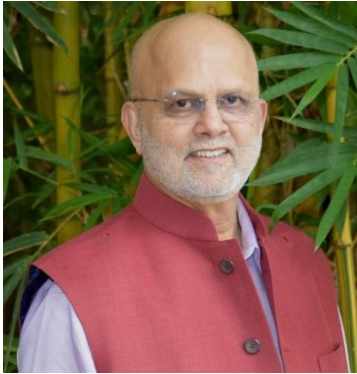


## HALF YEARLY COMMUNICATION

1<sup>st</sup> Nov 2021



My dear Praj shareholders,

Trust you and your dear ones are safe and keeping well. I am pleased to apprise you, at this midyear juncture, of various highlights / developments at Praj.

In addition to pandemic, in last one year the world has witnessed several climate events such as wildfires, excess rain, hailstorms, droughts, floods & cyclones. Several scientific studies and research have established that these nature's furies across the globe are nothing but evils of climate change. This has triggered immediate need to take climate actions on war footing. I have strong conviction about Bio-economy as one of the very effective and efficient solution to combat the evils of Climate Change.

Praj has always strived to make the world a better place by developing and deploying innovative technology solutions for sustainability and conservation of the environment. Bio economy is based on the bedrock of home-grown expertise in Feedstock – Technology-Product (F-T-P). Leveraging this strong foundation, Praj has pioneered a basket of innovative technology solutions in the form of BioMobility™ and Bioprism™.

I take great pride to share an important milestone achievement. Earlier this quarter ethanol production capacity of plants using Praj's technology solutions has crossed formidable 11 billion liters annually. This translates to over 10% of market share in global ethanol production.

The financial year began with challenges in terms of a strong second wave of pandemic, under vaccinated population, availability constraints of labor force, continuously rising commodity prices. Notwithstanding these challenges, your Company continued to operate on a well thought-out business continuity plan in a work from home environment keeping communication lines tight with all stakeholders. This has helped your Company deliver positive and encouraging results. This is a demonstration to our promise to perform and result orientation.

Your company's very strong performance in first half of FY 22 which can be seen in the table below:

*(Figures in INR crore)*

*(consolidated)*

	<b>OB</b>	<b>Sales</b>	<b>PBT</b>
<b>H1 FY22</b>	1406	918.67	76.57

Let me give you an overview of the business landscape and important developments.

The domestic Bio Energy sector has witnessed significant changes in the Industry structure along with favourable developments in the overall eco system. Considering social, environmental and economic benefits of Ethanol Blending Program (EBP), the government of India has advanced 20% ethanol blending target by 5 years to 2025. On 5<sup>th</sup> June- World Environment Day, our Hon. Prime Minister also released report by NITI Ayog and MoPNG on "Road Map for Ethanol Blending in India 2020-2025". Expanded range of feedstock, especially starchy, is expected to make way for ethanol production across the country.

This has boosted demand for BioMobility™ portfolio of technologies, mainly for 1G ethanol. Customers have bestowed their trust in Praj's pioneering process solutions for processing sugary as well as starchy feedstock for production of ethanol. Ethanol blending in India is at the foothills of 10% and its demand is expected to only grow in near future.

Execution of the first three 2G ethanol plants in the country is on course. We expect to start commissioning the first plant in second half of CY 22.

On the occasion of World Biofuels Day on 10<sup>th</sup> August, Hon. Chief Minister of UP, inaugurated CBG plant of M/s Indian Potash Limited that is based on Praj's RenGas technology. This CBG plant is part of nation's first of its kind integrated bioenergy complex that will produce ethanol, biogas, bio fertilizer and other value added by-products.

The international business is now showing signs of recovery. We have started receiving orders from different geographies and more opportunities are under discussion.

We are also witnessing healthy trend in business opportunity development in our Engineering & High Purity businesses and expect this momentum to strengthen in the quarters ahead.

Regarding operations, offices, factories, R&D facilities, project sites, are now fully functional. We are taking necessary precautions and observing social distancing norms to ensure safe working environment.

With COP 26 Glasgow Climate Change summit coming up next month, all eyes are on various countries to announce carbon neutrality targets as a part of UNFCC's Race to Zero campaign. This will give further momentum to climate actions. With basket of innovative technology solutions in sustainable decarbonisation and carbon recycling your Company is poised to capitalize on opportunities emerging in near future.

Thank you for your confidence and trust in Praj, our teams and in me.

Our best wishes to you and your dear ones during this happy festive season. शुभ दीपावली.

Sincerely,

