



# Concept to Reality

Annual Report 2022-23

## Achievements



**India's First Commercial Passenger Flight,  
Powered By Indigenously Produced Sustainable Aviation Fuel (SAF)  
From Sugarcane Molasses Using ATJ Pathway.**



**19.05.2023 T3, Indira Gandhi International Airport, New Delhi**

Flight Details: AirAsia India I5 767 (Pune To New Delhi)

#FuelTheChange

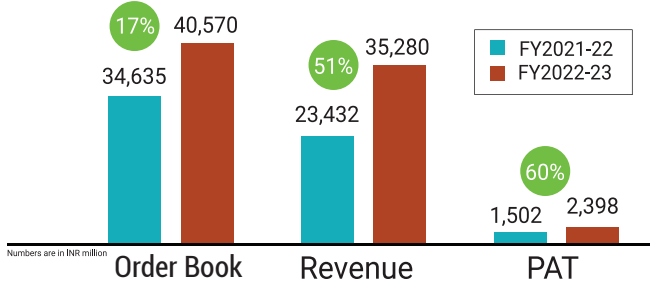
#FarmToFlight

#SwadeshiEndhan

#BlendedWithSAF

## Concept to Reality

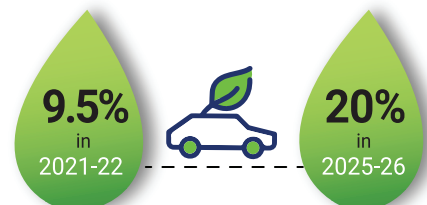
### Strong business performance



### CAPEX for powering growth

1. State of the art manufacturing facility
2. Demo plant for bio plastic
3. Catalysis lab at R&D center

### Growing share of ethanol blending in petrol



## Board of Directors



from L to R

**Top Row :** Sachin Raole, Suhas Baxi, Mrunalini Joshi, Shishir Joshipura, Sivaramakrishnan Iyer, Dr Shridhar Shukla

**Bottom Row :** Parimal Chaudhari, Dr Pramod Chaudhari, Berjis Desai

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## Company Profile

Executive Directors	>	Dr Pramod Chaudhari, Executive Chairman Shishir Joshipura, CEO and Managing Director Sachin Raole, CFO and Director – Resources
Non Executive Directors	>	Berjis Desai Parimal Chaudhari Sivaramakrishnan Iyer Mrunalini Joshi Dr Shridhar Shukla Suhas Baxi
Chief Internal Auditor & Company Secretary	>	Dattatraya Nimbolkar
Statutory Auditor	>	P G BHAGWAT LLP
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 Limited 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. Mulshi, Pune 412 108, Maharashtra, India
R & D Unit - II	>	Shreenathnagar, Patethan, P.O. Rahu, Tal. Daund, Dist. Pune 412 207, Maharashtra, India
R & D Unit - III	>	Plot No. E-20 & E-21 additional MIDC Area, Jejuri Tal. Purandar, Pune 412 303, Maharashtra, India
Manufacturing Facilities	>	S.No.748, Gat No. 745, Sanaswadi, Pune 412 208, Maharashtra, India Gat No. 402, 403, 1098, Village Urwade, Tal. Mulshi, Pune 412 108, Maharashtra, India
Export Oriented Unit	>	Kandla SEZ Unit I, Plot No 307 to 314, Kandla SEZ Unit II, Plot No. 282 to 286 and 294 to 298, Kandla SEZ Unit III, Warehouse No. 1 to 3, Himalaya Complex, Phase I, Sector IV, Gandhidham, Kutch, 370230, Gujarat, India.
Presence in	>	India, Thailand, USA and The Philippines

## Chairman's Message



Dear Shareholders,

I am privileged to present the 37th Annual Report of your Company for FY 2022-23. Amid turmoil in the world economy, India has received recognition as a bright spot, thanks to robust economic growth on the back of domestic consumption cycles. Your company has been able to leverage tailwinds in the home market to record strong financial performance.

There are rising concerns over the evils of climate change and its impact on the environment. In fact, according to the latest State of the Global Climate reports published by the World Meteorological Organization, the world witnessed hottest summer in 2022. Also, the past eight years were the warmest on record globally, fueled by ever-rising greenhouse gas concentrations and accumulated heat. May 2023 report of World Meteorological Organization has estimated weather and climate related disasters as USD 4.3 trillion and human casualties over 2 million in last five decades. While most of the economic damage was in developed nations, nine out of ten human casualties were reported in developing economies. This has further precipitated the need for sustainable climate action to curb greenhouse gas emissions.

The Race to Zero campaign towards carbon neutrality has gained strong momentum following COP 27 summit held in Egypt last year. Several nations and global conglomerates have announced definitive plans by way of roadmap to achieve net zero target. Adopting circular economy and embracing energy transition are among two most promising solutions to achieve Net Zero and bioeconomy encompasses both.

Your company has two pronged strategies in the realm of Bioeconomy viz. Bio-Mobility™ platform of technologies for production of low carbon biofuels and Bio-Prism™ portfolio of technologies for production of renewable chemicals and materials. While the former facilitates sustainable decarbonization, latter enables carbon recycling. Both innovative technology solutions help in transitioning from hydrocarbon-based economy to carbohydrate-based economy. In addition to being a renewable resource bioenergy also positively impacts socio and economic development of nation besides ensuring inclusive growth.

Your company is playing an important role in reconfiguring the nation's transportation fuel mix by helping build capacity for production of biofuels. India's strides in ethanol blending program, enabled by technology advancements, now at foothills of 20% blend, is acclaimed as a success story globally. Your company is proud to be a prime mover in this development, with over 70% share in the country's ethanol production capacity.

We have now successfully commissioned our First 2G Ethanol Bio-Refinery at IOCL Panipat and the first ethanol is out. This one plant will benefit more than 1 lac farmers, create around 1500 jobs for rural youth while eliminating around 320,000 MT of CO<sub>2</sub> every year which is equivalent to replacing nearly 63,000 cars on road annually.

Your company has reaffirmed its technology leadership in biofuels industry globally by deploying indigenously produced sustainable aviation fuel (SAF) blended with Aviation jet fuel (ATJ) in India's first ever commercial passenger flight. By collaborating with major national and international energy companies your company is building SAF capacities to ready India meet CORSIA mandates.

Energy Transition & Climate Actions has become a strong development agenda globally to facilitate transition to low carbon economy. With an array of technology embedded sustainability solutions, your company is gearing up to service significant opportunities from global customers.

As a firm believer of the premise that technology has prowess to change the world for better, your company continues to invest in developing innovative sustainable solutions. To curb evils of plastic menace and to support government of India's single use ban on plastic Praj has developed technology to produce bioplastics. As a part of commercialization our first-of-its kind demo cum pilot plant in Jejuri in outskirts of Pune, will be used for scaled production of Food Grade Lactic Acid and Polylactic Acid. To expedite our research technologies for production on SAF, bio butadiene, and biohydrogen, we are also making investments to set up "Multipurpose catalysis lab".

Your company, as a responsible organization, is committed to enhancing and contributing towards achieving a resilient and environmentally friendly future for all. As a part of our internal sustainability system, we monitor several key sustainability indices aligned with the principles of ESG i.e., Environmental, Social, and Governance. By embracing Bioeconomy, we can commence our voyage towards assured sustainability.

Your company is committed to causes that are for the greater good of society. As yet another demonstration, this year your company has 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. With over 650 lac villages, majority of India's population lives in villages and this model project is expected to inspire other villages to undertake similar initiatives and help India achieve its nationally determined contributions.

India is on course to become a five trillion-dollar economy by 2026-27 and has ambition to become developed economy by 2047. Your company is committed to help India achieve this ambitious goal and is accordingly investing in technology, people and infrastructure.

I remain confident of your continued support in realizing the company's vision of making the world a better place.

**Dr. Pramod Chaudhari**  
Executive Chairman  
July 2023, Pune



## CEO & MD's Note

Dear Shareholders,

I am delighted to present the progress of your Company for FY 2022-23. Our Revenues on consolidated basis stood at Rs. 35,280.37 million (Rs. 23,432.74 million in FY 2021-22). PAT stood at Rs. 2,398.18 million (Rs. 1,502.420 million in FY2021-22). The Board of Directors have proposed a final dividend of Rs 4.50 per equity share for the financial year ended 31 March 2023.

FY 2022-23 was very exciting year for Your company. The year witnessed challenges around volatile commodity prices, global inflation, supply chain imbalance. Notwithstanding volatile external environment, we delivered a very formidable performance on the back of our single-minded focus on execution excellence and customer relationships. We also recorded important milestones such as Inauguration of prestigious 2G ethanol plant at IOCL Panipat, commissioning of rice straw based high yield CBG project, successful demonstration of first commercial passenger flight powered by indigenous sustainable aviation fuels.

Although the global economy is on a weak wicket, Indian economy showed resilience by recording highest growth among G20 nations, thanks to domestic demand cycle. Prolonged war in the Europe continued to overshadow global demand cycle. Although energy and food crisis has tapered apprehensions over latent inflation risk remain.

Year was also marred by several climate calamities that served as a stark reminder about uphill tasks on sustainable climate action. Energy transition to cleaner and greener energy 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.

Hard to abate transportation sector is one of the major contributors to GHG emissions and biofuels as apart of bioeconomy are playing important role in its decarbonisation. Having crossed 10% blending target last year, India is taking strides towards achieving 20% blending by 2025-26. On the other hand, auto OEMs are actively gearing up for adopting biofuels. This was evidenced during the flagship India Auto Expo held in Delhi earlier this year when several leading OEMs showcased flex fuel vehicles. Flex fuel vehicles can work with ethanol blend of up to 85%.

With rising awareness about minimizing carbon footprint, low carbon ethanol has emerged as a very promising international opportunity. Your company is in dialogue with several ethanol producers in USA to discuss solutions for reducing overall carbon intensity of their plants.

Your company has successfully commissioned its first 2G ethanol plant in IOCL Panipat and we have produced the first ethanol. Our team is now focusing its effort in establishing continuous operations and reliability enhancement of the plant along with the IOCL team.

Successful commissioning of rice straw based commercial scale CBG plant at HPCL, Badaun is seen as an important step towards solving brown clouding issue due to stubble burning in the northern part of India. This is the first reference plant in the world that produces CBG using agricultural feedstock.

Indian aviation sector took a leap of faith towards cleaner skies by powering first ever commercial flight with a blend of indigenously produced sustainable aviation fuel. The SAF blended in the ATF was produced by Praj using sugary feedstock. This development holds great significance in SAF capacity building in India. As signatory to CORSIA guidelines, India has accepted blending mandate of SAF from 2027.

To address growing opportunities from Energy Transition & Climate Action (ETCA) segment, your company has launched a new subsidiary- Praj GenX Limited to offer cutting edge modularized solutions as well as critical equipment for various low carbon fuel projects such as Blue and Green Hydrogen/ ammonia etc. We have earmarked a CAPEX plan of Rs. 100 crores for setting up a modern manufacturing facility near a major port.

After facing strong headwinds of depressed demand cycles in past two years, our brewery business is gradually getting back to pre-covid demand cycles. We are nearing mechanical completion of ZLD project at IOCL Dhumad which is one of the largest in country. We have also introduced innovative modularization approach to our ZLD offerings that is receiving positive response from our key customer segments.

Praj HiPurity systems is witnessing sustainable growth opportunities with improved business traction in I fermenters that are finding very positive response.

With array of innovative industrial biotech solutions in its fold coupled with execution capabilities and customer centric approach, your company is well positioned to capitalize on different growth opportunities.

We are strengthening our talent pool, our most prized asset, to meet growing business demands. We are investing in imparting new age skills while exploring newer ways to attract and retain talent.

I am delighted to share that our Chairman Dr. Pramod Chaudhari joined a select league of nation's highly accomplished engineers by winning prestigious Eminent Engineer Award instituted by Engineering Council of India (ECI).

I remain grateful for guidance and directions I received from the members of the Board from time to time. I wish to record my sincere appreciation of our partners, customers and other and other stakeholders for the strong support. I thank you my dear shareholders for your continued belief in Praj's capabilities and bright future.

My team and I remain confident to continue to collaborate with all stakeholders and to lead Praj to its next phase of growth.

**Shishir Joshipura**  
CEO & MD  
July 2023, Pune



## Achievements



Prestigious Eminent Engineer Award was bestowed to **Dr Pramod Chaudhari** at the hands of Dr V K Saraswat, Member, Niti Aayog during ECI's National Conference & Foundation Day, on 28th April 2023 in New Delhi.



Praj won the prestigious **Golden Peacock Awards 2022** in Innovative Product & Service for its ground-breaking product BIOSYRUP®

## Praj at Glance (Consolidated)

	UOM	22-23	21-22	20-21	19-20	18-19
SALES	Rs. Min	35280.378	23432.744	13046.687	11023.657	11411.120
OTHER INCOME	Rs. Min	356.008	241.242	257.364	300.214	322.966
TOTAL INCOME	Rs. Min	35636.386	23673.986	13304.051	11323.871	11734.086
TOTAL EXPENDITURE EXCLUDING DEPRECIATION	Rs. Min	32146.666	21399.302	11951.787	10274.064	10625.337
EBIDTA (EXCLUDING OTHER INCOME)	Rs. Min	3180.001	2058.494	1190.781	820.070	883.323
DEPRECIATION	Rs. Min	302.471	225.912	221.218	218.461	229.496
PROFIT BEFORE TAX	Rs. Min	3187.249	2048.773	1131.046	831.346	879.253
PAT BEFORE MINORITY INTEREST	Rs. Min	2398.182	1502.421	810.587	704.363	682.075
PAT AFTER MINORITY INTEREST	Rs. Min	2397.941	1502.395	810.469	704.309	682.032
OTHER COMPREHENSIVE INCOME	Rs. Min	(16.331)	(22.437)	11.041	(3.294)	6.291
TOTAL COMPREHENSIVE INCOME	Rs. Min	2381.851	1479.984	821.628	701.069	688.366
NET BLOCK OF FIXED ASSETS + CWIP	Rs. Min	3275.140	2892.399	2845.581	2965.014	2928.679
SHARE CAPITAL	Rs. Min	367.426	367.347	366.458	366.320	365.296
RESERVES AND SURPLUS	Rs. Min	10412.558	8789.838	7651.774	6826.168	7084.856
NET WORTH	Rs. Min	10779.984	9157.185	8018.232	7192.488	7450.152
EPS BASIC	Rs.	13.05	8.18	4.43	3.85	3.75

RATIOS						
EBIDTA (EXCLUDING OTHER INCOME) TO SALES	%	9%	9%	9%	7%	8%
PBT TO SALES	%	9%	9%	9%	8%	8%
PAT TO SALES	%	7%	6%	6%	6%	6%
RONW	%	24%	17%	11%	10%	9%
ROCE	%	30%	23%	15%	12%	12%
NO. OF SHARES	Nos.	18,37,13,088	18,36,73,088	18,32,28,904	18,31,60,060	18,26,47,850
DIVIDEND	%	225%	210%	108%	135%	106%
BOOK VALUE PER SHARE	Rs.	58.68	49.86	43.76	39.27	40.79
CASH EPS	Rs.	14.70	9.41	5.63	5.05	5.01





## DIRECTORS' REPORT

**To**  
**The Members of Praj Industries Limited,**

Your Directors present their 37<sup>th</sup> Report together with the Audited Financial Statements for the year ended 31<sup>st</sup> March, 2023.

### Financial Results (Standalone)

During the year under review, your Company has recorded total income of Rs.32,032 Mn. (previous year Rs. 21,140 Mn.), registering increase of 51.52% in total income. Profit after Tax increased by 44.53% to 2,376 Mn. (Previous year Rs.1,644 Mn.). The performance summary (standalone) is presented herewith:

	(₹ Mn.)	
Particulars	2022-23	2021-22
Turnover	31,526	20,623
Other Income	506	517
<b>Total Income</b>	<b>32,032</b>	<b>21,140</b>
Total Expenses	28,940	19,001
PBT	3,092	2,139
PAT	2,376	1,644
Other Comprehensive Income	(20)	(8)
Total Comprehensive Income	2,356	1,636
(+) Balance in Profit & Loss account	6,345	5,045
(+) INDAS Adjustments (ESOPs)		-
(-) IND AS Adjustment (Adjustment to opening Retained Earnings – IND AS 115: Revenue Recognition)		-
<b>Profit Available for Appropriations</b>	<b>8,701</b>	<b>6,681</b>
Appropriations		
- Dividend	770	397
Transfer to / (from) Special Economic zone Re-investment Reserve	-160	-61
<b>Balance in Statement of Profit &amp; Loss</b>	<b>8,090</b>	<b>6,345</b>

### State of Company's Affairs

Please refer Management Discussion & Analysis 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. 35,738 Mn which is 50.19% more over last year (Rs. 23,795 Mn). Profit after tax was Rs. 2,398 Mn previous year's figure (Rs 1,502 Mn) registering an increase of 59.65 % over last year. The performance summary is presented herewith:

	(₹ Mn)	
Particulars	2022-23	2021-22
Turnover	35,280	23,433
Other income	458	362
Total income	35,738	23,795
Total expenses	32,551	21,746
PBT	3,187	2,049
PAT (after Minority Interest)	2,398	1,502
(+) Other Comprehensive Income	-16	-22
Total Comprehensive Income	2,382	1,480

## Dividend

The Board of Directors at its meeting held on 25<sup>th</sup> May, 2023 has recommended Dividend of Rs. 4.50/- per share (225%) of Face value of Rs. 2/- for the financial year 2022-23.

The dividend is payable subject to shareholders' approval at the ensuing Annual General meeting (AGM). The final dividend pay-out, if approved by the shareholders in the ensuing AGM, will be around Rs. 826.71 Mn.

The dividend pay-out is in line 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 9**. The Policy is also hosted on the website of the Company and can be viewed at [www.praj.net](http://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.12,21,883/- pertaining to the financial year 2014-15 & Interim Dividend of Rs. 15,25,700/- for the financial year 2015-16 to IEPF, on 21<sup>st</sup> September 2022 & 12<sup>th</sup> May, 2023 respectively. Further, the Company has also transferred corresponding 17,044 shares pertaining to the financial year 2014-15 to IEPF on 14<sup>th</sup> October 2022. The transfer of 36,374 shares pertaining to unclaimed dividend for the financial year 2015-16 is under process.

## 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](http://www.praj.net)

## Reserves

The Company is not proposing any transfer to the General Reserve for the year 2022-23.

## Credit Rating

- 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.
- CRISIL has also re-affirmed its rating of the Company's long-term bank facilities to "AA/stable".

The "AA/Stable" rating signifies high safety with regard to timely payment of long-term financial obligations.