

Praj Industries Limited

Q4 and FY17 Results

Safe Harbor



Certain statements in this communication concerning our future growth prospects are forward-looking statements, which involve a number of risks and uncertainties that could cause actual results to differ materially from those in such forward-looking statements. The risks and uncertainties relating to these statements include, but are not limited to, risks and uncertainties regarding fluctuations in earnings, our ability to manage growth, intense competition in our industry of operations including those factors which may affect our cost advantage, wage increases, our ability to attract and retain highly skilled professionals, cost overruns on contracts, client concentration, our ability to manage our international operations, our ability to successfully complete and integrate potential acquisitions, liability for damages on our contracts, the success of the companies in which Praj Industries Ltd. has made strategic investments, withdrawal of governmental fiscal incentives, political instability, legal restrictions on raising capital or acquiring companies outside India and unauthorized use of our intellectual property and general economic conditions affecting our industry. Praj Industries Ltd. may, from time to time, make additional written and oral forward-looking statements, including our reports to shareholders. The company does not undertake to update any forward-looking statement that may be made from time to time by or on behalf of the company.

Key Developments

Key Developments

2nd generation ethanol

- Praj's own and India's first integrated 2nd generation bio-refinery demonstration plant inaugurated at the hands of Mr Nitin Gadkari, Union Minister of Road Transport, Highways & Shipping on 7th May, 2017
- Biorefinery has the capacity to produce 1 mn liter per annum of ethanol from a variety of agri-residue like rice & wheat straws, cane trash, cotton stalk, bagasse etc
- Continual R&D underway to produce a range of renewable biofuels and chemicals from the same technology platform like BioCNG, Biobutanol
- Initial 12 numbers of 2nd generation biorefinery projects by OMCs pave way for progressive ethanol blends in the country
- Praj a frontrunner - MOUs signed with IOCL and BPCL

Key Developments

1st generation ethanol/alcohol - India Scenario

- India needs 3 bn liter ethanol for 10% mandate, insufficiency of 1st generation feedstock is a major constraint owing to the drought situation in some major cane producing states
- For the 2016-17 blending obligation period (Dec 2016 - Nov 2017) OMCs issued tender to procure 2.8 bn liter ethanol, sugar mills offered and contracted 780 mn liter so far
- Supreme Court's directive of prohibition of sale of liquor in hotels and restaurants or liquor outlets within 500 meters of national and state highways results into reduced consumption
- Alcohol manufacturers take a guarded posture on future investments

Key Developments

1st generation ethanol/alcohol - International scenario

- International ethanol affected due to drop in commodity prices, countries maintain ethanol mandates, global sugar & ethanol prices arrive at parity
- Argentina once again raised the prices of sugarcane derived ethanol, moving from 12% to 15% mandate under consideration
- In South East Asia, Thailand is expected to have a better cane and cassava feedstock whereas Indonesia is pushing for development of the local sugar industry
- European Union proposes to limit 1st generation biofuels to 3.8% whereas 6.8% to come from advanced biofuels like 2nd generation ethanol, between the period 2020 and 2030, paves way for 2nd generation ethanol

Key Developments

Other businesses

- Stringent FDA norms and compliance with statutory requirements open up promising opportunities in pharma as well as biosimilar industry, in India and international markets, through modular process systems division, Praj HiPurity is geared up to capitalize on these opportunities
- India continues to be a strategic market for top brewers who are taking positions with consolidation, alliances with local brewers and bottlers and responding to the changing demographics and tastes
- Challenges of prohibition in some states, increased excise duties & the recent Supreme Court Directive remain

Key Developments

Other businesses

- In the critical process equipment and systems business, Praj is participating the domestic refinery expansion projects and modification of existing refineries to produce BS VI compliant fuels
- In the water and waste water treatment business, focus continues on zero liquid discharge systems, team wins repeat orders from a globally renowned customer in the beverage industry

Key Developments

Organization related

- Mr Pramod Chaudhari, Executive Chairman has been invited to speak at the plenary session titled “2nd Generation biofuels - Poised for Big Wins” at the prestigious Bio World Congress on Industrial Biotechnology, 2017 to be held in Montreal, Canada. This session will highlight the developments to accelerate commercialization and growth of 2nd generation biofuels.
- The Board of Directors has recommended dividend of Rs 1.62 per share (81%) on paid up capital of Rs 35.89 crore.

Performance Q4 and FY 17

At a glance



Financials : Figures in Rs cr

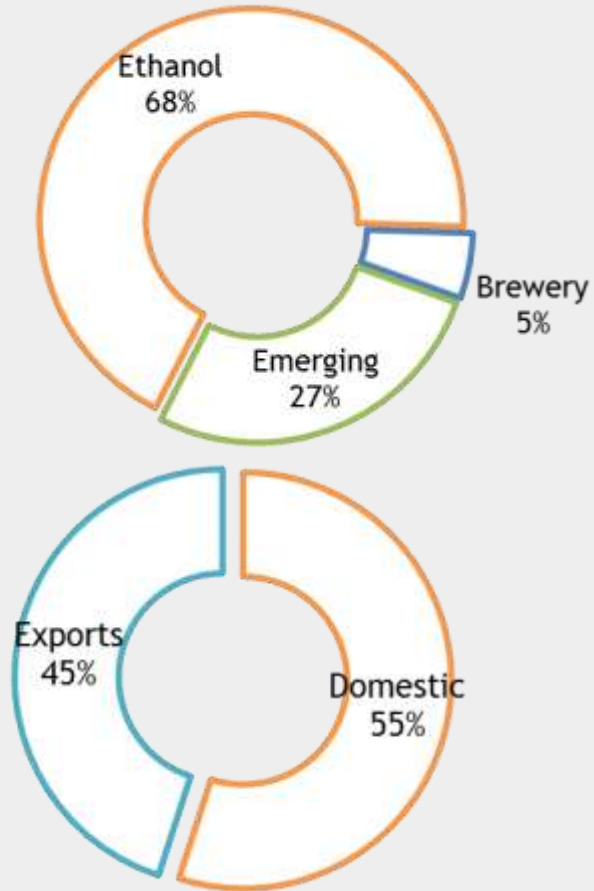
| | Q4 FY 17 | Q3 FY 17 | Q4 FY 16 | FY 17 | FY 16 |
|----------------------------------|----------|----------|----------|-------|--------|
| Operating income | 311.7 | 232.7 | 345.9 | 955.2 | 1063.8 |
| EBITDA (excl other income) | 38.3 | 22 | 45.8 | 68.7 | 115.4 |
| PBT | 36.8 | 19.6 | 45.8 | 67.5 | 105.4 |
| PAT (after minority interest) | 22.8 | 14.7 | 38.5 | 44.6 | 82.5 |
| Order Intake | 222 | 295 | 182 | 997 | 1013 |

Note - all figures on consolidated basis, i.e. Praj Industries India, its local execution companies and subsidiaries.
All the numbers are reported in compliance with IND AS.

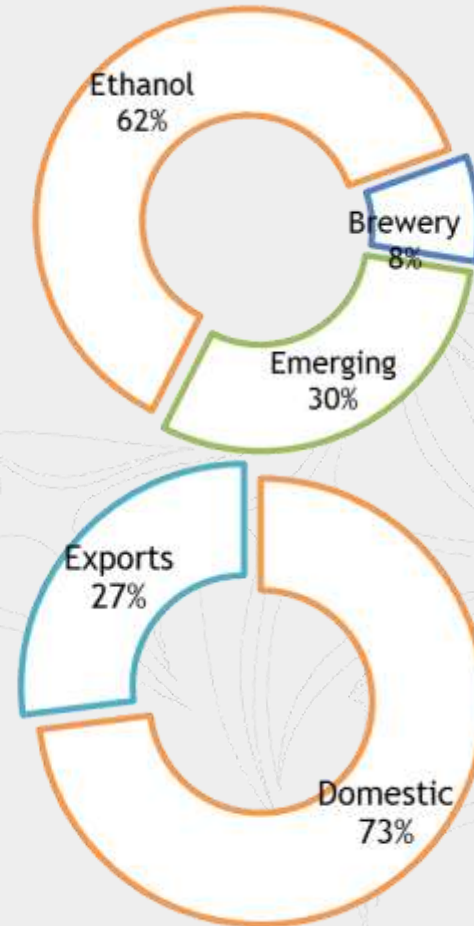
Order intake



Q4 FY17 : Rs 222 cr



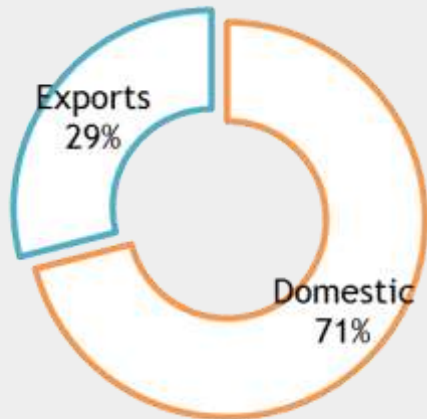
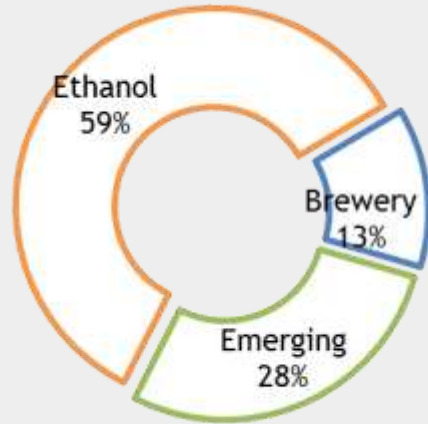
FY17 : Rs 997 cr



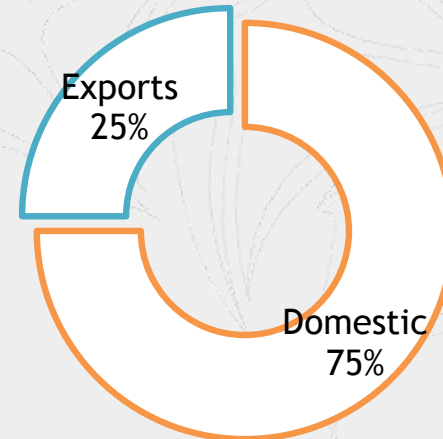
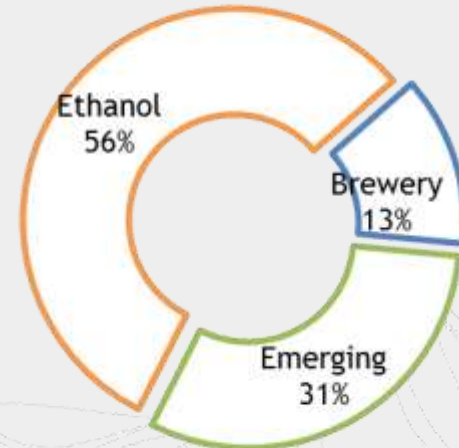
Revenues



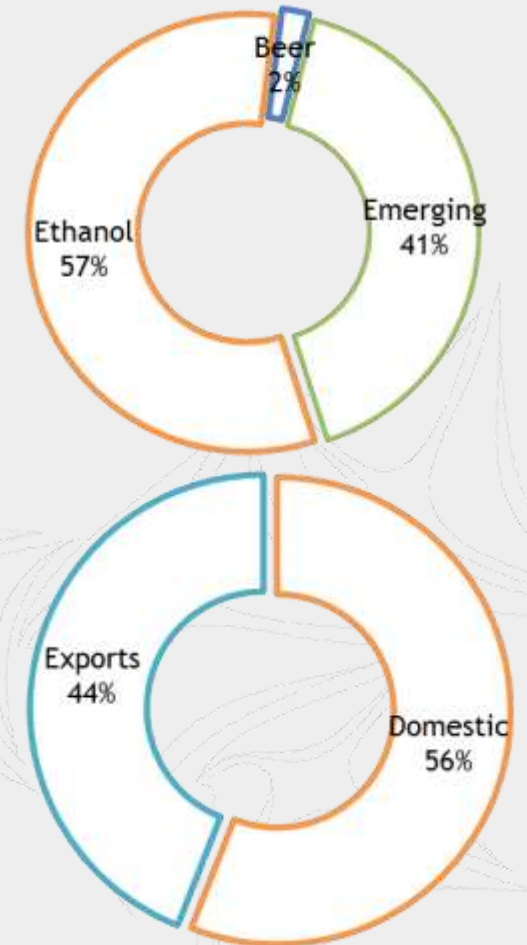
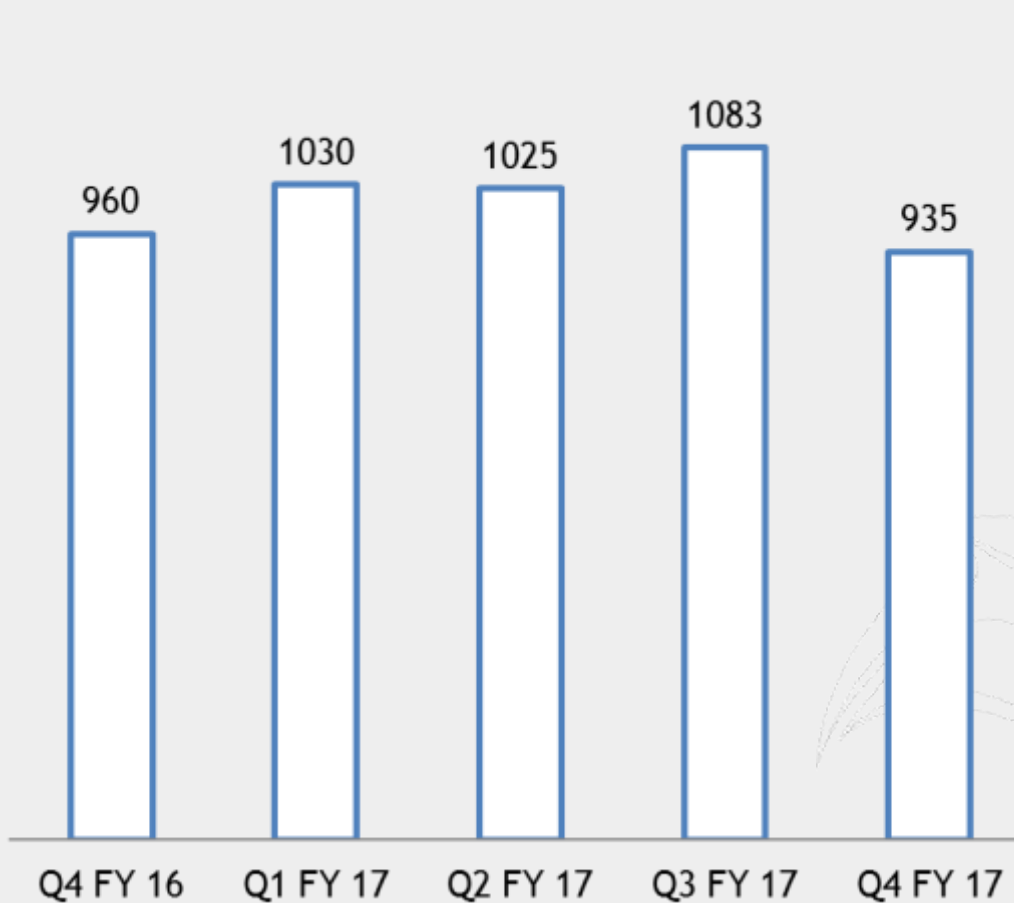
Q4 FY17 : Rs 311.7 cr



FY17 : Rs 955.16 cr



Order backlog (at the end of each quarter, values in Rs cr)



Note - Emerging businesses include Critical Process Equipment and Systems, Water and Waste-water Treatment Division and Praj HiPurity Systems.

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