

Praj Industries

14 August 2026

Operator: Good day and welcome to Praj Industries Ltd. Q1 FY27 earnings conference call. As a reminder, all participant lines will be in 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 the operator by pressing star then zero 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 – Valorem Advisors: 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 Ltd. On behalf of the company, I would like to thank you all for participating in the company's earnings conference call for Q1 FY27.

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 risks and uncertainties that could cause actual results to differ from those anticipated. Such statements are based on management beliefs, as well as assumptions made by and information currently available to management. The audience is cautioned not to place any undue reliance on these forward-looking statements when making any investment decision. The purpose of today's earnings conference call is purely to educate and create awareness about the company's fundamental business and financials for the 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, Joint Managing Director and Chief Financial Officer. Without any further delay, I request Mr. Ashish Gaikwad to begin his opening remarks. Thank you, and over to you, sir.

Ashish Gaikwad – Managing Director: Good day, everyone. Welcome to Praj Industries Ltd.'s earnings call for Q1 FY27. I trust all of you had the opportunity to go through our results for the quarter ended June 30, 2026. I would like to start my remarks with an exciting development. Earlier this week, on the occasion of World Biofuel Day on August 10, the Dr. Pramod Chaudhari Center of Excellence for Advanced Bioeconomy was inaugurated at Savitribai Phule Pune University, or SPPU. This COE is a pioneering initiative that will serve as a hub for interdisciplinary research, innovation, education, and industry collaboration. The COE will create solutions for tomorrow's challenges while nurturing the talent needed to drive the bioeconomy.

Now coming to the business performance. While the external business environment remained uncertain, we have made definite progress in a few long-term growth sectors. Our first-generation ethanol domestic business continued to experience a slowdown in greenfield projects. Currently, inquiries for greenfield projects are only from customers in ethanol-deficit areas, in states such as Tamil Nadu and Assam. We believe that this situation will continue until we see policies around higher blending mandates. While greenfield projects are moving slowly, we see increasing demand for our brownfield solutions, where customers are prioritizing operational efficiency improvement and value-added co-products such as distillers corn oil, or DCO. There is strong demand for greenfield ENA plants, where Praj has a clear technology edge. On the project backlog execution

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front, funding-related issues persist, and they are resulting in extended project execution cycles. The supply-demand imbalance has also impacted the conversion of the project backlog into revenue.

I am pleased to share that we have received the order to set up our country's first commercial-scale demonstration plant for bio-IBA, or isobutanol alcohol. Bio-IBA blending in diesel is anticipated to be a significant step in the nation's biofuel journey. A 2% blending mandate for bio-IBA in diesel has the potential to create a project opportunity of over 3,000 crore.

In the international market, we have received an order for setting up a greenfield grain-to-ethanol plant in Brazil. This is a corn-to-ethanol plant. This project will be a marquee reference for Praj in the region. We are closely following developments in the USA market as well. The USA has announced the usage of E15, that is, 15% blending in gasoline or petrol. We are also engaging with potential customers in Indonesia, Vietnam, Kenya, Panama, Argentina, Guatemala, Costa Rica, and Bolivia, where the governments are increasing the share of biofuel in their energy mix. This is driven by the need for energy security as well as energy costs.

On the CBG front, to establish compressed biogas, or CBG, as a major pillar of India's future energy mix, the Union Cabinet has approved GOBARdhan, the National Circular Bioenergy Scheme, with a total outlay of over 23,000 crores. This is for implementation between FY27 and FY36. This transformative scheme aims to scale domestic CBG production nearly 10-fold, mobilize large-scale private investment, and build a vibrant circular bioeconomy nationwide for energy security and affordability. GOBARdhan addresses key execution challenges by establishing the strong, predictable foundation needed to bring India's CBG sector to national scale.

Through assured demand, remunerative and stable pricing, capital assistance, pipeline infrastructure, credit support, and continuous technology development, the scheme transforms CBG into a bankable infrastructure asset. Ultimately, this comprehensive policy framework is expected to serve as an inflection point that will expedite investments. State governments such as Maharashtra, Odisha, Chhattisgarh, and Assam have also announced policies to support capacity creation for CBG projects. With Praj's proven technology performance on multiple feedstocks, we are ready to leverage this opportunity.

Our lifecycle services business is progressing steadily quarter-over-quarter. Through our lifecycle services business, we continue to serve our large installed customer base. We provide physical and digital services that ensure optimum plant performance and efficiency. We also offer performance enhancer solutions as well as biogenic CO2 capture solutions. During the quarter, we conducted several trials for performance enhancers in the Latin American region, which will help us expand our offerings in the region.

On the SAF front, we have received an order to deliver detailed engineering for an ethanol-to-SAF plant from an international customer. We completed the basic engineering order for this customer in the last quarter. This engagement is progressing well and positions Praj as a technology partner for alcohol-to-jet SAF projects. In an important development, the International Civil Aviation Organization, or ICAO, has officially approved the entire supply chain, production, and handling of sugarcane and sugarcane derivatives, as well as the production of sustainable aviation fuel using the sugarcane-to-jet pathway. This certification helps alcohol-to-jet technology become an

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accepted pathway for SAF.

Moving to our engineering businesses. On the Praj GenX front, our team has secured a significant global supply agreement as an engineering and manufacturing partner for critical modular infrastructure for hyperscale data centers. This strategic framework guarantees a minimum business volume of approximately US\$50 million over the next two and a half years, with a potential upside depending on the customer's project schedules. Importantly, this agreement marks a strategic diversification into a high-growth global engineering market outside Praj's core bioenergy business, leveraging its established mega manufacturing capacity at Mangalore.

The partnership enhances Praj GenX's global credentials and will enable us to pursue similar international opportunities and develop hyperscale data center infrastructure into a meaningful, sustainable business vertical over the coming years.

For our ZLD and PHS businesses, the batteries, semiconductors, and solar panel, or BSS, segment in India is opening new opportunities. We have received our first combined contract for the supply of ultra-pure water and ZLD solutions for a semiconductor company in India. This helps expand our solutions offering to new emerging industry segments.

Overall, we believe the efforts put in by the company over the last 2 years have started creating new opportunities as we move further into this financial year. We shall build on this momentum and deliver improved performance. With this, I now hand over to Sachin for his comments on the financial performance. Thank you.

Sachin Raole – Joint Managing Director & CFO: Thank you, Ashish. Good day, everyone. Let me take you through the financial highlights for the quarter ended June 30, 2026. Consolidated income from operations stood at rupees 7.16 billion, as compared to 6.4 billion in Q1 of the last financial year. EBITDA before exceptional items for the quarter stood at 210.5 million, as compared to 96.09 million in the corresponding period of last year. Profit after tax stood at 116.1 million, as compared to 53.4 million in Q1 FY26.

Of the total revenue, 66% is from bioenergy, 22% is from engineering, and 12% is from the Praj HiPurity business. Export revenues accounted for 25% of Q1 FY27. The order intake during the quarter...

Management: ...stood at [inaudible] billion, with 57% from the domestic market. Of the total order intake, 62% came from bioenergy, 28% from engineering, and the balance 10% from the PHS business. The order backlog as of June 30, 2026, stands at 45.9 billion, comprising 63% of domestic orders. Cash in hand as of June 30, 2026, is rupees 6.16 billion. At yesterday's AGM, shareholders approved the payment of a final dividend of 180% per share.

Just to reiterate, strategic initiatives such as blending technology for diesel, building meaningful partnerships in GenX for modularization solutions in multiple applications such as data centers, and internationalization have started showing some results. Wishing you all a very happy Independence Day in advance. With this, I will conclude my remarks. Thank you all for joining. We would now be happy to discuss any questions, comments, or suggestions you may have.

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Operator: Thank you very much, sir. We will now begin the question-and-answer session. Anyone who wishes to ask a question may press star and one on their touchtone telephone. If you wish to withdraw yourself from the question queue, you may press star and two. Participants are requested to use a handset while asking a question. Ladies and gentlemen, please restrict yourselves to 2 questions only. Should you have a follow-up question, please rejoin the queue. The first question is from the line of Sachal Kapoor from Antifragile Thinking. Please go ahead.

Sachal Kapoor – Antifragile Thinking: Many thanks. Bharat sir, I see Praj in 2 buckets, actually. There is the government-dependent bucket, which is largely bioenergy, where growth is materially gated by policy and mandates from the government, various governments, not just the Indian government. Then there is this self-reliant bucket, as I call it, because that includes GenX, HiPurity, PHS, and ZLD, where growth should depend much more on Praj converting capability into customer capex.

I want to focus on this second bucket because this is where execution, not policy timing, should determine the outcome. I have 2 questions. First, on GenX, you now have a US\$50 million global supply agreement over the next two and a half years for hyperscale data centers. What does this change in the trajectory of GenX, and how large do you think this business can become over the medium term? That is my first question. Thank you.

Management: Thank you, Kapoor sir, for this question. Yes, in Praj GenX, we have global expertise in providing modular solutions to construct plants, as well as in precision fabrication, which we undertake at this mega facility in {? Mangalore ?}. Data centers are seen as an emerging opportunity for us. Therefore, we have this agreement with an EPC that helps its end customers construct hyperscale data centers.

We are certainly pivoting to this new area. We will be delivering our first project in the coming days, over Q2, Q3, and Q4 of this year. As we deliver this project and gain more knowledge from this segment, we expect this to become a vertical within Praj GenX that will sustain orders and revenue over a period of time.

Sachal Kapoor – Antifragile Thinking: That is helpful. Second, looking across the entire self-reliant bucket, what specific growth milestones should shareholders hold you to over the next 2 to 3 years across GenX, HiPurity, PHS, and ZLD? If you look at the historical data from FY23 to FY26, I know you were not with Praj for the majority of that period, but the High Purity, ZLD, or engineering segment, as we call it, has not grown more than 11%, off the top of my head. The question really is, what should this portfolio look like in, say, FY28, if the strategy is working as intended?

Management: I think it is a good question, Kapoor sir. We have started making sure that we grow all the businesses in our portfolio in a balanced way. As you know, the government is also making sure that all industries are not spreading pollution. It is therefore ensuring that the laws are implemented strictly for any emissions coming out of the chemical industry. That helps us grow our ZLD solutions.

The government is also creating new areas, as we mentioned, where we can manufacture our own batteries, our own solar panels, and our own semiconductors. That requires very specialized high-purity water, which is also a part of Praj's portfolio. Therefore, we do see that these new

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segments will help us grow our engineering, or what you call the self-reliant segment. We will continue to leverage growth in these sectors to pursue our solutions in this market.

Sachal Kapoor – Antifragile Thinking: Thank you. I will come back in the queue. Thank you so much.

Management: Thank you.

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

Amit Anwani – PL Capital: Thank you for the opportunity. My first question is regarding execution this quarter. I can see bioenergy at 474 crores, which seems to be on the lower side compared to the opening order book we had. Were there any challenges with respect to execution of existing projects? In the earlier quarters, we had highlighted some challenges with respect to collections and billing issues at the clients' end, as well as the commodity issue. If you could explain how all of these factors affected performance.

Management: Thanks, Amit. On the question of execution, we have a mix of different types of projects in our backlog that we are converting into revenue. The projects where there is slowness and an extended execution period are domestic first-generation ethanol plants, where there is sometimes an issue with funding for the end customers. There is also the impact I mentioned in my opening remarks, where the supply-demand imbalance in the ethanol market has slowed down some of the execution cycles.

There is that impact, but there are other projects in our backlog where we are able to accelerate execution. Overall, what you saw in Q1 was a mix of these 2 situations.

On collections, which is your second question, the slow conversion of some of this backlog also has a rubbing effect on the collection of our dues. We are working on this in the coming days and quarters, and we will try to improve on both these aspects.

Regarding the third question related to material costs, naturally there is some kind of upward trend in material costs. We are figuring out ways and means of countering that, either through contractual arrangements or through advance procurement, which we undertook in earlier years. We are also figuring out ways and means of tackling these issues. Because of the current geopolitical scenario, there will be some pressure on material costs, but we are cautious and aware of it and are dealing with it.

Amit Anwani – PL Capital: My second question is about all the new initiatives that you started and also explained very elaborately. One was the GenX order. Probably, out of more than 10 customers, this is the first conversion. Can we expect more customers, and what is the breakeven target now for GenX since we have started receiving orders?

The second was the technological partnership that you explained in {? SAF ?}. I think it would be useful to understand the addressable market over the next 12 to 18 months. Similarly, for semiconductor high-purity water, what could be the kind of capex or understanding of the pipeline of these kinds of orders? Can this lead to accelerated growth in high purity? That is my question. Thank you.

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Management: Amit, we have just entered these segments of data centers, semiconductors, and so on. Our first focus will be on good execution and quality execution, while making sure that our customers are satisfied. We want to establish ourselves as we pivot into these new segments. As we do that, we will understand the future potential that we can pursue.

We will have to wait for some time, but we do believe that, especially in data centers, we can have a fairly good opportunity space developing.

Amit Anwani – PL Capital: What sort of margins should we expect? Are they similar to [crosstalk]

Operator: Mr. Anwani, may we please request you to rejoin the queue for the follow-up? Thank you. Participants are requested to limit themselves to 2 questions only. Should you have a follow-up question, please rejoin the queue. The next question is from the line of Aditya Mongia from Kotak Institutional Equities. Please go ahead.

Aditya Mongia – Kotak Institutional Equities: Thank you for the opportunity. I want to get a sense of the margins that you intend to make on the bio-CNG/CBG side. A ballpark sense would be useful as we think through this business scaling up over time.

Management: Hi, Aditya. Since you touched upon margins, if you look at our Q1 results, I want to say, for the benefit of all investors, that our margins were somewhat subdued, mainly because of the volumes and the mix that we had. Going forward, we will certainly be working on both these aspects. The international mix can improve our margins, and with the GenX orders that we discussed, our volumes can also improve. You are referring to CBG or CNG margins, is that what your question is, Aditya?

Aditya Mongia – Kotak Institutional Equities: Yes, specifically the compressed biogas business.

Management: These are in line with the industry. As you know, there are typical market players, and a fair number of players have entered the CBG market. In the past, before GOBARDhan was announced, I think the market was limited to some extent. However, what we hope is that when the market opens up with the GOBARDhan opportunity and the scheme recently announced by the government, along with state governments providing benefits to private players, both the opportunity side and the overall margin will improve. That is what we are hoping for right now.

Aditya Mongia – Kotak Institutional Equities: Okay. I also wanted to get a sense of [inaudible]

Management: Please be a little louder, Aditya.

Aditya Mongia – Kotak Institutional Equities: I hope this is better now?

Management: Yes.

Aditya Mongia – Kotak Institutional Equities: I will speak louder from my side. My second question was again on margins. I wanted to understand why gross margin has expanded on the standalone side. If your assessment is that the raw material mix is still impacting you and the fact that the {? more ?}, I would like to understand how the gross margin situation on the standalone side is developing.

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As an aligned question, could you give us a sense of whether raw materials as well as site expenses can allow your standalone margins to start looking better, or will these 2 problems continue to be an overhang or an incremental overhang compared with the margins reported in the quarter in the near term?

Management: Aditya, I will answer this question in 2 parts. One is the margin of this quarter versus the margin of the last quarter, which was the March quarter, and the other is the margin of this quarter versus the margin of the corresponding quarter last year. Both have different complexities and different aspects, so I would like to explain them in a little detail so that everyone benefits.

Management: This quarter, we have seen a 3% margin improvement year-on-year in material costs, but at the same time, if you look at my other expenses, they have gone up by 4%. As Ashish was explaining earlier, the sales mix and the execution mix within the project define these 2 elements of our expenses, and that is how they determine what happens to the project revenue or margin. That is the simple answer for the March-to-June quarter.

If you compare the June quarter of last year with the June quarter of this year, you will see a very different change in material costs. Material costs appear to have increased by more than almost 10%, while other expenses have come down by 7%. The implication for material costs is mainly because of the higher export sales we had in June 2025 as compared with June 2026.

Even in June 2026, whatever export projects we executed were mainly from the African market, where margins are not as high as in either the European market or the Americas market. That is the reason you see this kind of change in the cost of materials. Mainly, the cost of materials and other expenses generally compensate for each other. This is mainly because of which part of the project we are executing.

Aditya Mongia – Kotak Institutional Equities: The same part of the question was about site expenses. Could you give us a sense of how much they are impacting margins today amid the slowness of execution, and how do you think about them in the future?

Management: I would not say that they are impacting margins, because they are part and parcel of the execution that is taking place. It is not that costs have gone up, but at the same time, the revenue component also has 2 major components: one is equipment-related revenue, and the other is site-related activity revenue.

Depending on which revenue component is being executed during the period, these 2 elements, the cost of materials and other expenses, will act accordingly. Therefore, it would not be right to say that site expenses have gone up and that there is an impact from them. As I said, material costs and site expenses generally compensate for each other.

Over and above that, we are saying that going forward, if there is an impact from the movement in material costs, especially on the steel side, we are cognizant of it and aware of it. We are trying to take advance measures so that the impact of material costs will not be there going forward.

Aditya Mongia – Kotak Institutional Equities: Just the last question from me, and then I will fall into the queue. Your standalone margins are lower than your implied subsidiary margin. Is this the right

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way of looking at it at an EBITDA level, or should we think about it differently at a lower level? I am asking this because there may be some subsidiary that is performing particularly well in the current year.

Management: We may have to look at this for at least one more quarter, because the GenX numbers will keep changing depending on how execution takes place, and that is the component that will show some change affecting the consolidated number.

Earlier, it was very simple. My consolidated numbers were simply standalone numbers plus subsidiary numbers, and that is how the numbers used to be reflected. Today, because of the HiPurity component, these numbers will show something different. For example, if the engineering services component comes in at a higher level in GenX in one quarter, that quarter will show the GenX number differently compared with other quarters for GenX. That is how the consolidated and standalone numbers will look different to you.

Aditya Mongia – Kotak Institutional Equities: Understood. Thank you.

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

Shailesh Kanani – Asian Market Securities: Good afternoon, everyone, and thank you for giving me the opportunity. First of all, congratulations on the good order inflow during the quarter.

I have a few queries. First, please clarify our current status regarding municipal solid waste for CBG. In previous calls, we highlighted that municipal solid waste was excluded from our operations, but this year's annual report is discussing it. How should we interpret that? Additionally, can you provide an update on the progress of the CBG joint venture with BPCL, considering the recent positive developments in CBG?

Management: Thank you, Shailesh. On MSW, there are different challenges. Without getting too much into the technicalities, the segregation of the feedstock, depending on what can actually be put into a digester to generate gas, is at the crux of some of the challenges that everybody deals with.

We are definitely looking at that segment and examining how we can solve some of the current challenges. We are still in the phase of tackling these challenges, and once we have good solutions, we can accelerate that part of the CBG market. Currently, because we are dealing with these challenges, we have said that we are not looking at this aggressively, but we are not ignoring it completely, if that makes sense.

The second matter you discussed was the JV that we have probably discussed in the past for CBG. We continue to pursue those JVs, and we continue to discuss them. With GOBARDHAN coming into play, we will probably be able to speed up some of these discussions. Right now, because they are still in progress, I would not speak too much about them as far as the JVs are concerned.

Shailesh Kanani – Asian Market Securities: To add to this, that would substantially improve the return profile and improve the possibility of expansion over this joint venture, correct?

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Management: Certainly. Joint ventures are one of the ways we can capture the market as it develops. It is not the only way. We have executed many standalone projects where we have also partnered with the customer to bring in the investment.

JVs, especially those that can happen with oil marketing companies, can provide some added advantage because the final product can be consumed by them, and so on. However, it is not the only way. That is what I would like to emphasize.

Shailesh Kanani – Asian Market Securities: My second question is with respect to the recent GenX order in the data center space. Can you give me more color in terms of the scope of work, product profile, and any ongoing deal pipeline in terms of numbers? I also wanted to know how much of this 500 crores order value we have booked during the current quarter.

Management: GenX, as a part of Praj Industries Ltd.'s business, is into multiple types of offerings for the segment called ETCA, which is the energy transition and climate action segment, where we have green ammonia, green hydrogen, and so on. We continue to have those capabilities, but that segment has become very subdued over the last couple of years.

Therefore, we have pivoted to the conventional areas of oil and gas, refining, petrochemicals, and fertilizers. Now, with the announcement of this data center agreement with a global EPC, we have a third segment in which Praj GenX can operate.

We are expanding the basket and therefore increasing the scope of what we can offer to different markets. We will continue to do that, and this will give us the ability to manage some of the headwinds that may arise in one of the segments. We are not focused on only one segment and therefore at risk of getting stuck. Instead, we can hedge our opportunities and continue to operate and receive orders and revenue. That is how the GenX strategy is working.

Shailesh Kanani – Asian Market Securities: Any color on standard products?

Operator: Sorry, Mr. Shailesh Kanani, we request you to re-enter the queue. Thank you. The next question is from the line of Udit Segel from Pinpoint Tax Capital. Please go ahead.

Udit Segel – Pinpoint Tax Capital: Good afternoon, sir. I wanted to understand, in a CBG plant of approximately 10 tons, 12 tons, or even 20 tons, what would typically be the value of equipment that we can supply, and what kind of market share are we looking at as the CBG rollout takes place in India?

Management: Thank you for the question. We may not have some of these details. What we can say is that we execute an end-to-end project for customers. We have the technology, we can undertake the complete engineering, and we can carry out the entire construction of the plant. We also have solutions to clean the gas and either inject it into a pipeline infrastructure or take it onto cascades that can supply gas to end users.

We offer the entire gamut. In addition to project execution, we have the capability to provide operations and maintenance services and further enhancement services. Therefore, we have a fairly comprehensive set of offerings for CBG.

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Regarding market share, it is difficult to say for now because there are many segments in the CBG market. There are different feedstocks and different business models that we enter into. Therefore, it cannot be represented by a single number. The market is still maturing and is at a very nascent stage. I suppose it is too early to say what the market share is per se.

From the offering point of view, we can technically offer an end-to-end solution in CBG. It is then our choice, depending on the customer's preference and our understanding with the customer, to select and deliver what is required for the CBG project. Starting from digestion, through cleaning of the biogas, to delivery, we can handle the entire CBG portfolio end-to-end.

Udit Segel – Pinpoint Tax Capital: With respect to the data center offering, could you kindly explain what exactly the product is, or the broad contours? We want to understand what exactly the technology is.

Management: Without taking too much of everyone's time, what we offer is the creation of infrastructure for server halls. These are large server halls where server racks are kept for computing power. We provide both the infrastructure for server racks and the cooling systems required to keep temperatures down.

That is where we are starting our engagement. As we proceed, there will be more and more solutions in our portfolio that will help build the infrastructure for hyperscale data centers.

Udit Segel – Pinpoint Tax Capital: Thank you, sir, and best of luck.

Management: Thank you.

Operator: Thank you. The next question is from the line of Sagar, an individual investor. Please go ahead.

Sagar – Individual Investor: I would like to know, for a 100 KLPD ethanol plant, what would be the capex excluding the cost of land, and what would be Praj's scope in that?

Management: Typically, as a very ballpark number, not necessarily the right number, a 100 KLPD ethanol plant can cost somewhere between 100 and 120 crores, depending on the feedstock. That is a very ballpark number. It completely depends on what kind of feedstock you are using and what kind of ultimate product you are going to produce.

Sagar – Individual Investor: What is Praj's scope in that?

Management: Technically, if you look at it, we generally say that our scope can be in the range of 50–60%. However, as I was answering the question related to CBG, it also completely depends on what we want to do in that particular project.

Generally, we undertake the process or technology-related part, including the critical equipment required for it. Depending on the necessity and the geography, we can also undertake activities related to the installation and construction of a plant.

Sagar – Individual Investor: If we are undertaking only the process part, then would it be around 30%?

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Management: Around 30%, around 30%.

Sagar – Individual Investor: Around 30%. Thank you. I have another question. In the greenfield project in Brazil, what is the capacity in KLPD? The plants there are larger in size, correct?

Management: Sorry, which region did you say?

Sagar – Individual Investor: Brazil. You received an order for a greenfield plant there, correct?

Management: Yes.

Sagar – Individual Investor: What is the capacity in KLPD?

Management: It completely depends on the availability of feedstock with the customer. You are right that the average capacity of greenfield plants has actually increased over the last couple of years. Earlier, capacities used to be 60, 80, or 100 KLPD, but now people are even discussing capacities of 200 or 400 KLPD.

Specific to Brazil, if you are referring to the Brazil project, it is a capacity of almost 800 KLPD. It is fairly large.

Management: It is the corn-to-ethanol project that we are executing end-to-end.

Sagar – Individual Investor: Thank you, sir.

Management: Thank you.

Operator: Thank you. The next question is from the line of Manish Goyal from Thinkwise Wealth Management. Please go ahead.

Manish Goyal – Thinkwise Wealth Management: Thank you very much for the opportunity. I have 2 questions. One is on CBG. For Praj, which feedstocks are the ones where we have achieved a fair degree of success and probably a good yield from the projects we have implemented in the past? If you can give us some more perspective on that.

The second question is on GenX. What is the size of the order from the data center, the 500 crore order that has been booked in engineering? Overall engineering order booking is much lower than the data center order. How much has been booked, and how will it develop over the quarters? Do we expect the Mangalore facility, the GenX facility, to break even in the current year for the full year, or do we expect it to break even on a quarterly run-rate basis in a particular quarter? When do you expect it to break even? Also, what is the share of GenX in the total engineering order book? Thank you very much.

Aashish: Manish, first of all, we have technologies for all kinds of feedstocks in waste-to-energy. However, as opportunities came to us, we have successfully delivered projects using press mud, which is waste from sugar mills. We have successfully executed projects using rice straw, which is agricultural waste, and also napier grass, where we received opportunities to implement CBG plants. That is the first answer to your question.

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The second matter you discussed was GenX. The 500 crore order has not been booked by us in its entirety. We have taken a portion of it because this will happen over a period of two and a half years. In our order book, we will book the order as we receive firm confirmation of the phases and the different data centers that our customer will construct for the end user, the hyperscale data center.

The third matter you discussed was the breakeven for GenX. Our endeavor has always been to achieve breakeven. Hopefully, by the end of this year, we should be able to achieve breakeven because the order book volume for GenX is now starting to look better.

Manish Goyal – Thinkwise Wealth Management: I will come back to the first question. We have implemented projects using press mud, rice straw, and napier grass, but have they reached project viability in terms of whether a customer wanting to establish a new project using the technology we offer would find it viable? Now, with gas prices having increased under the GOBARdhan scheme, I wanted to understand that perspective.

The other question that was left unanswered was about the engineering order book for GenX. Thank you.

Aashish: Each of these technologies is viable and can achieve the required capacity. Sometimes, depending on the location of the plants and the customers' ability to obtain feedstock on time, the outcome is affected. You need a continuous supply of quality feedstock so that generation is not interrupted. That is where some of the challenges can lie.

However, as I said, for all the technologies and feedstocks we discussed, viability has been achieved.

Manish Goyal – Thinkwise Wealth Management: My last question is again about the share of GenX in the engineering order book, if it is possible to share.

Aashish: Within engineering, we are currently still showing engineering as one basket. At the appropriate time, we will discuss GenX separately.

Manish Goyal – Thinkwise Wealth Management: That is a fair point, sir. Thank you very much.

Aashish: Thank you, Manish.

Operator: Thank you. The next follow-up question is from the line of Ketan Arsheda, a retail investor. Please go ahead.

Ketan Arsheda: Thank you for the opportunity. If I look at the past decade, approximately 10 years, our margins have largely been in single digits for the entire year, except in FY24 and FY25, when we had good margins. That appears to be how the business was structured for the past decade. Of course, I am sure you have made many changes, and we have undertaken significant innovation and investment.

Going forward, how do you see margins changing? There could be one-offs. FY25 and FY26 may have been one-off years, I could say. Structurally, where do you see margins going in the next

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decade or so?

Aashish: We would not like to provide any particular guidance on margins because we are still working on expanding our portfolio and changing the mix. As I mentioned earlier, we are making sure that we have many offerings in our basket, and that mix will help us achieve progressively better margins.

For example, one way to look at our mix is domestic versus international orders. Another way to look at our mix is projects versus services orders. A third way to look at it is first-generation ethanol versus some of the new biofuels we are introducing, such as SAF, isobutanol, and CBG.

As we develop these different mixes in our portfolio and pursue the market, we obviously hope to improve the margins we have historically seen, which, as you mentioned, have been in single digits, and move them to a better position. That would be our response to your question.

Ketan Arsheda: This is a continuation of that question. I was not looking for specific guidance, but I was looking for some direction. You mentioned services. I assume that the services portion would have a larger or higher percentage margin compared with the other segments.

In the current setup, because we have been operating for such a long time, we should have a significant installed base from which services revenue should come. What would it take for these factors to be reflected in margins in the current year and the coming years?

Aashish: You are right, Ketan. Services margins are definitely better than project margins in any type of business, not just ours. As we change the mix and increase the share of services by leveraging our installed base and providing more and more services, both digital and physical, we hope to bring that impact into the overall net margins for the entire business.

Ketan Arsheda: Are there any specific triggers that we should look for, based on the different segments and verticals we have, that could propel margins higher? Again, if you can share some thoughts directionally rather than provide any number or guidance.

Sachin: Ashish has elaborated on what we are trying to do to expand margins. Naturally, that is our objective. At the same time, many developmental activities are taking place. In particular, we have seen the investment in GenX naturally taking a portion of our margin in that area.

We continuously invest in R&D, which is intended to expand our product portfolio and technology basket. Therefore, unfortunately, we will not be able to provide a specific segment with a specific margin scenario at this point.

The only thing we mentioned in our opening remarks is that whatever we are trying to do has now started showing results. The first is GenX, the second is internationalization, and the third is the new development of alternatives to ethanol as a product. We have not yet seen what is going to happen on the sustainable aviation fuel side.

There are multiple new-age avenues opening up. All these new avenues may also require some investment, either in the form of capital investment or revenue investment. We have not yet reached a maturity level where we can say that these businesses have reached a particular stage,

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these are the expenses that will occur, and this is the margin we should provide quarter after quarter.

The business is still at a developmental stage, with multiple things coming up. We believe that going forward, these initiatives will start converging and begin contributing to our top line and bottom line. As we said, based on the order book we currently have, there will be visibility of these results emerging in the latter part of this financial year.

Ketan Arsheda: Thank you very much. That was helpful. I wish you all the best.

Aashish: Thank you, Ketan.

Operator: Thank you. The next follow-up question is from the line of Aditya Mongia from Kotak Institutional Equities. Please go ahead.

Aditya Mongia – Kotak Institutional Equities: Thank you for the opportunity again. I have one data point. Exports have declined quite significantly year-on-year, while domestic revenues have increased quite significantly year-on-year. Could you give us a sense of both these points?

Sachin: That is right. As I mentioned, export revenue in this quarter is lower compared with the last quarter, and that is what has caused my margin to look lower this quarter compared with the corresponding quarter last year.

Aditya Mongia – Kotak Institutional Equities: I understand that it affects bottom-line margins, but why did exports decline in the first place? Why is there so much focus on the domestic side, so to speak? Is it a different mix there? I am asking specifically about revenues.

Sachin: It completely depends on when the entry points for my export orders occur and on their execution cycle. For example, in this quarter we saw a large number of export orders coming in. Execution may start from Q3 once the engineering is completed. That is how the numbers from the export side will start picking up. It completely depends on the entry point and execution cycle for that particular order.

Aditya Mongia – Kotak Institutional Equities: What has been the demand for orders and revenues on the domestic side, and which segment is contributing to it?

Aashish: From a guidance point of view, Aditya, you know that we do not provide guidance. However, as Sachin explained, if you look at our order mix, international orders were approximately 40–43% this quarter, so that share has increased.

These orders will now convert into revenue over the next few months and quarters. In the quarter ending June, the share of international revenue was lower, at approximately 25–30%. That will start to improve, as Sachin explained to you. You will start to see that percentage increase in the coming quarters.

Aditya Mongia – Kotak Institutional Equities: Understood. My second question was more on GenX. While you are not providing the backlog share, whatever the backlog is, against the top line required for breakeven, how much of that top line can be achieved through the existing backlog?

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Also, please clarify whether, when you say breakeven, you mean at the EBITDA level, where costs are still below that level, or at the PBT level for GenX.

Sachin: This question is specifically about GenX. If you look at GenX, it would not be appropriate to monitor only the backlog and new orders, because the new orders are also going to have somewhat shorter delivery cycles, especially in the data center business where we are receiving these new orders.

There is a possibility that we will have to deliver the data center orders received in Q1 for GenX before the end of this financial year itself. Therefore, Aditya, it is again somewhat complex because it depends on the entry point of the order and its delivery cycle.

We do not have a large order carry-forward for GenX, as you know from the March engineering order. We have already declared what the backlog from that order is. I am not saying that there is a large carry-forward, but the build-up happening right now is very impressive. That is what we believe from a financial perspective.

Someone was asking about breakeven or some level of scale for GenX. We believe that this will happen during this year, and that is what we are working on right now.

Aditya Mongia – Kotak Institutional Equities: This is an EBITDA breakeven that you are targeting, not a PBT breakeven for GenX?

Sachin: It is too specific at this point. To start with, you can consider it an EBITDA breakeven.

Aditya Mongia – Kotak Institutional Equities: Understood. Thank you. Those were my questions.

Aashish: Thank you.

Operator: Thank you. The next question is from the line of Dhaval from In-Finite. Please go ahead.

Dhaval – In-Finite: I wanted to have an update on bio-isobutanol. Where are we on that, and what is the current status? Also, could you provide some color on bio-bitumen and PLA taking up in that category?

Management: Sure, {? Gagan ?}. I do not know whether you had a chance to listen to our opening remarks. As we mentioned, we received an order in the previous quarter to build a commercial-scale demonstration plant for bio-isobutanol. We are currently executing it. Construction will be completed by the end of this year, by December of {? 2026 ?}.

In parallel, government agencies are testing bio-isobutanol blended into diesel and checking engine efficiency, among other things. All of that is taking place.

You also asked about the other biomaterials Praj has developed, bio-bitumen and PLA. By the way, we currently have technology for lactic acid, which goes into PLA. I want to clarify that. We are engaged in various discussions with our customers and prospective customers, and we are hopeful of achieving success for these co-products. Therefore, by the end of this financial year, we hope to see some progress in these areas.

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Dhaval – In-Finite: With the conversations we are having with the ministry, do you foresee any mandate for bio-isobutanol blending coming in very soon, or is it going to take a long time?

Management: We really do not know the timing at present. What we can say is that, from a scientific and technology-viability perspective, Praj is ready. If the mandate comes, we absolutely believe that we have the right technology and expertise to execute it.

Diesel is a major transport fuel used in India, and we believe that blending biofuels into diesel is beneficial for the national interest.

Dhaval – In-Finite: Great. Thank you very much. Thank you for the information.

Management: Thank you. Thank you very much.

Operator: Thank you. Ladies and gentlemen, we will take this as the last question for the day. I now hand the conference over to the management of Praj Industries Ltd. for closing remarks.

Management: Thank you, everyone, for your time today. In case you have any more questions, please feel free to write to us at info@praj.net. We wish you a happy Independence Day in advance, and have a nice day. Thank you.

Operator: Thank you very much, sir. On behalf of Praj Industries Ltd., that concludes this conference. Thank you all for joining us, and you may now disconnect your lines.

Note: {? ... ?} indicates a figure or name where audio clarity was insufficient for confident transcription. Verify against the source audio or the company's published filings.

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