

Praj Industries Limited

Q2 and H1 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.*

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# Key Developments

## Key Developments

- Passage of Constitutional Amendment Bill of GST and the rate cut announced by RBI - precursors of efficient business processes and a healthy economy
- Decreasing trend in industrial growth in the first half of fiscal - challenging environment persists for capital goods sector, investments only in pockets

### Ethanol business -

- India stands at 3.2% blending achieved so far
- First generation ethanol, produced from molasses (a by-product of sugar mills), will continue to contribute to the ethanol blending program, besides serving beverage and industrial demand, in the coming sugar season 2016-17
- India intends to curtail oil imports by 10% by 2022 - a positive eco-system for 2nd generation ethanol in the making for higher blends
- The Cabinet Committee on Economic Affairs approves mechanism for revision of ethanol price for sugar season 2016-17 - a welcome move, more clarity in the pricing
- IOCL selects Praj as technology partner for setting up three 2G ethanol plants in India
- Work Praj's 2<sup>nd</sup> generation Integrated Bio-refinery demo plant on track

# Key Developments

## Global ethanol market developments -

- Argentina continues to offer greenfield and modernization opportunities
- Ecuador expected to announce long term ethanol policy
- 5.8% mandate under discussion in Mexico
- Indonesia taking positive steps to develop local sugar industry
- Myanmar in the process of preparing tax structure and environmental norms for distillery industry
- In Vietnam, PetroVietnam seeks tax exemption on cassava based fuel ethanol and reduction in VAT
- Drought and El Niño effect have led to rise in feedstock prices and hence, delayed investment decisions in certain geographies
- Modernization business model catching momentum

## Brewery business

- Maintained market share
- Projects affected due to drought situation in some key states and imposed liquor ban in Bihar

## Praj HiPurity Systems

- Enhanced enquiry basket due to stringent FDA scrutiny and Indian pharma's focus on biosimilars

# Key Developments

## Critical process equipment & systems

- Organization of Petroleum Exporting Countries (OPEC) agrees to modest decrease in oil production - positive for firming up of oil prices and coming back into the investment range
- Early signs of investments moving toward downstream from upstream

## Organization related

- Mr. Pramod Chaudhari, Executive Chairman of Praj, appointed as the president of Mahratta Chamber of Commerce Industries & Agriculture (MCCIA) - one of the most active chambers of Commerce in India, instrumental in promoting number of institutions in Pune

# Performance - Q2 and H1 FY 17



# At a glance



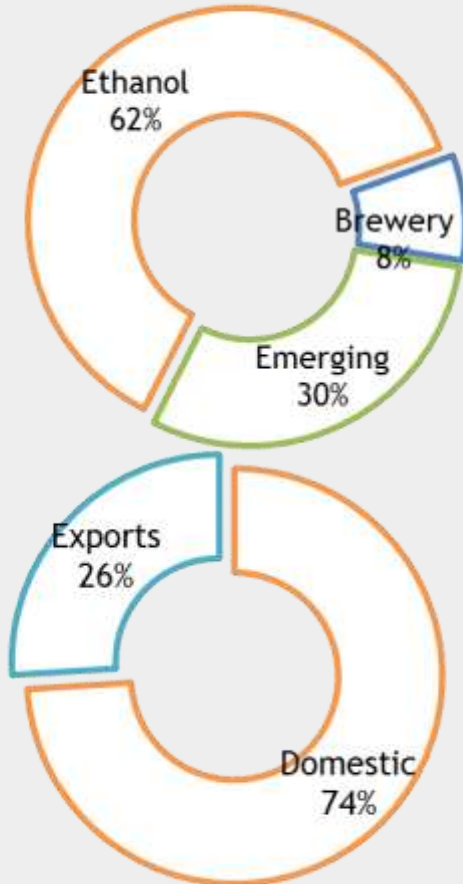
## Financials : Figures in Rs cr

|                                  | Q2 FY 17 | Q1 FY 17 | Q2 FY 16 | H1 FY 17 | H1 FY 16 |
|----------------------------------|----------|----------|----------|----------|----------|
| Operating income                 | 205.79   | 204.93   | 209.55   | 410.72   | 415.48   |
| EBITDA<br>(excl other income)    | 6.08     | 6.79     | 10.92    | 12.87    | 24.25    |
| PBT                              | 6.28     | 4.90     | 5.43     | 11.18    | 18.67    |
| PAT<br>(after minority interest) | 3.04     | 4.11     | 5.01     | 7.15     | 13.65    |
| Order Intake                     | 200      | 280      | 369      | 480      | 531      |

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

Q2 FY17 : Rs 200 cr



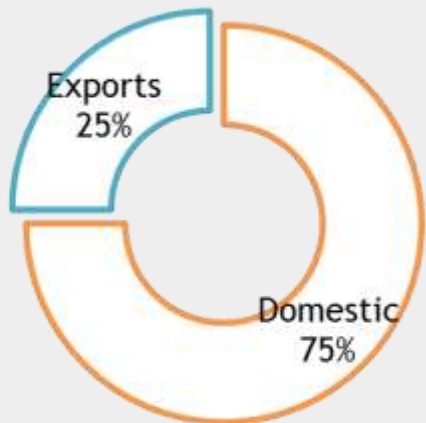
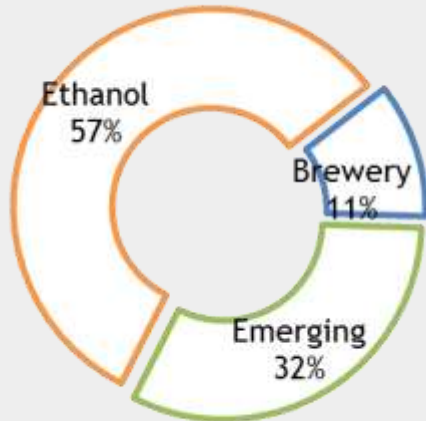
H1 FY17 : Rs 480 cr



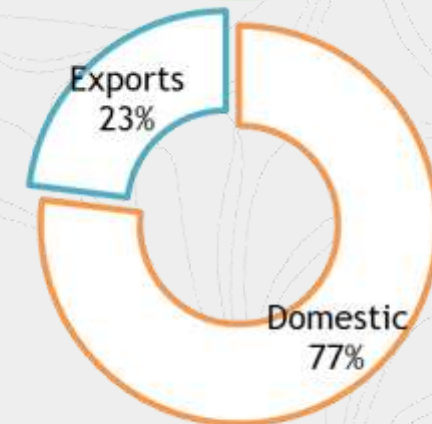
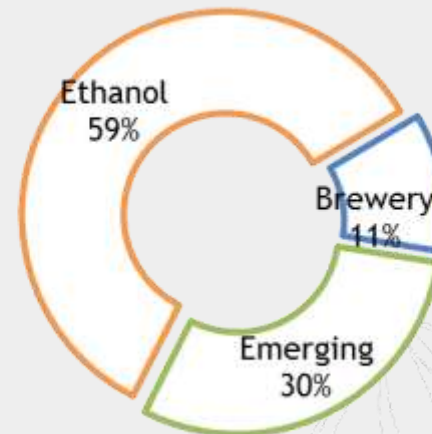
Order book inclined towards domestic orders  
 Several bright spots in the international markets however, lower capital activity  
 owing to various factors

# Revenue

Q2 FY17 : Rs 205.79 cr

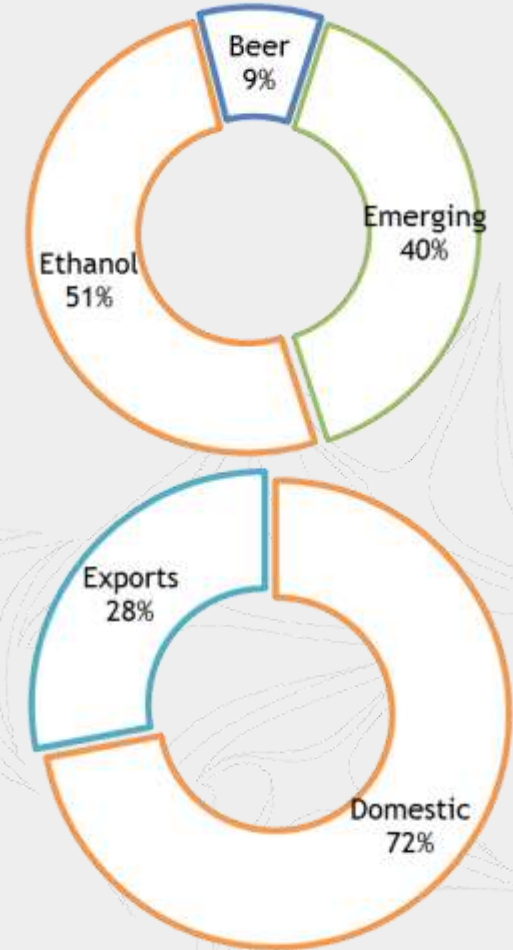
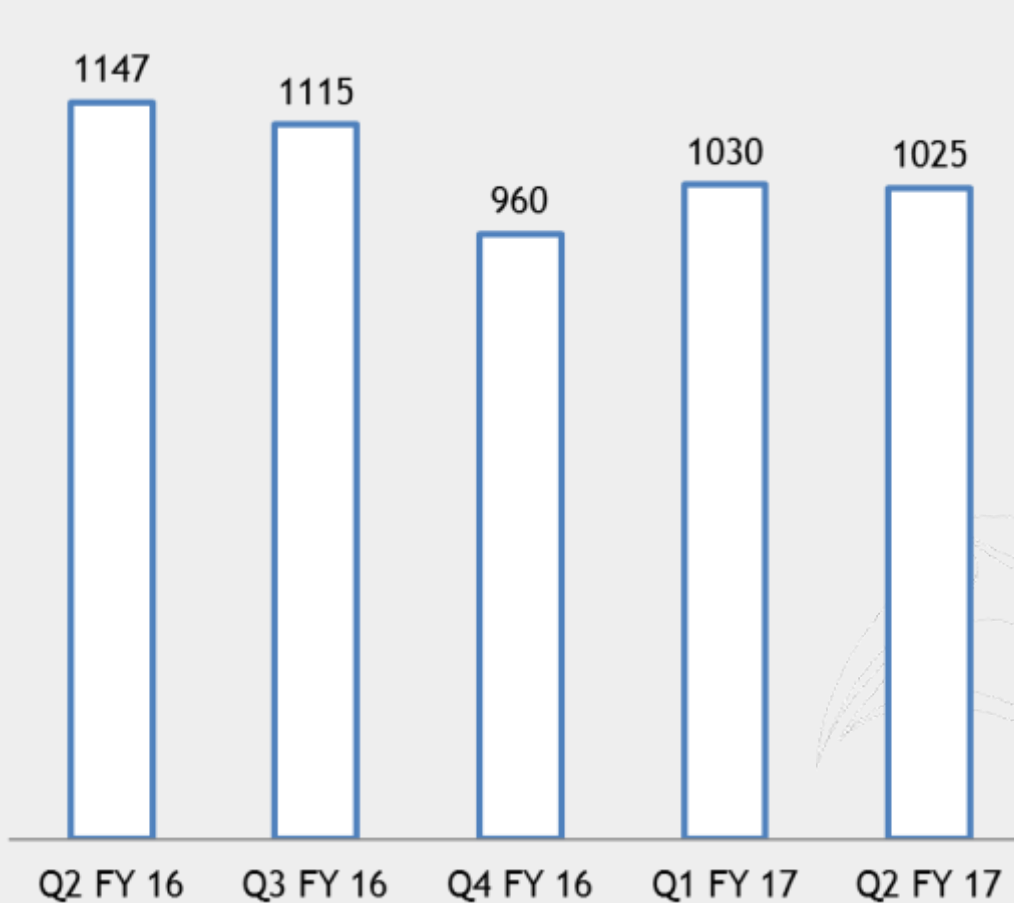


H1 FY17 : Rs 410.72 cr



Higher domestic sale as compared to the corresponding quarter and H1 FY16

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



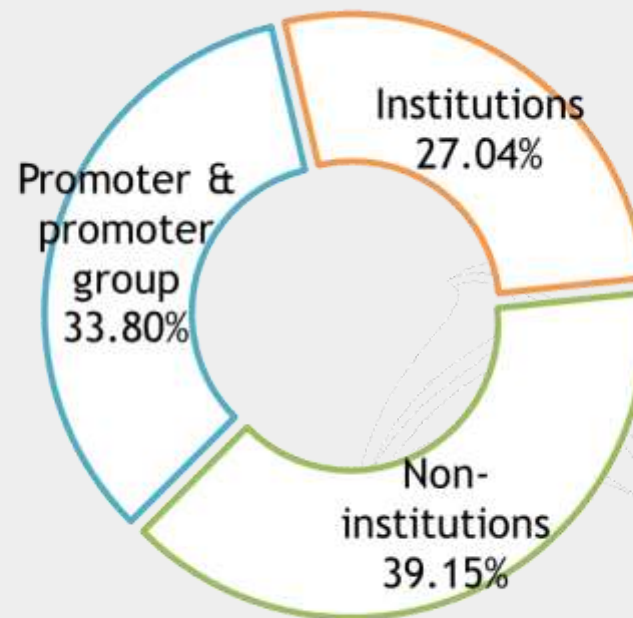
Note - Emerging businesses include Critical Process Equipment and Systems, Water and Waste-water Treatment Division and Praj HiPurity Systems.

# Shareholding Pattern as of Sept 2016

# Shareholding Pattern



As of  
30<sup>th</sup> Sept, 2016



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