

12th Nov 2020

My dear 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.

Although the financial year began with unprecedented situation owing to the pandemic, thanks to the government's timely interventions ably supported by Covid Warriors, the overall conditions are steadily returning to normalcy. Businesses were adversely affected due to subdued economic activity. However, tailwinds in the form of technological progress, demand revival and pick up in business activities herald a stronger-than-expected recovery.



We were resilient in facing challenges and took several strategic interventions such as adopting a business continuity plan, empowering employees with IT facilities to seamlessly work from home, supporting partners and customers while conforming to statutory guidelines to ensure safety. Despite tough situations, we helped customers to design and commission pharma grade alcohol plants.

Due to lock down, the first quarter was adversely affected in terms of financials; there has been definite economic turnaround in the second quarter which can be seen in the table below:

(figures in INR million)

(consolidated)

	OB	Sales	PBT
Q1 FY 21	3100	1295.50	(145.20)
Q2 FY21	4050	2602.40	156.70
H1 FY21	7150	3898.00	11.50

Our teams have demonstrated excellent resilience and we are looking forward to further our gains in the coming quarters.

As a part of its Atma Nirbhar Bharat programme, the government has renewed its focus on biofuels by enhancing policy that will facilitate energy security. This has boosted demand for our Bio-Mobility™ portfolio, namely, 1G/ 2G ethanol and Compressed Biogas (CBG). We are experiencing an uptick in demand for our technology solutions. Our Pharma and Engineering businesses are also experiencing an uptake.

You will be happy to note that your company crossed yet another milestone on 6th Nov 2020 when Hon. Union Min. Shri Prakash Javadekar inaugurated the nation's first of its kind demo plant for production of CBG from biomass. Praj's CBG technology solution will help combat air pollution and health and environmental hazards caused by stubble burning, while facilitating country's gas economy.

With the Democrats returning to power, the US is expected to renew its commitment to green energy and measures to combat climate change. We expect this development to stimulate the biofuels market in North America which augurs well for your company.

Other highlights during the last six months are summarised below:

1. Praj's PROFIIT technology won the CII for 3R (Reduce, Reuse, Recycle) Award for Excellence in product development yielding zero/minimum waste at user end.
2. We received a prestigious supplier award from key customer Baker Hughes for mitigating Covid-19 impact and delivering first set of block surge vessels with zero D (defect, deviation and delay).
3. Increasing traction for B-heavy molasses and bio-syrup to ethanol plants, evident in the significant jump in enquiries. Project execution for the three 2G biorefineries on schedule and expect commission the first plant by end of the next year. Several enquiries and orders resulted from the series of webinars we conducted on Syrup/ Bio-Syrup to ethanol technologies for domestic customers, and on pharma grade alcohol for customers in Americas, Asia Pacific, Africa and Europe.
4. We are also building a good momentum in our Engineering businesses at the back of strong demand for equipment in pharma, specialty chemicals, oil & gas, metals and food & beverages, and also for our solutions in this space.
5. Regarding operations, our sites, factories, R&D facilities are now fully functional and we are adhering to all safety norms to ensure that our people stay safe and maintain social distancing.
6. Praj's corporate social responsibility endeavours in water resource development, skill development and preventive healthcare for women continue to have a positive impact in rural Maharashtra. Apart from contributing to Govt funds, we also supported Covid-19 affected families.

The activities planned for second half of the financial year should see us place on a strong footing so that our performance during FY 22 and FY 23 could pave the way for greater strides in technology development & deployment and business execution.

Thank you for your patience, 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,





Proud to be the first Indian to receive George Washington Carver Award from Bio-Impact, USA in Sept 2020