

Chairman's AGM Speech - 25th July 2024



I welcome all of you to the 38th Annual General Meeting of Praj Industries Ltd. Thank you for joining us on this online platform, and I trust that you and your dear ones are keeping well.

The Annual Report for the year ending 31st March 2024 has been with you for some time now. With your permission, I shall take it as read.

Global Recognition

Let me begin with the global recognition we have recently received. Your company has been ranked Global No. 1 in the 'Hottest Top 50 Companies in Advanced Bioeconomy' by the US-based Biofuels Digest, the world's most widely read bioeconomy daily. This makes Praj the first Asian and Indian company to bag this honour.

Global Business Scenarios

Despite global volatility in the microeconomic environment, the Indian economy has remained resilient through the year and reported sustained growth. India's Bioeconomy continues to grow in double digits and, from the current level of USD 153 billion, it is projected to double within the next five years.

India has recently crossed a significant milestone of 15% ethanol blending in petrol. Your company has been contributing a major share of capacity building in India's successful stride towards the E20 EBP Program.

The Global Biofuels Alliance announcement is regarded as one of the significant outcomes of the G20 Summit under India's leadership. GBA's goals are to increase global cooperation for the rapid adoption and deployment of biofuels. With 24 countries and 12 International Organizations involved, this presents an unprecedented growth opportunity for Praj's Innovative Biofuel Technology solutions.

To curb Greenhouse gas emissions, the UAE Consensus at the COP28 Climate Action Summit pledged to "transition away from fossil fuels." It gave a clarion call for 'Tripling renewable energy capacity and doubling energy efficiency' by 2030. This has come as a shot in the arm for Praj's Energy Transition and Climate Action business.

Company Accomplishments

This year Praj marked its Ruby Anniversary, celebrating 40 years of purpose, passion, and perfection. Our R&D center also completed 15 years of commitment to providing sustainable and innovative solutions in Biotechnology. In the year gone by, your company was granted 5 Indian and 11 International technology patents bringing the total to 104 granted patents, and over 400 patent applications filed till date.

Hon. Union Minister of Petroleum & Natural Gas inaugurated Praj's first-of-its-kind Alcohol to Jet based Sustainable Aviation Fuel demonstration facility at its R&D Center at Pune. Our joint venture with IOCL for setting up the SAF production facility and CBG projects is in the advanced stage of formation.

I am happy to convey with a great sense of pride, that we have successfully produced the first batch of Lactic Acid at the state-of-the-art demonstration plant for biopolymers at Jejuri, near Pune. This comes as a major accomplishment under the ambit of Biomanufacturing, aligned with the vision of Atmanirbhar Bharat and Viksit Bharat. We are currently in dialogue with potential European partner for integrating polymerization technology to produce Bioplastic from Lactic Acid. We believe this is a testament to our relentless pursuit of excellence and commitment to commercialize innovative BioPrism® portfolio of renewable chemicals and materials.

Our Mega Manufacturing setup in Mangalore, Karnataka is equipped with Industry 5.0 technology solutions catering to global customer requirements in the energy transition and climate action sectors.

To enhance the economic viability of first-generation biorefineries, Praj has prioritized value enhancement of co-products. We have developed technology for extracting rice protein from rice to Ethanol plants with applications in confectionaries and health supplements. This technology is proven at the bench scale and ready for commercial demonstration.

Praj is setting up a demo plant for corn oil in Bihar, expected to be commissioned by end of 2nd quarter. This technology will enable corn-to-ethanol plants to produce corn oil for diverse industries like biodiesel, soap, paints, and poultry feed.

We are developing alternate feedstocks like Napier grass and crane trash for compressed Biogas generation, supplementary to available feedstocks like press mud, rice straw, and cotton stock.

Praj has entered into an understanding with Shreenath Mhaskoba Sakhar Karkhana, Pune, to set up a pilot plant to demonstrate biohydrogen production. It will also have a dispensing unit for Hydrogen Internal Combustion Engine powered vehicles. This builds on to our RenGas® technology, which uses reformation to generate bio-hydrogen from CBG.

To accelerate industrial biotechnology research, Praj has launched various Centres of Excellence & Innovation with renowned institutions. These centres aim to develop bio-based products from feedstocks to end products. To address challenges related to feedstocks, we are working with Vasantdada Sugar Institute, Pune to develop alternate feedstocks.

We have joined hands with the Institute of Chemical Technology, Mumbai to develop biopolymer applications based on circular bioeconomy.

For establishing a Climate Resilient and Net Zero Model Village aligned with Sustainable Development Goals, we have collaborated with the Gokhale Institute of Politics and Economics, Pune.

And recently, we have teamed up with Savitribai Phule Pune University to drive futuristic research in sustainability through synthetic biology and harnessing Artificial Intelligence.

Company's Financial Performance

With a healthy performance in FY24, The Board of Directors has recommended a final dividend of Rs. 6 per equity share for the financial year ended 31 March 2024.

Future Outlook

The COP29 Climate Change Summit, and the G20 Summit 2024 will continue the global quest for sustainable and green energy transition. On this backdrop, biofuels industry is poised to experience strong market demand. Praj, as a flagbearer of bioeconomy, has a unique opportunity to harness the potential of these strategic developments and create a global impact.

As per the announcement in the Union Finance Budget FY25 earlier this week, a policy document outlining appropriate energy transition pathways to strengthen India's Energy Security is released. This document will guide India's transition to more sustainable resources such as bioenergy, focusing on reducing the dependency on imported fossil energy resources.

With conducive policies, technological advancements, and growing market awareness, the Bioenergy and Bio-Manufacturing sector is poised for significant growth and diversification in the future.

Corporate Social Responsibility (CSR)

As part of our social commitments, we have envisaged the Net Zero and Climate Resilient Mandede village Project in Mulshi taluka near Pune. This is progressing well, and we have integrated various initiatives in the village. We have completed clean cookstove installation, pilot Eco-STP for liquid waste management, water budgeting, and harvesting. We are also advancing sustainable and resilient agriculture practices and clean energy applications in the village.

Concluding Remarks

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

Namaskar.