

Quant-Funda

Praj Industries Ltd.

27th June 2025

Sector: Industrials

Security Not Under ASM: ☒

LTP	Recommendation	Target	Stop Loss	Return
Rs.505	Buy between Rs. 490- 510	Rs.608	Rs.454	+20%
SENSEX	Market Cap	NSE Code	BSE Code	Time Frame
83,756	Rs.9,320cr	PRAJIND	522205	3-6 Months

Data as of: 26-06-2025

52W H/L	Group	F&O Listed	Div. Yield	D/E
Rs.874/ Rs.441	A	No	1.2%	0.14
Consolidated (Rs.cr)	FY25A	FY26E	FY27E	
Revenue	3,228	3,824	4,577	
Growth (%)	-7.0	11	20	
EBITDA	325	396	508	
EBITDA Margin(%)	9.8	10.4	11.1	
Adj. PAT	219	262	346	
Growth (%)	-23	6	32	
EPS	12	14	19	
Growth (%)	-23	6	32	
RoE (%)	16.5	17.6	20.3	
Valuation	FY25A	FY26E	FY27E	
P/E (x)	42	36	27	
Price/Book Value	6.7	6.0	5.2	
EV/EBITDA	28.7	22	17	
Price Performance	3 Month	6 Month	1 Year	
Absolute Return (%)	-11.8	-38.6	-26.8	
Absolute Sensex (%)	6.1	5.5	6.0	
Shareholding (%)	Q2FY25	Q3FY25	Q4FY25	
Promoters	32.81	32.81	32.81	
FII's	19.03	18.63	17.16	
MFs/Institutions	17.34	18.19	19.51	
Public	30.82	30.38	30.52	
Total	100.0	100.0	100.0	
Promoter pledge	NIL	NIL	NIL	

Fundamental View

Praj Industries Ltd. is a leading biotechnology and engineering firm offering sustainable solutions in bioenergy, water & wastewater treatment, brewery technologies, and high-purity systems for the pharma and biotech sectors. With a global presence in over 100 countries, and four manufacturing facilities, Praj has also formed strategic alliances— with thyssenkrupp Uhde for polylactic acid production (Bioplastic) and BPCL for Compressed Bio Gas (CBG) plants—to advance green energy initiatives.

- In FY25, Praj's revenue declined 6.9% YoY to ₹3,228cr, with PAT dropping 23% due to execution delays and higher costs at the GenX facility, impacting margins (9.8% in FY25 / 10.7% in FY24).
- As of March 2025, Praj's order backlog stands at ₹4,293cr, with 77% attributed to bioenergy, 18% to engineering, and 5% to high-purity and sterile process solutions. Approx. 63% of these backlogs are domestic, and this strong pipeline is expected to drive revenue growth in the near term.
- The ₹4 billion Mangalore GenX facility is now fully operational and is expected to drive volume growth from H2FY26 by resolving previous execution bottlenecks.
- Exports made up ~24% of Praj's revenue in FY25. The company aims to increase this to 50% by 2030, driven by growing global demand for sustainable technologies.
- With India achieving 20% ethanol blending, Praj is poised to benefit from future targets like 30% by FY30, leveraging its leadership in multi-feed ethanol technologies.
- Praj Industries experienced strong growth after FY21, supported by ethanol blending initiatives and effective execution. However, macroeconomic and policy challenges in FY24–25 slowed the bioenergy sector and postponed global investments. Despite this, Praj remains well-positioned for future growth, backed by a robust order book, strategic alliances, and its expansion into advanced biofuels and bioplastics. The stock is currently valued at 36x its 1Y forward P/E.

Technical View

- The stock is in the process of forming a price base following a sharp correction of approximately 48% from its recent all-time high of 874, recorded in January 2025.
- Currently, it is hovering near the 50-day moving average on the daily chart, with signs of gradual improvement in momentum.
- Momentum indicators are also showing encouraging signs, with the RSI trending higher on the daily chart and the MACD positioned above the central line, indicating a strengthening underlying trend.

Price Chart



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Glossary: Please Visit: <https://www.geojit.com/ResearchReport/Technical-Glossary.pdf>

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