



CONNECT . **C**OLLABORATE . **C**OMMIT

Achievements



“CONNECT . COLLABORATE . COMMIT”

As we navigate unprecedented pandemic challenges, we believe it merits sharpening focus on essentials so as to stay the course. At Praj we are unleashing the power of *Connect-Collaborate-Commit* to forge ahead.

Connecting with stakeholders across the value chain to support and encourage;
Collaborating with associates/partners by leveraging strengths &
Committing to our vision of making the world better place through our innovative technology, & sustainable solutions

With these building blocks in place, we remain confident our own progress and also helping the nation prosper!



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Board of Directors



Dr. Pramod Chaudhari
Executive Chairman



Berjis Desai



Sivaramakrishnan S. Iyer



Parimal Chaudhari



Dr. Shridhar Shukla



Suhas Baxi



Mrunalini Joshi



Shishir Joshipura
CEO & Managing Director



Sachin Raole
CFO & Director - Financial & Commercial



Company Profile

Board of Directors

Executive Directors	>	Dr. Pramod Chaudhari, Executive Chairman Shishir Joshipura, CEO and Managing Director Sachin Raole, CFO and Director - Finance & Commercial
Non Executive Directors	>	Berjis Desai Parimal Chaudhari Sivaramakrishnan Iyer Mrunalini Joshi Dr. Shridhar Shukla Suhas Baxi (w.e.f 8th August, 2019)
Chief Internal Auditor & Company Secretary	>	Dattatraya Nimbolkar
Statutory Auditor	>	M/s P.G. Bhagwat
Cost Auditors	>	Dhananjay V. Joshi & Associates
Internal Auditors	>	Khare Deshmukh & Co.
Secretarial Auditors	>	Kanj & Co LLP
Bankers	>	Bank of Maharashtra The Hong Kong and Shanghai Banking Corporation Limited ICICI Bank Ltd. Citibank N.A. Standard Chartered Bank
Registered Office	>	"Praj Tower", S.No. 274 & 275/2, Bhumkar Chowk - Hinjewadi Road, Hinjewadi, Pune 411 057, Maharashtra, India
R & D Unit - I	>	Praj Matrix - The Innovation Center Gat No. 402, 403, 1098, Village Urwade, Tal. Daund, Pune 412 108, Maharashtra, India
R & D Unit - II	>	Shreenathnagar, Patethan, P.O. Rahu, Tal. Daund, Dist. Pune 412 207, Maharashtra, India
Manufacturing Facilities	>	S No.748, Sanaswadi, Gat No. 745, Sanaswadi, Pune 412 208 Maharashtra, India Plot No. E-20 & E-21 additional MIDC Area, JejuriTal. Purandar, Pune 412 303, Maharashtra, India
Export Oriented Unit	>	Kandla SEZ Unit I, Plot No 307 to 314, Sector IV, Gandhidham, Kutch 370 230, Gujarat, India Kandla SEZ Unit II, Plot No 282 to 286 & 294 TO 298, Sector IV, Gandhidham, Kutch 370 230, Gujarat, India
Presence in	>	India, Thailand , USA and The Philippines

Chairman's Message



Dear Shareholders,

I am privileged to present the 34th Annual Report of your Company for FY 2019-20, an eventful year in many ways.

Following its annual summit in Davos in January 2020, the World Economic Forum (WEF) released a global risk report which listed six of the top 10 risks to the global economy pertaining to environment. Energy source and consumption has a direct relationship to progress of living standards as also on the environment. Striking right balance between progress and preservation of environment calls for enhanced efforts by embracing renewable energy sources and sustainable practices.

We endeavor to develop and deploy innovative and sustainable decarbonization solutions that enhance the cause of circular bioeconomy. Reduction in GHG emissions and increasing use of carbon neutral fuels developed based on our technology serve energy, environment and economy with equal aplomb. Our inclusive solutions deliver higher value by boosting the agricultural sector and farmer livelihood.

Bio-Mobility™ and Bio-Prism™ are the mainstays of Praj's contribution to the global Bioeconomy. Your Company has pioneered the Bio-mobility™ platform that envisages use renewable biological resources to produce carbon-neutral transportation fuels across all modes of mobility i.e. Surface, Air and Marine.

Building on the success of Bio-Mobility™, Praj has embarked on a path to unveiled basket of technologies for production of Renewable Chemicals & Materials (RCM) its Bio-Prism™ portfolio. Produced from bio-based feedstock, RCM has the potential to replace most chemicals and materials currently sourced using fossil resources.

Praj continues to strengthen a global ecosystem of partners across the value chain to develop innovative technologies and expand markets. We have partnered with India's premier R&D institutions such as ARAI, NCL and with international organizations like DVO (USA), Gevo (USA), Lygos Inc. (USA) and Sekab (Sweden) to develop sustainable solutions.

With its advanced solutions for water conservation, Praj is ensuring zero liquid discharge and minimizing the water footprint for customers. We continue to help industrial segments through our engineering business, delivering on commitments and deepening customer engagement.

Innovation is the growth engine of your Company, supporting customers by defining solutions to their today's and tomorrow's needs as also helping them enhance their competitiveness.

Your Company has continued with several new firsts to its credit. Just to name a few, Praj is setting up India's first batch of four commercial scale 2G biorefinery, first-of-its-kind integrated bioenergy complex and first demonstration facility for multi feedstock compressed biogas system.

Among our several national and international recognitions, the number one position in the Best Places to Work in the advanced bioeconomy 2020 stands out as testimony to our excellent workforce.

However, the year-end was disrupted by the unprecedented outbreak pandemic that brought the world to a standstill. We are managing the crisis resourcefully, remaining irrepressible and staying focused on cash, cost and creating value for customers. We continue to rally around other important stakeholders -- society, suppliers, employees, and shareholders.

As a social commitment to fight the pandemic, Praj contributed to government funds besides providing free and open access to its proprietary hand wash sanitizer (HWS) manufacturing technology. We are also helping customers around the world set up pharma grade alcohol plants in short time.

We wholeheartedly welcome the honourable PM's vision of आत्मनिर्भर भारत (self-reliant India) to emerge stronger from the crisis. Aligned to this vision, we vow to continue our contribution towards स्वदेशी इंधन (fuel made in India) in the form of biofuels which is a captive source of renewable energy.

In conclusion, here is a verse I had penned for employees and I would like to share the same with you.

"Committed to being caring and compassionate,
Innovating amidst challenges while seeking opportunities,
Driven by dreams and the spirit of dynamism,
We are passionate about excelling;
We are Praj."

Thank you for your continued support.

Dr. Pramod Chaudhari
Executive Chairman
Aug 2020, Pune



CEO & MD's Note

Dear Shareholders,

It gives me pleasure to communicate the progress of your Company for FY 2019-20. For FY 2019-20 on consolidated basis, revenues stood at Rs. 1102.37 cr as against Rs. 1141.11 cr in FY 2018-19. PAT stood at Rs. 70.43 cr as against Rs. 68.22 cr in the previous year.

Your company's business endeavors are aimed at sustainable decarbonization, reducing energy and water footprint as well as optimizing resources for customers. We continued to strengthen our leadership position in core businesses while leveraging our innovation prowess, developing customer centric solutions, investing in deep rooted relationships with customers and delivering on our promise of unmatched performance.

Praj is at the forefront of leading the future of transportation through its Bio-mobility™ platform which helps address challenges such as high GHG emissions, air pollution and associated health hazards. It also has far reaching impact across several stakeholders such as boosting rural economy and encouraging energy self-reliance, unmatched by any other alternative.

Your Company forged new partnerships, commercialized new technologies and expanded its customer footprint. The business environment had its usual challenges during course of the year, while the yearend presented completely different and unprecedented scale of challenge in form of the Covid-19 pandemic. Through a well-defined Business Continuity Plan and under the able guidance of our Board and support from all stakeholders, we are steering the business to a resilient position.

Allow me to walk you through some important business developments for FY2019-20.

Your Company's flagship bioenergy business improved domestic market share even as overall volumes did not register growth. We continued our focus on innovation and launched several new solutions to address customer challenges. We commissioned distillery having lowest water footprint and are setting up India's first-of-its-kind integrated bio-energy complex. This facility will produce multi products such as ethanol, CBG and fertilizer from bio-based feedstock while maintaining lowest energy and water footprint.

Execution of four 2G bio refineries is on course and we expect to commission the first by end-2021.

Your Company has set up India's first demo plant for multi feedstock compressed biogas system. Praj's CBG technology is finding favor for both transportation and industrial application.

The international business environment during the fiscal year remained subdued due to geopolitical dynamics and trade wars. Brazil and India signed a biofuels co-operation agreement and Praj strengthened its presence in strategic global markets by forging alliances. We partnered with Dedini S/A Indústrias de Base of Brazil to provide advanced technologies for ethanol production for South America, and with Sekab E-Technology AB, Sweden to commercialize technology to produce advanced biofuels and bio-chemicals from forest residue. Praj is expanding the scope of its collaboration with GEVO through an innovative model, integrating India's farming sector to sustainable aviation fuel production.

Critical Process Equipment and Skids business has progressed on establishing strategic relationships with key customers. Brewery business built on its market share, developing solutions for improving energy footprint and co products for customers. With water as an essential resource our zero liquid discharge (ZLD) solution continues to find increasing acceptance in the market.

The PHS business is making strong inroads in vaccines and injectables segments of pharma industry through water and process solutions.

We are leveraging our expertise and knowhow in O&M and digitalization, integrating our offerings, and providing customers with a higher degree of plant reliability, performance and OpEx benefits.

We consider People as our most prized assets and we take great pride in nurturing and growing talent to help them realize their potential.

I am delighted to share that earlier in this year, Tilak Maharashtra Vidyapeeth, Pune conferred the D.Litt. to our founder and chairman Dr. Pramod Chudhari in recognition of his pioneering contribution to bioeconomy globally. We are confident that under his able leadership we will continue to build sustainable solutions to make the world a better place.

I acknowledge the guidance and direction I received from the members of the Board. I thank my business partners, team members and other stakeholders for support extended. I thank you my dear shareholders for your continued faith in Praj's vision and mission.

My team and I remain confident that we will continue to build on this year's performance and traverse the path to a more promising future.

Shishir Joshipura
CEO & MD
Aug 2020, Pune

Highlights



Dr. Pramod Chaudhari being felicitated by chief guest Mr. Nitin Gadkari on the commemoration of his 71st birthday, in the presence of Mrs. Parimal Chaudhari, and Guests of honour, Dr. Raghunath Mashelkar and Mr. Pradeep Bhargava.



Praj successfully handed over a biomethanated vinasse pre-treatment & evaporation plant, & modernized distillery plant in Dominican Republic.



1st 'Complex Injectables Project' by Praj High Purity Systems for one of the leading pharmaceutical company in India

Praj at Glance (Consolidated)

	UOM	19-20	18-19	17-18	16-17	15-16
SALES (GROSS)	Rs. Min	11023.657	11411.120	9234.568	9551.624	10638.168
SALES (NET OF EXCISE)	Rs. Min	11023.657	11411.120	9165.864	9149.912	10236.038
OTHER INCOME	Rs. Min	300.214	322.966	267.249	222.781	183.562
TOTAL INCOME	Rs. Min	11323.871	11734.086	9501.817	9774.405	10821.730
TOTAL EXPENDITURE EXCLUDING DEPRECIATION	Rs. Min	10274.064	10625.337	8730.767	8877.909	9517.385
EBIDTA (EXCLUDING OTHER INCOME)	Rs. Min	820.070	883.323	610.296	732.168	1154.199
DEPRECIATION	Rs. Min	218.461	229.496	240.925	221.243	250.249
PROFIT BEFORE TAX	Rs. Min	831.346	879.253	530.125	675.253	1054.096
PAT BEFORE MINORITY INTEREST	Rs. Min	704.363	682.075	394.877	445.999	824.722
PAT AFTER MINORITY INTEREST	Rs. Min	704.309	682.032	394.909	446.028	824.623
OTHER COMPREHENSIVE INCOME	Rs. Min	(3.294)	6.291	8.017	(6.384)	6.843
TOTAL COMPREHENSIVE INCOME	Rs. Min	701.069	688.366	402.894	439.615	831.565
NET BLOCK OF FIXED ASSETS + CWIP	Rs. Min	2965.014	2928.679	3020.738	3102.045	2957.310
SHARE CAPITAL	Rs. Min	366.321	365.296	361.865	358.888	355.945
RESERVES AND SURPLUS	Rs. Min	6826.168	7084.856	6899.492	6737.453	6196.902
NET WORTH	Rs. Min	7192.489	7450.152	7261.357	7096.341	6552.847
EPS BASIC	Rs.	3.85	3.75	2.19	2.50	4.64

RATIOS	UOM	19-20	18-19	17-18	16-17	15-16
EBIDTA (EXCLUDING OTHER INCOME) TO SALES	%	7%	8%	7%	8%	11%
PBT TO SALES	%	8%	8%	6%	7%	10%
PAT TO SALES	%	6%	6%	4%	5%	8%
RONW	%	10%	9%	6%	7%	13%
ROCE	%	12%	12%	7%	10%	16%
NO. OF SHARES	Nos.	18,31,60,060	18,26,47,850	18,09,32,415	17,94,44,188	17,79,72,409
DIVIDEND	%	135%	106%	81%	81%	81%
BOOK VALUE PER SHARE	Rs.	39.27	40.79	40.13	39.55	36.82
CASH EPS	Rs.	5.05	5.01	3.53	3.74	6.05



DIRECTORS' REPORT

To The Members of Praj Industries Limited,

Your Directors are pleased to present the 34th Annual Report and the Audited Financial Statements for the year ended 31st March, 2020.

Financial Results

During the year under review, your Company has recorded total income of Rs.9756 Mn (previous year Rs. 9517 Mn), registering increase of 3% in total income. Profit after Tax increased by 3% to Rs.647 Mn (Previous year Rs. 624 Mn.). The performance summary is presented herewith:

	(₹ Mn.)	
Particulars	2019-20	2018-19
Turnover	9419	9233
Other Income	337	284
Total Income	9756	9517
Total Expenses	8981	8708
PBT	776	809
PAT	647	624
Other Comprehensive Income	(12)	5
Total Comprehensive Income	635	629
(+) Balance in Profit & Loss account	4926	4969
(+) INDAS Adjustments (ESOPs)	4	9
(-) IND AS Adjustment (Adjustment to opening Retained Earnings - IND AS 116: Leses / - IND AS 115: Revenue Recognition)	39	154
Profit Available for Appropriations	5526	5453
Appropriations		
- Final Dividend (F.Y. 2018-19/F.Y. 2017-18)	296	386
- Dividend Tax (F.Y. 2018-19/F.Y. 2017-18)	61	79
- Interim Dividend (F.Y. 2019-20)	494	
- Dividend Tax (F.Y. 2019-20)	102	
Transfer to Special Economic zone Re-investment Reserve	159	62
Balance in Statement of Profit & Loss	4414	4926

State of Company's Affairs

Please refer Management Discussion & Analysis report annexed to this report dealing with the state of Company's affairs at length. (Refer Annexure 1).

Summary of Consolidated Results

During the year, the Total Income stood at Rs. 11324 Mn against last year (Rs. 11734 Mn). Profit before tax at Rs. 831 Mn against previous year's figure (Rs. 879 Mn). The performance summary is presented herewith:

	(₹ in Mn)	
Particulars	2019-20	2018-19
Turnover	* 11024	11411
Other income	300	323
Total income	11324	11734
Total expenses	10493	10855
PBT	831	879
PAT (after Minority Interest)	704	682
(+) Other Comprehensive Income	(3)	6
Total Comprehensive Income	701	688

* The turnover for F. Y. 2019-20 was less due to lock down declared by Govt. in second half of March 2020, on account of COVID-19.

Dividend

The Board of Directors vide Circular Resolution No.CIR/BM/3/2019-20 dated 5th March, 2020, declared and paid an Interim Dividend of Rs.2.70 /-per share (135%) of Face value of Rs.2/- for the financial year 2019-20. The Interim dividend pay-out was Rs. 596.11 Mn (Dividend: Rs. 494.47 Mn and Dividend Distribution Tax Rs. 101.64 Mn).

The above mentioned Interim Dividend shall be treated as final dividend for the year 2019-20.

The dividend payout is in accordance with the Company's Dividend Distribution Policy.

Dividend Distribution Policy

In accordance with the Regulation 43A of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Company has formulated a Dividend Distribution Policy and the same is annexed herewith as **Annexure 11**. The Policy is also hosted on the website of the Company and can be viewed at www.praj.net

Investor Education and Protection Fund (IEPF)

Pursuant to the Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company has transferred unclaimed/ unpaid dividend of Rs. 1,361,275/- to Investor Education and Protection Fund pertaining to the financial year 2011-12 on 24/09/2019. Further, the Company has also transferred 25979 shares to IEPF on 11/10/2019.

Details of Nodal Officer:

Mr. Dattatraya Nimbolkar, Chief Internal Auditor and Company Secretary has been appointed as Nodal Officer of the Company. Details in this regard are available on the website of the Company at www.praj.net

Reserves

The Company is not proposing any transfer to the General Reserve for the year 2019-20.

Credit Rating

- a) CRISIL has re-affirmed "A1+" rating to the Company's short-term banking facilities which signifies that the degree of safety regarding timely payment of instruments is very strong.
- b) CRISIL has also re-affirmed its rating of the Company's long-term bank facilities to "AA/stable".
The "AA" rating signifies high safety with regard to timely payment of long-term financial obligations.

Subsidiaries

Praj Engineering & Infra Ltd. India, Praj HiPurity Systems Ltd., India, Praj Americas Inc., U.S.A., Praj Far East Co. Ltd., Thailand, Praj Industries (Africa) (Pty.) Ltd, South Africa, Praj Far East Philippines Ltd. Inc., The Philippines, continue to be subsidiaries of your Company.

During the year, Praj Industries (Namibia) (Pty) Ltd. was closed down on 11/09/2019 as the project for which it was formed, was fully executed.

Consolidated Financial Statements of the Company, which include the results of the said Subsidiary Companies, are included in this Annual Report. Further, a statement containing the particulars for each of the Company's subsidiaries is also enclosed. Copies of Annual Accounts and related detailed information of all the subsidiaries can also be sought by any member of the Company or its Subsidiaries by making a written request to the Company Secretary at the Registered Office of the Company in this regard. The Annual Accounts of the Subsidiary Companies are also available for inspection at the Company's and/or the concerned Subsidiary's Registered Office.

The Company has formulated a policy for determining 'material' subsidiaries and such policy is hosted on the Company's website i.e. www.praj.net

Further, a statement containing salient features of the financial statements of subsidiaries in the prescribed format AOC-1 is appended as **Annexure 7** to this Report. The statement also provides the details of performance, financial position of each of the subsidiaries.

Corporate Governance

Pursuant to the provisions of Regulation 34 (2) &(3) and 53(f), read with Schedule V of SEBI(Listing Obligations & Disclosure Requirements) Regulations, 2015, Management Discussion and Analysis Report (**Annexure 1**), Report on Corporate Governance and Compliance Certificate on Corporate Governance (**Annexure 3**), Business Responsibility Report (**Annexure 10**), Dividend Distribution Policy (**Annexure 11**) are annexed to this report.

Directors

Ms. Parimal Chaudhari (DIN 00724911) retired at 33rd Annual General Meeting held on 23rd July, 2019 and was re-appointed as Director of the Company.