

First six months of the fiscal 2019 have been marked by a series of positive developments geared towards the Bioenergy landscape in India. Praj has been providing Bioenergy expertise and solutions for both - Ethanol and Biogas.

- The National Policy on Biofuels 2018 expands the range of raw materials by permitting the use of 100% sugar cane juice as well as damaged food grains, rotten potatoes, corn and sugar beet and surplus grains for Ethanol production. Policy has also given the prominence to the 2nd Generation Ethanol, supporting with viability gap funding, tax incentives and differential pricing for built up of Ethanol capacity. Starting with three contracts from Oil Marketing Companies (OMCs), your company is fully ready and at the forefront to leverage its advanced expertise to build on these opportunities.
- Further, the Cabinet Committee on Economic Affairs (CCEA) approved higher price of Ethanol derived from 100% sugarcane juice as well as B heavy molasses. This step intends to enable sugar mills to manufacture more quantity of Ethanol profitably and in turn help for increased Ethanol blending.
- The Government also announced a bailout package of Rs. 5,000 Cr for the Sugar industry which included interest subvention for those mills that were undertaking expansion of Ethanol capacity and zero liquid discharge (ZLD) solutions. The Department of Food and Public Distribution has already approved 114 proposals for interest subvention, of which 26 are for ZLD systems and 88 for Brownfield or Greenfield expansion of new distilleries.

Government has recently launched an initiative, called Sustainable Alternative Towards Affordable Transportation (SATAT). Under this initiative, OMCs are inviting Expression of Interest (Eoi) from potential entrepreneurs to set up Compressed Bio-Gas (CBG) production plants and make available CBG in the market for use in automotive fuels by executing long term off-take contracts. Plan is to roll out over 5,000 Compressed Bio-Gas plants with an investment of Rs. 1.7 lakh crore across India in a phased manner. Here again, your company has developed cost effective technical solutions to design and supply of CBG plants for different feedstocks.

With a renewed focus, our **Critical Press Equipment & Skids Business** has started showing encouraging results. Recently, we successfully delivered complex projects in the Chemical and Oil & Gas Sectors. Our sustained efforts to position as preferred partner for global EPC players are yielding dividends by way of repeat orders. With stringent pollution norms kicking in, Praj's technology play in **WasteWater Treatment** business is experiencing strong market traction across industry sectors, especially in the area of highly complex zero liquid discharge systems. Brewery business is smartly responding to the new investments happening in brewery segment.

As regards company operations, for H1 FY 2018-19 revenue stands at Rs 442.63 Cr with PBT and PAT at Rs 17.34 Cr and Rs 12.43 Cr respectively. As of 30th Sept 2018, order backlog is at Rs 900 Cr and cash on hand stands at Rs 314 Cr.

I believe that your company will demonstrate further convincing performance in the second half of FY 2018-19 and ensure smart take off for sustainable value creation.

I thank you for your continued support.

Wish you and your loved ones Happy Diwali and prosperous New Year!

Yours truly,

Date: 1/11/2018

*Disclaimer:*  
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.

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