Twitter Thread by Raghav Chaudhary



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#PrajIndustries - Currently Everyone's Beloved, Proxy to Ethanol Play N More !!!

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#Q1FY22 13 Aug

Praj Industries

M.Cap- ₹6188cr CMP- ₹340 TTM PE - 54.4

MrRChaudhary

Business Highlights

- Praj Industries Ltd, incorporated in 1985 and headquartered in Pune has a presence across the globe with more than 750 references in more than 75 countries. It began as a supplier of an ethanol plant, today it is a global company providing various solutions with a focus on the environment, energy, and agri-process industry.
- Praj's diverse portfolio comprises of Bio-energy solutions, Critical process equipment & skids, Breweries, Zero liquid discharge systems and High purity water systems.
- Shareholding of promoter holding reduction is a relative number and is due to ESOPs and number of shares held by Promoter remains unchanged at 6.03crs.
- About 8% of ethanol production worldwide happens through plant technology & infrastructure.
- State governments push on ethanol capacity creation continue.

Financial Highlights

- Income from operations stood at Rs. 386.26 crore (QI FY21: Rs. 129.55 crore; Q4 FY21: Rs. 567.10 crore)
- PAT is at Rs. 22.20 crore (QI FY21: Rs. (10.50 crore); Q4 FY21: Rs. 52.01)
- Order intake during the quarter Rs. 661 crore (QI FY21: Rs. 310 crore; Q4 FY21: Rs. 650 crore)
- Revenue Split: 72% from bio-energy, 17% from Engineering, balance from Hi-purity system.
- Ethanol segment order book was roughly 144cr for FY21 but Q1FY21 ethanol capacity order book stood at 135cr!
- Order backlog of 2023crs which is executable in next 2 years and company is expecting more orders in the next 6 months
- Margins were impacted due to high commodity prices, and company is working on solutions to decrease the impact by the fluctuations in commodity prices

Outlook

- Advancement of 20% EBP (ethanol blending program) from 2030 to 2025 has created demand for additional capacity of 1000 er liter of ethanol.
- 332 crore liters of ethanol is expected to be blended in ESY 2020-21 up from 173 crore liters last year
- State governments push on ethanol capacity creation continues
- E-100 notified as a fuel and pilot project is launched in Pune city by OMCs for retailing of E-100
- Praj received significant pharma orders from US MNCs for cellular molecular process.
- By 2025, company expects to add 1000cr of capacities.
- World BioEconomy Forum, an apex forum in global Bioeconomy, inducts Dr. Pramod Chaudhari in its advisory board. This is the first time India has secured such position, signaling her rising prowess in global Bioeconomy. Dr. Chaudhari will provide leadership to advance the causes of bioeconomy in Asia Pacific continent, helping step up climate change mitigation endeavours.
- Company us availing the advantage of leverage to execute their big order book.
- World is getting conscious about clean energy and Praj expects this momentum to continue in future.

(Not A RECOMMENDATION)