



Chairman's Speech at 36th AGM

Good Morning and Namaskar to All.

I welcome all of you to 36th Annual General Meeting of Praj Industries Ltd. Thank you all for joining us on this online platform and I trust that you and your dear ones are keeping well.

I extend warm welcome to all the Directors of the Company and Statutory auditors P G Bhagwat LLP represented by Mr. Sandeep Rao Partner and Secretarial Auditors and Scrutiniser for this AGM, KANJ & Company LLP represented by Mr. Vikas Khare Partner. They both are present at this meeting.

The Annual Report for the year ending 31st March, 2022 has now been with you for some time. With your permission, I shall take it as read.

Let me begin with an exciting news. Last week Praj was bestowed with the prestigious Golden Peacock Award in the Innovative Product and Service category, for ground-breaking product BIOSYRUP®. This is yet another testament of Praj's contribution in technology enabled growth of agri process industry.

As a strong proponent of ESG framework, Praj continued its initiatives in Bioeconomy on the pillars of BioMobility platform and BioPrism portfolio of low carbon intensity technologies.

If we look back at FY 2021-22, the year saw socio economic and business environment gradually returning to normalcy, post the pandemic onslaught. The ill effects of the deadly virus are on the wane; thanks to extraordinary efforts of governments all over the world and indomitable spirit of mankind.

The year also witnessed different geopolitical challenges. Volatile oil prices and rise in inflation mainly attributable to Russia-Ukraine war, has engulfed global economy. This has brought to fore need for energy security by leveraging captive energy sources and alternative resources.

Race to Zero campaign was launched in Glassgow at COP26 Summit in October 2021. Several nations announced Carbon neutrality targets and Energy transition emerged as a major climate action. While tabling PanchAmrit agenda, India announced Carbon Neutrality target of 2070. As a part of Azaadi ka AmrutMahotsav, Hon. Prime Minister launched a global initiative called LiFE- 'Lifestyle for the Environment' Movement on occasion of World Environment Day to boost climate actions.



As an organization involved to help accelerating energy transition as sustainable climate action, this is auguring well for your Company.

On subject background your company has sharpened its focus, aligned to bioeconomy as primary purpose. In this context, let me walk you through some of the major accomplishments of this year.

Couple of landmark Bioeconomy projects Praj is executing, were recognized in the list of 50 Hottest projects that are shaping the Advanced Global Bioeconomy. These include 5th ranked advanced biofuels refinery project based on Praj's proprietary 2G Ethanol technology and 7th ranked CBG project based on Praj's Rengas technology. This is a manifestation of Praj's rising technology prowess in the global bioeconomy. I had the rare honor of becoming the first Indian recipient of prestigious William C. Holmberg Award that recognizes Lifetime Achievement in the Advanced Bioeconomy. I owe this award to the team Praj, customers and partners around the world for their unfailing support.

And now for the financial performance for FY 21-22, I would like to gratefully acknowledge cooperation of our customers, partners, employees, and other stakeholders. We delivered a healthy performance with net revenues at Rs. 2,333 crores, while Profit after tax was Rs. 150 crores.

The Board of Directors have recommended a final dividend of Rs 4.20 per equity share for the financial year ended 31 March 2022. This comprises of Final Dividend @ 135% plus a Special Dividend @75% in commemoration of platinum jubilee of Independence.

Now coming to business landscape,

There continues to be a strong traction for the ethanol blending program worldwide. Over 65 countries now have definitive ethanol blending mandates.

In FY 21-22, The ethanol production capacity worldwide, of plants using Praj's technology has crossed formidable 11 billion liters annually. This translates to over 10% of global ethanol production excluding China, which is manifestation of Your company's leadership position. Ethanol capacity addition in India continued to build, triggered by advancement of E20 target to 2025-26. Interestingly, Ethanol blending of 10% in petrol was achieved five months ahead of the plan.

In post covid era, biofuels are gradually gaining traction in international market too. There is good momentum for setting up new capacities for ethanol production. With rising global awareness about energy transition as sustainable climate action, low carbon biofuels are finding increasing market acceptance.



We are on the threshold of commissioning World's first Advanced Biofuels Refinery that processes rice straw as feedback based on our Proprietary 2G technology. Customers in the Nordic region are showing keen interest for Celluniti™ our latest solution for ethanol production from softwood & forest residue.

As for CBG business, the ecosystem development across the value chain continues to be work in progress.

Energy giants are making big bets on Energy transition. Biofuel remains very promising pathway in their pursuit of carbon neutrality. New opportunities are on the anvil in the form of ethanol blending in diesel, flex fuel engines, Sustainable Aviation fuels among others.

As calls for cleaner skies are getting louder, Sustainable Aviation Fuel (SAF) has emerged as viable option for decarbonizing the aviation sector. Your company has drawn concrete plans not only for initial trials as of now but also for providing larger quantities of SAF in near future. Work has also begun on next frontiers of marine biofuels and bio hydrogen.

Our Engineering Businesses are experiencing momentum by way of healthy order booking and global outreach.

CPES business is drawing attention from customers globally for their energy transition needs. Modularization is fast gaining acceptance and is emerging as growth engine.

The brewery business is yet to be at pre-covid levels due to sluggish demand. As for beverages, execution for India's largest Apple Juice Concentrate plant being set up in Himachal Pradesh is expected to be commissioned by end of this year.

With stringent effluent treatment norms being enforced, Zero Liquid Discharge solutions are finding increasing demand from industry segments such as metals, chemical, fertilizers etc.

Praj HiPurity systems is well poised to cater to opportunities in complex injectables and fermentation-based manufacturing space. International business outlook remains positive, as various countries are aspiring to strengthen the pharma manufacturing capabilities.

Your company's focus has always been on expanding its business horizons in the bioeconomy by leveraging its technology led innovative solutions. While continuing to support our existing businesses for throughput enhancement and energy optimization, Praj Matrix is also committed to developing innovative solutions for decarbonization & carbon recycling. The guiding principle for technology development is 'Technologies



with lowest Carbon intensity and Best in Class’.

Continued R&D and Accelerated D&D (Design & Deployment) is the new mantra for commercializing innovative technologies as a growth engine. Your company is reinforcing its thrust on innovation by incubating pipeline of projects of components in advanced biofuels and biopolymers that are at various stages of development.

Continuous focus on developing innovative technology and ringfencing them with protection, has resulted in international and domestic patents tally now crossing formidable 400 mark.

Upcoming COP27 summit at Cairo will provide further impetus to energy transition which would auger well for bio-based economy.

Bioeconomy positively impacts 11 of the 17 Sustainable Development Goals defined by United Nations. Bioeconomy facilitates sustainable climate actions by way of decarbonization and carbon recycling. By institutionalizing progressive policy framework, countries around the world are mainstreaming bioeconomy. Bioeconomy is poised to play pivotal role in the energy transition. Being flag bearer of Bioeconomy in India, your company is well poised to make significant contributions.

Your company has embarked on the journey of digital transformation. We are propagating the concept of industry 5.0 enhanced version. This envisages harnessing automation and bioeconomy to strike fine balance between People - Planet - Profit.

By leveraging agri resources, Praj is helping uplift the farming community to realize government’s vision of Farmer as ‘Annadata’ and also ‘Urjadata.’ This is aligned with Antyodaya - the welfare of the people in the bottom of the pyramid. Importantly, your company is helping reconfigure energy mix to help realize Prime minister’s vision of making India energy independent nation by 2047.

Nurturing strong conviction of social responsibility, Praj is committed to lending a helping hand to underprivileged section of the society. Praj Foundation efforts are aimed at furthering social causes in the field of water conservation, preventive healthcare for women and skilling for rural youth.

In conclusion, I thank all the employees for their unwavering commitments and contributions throughout the year. I extend my gratitude towards customers, Governments, bankers and other stakeholders for their cooperation. And to all the shareholders, I express my sincere appreciation for your continued encouragement and trust.