

Stocks		
	Close	Chg
BSE Sensex	16211.39	↑ 21.85
S&P CNX Nifty	4940.50	↑ 1.65
Nifty Fut (1m)	4958.00	↑ 14.05
Nifty Fut (3m)	4928.40	↑ 15.10

Global Indices		
	Close	Chg
Nasdaq	2683.45	↑ 15.50
Dow (DJIA)	13778.65	↑ 19.59
FTSE 100	6396.90	↓ 69.00
Nikkei 225	16435.74	↑ 34.01

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Money & Forex		
	Rate/yield	Chg
8.07% 2017 g-sec	8.00	No chg
Inter-bank call	6.23	↓ 0.87
US \$	39.70	↓ 0.03
Euro	55.99	↓ 0.07

Commodities		
	Close	Chg
Gold (10gm)	9420.00	↓ 80.00
Silver (1 kg)	18100.00	↓ 115.00
Brent crude (\$/bbl)	76.70	↓ 1.64
LME copper (\$/tn)	7995.00	↓ 45.00

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Block deal sees Tatas in Praj

Latter seeks to capitalise on former's reputation, especially for overseas plans

Satish John
Mumbai

Pramod Chaudhari, founder chairman of Praj Industries, and his family sold 13.46 million shares to Tata Sons in a block deal on Wednesday, in a strategy to "democratise" the shareholding of the bio-ethanol equipment maker.

Pune-based Praj Industries is a pioneer in the area of manufacturing equipment for ethanol, beer and bio-diesel.

"I am trying to democratise the shareholding of Praj by inducting notable names like the Tata group," Pramod Chaudhari told *DNA Money* in a telephonic interview.

Chaudhari, an IIT engineer, started his career in Bajaj Tempo and Widia, a machine tool company, before founding Praj with two partners.

The three have taken the company to a size where they believe the growth could be spontaneous, furious and rapid.

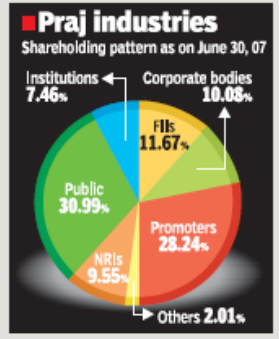
Praj Industries now has a presence in 40 countries across five continents.

From the block deal, Chaudhari and his family have netted close to Rs 336.8 crore for an 7.03% stake in favour of Tata Sons at Rs 251 per share. Even after the sale, the Chaudhari family, with a 19.14% stake, will continue to be the single-largest shareholder.

Tata Sons is the main holding



Pramod Chaudhari



company that owns controlling stakes in flagships like Tata Steel, Tata Motors and Tata Consultancy Services.

How will the Tatas bring value? Chaudhari is certain that the Tatas will bring a lot of value in terms of acceptance and trust in foreign markets.

"With the Tata group's backing, Praj will benefit in the long term," said Mukul Jain, an analyst affiliated to Prabhudas Lilladher, a

Betting on future tech

Satish John
Mumbai

For observers tracking the Tata group, its investment in Praj Industries come as no surprise.

The Tata group has increasingly been betting on nascent technologies and the Praj move is the latest.

In the past, the Tatas have acquired minority stakes in enterprises like Avesthagen Gengraine Technologies, which focuses on the convergence between food, pharmaceuticals and clinical genomics, leading to preventive personalised medicine.

It has also invested in Advi-

mus, an innovation-driven pharmaceutical company co-founded by Rashmi Barbhayia, a former R&D chief at Ranbaxy Laboratories.

Last year, Tata Motors picked up a stake in the extra-ordinary French innovator Guy Negre's MDI that promises to run cars on compressed air.

In recent times, Praj has made a lot of headway in making ethanol-manufacturing equipment.

In the days ahead, the company will endeavour to squeeze ethanol from cellulosic waste products such as saw dust, wood pulp, sugar cane bagasse, etc.

prominent stock broking firm.

"It is a plain vanilla investment," Chaudhari demurs. But the Tatas will offer their 'ideas and guidance' to Praj in addition to a name that spells trust in the overseas markets," he says.

The Praj promoters' move is in direct contrast to many peers who have been hiking stakes in recent times in their companies.

"I am a different breed of a promoter and I don't follow the herd mentality," Chaudhari riposted.

The Praj board already has Kishore A Chaukar on the board as an independent director, in addition to Vinod Khosla, dubbed abroad as the 'ethanol evangelist'. Khosla has taken a sizeable stake in the company.

Chaukar, managing director of Tata Industries Ltd, was inducted on Praj's board in June as an in-

dependent director.

On whether Chaukar will now become a Tata nominee on the board, Chaudhari answered is in the negative. "We have invited a Tata nominee to come on board. It is now up to them."

The company also has Rakesh Jhunjhunwala and his wife Rekha as investors for several years now.

Praj's revenues grew at 129.6% to Rs 630.20 crore and profits to Rs 86.6 crore, showing a growth of 272.3% in 2006-07.

In the first quarter, the growth tempo was maintained with profits pole-vaulting 237.4% and revenues surging 72.1%. Praj aims to become the number one in ethanol technology in the world and is spending a lot of resources to incorporate newer "clusters of knowledge", including biotechnology.