Date: 6th May, 2025
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National Stock Exchange of India Ltd.	**BSE Ltd.**
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<u>Sub.: Transcript of Analysts' Call held on 30th April, 2025.</u>

Dear Sir / Madam,

Please find enclosed the Transcript of Analysts' Call of Praj Industries Ltd. held on 30th April, 2025 regarding Audited Financial Results (Standalone and Consolidated) for the fourth quarter and financial year ended 31st March, 2025.

The above information will be made available on the website of the Company at www.praj.net.

This information is given pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

Thanking you.

Yours faithfully,
FOR PRAJ INDUSTRIES LIMITED

ANANT
NARAYAN
BAVARE

Digitally signed by ANANT NARAYAN BAVARE
DN: c=IN, o=Personal, postalCode=411046, l=Pune, st=Maharashtra, street=S NO 22/1 KAMALA CITY CO HOUCING SOCIETY, 2.5.4.20=61c9e87ef0d6d5e80f8dbfabc0229d3ae288ced6642b16c064597d35131452d9, serialNumber=dc49d94115511b586de51ea82f0eea102ad4354fd731e5b716931b63e912c3f1, email=anantbavare@praj.net, cn=ANANT NARAYAN BAVARE
Date: 2025.05.06 16:47:10 +05'30'

ANANT BAVARE
COMPANY SECRETARY &
COMPLIANCE OFFICER
(M. NO. 21405)

Encl.: as above

Praj Industries Limited
Q4 FY '25 Earnings Conference Call
April 30, 2025

Moderator: Ladies and gentlemen, good day and welcome to Praj Industries Limited Q4 FY '25 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 touch-tone phone. Please note that this conference is being recorded.

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

Nupur Jainkunia: Thank you. Good afternoon, everyone, and a very warm welcome to you all. My name is Nupur Jainkunia 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 Call for the 4th Quarter and Financial Year ended 2025.

Before we begin, a quick cautionary statement. Some of the statements made in today's earnings conference 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 management. Audiences are cautioned not to place any undue reliance on these forward-looking statements in making any investment decisions. The purpose of today's conference call is purely to educate and bring awareness about the company's fundamental business and financial quarter under review.

Now, I would like to introduce you to the management participating with us in today's Earnings Call and hand it over to them for opening remarks. We have with us Mr. Shishir Joshipura, CEO and Managing Director and Mr. Sachin Raole – CFO and Director of Resources.

Without any further delay, I request Mr. Sachin Raole to start with his opening remarks. Thank you, and over to you, sir.

Sachin Raole: Thank you, Nupur. Good day, everyone. I welcome you to Praj Industries' earning call for Quarter 4 and Financial Year '25. Trust all of you had the opportunity to go through our results for the Quarter Ended 31st March '25.

I would like to start today with two key developments:

1. India has officially achieved 20% ethanol blending much ahead of the schedule. Praj is proud to have been a key catalyst in this historic shift towards synergy, self-reliance and sustainability.
2. In another significant development, Praj has partnered with Uhde Inventa-Fischer, UIF, a subsidiary of Thyssenkrupp Uhde to offer end-to-end solutions for PLA production. UIF is a specialist in polymer technologies. The offering will cover all stages from feedstock conversion to polymer production. Praj will take care of feedstock to lactide through a fermentation route and UIF will be responsible for polymerization. Praj will also do the entire engineering and building of the entire plant for PLA.

Now coming to the business performance:

Our results for the quarter are reflective of the developments taking place globally in the bioeconomy and energy transition space. This year has been a year of transition, shaped by several external factors such as the changing phase of energy policy across the globe, availability of liquidity, emergence of new sectors and increased focus on carbon abatement.

We have mentioned in past that Praj business is a string made up of pearls represented by several business units. The business construct for the year is reflective of this fact as we saw significant contribution from CBG, services and international business.

On the domestic bioenergy business front, India has achieved its EBP 20 target way ahead of the schedule. This augurs very well for the future policy initiatives to expand the share of bioenergy in the overall energy mix of the country. We are fully geared up to serve any emerging needs from the enhanced blending mandates.

Our technology team is focused on enhancing margins for our customers by developing co-products and plant yield improvement solutions. We have commercialized technologies for the production of Distillers corn oil, rice protein, high protein DDGS etc., which are gaining increasing traction from the existing ethanol producers. These co-products will significantly alter the financial viability of bioenergy projects. These patented technologies will significantly differentiate Praj in the market and create unique sustainable competitive advantage.

On the project execution front, we are still witnessing liquidity challenges for financial closure of projects. Funding agencies have become more stringent on the approval processes, which is leading to extension of average execution cycles by almost 12 months.

On international bioenergy front, there is a strong buildup of inquiry pipeline mainly from America, Brazil, Argentina and Paraguay. To cater to this potential, we have strengthened our presence in Americas by adding local resources.

The much awaited 45Z draft notification has been issued and is likely to be enacted by October 2025. This will create significant pipeline for low carbon ethanol opportunity in the market of America.

During this quarter, we won a significant contract from a customer in Paraguay to set up an ethanol plant based on starchy feedstock.

On CBG front, we have signed an agreement with an industry leader in South India to set up a CBG project of 36 tons per day capacity, the project to be one of the largest single location facilities in India.

Earlier this month, we have signed a term sheet with BPCL for developing 10 CBG projects under the joint venture. The next step is going to be regulatory approvals and formation of a formal JV. In parallel, we will be working with the feedstock owners to develop the projects under this arrangement. We have started discussing Bio-bitumen module addition with our CBG customers. Since it can significantly improve the viability of the CBG plants, we are witnessing increasing traction in this segment. We have a healthy build-up of enquiries that are expected to translate into firm business as we move forward.

Our services business has witnessed healthy growth in order book and revenue from both domestic as well as international markets. Our order book for Financial Year '25 has doubled as compared to last year. There is increasing traction for solutions such as biogenic CO_2 capture, fermentation process management and operations and maintenance services.

Moving on to the engineering business:

Praj GenX commenced operations at its Mangalore facility in March 2024. During the Financial Year '25, the Mangalore facility was audited and approved by eight key customers. Three customers have already signed a long-term framework agreement for the supply of goods and services. For the financial year ended 31st March '25, the reported profit before tax incorporates scale-up-related expenditure totaling to almost Rs. 76 crores in the consolidated profit and loss account. With requisite client approvals now secured, GenX is geared up to contribute to group revenue and PBT from FY '25-'26.

Our brewery business is witnessing some early momentum after a long pause. After a period of three years, first Greenfield plant has been announced and we have received this order.

On PHS front, we continue to grow in newly identified segments of high-capacity fermenters, complex injectables, and blood plasma. Storage batteries, EVs, solar cells, and semiconductors are new business avenues for Praj's activity. And we are seeing healthy buildup of inquiry pipeline from these segments. Overall, we see a positive development for all our business lines, and we continue to remain confident and committed to our long-term goal.

On 28th March '25, a fire incident occurred at the office block of Praj Matrix, our R&D center in Pune. Fortunately, there were no casualties or injuries, and the facility did not sustain any major damage. There has been no impact on any of our R&D operations. We are now in the process of refurbishment of fire-impacted office block area, which is expected to be ready in two months' time.

On the financial performance, the consolidated income from operations stood at Rs. 8 billion in Quarter 4 of Financial Year '25 as compared to Rs. 10 billion in Quarter 4 of FY '24. PBT for the quarter stood at Rs. 582.51 million as compared to Rs. 1 billion in the corresponding period of the last year.

Profit after tax stood at Rs. 398.169 million in Q4 of FY '25 as compared to Rs. 919.36 million in Q4 of FY '24. There has been improvement in margin and of course the margin has to be considered after considering the cost of material and direct expenses by almost 2.3% over quarter 3 of FY '25.

As I mentioned earlier, fire at office block at R&D center temporarily disrupted the activities at the R&D center for two weeks and there is no financial loss since the facility is under insurance cover.

For the full year ended March 31, 2025, income from operations stood at Rs. 32,280 million and as against Rs. 34,662.78 million. PBT stood at Rs. 2,703 million in FY '25 as against Rs. 3,774 million in FY '24. PAT for '25 came in at Rs. 2,189 million as against Rs. 2,833 million in FY '24.

Export revenue accounted for 24% for FY '25 as against 18% of FY '24. Of the total revenue, 70% is from bioenergy, 20% from engineering and 10% is from PHS business. The order intake during the quarter was Rs. 10,320 million with 61% from the domestic market. Of the total order intake, 70% came from bioenergy, 21% from engineering and balance 9% from PHS business.

Moderator: Sorry to interrupt, sir. Sorry to stop you. There is some disturbance from your line. Can I reconnect it?

Sachin Raole: Please do that.

Moderator: Ladies and gentlemen, please be patient and hold the line. We will reconnect the management. Ladies and gentlemen, thank you for patiently waiting. We have the management back with us. Over to you, sir.

Sachin Raole: May I know where the call got disturbed? Any idea?

Moderator: Just last two, three sentences which you were saying.

Sachin Raole: Okay. Maybe I will start from the export revenues because that's where I believe you called me up and said that there is a disturbance.

Moderator: Yes, sir.

Sachin Raole: Export revenues accounted for 24% for FY '25. Of the total revenue, 70% is from bioenergy, 20% from engineering and 10% from PHS business. The order intake during the quarter was Rs. 10,320 million with 61% from domestic market. Of the total order intake, 70% came from bioenergy, 21% from engineering and balance 9% from PHS business.

The order backlog, as of March 2025, is at Rs. 42,930 million, comprising 63% of domestic order, with 77% from bioenergy and 18% from engineering and balance 5% from PHS business.

Cash in hand as on 31st March 2025 is Rs. 6 billion.

The Board of Directors proposed a final dividend of Rs. 6 per equity share at the rate of 300% of the face value of Rs. 2 per equity share for the financial year ended 31st March '25, which is subject to the approval of shareholders at the forthcoming AGM.

Some other developments in the Board meeting of yesterday. Considering the emerging growth horizon for company's business areas, the Board of Directors requested Dr. Pramod Chaudhari to accept the role of Executive Chairmanship for the next five years, which Dr. Chaudhari graciously consented to. Accordingly, the Board has approved the appointment of Dr. Pramod Chaudhari as Founder, Chairman, and Group Mentor in the Executive Director category for a period of five years with effects from 1st of July 2025.

The board has also approved the appointment of Mr. Parth Chaudhari, son of Dr. Pramod Parth Chaudhari, as Non-Executive, Non-Independent Director with effect from next AGM.

With this, I will conclude my remarks. Thank you all for joining. And we would now be happy to discuss any questions, comments or suggestions you may have.

Moderator: 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 touch-tone telephone. If you wish to withdraw yourself from the question queue, you may press star and two. Participants are requested to use handsets while asking a question. Ladies and gentlemen, we will wait for a moment while the question queue assembles. We have our first question from the line of Mohit Kumar from ICICI Securities. Please go ahead.

Mohit Kumar: Yes. Good afternoon, sir. And thanks for the opportunity. My question is, sir, can you please help us dissect the other expenses?

Sachin Raole: I am again losing you.

Mohit Kumar: I will try once again and I will go back in the queue, sir. Can you please help us dissect other expenses? They are sequentially and Y-o-Y look much higher.

Sachin Raole: Okay. So, when I mentioned about the improvement in the margin for the quarter of 2.3% is after considering the cost of material and the other expenses. Our other expenses have a major component of site expenses which are meant for putting up of a project at the customer site.

In this quarter, the site activity was on the higher side, especially because we are now constructing the CBG plants, which has major components on the site activity as compared to the materials which are involved in the normal equipment business. That's the reason this other expenditure, which you are seeing right now, is on the higher side. As compared to that, cost of material is lower. And that's why this margin is looking in a very different way.

Mohit Kumar: Understood, sir. My second question is on the, what is the outlook on order inflow from ethanol, the domestic sector? Is it fair to assume that a substantial growth in the new order inflow will be contingent on the government increasing the target?

Sachin Raole: You are basically asking only for domestic ethanol business, right?

Mohit Kumar: Yes, domestic. Domestic only, sir.

Sachin Raole: Yes. Domestic, okay. So, as I mentioned in the opening remarks that the EBP 20 program has almost reached to its finality. So, technically, the capacity which is required is either already built up or already committed for EBP 20. But there are different avenues which are emerging after EBP 20 program such as in the form of flexi-fuel vehicles or vehicles which can run only on the 100% ethanol or the blending with diesel which is also going to come up in the near future. So, all these developments are going to create demand for ethanol in the domestic segment.

One more avenue which will come up for demand for ethanol is on the SAF side which will start building up over a period of time and which will need ethanol as a feedstock. So, there is a possibility of different avenues which will come up for ethanol demand in the near future.

Shishir, would you like to add?

Shishir Joshipura: Yes. To add to what Sachin said, there are two, three other drivers that we see clearly emerging. One, the existing producers are now looking for solutions to enhance their operating margins. And therefore, two or three steps that Sachin also briefly mentioned in each one, the co-product development that we are now offering to our customers, for the same input that they are now already doing for production of ethanol, they will now be able to garner higher revenue because they will be able to develop a separate co-product. Now, what is that co-product? Whether it is rice protein, whether it is high protein DDGS, whether it is corn oil, whether it is CBG, it depends on the overall scheme and the location of the project. So, one big dimension will be this.

The second is as the plants have started to operate and people have learned and stabilized their plants, it very clearly this being a process plant means opportunities for debottlenecking the plant and which leads to then an enhanced recovery of or enhance output or you can also look at lowering the cost by improving efficiency. There are different steps that one could take. That also we see now emerging and we are regrouping that as a very special offering from our end to help our customers debottleneck their plants to either higher outputs or to lower cost of operation. That's the second one.

And the third opportunity that is likely to come, which Sachin mentioned, about the opportunity from SAF. One opportunity will be for setting up the SAF project, but for SAF projects to work, we need carbon intensity of the ethanol to be lowered. And that is another set of solutions that we will come up with even in the domestic market as we move forward, because that will be the key requirement as we move forward for SAF to have a low carbon intensity ethanol.

So, different levers will come into play in the ethanol segments. Just plain vanilla Greenfield projects are not the only option. There will be other Brownfield expansions, debottlenecking, all the other co-product development, etc. that I mentioned.

Mohit Kumar: Understood, sir. Thank you and all the best, sir. Thank you.

Shishir Joshipura: Thank you.

Moderator: Thank you. We have our next question from the line of Nirav Vasa from ASK Investment Managers. Please go ahead.

Nirav Vasa: Hello, sir. And thank you very much for the opportunity. So, my question pertains to diesel blending. Any idea by what time can we expect initial orders or some backing from the government for the same? Can we expect in this financial year?

Shishir Joshipura: So, the diesel blending program, as you would probably appreciate, has to obviously meet the tech requirements first. And that is the testing that is currently underway. We have passed all but one stages of testing. And the final stage of testing is now currently underway, where a joint study is being undertaken by ARAI, BPCL, Praj and Cummins. And this has to be extended time test, because we have to test it from the perspective, not only from mileage and combustion and power, but also from environmental perspectives of what happens with respect to what I would call as emissions. The fuel specification standard that needs to get specified as to what needs to because we can't sell anything as fuel in India unless it gets so notified by the government. So, these tests will then get recommended through the government, saying now this is possible. And based on that, a new standard will get defined. So, it's difficult for us to put a timeline that will it happen this year, in the month of September, in the month of August. But this is definitively progressing as a joint program. And we are sure that we will see a very positive traction on this during the year. Government has taken steps to actually initiate this program notification, but obviously all these steps have to be gone through. You know, environmental norms to be met, the power norms to be met, fuel to be specified, certified, recommendations to be made. So, it's going through the steps.

Nirav Vasa: So, my other question is pertaining to the petrol blending from 20% to 30%. So, according to your assessment, the journey from 20% to 30% would require significant contribution from second generation ethanol or that is something that can be managed using molasses, maize and some other feedstock, Agri-feedstock.

Sachin Raole: I think as we move forward, two or three things will likely shape the new capacity creation for ethanol. One, of course, as you rightly said, if the blending percentage changes, that itself will drive the demand. Second, we will have to map it against availability of feedstock and also availability of feedstock regionally. I mean, something in north that is of no use in south because then you end up transporting ethanol which is not the purpose. And what is likely to happen is that there is also a big push now from government to use starchy feedstocks, especially corn, because that seems to be a very amenable crop for us to use. We are working on a program of intercropping right now, which is at a very advanced stage. So, different feedstocks will emerge, definitely yes. In what form, at what moment in time, is a matter of the locality, the geography, the current availability, the capacity availability, technology availability at that stage etc., etc. So, we are very confident that as we move forward, we will see an emergence of new feedstock as well. 2G will also be one of them.

Nirav Vasa: Final question is, are you expecting...

Moderator: Sorry to interrupt, sir. May we please request you to rejoin the queue as there are several participants waiting for their turn.

Nirav Vasa: Thank you.

Moderator: Thank you. Ladies and gentlemen, in order to ensure that the management is able to take questions from all participants in the conference, please limit your questions to two per participant. Should you have a follow-up question, we request you to rejoin the queue. We have a next question from the line of Deepesh Agarwal from UTI AMC. Please go ahead.

Deepesh Agarwal: Yes, good afternoon, gentlemen. My first question is, what would be the impact of the possible tariffs on U.S., both on your existing business as well as the potential business on SAF and Praj GenX?

Sachin Raole: Sorry, your voice was a little bit getting disturbed. But if I have understood your question, you are asking about U.S. tariff scenario, right?

Deepesh Agarwal: Yes.

Sachin Raole: Yes. So, currently the equipment which are getting exported to US for both of our businesses, that is, ethanol business and the critical equipment business, they carry duty between 5% to 7%. The announcement for tariff is of 26%. Of course, for the next 90 days, it is reduced to 10%. And of course, there will be some discussions and negotiations which will be happening to reach to a stage of final tariff rate, which we currently, unfortunately, don't know. As per our agreement with our customers, naturally these duties are not on our head. The customer is supposed to take care of that. But if you look at the competition which India has in U.S. market from other markets like Taiwan and Korea and China, their duties are going to be far, far different than what duty structure is going to be for India is our current understanding. We will have to wait and watch till we see the complete picture, how the tariff scenario is going to emerge over a period of next whatever balance 70 days or 80 days.

Shishir Joshipura: So, our current understanding is that compared to the countries that we compete with, especially for our engineering business in that market, we are more favorably placed as far as duties are concerned. However, the impact of duty itself on the project is something that remains to be seen and of course as we know that this is a dynamic scenario, so what's the final number that it settles to is something that will determine how things move forward.

Deepesh Agarwal: What would be the share of U.S. in our revenue?

Sachin Raole: Only U.S. if you look at currently, it is miniscule in that sense because even though the customers are based out of U.S., the projects where our critical equipment are going there even going to Europe market also.

Shishir Joshipura: Canada.

Sachin Raole: Canada and Europe both, yes. So, in the U.S., currently it might be 3% to 4% kind of a revenue which might be forming a part of our current number.

Shishir Joshipura: For projects located in United States.

Sachin Raole: In U.S., yes.

Shishir Joshipura: Ordering may be happening out of United States, but projects getting located in United States is a very low number.

Deepesh Agarwal: Understood, understood. The other comment is on the CBG side. If you can help us how now this year, this scenario would be? Because you have tied up with all the OMCs. It seems like the largest oil and gas company in the private is also setting up a larger CBG plant. So, what is your expectation with respect to the CBG ordering now? And how confident are you in terms of Praj being getting a disproportionate share, being number one or number two in that segment?

Shishir Joshipura: Yes, so that's a very good question. I think what we are witnessing is right now a statement of intention from many of the OMCs and other PSUs that they would like to be participating in the journey of CBG. Our participation with them obviously comes with a very different purpose. One, when an OMC is involved, the off-take of the gas, which has been one of the major issues for the industry, gets addressed. The CBG networks that are now being built are also across the cities and as you probably know that from next year, January, it is a mandatory blend that is required to be done in the grid, 5%. So that becomes the next driver for it. The third thing is the technology itself. I am very happy to share with you. In fact, this happened just last week. We have done a record commissioning from start to final output at the guaranteed level with DCM in 60 days. So, that's the project that we have commissioned at a record pace. So that clearly establishes as the leader in the business of CBG. No other company can come anywhere near this record.

We have also, as Sachin was mentioning, we are building a very large capacity single location project, which is also, in a manner speaking, a repeat contract from a customer who has already experienced one of our plants. So, that goes to show that there is an increasing confidence in the ability of technology to develop.

The next development, which is very, very significant, especially from CBG's perspective, is the development of Bio-bitumen technology at Praj. As you are aware, we had mentioned in our last call that a road built using Bio-bitumen from our technology is now inaugurated as a stretch of the National Highway by Honorable Mr. Shri Gadkari, near Nagpur. And beyond that, that becomes a very, very important co-product for a CBG production, which helps to address several challenges that the CBG industry faces. We have worked closely with CRRI to get the product specified, and that is, it is currently under the process. Because the by-product of Bio-bitumen actually happens out of waste stream processing, so it enhances the value significantly for CBG projects as well.

So, as we move forward, we believe that after the initial dust has settled and people have understood what technologies work and what don't, and where is the valuation that is happening, Praj will be in a position to be the market leader as we should be given our technological prowess.

Deepesh Agarwal: Sure. And last question, if we look at the last two years, there has been a...

Moderator: Sorry to interrupt, Mr. Deepesh. May we request you to rejoin the queue?

Deepesh Agarwal: Sure.

Moderator: Thank you. We have our next question from the line of Aditya Mongia from Kotak Securities. Please go ahead.

Aditya Mongia: Good afternoon, everyone, and thank you for the opportunity. I hope I am audible to all.

Sachin Raole: Yes, Aditya.

Aditya Mongia: Thank you so much. I will go ahead with my questions. The first question that I had was more on this next year and how you see it from an order inflow perspective as in the imponderables over here are EBP 20 having been achieved already. Then imponderables over here are the ETCA orders that you may end up achieving. And the imponderable over here is the CBG pipeline, as you see through it. I would want to focus on both the bioenergy and the ETCA segment separately. And to gauge from you, how do you see through from a Y-o-Y perspective things happening from an inflow perspective in FY '26? That will be my first question.

Sachin Raole: Okay. So, we were talking about FY '25 as a year of transition. Looking at what is happening on the EBP 20 program, rather we started working on what should be the scenario beyond EBP 20 program. And what can be the contributor to our order book starting, let's say, from '26-'27 and going up to 2030. That's the planning which we were doing for the last 2-3 years.

What Shishir was talking about the products which are coming out of for the commercialization, the value adds which he mentioned for the ethanol plants, is the one which is going to contribute in a big way. EBP 20 we will have to also see how EBP 20 is going to move to EBP 25 or 30, where there are some talks which are going on from the decision-making point of view at the government level. So, there will be one more lever which will be available for taking EBP demand from 20 to 30. There are multiple avenues which are possible within the existing plants, which again Shishir was earlier mentioning, that what kind of a value add which we can do for our customers, that will be another stream of ordering which can happen under the ethanol business for us. I think there is more than enough opportunities which are available in that market or in that segment. Technology-wise, or from the solutions point of view, we are completely ready to offer that. So that's on the ethanol side.

CBG scenario is still evolving. Again, CBG is not going to remain only CBG-CBG. As Shishir was making a mention, there will be an addition of our offering to that in the form of a bio-bitumen, which actually differentiates our offering as compared to anyone in the market and takes up into a very different lead because it enhances the financial viability for the projects which are having a waste in the form of a lignin.

So, that's the business segment which will emerge. But of course, there are other factors which still need to get settled down. Market is still need to have more developers to come on the board. Some kind of an ecosystem from the offtake has to still get completely streamlined. So, I will have some cautious kind of approach to CBG, but of course it is going to be one of the big contributors in the next year in our bioenergy segment.

In the engineering side, if I may shift my gear to the engineering business now, as I mentioned earlier, already eight customers have verified or audited our facility of Mangalore. Unfortunately, my Kandla facility is so blocked that I cannot take any more orders in Kandla because it is blocked for the next 18 months. So, I can't take any new orders in Kandla. I will have to take orders only in Mangalore. And that's why we were preparing ourselves in the form of infrastructure, resources, installing our new equipment and plant and getting them tested.

As I mentioned, eight customers have already inspected, audited and approved this facility. We have also advanced that to signing three long-term almost 8 years long-term agreement framework agreement with them. What does that mean? These are not the orders. These are the agreements which actually sets the guideline for the placement of orders from my customers so it becomes little easier for them to directly place PO on us and every time we don't have to go through the entire process of commercial discussion on these orders. So, we have advanced with three customers on that by signing these long-term agreements with them.

I think the engineering business is definitely going to start contributing from the order booking in next year. As we were earlier mentioning about how this facility is coming up, we had mentioned that first two quarters we will see the build-up of order coming up in this facility. Some activities have already started. One of the projects for which we will be getting supply order in the near future, engineering activities have already started in this year.

So, we see this engineering business is also going to contribute in a big way in the entire landscape of our order booking. I can't give you a number, unfortunately, but I very clearly see that there are possibilities of all these businesses to contribute in a big way.

I missed out two or three other elements which are going to contribute to our order booking. And one segment is on the services side. We are expanding our services business since last three years. It is taking a good shape. As I mentioned earlier, this year's order book is almost 2x of the last year and now we are again looking at a rapid growth coming up in that segment on the services side.

Another one is internationalization. And internationalization is happening across. It is happening in the bioenergy segment also. And let me also make a mention of PHS business because initially they were having some kind of a sporadic kind of orders from the international side. But since the last two years, we have seen a continuous flow of international orders coming in PHS too.

So, services business, internationalization is what is going to contribute for the order booking of our next year. As I said, I only can't give you a number because that's what we generally don't talk about from the guidance point of view. But I can give you a direction, the way in which order booking is going to look like.

Aditya Mongia: Understood. This helps. And the second question that I had was on margins. Now your margins at the consolidated at the 10% levels at this point of time. I am just trying to get a sense of margin trend. Few imponderables..

Moderator: Sorry to interrupt, Aditya. We are not getting you. Your voice is quite breaking in between.

Sachin Raole: But Aditya, if I have understood your question, you want to understand how the margin is looking like for this quarter and going forward. Am I right? Aditya is dropped. Okay, maybe in the meantime we can take another caller and maybe Aditya can come up in the call.

Moderator: We have our next question from the line of Tushar from KamayaKya Wealth Management. Please go ahead.

Tushar: Yes, good afternoon, and thank you for the opportunity. I just wanted to know if corn is the long-term solution for ethanol and the companies want to increase their margin. So, it seems a natural transition for the value addition in the existing plant. Like, there are players like Globus and VCL working on that, on the corn at present. Just wanted to know, sir, in terms of opportunity, what sort of opportunity, in number terms, you were saying that? And for what percentage would be that for any just an average capacity cost? And, you know, that value addition would take what percentage?

Sachin Raole: Shishir?

Shishir Joshipura: If I understood the question correctly, very clearly the focus is on adding higher value to existing customers and obviously that's highly value accretive for both them and us. That also makes sure that we are able to bring all our technology prowess to our projects. As markets mature, as technologies mature, as customers' operations mature, they then start to look for some of these solutions. We are seeing this across the different markets in the world. Depending on at which point of curve they are, they are moving differently, but all of them are looking for solutions in a broad category of, how do I enhance the value of my own operations? And that is where I think a significant role is played by the fact that we have steadfastly focused on technology development as an area. And that is why you heard us talk about Bio-bitumen, Distillers corn oil, high protein DDGS. We have talked about low carbon ethanol, reducing energy intensity, improving yield. These are all solutions of technological kind that allow one to realize higher value and deliver higher value both. So, I think that's the key lever as we move forward.

Could you just repeat the second part of the question? You were a little breaking up, so I couldn't catch that part.

Tushar: Basically, I just want to understand the market size of that value addition, which the existing clients are looking for. And second is, sir, what would be that percentage? ………

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

Shailesh Kanani: Good afternoon, everyone. And thanks for the opportunity. Sir, one clarification was needed on the margin front where in our PPT, we have mentioned about GenX facility expenses cost impact of around Rs. 50 crores plus interest and depreciation of Rs. 37.15 crores. So that total is Rs. 102 crores. So, are we indicating that this is directly impacting the PBT of around nearly 100 crores? Is that understanding right without corresponding revenue?

Sachin Raole: Yes, Shailesh, your calculation or maths is right. But there were some orders which were getting executed in GenX, which has also given a contribution. So, almost Rs. 20 crores contribution will be there. So, if you look at, and in the notes to our results also, we have mentioned the number of Rs. 76 crores or Rs. 77 crores as the hit to our PBT in the consolidated accounts which is net of contribution which we have got for the orders getting executed or got executed in FY '25 for Praj GenX. So, if you look at math, it's 109 minus 20. And this is on a standalone GenX basis. And Rs. 6-7 crores inter-company adjustment, which brings down that number to Rs. 76 crores. So, Rs. 76 or Rs. 77 crores is the number which we have mentioned in our notes to accounts.

Shailesh Kanani: Okay, and so does it mean that if we have a full year revenue of GenX, this would be getting absorbed and there is no repeat or in case we are building up a team, so the cost is already in the P&L. So, executing the future orders, this would not be enough, right? I understand material and the cost would increase, but this is part in the P&L, so it would not be enough, right?

Sachin Raole: Your understanding, Shailesh, is absolutely right, that moment we start executing the orders, all these fixed costs will start getting absorbed. And yes, to the extent of losses which we have mentioned from this GenX business, for setting up rather, this is, I will not use the word expenses, our investment, but getting through P&L, this expense will not or rather will get absorbed because of the orders which will get executed there. So, we will not have an impact on the consolidated profit and loss account or the PBT of the company.

Shailesh Kanani: Thanks a lot. And second clarification which I wanted is that we have also mentioned about a large CBG order of around 36 TPD. Has it been included in our order inflow?

Sachin Raole: Currently yes, in the current quarter order book it is sitting there.

Shailesh Kanani: Okay. And one indication I wanted to know on the international side, in the last two years, in terms of execution, has there been, see, we have not put any orders for GenX that you would understand for the Mangalore facility at least. But in terms of order book and revenue, the ratio has deteriorated. So, has the orders which we have brought in last 18-24 months are of longer duration or we are taking time for execution? Any color you can provide on that?

Sachin Raole: You are saying for the international bit, right?

Shailesh Kanani: Right, right.

Sachin Raole: So, our international order has both the segments sitting there which is engineering and the bioenergy. Engineering orders, when they are of a larger value, naturally their delivery cycle is little longish. So, it can go up to 18 months. The orders can actually go even up to 24 months. So, the cycle is very, very different as compared to the ethanol business under the engineering side. Because as we know that under critical equipment business and GenX business, we are having equipment and modules both, when you are building up modules, the time requirement is pretty huge because all the equipment are supposedly to get loaded on those modules and then those modules need to be dispatched to the client. So, the cycle is a little longish. So your observation is right.

Shailesh Kanani: Okay. And just one more thing on GenX. There has been some delay as you have mentioned in the opening remarks as well, in earlier times as well. Any monitorable for us to expect momentum in the second half or anything which you can give more color? And closing it, also I would like to take this opportunity and thank Joshipura sir. I believe this would be your last call. So, thanks a lot, sir, over the years for all the help, the guidance, the learning what we have got from your side. Thanks a lot for that as well, sir.

Shishir Joshipura: Thank you, Shailesh. Learning is mutual. Your questions are also pushing us to think differently. So, thank you so much.

Shailesh Kanani: Thanks for your kind words, sir.

Shishir Joshipura: All of you, all your colleagues, all of you have been, I was wanting to do this thank you speech a little later, but since you said I am really, really thankful to you guys because unless you ask questions, it shows two things. One, that you care. And the second that you are asking us to think differently and when more minds work together, obviously we are able to think from different dimensions. So, thank you very much for being there for us for all these years. And I am sure that as Praj moves forward, you guys will continue to ask same penetrative set of questions so that Ashish and Sachin and everyone will be in a position to benefit from your wisdom and take the company forward. Thank you so much for everything.

Moderator: Thank you. The next question is from the line of Sagar Dhawan from ValueQ Investments. Please go ahead.

Sagar Dhawan: Yes, thanks for the opportunity. Just wanted to understand, you know, basically in the current order book that we have, what could be the broader mix of the domestic ethanol orders in that, which could be, you know, in the nature of slow moving, given the current scenario, domestically.

Sachin Raole: To be very frank with you, we are not calling them slow moving. Only we are saying that the execution cycle is getting elongated for them. Unfortunately, I am not having a number right now in my hand to give you. But they are not non-moving. They are slow-moving for a reason. Because we are also following very strict regime for recognition of revenue that if a client is ready with everything, then only we start working with them. And that's what is taking some time. And that's what we mentioned earlier also, that the execution delays are on that account. As I said, unfortunately, I am not having a ready number. Maybe we can provide you subsequently.

Sagar Dhawan: Sure, sir. Understood. And the other second part of the question was, let's say the current order book on bioenergy which we are having of Rs. 3,300 crores odd given in the presentation, what could be the execution cycle for that which you are looking at for that piece?

Sachin Raole: It should be somewhere between 12 months to 15 months.

Sagar Dhawan: Okay. Sure. Got it. And sir, the other question that I had was on the engineering segment. So, we are seeing, you know, if I look at it on a full-year basis, the FY '25 to basically take care of the quarterly fluctuation, the order intake on engineering side has been, actually, have gone down by about 17% in the full-year '25 compared to last year. So, anything specific to call out there?

Sachin Raole: Actually, no. As I said, we are not in a position to take order in our Kandla because that facility is completely chock-a-block for next 18 months. So, we are supposed to get all these orders now happening in the GenX, and that's the readiness of GenX which we are waiting for. So, that is the only thing because we had to reject a couple of orders from the Kandla because our GenX facility was not completely ready.

Sagar Dhawan: Got it. Thank you for taking my question.

Moderator: Thank you. We have a next question from the line of Trilok from Ambit Capital. Please go ahead.

Trilok: Thanks for taking my questions. The first question is on flex-fuel. So, could you please share some insights regarding what is the development in the flex-fuel segment and what are the actions that the government is taking to successfully implement this?

Shishir Joshipura: Sorry, could you just repeat your question? You were a little breaking up, so I couldn't hear it very well.

Trilok: So, I want to just get some sense on the development on the flex-fuel policy and when do we see some sort of light on that aspect. Also, could you just give us some sense on what kind of order book can we expect for the company in subsequent years? That will be helpful.

Shishir Joshipura: So, I mean, our role as an organization that is closely associated with development of biofuel technologies, our role is to make sure that we are developing technologies that can use differently available feedstock across the country for conversion to ethanol, and ethanol becomes available. So, that's the role that we play. Of course, as an important part of the overall industry ecosystem, we do provide our inputs to the requisite bodies, to industry bodies, to the government panels when we are invited. We also talk with automotive manufacturers' bodies and things like that. So, our role is to provide inputs and say what is possible and how it could be made available. Because the moment flex-fuel vehicles come, obviously the demand for ethanol will shoot up. And obviously then there needs to be a road map available for making ethanol available. So, I think that is the role that we are playing. For me to predict a date on which date the flex-fuel policy will be announced is not within the domain of either my knowledge or authority. So, that will be very difficult.

Trilok: Okay, could you just talk about the order book expectations for the Financial Year '26? I know you guys don't get into any numbers or growth percentage, but it will be helpful for us to understand what kind of growth chart we will be sort of thinking about in the subsequent year.

Shishir Joshipura: Yes, Sachin mentioned in his speech that we have also mentioned that in the past that Praj's business is a string of pearls. And we are beginning to see different pearls now beginning to shine. We are not dependent only on one business segment. So, our services business, the CBG business, our push and thrust for internationalization, you will probably notice that in the quarter that went by, we were 39% of our order book came from international business. And that is a stated strategy of the company where we have stated that we want to move to an eventual situation of 50-50 between domestic and international, even as we grow our sales 3x. So, of course, both segments will grow, but we expect international to grow at a faster pace compared to domestic. So, that will be a clear dimension. These other businesses that I spoke to you about earlier, our mentions are about higher value announcement, co-product development solutions, the engineering solution, the whole GenX picture that we discussed. So, we actually have multiple, we are fully ready. In some of the areas, like GenX facility was getting ready, but now we are ready. The co-product development has picked up high speed. We are now ready to commercialize bio-bitumen Distillers corn oil is already commercialized. Rice protein we are ready to commercialize. So, there are different solutions, different co-product solutions for which we are ready with commercial solutions.

So, as we move through the year, I think all of these levers will start to play out and we will see a healthy development of the order book. We see more reason for that would lead us to believe that one segment, one part of a segment, sort of not having a visible opportunity will lead to any deficiencies in our performance. I think we will continue to build from here onwards and it's very, very strong. There will be other levers that will kick in over a period of time. Sachin briefly mentioned about diesel blending program. I mentioned about SAF. So, there will be these opportunities that will come and emerge as we go along and travel through the year.

Trilok: Thank you very much.

Moderator: Thank you. We have our next question from the line of Vikram Suryavanshi from PhillipCapital. Please go ahead.

Vikram Suryavanshi: Yes, good afternoon, sir. I think most of the questions are answered. So, just on bioplastic with our demo plant being ready and now with this JV, when we can start showcasing this for the orders and how would be the opportunity in the international market?

Sachin Raole: So, Vikram, we are already jointly pitching in for the order booking now with the prospective customers. This being a completely different segment, but of course there is a good amount of interest in bioplastics in the market. So, there is a definitive interest which is emerging. We are meeting the prospective customers and presenting our case to them jointly with TK. And we will see some action happening. I can't give you a timeline. I can't predict a timeline right now for you, when the order booking is actually going to happen. But yes, the set of customers are interested in visiting our demo plant, understanding how it is happening, and dialogs are going on.

Shishir Joshipura: Vikram, just to add to what Sachin said, the most very important factor is that this is now a domestically developed technology. So, we expect it will be very, very cost competitive compared to any other technology, number one. Number two, the availability of technology in the global market also is pretty restricted. And our model of making it available to anyone who wants it is a significant departure from most of the current technology players' strategy. I think these two things, coupled with the fact that there is a local, very rich and experienced company that is backing up this technology, and now with this joint venture that we have signed with one of the world leaders, will actually make the full end-to-end solution available to customers. So, these are the three key drivers that I believe will help move this forward. Maybe these are little early days, but I am sure as time in forward in time we will be able to speak more specifically about, but there is already a lot of interest from a lot of customers.

Vikram Suryavanshi: Understood. And for GenX, I think since we start order booking now, majority of revenue will start particularly in the second half of '26. So, is that understanding right?

Sachin Raole: So, some revenue is happening, but meaningful revenue will start happening only in the H2 because the orders for execution will start coming up at that point of time. Currently, there will be engineering, which we will keep on doing based on the order booking which we will have.

Vikram Suryavanshi: Understood. Okay, that was it, sir. Yes, thank you very much and wishing you all the success for Joshipura sir. Thank you.

Shishir Joshipura: Thank you, Vikram. It's been a pleasure. And do keep in touch.

Vikram Suryavanshi: Okay, sir. Thanks.

Moderator: Thank you. We have our next question from the line of Amit Anwani from PL Capital. Please go ahead.

Amit Anwani: Hi, sir. Thank you so much for taking my question. First question, in your opening remark, you highlighted about a 45Z notification now being implemented from October '25. And in the past, we have been highlighting about the US SAF opportunity. So, with this, what are the expectations of order wins in US SAF in FY '26 and FY '27? Any color you would like to give after this development?

Shishir Joshipura: 45Z relates to lowering the carbon intensity of ethanol. Okay, and as we said, we expect that since the draft notification now issued, that considering normal cycle timelines, it should be notified towards the end of second quarter. That's where we are today. As and when that happens, it will create a definitive opportunity for us because there are already existing projects in the United States where the carbon scores lowering will present a very significant opportunity and financially also a very attractive opportunity, which would become eventually the feedstock for SAF. For SAF projects to come, this is the first step that is required to move forward. One or two projects that will come up in the meanwhile, you will see that they will say, okay, we already have secure access to low-carbon ethanol, or they will have their own low-carbon ethanol production facility. So that remains to be seen as to what is the actual model deployed by the early project proponents that we will have to see.

In terms of the other notification of that is for SAF, we need to see in terms of because there is also another development where the CCUS projects which were dependent on pipelines are facing a little bit of rough weather because pipelines are not getting approval. So, how will that be overcome? So, multiple levers will have to come into play for us to see, but we remain confident that with this advent of 45Z, it will definitely create a good window of opportunity for us.

Amit Anwani: Right. The second part on you won orders in Paraguay and earlier you won orders in Brazil. So, any pipeline there or any other international market for 1G, maize-based sugar, starch, where we are seeing order wins in FY '26?

Shishir Joshipura: Yes, Brazil is a very high focus area for us. So, Paraguay, Argentina, Brazil, Guatemala, these countries, both in Central America and South America, are witnessing what I would call as a clear movement for governments to a. specify either higher mandates or new mandates for ethanol blending in their energy mix. So, that's a very, very positive step forward. Most of these plants, though not all, are likely to be starch-based. And we are very, very confident that with our strong footprint there, we will be in a position to move forward. Sachin already mentioned there are two projects for which the engineering orders are already under the way. So, once they are finished, that's the model in that market. So, then they will switch over to the equipment ordering situation. So, we will look at that as well.

Amit Anwani: Lastly on GenX, since we are looking for order wins in Q1 and Q2, any development which has happened, what kind of quantum we can expect with respect to order inflow or revenue, which you might be factoring in for FY '26 for GenX? There

Shishir Joshipura: There are dialogs that are currently under way. Orders are in finalization stage, in handshake stage. And we will let you know the numbers once they are done. I can't let the number out before the orders are finalized. You will appreciate that.

Amit Anwani: Sure. And I wish you all the best, Joshipura sir. It is always a pleasure to interact with you. And I wish you very best.

Shishir Joshipura: Thank you, Amit. Thank you very much. Pleasure is entirely mine.

Moderator: Thank you. We have our next question from the line of Raman from Sequent Investments. Please go ahead.

Raman: Hello, sir. Sir, I have two questions. First, we have currently an order book of Rs. 4,293 crores. So, what was the execution timeline with respect to this?

Sachin Raole: So, as I earlier mentioned, the execution cycle for most of the orders is in a range of 12 to 15 months. I am telling you the average. A couple of orders which are there from the critical equipment and modularization side, those might be in a zone of 18 months. But majority of the orders are in the zone of 12 to 15 months kind of an average period.

Raman: Okay, sir. And the second question, sir, is with respect to compressed biogas. In the earlier call, you mentioned that the entire industry was facing economic and operational challenges. And now that the pricing mechanism has been changed, I mean, it's linked to the 80% of CNG prices, I guess that's the new pricing mechanism. So, now I want to understand the outlook, current outlook and the future outlook. Is the entire industry still facing challenges or now the operational concerns have been sorted out?

Shishir Joshipura: So, this is a very new nascent and emerging industry. Nowhere in the world this exists. So, there are still nuances that need to get ironed out. Yes, you are right that on the pricing front, there seems to be a decent solution that has been provided. And there is always a presentation made by the industry to the government saying, no, they need a higher percentage of the pump price. So, that's under discussion.

Having said that, I think there are other issues that need resolutions around what to do with solid fertilizer, liquid fertilizer? They have now been notified, which is the first positive step, so they at least now can legally sell those products in the market. So, that's the second portion.

Third is, as I mentioned, that from January of next year, there is a mandatory blending obligation on the CBG companies. So that will also create demand and push for rapid infrastructure development, also development of plants in and around those networks because they will be looking for CBG as a source. So, that's another one. So, there are several positive elements. Off-take sites, still some more resolutions are required. But I am sure as we go through the year, we will see those happen.

Raman: Okay, sir. A follow-up question. Sir, on the revenue front, with respect to Q4, both bioenergy and engineering have seen a significant dip, like bioenergy has decreased by 15% on year-on-year basis, and engineering has decreased by 30%. Sir, can I know why was there this significant decline in the revenue?

Shishir Joshipura: So, as we said, you know that the execution cycles have stretched. From their normal cycles of 9 to 12 months, they have stretched to 12-15 months. And we are very cautious about some of the domestic projects progressing forward in view of the tighter liquidity norms, tighter money disbursement norms that the financing organizations are now putting, the banks etc., are putting on our customers. So, we have the order book, A. B, we could not voice them for the fact that they were not fully prepared to accept and pay for them. So that stretched the project cycles.

Third, there was also during the year, and I am being very open here. During the year, there was also a bit of a, I would say, order intake time mismatch for us, especially for our exports jobs, where the things started about six months late. So, because the orders came in, but they came in a little late, so we could not go ahead and create this invoicing, which normally would have happened. So, those are the, if you recall, our first quarter was not a very high order booking quarter. So, that also impacted our ability to do the same thing during last quarter of the year.

Raman: So, last follow-up question. So, can we expect there will be a spillover in terms of revenue in the next year because of the majority of the order which was supposed to be closed in this year will be closed in the coming year?

Sachin Raole: Yeah, that's what we had said that the order book is there. And the order booking is happening as per the strict norm of the Praj. That order has to be there. Agreement has to get signed. The advance needs to be paid. So, there is a commitment from customer that they want to go ahead with the project. Yes, there is a delay. Delay is only in execution site. So, naturally, this order book is going to get executed. Instead of getting executed over a period of 9 to 12 months, it is going to get executed over a period of 12 to 15 months. So yes, there is a spillover which can happen of the order book which we are working right now.

Raman: Okay. Thank you, sir.

Moderator: Thank you. We have our next question from the line of Manish Goyal from Thinqwise Wealth Managers. Please go ahead.

Manish Goyal: Yes, thank you. Thank you very much. I have a couple of questions. Sir, first on the overall margins, probably there are three or four perspectives. One is on what kind of revenue booking would be required to achieve break-even at GenX plant. Would it be, say, considering you probably have an impact of Rs. 80 crores, would it be revenues of Rs. 400 to 450 crores required? And do you expect that we will achieve the break-even in entire FY '26 or it will be probably back-ended and on a quarterly revenue run rate? So, this was the first part.

And second was on the margins related is probably, do we see a very good improvement going forward considering we would have a better revenue mix with higher services revenue and higher international revenue considering higher order book from the international markets?

And the third angle to this is also that with CBG plant revenue mix improving, where probably we see a higher outsourced work, can it probably offset some of these margins? That was my first part of the question, sir. And I have a couple of more. So, please provide an opportunity for that.

Sachin Raole: Manish, in the first part itself, you have asked three questions, but I will try to answer. Your question was related to BEP (break-even point) for GenX. More or less, your calculations are right. The break-even point for GenX will be somewhere in the range of Rs. 400-450 crores. That's right.

Your second part of the same question was whether this is going to get executed in an equal manner on a quarterly basis. The answer is no. As we mentioned that the modularization and equipment orders are little longish from the execution point of view, the execution period is going to be little longish.

Revenue might get, of course it is based on the percentage of completion method basis. But initially some engineering component will come through and then the work on equipment and modularization will start. So, there will be some kind of a lumpiness in the revenue getting booked for GenX. We had already mentioned that we are not expecting huge revenue booking to happen in the first half of next year. It will start happening from Quarter 3 onwards. So, you will see some kind of a lumpiness from the revenue point of view. But your point is right. Break-given point will be somewhere around Rs. 400 and 450 crores.

Your second question was related to margin improvement. Your point is right. Because of the services element and the internationalization, there will be possibility of improvement of margin. We are not baiting right now too much on that and giving you a very different picture. We always mention that our first target is to reach on a sustainable basis to a double-digit EBITDA margin. That is what we are trying to do right now. The moment these other components will start playing in which are going to contribute higher on the margin side, yes, they can be margin-accretive going forward.

Your third question was related to CBG. Sorry, I missed it out now.

Manish Goyal: So, basically the revenue composition of CBG probably may include higher outsource work. So, can it probably impact your overall margins? Or do you believe that we can achieve double-digit margin in the CBG?

Sachin Raole: So, CBG has some component of outsourcing, of course, but it also has the site activity which I had mentioned earlier in my remarks. That site activity is on a higher side as compared to the bought-out components or the third-party component. But yes, that component will definitely be there. So, there will be three parts to it. One portion which we are supposed to do in the form of equipment. The second one will be outsourced. And the third one will be site activity. And in the CBG business, site activity will be little more as compared to the first two components.

Manish Goyal: Okay, sir. And sir, on the depreciation part, probably three observations from the cash flow statement that probably your principal payment on LIGI has remained steady at Rs. 32 crores. So, where I am coming from is that your depreciation has increased from Rs. 44 crores to Rs.

86 crores. So, if the lease payment outgo is steady at Rs. 32 crores, does it imply that incremental depreciation is on plant and machinery from GenX? That was first.

Second, there is a bad debt provision of nearly Rs. 25 crores versus Rs. 23 crores. So, is it also reflecting in our P&L? And how do we see it going forward?

And the third question is on increasing working capital, which is quite significant considering contract's work in progress has increased from Rs. 700 odd crores to more than Rs. 1,000 crores. So, what should we read into this? Thank you so much.

Sachin Raole: I hope this is the last installment of your question.

Manish Goyal: Sure, sure.

Sachin Raole: Cash flow, lease, your observation is right. But I can't explain you the accounting standard on a call. Based on the accounting standard, the treatment of the actual rentals getting paid out and the capitalization of lease assets and getting depreciated in the profit and loss account is little different. That's why you will not see, I mean, my lease rentals were, I mean, if I talk from the cash flow point of view, the lease rentals were little bit in a staggered manner. But the asset gets capitalized in one number. I mean, the entire cash flow gets capitalized as one number and gets depreciated over a period of lease period. Especially this is happening for my GenX facility. And that's the reason why you are seeing that number, the way in which you are seeing. Yes, you are right. Apart from the GenX facility, we do have plant and equipment which got, what I can say, decapitalized in the GenX facility. Those are also on a lease basis. That's the reason those lease rentals have also started kicking in now. So, that's on the lease.

Second one, observation of yours is on a bad debt provision. Let me clarify. This is a provision for doubtful debts. There are no bad debts. Surprisingly, rather we have not actually written off anything as a bad debt in the current year. Everything is on the provisioning side for doubtful debts because we have beefed up our policy from the provisioning side and changed little bit and made it little more aggressive on the provisioning side. That's the reason why you are seeing increase in the provision for doubtful debts.

Sorry, I again missed your third question.

Sachin Raole: Manish is gone.

Shishir Joshipura: Okay. Thank you.

Moderator: Thank you, sir. This would be the last question for today. And I now hand the conference over to the management for closing comments.

Sandip Bhadkamkar: So, thank you everyone for your time today. In case you have any more questions, feel free to write us at info@praj.net. Once again, we would like to thank you all for your time and have a nice day.

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