Management Discussion

Amit Sharma - Moderator, Adfactors PR
Thank you, Nirav. Good morning, everyone. Welcome to the Q1 FY 2027 Earnings conference call of Steamhouse India Limited. Today, from the management side, we have with us Mr. Vishal S Budhia, Chairman and Managing Director; Mr. Vaibhav Gattani, Chief Financial Officer of Steamhouse. Also we have the Adfactors IR team. We will begin the call with the opening remarks from the management, after which we shall open the forum for the Q&A session. Kindly note that the company is presently in the silent period pending the announcement of its financial results for the quarter ended September 30, 2026. This call would not discuss any unpublished financial or operational information or any other unpublished price-sensitive information. The discussion shall be limited to the information that is already in the public domain or has been previously discussed in accordance with the applicable laws and regulations. I must remind you that this conference may include forward-looking statements about the company, which are based on the beliefs, opinions and expectations of the management as on the date of this call. These statements are not a guarantee of future performance and involve risks and uncertainties that are difficult to predict.

I now pass the conference to Mr. Vishal S. Budhia for his opening remarks. Thank you, and over to you, sir.

Vishal Sanwarprasad Budhia - Chairman and Managing Director, Steamhouse India Ltd
Thank you, Amit ji. Good morning, everyone, and thank you for joining us. It is my pleasure to welcome all our investors, analysts and stakeholders to Steamhouse India Limited's maiden investor call. I'm Vishal S. Budhia, Promoter, Chairman and Managing Director of Steamhouse India Limited. On behalf of the entire management, I would like to thank you for your continued trust and support, particularly as we begin our journey as a listed company. Before discussing our financial performance for the quarter, I would like to briefly introduce our business, our operating model and the long-term opportunity we see ahead. Steamhouse pioneered the community boiler system in India, we sell steam and nitrogen to industries like chemical, pharmaceuticals, textile, plywood, food processing, tire industries, et-cetera. These industries need steam for their heating and processing requirements and have their own boilers for genetic steam for their requirement. These industries have had to invest in their own captive boilers along with the associated land, fuel handling system, water treatment facilities, pollution control equipment, manpower and maintenance and all of these were mostly inefficient.

By outsourcing their steam requirements to Steamhouse, these industries can now focus on their core manufacturing activities, operations while we provide a reliable, efficient and scalable steam solution. We believe our Steam-as-a-Service model represents a structural shift from traditional captive boiler ownership to outsource steam solutions by aggregating demand through centralized facilities. We provide customers with greater efficiency, reliability and cost optimization, while creating a scalable business model for Steamhouse. Today, our business operates through three verticals: generation and distribution of steam, purchase and distribution of steam, generation and distribution of nitrogen. Our business model creates through value through scale. By serving multiple customers from a centralized facility, we operate larger and more efficient boilers, optimize fuel consumption, improve capital and capacity utilization and spread infrastructure cost across a wider customer-base.

As highlighted in our investor presentation, community boilers can achieve thermal efficiency of

75% to 83% compared with around 50% to 65% for the conventional captive boilers. Our USP is our knowledge of steam distribution for kilometer. We have established more than 60 kilometers of steam pipeline infrastructure across industrial clusters in Gujarat, enabling us to deliver steam directly to the customers with minimal pressure loss, while monitoring consumption in real-time. Our customer relationships are long-standing and sticky. Approximately 90.7% of our FY 2026 revenue came from repeat customers and we currently serve 21 customers with multiple operating units connected to our network. Most of our customers are covered by steam supply agreements comprising fixed and variable components, with the variable component linked to the coal price, this contractual structure enables us to pass-through changes in fuel cost.

In addition, newer contracts increasingly incorporate minimum guaranteed offtake commitments, providing better revenue, visibility and facilitating the capacity planning. When evaluating new projects, we focus on customer tie-ups, contracted demand and achievable utilization levels. As utilization improves, incremental steam volumes contribute meaningfully to the profitability because a significant portion of our infrastructure and operating costs are already in-place. This creates operating leverage and supports margin expansion as the business scales.

Looking ahead, expansion remains one of our key priorities. Expansion remains a key growth driver for the Steamhouse. We currently have four projects under execution at Jhagadia, Vapi, Nandesari and AMC, Ahmedabad Mutual Corporation, Pirana, along with three projects planned through IPO proceeds at Ankleshwar, Panoli and Dahej. Beyond Gujarat, we are also expanding our footprint with a planned project at Tarapur. These initiatives expected to increase our steam distribution capacity from 345 tonnes per hour currently to approximately 705 tonnes per hour capacity, providing a strong foundation for long-term growth. The long-term opportunity remains significant. Steam is a critical input across a wide range of industries, including pharmaceuticals, chemical, textile, food processing, paper, pulp and tires, supporting essential processes such as heating, drying, sterilization and distillation. As industries continue to focus on operational efficiency and sustainability, we believe the centralized community boiler model remains significantly undependent providing a underdependent providing a substantial runway for the future growth.

An important milestone in our expansion beyond Gujarat is our entry into Himachal Pradesh. We have been awarded the EPC mandate for setting up our 300 tonnes per our community boiler facility at the Bulk Drug Park, Una with a project value of approximately INR311 crores, inclusive of GST. The project will also include long-term operations and maintenance. Importantly, the project is structured as an asset-light opportunity with the project cost funded by Himachal Pradesh, Bulk Drug Park Infrastructure Limited. This allows us to bring our proven community boiler expertise to the new markets while maintaining our focus on operational excellence and sustainable growth. Additionally, the government of Gujarat's supportive policy framework backed by capital subsidies for eligible projects provides a strong tailwind for our long-term expansion plans and helps us expand our footprint across Gujarat.

Alongside steam, we are also building a second growth vertical through industrial gases. We have commenced nitrogen generation and pipeline distribution at Ankleshwar through a PSA plant through a PSA-based plant with a capacity of 350 NM cube per hour, leveraging our existing industrial customer relationship and pipeline infrastructure. We intend to gradually scale this business by adding new nitrogen and while commercially viable expanding into industrial gases such as hydrogen and oxygen. This creates opportunities to deepen customer relationships, cross-sell additional products and diversify our revenue streams over the long-term. We are also actively

diversifying our fuel mix by increasing the use of waste-to-energy solution wherever commercially viable. Our experience at Vapi along with projects under development reflects our commitment to combining operational efficiency, while sustainable energy solutions.

Let me now briefly discuss our financial performance. Q1 FY 2027 was strong -- strong quarter for Steamhouse despite a challenging macroeconomic environment marked by geographic -- geopolitical uncertainty and subdued industrial activity across certain sectors. During the quarter, we recorded steam sales of 305816 tonnes, representing year-on-year growth of 16.7%. The revenue from operations increased by 13.35% to INR1286.21 million. EBITDA grew by 60.08% to INR309.32 million, with EBITDA margins expanding to 24.05%, profit-after-tax increased by 80.25% -- 80.25% to INR183.42 million. This performance was driven by higher steam volumes, improved capacity utilization and the operating leverage inherent in our business model. Despite external headwinds, we continue to execute well, reflecting the resilience of our customer relationship and strength of our operating platform.

As we look-ahead, our priorities remain clear. We will continue to expand capacity prudently, improve utilization across our network, execute projects on schedules, strengthen our presence in new geographies, scale our industrial gases business and pursue sustainable energy solutions through greater adoption of waste-to-energy technologies. To conclude, I would like to leave you with the four key messages.

First, our centralized team distribution model provides customers with reliable, efficient and cost-effective alternative to captive boilers. Second, our significant capacity expansion pipeline together with our entry into new geographies positions us well for long-term growth. Third, we are creating additional growth avenues through industrial gases and sustainable energy solutions, while maintaining disciplined capital allocation and operational excellence. Fourth and most important, we continuously explore and invest in emerging -- emerging technologies to strengthen our capabilities, enhance operational efficiencies and remain in the forefront of industrial steam and energy solutions. Our objective is to build Steamhouse into India's leading provider of centralized industrial steam and pipeline-based industrial gas solutions, while helping industries reduce emissions, improve energy efficiency and lower their overall operating costs. I would once again like to thank our investors, customers, employees, lenders, business partners and all our stakeholders for their continued confidence and support.

With that, I now invite our Chief Financial Officer, Mr. Vaibhav Gattani to take you through the financial performance for the quarter. Thank you.

Vaibhav Gattani - Chief Financial Officer, Steamhouse India Ltd
Good morning, everyone. I am Vaibhav Gattani, CFO of Steamhouse India Limited. I'll take you through the financial performance of Steamhouse India Limited with a focus on the key operating and financial numbers for quarter one FY 2027 and the progress we are making on profitability, utilization and capital allocation. Let me begin -- let me begin with the operating performance.

Quarter one FY 2027 was a strong quarter for Steamhouse India Limited with steam volumes reaching a record quarterly level of approximately 305,816 tonnes, representing a growth of 16.70% year-on-year and 11.52% sequentially. The growth in volumes reflect the improving demand environment across our customer-base and better utilization of our installed capacity. Our revenue from operations for the quarter stood at INR128.62 crores compared with INR113.47 crores in-quarter one FY 2026, representing a growth of 13.35%. Importantly, the quality of revenue has

improved significantly. The revenue from steam increased by 46.07% year-on-year to INR123.37 crores from INR84.46 crore in quarter one FY 2026.

Coming to profitability, EBITDA for quarter one FY 2027 increased by 60.08% year-on-year to INR30.93 crores from INR19.32 crores. EBITDA margin expanded substantially to 24.05% compared with 17.03% in quarter one FY 2026, an improvement of 702 basis points. One of the key indicators of this improvement is EBITDA per ton. EBITDA per ton increased by 37.17% to INR1,011 in quarter one FY 2027 from INR737 per ton in-quarter one FY 2026. This improvement was driven by higher steam sales, better utilization of our waste-to-energy boilers and operating leverage from the higher-volume base. Our clean EBITDA adjusted for operating lease expenses increased by 65.43% to INR29.22 crores from INR17.66 crore in-quarter one FY 2026. This [Technical Issues].

Operator
Sir, sorry to interrupt to you, we are losing your audio. Vaibhav sir, sorry to interrupt you, we are losing your audio. Participants, please stay connected while we rejoin Vaibhav sir. Participants, thank you for your patience. We have the line for Vaibhav sir reconnected, sir, please go-ahead.

Vaibhav Gattani - Chief Financial Officer, Steamhouse India Ltd
Yeah, sorry for the inconvenience. Yeah, at the PAT level, PAT increased by 80.25% year-on-year to INR18.34 crore compared with INR10.18 crore in quarter one FY 2026. PAT margin also expanded to 14.26% from 8.97%, an improvement of 529 basis-points. Therefore, the key message from quarter one is that profitability has grown significantly faster than revenue. As volumes increase and our existing infrastructure is better utilized, we are seeing the benefit of operating leverage flow-through to EBITDA and PAT. Our capacity utilization also improved meaningfully. Utilization increased to 41.40% in quarter one FY 2027 from 36.06% in quarter one FY 2026 and 38.32% in quarter four FY 2026. While utilization remains at a relatively low-level, this also provides us with significant headroom to accommodate incremental demand from existing customers as well as new customers without requiring a proportionate increase in the existing cost base. We believe that this is an important driver of future margin expansion. As utilization improves, the fixed infrastructure costs are spread over a larger volume of steam resulting in stronger EBITDA contribution.

Another important point is our ability to protect steam margins despite movement in fuel cost. Our steam supply agreements include mechanisms to pass-through changes in coal prices, which provides protection against fuel price volatility. At the PBT level, PBT increased by 81.25% year-on-year to INR21.90 crore from INR12.09 crores. We expect finance cost to moderate during FY 2027 as we utilize the IPO proceeds to repay high-cost borrowings and optimize the overall debt profile.

Let me now briefly discuss our full-year financial performance for FY 2026. For FY 2026, revenue from operations increased 24.4% year-on-year to INR491.51 crores from INR395.1 crores. EBITDA increased 20.45% to INR83.49 crores with an EBITDA margin of 16.99%. PAT increased to INR38.64 crore. Our ROE and ROCE for FY 2026 stood at 22.36% and 16.06% respectively, reflecting the underlying capital efficiency of the business. Another important indicator is customer retention. Approximately 90.72% of FY 2026 revenue came from repeat customers. In quarter one FY 2027, the proportion increased further to approximately 99.38%. This provides a strong base of recurring business and supports visibility as we add capacity and increased utilization.

Let me now touch upon the balance sheet and capital allocation. As of quarter one FY 2027, gross debt stood at INR359.48 crores compared with INR281.62 crores at the end of FY 2026. The

increase was primarily due to additional borrowings for general corporate purposes, which were intended to repaid from IPO proceeds. There are -- therefore, the capital allocation remains focused on two clear objectives, strengthening the balance sheet through debt reduction and funding capacity expansion in identified locations. As these investments become operational and utilization improves, we expect the combination of higher volumes, operating leverage and a more optimized financing structure to support profitability and return ratios. Looking ahead, our financial priorities are straightforward.

First, we want to continue growing steam volumes by improving utilization across our existing capacity. Second, we will remain disciplined in adding new capacity with the objective of matching capacity additions with the identifiable customer demand. Third, we expect the expansion from the current 345 tonnes per hour capacity towards approximately 705 tonnes per hour capacity together with the 300 tonnes per hour Bulk Drug Park power project at Una to provide a meaningful growth opportunity over the medium-term.

Fourth, we are building the nitrogen business and evaluating additional industrial gas opportunities. While this is currently a smaller business curve of our steam operations, this provides an additional growth avenue by leveraging our existing customer relationships and pipeline infrastructure. Finally, we remain focused on improving capital efficiency, reducing financing costs and maintaining its disciplined working capital management as the business scales. To summarize, quarter one FY 2027, we delivered 16.7% growth in steam volumes, 13.35% growth in revenue, 60.08% growth in EBITDA and 80.25% growth in PAT. EBITDA margin expanded by 702 basis points to 24.05%, while PAT margin improved by 529 basis points to 14.26%. We believe these numbers demonstrate the operating leverage available in our business as utilization improves with significant capacity headroom, plant expansion, strong repeat customer contribution and the development of new verticals such as nitrogen and industrial gases. We remain focused on delivering sustainable and profitable growth.

With this, now I'm opening the floor to the question-and-answer session. Over to the moderator. Thank you.

Questions & Answers

Operator
Thank you very much. [Operator Instructions] The first question is from the line of Sagar Tanna from Alchemie Ventures. Please go-ahead.

Sagar Tanna - Analyst, Alchemie Ventures
Congratulations, sir on a successful listing.

Vishal Sanwarprasad Budhia - Chairman and Managing Director, Steamhouse India Ltd
Thank you so much.

Sagar Tanna - Analyst, Alchemie Ventures
Two questions, sir. Is there a seasonality in our business in terms of quarter Q1, Q2, Q3, Q4?

Vishal Sanwarprasad Budhia - Chairman and Managing Director, Steamhouse India Ltd
Seasonality, not really in sense of consumption by production of the customers, but monsoons are generally challenging for us due to various reasons. One, the fuel that you procure is generally wet

because it's a big volume. Second, at many times industrial clusters totally go down because of flooding or such reason this particular year, it happened more. So that's the only thing. Otherwise, more or less because we have multiple business customers with us, it's more or less maintained.

Sagar Tanna - Analyst, Alchemie Ventures
Got it. So sir, what explains Q1 over Q4 jump-in volumes?

Vishal Sanwarprasad Budhia - Chairman and Managing Director, Steamhouse India Ltd
So one, the chemical and pharma industries have come back on-track gradually, they have been receiving more order. So I think this is the predominant reason we would say that the demand has improved. And you would see that major business has come from the repeat customers. So we'll appreciate the increase of demand from the customers and their improvement in business to our growth.

Sagar Tanna - Analyst, Alchemie Ventures
Got it. And sir, as we have exited the coal trading business, will that help stabilize EBITDA margins going-forward?

Vishal Sanwarprasad Budhia - Chairman and Managing Director, Steamhouse India Ltd
Yes, we feel that -- we all know that the coal trading was hardly any margin. It was a very low-margin business and that's the reason we stopped it. So we feel that the margin levels can be maintained and can be even better going-forward.

Sagar Tanna - Analyst, Alchemie Ventures
Got it. Thank you so much and all the best, sir.

Vishal Sanwarprasad Budhia - Chairman and Managing Director, Steamhouse India Ltd
Thank you so much, sir.

Operator
Thank you. Next question is from the line of Sujal Javar [Phonetic] from Diamond Capital. Please go-ahead.

Unidentified Participant
Congratulations, sir, on the good set of your numbers.

Vishal Sanwarprasad Budhia - Chairman and Managing Director, Steamhouse India Ltd
Thank you so much, sir.

Unidentified Participant
Yeah. So my first question would be, sir, I want to understand the part of sir like this today 345 ton per hour is backed by 100% contract or there are contract like 345 ton per hour today and a follow-up to that question only. Like if you can answer me, if given the contracts are long-term in nature. If somebody wants to terminate the contract in one year, can they lose that or not?

Vishal Sanwarprasad Budhia - Chairman and Managing Director, Steamhouse India Ltd
Vaibhav ji, can you answer this, please?

Vaibhav Gattani - Chief Financial Officer, Steamhouse India Ltd
Yeah. So, this out of 345 capacity, we are almost up with 70% of the [Technical Issues]. Hello, am I

audible? Yeah. Am I audible? Right. So out-of-the 345 tonnes per capacity installed, we all have around 70% capacity tied-up for the -- for the customers. So yeah, that's the answer to your question.

Unidentified Participant
And can you answer the follow-up question like given the contracts are long-term in nature, is there any chance that someone can basically terminate before the contract?

Vaibhav Gattani - Chief Financial Officer, Steamhouse India Ltd
[Technical Issues]

Operator
Sir, sorry to interrupt you again, but your voice is breaking.

Vaibhav Gattani - Chief Financial Officer, Steamhouse India Ltd
Hello? Hello?

Operator
Sir, your voice is breaking little bit.

Vaibhav Gattani - Chief Financial Officer, Steamhouse India Ltd
Allow me two minutes, I will just change my position, please. Hello, am I audible now?

Operator
Yes, sir.

Vaibhav Gattani - Chief Financial Officer, Steamhouse India Ltd
Yeah, so the tenure of the agreement typically ranges between one year to 10 year and the -- the agreements also have non-exit clauses built-in in the agreement. So the customers cannot terminate before a certain tenure gets expired. So that is one -- that is one clause we have already built-in the agreement. So in most of the cases, these clauses are there. And anyways, we have seen in past that since we are adding value to the customers by providing them ready solution at a lower generation cost, it doesn't make sense for the customer to terminate the contract and move to their in-house captive consumption.

Unidentified Participant
Okay. And sir, can you give me another like are the price which have passed on are they monthly or is it some -- the tenure is different on passing on the prices?

Vaibhav Gattani - Chief Financial Officer, Steamhouse India Ltd
So the pass-through is predominantly monthly. There are few customers with whom we have a quarterly pass-through mechanism that was the required from their legal side, head office side. So -- but then that frequency is maintained continuously even if it is quarterly. But in most of the cases, it is monthly.

Unidentified Participant
Okay. And sir, one last question. On Una, the art till, will waste be getting from government only and how much is the EPC profits and OEM is how much and how much is the revenue-sharing?

Vaibhav Gattani - Chief Financial Officer, Steamhouse India Ltd
So on the EPC front, we would be doing the project and handing over the project to government. And on the revenue-sharing front, we would be sharing 9% revenue, but that cost would be recovered from the end-consumer only. So that revenue-sharing which would be done with the Himachal Pradesh Bulk Drug Park Infrastructure Limited company, that 9% will have to be recovered from the end consumers of steam only. So from company's pocket, from Steamhouse pocket, nothing will go, that has to be recovered from customer and that has to be passed on to the company -- the authority which is allotted the tender.

Unidentified Participant
Okay, sir. And one last, if I can, if I demand.

Operator
Sir, sorry to interrupt you. May I request you to come back-in the question queue for a follow-up. Thank you. Next question is from the line of Ajit Sethi from Eiko Quantum Solutions. Please go-ahead.

Ajit Sethi - Analyst, Eiko Quantum Solutions
Yeah. Thank you for the opportunity and congratulation on a good set of number.

Vishal Sanwarprasad Budhia - Chairman and Managing Director, Steamhouse India Ltd
Thank you.

Ajit Sethi - Analyst, Eiko Quantum Solutions
Given the high stickiness of existing customers, so what is the value proposition that would incentivize customer currently sourcing steam from competitors or generating steam in-house to switch to Steamhouse?

Vishal Sanwarprasad Budhia - Chairman and Managing Director, Steamhouse India Ltd
So one, there is generally not a competitor in the -- most of the geographies that we are talking about or we are operating. So the question of competition doesn't really, really arise. But yes, from their self-generation, one, their inefficient boiler, two the fuel that they could be using, for example, furnace oil, LDO or natural gas, which are predominantly very expensive or if an customer is operating on a intermittent consumption pattern in all such situations, we are very -- very cost-efficient as compared to their self-generation. So that could be in range of 25% to 35% cost-efficiency. So that's a predominant reason why industries stick to us.

Ajit Sethi - Analyst, Eiko Quantum Solutions
Okay. And sir, what is the amount of capex that we are spending to increase our capacity to 700 per tonnes per hour and when will be this operational?

Vishal Sanwarprasad Budhia - Chairman and Managing Director, Steamhouse India Ltd
Vaibhav ji, please.

Vaibhav Gattani - Chief Financial Officer, Steamhouse India Ltd
Yeah. So for the under-construction project, there are 400 construction projects and on which maximum work has already been done, we'll have to do around another INR55 crores, INR60 odd crores of capex to go all these four projects live. And the -- for the balance, the IPO end use project and one of the project which is planned in Tarapur, we intend to do another INR170 crore worth

capex in next 15 to 18 months. Out of these four under-construction -- rather these four under-construction facilities should go-live in current financial year. This is what we are targeting. The 160 tonnes per hour capacity, which is in Tarapur should get live in-quarter four of FY 2028. And the IPO end-use facilities which are in Dahej, Dahej GIDC, Ankleshwar and Panoli should go-live in-quarter one FY 2029. This is the timeline with which we are working.

Sagar Tanna - Analyst, Alchemie Ventures
Okay, sir. Thank you.

Vaibhav Gattani - Chief Financial Officer, Steamhouse India Ltd
Yeah. Thank you.

Operator
Thank you. Next question is from the line of Avinash Nahata from Parami Financial Service. Please go-ahead.

Avinash Nahata - Analyst, Parami Financial Service
Hello, am I audible please?

Vishal Sanwarprasad Budhia - Chairman and Managing Director, Steamhouse India Ltd
Yes, you are.

Operator
Yes, sir, go-ahead.

Avinash Nahata - Analyst, Parami Financial Service
Thank you. Since we are new to the company, Vishal ji, we would want to understand the pipeline infrastructure as to how many kilometer this particular steam travels at what pressure, what bar? And then I'll come to the second question. If you can please explain the -- how steam travels logistically to the end-customer and what is the network?

Vishal Sanwarprasad Budhia - Chairman and Managing Director, Steamhouse India Ltd
So we are laying pipeline -- overhead pipeline network in kilometer. So for example, the total -- total laid pipeline is above 60 kilometers right now, including seven industrial areas. And the farthest customer we generally -- generally quote about is 7.5, 8 kilometers away from the point of generation. So the pressure drop there is one bar in general, approximately one bar and temperature drop can be in a few bps. So four to five degrees is what we generally lose on temperature side. So -- but this varies again with various seasonality. So monsoon it can be slightly higher, summers it can be on the better side. So this is how we supply. We supply steel to pipe network to the industries at their doorstep.

Avinash Nahata - Analyst, Parami Financial Service
So you're saying there is on an average drop of four to five degrees from where it is produced to where it gets disseminated?

Vishal Sanwarprasad Budhia - Chairman and Managing Director, Steamhouse India Ltd
Yes.

Avinash Nahata - Analyst, Parami Financial Service
And with a pressure drop of one bar, that's what you said on an average?

Vishal Sanwarprasad Budhia - Chairman and Managing Director, Steamhouse India Ltd
Yes.

Avinash Nahata - Analyst, Parami Financial Service
Okay. And so you mentioned that 25%, 30% is the savings for a small processing house for -- if they do it captively versus what they outsource from Steamhouse?

Vishal Sanwarprasad Budhia - Chairman and Managing Director, Steamhouse India Ltd
Not processing house in specific, I would say. It's more of any industry who has a -- who has a boiler who is either on either of these expensive fuels or is an intermittent consumer in that case. But if it's a textile process house per se who has a higher consumption, a bigger quantity of consumption is on coal, then we are not so beneficial to them. So we can be a little cheaper or at par with them, but not so beneficial in that case.

Avinash Nahata - Analyst, Parami Financial Service
Okay. One more question. Like you said, there is a temperature drop four to five, one thing technical. So there is -- during that process of transfer, there is also a condensation because of temperature inside and outside. So there is a steam loss also because of that?

Vishal Sanwarprasad Budhia - Chairman and Managing Director, Steamhouse India Ltd
Yes.

Avinash Nahata - Analyst, Parami Financial Service
What is that percentage [Foreign Speech] on an average. So this, yeah.

Vishal Sanwarprasad Budhia - Chairman and Managing Director, Steamhouse India Ltd
Depends again on the season weather conditions, it can be between 3% to 7% again.

Avinash Nahata - Analyst, Parami Financial Service
Sorry?

Vishal Sanwarprasad Budhia - Chairman and Managing Director, Steamhouse India Ltd
3% to 7%, [Foreign Speech].

Avinash Nahata - Analyst, Parami Financial Service
[Foreign Speech] just I'll close before that. So 705, when you calculate 4.46 million ton, how do you arrive from 705 tonne per hour to 4.46, if you can just briefly explain?

Vishal Sanwarprasad Budhia - Chairman and Managing Director, Steamhouse India Ltd
Vaibhav ji, please.

Vaibhav Gattani - Chief Financial Officer, Steamhouse India Ltd
Yeah. Yeah. So sir, we normally consider 80% as the sellable capacity because around 20% of the capacity gets used in the boiler itself in the processes and derivative process and all. And 330 days is the clear days we consider because the boiler has to be taken under annual mandatory maintenance, that's the law of the land and there would be days wherein we'll have to take preventive maintenance. So 330 days is the --

Avinash Nahata - Analyst, Parami Financial Service
[Foreign Speech]. Got it. 24 hours, 330 days and 80% capacity.

Vaibhav Gattani - Chief Financial Officer, Steamhouse India Ltd
80%, yes, that's the sellable capacity or for all practical purposes.

Avinash Nahata - Analyst, Parami Financial Service
Okay. And how much we operated in Q1 as a percentage, [Foreign Speech].

Vaibhav Gattani - Chief Financial Officer, Steamhouse India Ltd
It was 41%, sir. [Foreign Speech].

Operator
Thank you. Avinash, I'll request you to come back for a follow-up question. [Operator Instructions] Next question is from the line of from Sunny Gosav [Phonetic] Emkay Ventures. Please go-ahead.

Unidentified Participant
Yeah. Thanks for taking my question and congratulations on the IPO. My first question is, if you can explain about the industrial gas business, like what are we trying to do in the industrial gas business? And what is the possible business model in terms of are we kind of looking to partner with someone or do we have -- like are we looking to set-up in-house air separator units? And how can we leverage the existing pipeline infrastructure to kind of build-on to that industrial gases business. So any color on that will be very helpful.

Vishal Sanwarprasad Budhia - Chairman and Managing Director, Steamhouse India Ltd
Sir ji, thank you for bringing up this question. We intend to supply other gases because gases like nitrogen, oxygen, CO2 may be instrument air because these are the gases that almost similar industries that we are serving right now with steam are also using for some reason or some project or the other. And this helps us to leverage the current customer network that we have and have a basket sale, number-one. That's the reason we want to get into this business. Two is, we already have a infrastructure laid for steam supply. Now the only addition we need to do on these infrastructures is some pipes have to be added on the same civil and the steel structures that we have already laid and the ROUs that we have. So, newer pipes will also leverage the newer business will also leverage the current infrastructure that we have already invested on, two.

Three is, we are already supplying nitrogen, which was I can say, a pilot project for us on the scale that we want to do it. It was a precious absorption model. But you rightly said again that we are now working on-air separation units, ASU, where cryogenic process of separation of nitrogen and oxygen comes, five nines of oxygen, nitrogen, lean and locks, liquid nitrogen and liquid oxygen can also be supplied, which are also premium products, one and currently are being transported through tankers. So this will give us a very strong hold-on the customers as compared to the current mode of transportation where we understand the cryogenic tanker brings the gases from one point to another and then it has to be transported and stored in -- transferred and stored into the cryogenic tanks of the customer, customer has to give us space and there is again an regular loss of these gases through vaporization. So instead if they get these gases through -- at their doorstep, it's a good opportunity for the customers to save money and for us to get a stronghold business. We are doing -- working on -- working with several gas players right now discussing with them on two, three ways. One, we do the whole project our self because the space required is very less and the

capex will also be not so big as compared to the infrastructure or the capex we've already done. And second, we are also talking to few companies who can get interested in having a build-own operate model with us where they invest and supply us gases at our site and we sell that in turn.

Unidentified Participant
Got it. And just a small follow-up on this, like incremental spend on the pipeline infrastructure, like how should we think about that like -- and more -- like how much stacking can you do in terms of the existing pipeline infrastructure like you can add more pipes to it or and how much capex kind of will be needed maybe say on a per kilometer basis or any other benchmark that you can help us understand?

Vishal Sanwarprasad Budhia - Chairman and Managing Director, Steamhouse India Ltd
So on stacking, the pipelines are already designed for 9.5 which is a scale of earthquake and 120 kilometers of wind speed and to carry four to five pipelines, six pipelines of various sizes and various weight on the structure itself. And we understand that the gas pipeline, steam pipelines generally do not have weight of the material that they are carrying. So the pipelines are very less weight -- less weighted. So yes, we have opportunity of laying many more pipelines and gradually going-forward, we can further strengthen some by some beds to have even more strength if you need more pipes to add to. Second is the cost of pipeline laying will be very tough thing to answer. But what I want to still say is it would be hardly 10% to 20% at the max of the current infrastructure that we have already invested in. So you can understand that 80% infrastructure will be reutilized or leveraged for a better revenue.

Unidentified Participant
Got it. Got it. This is very helpful. My second question is on, on the boiler technology, like boilers are the core to your operation and in terms of like what kind of suppliers are you using? And in terms of efficiency, what are the various efficiency measures or new technologies that you are exploring to kind of improve the overall efficiency, profitability, cost-savings. So if you can give some color on that.

Vishal Sanwarprasad Budhia - Chairman and Managing Director, Steamhouse India Ltd
So we are currently working with the one of the best manufacturers -- volume manufacturers of the country, I would not be able to name right now in the public domain. But they are also licensee of a German and Japanese technology provider because especially for waste-to-energy, we need the best technologies that are globally successful and we have already adopted them and are using and a few of them are under installation right now, one. On the coal side also, we have again selected the best vendors, best manufacturers of the country, again, not be able to name here. But our continuous effort is to see that we keep improving thermal efficiency by selecting right fuel, the right boiler designs, right system and DCS system for improvement in the efficiency and safety. And on the other side, we are working on various other technologies. As I said, it's also not that plain that we are doing as compared to most of the people in India. We are adding industrial waste to it. Industrial waste has much better economics and efficiency, I would say, one. And over and above this, we are working on atomic energy-based ideas as well. We are discussing with lot of global organizations on how we can start supplying or manufacture steam and other gases using the atomic energy going-forward. So many technologies that we are focusing on. And Steamhouse strongly believe that technology intervention is going to be the best part of taking this business forward rather than just limiting to keep growing literally.

Operator
Thank you. Sunny, I'll request to come back for a follow-up question. [Operator Instructions] Next question is from the line of Bhupesh from ICICI Securities. Please go-ahead.

Unidentified Participant
Hello. Firstly, congratulations to the management for the --

Operator
Bhupesh, sorry to interrupt. Can you speak a little louder, please?

Unidentified Participant
Okay. Congratulations to the management for this good set of numbers. I just --

Vishal Sanwarprasad Budhia - Chairman and Managing Director, Steamhouse India Ltd
Thank you, Bhupesh.

Unidentified Participant
Okay. I just wanted to ask like given you have 41% of utilization in the range of 40% if we see. So what do you expect this utilizations to go up to? What are expectations?

Vishal Sanwarprasad Budhia - Chairman and Managing Director, Steamhouse India Ltd
So our intent is to take this utilization to 60% of [Technical Issues] experience and learning in the last decade, the new boilers that we are commissioning that the newer boilers that we are commissioning will be expected to be in the range of 50% at the very initial months of the commissioning.

Unidentified Participant
Okay. Can you just repeat the number, I believe we had a --

Vishal Sanwarprasad Budhia - Chairman and Managing Director, Steamhouse India Ltd
60% to 65% is the optimum utilization that we wish to take it to.

Unidentified Participant
Okay. Thank you.

Vishal Sanwarprasad Budhia - Chairman and Managing Director, Steamhouse India Ltd
Thank you.

Operator
Thank you. Next question is from the line of Prateek Shrivastava from Nivesh Wisdom. Please go-ahead.

Prateek Shrivastava - Analyst, Nivesh Wisdom
Yeah, first of all, sir, again, congratulations on great set of numbers and again --

Operator
Prateek, sorry, your voice is breaking.

Prateek Shrivastava - Analyst, Nivesh Wisdom
Yeah. Is this better?

Operator
It is go-ahead.

Prateek Shrivastava - Analyst, Nivesh Wisdom
Yeah. First of all, again, congratulations, sir, on great set of numbers and I definitely like your business. So a few questions which I had. One was, can you talk about your trade receivable days and what was your Q1 operating cash-flow and what can you take like as an average like your CFO to EBITDA ratio.

Vaibhav Gattani - Chief Financial Officer, Steamhouse India Ltd
So trade, yeah, yeah, sir. So on the trade receivable side, we have a folk likely billing system and the payments are typically realized between 7th to 15 day. So that's a broad credit policy we have on the receivables side. And with regards to cash-flow from operations, it was around and with compared to the EBITDA. Last-time it was around 1.2 times. But going forward, we can safely assume that this number should continue the ratio or should we should be a bit lower.

Prateek Shrivastava - Analyst, Nivesh Wisdom
Okay, got it, got it. Second question is on -- yeah and second question, sir, is around this related-party scheme sales to Sanjoo Group. So now that cold trading is stopped with them, is there like are we going to -- are there going to be any more related-party transactions with Sanjoo Group? And can you explain that part, please?

Vishal Sanwarprasad Budhia - Chairman and Managing Director, Steamhouse India Ltd
Yeah. So on the -- as you rightly pointed out that the coal sales have been stopped, but we are still purchasing steams -- steam -- the Steamhouse India Limited is still purchasing steam from Sanjoo Dying and Printing Mills Private Limited first any location. The original business idea or the original community boiler project, the first one was conceptualized in Sanjoo Dying and Printing Mills Private Limited back in 2014, 2015. So that Sachin facility, the steam generation facility still lies with them. But the distribution, permission and the distribution pipeline network is owned by Steamhouse India Limited. So that the related-party transition still continues at least for next few quarters. We have some future plans where in we would like to evaluate further opportunities in Sachin GIDC or nearby to do other project. So in that case, maybe this steam purchased from Sanjoo Dying can stop, but at least for next few quarters, this will continue.

Prateek Shrivastava - Analyst, Nivesh Wisdom
Sir, one last question on this Una project, which we are doing, what could be the expected margins -- the EBITDA margins on this project?

Vishal Sanwarprasad Budhia - Chairman and Managing Director, Steamhouse India Ltd
So this will be instead of EBITDA margin, this should be basis the EBITDA per ton. We should be getting around 8% to 10% clear margin. We are doing no capex there, but that will depend upon what will be the fuel price when we'll be billing to the customer. So it's a pass-through to the end-consumer. So whatever will be the fuel price, we should be making around 8% to 10%, but that is still not finalized. We will be signing the agreement with the Himachal Pradesh Bulk Drug Park Infrastructure Limited and then we will be able to come to the final number, but this should be typical rate, that is what has been discussed informally with these guys.

Operator
Thank you. Prateek, I'll request to come back for a follow-up. Next question is from the line of Deepak Poddar from Sapphire Capital. Please go-ahead.

Deepak Poddar - Analyst, Sapphire Capital
Hello. Sir, am I audible?

Operator
Yes.

Vishal Sanwarprasad Budhia - Chairman and Managing Director, Steamhouse India Ltd
Yeah.

Deepak Poddar - Analyst, Sapphire Capital
Yeah. Thank you very much sir for this opportunity. Sir, just wanted to understand on the volume front, first up, now if you see last two, three years or even for FY 2026, our volume growth has been in the range of 10%, 12%. And first quarter you mentioned because of the demand improvement from your customers in chemical and pharma space, you saw volume growth of 17%. So just wanted to understand, I mean, in our kind of industry, I mean, given we have got ample capacity, the utilization is 40%. So what sort of steady-state growth one should envisage for us? I mean in terms of volume, yeah.

Vaibhav Gattani - Chief Financial Officer, Steamhouse India Ltd
Vishal sir?

Vishal Sanwarprasad Budhia - Chairman and Managing Director, Steamhouse India Ltd
So yes, we can -- we can expect similar growth in at least say 5% to 10% for the current locations where we are already there with the current installed capacity on smaller numbers. But as we said that we are already installing new projects and new locations, that would add to the utilization basis the basic capacity that we are installing. So, it will be in two-ways. One, improvement in the current installed capacity utilization and second will be the new capacity and their utilization.

Deepak Poddar - Analyst, Sapphire Capital
Okay.

Vaibhav Gattani - Chief Financial Officer, Steamhouse India Ltd
And just to add, the revival in chemical and agrochemical sector, predominantly chemical sector, we are a proxy plate to chemical industries and we are seeing benefits out of it. We also went through tough phases when these guys were not consuming steel in 2024, 2025, 2026. So the volume growth was a bit on the lower side, but these industries have revived. So we should -- we should get the benefit out of it.

Deepak Poddar - Analyst, Sapphire Capital
Okay. So given the new capacity also coming and the revival you spoke about. So, 20% 25% volume growth at a company-level is what something is achievable for us?

Vaibhav Gattani - Chief Financial Officer, Steamhouse India Ltd
Yes, very comfortably.

Deepak Poddar - Analyst, Sapphire Capital
Okay. Okay. And just my second question is on your EBITDA per ton. I mean, I mean one of the reason you mentioned also was because the trading part we have discontinued. So that is kind of resulted in jump-in our EBITDA per ton. So this INR1,000 EBITDA per ton is kind of a sustainable and an improvement over and above that because of the leverage advantage you have been saying?

Vaibhav Gattani - Chief Financial Officer, Steamhouse India Ltd
So EBITDA percentage was suppressed because of the coal trading. EBITDA per ton was anyways to be calculated. This is the steam sales and the EBITDA number. So I think I just wanted to make that clear. EBITDA per ton of INR1,000 can be safely assumed that it will be maintained in our steam generation and distribution sites for next few quarters as the new facilities that are coming up are on waste and will definitely help in keeping EBITDA per ton at INR1,000 or better. Quarter two of every financial year is an exception considering EBITDA gets impacted on account of monsoon. However, we have done certain structural changes like moving coal purchases from credit to cash, installation of solar power to reduce cost. We are also trying to optimize the inventory quantity and value. So the number should stay here barring quarter two because historically that has been lower on account of monsoon. But on the annual basis, I think we should be with what we have delivered in-quarter one, should be better or actually be at par with what we have delivered in-quarter one.

Operator
Thank you. Deepak, I'll request to come back for a follow-up. Next question is from the line of Tej Patel from Niveshaay Investment Advisory. Please go-ahead.

Tej Patel - Analyst, Niveshaay Investment Advisory
Hi, sir, am I audible? First of all, congratulations on a good set of numbers. So sir, I mean that's pretty interesting. So if you already had a Ahmedabad Piran order, recently received an order from Himachal and then in presentation also you have mentioned about [Indecipherable] I mean, I mean this is completely probably new set of, let's say, business coming in for government, which was, let's say, not at all present a year back. I mean, just wanted to understand why there's suddenly a jump of let's say an interest for government, for community boilers and based on your interest with the officials, I mean, how welcoming are the government with this concept? And could we see community boilers probably, you know, has a concept being adopted in various schemes and various parts which government has been building across India? And are there such more opportunities apart from the three already you've been mentioned, if you could elaborate on this, that would be very much helpful, yeah. Thank you.

Vishal Sanwarprasad Budhia - Chairman and Managing Director, Steamhouse India Ltd
So thanks for bringing up this question again. One, this hasn't happened suddenly. These things were going on since 2021, 2022, FY 2021, 2022 and the government announced three Bulk Drug Parks and 7 PM Mitra parks to be set-up with some investments coming from the central government and remaining from the winning state government. So state -- various state governments had to bet to win -- win these projects. And the criteria to win these projects was how many -- how many facilities would they give to the industries that are coming in? So almost a plug-and-play solution was what was expected from the central government. And so for all these Bulk Drug three parks, one of them, which we have fortunately won in Himachal Pradesh has a sponsor of around INR1,000 crores from the central government. So the -- the process of planning these projects, the tenders were almost going on since more than three, four years, 2022 all the

DPRs were submitted by the various state governments. And PM Mitra parks are still as we all know, and we keep reading about are under-construction at various locations, so one.

In March 2024, Central government -- the Central Pollution Control Board rolled-out a guideline saying that all the SMEs of India should shift to the umbrella of common bulk drug. So for the government and the pollution Control Board authorities, it is like CETPs. Earlier we used to have ETPs, effluent treatment plant and in last three decades, we see that most of the industries are participants of CETPs, common effluent treatment plant. For the government, this is an air pollution reduction scheme where a common boiler, they use common boiler instead of community boiler because it comes from common effluent treatment plant. For them, it is a common air treatment plant. I could use it if I can use this word as a proxy here. So government is now pushing it hard that all the industries come into umbrella of common boiler, one to reduce air pollution. Second, to give a bigger comfort to the industries to operate on common facilities and a plug-and-play solution. And we keep reading and listening to the Honorable Finance ministers and industry minister statements where they say that the newer idea of bringing all the industrial parks going ahead is to have as many as plug-and-play options solutions to the industries, two. So that's ease of doing business for the industries.

And third is question yes, there are many more such opportunities that we are envisaging right now. One of the projects for Gujarat Bulk Drug Park project is the tender is live even today as we speak. So we are, yes, trying to participating in such projects as well and all the PM Mitra parks are where basic discussions are going even the Ministry of Textile has been interacting with us on and off on such projects in the textile parks. Many private associations of the industries are also talking about having common boilers in their industrial parks seeing the benefits of the common boilers. So many such opportunities is what we will see. So now the concept is almost 11, 12 years in the country, 11 to 12 years-old in the country. I think the time is, right, where the industry's government and various associations have started liking it and understand the concept. So that's the reason we would see a lot of things probably happening now soon.

Operator
Thank you. Next question is from the line of Roshin from Molecule Ventures. Please go-ahead.

Unidentified Participant
Hello, sir. I have one question. Is there any specific reason for a lower utilization for Sarigam facility?

Vishal Sanwarprasad Budhia - Chairman and Managing Director, Steamhouse India Ltd
So yes, Sarigam -- sorry, please.

Unidentified Participant
Yeah. And you mentioned to one of the previous participant that around 70% capacity is tied-up for 345 TPS. So why we see a lower utilization in general of around 40% sort of?

Vishal Sanwarprasad Budhia - Chairman and Managing Director, Steamhouse India Ltd
So, I'll first answer Sarigam thing. So, Sarigam was a project where we initially missed a big customer there and could not onboard him and the project was running on a lower capacity. But if you see this financial year and the quarter one, we have a better utilization in Sarigam because we have been able to onboard two, three new good customers. So capacity utilization in Sarigam has increased and improved. And we are further in discussion with two, three bigger customers, we hope that the capacity utilization might reach to a very good levels in the Sarigam plant as well if the

agreement happens, which we are very positive about. On the capacity utilization, as we already said, one is the initial -- in the last two, three years, the chemical pharma industries were not performing so great. And post this Europe and US tariff agreement, the improvements has begun. And second, we -- some of the projects were commissioned very late. And so the capacity utilization of those projects cannot be calculated on a flat basis. And third, we also keep some margin for the projects or the newer industries that would come on-board going ahead -- going-forward so that we -- when you talk about reaching 60%, 65% capacity utilization, we also see that we can accommodate at least two, three years of new incoming demand from the industries.

Operator
Thank you. Our next question is from the line of Mihir Dhami from Augmenta Research. Please go ahead.

Mihir Dhami - Analyst, Augmenta Research
Hello. Yeah. Yes. Sir, I was asking in Q1 FY 2027, the steam sold volume increased 17% year-on-year or the revenue from steam increased 46%. So what was the reason for the realization increase in steam?

Vishal Sanwarprasad Budhia - Chairman and Managing Director, Steamhouse India Ltd
So, one reason for realization -- sorry, Vaibhav, you please continue.

Vaibhav Gattani - Chief Financial Officer, Steamhouse India Ltd
Yes, sir, please, please you take.

Vishal Sanwarprasad Budhia - Chairman and Managing Director, Steamhouse India Ltd
Okay. So one reason for improvement in realization per ton was one, better utilization and better leverage of the existing asset. Two, is the higher -- higher usage of the waste-to-energy projects that we are already operating in Vapi, so which adds a much more significant number to our current numbers. So, these are the two reasons for the improvement of per unit EBIT margins. And second, about the utilization improvement again that you answered to this question that utilization.

Operator
Sorry, I think we are losing your audio.

Vishal Sanwarprasad Budhia - Chairman and Managing Director, Steamhouse India Ltd
Am I audible clear?

Operator
Yes.

Vishal Sanwarprasad Budhia - Chairman and Managing Director, Steamhouse India Ltd
Hello. Yeah. So -- and the second reason -- and the reason that the consumption has increased is the chemical and pharma industries have come back on-track again. And also that we are changing the mix of the customers that we have by adding newer business customers like tire industry has been added to our basket as our customers. So seeing that only one sector dependency could be little -- not so great for us. So we have added -- we also signed an agreement with the food processing industry in Haldia. So all these newer segments will diversify our demand and help us in maintaining the growth and better utilization in the different times.

Mihir Dhami - Analyst, Augmenta Research
So with waste-to-energy, you all are increasing capacity there as well, right? So will realization and EBITDA per ton increase more going-forward?

Vishal Sanwarprasad Budhia - Chairman and Managing Director, Steamhouse India Ltd
If we hope so. Yes, we hope so, because it will be a better mix.

Operator
Thank you. Next question is from the line of Arya Vardhan from Anzo Capital. Please go-ahead.

Unidentified Participant
Hi, thanks for the call. So actually, the key question we had was related to working capital. What is the working capital -- I mean, the working capital cycle has become better over the last few quarters. So what is our guidance on where working capital will be and what is leading to the working capital efficiency?

Vaibhav Gattani - Chief Financial Officer, Steamhouse India Ltd
Yeah, so working capital, days going-forward between 40 to 40 days. We optimize the inventory quantity as and value. So 40, 45 days positive working capital cycle should be going-forward. And we were purchasing code well credit basis till May 2026. And post that we have converted entire credit purchases to cash purchases. So that is also helping us in improving the margins because you can understand that any cash purchases will help you in lowering the cost of fuel. So that has helped us post May 2026.

Operator
Thank you. Next question is from the line of Mit Bua [Phonetic] from Integrity Ventures. Please go-ahead.

Unidentified Participant
Hi, congratulations on very good set of number and IPO listing. I wanted to understand, what is the revenue backlog guess and for the Q1 FY 2027 for this team we have own generated and the steam that we have traded.

Vishal Sanwarprasad Budhia - Chairman and Managing Director, Steamhouse India Ltd
Hello. Yeah. So it was 73 in-quarter one, 73.7% was the steam that was generated from own boilers. 22.2% was the traded steam we purchased and we sold. So that's the bifurgation between purchase and generation.

Unidentified Participant
Okay, okay. Thank you. Thank you so much.

Operator
Thank you. Next question is from the line of Vidan from MAS Investments. Please go ahead.

Unidentified Participant
Sir, you mentioned that you will maintain the same growth momentum for the full-year. So, just wanted to confirm, was it on the EBITDA or on the revenue growth, you mentioned that numbers, bar in Q2 as a full-year growth.

Vishal Sanwarprasad Budhia - Chairman and Managing Director, Steamhouse India Ltd
So, almost same for both the numbers, but yes, we are saying we will try to maintain, not saying that we will maintain.

Unidentified Participant
Okay, because your guidance was 30% to 35% EBITDA CAGR. So I think this year you are planning to beat it, right?

Vishal Sanwarprasad Budhia - Chairman and Managing Director, Steamhouse India Ltd
We will try. Yes, we hope so.

Unidentified Participant
Okay. Okay. Thank you so much.

Vishal Sanwarprasad Budhia - Chairman and Managing Director, Steamhouse India Ltd
Thank you.

Operator
Thank you. Next follow-up question is from the line of Sojal Jawar from Diamond Capital. Please go ahead.

Unidentified Participant
No need. My all questions are answered. Thank you.

Operator
Thank you very much. As there are no further -- sorry, one last question from the line of Sunil Jain from Nirmal Bang. Please go-ahead.

Sunil Jain - Analyst, Nirmal Bang
Yeah, thanks for taking my question. Sir, can you bifurcate the margin between own generation and trade of steam? Like you said that INR1,000 EBITDA per ton you make both together. So how much is in your own generation and how much is on traded?

Vaibhav Gattani - Chief Financial Officer, Steamhouse India Ltd
Apologies, we'll not be able to give this details considering the competition sensitiveness. We can talk this on one-to-one call and we can discuss this not here.

Sunil Jain - Analyst, Nirmal Bang
Okay. So the growth which we are talking, that is mainly in generation or there will be increase in trading sales as well?

Vaibhav Gattani - Chief Financial Officer, Steamhouse India Ltd
So there are two trading opportunities we already have. We already have signed agreements, one in Dahej SEZ and the other one is in Haldia, West Bengal. So these are two trading opportunities we have. Apart from that, whatever growth as of now, which is envisaged for future should come from the own generation and distribution. But at the same time, we would like to inform because we have already covered in our presentation, which is filed with the exchanges that the distribution model is a high capital-efficient model wherein the return on capital employed is significantly higher vis-a-vis our own generation facilities because you can understand the capex goes down significantly. It's

just the pipeline which we have to lay out for distributing the steam from one end to the other end.

Operator
Thank you. Next follow-up question is from the line of Prateek Shrivastava from Nivesh Wisdom. Please go-ahead.

Prateek Shrivastava - Analyst, Nivesh Wisdom
Yeah. Again, sir, thank you for taking my follow-up question. I just have one question on this green capacity, which we are putting in this [Indecipherable] PM Pirana. If I'm right, it's not coming from the IPO proceeds, then how has the -- how has it been funded?

Vaibhav Gattani - Chief Financial Officer, Steamhouse India Ltd
So these four under-construction facilities were already funded through debt and non-convertible debentures in past. So these are always-on the verge of going-live.

Prateek Shrivastava - Analyst, Nivesh Wisdom
Okay, okay. Got it. So then IPO funds were then used to reduce the rate?

Vaibhav Gattani - Chief Financial Officer, Steamhouse India Ltd
Yeah, part of the funds were utilized to reduce the debt.

Prateek Shrivastava - Analyst, Nivesh Wisdom
Yeah. Okay. Thank you. Thank you, sir.

Vaibhav Gattani - Chief Financial Officer, Steamhouse India Ltd
Thank you.

Operator
Thank you. As there are no further questions, I would now like to hand the conference over to Mr. Vishal Budhia for closing comments.

Vishal Sanwarprasad Budhia - Chairman and Managing Director, Steamhouse India Ltd
Thank you, Amit ji. Thank you, everyone who have participated and especially to those who have raised the questions because this shows how prudent the interest is and we hope that we have been able to answer your questions successfully and we hope that the support for the company continues and we'll be happy to answer any further questions by email or any other ways that would be legally viable to going-forward. Thank you, everyone. Thank you so much for your time.

Vaibhav Gattani - Chief Financial Officer, Steamhouse India Ltd
Thank you. Thank you, everyone.

Operator
[Operator Closing Remarks]