



How Praj Industries is riding the green wave with biofuels, ethanol blending and clean energy tech

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Praj rides the green wave with investments in clean energy and the use of advanced tech in biofuels and ethanol blending.

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Pramod Chaudhari, founder-chairman, Praj Industries; 100 Emerging Stars; Rank 5 | Credits: Sanjay Rawat

IN OCTOBER last year, a Pune-based biofuel technology firm launched the country's first demonstration facility for biopolymers that can produce compostable bioplastics. In December, Union minister of road transport and highways Nitin Gadkari unveiled the first national highway using bio-bitumen developed by Praj Industries. A month later, Praj launched a sustainable aviation fuel (SAF) demonstration facility at its R&D centre in Pune.

With the roll-out of new projects, Praj aims to triple revenues to ₹10,000 crore and grow its profit over five times to ₹1,500 crore by 2030. It also intends to raise the share of its exports business to 50% from 30%. Pramod Chaudhari, who founded the firm in 1983, believes Praj's investments in SAF, biopolymers, and energy transition and climate action (ETCA) will drive the next phase of growth. The ETCA sector includes blue and green hydrogen, green ammonia and waste-to-energy solutions. "Globally, energy majors are likely to invest close to ₹25 lakh crore in clean energy by 2030, whereas the traditional oil and gas market will continue to attract investments to the tune of ₹21 lakh crore in the next 10 years," says Chaudhari.

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Riding on the back of advanced technologies in bioenergy and allied spaces, ethanol blending is the prime growth driver for the company. Blending increased from less than 10% in FY22 to more than 16% in FY24, equivalent to over 5.5 billion litres of production. This has saved India over ₹1 lakh crore in imports and reduced 55 million metric tonnes in CO2 emissions.

Praj, which has its second-generation (2G) integrated bio-refinery demonstration plant in Pune, provided tech to build Asia's first 2G ethanol bio-refinery by Indian Oil Corp. Ltd (IOCL) at Panipat. It is the tech licensor and the engineering, procurement, construction, and management partner for the project, which is based on its proprietary tech processing rice straw as feedstock for the production of ethanol. The rise in investments in compressed biogas plants by co-operatives and the private sector is another booster shot for Praj. No wonder it claimed the 5th spot in *Fortune India's* 100 Emerging Stars list.



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PRAJ INDUSTRIES

Net Income (FY24)
₹3,466 crore

3-year CAGR
38.50%

Profit/loss (FY24)
₹283 crore

3-year CAGR
51.77%

Closing share price*
₹554.55

3-year CAGR
16%

TTM PE (x)
40.95

*Closing share price as on March 28, 2025
TTM: Trailing 12 months
SOURCE: CAPITALINE

The company has developed strong engineering capabilities in modularisation and set up an advanced manufacturing facility in Mangaluru for nearly ₹400 crore. The plant is expected to deliver revenues to the tune of ₹2,000-2,500 crore annually. In FY24, Praj posted a 18.2% YoY rise in net profit to ₹283 crore.

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“Technology and policy should go hand in hand for successful commercialisation, which we expect in the case of 2G ethanol, bioplastics and SAF,” says Chaudhari. Consistency of investments is crucial for momentum and sustained growth, he adds.

India’s first commercial passenger flight using blended SAF was developed by Praj in mid-2023. The company, which partnered with U.S.-based Gevo Inc., used an alcohol-to-jet technology for producing SAF from bio-based feedstock. In 2023, Praj and IOCL formed a 50:50 joint venture to make biofuels in India. “We are developing two technology platforms to produce renewable transportation fuels, chemicals, and materials. That should help us triple revenues by 2030,” says Chaudhari. The company has developed technology to produce polylactic acid – polyester made from renewable biomass and fermented plant starch such as corn, cassava, sugarcane or sugar beet pulp.

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Praj went public in 1994. Soon after, it began receiving international orders, beginning with Southeast Asia and later expanding to Colombia, where it secured over 70% of the ethanol market. Its global presence continued to grow, including the construction of the U.K.'s largest ethanol plant for Viverno Biofuels and projects in Belgium. It is building three commercial 2G ethanol plants for IOCL, BPCL, and HPCL. The firm has more than 1,000 installations across 100 countries, and four manufacturing facilities. Its order book stands at ₹4,349 crore as on December 31, 2024.

Praj forayed into critical process equipment and systems and wastewater treatment solutions in 2012, and acquired Neela Systems, a specialist in hi-purity water solutions. Complex pharmaceutical machinery is another business the company is building.

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