Date: 1st August, 2024
Ref.: PIL/ANB/L-055/2024-25

Company Code – PRAJIND	**Security Code No.: 522205**
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Sub: Transcript of Analysts' Call held on 26th July, 2024.

Dear Sir / Madam,

Please find enclosed Transcript of Analysts' Call of Praj Industries Ltd. held on 26th July, 2024 regarding Un-audited Financial Results (Standalone and Consolidated) for first quarter ended 30th June, 2024.

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, ou=Others, postalCode=411046, l=Pune, st=Maharashtra, street=PUNE, title=4335, 2.5.4.20=61c9e87ef0d6d5e80f8dbfabc0229d3ae288ced6642b16c064597d35131452d9, serialNumber=dc49d94115511b586de51ea82f0eea102ad4354fd731e5b716931b63e912c3f1, email=anantbavare@praj.net, cn=ANANT NARAYAN BAVARE
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COMPANY SECRETARY &
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(M. NO. 21405)

Encl.: as above

Praj Industries Limited
Q1 FY25 Earnings Conference Call
July 26, 2024

Moderator: Ladies and gentlemen, good day and welcome to the Praj Industries Limited Q1 FY25 Earnings Conference Call.

As a reminder all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call please signal an operator by pressing "*" then "0" on your touchtone phone.

I now hand the conference over to Mr. Anuj Sonpal from Valorem Advisors. Thank you and over to you sir.

Anuj Sonpal: Thank you. Good afternoon, everybody and a very warm welcome to you all. My name is Anuj Sonpal 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 First Quarter of Financial Year 2025.

Before we begin, let mention a short 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 risks and uncertainties which could cause actual results to differ from those anticipated. Such statements are based on management's beliefs as well 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 earnings conference call is purely to educate and bring awareness about the company's fundamental business and financial quarter under review.

Now let me introduce you to the management participating with us in today's earnings call and hand it over to them for opening remarks. We firstly 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. Shishir Joshipura to start with his opening remarks. Thank you and over to you sir.

Shishir Joshipura: Good day everyone. I welcome you to Praj Industries' Earning Call for Q1 FY25. Trust all of you had the opportunity to go through our results for the quarter that ended 30th June 2024.

Earlier this week, the Hon. Finance Minister presented the Union budget wherein a Specific Policy is outlined indicating appropriate pathways for Energy Transition to support India's energy security. The budget strongly supports the agri-industry ecosystem which will help address feedstock related challenges and boost biomanufacturing. National Cooperation Policy for systematic, orderly and all-round development of the cooperative sector will inspire biofuels industry stakeholders to favorably consider long term investments. A financing plan for private sector-driven commercially scaled research and innovation is a positive step for development of bioenergy technology. Further a taxonomy for climate finance for enhancing the availability of capital for climate adaptation and mitigation will support achievement of the country's climate commitments and green transition. Prime Minister's special package for skilling program will help feed the employment demand generated with propagation of bio energy projects.

Coming to business performance, this quarter's performance reflects the changing dimensions of our business dynamics. We are witnessing a healthy build-up of opportunities in key strategic areas of the company's business. Our continued focus on innovation at the leading edge of technology will enable us deliver healthy performance going forward.

Our domestic bioenergy business – This quarter witnessed a slowdown of activities mainly from the unresolved feedstock situation as also central elections. The prospective customers await for a clear long-term direction to emerge on clearance to use Molasses B/ Syrup as feedstocks and removal of embargo on issue of rice from FCI, for ethanol production. This will enable the new projects to be planned and existing projects to move forward with execution. We continued to see new capacity built up dominated by starchy feedstock with over 75% of our domestic order book coming from starchy feedstock based plants.

On International bioenergy front, we received an interesting order for production of Low Carbon Ethanol using Lactose separated from milk as a feedstock from a US-based customer. As stated during last earnings call, Grain based Ethanol projects are gaining increasing acceptance in the Brazilian market. We have several strong leads for ethanol projects based on grain and we are in advanced stage of negotiations with several potential customers for Praj's technology solutions.

On the GBA front, India is set to be the global headquarter for the alliance. The working committee has framed a work plan for finalization of the charter for GBA. As we move forward GBA will open several opportunities for bioenergy projects in many parts of the world.

Our services business saw healthy growth in order book and revenue in this quarter, both in domestic as well as international markets. We continue to see increasing traction for our offerings which is expected to drive future growth in this business. Biogenic CO_2 capture is also increasingly finding higher interest and we have won contracts for same from Thailand and Zambia.

On 2G front, IOCL plant recommissioning is progressing as per plan. We are working closely with the IOCL team to resolve the unique situations and ramp up production in a gradual manner. We have commenced feasibility study for a straw-based Ethanol plant in Spain for a Spanish Multinational.

On CBG front, the enquiry pipeline is developing in a healthy way that is expected to translate in firm business as we progress through the year. We are setting up a pilot plant in the United States for testing RNG generation from waste-stream in a Grain to Ethanol project, in collaboration with a US-based organization. Once the trials are successfully completed, it will open a new waste-stream to RNG application in Grain to Ethanol segment for us.

On the Biopolymer front, Praj is the first Indian company to indigenously develop technology for Lactic Acid and Lactide. We have produced the first batch of Lactic Acid 90% at our newly setup demonstration plant at Jejuri. This is a milestone development in the biomanufacturing domain.

Understanding the importance of feedstocks in Bioenergy development, Praj has established Centre of Excellence & Innovation (CoEI) with Vasantdada Sugar Institute for the Integration of Farm to Fuel Model. The CoEI will focus on developing alternate feedstock through intercropping models, for example: Sweet Sorghum with Sugarcane, Maize with Casava, etc.

Moving on to Engineering business:
On ETCA front, we have completed manufacturing of our first equipment from the GenX facility in Mangalore. We have since shipped this consignment. We have received a significant engineering order for complete modularization of a SAF Project in United States on ATJ Pathway. We have received another contract of modularized solution for Carbon Capture for a Blue Hydrogen Project in Europe.

Our Zero Liquid Discharge business is also gaining momentum with increasing acceptance of our modularization solutions from our customers. We have received an important contract for modularized system in Indonesia. We have completed the installation of the IOCL Dumad project and are in the process of handing over the plant.

Our PHS business continues to deliver consistent performance and has seen strong traction for our high-capacity fermenters offerings. PHS is setting up a very large fermentation complex for a reputed Pharma company in southern India.

With this, I will now hand over to Sachin for his comments on the financial performance.

Sachin Raole: Thank you, Shishir.

The consolidated income from operations stood at Rs. 6.99 billion in Q1FY25 as compared to 7.36 billion in Q1FY24. PBT before exceptional items for the quarter stood at Rs. 788.80 million as compared to Rs. 777.03 million in the corresponding period of the last year. PBT after exceptional items is Rs. 1.07 billion. The exceptional item pertains to the sale of land. Profit after tax stood at Rs. 841.81 million in Q1FY25 as compared to Rs. 586.72 million in Q1FY24.

Of the total revenue, 72% is from Bioenergy, 20% is from engineering and 8% is from PHS business. Export revenues accounted for 23% of Q1FY25, showing 24% increase over corresponding quarter of the last year. EBITDA margin has seen an improvement of 291 basis points over corresponding quarter last year. This Improvement is on account of moderation in input cost as also the composition of revenue. The order intake during the quarter was Rs. 8.88 billion, with 58% from the domestic market. Of the total order intake, 52% came from Bioenergy, 38% from engineering and the balance 10% from PHS business. The order backlog as of 30th June 2024 is at Rs. 40.44 billion comprising 67% of domestic orders. Cash in hand as on June 30, 2024, is Rs. 8.3 billion. In yesterday's AGM, shareholders have approved the payment of final dividend of 300% per share.

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

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Mohit Kumar from ICICI Securities. Please go ahead.

Mohit Kumar: My first question is, how has been the inquiry in the last few months on 1G. And how do you see the order inflow moving over next few quarters, can we expect the growth in order inflow in this year compared to last year?

Shishir Joshipura: Okay. So, let me just paraphrase the question so that we know that you understood well, the audio connection was not good. You are asking how is the inquiry pipeline building up for the ethanol 1G business and do we expect the year end to be better order booking performance than previous year, is that the question?

Mohit Kumar: Yes, absolutely right sir.

Shishir Joshipura: So, if you look at the ethanol, domestic ethanol business especially, as I said in my statement as well, there was policy intervention around feedstock application that was allowed and permitted. And that needs to get normalized. And that is what is actually impacted because two major feedstock streams molasses B syrup on one end, and rice issue from FCI on other end. Both of these were taken off the list as permissible feedstock’s, which has led to a situation where, there are inquiries, there are dialogue with customers, but we are not able to take the final step for finalizing of a new job. On the other hand, there are also projects in execution that have come to a halt because obviously the feedstock is not resolved, there is no way we can move forward with the project. So, we expect as the entire industry that as we move forward through the year, we will see a resolution of this, and a more permanent long-term solution will be provided. At least to address the situation today, on a long-term basis, we also have to think of alternative feedstock and that is where I was referring to the CoEI established with the Vasantdada Institute to look at intercropping and what can be done. But broadly speaking, we expect we have a pretty healthy pipeline of 1G domestic ethanol. And we also have a reasonable visibility for the year-end order booking, which is likely to be higher than the previous years.

Mohit Kumar: Understood. My second question is, what would be the 1G services contribution to the total revenues in Q1?

Shishir Joshipura: Sorry, we don't actually have a segmental kind of a number. Unfortunately, I will not be able to give you specific numbers for the services business.

Mohit Kumar: Understood sir. Sir last question, can you talk about the ZLD and its potential in near term, and what kind of revenues contribution one can see over next few years?

Shishir Joshipura: So, as I was mentioning, the development is extremely unique. There is no other company in India or anywhere near about, we have even been able to develop and demonstrate this technology. So, we are right now at a stage where we have built a demonstration plant. Obviously, we have tested it in our pilot scale systems in R&D. And now we built a demo plant where we started to run the process. And we have made what I would call the first production of lactic acid 90%. There are steps to be covered beyond this step as well. And as we go through this development cycle, we will speak about it at an appropriate time. What is sufficient for me to say right now is that this is a huge step forward towards an era of biopolymer, bioplastic manufacturing in the country using indigenous feedstocks and indigenous technology.

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

Amit Anwani: First question on Brazil thing. So, you highlighted that the pipeline for grain-based plant is also developing there, and we won some order also. So, wanted more color on the Brazil pipeline. One is, is there any competition and suddenly we are getting the grain plants there, were we not bidding there? And second, how are the payment terms and size of each plant and what kind of pipeline we can see FY25, FY26 from Brazil?

Shishir Joshipura: Thank you, Amit. So, as far as Brazil market is concerned, predominantly it has been a sugar cane to ethanol market. But over a period of time after the sugarcane to ethanol market to a head shot of reached its peak, a clear realization in Brazil as was here in India as well, where we realized that sugarcane ethanol has, obviously gets restricted to the states of locations and geographies where you are producing sugarcane. Similar situation also existed in Brazil, for example, you will be surprised to know that in Southern Brazil, there is no blending taking place for ethanol as well. It's a dead end from a country, which is a 27% blending at the minimum. So, there, in those parts of the country's Southern Brazil, other parts, Central Brazil, there is a clear push now to say what can we do with using starchy feedstock, and that is where we stepped in and we established the first project and commissioned it now so obviously, now there is a proof on the ground of our technology and its performance, which is helping us a great deal. The Be8 contract that we mentioned has helped us a great deal because Be8 is an opinion leader in the region, and that particular project for whom we have begun the engineering now will help us to actually establish our credentials even further. Just a fact that we are working for them has also opened up further doors apart from the fact that we have also been making independent marketing efforts in the region to establish our technology because in other countries in South America, we have definitely established our performance on grain-based systems so that was there for everybody to see. But now it is also in Brazil, we have seen several, several leads open up. There are several dialogues, there are engineering contracts getting firmed up, the model is a little different. Usually, one would expect that you will get the full contract on day one, that's not the way Brazil works. So, they would like to go through the steps of first engineering, finish the engineering, and then get a firm grip on the overall project cost, and then move forward with the establishment of project. So, the cycle extends a little bit differently. Overall cycle time remain the same, maybe a month here or there. But we are very, very positive of the dialogue that are developing in Brazil. And as we go through the year, we will talk about it more.

Amit Anwani: Sure. Secondly, any update on the ultra-low carbon, USA, the things were slow past three, four months. So, any expectations for this year for ultra-low carbon plants in US?

Shishir Joshipura: So, for the US market, we had talked about low carbon ethanol opportunity and not ultra-low carbon opportunity to start with. This was essentially about our solutions to the existing corn ethanol projects to drive them, to achieve a lower carbon index number, intensity number for their current operations. As we had spoken about, the first project is under execution right now, which will come up maybe this time next year, in terms of its running on the ground and commissioning. So, we are still a year away from commissioning the first project in United States. What's also happening is that, very clearly as the movement moves forward on SAF product there is a clear need for low carbon ethanol to meet the demand. And we are in dialogue with companies to see how they could move forward there is an important consideration from the IRA’s perspective for notifying the 45(Z) applicability that’s grid legal requirement and that is still not clarified and everybody including the industry is awaiting the clarification of 45(Z) once that is available, it will provide further impetus to the element.

Moderator: Thank you. The next question is from the line Vikram Suryavanshi from Phillip Capital India Private Limited. Please go ahead.

Vikram Suryavanshi: Sir, basically on this straw-based ethanol order in Spain, what will be our scope of operation or is it like a similar to 2G project what we have done for IOCL?

Shishir Joshipura: So, Vikram that is the order first feasibility engineering so that's long way away from the project yet, as the feasibility study is done and we establish the feasibility of the project then probably we will be able to answer your questions better, but it is for a 2G project in Spain.

Vikram Suryavanshi: Okay. And actually, I was hoping someone announcement for bioplastic because there were comments in the interim budget on giving some support for bioplastic production. But there was no announcement in this budget. So, how would be our roadmap going ahead, you explained to me, but is there any something else which the government is waiting for?

Shishir Joshipura: So, Vikram, even during the interim budget, the government had laid out a very ambitious plan of pushing bio manufacturing in the country. And that was a very clear direction set. We have no reason to believe that that is changing. In terms of specifics of the policy, we have seen several announcements which are, I would say more long-term but more sustainable in terms of pushing R&D in bio manufacturing, getting agri tech aligned to because feedstock is a major issue that was being understood by everybody. So, I would call these are the enabling ecosystem moves that have happened in this project. So, we are very, very bullish about the fact that as we move forward, bio manufacturing will continue to occupy its space in the sun.

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

Shailesh Kanani: Sir my first question with respect to numbers per se, so revenue booking was down, and we had higher other manufacturing expenses as well. So, if you can throw some light, how we should model in for the whole year and how that other manufacturing expenses move out, I understand this quarter maybe we have booked some expenses for Mangalore facility, but if we can throw some light on that?

Sachin Raole: Okay. On the revenue, yes there is a little bit less execution during this quarter. Even the supply activities were on a little lesser side as compared to what we generally do in the first quarter. And the site activities were on the higher side. And that's what has actually added into our other expenses. Your observation is right, the additional manufacturing expenses which are happening under other expenses is on account of expenses which we are incurring in our new facility at Mangalore. Going forward, we believe that yes, Mangalore facility is in a phase of getting ramped up, it has just started, first supply order has only got dispatch very small order, but at least from the establishing that factory from all the approvals point of view is getting established now, the expenses will continue to happen. And we believe that starting from second half of this year onwards, we will see the revenue generation will start from this facility. There is some kind of a delay, because of the approvals and all those were not in place, which we were expecting to happen in the first quarter, which are actually falling in place now. And the revenue ramp up will start happening from the H2 for GenX and that will normalize the expenses which we are seeing in the first quarter.

Shailesh Kanani: That's helpful. Sir just continuation with that point. Are there any one off in terms of GM, this time the gross margins seem to be very impressive at 53% and also, if you can mention some percentage of order book which is slow moving or kind of pending for execution?

Sachin Raole: Okay. So, the gross margin which you are saying partially I replied to your question by saying that the revenue has some site related activities for which the expenses are sitting in my other expenses. So, in the procurement margin, the way in which you are looking at has the element of sales from site, but expenses are sitting in other expenses, if you add these two and figure it out the contribution margin, then there is an improvement of almost 4% improvement in our contribution margin. Out of that 4%, around 2% is because of the softening of the input costs. So, we are still executing some old projects where the contract price is at the old price. And we are now getting a benefit of that softening of the input cost. So, there is around 2% benefit of that and almost 1.5% to 2% is because of the composition of the orders, the way in which those got executed during this quarter. Export is on a higher side, engineering orders as a little on the higher side and that's what has contributed to the highest contribution margin. If you ask from the going forward point of view, we believe that the positive which we have received on the softening of input cost will continue for some time till we execute the entire old orders which were picked at the old material cost and the benefit of more engineering orders coming into the picture, which will definitely give a better margin on the bottom-line point of view.

Shailesh Kanani: And sir slow moving orders in our order book?

Sachin Raole: I will not call it as a slow moving, slow moving per se, but because of the naturally the first quarter for all the manufacturing companies have seen some kind of a slowness generally on account of the national elections and all so that has impacted to some extent. Some clarity from the syrup side and B heavy molasses that will expedite the execution of the orders. I don't think more than 5% of our order book can be considered as the slow moving in that sense. May be 200 to 250 crore order book.

Moderator: Thank you. The next question is from the line of Dipesh Agarwal from UTI AMC. Please go ahead.

Dipesh Agarwal: Sir my first question is on the engineering side, we have seen an uptick in the order inflows since last two quarters, so have you started booking major orders for Mangalore facility or that is yet to commence?

Shishir Joshipura: So, Dipesh as Sachin was explaining the Mangalore facility just now getting fully functional. So, we probably will see in second half of the year order execution from there in in this particular business has to be pre-approved by the customers that in the contract, they say you can make it here. So, obviously, since the facility was not ready, we could not get this into this contract which we then engineered and then taken up for the execution. But as we start to book new orders now, we are at that stage that we can start getting this specified. As customers have approved the facility, the facility itself has obtained the necessary certifications that we will be able to take contract. So, maybe towards the end of this year, end of this calendar year, we will start to see an actual production start rolling out in the factory. In the next financial year, you will see it in full force, but till the time we will have to see gradual build up only.

Dipesh Agarwal: And how long it will take us to go to a full potential of that facility, in the past you have highlighted 2000-2500 crores is the revenue potential, how long it could take us to get at least 70%, 80% of that potential?

Shishir Joshipura: That could easily be a two-year kind of timeframe from the time we start rolling out product. Firstly, the order book has to build, then we have to get the engineering done and then execution. So, we are looking at and those are not short cycle projects. So, we are looking at a two-year kind of timeline.

Dipesh Agarwal: Okay. And sir, can you help us in terms of the pipeline, which is there for the CBG, and grain based and even 2G ethanol in the domestic market for the next three quarters?

Shishir Joshipura: So, for CBG as I mentioned, as the ecosystem starts to come around, we will see a gradual traction. There are issues to be resolved on the ecosystem side, and the same time now the blending mandate becoming compulsory in about 18 months' timeframe. Projects will have to start moving, especially in the second half of the year. So, we are already seeing an increase in activity level, inquiry level, people wanting to setup projects and discuss around those. So, that's the positive development that we are seeing. it's not very smooth flowing business yet because of different ecosystem elements that have to fall into place. But as we go through the year, we will start seeing CBG develop positively as well.

Dipesh Agarwal: Sure. And grain based and 2G ethanol how the traction is in the market now?

Shishir Joshipura: Grain based ethanol as I mentioned already 75% order book is out of grain based, one wind in the sail for domestic grain-based ethanol will definitely see what happens to the FCI rice. And that's a good indicator but also there is a clear directive emerging direction to say it has to be more of a maize based production. And we are seeing reports and from our customers as well that maize availability is starting to improve. So, again, these are the ecosystem elements that have to come into equilibrium with the demand on the ground. And as that starts to happen, we will start to see but clear path forward will improve a significant portion from starch-based feedstock. Recognizing this very challenge that we are facing on the side of feedstock. That is where I mentioned earlier as well that our center of excellence that we have established with Vasantdada Institute for inter-cropping model, which will go a long way in helping and that is something that is progressing very, very rapidly.

Dipesh Agarwal: Sure. And 2G enquires are you seeing in the market now, 2G enquires?

Shishir Joshipura: Yes, so as I mentioned, so there is an inquiry out of Spain that we mentioned earlier in the call on which we are working right now, there are but the key issue is and that we have already stated that, everyone including us are in communication with clients but the IOCL project commissioning is critical for that and we are going through the test right now to commission it to full scale by the end of this calendar year.

Moderator: Thank you. The next question is from the line of Prathamesh Sawant from Mirae Asset Capital Markets. Please go ahead.

Prathamesh Sawant: I had one question which is to our engineering segment, so this engineering segment when we are catering to the ETCA so, is it just we are catering to ETCA, is that in green hydrogen and blue hydrogen projects via carbon capture or do we have some other critical process equipment's offering also for them?

Shishir Joshipura: No, so ETCA is a very large segment Prathamesh, hydrogen is just one of them. So, blue hydrogen, carbon capture, green hydrogen is one part of the segment there is waste to energy which is completely different. There are energy efficiency programs and so ETCA is a very large umbrella of applications including on the gas side, the whole CNG applications that is happening now in the United States, etc. So, it's a very large portfolio of applications with waste to energy, green energy and when I say green, this is not the conventional green energy this is also about enhanced energy recovery in traditional oil systems, energy systems. It is about the hydrogen systems being blue and it is about industrial gases. So, ammonia, there are many, many dimensions to this energy transition. Essentially, what we are saying is, the current molecules come from a carbon intensive way. And the new molecules that this segment is addressing will come from less carbon intensive way and that's a very broad way to understand, anything that falls in that category will be catered to by this business.

Prathamesh Sawant: Okay. So, is it fair enough to understand that it will be cannibalizing some part of our earlier engineering businesses, which were earlier considered as engineering businesses that we are considering now in the ETCA segment?

Shishir Joshipura: No, the ETCA segment is distinctly different from CS, CS continues to be there, there is no let-up from that. So, oil and gas chemicals, those segments where we were offering services, will continue. However, this one is very clearly a very new segment where, as I said high carbon intensity manufacturing, or molecules shifting to low carbon intensity molecules, and that's a very broad swap, it is hydrogen, it is ammonia, it is the color of hydrogen, it is green chemicals, waste to energy projects, syn gas projects. There is a whole gamut of applications where this is open, so ETCA is very different, carbon sequestration is very, very different compared to the previous business. Both will continue independently.

Prathamesh Sawant: Okay. And sir our offerings in this segment would be, it's a connection to this. So, is it product offerings that we have are more of solution based or these are more modular, physical products that we will be doing or is it engineering solutions?

Shishir Joshipura: So, it's mix bag, in the sense there are equipment's that have to be made, heat exchangers and columns and reactors, etc. And then they go and sit on a skid or on a module, and then the module gets built around it, so it's both.

Moderator: Thank you. The next question is from the line of Aditya Mongya from Kotak Securities. Please go ahead.

Aditya Mongya: I had two questions from my side. The first one being this comment that was made by the management that the overseas orders fetch higher margins versus domestic orders. Could you give us some more color as to why would that be happening, is it a function of competitive intensity, value creation, some more color would be useful. And what would be the forward trajectory in these two margins would be useful to know.

Sachin Raole: So, in the export orders generally we undertake engineering technology and the supply of equipment, and we don't undertake the construction activity, which are generally forming a part of EPC activity, which generally happens in domestic order. And that segment doesn't carry a great margin as compared to these other segments. That's the major reason because the component of our export orders is only related to technology and equipment. That's the major difference for having the difference in the margin. Talking from a margin point of view as your question is talking about, or asking from the future point of view, our endeavor is to shift to more international order as compared to domestic order in a larger pie, which is definitely from the overall margin perspective, it is going to be margin accretive.

Aditya Mongya: Understood. The second question was also on margins only, was trying to get a sense, and I know your business space. But there has been volatility on account of input price pressures in the past, potentially that led to the EPC major. Is there something that we as a company can do to kind of moderate in this down, or will this be a continuing element of our margins and cost structure?

Sachin Raole: The nature of our contracts is mainly on the fixed price contract. So, there is no mechanism of passing on any negative or a positive impact of input cost to our customers. So, naturally this element technically will continue, we are seeing a very different phase two years back, and continued almost for one and a half, two years of a higher input cost. And we had seen our margin getting affected to the extent of almost 2 to 2.5% during those years. But now the reversal has happened, material prices are more or less look like to be in a range. The future projections from all the experts are also giving that kind of an indication. So, we don't see any kind of impact coming up because of the input costs going forward.

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

Sidhanth: Okay. I am asking is there any visibility for FY25 or FY26 from SAF area?

Shishir Joshipura: As mentioned in my opening remarks, we have now been awarded a contract for full scale engineering and modulization of a SAF project in United States that is going to be a full large scale commercial ATJ project. Being the size of the project, the engineering time itself could be up to about six to eight months. So, that is what we have undertaken just now, once the engineering is, and once the closer to the engineering model completion we will get a full view of what is the likely cost of the project. We have done the preliminary study and looks like very positive. But as we go through this process, and maybe in another six months' time, we will get a better visibility. And there are several projects for SAF that are being talked about right now. And we are looking at addressing the needs that are emerging out of those projects. We are in dialogue with at least half a dozen SAF projects now across the world to offer our services to them.

Sidhanth: Okay. Anything on the domestic front, no?

Shishir Joshipura: On the domestic front as well, there are two dimensions to it. One is that there is we know for sure that come January 2027 and CORSIA agreement will kick in and under which 1% blending will be mandatory for all international clients. So, there is a clear demand, so as probably and given the 18 months, 18 to 20, 24 months kind of time cycle required for a SAF project to come alive, we will probably see activity we are already in dialogue, but we will probably see major traction build up towards the end of this calendar year.

Moderator: Thank you. The next question is from the line of Ankita Shah from Elara Capital. Please go ahead.

Ankita Shah: Given that sir, you mentioned that we have got good inquiries in the engineering side and also on the export side. So, should we see continuity in the margins that we are seeing right now or in the similar range?

Shishir Joshipura: So, Ankita yes, the export we have stated as part of our strategy that we would like to improve the share of pie for our international business. And that is what we are witnessing. We have been working on it for some time, but we are now bearing the results. And the current pipeline also makes me believe that we have no reason to believe that we will be anything other than that. So, from that perspective, yes and as Sachin was already explaining the international business for us happens to be higher margin accretive compared to domestic business. So, all those indicators are yes, the exact numbers time will tell how they will exactly play out their multiple interplays. But directionally speaking yes.

Ankita Shah: Okay. And on the CBG side, the question was already asked, but wanted to understand if, there were more orders that were there in the pipeline which were supposed to come in. So, when is that expected?

Shishir Joshipura: So, as I mentioned to you earlier, that there is a clear mandate now to blend CBG into the CGD networks. So, that's a very welcome step, which takes care of a very, what I would call as a major issue of where I sell my gas, the pipeline network is becoming that much easy. Having said that, there are still as CBG is a business where several elements on the ecosystem side are continuously being resolved. And as they get resolved, we move forward. So, as I was saying, it's not a very regular, smooth flowing business-like ethanol, yet it's not at that stage because the ecosystem is still under development. So, tends to be a little lumpy here and there, but overall moving in the right direction. So, as we go through the year, maybe in second half of the year we will start seeing activity built up on the CBG space.

Ankita Shah: Got it. Sir last if I can check on the exceptional item of this land sale, what is this and are there any more that is planned in the near term, that's it from my side, thank you.

Sachin Raole: We are not sitting on the land bank, this was the land which was available with us, and which we believed that we will not be able to utilize it. Earlier it was planned that we will build up a factory over there. But as we are moved to Mangalore, and we realized that this land will not get utilized for any factory kind of a thing. That's the reason why we have sold it. This is the only piece of land which we had as excess land you can call it, I am not expecting any more exceptional item like this going forward.

Moderator: Thank you. The next question is from the line of Sai Siddhartha from Kotak Securities. Please go ahead.

Sai Siddhartha: I just wanted to understand, what's the low carbon ethanol opportunity that is available for us in US?

Sachin Raole: Sorry, your voice is very low, we are not able to hear you.

Sai Siddhartha: I was just asking the opportunity that is available for us in low carbon ethanol in US?

Shishir Joshipura: Okay. So, here are the broad numbers on US. So, the demand for low carbon ethanol is from the demand of SAF. So, by 2030, United States Government has given a plan under the Inflation Reduction Act for 3 billion gallons of SAF to be produced in the country. The first 1.6 billion SAF will come out of a process called HEFA that doesn't involve ethanol. But after that, because there is no more feedstock left for HEFA, the expectation is that ATJ pathway will become the de facto pathway, which means that further billion odd capacity between now and 2030 will have to be built using ATJ pathway, I was mentioning about the large engineering order that we are executing it is for the same pathway. And all of these, so if it's a billion gallons of SAF, it will need 2 billion gallons of ethanol. That's the equation so, 2 billion gallon of ethanol will have to be low carbon ethanol in United States, existing plants. And now that's a fairly big opportunity because on an average, you can take 100 million gallons, capacity of one plant. So, at least 20, if not more will have to convert over the next four years or so to low carbon ethanol. And each of them depending on what they are currently and where they are can present an opportunity to us, ranging from $10 million to $30 million per plant that is how it works.

Moderator: Thank you. The next question is from the line of Dhawal Shah from Infinite. Please go ahead.

Dhawal Shah: I could remember, we had mentioned that we had taken a CBG order from a large conglomerate and I could see their name in presentation this time around. And, I remember they had given us an order on a turnkey basis, which was a new thing for us. And since now, I assume that we have executed that order. And that conglomerate has plans of establishing 50 odd plants in the coming two years. So, how was our experience in executing those orders and how are we positioned to, going ahead and capturing that opportunity?

Shishir Joshipura: Great question Dhawal. So, yes, the good news is that we have executed now two contracts for them. One in their headquarters, manufacturing headquarters, not in headquarters, headquarters and the other one in another location. In fact, on 1st of August there will be a large inauguration that has been planned for the plant, by the management of our customer. And we are very, and this is from whatever we know, they have indicated to us that they are extremely happy with execution and the performance of the plant so far. And we do hope that as we move forward, the performance will help us to actually win even more contracts, we are building a few more for them. But they are still away from committing their probably about sometime the beginning of next calendar year. So, that is under execution right now. But what we have built for them, and it has already started to produce gas, it's worked very well. And it augurs well for us, we only received positive news. And I do hope that this will translate to more business as we go forward.

Dhawal Shah: That’s good to hear. And one more question about PLA. Since we have now got some breakthrough on PLA, what would be the addressable market going down the line, say in five years?

Shishir Joshipura: Actually, we are the first company to have indigenously developed a technology that uses local feedstocks and can convert this to, so the critical step is to convert that to lactic acid 90%, that is the full name lactic acid 90%. And we have now achieved that but of course that’s the first step, we still need to do this on a consistent basis, we still need to showcase to our customers, already several dialog the customers are beginning to open. And as we move forward, we will see how that develops, it's probably a little early for me to say any numbers around what business will happen. We are very bullish that overall, the world needs to move to bio manufacturing, because that’s a more sustainable way of living. We said this for 40 years for ethanol and only last 5 years we have seen them convert. So, we will have to see how that works, it was a slow conversion, but CBG didn't take that long, it probably took much faster off. So, we expect that as we move forward, and we develop a little better understanding of sustainability. These things will come into play.

Dhawal Shah: Since we have so many opportunities coming up in so many segments, I just wish and hope in next two, three years, all of them converge together and we are executing all of them in a great way. And I wish you all the best for the future endeavors.

Shishir Joshipura: Thank you so much. In fact, that's exact dialogue I had with my chairman two days ago and you are saying how we are going to prepare if such a thing happens and we said yes, we are cognizant of what we need to do. And thank you very much for your good wishes.

Moderator: Thank you. The next question is from the line of Kaval from Sama Wealth. Please go ahead.

Kaval: Sir, my question is, what is your future outlook for various segments or what are the projected contribution for each segment?

Shishir Joshipura: Sorry, the question what is our understanding of EV?

Kaval: Yes sir.

Shishir Joshipura: Okay. So, we are not vehicle manufacturers. So, we don't know, but from what there we see that what we have to understand is that every technology will have a role or a place in the overall car park if I can use that word that the terminology automotive companies use. So, in the overall car park, which includes two wheeler, four wheelers, everything, there will be a definitive place for different technologies to emerge, what we have to understand is that as a country what works for me, and what works for me better, you think like this, if it is an IC engine which is the current engine in the cars that we use, that uses biofuel as a input energy source, A much, much larger part of my country gets involved. My farmers are happy, my industry is happy, I create employment for the youth, my supply chains remain undisturbed on the automotive side because still making the similar cars and vehicles are on the retail side of network again, we can use the same one that is for liquid fuels, again for liquid biofuel, they use as well right now because they are blended. So, it saves foreign currency for me, it keeps nations wealth inside nation, it ensures that we will have lower carbon emissions. So, everything is on the positive side, it's a full value circle, it's a closed what I would call as circular economy, and that helps the country. On EV, not all of these benefits accrued there are some other benefits that one can get. So, we will have to decide what works for us as a country, God has given us sun, God has given us agricultural land and very hardworking farming community. That's what we have, we don't have those fancy minerals that are required to make batteries. So, unless that technology changes, we will have to see differently. I personally believe both will have place in the sun, for India ice is a better option.

Moderator: Thank you. The next question is from the line of Rahil Shah, from Crown Capital. Please go ahead.

Rahil Shah: Sir, why has there been a reduction in order intake, you have given a graph on page #10 so quarter-on-quarter basis like specifically for this quarter what went wrong and any outlook ahead, how is the pipeline looking overall?

Shishir Joshipura: First of all, let me submit from a numbers perspective it did not look good as it should have looked. On the other hand, we don't think anything went wrong in the sense that we have not lost any market share. The market potential is still there, all the strategies that we played out are playing. But of course, there were four major factors that actually impacted and that's where I want to draw, first and foremost first quarter with Central Elections in our business, which is agri industry policy driven. Too many factors at play for a Central Election quarter to actually so first two months were lost in a manner of speaking that's number one. Number two, prior to the election, there was a what I would call as a reprioritization of the feedstock for the industry, as I said in my opening remarks as well, which led to a situation that people were not able to decide on setting up new projects because the hold was given for a temporary period, but it is still not removed. So, they are waiting for it to be removed all the bankers will not give money for the project if there is uncertainty and feedstocks. Prior to that there was on the starchy feedstock as well in the domestic market. So, a lot of our built up was around domestic business that was happening. However, we had also recognized that maybe we need to prepare ourselves better and that is what we have been doing and that is how you see an order book significantly changing its directions. #A, the export component going up, #B the engineering and PHS section so we are now at about 52:48 ratio. If you are seeing our past numbers, they will be more like 80:20 put together but now it's more like 52:48. And also our export business is almost 42% of our order book. So, some of these steps that we have taken, not that we have taken them in a rush, we have taken them with thought through fashion. And they have helped us to bridge the gap. That is some time lag between the two, but as I was saying earlier as well, as per the year end is concerned, we stay very positive that we will do better than the year went by as far as the order booking numbers are concerned. It's just a little bit of timing difference plus these factors that I told you. As we move through the year you will start to see the improvement.

Rahil Shah: Okay. And secondly, just any revenue growth guidance further?

Shishir Joshipura: Sorry to disappoint you we don't give revenue number guidance. When you talk revenue guidance, my CFO forget his mathematics, he is otherwise a brilliant guy, but he forgets.

Rahil Shah: Directionally we can expect much better results than last year?

Shishir Joshipura: Let us hope that.

Moderator: Thank you. The next question is from the line of Faisal Zubhair Hawa from HG Hawa and Company. Please go ahead.

Faisal Zubhairhawa: Sir, like a previous participant also pointed out, and you also talk with your chairman, there is a problem of plenty. And we are brightly placed in so many segments and it's all the result of the brilliant R&D that we have done, two decades ago. So, I want to see some kind of change taking place in the overall senior management or where you actually recognize that you can actually double or triple revenue every three years without even deploying much capital. And where is that change coming from or how is that change of mind take place where you so far, you have been batting at a steady state, and now you have the opportunity because of the foundation to really build strong on that, this is like to me it's looking like the last 20 overs of a one day match and you have just lost two or three wickets?

Shishir Joshipura: You have done a great analysis, let me compliment you on that. You're bang on target, when you say that the R&D work that we have done over a period of time actually comes to good streak for us now. And it has actually prepared a platform for us to actually launch and address these multiple activities, that's exactly the way we see it, that we are beginning to see opening out of different. So, we are no longer dependent on a single molecule in a single market. We are now multiple markets, multiple molecules, multiple solutions, multiple capabilities that we can get paid for. So, very different, what I would call as a canvas for the company, that's the exact way we are thinking, in fact somebody asked me right at the beginning of this call, that would you actually achieve the guidance that you gave of 3x growth by 2030. And I said, yes, we are on track, there is no reason for us to believe otherwise life. But as we all learned, we should stay true to the strategy that we have sort of defined for ourselves, make sure that we continuously align ourselves with the changes in the external environment, and keep working hard and keep going at it. And, I have no reason to believe that if we do all of that stuff, and things remain normal, we have all learned in 2022 what happened so subject to that kind of a thing not happening. Yes, we are on track.

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

Sagar Dhawan: My question is on the execution timeline of the current order book. So, could you just tell us what is the execution timeline for the engineering part of the order book and is it different from the current bioenergy execution timeline?

Sachin Raole: See engineering orders right now, we are having a mix of orders because they are not typical orders some are for the longish period, especially the ones which we have received for engineering of the SAF thing. So, the engineering order itself will get executed over a period of at least from eight months to 15 months kind of a period because the scope is pretty, pretty large for those engineering orders, all other orders which are non-engineering they will get executed over a period of 12 to 15 months.

Sagar Dhawan: Understood sir. Okay, and second question was on the capital allocation plan, what is the CAPEX plan going ahead for this year as well as FY26 and, in the light of the opportunity which are emerging like for example, IOCL JV or renewable chemicals, in the longer term what are the broader CAPEX plan from the near to medium term point of view?

Sachin Raole: So, currently, our capital will get a little bit on the two sides from the fixed assets or capital expenditure point of view, one on the GenX. GenX is still the entire CAPEX is not yet done some CAPEX will happen during this year also. There is something which will be happening on the PLA side and the pilot plants which we are thinking at in the R&D. So, there is another one, third one which we are not yet fully, fully finalized, but there will be some allocation which will be happening for the IOCL JV as you rightly mentioned, depending on how many projects are going to kick start in this year, next year naturally it will be a little bit on a higher side because if it is CBG plus SAF plant if you are thinking of and which is on the anvil in any case, then the capital allocation will be a little on the higher side. To find this, we are looking at different avenues. And not necessarily that it has to be completely and entirely funded from our side. So, we are looking at different avenues to fund that. So, one on the capital expenditure side or allocation side. And on the funding of that capital allocation, the way in which we are looking at are two things which are going on parallel right now.

Sagar Dhawan: Understood sir, any CAPEX number for FY25?

Sachin Raole: It should be in a range of around 75 to 100 crores.

Moderator: Thank you. The next question is from the line of Shyam Maheshwari from AB Capital. Please go ahead.

Shyam Maheshwari: Wanted to understand how our payment terms on export orders are. Are these largely FOB or CIF and how should the working capital move, with more export orders in our order book?

Sachin Raole: It's actually a combination, I will not say that everything is FOB, or everything is CIF, it's a combination of both depending on how the customer is looking at. And if they are having their own arrangement of lifting the goods then those are basically on FOB basis. If they don't have, then they generally ask for CIF from our side. Your second question was related to working capital?

Shyam Maheshwari: Yes.

Sachin Raole: So, working capital, we don't see any what I can say, pressure on working capital per se, even if we see in future the revenue to grow, the working capital will remain in more or less similar kind of number of days what we have seen in the last year.

Shyam Maheshwari: Understood. And sir secondly wanted to understand a little bit more on the low carbon ethanol opportunity. I believe there were some GREET framework that was released earlier in the year which kind of enabled a different way to look at how carbon intensity had to be calculated. So, are you seeing more traction in the low carbon ethanol opportunity in the US because of the changing framework are they still status quo, because of the 45(Z) notification. Is there anything that has moved?

Shishir Joshipura: No, so 45(Z) gives an additional incentive for people, there is some clarification that is required to come, but then every ethanol producer who does this LCE conversion gets it or only those that get used for SAF so that many of these dimensions one of them that sort of get there. So, first, from the two things one, the SAF opportunity will drive LCE demand that's a given, there is no question. And we are saying that, as I mentioned, if I remember on that correctly what I said earlier, the 20 odd plants we will have to convert between now and next four years to LCE projects, each of them between $10, $20 million currently depending on what currently they are at kind of opportunity. So, it does present a very definitive segment of market for us to address we have the technology and solutions to do that. And that's what we are looking at right now.

Shyam Maheshwari: Interesting and is it possible to do it, do low carbon ethanol without carbon capture, because that is how we are targeting them?

Shishir Joshipura: That's exactly what our offering is, that if you cannot do CCS, we will still be able to get you down by nearly 30 points on the CI scale.

Shyam Maheshwari: Okay. And that is established, we have a proven technology there?

Shishir Joshipura: That is approved yes.

Moderator: Thank you. The next question is from the line of Shirum Kapoor from PL Capital. Please go ahead.

Shirum Kapoor: My question is on CBG, so in your opening remarks you spoke about setting up a pilot plant in US. So, I just want to get a sense of what the opportunity is for CBG in international markets. And if you could maybe quantify the pipeline, give some more color on, the international opportunities in CBG?

Shishir Joshipura: Yes. So, I will just connect to the answer that I already gave. So, the low carbon intensity of the molecule is becoming a big driver so far right now everything was around the volumes and the costs, but the new dimension that is coming into these biomolecules is the carbon intensity of the molecule. And therefore, when people are now putting a project, especially in that part of the world when they are doing grain-based ethanol, which is the large application there. They are saying how do I go about reducing the grain-based ethanol’s carbon intensity, there are different levers that you push, inter dropping is one of them using waste, stock material is another one, modern farming practice is another one, the whole supply chain and the delivery chain. And in between the process plant itself, they are saying what can I do to actually reduce the carbon intensity and for that purpose, using a waste stream for generation of gas is a very, very, what I call is very high potential and high value carbon intensity reduction technique. It has its own issues that need to be addressed, but this is very much doable. And that is one that I alluded to so right now we are putting out a pilot plant to understand after we have generated the gas, how do we manage the effluent that is left off, that is what the whole experiment is about. And we are working with the US company to make it compatible with the local fertilizer laws there. And if we can achieve that, and we have no reason to believe otherwise, but if we can achieve that, as in when we achieve that, that will open up this whole segment for this application.

Shirum Kapoor: Okay, I understand. So, would this classify, from a segmental classification does this come under your ETCA offerings or would it be as part of your bio energy offerings just to get a?

Shishir Joshipura: It is bio energy offering.

Shirum Kapoor: And similarly, for the SAF opportunity where you have got an order right now for the complete modularization of a SAF project for ATJ, which is mentioned as part of that overall opportunity of low carbon ethanol in SAF. So, again, just to understand, are we considering this whole low carbon opportunity to drive your engineering business, or will it be within your 1G international, could you give some clarification on that?

Shishir Joshipura: That depends on what we are offering, what is my offering, if my offering is only about engineering and modularizing then it's part of the ETCA platform, if it is about producing low carbon ethanol and then converting that then there's a technology element then it's part of the bio energy business.

Shirum Kapoor: Okay. So, it's flexible from that sense, just overall 20 plants to be converted, it could fall under either category, depending on your offering. From that perspective, is that the right understanding?

Sachin Raole: Yes, that's right. So, depending on the component, if there is a technology element then naturally it comes into the bioenergy segment, if there is no technology element, and if it is the modularization solution, irrespective of the application within ETCA, it will come under ETCA segments.

Shirum Kapoor: Okay, that's much clearer now, thank you. And lastly CBG, just to get a sense of at least in the domestic market. We have heard reports of 750 CBG, plants to be set up at a 37500 crores opportunity size. So, is that the addressable opportunities specifically for Praj or what is Praj's share in that overall pie of 750 plants and 37500 crores?

Shishir Joshipura: So, CBG space, the opportunities are bigger than that. So, that's not the limiting factor, as I was mentioning earlier as well, the development of the ecosystem around that takes the optics side, there are multiple optic points in this volume, there is a liquid fertilizer, there is solid fertilizer, there is gas itself, again on the supply chain side itself and the feedstock. So, these ecosystem elements are gradually coming into place, also what I would call as the user point so there are more and more, as you probably have seen the ads, I've seen about CNG vehicles being pushed by major manufacturers, because that is another one. So, some of these elements have their own speed at which they start to sort of become part of an overall system. That's what we are seeing right now. And as the whole thing plays out on the CBG side, we will be able to see the full CBG play even at a much larger scale, because SATAT scheme envisages larger outlay for the program. So, we are not right now limited by X number or Y, much more the question is much broader right now.

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

Shailesh Kanani: So, my other questions are answered only one question. Sir we have mentioned about an order for production of low carbon ethanol using lactose separated from milk from a US based customer, can you throw some light in terms of size or opportunity out there?

Shishir Joshipura: It's an interesting one, because this is actually Shailesh, this qualifies low carbon ethanol very low carbon intensity score. So, this is low carbon ethanol, this is a very important source for potent for carbon ethanol. So, in fact, maybe next quarter we will talk about it. We are speaking to this customer with whom we are setting up the first project in Michigan. On the story side, you know that Amul launched the milk in the United States. And the same dairy will also be the production point for them in United States for their brands. So, that's just a small story on the side. But give me some time, this looks like to be promising especially large dairy concentrated areas. It's a niche application, but very interesting one.

Shailesh Kanani: Just to clarify, this is the first of its kind this we are doing, because I have not read it earlier in our reports or anywhere?

Sachin Raole: Yes, Shailesh that is right this is for the first time it's happening.

Moderator: Thank you. The next follow up question is from the line of Prathamesh Sawant from Mirae Asset Capital Markets. Please go ahead.

Prathamesh Sawant: Sir just two questions. So, one is, when we looked at the domestic 1G ethanol plant, so typically we had 30% to 35% of that as our engineering component of the plant. So, when we have looking at this US plant where they have been converted into low carbon, and you said you have \$10 to \$20 million opportunity across 20 plants. So, what is this, is this entirely our target opportunity or do we consider 30%, 40% of this opportunity again?

Shishir Joshipura: No, this is our target numbers.

Prathamesh Sawant: Okay. So, directly, so we can expect 300 million kind of revenue in a span of next two to three years from this?

Shishir Joshipura: I am not saying that this is the addressable market. That's what, if we get all of this, yes.

Prathamesh Sawant: Assuming if we have 15 million across 20 plants.

Shishir Joshipura: Yes.

Prathamesh Sawant: And sir secondly, what percentage of the domestic ethanol capacity is yet to be built of the 1000 crore was that was supposed to be built for the 20% blending?

Shishir Joshipura: So, if I look at my inquiry pipeline its equally healthy. So, we don't see any letup in the development of the inquiry pipeline for the domestic ethanol market. So, if that's an indicator, then there is still a lot to be done and I will tell you why because there are some imbalances that sort of crept in one because of the feedstock situation, this is permitted, that is not permitted, this needs to get focused, this will not happen, going to this particular zone and not in that zone so there are multitude of factors that are at a place. So, we still believe that we are not run out of EBP 20 program of course, one time they will meet that capacity we are commissioning, Sachin mentioned to you that last quarter, there were a lot of construction activity that underwent so capacity will come into play. We still have two major feedstocks on freeze, so we make it unfreeze. Difficult to answer it just now, but that's where we are so, we do see yes, it is not in its hay day level of capacity creation, but it is still there.

Prathamesh Sawant: So, a ballpark figure of 200 crore to 300 crore liters can we put it that way, because 500 crore was four quarters back?

Shishir Joshipura: Yes.

Moderator: Thank you. The next follow up question is from the line of Faisal Zubhair Hawa from HG Hawa and Company. Please go ahead.

Faisal Zubhair Hawa: Sir, did you say that the engineering contracts which are already with us, will take around three years to complete?

Sachin Raole: No, engineering orders is with engineering and supplier modularization they can be little longish depending on the size of an order. But if it is only engineering, if it is only a service, then I was mentioning that it can range between eight months can go up to 12 months also depending on the size of our engineering order.

Faisal Zubhair Hawa: Sir, any plans of getting a very good international guy to head over sales function and who continuously travels across the board in US, Europe and kind of does lot of exhibitions and a lot of lobbying with even governments to really get this going because now some size emerging for us, we can probably afford that and make the company go to large giants like how Hitachi has done or how large USA MNCs have also emerged.

Shishir Joshipura: So, Faisal, thank you. We are not at Hitachi level yet, but we are definitely participating in forums where we need to be heard, where we can present our solutions, where we can build, we are part of platforms where they bring the industry players together and then create a consensus view. So, those we are definitely taking participation in, I mentioned about GBA, that's going to be a major platform and we are playing our role as actively as we can. There are other platforms also where we are very, there's a clean energy ministerial dialogue among multiple platforms to which we participate in both in the United States and Europe and now Brazil as well. And, in our current understanding that it's sufficient, given our price and scope, and what we can manage, and wherever required we will take the help of external agencies as well.

Sachin Raole: And just to add what Shishir said, our current leadership pipeline is good enough to take care of whatever is happening in the market, especially the international market, which you are referring, we have very dedicated people who are concentrating on these different segments of businesses to understand what is going on there, couple of guys are actually stationed there. And the people, the senior leadership team from India office, very often travels to these markets. And definitely, does the required business development for all these businesses.

Shishir Joshipura: And we are building a team, which is local in nature, so all the people on the ground now that we are building our local people. When I say locally, they are natives of that place. Obviously, they are much closer to the culture and reality compared to us sitting here thousands of miles away. So, we are taking what I would say concrete steps to ensure that we are not found wanting on this dimension.

Faisal Zubhair Hawa: So, sir I know for a fact that the promoter is not very active with day-to-day activities of the company. But even at his end, is there any kind of succession plan for his holdings and how things will pan out?

Shishir Joshipura: That's a question you need to put to him, not to us. However, let me tell you, that Dr. Chaudhary is very much involved in strategic direction with the company, what we do on the technology front, how we are developing technology, how we are prioritizing ourselves. And that's the whole idea that our pay of time, we thought through is trying to ensure that the Praj management becomes professional. So, that's how many of us are having our jobs here. So, we are doing what we can, he is doing what he can, together it’s a good thing, and of course the board construction, you will see there are multitude of elements that sort of get played out on the board constitution, his own thinking, his involvement, professional management, planning.

So, there is multiple elements, and we have no reason to believe that there is any gap right now in terms of what we require, at least for the next five years.

Faisal Zubhair Hawa: Thank you sir. And I must tell you that, Praj remains always the best concall addressed by management, with in-depth answers and we are able to always have better understanding of the company after the concall. I cannot appreciate it enough.

Moderator: Thank you. Ladies and gentlemen, we will take this as the last question. And I will hand the conference over to the management from Praj Industries Limited for closing comments.

Sandip Bhadkamkar: So, thank you everyone for your time today. In case you have questions, please write to us at info@praj.net. Once again, thanks a lot for your time today and have a great 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. Thank you.