

ANNEXURE 1

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Overview

Your Company, Praj Industries (Praj), India's most accomplished industrial biotechnology Company with global footprints, is driven by innovation, integration and delivery capabilities. Over the past three decades, Praj has focused on the environment, energy, and agri-process industry, with over 750 customer references spanning 75 countries across 5 continents. Praj's diverse portfolio comprises of Bio-energy solutions, High purity water systems, Breweries, Critical process equipment & skids and Zero liquid discharge systems. Praj's vision is to make the world a better place using innovative technology solutions that are aimed at sustainable decarbonization, reducing energy and water footprints as well as optimization of resources across all its business offerings.

Your Company delivers value to its customers by deploying its unique TEMPO (Technology, Engineering, Manufacturing, Project management and Operations) model. Reflected in its motto of Innovate, Integrate and Deliver, Praj develops technologies at its state-of-the-art R & D center, Praj Matrix, to fulfill both stated and unstated needs of its customers. Praj further integrates these technologies through its expertise of process engineering, world class manufacturing and project management enhancing its offerings for the life cycle management of the customer facilities through operations and maintenance (O & M) services.

While developing the in-house technologies, Praj Matrix also builds strategic collaboration with global technology leaders integrating and absorbing complimentary technologies, helping create unique customer centric value propositions.

Praj has pioneered the Bio-Mobility™ that envisages use renewable biological resources to produce carbon-neutral transportation fuels across all modes of mobility i.e. Surface, Air and Marine. Bio-Mobility™ platform comprises of Biofuels both in liquid as well as gaseous form and are derived by processing feedstock such as Agri residue, Molasses, Cane syrup, grains, oil seeds, etc.

Bio-Mobility™ platform positively impacts the interest of stakeholders across the value chain delivering differentiated value. It uses agri residues as feedstock thus providing additional revenue stream to farming community. Being a captive resource, Bio-Mobility™ facilitates energy self-reliance as it reduces dependency on the imported crude and associated forex bill. Biological feedstock being renewable in nature, Bio-Mobility™ triggers carbon neutral cycles and thus helps preserve environment by reducing GHG emissions. It also helps curtail health hazards attributable to the air pollution due to burning of agri residues and emissions from fossil fuel combustion. Facilitating sustainable decarbonization on the circular bio-economy principle, Bio-Mobility™ has gained recognition as one of the mainstays of India's Bio-economy.

Your company's strength continues to be its unique approach of aligning with customers' strategies and dovetailing solutions to address their problem areas and create value. This has helped build time-tested mutually rewarding relationships with strategic customers around the world.

Advancements in digital technologies such as IOT, big data, etc. are redefining business models and are driving operational efficiencies. Your Company is harnessing these advancements through a digitalization program to enhance the value delivered to the customer and build its competitive advantage.

Business Snapshot

Bioenergy

Your Company's Bioenergy portfolio comprises of technology solutions for first generation ethanol, advanced biofuel (second generation ethanol), compressed biogas (CBG) and biodiesel systems.

Biofuels are produced using three types of bio-based feedstock namely sugary (C molasses, B molasses, sugar syrup etc.), starchy (damaged/ surplus grains, maize etc.) and cellulosic (agri residues and biomass)

1G: Domestic

Ethanol production in India is mainly dominated by sugary feedstock, C-heavy molasses available from sugar mills. Sugar production in India is significantly higher than the demand. Due to high sugarcane prices, Indian sugar is uncompetitive in global market and therefore can't be exported. This has resulted in surplus availability of sugar. Producing ethanol directly from cane juice syrup and B heavy molasses instead of sugar can help address this situation. This will ease out the imbalance in sugar sector besides boosting ethanol production.

A decade ago Colombia faced similar crisis of excess sugar production and Praj's technology had played a significant role in processing feedstock likes B heavy molasses and juice to produce ethanol. With our proven technology solution we are confident of emulating this success story in India and help sugar industry mitigate this crisis.



Currently the ethanol blending rate in the country is just 5%. The progressive National Biofuel Policy launched in 2018 has a stated objective of reaching 10% ethanol blending by 2022 and 20% by 2030. The policy envisages production of ethanol from expanded range of feedstock such as B heavy molasses, juice, syrup and damaged grains.

This, in turn, was followed by an announcement of Interest subvention program for sugar mills to expand ethanol production capacity and remunerative prices for ethanol derived from C-Molasses, B-heavy molasses and sugar cane juice. In Sept 2019, the GOI cabinet approved decision of upward revision of ethanol price for one year period starting December'19. Differential pricing will help sugar mills to opt for the right product mix between Sugar and Ethanol. In Nov 2019, the GOI through cabinet decision waived separate environmental clearance requirement to produce additional ethanol from B-heavy molasses as it does not contribute to any additional pollution load. Currently Food Corporation of India (FCI) is faced with the problem of surplus rice. To address the issue GOI cabinet has given approval to use surplus rice as feedstock to manufacture ethanol.

In spite of these measures, capacity creation did not pick up momentum in domestic market.

For ethanol supply year 2019-20 oil marketing companies (OMCs) had floated a tender of 511 crore liters of ethanol in September 2019. However, in response they received supply of only 156 crore liters, leaving a huge demand supply gap. To bridge this gap, OMCs floated a second tender in January 2020 for the supply of 253 crore liters of ethanol for the period of 1st Feb – 30th Nov 2020. The huge gap in demand-supply of ethanol was further accentuated by unfavorable weather conditions.

Sugar mills are unable to step up ethanol production because of unavailability of credit funding and absence of long term visibility of policies. There is also need to set up escrow mechanism between sugar mills and OMCs .

Despite the challenging external market environment, our domestic bioenergy business witnessed traction in terms of enquiries and order inflows. In spite of reduction in volume of order finalization, your Company improved its market share riding on the back of its technology edge and excellence in execution.

During FY 19-20, your Company has developed and deployed technologies to help customers maximize profitability by upgrading existing plant capacities while reducing the energy/ water footprints. With the upgraded plant capacity, customers can divert the feedstock to produce ethanol instead of sugar. Praj's integrated process solutions such as Maximol, PROFIT, SHIFT, help customers in achieving energy footprint reduction and improved operating costs. These solutions help customers reduce the greenhouse gas emissions from the plants and effluent generation.

We are also glad to share that your Company has received the contract for the first of its kind integrated bio energy complex. Using single feedstock, this facility can produce multiple products namely ethanol, compressed biogas as well as fertilizers as byproduct. It consists of three sections- molasses to ethanol plant, process integrated incineration system (PIB) and press-mud/bagasse to CBG Plant, integrated to achieve the high performance with lowest energy and water footprint.

1G: International

International market witnessed subdued momentum to capacity creation owing to local political and economy challenges.

In USA small refinery waiver from mandatory blending program resulted into closure of several existing ethanol producing plants. US China trade war is also impacting the global ethanol market.

The global sugar and ethanol supply and demand situation also led to a slowing down of capacity creation in Asia Pacific market for ethanol.

Implementation of Renewable Energy Directive ('RED II') in Europe has progressed slower than planned. This has resulted in renewed interest among ethanol producers for capacity enhancement and quality improvement in existing 1G ethanol plants.

In January 2020, Indian and Brazilian governments have entered into an Memorandum of Understanding (MOU) on strengthening bioenergy cooperation where they agreed to closely work together on research and development of renewable energy, as well as in the field of second-generation biofuels. RenovaBio, Brazil's new ethanol policy has the potential to nearly double the Brazilian ethanol market, currently the second-largest bioenergy market after the U.S. To strengthen company's presence in the Brazilian market, your Company entered into a Cooperation Agreement with Dedini S/A Indústrias, leader in Latin American market to provide advanced technology solutions for production of ethanol.

2G

Your Company is making healthy progress on four numbers of 2G bio refinery projects in India, that are based on its proprietary technology enfinity™. These projects are being set up by leading OMCs viz Indian Oil Corporation Limited (IOCL), Bharat Petroleum Corporation Limited (BPCL), Hindustan Petroleum Corporation Limited (HPCL) and Mangalore Refinery Private Limited (MRPL).

This year, your Company received a second contract for critical equipment supply from BPCL for their Bargarh 2G refinery.

HPCL has issued letter to Praj confirming the transfer of License from Badaun to Bhatinda 2G bio refinery project. Initially the Bhatinda project was awarded to another technology provider. However HPCL has now decided to go ahead with Praj's enfinity™ technology for this project. This demonstrates your Company's technology edge and confidence it instills with its customers. We have also received the order for supply of proprietary equipment for this project.

You Company continues its research and development endeavors to make enfinity™ technology more viable and reliable. These include among others areas, process Integration for optimization of CAPEX & OPEX, development and integration of value added co-products like CO₂, lignosulfonates, bitumen, CBG, Organic fertilizer etc.

CBG

As a part of Ministry of Petroleum and Natural Gas (MOPNG)'s SATAT program, OMCs have issued over 500 letters of intent (Lols) to private developers for setting up CBG plants across the country. As the process takes roots and business cycles evolve, the year saw six projects progressed to financial closure stage.

OMCs have made long term pricing announcements as well as offered long term off take contracts for minimum 10 years for purchase of CBG. These initiatives will give a major push to use of CBG in the transportation sector and will provide an opportunity for capacity buildup over period of time

The CBG opportunity is also attracting interest from several MNCs focused on reducing their carbon footprint. The high energy consuming auto and FMCG sectors are closely evaluating CBG as an energy option for reduction of carbon footprint and operating cost.

Your Company has developed an innovative RENGAS process technology to produce CBG from solid organic wastes as well as liquid wastes like distillery spent wash, at a low operating cost. Your Company has collaborated with DVO Inc., US-based leading Biogas plants supplier. With integration DVO's unique Biomethanation digester system, Praj's RENGAS technology can give significantly high gas yields and unmatched reliability of operations.

As part of commercialization of proprietary CBG technology, Praj has set up a demonstration plant to showcase its end-to-end capabilities to industry stakeholders. This plant will be used to test, improve and optimize the technology further on different feedstocks.

Biodiesel

As per Biofuel 2018 policy, Govt. has mandated min. 5% blending of biodiesel into crude to reduce import duty of crude diesel. Secondly, Food Safety and Standards Authority of India (FSSAI) has advised the use of used cooking oil (UCO) as feedstock to produce green biodiesel. OMCs have released EOI to set up biodiesel plant to supply biodiesel quality (B 100) complying to IS 15607:2016 or ASTM D6751 specifications. Currently your Company is setting up a project based on Ecodiesel, a proprietary multi-feedstock biodiesel technology.

Other updates

Biofuels developed for the mobility sector will have a positive impact on environment by way of reduced carbon footprint and improved tail pipe emissions.

As further step to augment reach and application of Bio-Mobility platform your Company has entered into an MoU with Automotive Research Association of India (ARAI), Pune, India's premium R&D institution in the automobile sector to jointly drive application development of advanced biofuels that will find use in sustainable transportation and stationary energy generation.

The aviation sector is considered as one of the major producers of carbon and particulate emissions. To address this issue, your Company has partnered with Gevo Inc., USA, to collaborate on providing renewable, low carbon, low particulate, Sustainable Aviation Fuel (SAF) and premium gasoline. SAF will find application in aviation sector.

To combat the Covid-19 pandemic there is renewed focus worldwide to strengthen the public health system and medical infrastructure. As a result pharmaceutical grade alcohol, that has several applications such as hand wash sanitizers (HWS), disinfectant for medical/laboratory instruments & equipment, syrups, antibiotics etc., is experiencing enhanced demand. Current reduction in global energy demand for mobility has led to a reduction in demand for ethanol. At the same time the globe is witnessing the increasing demand for sanitization creating a favorable demand driver for pharma grade alcohol.

Ethanol manufacturers around the world are therefore keen to produce pharma grade alcohol and are looking for efficient technology solutions. With Ecosmart, Praj's patented technology for the high quality pharma grade alcohol, your Company is in pole position to cater to this new market opportunity.

We believe both domestic and international bioenergy landscape remains promising. There are several prospects unfolding and your Company is well placed to capitalize these opportunities.

Critical Process Equipment & Skids (CPES)

From extended basic engineering to commissioning assistance CPES offers Critical equipment such as pressure vessels, reactors, heat exchangers, columns and other proprietary equipment. CPES also specializes in conceptualizing, engineering and manufacturing of modular process packages for oil & gas processing, petrochemicals, industrial gas plants, waste to energy projects, & chemical plants.



In FY 2019-20, CPES business continued its strategy to establish strong relationships with select Global Technology and EPC players. As a result of several customer centric endeavors, the CPES business has been able to strongly position itself as a strategic supplier to select technology and EPC companies.

Praj received a major contract from a US-headquartered customer to supply pressure vessels for an LNG plant based in Louisiana, USA. Your Company is also executing contract for the global major industrial gas company for supplying special purpose vessels.

On the basis of its process knowledge and multi-disciplinary engineering strength, Praj has been at the forefront of driving modularization philosophy. Today, customers from Petrochemical and Chemical sectors have started appreciating our ability to conceptualize and design process plants in a modular configuration. Currently we are working with a US-based "waste to energy technology" player to develop modular design architecture and detailing for its plants. We expect to see increased business interest from more customers in modularization solutions in coming future.

Brewery Plants & Equipment

Brewery Plants & Equipment division of Praj offers customized plants, equipment & technology solutions to customers in the brewing industry and has an expertise ranging from engineering and designing to construction of breweries and process equipment. Praj has been a trusted partner for top global brewers and has been market leader in the domestic market.

Per capita beer consumption in India is very low (~2 liters) as compared to around South Asian countries (20 liters). This shows huge growth potential for Indian beer business. There has been growing demand for premium beers in India. Some of the beer manufacturers have launched variants of craft and wheat beers which are showing good traction in the market.

Our brewery business continues to strengthen its leadership position in the domestic market. We continued to receive consistent repeat orders from marquee brewing groups. Most investment was directed to enhance production capability for premier products.

With our focused internationalization drive we are experiencing enhanced interest levels from markets in Africa and South East Asia by way of firm enquiries.

Series of strategic initiatives in the area of productivity and efficiency improvement have helped us reinforce customer confidence in Praj brewery solutions. Recently we introduced WoSmart (Smart wort boiling) Technology that can reduce the energy footprints (steam consumption) to 50% as compared to conventional boiling resulting in significant cost saving.

Praj has developed a novel process and product technology for processing spent yeast and Spent Grain from beer manufacturing plant to produce Nutritional Performance Enhancer (NPE). NPE is a value added product that can be used as nutritional additive for performance enhancement of compound feeds for Dairy, Poultry and Aqua applications. NPE adds a new revenue stream for beer manufacturers.

Your Company is able to leverage its innovative capabilities to retain its pole position in the domestic market and strongly position itself in the international market.

Water & Waste Water Treatment Solutions

The industrial waste water treatment division of Praj offers comprehensive range of solutions for industrial effluent treatment, recycling and zero liquid discharge (ZLD) to customers across sectors namely metals, power, chemicals, fertilizers, F&B, textile, pharmaceuticals etc.

Water is increasingly becoming an area of attention and focus for all industries, given challenges on availability and depleting resources of water. There is dire need to focus on reduction of water footprint, efficient utilization of water resources and 'multiple' use of input water with tightening discharge norms.

In addition to the stringent environmental norms, an increasing sensitivity towards water usage has resulted in growing demand for water recovery, recycle and reuse systems. This has culminated into strong market traction for ZLD solutions.

In FY 19-20, the business has reported healthy flow of enquiries for ZLD systems from marquee customers in the metals, chemicals, food and pharmaceutical segments. Our relentless pursuit of execution excellence has resulted in repeat orders from key customers. We have been able to make further inroads in F&B segment by adding international customer account. Your Company also received a multi-year contract from a leading steel manufacturer for operations and maintenance services of their waste water treatment plant.

Praj HiPurity Systems (PHS)

Praj HiPurity Systems (PHS) is a wholly-owned subsidiary of Praj Industries Limited. PHS offers water systems (WS), modular process systems (MPS) as well as value added services (VAS) to customers in biopharma, sterile formulations, topical & orals, cosmetics & personal care and nutraceutical industry.

Over the last few decades, the Indian Pharma industry has evolved significantly as supplier of quality generic drugs to address

the growing need for affordable healthcare around the world. Over the last few years, new opportunities are emerging in the entire value chain of Pharma i.e. bulk drugs (API's), generics, biosimilars and new drug delivery systems. With India at nascent stage of its activities in commercially oriented R&D and innovation, it also poses tremendous opportunities for new drug discoveries and related manufacturing.

In FY 19-20 PHS continued its focus on deepening customer relationships, overall process improvement and introducing new technology solutions for performance enhancement. The focus was to serve traditional clients wanting to expand existing capacities as well as the top Pharma companies wanting to enter in the space of Complex injectables, API and other specialty pharmaceuticals. As a result of our strong customer focus, PHS maintained its market share while adding significant opportunities in the specialty segments.

PHS made important progress in the complex injectables, a niche low volume high cost product segment, which is gaining traction across the globe. The partnership with Aquanova, of Sweden specially to cater to all important injectables and vaccine industry is paying dividends. Several top of the line pharma majors have reposed faith in this value proposition by way of awarding contracts.

The drugs going off-patent in the coming 2-3 years have a very high proportion of Biologicals which include fermentation based processes. PHS continues to focus on this opportunity by offering solutions for greener fermentation based manufacturing processes. Significant orders are being secured in this important business segment offered under the MPS vertical.

Our concerted efforts in the International markets have started to yield positive results witnessed in expanding order basket.

The Value Added Services (VAS) business continued to evolve with strong client connect and registered highest ever order book and service contracts to date. With pursuit of keeping a significant uptime of plants by major Pharma manufacturers, the spares support program under the VAS business growing consistently with high repeat business.

The attempt to realize revenue from the OPEX model has started yielding rich results helping maintain close proximity to clients post supply and also create avenues for service driven innovation like IOT, etc. PHS has ensured continuity in business for clients utilizing our service of O&M for water treatment plants even during lockdown.

With the emerging shifts and focus on localization, the domestic pharma industry intends to bring larger focus on producing API's (Bulk drugs) to reduce dependency on China.

To combat Covid-19, several projects are being setup for manufacturing COVID vaccines as well as disinfectant liquid; significant opportunities will emerge out of these new investments.

Operations and Maintenance Services

Leveraging its decade long expertise in the process industry, your Company has now expanded its business offerings in the Operations and Maintenance (O&M) services. Understanding the customers' need for smooth plant and efficient plant performance, your Company has developed and is piloting digital platform that will play important role in monitoring the plant performance and help in preventive as well as corrective maintenance of plants.

Innovation and R & D

In FY 2019-20, Praj Matrix launched an Enzymatic Biodiesel technology which is feed stock agnostic. Praj Matrix is working on optimization of the tocopherol and rice bran wax technology by enhancing yields and productivity. The rice bran wax produced by Praj Technology is being tested by a US- based MNC for coating applications. Your Company has set up demo plant for converting biomass to biogas that will be used for optimizing and scaling up of the technology.

Your Company has joined hands with Sekab E-Technology AB, Sweden, to upgrade and commercialize base technology to produce advanced biofuels and bio-chemicals from forest residue as feedstock. As a part of this cooperation, Praj will add significant value to Sekab's CelluAPP technology of converting forest residue in the form of softwood to ethanol, through Praj's proven capabilities to improve, optimize, integrate and scale up advanced biofuel technologies globally.

Your Company's strategy has always been to expand its business horizons leveraging its innovative, technology solutions in the bio-economy. Your Company is now foraying into the global Renewable Chemicals and Materials (RCM) industry with its newly launched Bio-Prism™ technology portfolio. We have constituted a global panel of expert advisors to help draw up a strategic blueprint and guide the progression of the Bio-Prism™ technology portfolio. Praj is developing technologies to produce bio-based RCM, which are sustainable alternatives to products made from fossil resources. Praj's Bio-Prism™ portfolio comprises technologies for producing variety of bio-industrial products, including bio plastics as a priority, along with cellulose-lignin refinery products and specialty products. These products have applications in industry sectors such as automotive, packaging, furnishing, construction, agriculture and food.

Your Company has joined hands with National Chemical Laboratory (NCL) for developing promising innovative technology solutions in the RCM space.

Your Company has signed MoU with Lygos Inc, USA based biotech company, to co-develop Advanced Lactic Acid Yeast Technology for Bio-based Products. As part of this MOU, Lygos will provide its proprietary yeast platform to Praj for jointly



developing into various solutions for commercial applications. Praj will assemble other segments of technology backed up by its expertise in process development, optimization, design scale-up and will further integrate lactic acid as a source material in to making Bioplastic, called as Polylactic Acid (PLA).

In the year gone by, your Company was granted 6 Indian patents and 41 foreign patents. Your company filed 131 international patents last year. In all, your Company has 84 patents granted to its name.

Manufacturing Capability

Your Company's manufacturing capability is substantiated by a multi-disciplinary engineering team, four world class manufacturing facilities with excellent connectivity to ports and highways. These are located at Sanaswadi, Uravade, Wada in Maharashtra and in Special Economic Zone (SEZ) of Kandla (Gujarat).

Sanswadi and Kandla facilities are approved by global multinational and EPC companies for supply of equipment and skids. The facilities are accredited with ASME U & U2, R Stamps and NB Registrations.

The ASME BPE compliant facility located at Wada, Thane, serves clients in the pharmaceutical industry.

With utmost importance to employee safety, all our facilities including project sites adhere to Health Safety and Environment (HSE) norms

Human Capital

People are the most valuable assets of the organization and all human capital policies are designed to attract, retain, grow and nurture the talent and provide equal opportunities to its diverse workforce. Your Company fosters a culture of continuous learning to significantly contribute to organizational as well as individual effectiveness and growth.

Programs like 'Stay & Grow' for employee engagement, 'UDAAN' for high potential development, BUILD for senior leadership development and different key competency development learning initiatives are designed and rolled out to support higher business results. Your Company has a robust one year campus-to-corporate program for fresh talent that includes key projects and development through various agile learning systems.

Engagement plays a very significant role to drive productivity. Various initiatives like HR Employee Connect, Interactions with Chairman, CEO & MD and Leadership Team give employees a platform to share their thoughts / ideas for business success. In addition to this fun place to work is driven through various sports, festival celebrations and family activities which garner high energy and involvement.

Your Company has also started a new program, "Intrapreneurial Performance Award", that acknowledges the exceptional performance and innovation at an individual and team level.

Your Company has been ranked No. 1 among the Best Places to Work in the advanced bio economy 2020 by Biofuel Digest, world's most widely read daily in bio-economy.

Awards & Recognition

In FY 2019-20, Your Company was bestowed with the following awards, certifications and accolades-

- Ranked No 1 among the Best Places to Work in the advanced bio economy 2020 by Biofuel Digest, world's most widely read daily in bio-economy.
- Bagged the prestigious "Golden Peacock Eco-Innovation Award 2019" in recognition of 'Enfinty™', Praj's 2G technology by Institute of Directors, India.
- Won "Industrial Green Chemistry World Award" for Praj's improved technology development for furfural at the 6th Industrial Green Chemistry World Convention and Ecosystem.
- Team at SPR Distilleries, Mysore awarded as 'The Best Environmental and Safety Performer' among all vendors.
- Bagged "Pune Manufacturing Leadership Award 2019" for manufacturing excellence from CMO Asia.
- Bagged "Pune Best Employer Brand Award 2019" for best in class HR practices from CMO Asia.
- Honored with HSE SPHERE AWARD by client TOYO Engineering.

Future Outlook

The outbreak of the Covid-19 pandemic globally, has put public health and economy at risk like never before. Due to imposed lockdown, supply chains were at a standstill, factories were closed and people were confined to their home resulting in entire value chain coming to a grueling halt.

Your Company addressed this situation with well executed business continuity plan under which 70% of the organization immediately started working from home. In line with the guidelines by the Government, factory operations resumed with gradual

increase in manpower utilization. Although the lockdown is being gradually eased and business operations have resumed, it will take some time to regain the pre-Covid levels. Even as we continue to battle challenges of Covid-19 on public healthcare and economy front, as a nation, self-sufficiency has emerged as a new mantra.

While entire world was in lockdown period, people experienced refreshing air and cleaner skies as a result of significant drop in air pollution levels. As the economic activities gradually get back to pre-covid levels we must endeavor to maintain tranquility in the environment. To be able to enjoy the same lifestyle, society will have to mend their style of living by way of adopting to sustainable practices such as embracing Bio-Mobility™.

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, is expected to gain more and more prominence as it addresses air pollution related issues.

With its innovative product/ technology portfolio your Company is well poised to support the honorable PM's vision of आत्मनिर्भर भारत (self-reliant India) by contributions in स्वदेशी इंधन (fuel made in India) movement.

Due to temporary halt in industrial activity during lockdown, we witnessed rivers free of pollution and adulterations caused due to industrial effluent discharge. Pollution control authorities at central and state levels have prescribed clear measures for effluent treatment to mitigate and prevent such contaminations. Efforts are now being taken to implement ZLD strategy to completely stop any outflow of chemicals from the industry. Your Company has a strong technology play by way of ZLD offerings as well as latest waste water recycling solutions.

While we must be pragmatic and accept the importance of industrial activity, it is imperative to find sustainable ways to reduce its impact on the environment. Your Company is now developing technologies to produce bio-based Renewable Chemicals and Materials (RCM) with its newly launched Bio-Prism™ portfolio. Praj's Bio-Prism™ portfolio comprises of technologies to produce variety of bio-industrial products that opens up huge business opportunities from sectors namely automotive, packaging, furnishing, construction, agriculture and food.

Details of significant changes (i.e. change of 25% or more as compared to the immediately previous financial year) in Key Financial Ratios along with detailed explanations therefore required vide part B of Schedule V to SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations 2018:

Sr No	Ratio	U/M	Financial Year 2019/20	Financial Year 2018/19	Variation over 2018/19	Major reasons for variance
1	Debtors' Turnover	Days	105	99	6%	No significant variation
2	Inventory Turnover	Days	101	97	4%	No significant variation
3	Interest Coverage	Times	N.A.	N.A.	N.A.	N.A.
4	Current Ratio	Times	1.81	1.71	6%	No significant variation
5	Debt Equity Ratio	Times	N.A.	N.A.	N.A.	N.A.
6	Operating Profit Margin	%	7.32%	8.63%	15%	No significant variation
7	Net Profit Margin	%	6.87	6.76%	5%	No significant variation

Details of any change in Return on Net Worth as compared to the immediately previous financial year along with detailed explanations there for required vide part B of Schedule V to SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations 2018:

Ratio	U/M	Financial Year 2019/20	Financial Year 2018/19	Variation over 2018/19	Major reasons for variance
Return on Net Worth	%	8.98%	8.55%	5%	No significant variation

Forward looking statements

Statements in this report, particularly those which relate to Management Discussion and Analysis, describing the Company's future plans, projections, estimates and expectations may constitute "Forward Looking" statements, within the meaning of applicable laws and regulations. Actual results might differ materially from those either expressed or implied.