



Between the Lines

Daily Corporate News Analysis

December 29th 2009

Praj Industries Ltd.

Market Performer; HOLD

Company Info	
CMP	103
Target Price	116
Sector	Industrial Machinery
52 week H/L	122.55 / 45.1
BSE Code	522205
NSE Code	522205
Face Value	2
Market Cap	1,897

Price Performance			
%	1m	3m	1yr
Absolute	-0.3%	0.7%	67.5%
Relative to Sensex	19.2%	-3.4%	-7.9%

Shareholding Pattern (%)	
Promoters	22.9
FII	8.7
Institutions	11.2
Public & Others	57.2

INVESTMENT RATIONALE

- Focused on Green & Clean technology and leading Technology and Solution provider - The only Ethanol Technology Company cutting across – Different feedstocks, Five continents, End-to-end solutions for Ethanol plants, worldwide
- Committed to delivering reliable, cost effective, environment friendly solutions for maximizing prosperity of customers.
- Significant player in the Biodiesel and Brewery technology space.
- More than 75% marketshare in India and more than 50% marketshare in Latin America (excl. Brazil) and South East Asia.

Key Developments

- PRAJ, a leading company in biofuel technology and plants, and Novozymes, the leading enzyme provider to the biofuel industry, have decided to collaborate on advanced biofuels.
- Praj Industries, the globally leading biofuels technology & solutions Company announced break-through in cellulosic biomass to ethanol technology at Pilot Scale. Praj formally inaugurated its cellulosic ethanol pilot plant at its R & D Centre called Praj Matrix – The Innovation Centre near Pune.

Q2CY09 Financials:

Net sales improved 59% q-o-q to Rs. 200.7 crore. Operating profit increased 66% q-o-q to Rs. 39.6 crore and OPM improved marginally by 84bps. Net profit improved 56% to Rs. 39.6 crore.

Valuations

At current price of Rs 103 the stock is trading at 14.6x FY09 EPS of Rs.7.1. **We recommend a "HOLD" on the stock with a 12 month target price of Rs. 116.**



Disclaimer :

This publication has been prepared solely for information purpose and does not constitute a solicitation to any person to buy or sell a security. While the information contained therein has been obtained from sources believed to be reliable, investors are advised to satisfy themselves before making any investments. Kisan Ratilal Choksey Shares & Sec Pvt Ltd., does not bear any responsibility for the authentication of the information contained in the reports and consequently, is not liable for any decisions taken based on the same. Further, KRC Research Reports only provide information updates and analysis. All opinion for buying and selling are available to investors when they are registered clients of KRC Investment Advisory Services. As a matter of practice, KRC refrains from publishing any individual names with its reports. As per SEBI requirements it is stated that, Kisan Ratilal Choksey Shares & Sec Pvt Ltd., and/or individuals thereof may have positions in securities referred herein and may make purchases or sale thereof while this report is in circulation.

December 29th 2009



Kisan Ratilal Choksey Shares and Securities Pvt. Ltd.
1102, Stock Exchange Tower, Dalal Street, Mumbai 400 001.
Head-Off Phone : 91-22-66535000 Fax : 66338060
Branch-Off Phone : 91-22-66965555 Fax : 66919576



Members: BSE & NSE
www.krchoksey.com