

Briefing by CEO & MD

Brief Financials

- Your Company's Income from Operations during 9 months of FY10 stands at Rs. 475 Crores. EBITDA for the 9-month period is Rs. 101.79 Crores at 21.4%. PBT is Rs. 114 Crores and PAT is Rs. 94 Crores.
- Alcohol Technology & Plants form a significant part of your Company's business wherein your Company supplies process knowhow, plant and services for production of beverage, industrial and fuel grade alcohol from various feedstock materials globally. Brewery Plants and other businesses form 10-15% of the total revenues.

Business Perspective

- Mandate for cleaner sources of transport fuel is one of the drivers of your Company's business and a number of countries have persisted with ethanol blending mandates despite the slowdown.
- Following the Copenhagen summit in December, the Indian Government is working hard to revive the mandatory blending of 5% ethanol with petrol.
- EU has adopted the Renewable Energy Directive and this is expected to spur ethanol production capacity building within and outside the EU.
- Your Company expects the mandates across geographies to gain traction as the financial recovery gets underway.
- With Industrial growth and increase in population, one has seen a remarkable growth in demand for water. Environmental awareness is also creating a pull for technologies and systems for treating and recycling wastewater from various sources. Your Company plans to apply its expertise in wastewater treatment systems to other industrial processes.

- Your Company has applied several cost saving measures which have originated from value engineering exercise and will continue to work towards better management practices for maximizing shareholder value.

Research & Development

- Your Company is continuing its cellulosic ethanol research program at Praj Matrix – the innovation center. The Company has achieved significant milestones at pilot plant level. The Company is preparing for the next step with a demonstration scale plant.
- To speed up this process, your Company has entered into a collaborative program with Novozymes (world's leading enzyme developer). Both parties will pool their respective expertise to lower cost of cellulosic ethanol.

For a review on 'Praj Matrix- The Innovation Center' do visit http://www.praj.net/popup_WhatsNew.aspx?id=68# . Vinod Khosla, a known proponent of biofuels, has put on record his appreciation of your Company's R & D facilities and the work being carried out.

Corporate Developments

- We have strengthened our Board with appointment of Mr. Rajiv Maliwal, Managing Director of Sabre Capital, as an independent, non-executive director of the Company.

Your Company has continued its focus on the growth agenda. Forays into water & wastewater business and customized manufacture are among the initiatives in this direction. Earlier initiatives towards expanding scope of business through EPC offering in certain regions will also start bearing fruits in near future. Overall, the business outlook is expected to be looking up in the midst of a recovering environment.

Your Company recognizes the tremendous faith reposed by its shareholders in its endeavours. Your Company is reiterating this by declaring an interim dividend of Rs. 1.44 per share having face value of Rs. 2/- each (72 %).

- Shashank Inamdar

Note: *Some of the statements in this document could be forward-looking in nature. Such forward-looking statements remain subject to risks and contingencies particularly concerning but not limited to governmental policies, economic developments and technological factors. This may cause actual performance to differ materially from that observed through the relevant forward looking statement. Praj Industries will not in any way be responsible for action taken based on such forward-looking statements and undertakes no commitment to update these forward-looking statements publicly, to reflect changed realities.*