sabharwal:** All right. Thank you.

**Ashish Gaikwad:** Thank you, Sandip.

**Moderator:** The next question is from the line of Amit Agicha from HG Hawa. Please go ahead.

**Amit Agicha:** Thank you for the opportunity. Sir, my question is with respect to the margins. Can we return to the '24 levels of 10%, 11% and what structural steps are being taken to restore the margin?

**Sachin Raole:** Sorry, unfortunately question was not clear because your voice is not clear. Can you be a little louder and maybe use your handset?

**Amit Agicha:** So, my question is connected to the margins. Do you think we can return to '24 levels margins of 10%, 11% and what structural steps are being taken to restore margins?

**Sachin Raole:** Yes. So two, three things which I mentioned earlier also that majorly the margins are getting impacted because of the fixed cost absorption which is supposedly to happen in our new facility. And as I mentioned earlier that auto booking has already started happening in that facility, and we believe that we will be in a position to arrest whatever is the fixed cost absorption which is not happening. Going forward, we will see that happening which will help us in improving the margin. That is one element. Secondly, naturally the mix of sales which you are talking about. The composition of the segments of the sectors which Ashish has just given a color to, that is what is going to help us in going back to the normal margin scenario. So, the volume, the fixed cost absorption, the composition of sales and the geography. These are the three or four segments at a high level I can tell you is what is going to help us in improving our margin.

**Amit Agicha:** Are you planning additional manufacturing facilities beyond the current five which we have?

**Sachin Raole:** Frankly 'no.' Because from the engineering business point of view, actually we had invested for future, not only for the current requirement...of course, the current requirement is also got a little bit postponed. And the additional investment which we had taken into account considering the future growth has already been done. So, we are not looking for building up any facility per se, but to meet these new requirements or new segments which we just referred to, if there is any requirement on the plant and machinery side, that is what we will get added into. But, otherwise from the factory or land and all that, I do not think that we will be investing anymore.

**Amit Agicha:** Thank you sir. All the best.

**Moderator:** The next question is from the line of Dhaval Shah from Infinite. Please go ahead.

**Dhaval Shah:** Yes, good afternoon. Thanks for taking my question. Continuing on the skepticism part, we have done a lot of announcements like having a JV with Indian Oil Corporation in 2022. And then very recently we announced a JV with BPCL. But then after three, four years, there is no follow-up... no any announcement that what we have done of the JV with IOC?

**Ashish Gaikwad:** Dhaval, what is your question?

**Dhaval Shah:** My question is we do make JVs with IOC, then what is the progress on that? We were supposed to start an initiative in that JV. But since it has been around three, four years, there is no progress.

**Sachin Raole:** Yes, let me answer this question on both the JVs. IOC JV, if you recall, was meant for starting with the SAF project and it was meant for overall bio-fuel scenario. So, as the decision has not yet been reached to which bio-fuel project has to be taken first, the decision is not yet reached to finality on the IOCL JV and that is the reason why we have not made any specific announcement on the IOCL JV. If you look at BPCL JV, BPCL JV is meant for mainly to start with on the CBG side. And idea was to start this JV only when we are finalizing at least five projects to be taken up under this JV. So right now we are actually short-listing the projects for this JV, where the developer is also supposedly to be part of it. So, the discussions and negotiations are going on. Once that gets finalized we will definitely announce the further steps under this JV for BPCL. But that is what, I mean, it is a work which is going on right now to give some kind of a finality to this JV.

**Dhaval Shah:** We do hope that it reaches some conclusion and does not languish like the IOC JV, because such announcements by the chairman and the IOC chairman comes for a picture and then there is no progress, it is very amusing when such dignitaries are involved and then there is no progress.

**Sachin Raole:** Yes, we can understand your concern, but you will have to also understand that there are multiple other things also which play a role into it. And it is not a simple order which someone has to place on it. It is a different business model which we have to get it evaluated properly, who is going to play, what role and all. As I said, those detailing is going on right now. Naturally, it will get -

**Dhaval Shah:** I guess four years is good enough time to finalize all those things. One more thing is on the CBG part. Reliance had announced around Rs.65,000 crores investment in Andhra Pradesh. So, are we seeing any traction on that side – whether we are working with Reliance, because previously we had one project with Reliance was CBG. So, Reliance has announced such a big CAPEX in Andhra Pradesh, is there any movement on that side?

**Ashish Gaikwad:** Dhaval, I will take that question. They have announced a program which is in public domain called Prakasam. And the amount that now you just mentioned. So, their intent is very clear but they have not engaged any vendors or going ahead with that program. We are of course one of their technology suppliers and we are doing several of their plans as well. As and when that opportunity opens up, I am sure we will also have a part to play in that.

**Dhaval Shah:** All right. Have a good future. Good luck.

**Moderator:** The next question is from the line of Aditya Mongia from Kotak Securities. Please go ahead.

**Aditya Mongia:** Thanks for the follow-up opportunity. I just wanted to kind of engage better from you as in the first is that SAF opportunity that got signed with TruAlt and Honeywell. Could you give us a

sense as to were we at par in terms of giving the offering or are there parts of it that we do not have inside and we could not get inside this opportunity?

**Ashish Gaikwad:** Aditya, well, I do not know what exactly is that arrangement between these two organizations that you just alluded to. We certainly were not involved in that discussion with TruAlt. So, I will not have any information on that. TruAlt is one of our customers. We have been working with them on other technologies as well. And if they have done this decision in the wisdom that they have, then it will be very difficult for us to comment on that.

**Aditya Mongia:** I am just trying to get a sense as in what the nature of the contract was. Is that something that Praj could have also kind of delivered on? I am just trying to get that aspect. I am not trying to get aspect or anything else?

**Ashish Gaikwad:** Well, absolutely. If Praj were to be given an opportunity, certainly, yes. First of all, is there a contract is the question that we may have to find out? Or is it just an announcement? Therefore, I am saying that it is not for me to comment on these especially for the two organizations that I am not a part of. I am a part of Praj. If your question is, had that opportunity been given to Praj? Yes, certainly we would have been able to do this project.

**Sachin Raole:** Aditya, if I may add, we will see many opportunities coming up in the market, because if you looked at the NITI Aayog report also, it is talking about in the energy space bio-fuel is supposedly to play a very large role. So, we will see many opportunities coming up in the space of bio- energy. And we will also encounter many enquiries in our way. Now, we will have to decide what makes sense from the shareholders point of view and the commercial sense whether we should go for specific order or not. So, there will be some kind of commercial angle to it also, not necessarily which you referred is having bad. But, going forward, you might come across multiple enquiries, multiple MoUs, multiple so-called orders. Not necessarily Praj will be addressing to all of them. We will address only those where it makes sense commercially for Praj and Praj shareholders.

**Aditya Mongia:** Understood. A related question as in the same document NITI Aayog somehow does not find as much mention of an EBP program. Correct me if I am wrong when I am saying what I am saying. Does that make you less hopeful of EBP targets been increased from here on and maybe more focus happening on other aspects like on CBG?

**Sachin Raole:** Frankly speaking, it is not giving us some kind of a negative picture rather it is talking about expanding the entire basket and it is not only restricting to EBP per se. It is talking about something more than that. I think that is far more encouraging instead of only changing our hopes and everything to only ethanol blending. It is talking about CBG. It is also giving some kind of a sense of how this flexi fuel can happen, how the additional blending can happen. No timelines are given. That is fine. But at least the roadmap is clear. This is how they would like to march on this in bio-fuel space.

**Aditya Mongia:** I recall that the tariff issue had limited the customer interest and the ETC of the GenX facility. When you say 12 audits and four framework agreements, is there any revival that you are seeing from the U.S.-based customers for the GenX facility post the tariff changes which have happened?

**Sachin Raole:** Yes, the first order which we are talking about is from U.S., and a pipeline from U.S. is also very strong. So, we definitely expect and hope that order revival should start happening from U.S. side in any case.

**Aditya Mongia:** Maybe if you could just mention how many such orders should we be having for us to be having a shot at breakeven?

**Sachin Raole:** Oh! Breakeven point, if you are asking for GenX, the turnover should be somewhere around...of course, it completely depends on the nature and the margins. But a ballpark number, you can consider somewhere between Rs.400 crores, Rs.500 crores.

**Aditya Mongia:** Okay, thank you so much for the response. These were my questions, sir.

**Moderator:** The next question is from the line of Binesh Jain, an individual investor. Please go ahead.

**Binesh Jain:** Thanks for the opportunity, sir. I have just heard about one news item which said Aemetis India, so they have started biodiesel deliveries to the oil marketing companies. This appeared on 3rd February, '26. So I wanted to understand how their biodiesel deliveries are different from what we are working with isobutanol and all. So, please explain that?

**Ashish Gaikwad:** Okay, so Binesh, biodiesel is a different product compared to what we talked about with the reference of bio-IBA. Biodiesel is a product that is made from the bio-sources, which is similar to the diesel, right? And there is already a market there and people are working in those technologies. Praj is not there in the biodiesel market. What can happen is our customers who are our ethanol customers, especially the grain or the corn ethanol customers, they make what is called a distiller's corn oil, and one of the feedstocks that goes into the biodiesel can be from this distiller's corn oil. So, that is the only connection Praj will have as far as biodiesel is concerned. What we are talking about is something similar to EBP-20 Program. That means you can get a bio-fuel like bio-IBA and blend it into the conventional diesel, right? So like how in a conventional petrol, we can blend bioethanol. Similarly, a bio-isobutanol can be blended into the conventional diesel. And that is a totally different way of introducing bio-fuels into the conventional energy mix. So just wanted to give you a difference between the two. Am I able to explain that?

**Binesh Jain:** Yes, thanks for the clarification.

**Moderator:** Ladies and gentlemen, I now hand the conference over to the management for closing comments.

**Sandip Bhadkamkar:** So, thank you everyone for your time today. In case you have any more questions, feel free to write us at [info@praj.net](mailto:info@praj.net). Thanks again for your time. And we look forward to you on next analyst call. Have a good day. Thank you.

**Moderator:** Thank you. On behalf of Praj Industries Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines.