



Praj scripts a Brazilian entry

Will spend Rs 40 cr for a buyout

Satish John
Mumbai

Praj Industries — the Pune-based ethanol equipment maker — is entering Brazil, the country that discovered ethanol as an alternative to gasoline. It is eyeing a buyout in the country and has set aside Rs 40 crore for this purpose.

"We are establishing a presence in Brazil — the bowel for ethanol for the world," said Pramod Chaudhari, chairman of Praj, a day after the board recommended a 1:1 bonus issue.

Praj on Wednesday reported that for the quarter ended March 31, it doubled its revenues and profits as against the corresponding quarter of last year.

Praj is also setting up a joint venture with Aker Kvaerner of the Netherlands with an investment of Rs 40 crore in a bid to expand the market opportuni-



Driving up

Praj is also setting up a joint venture with Aker Kvaerner of the Netherlands. It will spend Rs 40 crore to expand market opportunity for biofuel plants in Europe.

Pune-based company said the ethanol industry in Brazil is expected to double by 2010.

ty for biofuel plants in Europe. The JV will offer European customers access to the complete scope of services required for licence, plant design and construction.

In the proposed European JV with Aker Kvaerner, Praj would hold 60 % stake and AK Process, a subsidiary of the Netherlands-based company would hold 40% of the shareholding.

Pramod and Shashank Inamdar, managing directors of Praj, are the founders of

the company that has Vinod Khosla, a venture capitalist who helped found Sun Microsystems, picking up a 10% stake.

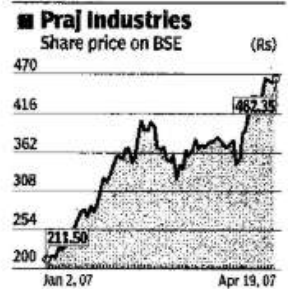
The JV would combine Aker's execution capabilities and extensive European market knowledge with the technological expertise of Praj, Chaudhari said.

On its Brazilian venture, the company said the ethanol industry in Brazil is expected to double from its current level by 2010. It is

examining certain acquisition proposals with a view of entering the local biofuels technology, plant and equipment market and establish an operational base.

Thus far, Praj has bet on only one segment of the alternative fuel technology—making equipment for ethanol. In the coming days, Praj plans to enter the domain of bio-diesel technology and has created a separate division for the purpose.

Total income and profits



more than doubled for Q4 2006-07. Total income at Rs 206.52 crore (Rs 97.48 crore), PBT at Rs 31.99 crore (Rs 13.84 crore) and PAT at Rs 26.99 crore (Rs 10.44 crore).

The company recorded strong growth during the year with total income more than doubling to Rs 616.40 crore (Rs 270 crore) and PBT and PAT more than three times at Rs.110.00 crore (Rs 32.38 crore) and Rs 86.52 crore (Rs 24.41 crore).

The board had declared the second interim dividend of 90% in March 2007 which has already been paid. So far, the company has paid an interim dividend totalling 135% for the year.