Praj Industries Limited
Q2 FY'27 Earnings Conference Call
October 30, 2026

Moderator: Ladies and gentlemen, good day and welcome to the Praj Industries Limited Q2 and H1 FY 2027 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. I now hand the conference over to Ms. Purvangi Jain from Valorem Advisors. Thank you, and over to you, ma'am.

Purvangi Jain: Thank you. Good afternoon, everyone, and a very 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 2nd Quarter and the first half of the financial year 2027. Before we begin, I would like to mention a short cautionary statement. Some of the statements made in today's earnings con call may be forward-looking in nature. Such forward-looking statements are subject to risk and uncertainties, 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. Auditors 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 give it over to them for their opening remarks:

We have with us Mr. Ashish Gaikwad – Managing Director, and Mr. Sachin Raole – Joint Managing Director and Chief Financial Officer.

Without any further delay, I now request Mr. Ashish Gaikwad to begin his opening remarks. Thank you, and over to you, sir.

Ashish Gaikwad: Good day, everyone. I welcome you to Praj Industries earnings call of 2nd Quarter FY 2027 and the First Half of FY 2027. Trust all of you had the opportunity to go through our results for the quarter and half year ended September 30th, 2026.

Despite challenging environment, both domestically and in global markets, our results demonstrate resilience. We have delivered improved performance over the previous quarter. This is due to disciplined execution, increased volume, and a better mix.

Our first-generation ethanol domestic business order booking was a mix of a few Greenfield and mostly Brownfield solutions. Our customers are prioritizing operational efficiency improvements and additional value-added co-products, such as distillers corn oil, to improve their plant performance and profitability. There is also a visible trend towards feedstock diversification. Several customers are interested to add grain modules as an add-on to their sugar-based plants. This gives them an ease of switching to different feedstocks based on the market conditions, availability, and profitability. Essentially, Praj can offer a multi-feed and a multi-product solution to our customers for greater business flexibility.

Earlier this week, Ministry of Road Transport and Highways has amended the Central Motor Vehicles Rules 1989 to legally recognize E100 or 100% ethanol as fuel for certified flex-fuel vehicles. We are closely monitoring the developments on this front, and this paves a way for ethanol capacity creation over a period of time.

As a well-informed audience, you may know that the state-run Oil Marketing Companies, or OMCs, have excluded sugarcane juice, sugar syrup, and B-Heavy molasses from their recent ethanol procurement tenders for the 2026-2027 supply year. This leaves C-Heavy molasses along with approved grains like maize and broken rice as the permitted feedstock.

As Indian ethanol producers face such feedstock variation challenges, Praj provides them the required operational flexibility with our proven design, decades of experience, and end-to-end solution and services to deal with this situation.

On the Greenfield project backlog execution, our customers continue to experience project funding challenges. Ethanol supply-demand imbalance has also impacted the project backlog conversion to revenues. Some projects in the backlog, which were based on sugary feedstocks like juice, syrup, and B-Heavy molasses, are facing these challenges. We are discussing with our customers to find appropriate solutions, and we believe that the clarity will emerge by the end of this financial year.

While Greenfield projects in domestic markets experience a slowdown, we see parts of international markets developing positively. These markets include the USA, Brazil, Argentina, Southeast Asia, and Africa. We see an opportunity pipeline of approximately INR 1,000 crores developing over the next few quarters.

While talking about biofuels, let me update you on the new area of establishing biofuel blending in diesel: We are making a steady progress on this subject. India's first bio-IBA plant, designed and engineered by Praj, is progressing well. The construction is expected to be completed by end of this year. In the meantime, various tests of bio-IBA blended in diesel on different diesel engines are underway. We are optimistic about this opportunity.

Our lifecycle services business continues to grow steadily quarter-over-quarter. We have always shared with you in the earlier dialogue, this is one of our focus areas. We continue to serve our customers' installed base globally and domestically beyond the project delivery. We offer annual maintenance services, performance enhancers, digital plant services, spare parts, operations and maintenance services, and other critical services that help our customers to realize enhanced business benefits from their plant assets.

Regarding our CBG business, we welcome the new GOBARdhan Policy. This policy has created a strong interest in the market. We see a growth in our inquiry pipeline for Napier grass, rice straw, and press mud-based CBG plants. I am happy to share that our board of directors has given us an in-principle approval to invest up to INR 100 crores via our proposed JV with BPCL for setting up new CBG plants.

On front of the Sustainable Aviation Fuel, SAF, the delivery of a detailed engineering package for ethanol to SAF plant for an international customer is progressing well. The final investment decision for this project is expected in Quarter 1 of FY 2028. A favorable FID will create opportunities to supply equipment and modules for construction of this plant. We continue to pursue opportunities globally in this space, and we are ready for the prime time.

Moving on to our engineering businesses:

On Praj GenX business, our world-class Mangaluru facility is now approved by 18 international customers. We have signed four (4) framework agreements which are operationalized. These opportunities are for large equipment and modular projects in traditional markets like oil and gas, fertilizers, LNG, etc. Precision fabrication for data centers is also emerging as a growth opportunity in international as well as domestic markets.

For our ZLD and PHS businesses, the conventional business is going steady. We see some new markets opening up and offer opportunities in the manufacturing of batteries, semiconductors, and solar cells. Praj has the portfolio to offer both the need for Ultra-High Purity water as well as the wastewater treatment with a zero liquid discharge for ZLD facility mandated by the law.

Overall, we believe the business environment is challenging but improving. We are able to demonstrate the resilience and continue to invest in future businesses growth simultaneously. We will continue to focus on our execution rigor while leveraging new opportunities on the horizon.

With this, I will now hand over to Sachin 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 half year ended September 30th, 2026:

The consolidated income from operations stood at INR 8.49 billion in Quarter 2 of FY 2027, as compared to INR 8.42 billion in Quarter 2 of the last year. PBT stood at INR 361 million in Quarter 2 of FY 2027, as compared to INR 296 million in Quarter 2 of last year. Similarly, profit after tax stood at INR 231 million in Quarter 2 of FY 2027, as compared to INR 192 million in Quarter 2 of last year.

For half year 2027, income from operations was INR 15.6 billion, as against INR 14.8 billion. PBT stood at INR 571 million in H1 of FY 2027, as against INR 392 million in H1 FY 2026. PAT of INR 347 million in H1 of FY 2027, as against INR 246.2 million in H1 FY 2026.

Export revenues accounted for 38%, of the total revenue69% is from Bioenergy, 21% is from Engineering, and 10% is from PHS business.

The order intake during the quarter was INR 7.15 billion, with 62% from domestic and 38% from international. Out of the total order intake, 57% came from bioenergy, 26% from engineering, and balance 17% from PHS business. The order backlog as of September 2026 is at INR 44.6 billion, comprising of 63% of domestic orders. Cash in hand as on September 30th is INR 5.33 billion.

I now conclude my remarks, and I would like to thank you all for joining us on this call. I wish you a very Happy Diwali in advance, and we would be now happy to discuss any questions or comments or suggestions you may have.

Moderator: Thank you very much. We will now begin the question-and-answer session. Ladies and gentlemen, we will wait for a moment while the question queue assembles.

First question is from the line of Atul Tiwari from JPMorgan. Please go ahead.

Atul Tiwari: Yes. Thanks a lot. My question is on some more complete color on order inflow outlook. So, obviously in this quarter, at just about INR 7.1 billion, it was on the weaker side. But even if you look at the past 12 months, it is about INR 33 billion. So, the question is that can it sustain at this level, given whatever is happening in environment? Can it grow further? First the sustenance part that we will be able to maintain order inflows around this level. What is the confidence around that? Then what is the chance that we can grow next year on this base, at least 10%-15%?

Ashish Gaikwad: Yes, thank you for your question. Yes, I think we have an opportunity to do better on the order bookings. You mentioned the numbers, so I will not repeat it. But we do see opportunities developing in the second half of this year, and there are three specific areas that I would like to highlight to the audience. The first one is, of course, the CBG, and the opportunities are developing. We need to see which ones of these we can convert. But this is a growth area. The second is international market. I alluded to this point in my opening remarks. We are not only looking at the ethanol market in India, but of course, looking at the overall global markets and the specific areas where the blending mandates are coming up, and therefore, opportunities developing for ethanol. The third one, which again we mentioned in the opening remarks, is about the developing pipeline for our GenX business for equipment and modules. When we look at these three specific areas, we believe that we should be able to see better order bookings in the second half of the year.

Atul Tiwari: Good to know, sir. On GenX business, it is good to know that the facility has been approved by 18 customers and so on. But any kind of color on when can we see start of trickling down of orders? Are we few quarters away or few months away from when these approvals start translating into the orders for us?

Ashish Gaikwad: I think certainly we should start the orders trickling from the next quarter onwards. Of course, the conversion of these orders into revenue has a certain cycle time. Some of these are long-cycle orders. First, one has to do engineering, and then one has to convert that engineering into the actual factory-built modules and equipment. So, the effect of this on the top line or the revenue may be seen in the last quarter of this year and there onwards. But we will start seeing some of the effects for GenX in the 3rd and the 4th Quarter.

Sachin Raole: Sorry, if I may just add what Ashish has said, we have already started seeing the order inflow happening since last quarter. We had declared that there was an order from the data center in the last quarter. Even in this quarter also, we are seeing the order inflow happening on the data center. But the ramp-up which we are looking at, that is what Ashish was mentioning, we will see that ramp-up happening in H2 to a great extent. Revenue is already started trickling in, and H2 will also show the revenue number flowing in from GenX.

Atul Tiwari: Okay, sir. My last question is on the margin profile. It is good to see your margins kind of rebounding from a very low level of a few quarters ago. But I would say at EBITDA level, they are still quite a bit below what we have seen in FY 2024 and 2025. Again, the similar question that at current level of EBITDA margins, have we kind of bottomed out, and what is the chance that we can get to at least a high single-digit kind of margin over next couple of years?

Sachin Raole: Atul, the investment is still continuing in GenX. As I mentioned earlier, the GenX revenues are going to start coming in, which will definitely help in improving the EBITDA margin, and we like to also see the improvement in the revenue numbers. Right now, the revenue numbers are little low than what we can expect from our side to get delivered, which we are concentrating

on. I think these two elements will definitely help in improving our EBITDA margin going forward.

Atul Tiwari: Okay. But fair to say, we are comfortable at, I mean, whatever margins we have seen in this quarter at about 6.2% odd, we have kind of bottomed out and unlikely to fall below this level going ahead?

Sachin Raole: That's right, Atul. We can say that.

Atul Tiwari: Okay. Good to know. Thank you, sir.

Sachin Raole: Thank you.

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

Amit Anwani: My first question was on CBG, the current joint venture with BPCL of INR 100 crores. What gives us confidence that the margin for these orders will be better than earlier one. We have seen a lot of challenges in CBG as a space in last two, three years. There is a lot of hype in terms of this emerging strongly in terms of blending with CNG and all, but a lot of issues with respect to delays and margins. What gives us confidence, since we are building into our order inflows, substantial CBG may be coming in?

Ashish Gaikwad: I think it is a good question, Amit. First of all, as you may know, we are working with BPCL on biofuels for a while now. In fact, we have built their biorefinery complex with 1G and 2G ethanol, right? So, we know the JV partners well and their intent to collaborate with Praj. They also believe that Praj has the right technology. The JV for CBG is one more such initiative that we have taken with a known partner. So, that is the basis of our JV. We also believe that in this industry of CBG, we need the offtake and the opportunities to evacuate the CBG that is produced, and therefore distribute it in the overall market. So, we will be finding ways to work with BPCL on getting value addition from both sides. From Praj, as far as the technology and the confidence on the technology is concerned, and for BPCL to really push the CBG that is produced into the markets. So, that is how we see this.

Amit Anwani: My second question was on the precision fabrication for data centers. We already got one order, so any color that we are in touch with few more customers, and how much will be the proportion of precision fabrication in overall data center CAPEX? For us, what exactly will this involve? Is there any scope that TAM can increase for you, whether adding the customer or even within the data center, if you could add a few more precision fabrication side?

Ashish Gaikwad: Yes, I think so the short answer for that is, the opportunity with the existing customer itself is fairly significant, but we are also in touch with other customers for similar requirements, right? Of course, we want to broad-base it and not just with one customer. But the way we see this right now is, even with the existing customer who has committed a certain number of jobs to us, that itself is significant enough to start with. While we execute on that in the next few

quarters, as you will see, we are also engaging with the new customers for similar requirements.

Amit Anwani: Right. Lastly, in GenX, what was the kind of fixed expenses we might have booked in H1? That is my last question. Thanks.

Sachin Raole: If you look at only the operating expenses, they should be somewhere around INR 25 crores-INR 30 crores, excluding interest and depreciation. If you add that, then that will be another INR 44 crores, INR 45 crores kind of a number. I am just giving a ballpark number to you.

Amit Anwani: Right. Thank you, sir. Thank you and all the best. Thanks.

Moderator: Thank you. The next question is from the line of Shailesh Kanani from Asian Markets Securities. Please go ahead.

Shailesh Kanani: Yes. Good afternoon, everyone, and thanks for the opportunity. My first question is with respect to GenX, right? In continuation of what was discussed earlier. Now we have seen kind of consistent increase in number of customers in terms of approvals and audits, right? Are we kind of maintaining in line with this? Are we maintaining our earlier guidance or kind of commentary what we had given that we will be kind of having an order inflow somewhere in the range of INR 800 crores-INR 1,000 crores for FY 2027, and the breakeven in FY 2027, right, which would mean an around EBITDA of around INR 120 odd crores, right? Are we maintaining that? Are we on line with that commentary, or is there any delay? If you can update that. Also, with respect to data center order during the quarter, is it the same order, extension of that, or it is a new order, if you can quantify that? That will be my first question.

Sachin Raole: Okay. Shailesh, let me answer your questions in reverse order. The order which we received in this quarter is an extension of the earlier one. What we had mentioned that we have an arrangement or a tie-up of almost $52 million to be delivered over a period of two and a half years, and every quarter we will keep on delivering part of those orders, and that is what has happened in this quarter also. Yes, this is an order extension of the earlier one, or I will not call it as an extension. It is from the same customer, as the agreement has been entered into with that customer.

The question related to how are we faring on the numbers which we had earlier indicated, I think we are going to be absolutely right on the order booking which we had envisaged and which we had mentioned earlier. We are going to be doing that kind of an order booking for this financial year. Revenue, we will have to see, because some of the orders are on the fast track and some of the orders are going to require a little longish kind of a delivery cycle. So, we will see how the delivery on the revenue side is going to happen. But I think we will remain somewhere in that range which we had indicated earlier. It is not going to be too off the mark, the numbers which we had indicated earlier.

And on the cost front, the numbers are more or less again in the same range. We will have to see if the ramp-up happens in the 3rd or 4th Quarter on the execution side, and if we had to initiate from the delivery point of view, additional sheds, then some kind of a cost we might have to incur, because currently we are operating only through two sheds and not all sheds. But moment the quantum goes up in the 3rd or 4th Quarter, we might have to initiate working the other sheds also. That may add some cost, but I will consider that cost not right now as a fixed cost, but we can consider that as a variable cost, because it will give me a corresponding revenue also along with that.

Shailesh Kanani: That's very helpful. Just to circle back and complete this point, if you could quantify that order inflow in data center in this quarter.

Sachin Raole: Okay.

Shailesh Kanani: If it's possible.

Sachin Raole: I would not like to for a reason, because we have little bit very tight confidentiality agreement with this customer for whom--

Shailesh Kanani: Sure. Understand that.

Sachin Raole: Yes. Okay.

Shailesh Kanani: Understand that. Okay. My second question is with respect to strategy, right? Praj historically has always been conservative in terms of investment, and it has always been an asset-light kind of a light business model, right? What are we trying to do here with being an asset owner in CBG space? How should we read about it? How are we signaling to the market, to the customers, that it is a viable product, CBG is a viable option? How should we overall think about it, right? Because for last many years, we know CBG is a big opportunity, it is a great opportunity, but some or the other, there are challenges, right? We have discussed multiple times in past, and finally we are committing equity towards it. As investors, how should we think about it? And if you can kind of throw some light in terms of short and medium term, right?

Ashish Gaikwad: Yes. Okay, I think there have been some challenges when the CBG was launched earlier with the SATAT scheme, and in the GOBARdhan, most people in the ecosystem think that those challenges have been taken care of. When I am talking about these, we are basically saying that, firstly, the government has clearly announced a certain price offtake. They have given the guarantee of the offtake. Also, they have clearly specified which feedstock will be considered under the scheme. Firstly, there is a lot of clarity, and that certainly is helpful when people want to invest in CBG. The second thing that we from the Praj side are promoting is the success of the technology itself. For example, when you look at press mud, which is one of the feedstock that is used to convert into biogas, we have possibly the best technology that is

proven, not just for a year, but for multiple number of years. And the plants have been consistently producing the biogas. In fact, just to g ive you some statistics there, about 5,000 tons of CBG in 500 days is what we have produced so far. Recently, our plant in one of the customer's locations also won the Best Operated Plant of the Year. So, the reason I am sharing all of this with you and the audience is that, while there were many players who flocked into this opportunity, it is important to have credibility on technology, and that's what Praj brings in.

Secondly, we are not only looking at the compressed biogas as one product out of any complex. We are looking at the valorization of the fermented organic manure, which also comes out of these plants. And for bio-based plants, which are basically biomass-based, like rice straw or Napier grass, we also have the technology to convert or create a co-product, which is called biobitumen. So, when you look at the CBG plant, which has all these kinds of designed facilities, then the ROI for the investment becomes much more amenable, and therefore, that is the differentiation that Praj is bringing, which we will offer to our customers and also through the BPCL JV to the prospective producers. So, that's what I would like to share with you based on your question.

Shailesh Kanani: Just to conclude on this, what is the potential TAM we kind of see over here, seeing medium-term and long-term?

Ashish Gaikwad: I think it will be in thousands of crores if we are to go by the number of CBG plants that will come up over the next 5-10 years, right? There is a large available market right now. The trick is going to be to show the success of the plant, to get the feedstock availability for 12 months of the year so that the plant runs continuously, and therefore, get the ecosystem right, like the pipeline that needs to be available for evacuating the gas produced in the CBG plants. This is the overall situation that will develop over a period of time, and therefore, the TAM that you asked about, which is in thousands of crores, will take time over several years to get to a realization.

Shailesh Kanani: Sir, that's helpful. If I can squeeze one more here. Sir, in your opening remarks, you talked about isobutanol, right? And various testing and all that. Sir, in terms of timeframe, as per you, what do you think where this kind of technology is kind of getting adopted in terms of testing and other things? How much time does it normally take in your experience?

Ashish Gaikwad: Well, I can speak about the technology and the time to develop this technology. Praj has been working on this technology for several years now. This is a technology that does not get developed in a year or in a quick time. Therefore, for us, this is an effort towards helping our nation to bring one more biofuel that can get blended into diesel. As you know, the crude prices are really fluctuating, and today they are above $115 per barrel. To help the situation, to have energy security, and also to have affordability, Praj is working towards finding solutions. This is one that we are quite optimistic about. For getting the plant built up and test the

commercialization and the scale-up of the bio-isobutanol, I think it will be by the beginning of next year that we should be able to demonstrate that.

However, in parallel, the other government agencies are also testing various blending proportions into diesel and using different vehicles, which are diesel-based vehicles, different engines. Those test results will be also parallelly tested, and we are waiting for those results. Overall, we remain optimistic, but we don't control the policy, or we don't control the blending mandate. So, we are, therefore, one of the several stakeholders in seeing to it that we get a biofuel which is viable and which can be blended into diesel, because diesel is a large market in India.

Moderator: Thank you. Ladies and gentlemen, in order to ensure that the management is able to address questions from all participants, we would request you to please limit your question to two per participant. Next question is from the line of Aditya Mongia from Kotak Institutional Equities. Please go ahead.

Aditya Mongia: Yes, thank you for the opportunity. Two questions from my side. The first one being on the CBG joint venture. Can we conclude that given the INR 100 crore investment from your side, which will then be matched and levered up, that over the next 12 months, there could be an ordering opportunity in the INR 500 crore-INR 600 crore range that comes in from CBG? In that context, have these projects already been identified?

Sachin Raole: Yes. So, Aditya, the board has given us the approval for setting up this JV. We believe that the JV should get set up over a period of next two to three months' time, and after that, the actual execution work can start. As we mentioned earlier, that we are focusing on very specific feedstocks and not all kind of feedstocks. So, we were in touch with the relevant parties who can supply the feedstock to us. So, yes, we have shortlisted few of the projects already, which can actually come under the belt of this JV. Once we finalize and formalize and incorporate this JV, our actual work can start, which I think should take another three months definitely to get this JV activated. But the identification of projects has already happened. With the INR 100 crore kind of an investment, if we actually go up to INR 100 crore and BPCL putting in another INR 100 crore. Looking at debt-equity proportion, the number of projects actually can go up to 8-10, depending on the sizes of those plants. There is a great opportunity that, yes, this can get materialized over a period of next one year.

Aditya Mongia: Understood. The second question that I had was more on the sales that you can give us in terms of pipeline. The company and the order inflows are an important subject for investors, and you have talked about the international pipeline being INR 1,000 crores or so. If you could give us a sense across your business verticals, the next 6-12 month opportunity, the pipeline, how it compares on a year-over-year basis versus where things were last year?

Sachin Raole: This international opportunity which Ashish was talking about is mainly on the bioenergy side, and that is mainly getting driven by a couple of factors. One is definitely the ethanol blending

mandates, which are going up across the globe, one. Two, the way in which countries are looking for self-sufficiency on their energy side, which is also driving that why these blending mandates elsewhere are going up. That is one major element which is going to contribute. Just to answer your question, yes, the business segment or a vertical is mainly going to be on the bioenergy side. There we are not mixing the numbers which he has mentioned, are not from the GenX side. GenX is going to be on top of that.

Aditya Mongia: Just on GenX, could you give us a sense of whether there is enough visibility of a PBT breakeven over the next 12 months, given the orders at hand? If not, by when do you see that visibility in terms of order inflows coming your way?

Sachin Raole: Aditya, I can assure you that within next 12 months, based on the order inflow which are happening, we will definitely be reaching to that breakeven point. From the target point of view, it is earlier. But yes, if you are giving 12 months kind of a time horizon, the order inflows are giving us a confidence that we can reach to that breakeven point.

Aditya Mongia: Got that. And all the very best with team, and thanks for your answers.

Sachin Raole: Thank you, Aditya.

Ashish Gaikwad: Thank you.

Moderator: Thank you. The next question is from the line of Shantanu from Oaklane Capital. Please go ahead.

Shantanu: Hello. Thank you for taking my question. There are two questions from my side. One, of the INR 100 crores CBG JV, how much could it translate into orders for Praj, and over what time period are you expected to execute it? Second would be on the GenX side. Could you give some granularity on the data center order that we have at hand? What is the kind of product we are supplying, and are there any other products where Praj could contribute materially in a data center?

Ashish Gaikwad: Okay. Sachin just answered your question on the JV, right? He gave an idea that if both parties, BPCL and Praj, bring in about INR 100 crores each, then we will be able to build about 10 plants. Now the plant capacities can vary, and so depending on what is the capacity that we are talking about, this can, for a theoretical 10-plant investment, overall CAPEX required could be in the range of about INR 800 crores-INR 1,000 crores, right? It is going to be over a period of time. On the data centers, what we are doing essentially is two things. One, we are providing the frames that are required to host the servers that go into data centers. That is where precision fabrication is required, because these are all modular, and they need to fit into each other for a quick installation of data centers. Second, as you all know, data centers generate a lot of heat, and it needs a cooling system. The piping for such cooling system is a complex fabrication, and

it also needs a certain skill. This is the other area that we are developing for the hyperscaler data centers. That is exactly where we are working.

Shantanu: Thank you so much.

Ashish Gaikwad: Thank you.

Moderator: Thank you. Next question is from the line of Manish Goyal from Thinqwise Wealth Managers. Please go ahead.

Manish Goyal: Yes. Thank you so much, sir. I have a couple of questions. First, I just want to verify on the PBT breakeven for our GenX facility. Probably we were under impression that the fixed cost was roughly INR 110 crores-INR 120 crores at GenX, and it would require INR 500 crores of revenue for breakeven. But what Mr. Sachin gave the data point of INR 45 crores, including interest and depreciation, so which implies that at PBT level, we will require INR 180-odd crores for breakeven. To achieve that number, what kind of revenues we would require, and would it be really possible in next 12 months? Thank you.

Sachin Raole: Yes. So, Manish, I do not know from where you got that number of INR 180 crores. That number is not going to be INR 180, including depreciation, interest, and other expenses. Total should be somewhere around INR 140 crores, INR 150 crores for the current year, because now the revenue is getting accounted for or the actions are going on. So, that number is going to be in that kind of range. If we had to achieve breakeven for covering INR 150 crores, including interest and depreciation and not at the EBITDA level, the turnover should be somewhere around INR 500 crores-INR 600 crores, depending on the jobs which we will be doing there. Because we will be doing three kinds of jobs now in GenX. One is the equipment, another one will be the modules, and third one will be the data center. It is going to be the composition of these three, and that number should be in a range of INR 500 crores-INR 600 crores. Earlier question was, in next 12 months, whether we will achieve that or not. The answer to that question is yes, because the order inflow, the way in which it is happening and expected to happen in H2, we have a visibility that we will be able to deliver INR 500 crores kind of a number or INR 600 crores kind of a number over a period of next 12 months.

Manish Goyal: Earlier you said that the fixed cost is INR 25 crores-INR 30 crores per quarter, and including interest and depreciation, it is INR 45 crores for the quarter. So, that is how I arrived at INR 180 crore number. So, maybe you are already generating some revenues which probably gives you INR 30 crores-INR 40 crores. That is what you are trying to say. Am I right?

Sachin Raole: That's right.

Manish Goyal: Okay. This next 12 months is starting Quarter 3, over next 12 months, right, sir?

Sachin Raole: Yes, that's right.

Manish Goyal: Sir, earlier we were like, what investments we have done at GenX. You said that we have two sheds ready, and maybe if volumes pick up, we would require another shed. So, maybe if you can clarify that, what kind of then incremental CAPEX would be required and how should we look at it?

Sachin Raole: See, technically for all the sheds, CAPEX is already incurred. So, we have totally seven sheds over there. Sheds are ready. Two sheds are equipped with the plant and machinery also, and the cranes too. If you had to activate another shed, then maybe few equipments which will be required or the plant will be required, but not major CAPEX which we are envisaging for activating those, because those will be used for building the modules in those sheds. As the number of modules will go up, we will have to start using the additional sheds for that matter. That was the only point which I was making in earlier comment.

Manish Goyal: Okay. Got it. Sir, one more thing that probably what we see now, your interest depreciation has stabilized. So, the leasing period, what we have entered is for five years, and when do you think that will get over and this number should start declining at interest and depreciation level?

Sachin Raole: The lease is for 10 years. It is a long-term lease, and this lease is majorly contributing because this lease rental is getting divided because of the accounting standard between interest and depreciation. That scenario will continue for next seven years, because we had just completed three years in that facility.

Moderator: Sorry to interrupt. May we request Mr. Goyal to please rejoin the queue? Next question is from the line of Raj as an individual investor. Please go ahead. Mr. Raj, please go ahead with your question. Your line is unmuted. As there is no response, we will move to the next question, which is from the line of Ketan R. Chheda, an individual investor. Please go ahead.

Ketan R. Chheda: Yes. My question is in regards to the BPCL JV. I have seen that BPCL has also given orders to some other company for the CBG plants. I just like to understand, what would be the difference between our structure and the other structure? Because there also, the BPCL orders are actually for five years, which include EPC and O&M, five years tenure. If you could just help the difference in the structure, if you would know.

Sachin Raole: See, these OMCs are putting up multiple plants, and that's the reason why they are getting in joint venture with not only one technology player, but multiple technology players. From a structure point of view, I don't think there will be a major difference as a structure, because every JV is talking about 50/50 kind of a JV. But it completely then depends on how the projects are going to get executed under those JVs, and what kind of a feedstock or what kind of an arrangement is going to be made with the feedstock supplier. That kind of a project level structuring might be completely different, but at the JV level, it is 50/50 JV.

Ketan R. Chheda: Okay. In terms of the revenue model for these projects, please help me understand, is it like, we are going to realize the revenues for all the sales of the gas and the other products that we generate out of these plants? Is that the way it is going to be?

Sachin Raole: Revenue model will have two legs. One, directly within Praj for executing the projects. Another one at the project level, where the project will be selling this gas, so that will get captured at the JV level. It will not be at Praj level, but at a JV level.

Ketan R. Chheda: Right. During the EPC phase, from a treatment perspective, these would be considered as contract revenues, and then you would also expense out, again, to the proportion of our holding in the JV.

Sachin Raole: It will appear as an investment. That is right.

Ketan R. Chheda: Okay. Thank you so much. Wish you all the best.

Sachin Raole: Thank you.

Ashish Gaikwad: Thank you.

Moderator: Thank you. Next question is from the line of Bharat Sheth from Quest Investment Managers. Please go ahead.

Bharat Sheth: Hi, thanks for the opportunity, Ashish and Sachin. My question regarding this JV, so what kind of timeline are we looking for, those plan to really execute, and what kind of ROI do we have in our overall first year, or maybe over the next five years kind of a scenario?

Sachin Raole: Okay. Let me just give you a complete story on JV in that case. One is, we are expecting that 8-10 plants to come up. Naturally, all those will not come up in one go. We will start one by one, and of course, we will experience what is going to happen when we start putting up first or second plant. We will get some kind of an idea and experience on building up those plants and owning up those plants. Over a period of next two, three years, I believe this plant should come up, three years at least. Execution cycle for one project is going to be not less than 12 months.

So, first project actually will come up from the commercial production point of view after 15 months. As I said, first three months will be for building up or the incorporating this JV. So, that it will take up 12 months to see first plant coming up. Simultaneously, we will be working on other plants also, depending on how the experience we gain on the first plant. From the revenue point of view, earlier also I had mentioned that there will be two legs of revenue. One will be contract revenue, another will be project revenue. The ROIs we believe, looking at the current Gobardhan policy, and now I am talking for a project, the policy has given a very attractive pricing for CBG. Even if you don't consider any revenue from the bio-manure which is going to come out of these plants, still the economics looks pretty okay and attractive, because of the consistency which is expected because of our technology in producing the gas.

Second thing, the assured offtake by the OMCs and GAIL, that they will be off-taking this gas. On that front, economics looks definitely positive. That's the reason why we decided that we can go ahead with this kind of a proposal now of entering into JV and with owning the project.

Bharat Sheth: Yes. As Ashish alluded in the earlier talk, whether this will produce also bio-bitumen also, or is there, I mean

Ashish Gaikwad: Well, what I said was that depending on which feedstock we use to produce the CBG, we can have more products that can be valorized. If we use rice straw or Napier grass as the feedstock for the plant, then definitely there is an opportunity to convert some of the byproducts into bio-bitumen. We believe that that's a differentiation that Praj can bring, and get the better ROI from the plant.

Bharat Sheth: Okay. I mean, your take, I mean, that Sachin said that even if we ignore bio-manure. Bio-manure will be again for a different kind of a feedstock, or it is across all the kind of feedstock?

Ashish Gaikwad: No, bio-manure will be produced for even the press mud, and of course, the other feedstocks as well. What I think Sachin was suggesting was even without the co-products, the ROI is looking good for people to invest.

Bharat Sheth: Okay. Does it mean that this kind of, I mean, our investment case, whenever it is fructifying, can attract other, I mean, investors currently, which is, I mean, people are shying away from investing in bio-CNG?

Ashish Gaikwad: Sorry, we did not catch your question.

Bharat Sheth: I mean, success of this plant can, I mean, attract other player. I mean, currently, there is a lot of question around prior policy, whether this policy we are not seeing on ground much traction. Is that clear understanding?

Ashish Gaikwad: Yes, I think this is a renewed policy now than the previous one. We believe that with the text of the policy right now, there is an excitement in the market. We see that in our opportunity pipeline also. A few successes through this policy will certainly attract more investments.

Bharat Sheth: Ashish, to give some color on the whole ecosystem, which is the major bottleneck, or maybe the more successful running of bio-CNG around, down the year. How do we see that part?

Ashish Gaikwad: Yes, I think the reality is that we need to ensure round-the-year feedstock availability for any type of CBG plant.

Bharat Sheth: Correct.

Ashish Gaikwad: Therefore, what is important is to design a plant which is not just for one type of feedstock, but which can take multiple types of feedstocks. That is what Praj is able to do. We are able to

get multiple types of feedstocks that can be processed through the same plant asset. Then, that will give round-the-year operational capability to the CBG plants.

Bharat Sheth: Is it fair understanding that whatever investment we will be doing, it will have multiple feedstock kind of a plant?

Ashish Gaikwad: That is our endeavor. Of course, we have not yet started the JV plants, if you are asking about the JV. But we have already existing plants that are taking multiple types of feedstocks.

Bharat Sheth: Okay. Thank you and all the best.

Ashish Gaikwad: Thank you.

Moderator: Thank you. The next question is from the line of Pratyush Shah, an individual investor. Please go ahead.

Pratyush Shah: Thank you, ma'am. Most of my questions related to the CBG have already been answered. I would like to ask about, a couple of quarters ago, I think way back in November 2024, your Chairman, Dr. Pramod Chaudhari, had outlined an ambition to grow the annual revenue to approximately INR 10,000 crore by 2030, with exports increasing to approximately 50% of revenue. Can the Management please update the investors on the progress against this target, and what would be the current revenue trajectory which would be required to achieve this target?

Ashish Gaikwad: Yes. Thanks, Pratyush, for the question. First of all, we believe that we can still achieve the vision that was communicated by our Chairman in November 2024 that you mentioned. What has happened, though, is some of the inflection points that we have assumed in our journey have been delayed. Those are not something that have got canceled, but those are delayed. We believe that we should be able to reach to the similar revenue goals of FY 2030 by a few different strategies that we will bring into our mix. For example, the GenX, we are trying to also include the data centers, which was earlier not there, and that gives you the growth opportunity. Similarly, the international markets that we talked about in the earlier conversation can give us more opportunities for growth.

Thirdly, we also just now talked about the CBG and the Bio-IBA as some of the new areas that can add to that growth. I think to make the long answer short, we would like to continue to march on the same vision that was communicated to the investors in the past. It may be slightly delayed depending on the order books that we will realize during the journey, but our direction and our ambition remains steadfast.

Pratyush Shah: Thank you, sir.

Moderator: Thank you. Next question is from the line of P. Jha, an individual investor. Please go ahead.

P. Jha: Thank you for taking my call. I am pretty excited about the CBG. What I did understand from the conversation so far, from the answers and the questions, is there are two things which distinguishes you. One, is your work in bio-bitumen, and second, multi-feedstock.

Sachin Raole: Sorry, Mr. Jha we are not able to hear you properly.

P. Jha: Only one question I will ask about the CBG, this joint venture. What distinguishes you is the isobutanol and the multi-feedstock. This is what I understood. These are big things. It is added revenue, which also comes to your account as well as to the BPCL account. Then why BPCL is entering into joint venture with others when you have the unique capacity to deliver better returns?

Ashish Gaikwad: I think the answer to that question, Mr. Jha, is that there is a finite capacity for doing projects with one joint venture. The ambition for oil marketing companies is to have multiple projects to come up in the short span of time. So, maybe I am speaking on their behalf, which I should not, but maybe they want to go parallelly with different joint ventures for more number of plants, and that could be the driver. But there is enough, like we said in our current joint venture, we are envisaging 8-10 plants. Whereas, BPCL may want to do 50 plants, and so one joint venture may not be sufficient, and they go for another joint venture to add to that.

Moderator: Thank you very much. Ladies and gentlemen, we will take that as the last question for today. I now hand the conference over to Management for closing comments.

Sandip Bhadkamkar: Thank you, everyone, for your time today. In case you have any more questions, feel free to write us at info@praj.net. Thanks for your time. Wish you very Happy Diwali, and we look forward to have conversation with you again. Thanks.

Ashish Gaikwad: Thank you.

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