



Chairman's AGM Speech - 26th July 2023

Good morning and Namaskar to All.

I welcome all of you to the 37th Annual General Meeting of Praj Industries Ltd. Thank you for joining the digital platform.

I extend a warm welcome to all the Directors of the Company and Statutory auditors P G Bhagwat LLP represented by Mr. Abhijit Bhagwat, Partner and Secretarial Auditors, Scrutinizer 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 2023 has now been with you for some time. With your permission, I shall take it as read.

Last financial year 2022-23 witnessed several geopolitical challenges including prolonged war that resulted in volatile commodity prices, global inflation and supply chain imbalances. Although energy and food crisis has been averted for now, apprehensions over latent inflation risk remain. In spite of these headwinds, Indian economy has showed resilience. Thanks to strong domestic consumption, India has recorded highest growth rate among G20 nations.

The year was also marred by several climate calamities, which served as a stark reminder of adverse impacts of climate change on the environment and mankind. Currently millions of people across North America, Europe and even Asia are severely affected by scorching heat waves. As per the scientists, dangerously high temperatures across the world will result in frequent occurrence of extreme weather events in near future. As per the World Meteorological Organization, over 2 million human deaths in last five decades are attributable to climate disasters. It is alarming to note that nine out of ten human casualties were reported in developing economies. This has further precipitated immediate need for sustainable climate action.

COP 27 summit held in Egypt gave further boost to the Race to Zero campaign. Several nations and leading global organizations have announced definitive plans to achieve net zero. Energy transition to cleaner and greener sources is one of the most promising sustainable climate actions. Mainstreaming bioeconomy that utilizes agri based feedstock has emerged as promising pathway for curbing GHG emissions. As an organization involved in accelerating energy transition through bioeconomy, this is auguring well for your Company. Praj is marching ahead with its innovative technology solutions namely BioMobility and BioPrism to facilitate transition to low carbon economy.

We have delivered a formidable performance with net revenues at Rs. 35,280 million,



while Profit after tax was Rs. 2,398 million. The Board of Directors has recommended a final dividend of Rs 4.50 per equity share of Rs. 2 each for the financial year ended 31st March 2023.

Let me now present a few important business updates.

India's ethanol blending program, frog leaped this year and is widely regarded as one of the success stories of energy transition globally. By deploying technology embedded solutions for capacity building, your company is playing an important role in scaling up biofuels production aligned with Atmanirbhar Bharat mission.

Low carbon ethanol has emerged as a very promising international opportunity, especially in the USA. Our process integration and energy optimization solutions are ideally suited for reducing overall carbon intensity of ethanol plants.

The nation's first-of-its-kind advanced biofuels refinery, at IndianOil's Panipat complex, is based on Praj's proprietary 2G technology, is now commissioned. Our team is focusing on establishing continuous operations and reliability enhancement of the plant.

This Bio-Refinery is expected to benefit more than 1 lac farmers and create around 1500 jobs for rural youths. It will help in eliminating around 320,000 MT of CO₂ every year, that is equivalent to replacing nearly 63,000 cars on road.

Yet another milestone development this year is our progress on market introduction of innovative technology for production of Sustainable Aviation Fuels that is SAF. Praj partnered with IndianOil and AirAsiaIndia to fly India's first ever commercial passenger flight, that was powered by indigenously produced SAF blended Aviation jet fuel. The SAF used for blending was produced by Praj using cane mollasses as feedstock.

Our ongoing partnership with IndianOil to accelerate India's energy transition towards a greener future stands further reinforced. You may recall that in October 2021, we had entered in MoU with IndianOil to form a 50:50 Joint Venture in this regard. As a next step, recently we have signed the term sheet to advance plans for strengthening biofuels production capacities in India. Various biofuels covered under this initiative include SAF, Ethanol, CBG, Biodiesel, among others.

Your Company is also exploring innovative technology solutions for production of Biohydrogen from biobased feedstock to align with Government's Flagship National Hydrogen Mission.

Energy Transition and Climate Actions have become a priority agenda to facilitate green growth globally. We have registered a new subsidiary- Praj GenX Limited and are in process of setting up a modern manufacturing facility to cater to this



opportunity.

You will be pleased to know that one of the largest ZLD projects in the country at IOCL Dhumad that we are executing, is nearing completion.

Our subsidiary, Praj HiPurity systems is experiencing growth with increasing demand for high-capacity fermenters.

We strongly believe that technology has prowess to change the world for better. And we continue to focus on developing innovative sustainable solutions for the same. As a result, our tally of international and domestic patents has crossed 400 mark.

To curb evils of plastic pollution, Praj Matrix, our R&D center, has developed technology for production of bioplastics. As a part of its commercialization, we are setting up first-of-its kind demo cum pilot plant in outskirts of Pune. This plant will be used for scaled production of Food Grade Lactic Acid and Polylactic Acid. We are also investing in "Multipurpose catalysis lab" at Praj Matrix to expedite research and development on technologies for production on SAF, Bio-butadiene, and Biohydrogen.

Indian bioeconomy is poised for exponential growth to help the nation achieve its 5 trillion dollar economy target. As a flagbearer of the bioeconomy, your company is well geared up to capitalize on business opportunities using its prime offerings namely, BioMobility and BioPrism. Biomobility has strong market traction as a decarbonization solution for surface transport, its demand is expected to spiral up with the aviation sector embracing greener fuels to lower carbon footprint soon. As a part of India's Green growth vision unveiled during FY 23-24 Budget, Biomanufacturing for promoting Circular Economy is a huge focus area. Your company's offerings in the Bioprism ambit of renewable chemicals and materials are already experiencing amplified interest in stepping up local biomanufacturing. There remain huge untapped opportunities for these two verticals and energy transition, at least for a decade and beyond to fully leverage business potential.

You will be pleased to know that coming year, your company is celebrating its 40th anniversary. To devise a clear growth roadmap for the next decade, we are developing a strategic blueprint, that is Praj 2.0 to be rolled out shortly.

As a socially responsible organization, your company is committed to the greater good of society. Water conservation, preventive healthcare for women and skilling for rural youth are focus areas for Praj Foundation's initiatives.

We have recently taken up a project to make village Mandede in Mulshi, district of Pune, Net Zero in two years' time with active support from villagers and other stakeholders. Majority of India's population lives in villages. This reference project is expected to inspire other villages to undertake similar initiatives and help India



achieve its net zero targets.

We have also joined hands with Marathi Vidnyan Parishad to propagate science at rural schools. Under “Science on Saturdays” initiative rural students will get exposure to experimental learning to cultivate strong liking for science.

In short, by making investments in technology, people and infrastructure, your company is committed to build a future ready organization and contribute towards India’s sustainable and inclusive growth.

In the end, I thank all the employees for their unwavering commitments towards company’s vision, mission, and values. I extend my gratitude towards customers, Governments, bankers, and partners for their ongoing cooperation. And to all the Directors and shareholders, I express my sincere appreciation for your continued trust.