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Security Code No.: 522205	Company Code- PRAJIND
BOMBAY STOCK EXCHANGE LIMITED PHIROZE JEEJEEBHOY TOWERS, 25TH FLOOR, DALAL STREET, MUMBAI - 400 001 Fax: 022- 22723121/3719/2037/2039/2041/2061	NATIONAL STOCK EXCHANGE OF INDIA LTD. EXCHANGE PLAZA, 5TH FLOOR, PLOT NO. C/1, G BLOCK, BANDRA-KURLA COMPLEX, BANDRA (EAST), MUMBAI - 400 051 Fax: 022 – 66418124/25/26, 2659 8237 / 38

Dear Sir / Madam,

Kindly put the enclosed "Press release" on your bulletin board for sharing with Investors.

Thanking you,

Yours faithfully,

For PRAJ INDUSTRIES LIMITED

**DATTATRAYA NIMBOLKAR
VP-FINANCE & ACCOUNTS
AND COMPANY SECRETARY**

Encl: As above



2nd Generation (2G) Cellulosic Ethanol Demo Plant by Praj sees ground-breaking

- *South Asia's 1st Cellulosic Ethanol Demo plant gets underway*
- *2G Cellulosic ethanol demo plant will also enable development of the entire value chain including biomass impact on the capex and opex*
- *Innovative concept of Biorefinery for production of Biochemicals launched*

Pune, 8th August, 2013: Praj Industries, the global process solutions company for bioethanol, alcohol and brewery, water and wastewater & critical process equipment has emerged as the **first Company in South Asia** to set up an integrated 2nd Generation (2G) Cellulosic ethanol plant.

Praj's Executive Chairman Mr. Pramod Chaudhari did the groundbreaking today at Shirala in Sangli District in Maharashtra (India) along with Chairman of Viraj Alcohols & Allied Industries Limited (VAAIL), Mr. Mansinghrao Naik.

The 2G Cellulosic ethanol demo plant will operate on **different variety of biomasses** with a capacity of 100 dry tonnes of biomass per day, which includes **agricultural wastes** such as corn stover, cobs and bagasse. The demo plant will enable Praj to consolidate its 6 years of R&D efforts, starting with laboratory trials to pilot scale trials. The same plant will, also enable Praj to develop various biochemicals and bioproducts.

The demo plant will seek to demonstrate various technical parameters including optimization of water and energy integration and its impact on the capex and opex. The plant will also develop the entire value chain including biomass handling and biomass composition and its impact on the operations. Praj expects the project cost to be in the region of US\$ 25 million (Rs. 145-150 crore).

For this project, Praj will associate with VAAIL, an existing ethanol producer located in Western Maharashtra and a long term client of Praj. VAAIL will provide the land and allied services for the smooth operation of the project.

Commenting on the ground-breaking, Mr. Pramod Chaudhari, Executive Chairman, Praj Industries, said: "Ground breaking of 2G Cellulosic ethanol plant is a giant leap in biotechnology and towards a more sustainable world. The greenhouse gas savings from Cellulosic ethanol is greater than those from 1st Generation crop-based biofuels as well as fossil-based fuel and hence this project will play a vital role in reducing carbon footprints. The project site at Shirala gives us a locational advantage in terms of sourcing of biomass, utilities and manpower. We are delighted to work with VAAIL who has been our long term client."

On this occasion, Mr. Mansinghrao Naik, Chairman, VAAIL said: "Viraj has more than a decade's experience in operating ethanol plants based on both, molasses as well as grains. Praj has supplied both these plant. It gives me great pride to be associated with Praj as it will give us the opportunity of participating in a path- breaking project."

For more information:

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