



Praj to commence work on commercial scale

2nd generation ethanol plant for BPCL

Pune, February 6, 2018: Bharat Petroleum Corporation Limited (BPCL), India's flagship oil company has given a formal confirmation by way of Letter of Acceptance to Praj for its proprietary technology, basic engineering and design package for a value of Rs 16.75 cr. This is a major milestone towards commencement of work on the 2nd Generation ethanol biorefinery with production capacity of 100 kiloliter per day to be set up by BPCL at Bargarh, Odisha. The biomass feedstock will be sourced from the local farming community.

Praj had signed MOU with BPCL in Dec, 2016. Praj also has MOU in place with Indian Oil Corporation Limited (IOCL) signed in Sept, 2016.

The Letter of Acceptance was awarded to Praj after the performance evaluation of its 2nd generation integrated biorefinery demonstration plant located in Maharashtra. It is an indication of recognition of biofuels for their contribution to improved air quality in high-density urban centers. They also provide an impetus to reduced dependence on crude imports for the country.

"We are excited about the growth prospects of renewable fuels and chemicals with the establishment of our 2nd generation ethanol technology. This techno-socio-economic model is aimed at bringing additional revenue stream to the farming community while striking a balance between India's growth aspirations and environment," said Mr. Pramod Chaudhari, Executive Chairman, Praj Industries.

Praj Industries also announced its unaudited financial results for Q3 & 9M FY18.

Performance Review for Q3 FY18 - Consolidated:

- Income from operations stood at Rs. 248 crore (Q3 FY17: Rs. 233 crore, Q2 FY18: Rs. 208 crore)
- PBT is at Rs. 12 crore (Q3 FY17: Rs. 20 crore, Q2 FY18: Rs. 6 crore)
- PAT is at Rs. 8 crore (Q3 FY17: Rs. 15 crore, Q2 FY18: Rs. 5 crore)



Performance Review for 9M FY18 - Consolidated:

- Income from operations stood at Rs. 649 crore (9M FY17: Rs. 643 crore)
- PBT is at Rs. 18 crore (9M FY17: Rs. 31 crore)
- PAT is at Rs. 13 crore (9M FY17: Rs. 22 crore)

Praj has reported a steady performance in the midst of challenging business environment. Change in sales composition and reduction in margins for the orders executed during the quarter has impacted the overall margins. Hardening of yields has adversely affected other income.

The consolidated order backlog as on December 31, 2017 stood at Rs. 750 crore which constitutes 30% international orders.

Key Developments

- Union Budget 2018 makes 2 important announcements which are expected to propel growth of biofuels in India.
 - a. Allocation of Rs 1,290 crore for a restructured National Bamboo Mission (NBM) and categorization of bamboo as grass. Bamboo is a rich source of lignocellulose and is a valuable feedstock for 2nd generation ethanol and renewable chemicals.
 - b. Acknowledgment of air pollution in the Delhi-National Capital region (NCR) as a serious problem and a scheme to support the governments of Delhi and neighboring states viz. Haryana, Punjab, Uttar Pradesh in tackling high levels of air pollution. Steps will be taken to subsidise the machinery required for management of crop residue.

Praj Industries Limited:

Praj Industries is a leading process solutions company with expertise in integrated offerings for bio-energy, high purity water solutions and engineering led businesses namely zero liquid discharge solutions, critical process equipment & systems and brewery plants. Sustainability is at the core of Praj's solutions that are driven by technologies emanating from its state of the art R&D Centre - Praj Matrix and world class manufacturing facilities located in India. Over three decades, Praj has been a trusted partner with over 750 references across 75 countries. Led by an able leadership, Praj is a socially responsible corporate citizen. Headquartered in Pune, India; Praj is listed on Bombay and National Stock Exchanges of India.

For more information, visit www.praj.net.

BSE: 522205; NSE: PRAJIND; Bloomberg: PRJ@IN; Reuters: PRAJBO; CIN: L27101PN1985PL0038031



For further information, please contact:

Ravindra Utgikar / Priyanka Watane
Praj Industries Ltd.
Phone : 020 2294 1000
Email: ravindrautgikar@praj.net/
priyankawatane@praj.net

Mayank Vaswani / Shikha Kshirsagar
CDR, India
Phone : 022 6645 1230 / 43
Email: mayank@cdr-india.com /
shikha@cdr-india.com

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