



DATE : October 21, 2014
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Security Code No.: 522205	Company Code- PRAJIND
BOMBAY STOCK EXCHANGE LIMITED PHIROZE JEEJEEBHOY TOWERS, 25TH FLOOR, DALAL STREET, MUMBAI - 400 001 Fax: 022- 22723121/3719/2037/2039/2041/2061	NATIONAL STOCK EXCHANGE OF INDIA LTD. EXCHANGE PLAZA, 5TH FLOOR, PLOT NO. C/1, G BLOCK, BANDRA-KURLA COMPLEX, BANDRA (EAST), MUMBAI - 400 051 Fax: 022 – 66418124/25/26, 2659 8237 / 38

Dear Sir / Madam,

Kindly put the enclosed "Chairman's Communication" on your bulletin board for sharing with Investors.

Thanking you,

Yours faithfully,

For PRAJ INDUSTRIES LIMITED

**DATTATRAYA NIMBOLKAR
CFO & COMPANY SECRETARY**

Encl: As above



Accelerating Transformation An Update

As the world order changes and specifically the Indian economy shows signs of rejuvenation, it is important for organizations to prepare themselves to address the unfolding opportunities and the challenges. We see an air of optimism; we see customers returning to the discussion table. We too share the optimism and the positive expectations.

Your Company has the necessary capabilities and capacity to take on the opportunities. We are now focused upon preparedness that will address not just the immediate future but also 2017 and beyond.

I would like to brief you on the highlights of HY 2014-15.

We are already seeing various sectors picking up speed. The MAKE IN INDIA theme is giving a further build up to it. This bodes well for our diversified businesses (beyond ethanol and brewery). I am glad to share that Praj is consistently ramping up and establishing itself as key player in multiple sectors including oil & gas, petrochemicals and chemicals, fertilizer, pharmaceutical, F&B, textile and many others.

The half year saw us delivering on our promises and demonstrating that we are a process solutions company with expertise and experience that is worthy of our 30 years of efforts. On corresponding basis the HY 2014-15 financial performance saw us delivering 32% increase in revenue and EBITDA has grown 3 times.

Business Roundup

The Water group successfully commissioned a ZLD system for the largest textile Company in India and another for a large chemical Company. It has also commissioned a unique wastewater treatment solution for a plant in Western Africa. Several new solutions have been engineered and supplied, adding to our experience base. It goes to prove that we are upto delivering solutions for different levels of complexity.

Praj Hi Purity System (formerly Neela Systems) also demonstrated its mettle. PHS has been quick to 'take-to-market' solutions including integrated systems. It has successfully delivered the same for a global US Pharma Company in India and opened new geographies for exports. The Company has also scaled up its offering in Value Added Services which will engage with customers for specialized after-sales services to ensure 100% plant uptime and efficient operations.

Critical Process Equipment & Systems (CPES) also delivered systems for various applications to global marquee clients in oil & gas, fertilizer and petro chemicals. The business is poised to scale up as the approvals and registrations grow.

Your Company's Brewery Group successfully commissioned its first turnkey plant in Namibia, Africa for a major brewer. It is presently implementing another project in Myanmar for another global major. The two plants will act as a harbinger to Praj's foray into international market for brewery plants.

On global opportunities for ethanol, for the past two years, we have seen some stagnancy in the international ethanol markets. However, we see some movement with EU announcing its intention to increase the current blending ratio from 5% to 7%. This will most certainly strengthen investments in the EU ethanol market.

We have been proactively exploring ethanol plant modernization and retrofit opportunities. Our continual innovation enables us to offer cutting edge solutions to our customers for reducing energy and water consumption and wastewater generation. Our 600 references in over 60 countries gives us access to a ready market.

On the Indian ethanol front, the Indian Blending Program has met with mixed success. But, we feel relentless efforts will pay off in the long run. Meanwhile, the market for beverage alcohol seems to be strong as ever. Investments will continue to pick up as economic and regulatory climate improves in the country.

R&D driven programs are taking shape including the 2nd generation commercial demo plant preparations. Many new areas are being pursued in livestock and human health and wellness as well as biochemical. The group has scaled up its product testing activity.

Having said this, we are proud to build an environment for sustainable practices. Your Company has been certified for AD 2000 Merkblatt HPD and DIN EN ISO 3834-3 (EN 729 -3) standards for pressure vessels. We have expanded on some of the successful projects and added new projects to our CSR efforts in the environment and education as well as healthcare sectors. As you know, the new Companies Act 2013 specifies that organizations should invest 2% of their average 3 years' profits into such activities. We are prepared to take this on in right earnest, building on our existing engagements. We are diligently pursuing other compliances related to Companies Act 2013.

The matter on income tax stands heard by the Settlement Commission. During the 2nd quarter, the Company received the order from the Income Tax Department which has been given effect to in the accounts of the quarter and half year ended 30th September 2014. The excess of Rs. 10.76 crore over the demand raised has been credited as a prior period adjustment in the quarter and half year ended 30th September 2014.

As we always maintain, quarterly performance is not truly representative, although it will be our effort to bring in greater consistency.

Reiterating our commitment to growth, I wish you a very **Happy Diwali and New Year!**

Sincerely yours

Pramod Chaudhari
Executive Chairman
Praj Industries Limited

Praj Industries Limited

CIN - L27101PN1985PLC030031
Regd. Off. "PRAJ" TOWER, S.No. 274 & 275/2,
BHUMKAR CHOWK - HINJEWADI ROAD, HINJEWADI, PUNE - 411 057



STATEMENT OF CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED ON 30TH SEPT 2014

Sr No	Particulars	Quarter Ended		Half Year Ended		Year Ended
		30th Sept 2014 (Unaudited)	30th June 2014 (Unaudited)	30th Sept 2013 (Unaudited)	30th Sept 2013 (Unaudited)	31st Mar 2014 (Audited)
1	a. Net Sales / Income from Operations	265.84	221.27	194.24	486.32	985.84
2	b. Other Operating Income	-	-	-	-	-
	TOTAL INCOME FROM OPERATIONS (NET)	265.84	221.27	194.24	486.32	985.84
3	Expenses	138.65	123.06	94.46	261.71	481.41
a	Cost of material consumed	3.34	(1.92)	(6.95)	1.42	(2.34)
b	Purchase of Stock in Trade	35.20	31.29	33.08	66.49	123.96
c	Changes in Inventories of Finished Goods, Work in Progress & Stock in Trade	9.01	9.28	5.63	18.29	23.16
d	Employee benefit expenses	(2.69)	(2.90)	(0.44)	(6.40)	8.20
e	Depreciation and amortisation expenses	72.32	60.08	54.37	122.40	296.14
f	Exchange (gain) / loss	255.83	218.89	190.55	474.71	931.13
g	Other expenditure	9.21	2.38	3.69	11.61	54.71
	TOTAL EXPENSES	255.83	218.89	190.55	474.71	931.13
4	Profit from Operations before Other Income, Interest & Exceptional Items (1-2)	9.01	9.28	3.34	11.61	54.71
5	Other Income	9.86	4.96	4.34	14.82	14.39
6	Profit from ordinary activities before Interest & Exceptional Items (3+4)	19.07	7.34	8.03	26.43	73.46
7	Finance Costs	0.66	0.61	0.18	1.27	0.45
8	Profit from ordinary activities after Interest but before exceptional Items (5-6)	18.41	6.73	7.85	25.16	77.02
9	Exceptional Items	-	-	-	-	8.05
10	Profit from ordinary activities before tax (7-8)	-	-	-	-	76.95
11	Less: Expenses (net) related to prior periods	18.41	6.73	7.85	25.16	12.74
12	Profit before tax from ordinary activities	-	-	-	-	20.44
13	Less: Tax expense	3.98	2.99	1.59	5.98	3.26
14	Profit after tax from ordinary activities	(10.76)	(9.72)	(9.42)	(21.14)	17.18
15	Extraordinary items (net of tax expense)	25.10	3.74	6.26	28.94	9.48
16	Net Profit for the period	0.82	1.25	(0.21)	1.58	66.51
17	Less: Minority Interest	24.87	2.49	6.47	27.36	54.63
18	Net Profit / (Loss) after taxes, minority interest and share of Profit / Loss of Associates	24.87	2.49	6.47	27.36	35.49
19	Basic EPS (Face value Rs. 2/- per share) (Before extraordinary items)	1.48	0.14	0.37	1.54	3.08
20	Diluted EPS (Face value Rs. 2/- per share) (Before extraordinary items)	1.48	0.14	0.37	1.54	3.08
21	Basic EPS (Face value Rs. 2/- per share) (After extraordinary items)	1.48	0.14	0.37	1.54	3.08
22	Diluted EPS (Face value Rs. 2/- per share) (After extraordinary items)	1.48	0.14	0.37	1.54	3.08
23. PARTICULARS OF SHAREHOLDING						
a	Public Shareholding - Number of Shares	118,44,819	118,44,819	118,44,819	118,44,819	118,44,819
b	Public Shareholding - Percentage of Shareholding	66.83%	67.84%	67.83%	68.55%	67.83%
c	Promoters and Promoter Group Shareholding	-	-	-	-	-
d	Patron / Recommended	-	-	-	-	-
e	Non-Shareholder	-	-	-	-	-
f	% of shares as a % of total Shareholding of Promoters and Promoter Group	-	-	-	-	-
g	% of shares as a % of the total shareholding of the Company	-	-	-	-	-
h	Non-Shareholder	58,44,800	58,44,800	57,820,488	58,44,800	58,44,800
i	% of shares as a % of total Shareholding of Promoters and Promoter Group	100%	100%	100%	100%	100%
j	% of shares as a % of the total shareholding of the Company	33.47%	32.99%	32.96%	33.47%	32.96%
24. INVESTOR COMPLAINTS FOR THE QUARTER ENDED ON 30th SEPT 2014						
a	Pending at the beginning of the quarter	-	-	-	-	-
b	Raised during the quarter	-	-	-	-	-
c	Disposed of during the quarter	-	-	-	-	-
d	Remaining unresolved at the end of the quarter	-	-	-	-	-

Notes:

- The above results were reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on 16th of Oct 2014.
- The consolidated results for the Quarter and Half year ended 30th Sept 2014 have been subjected to limited review by Statutory Auditors of the Company.
- Prior year comparatives are regrouped / reclassified wherever necessary to conform to current periods presentation.
- The Company operates only in one segment, i.e. "Process and Project Engineering".
- Consequent to the enactment of the Companies Act, 2013 (the Act) and its applicability for accounting periods commencing after 1 April 2014, the Company has computed depreciation with reference to the estimated economic life of fixed assets prescribed by Schedule II to the Act. In case of an asset whose life is complete as at 1 April 2014, the depreciation value as at 1 April 2014 has been adjusted to the Surplus in the Statement of Profit and Loss and in other cases the carrying value has been depreciated over the remaining of the revised life of the assets and recognised in the Statement of Profit and Loss. As a result the charge for depreciation is higher by Rs. 2.52 Crores for the quarter ended 30th Sept 2014 and 5.38 Crores for half year ended 30th Sept 2014.
- In April 2012, the Income Tax Department had initiated proceedings against the Company, under Section 132 of the Income Tax Act, 1961. The matter stands finally heard by the Settlement Commission and during the quarter the Company received the order from the Income Tax Department which has been given effect to in the accounts of the quarter and half year ended 30th Sept 2014. The excess of Rs. 10.76 Crores over the demand raised has been credited as a prior period adjustment in the quarter and half year ended 30th Sept 2014.
- The standalone results for the above period are available on Company's Website at www.praj.net and also on Websites of BSE and NSE.
- The standalone results for 30th September 2014, the company acquired additional equity shares in its subsidiary company Praj HiPurity Systems Limited. As a result of additional stake acquired, the Company's shareholding in Praj HiPurity Systems Limited now stands at 80% at the end of 30th September 2014.
- The Standalone unaudited financial results for the quarter and period ended on 30th September, 2014 are summarized below:

Particulars	Quarter Ended		Half Year Ended		Year ended
	30th Sept 2014 (Unaudited)	30th June 2014 (Unaudited)	30th Sept 2013 (Unaudited)	30th Sept 2013 (Unaudited)	31st Mar 2014 (Audited)
Turnover	265.84	221.27	194.24	486.32	985.84
Profit after tax	0.82	1.25	(0.21)	1.58	66.51
Basic EPS (Face value Rs. 2/- per share)	1.28	0.17	0.37	1.54	3.08
Diluted EPS (Face value Rs. 2/- per share)	1.28	0.17	0.37	1.54	3.08

STATEMENT OF CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED ON 30TH SEPT 2014..... CONTD

STATEMENT OF ASSETS AND LIABILITIES		(Rs in crores)	
		30th Sept 2014	31st Mar 2014
Sr No	Particulars	(Rs in Crores)	(Audited)
25. EQUITY AND LIABILITIES			
1	Shareholders' funds	35.49	25.49
a	Share capital	571.69	571.69
b	Reserves and surplus	607.18	582.32
c	Minority interest	16.52	21.48
2	Non-current liabilities	0.50	0.16
a	Long-term borrowings	5.92	5.41
b	Deferred tax liabilities (net)	-	-
c	Other long-term liabilities	16.37	9.88
d	Long-term provisions	16.46	18.44
3	Current liabilities	58.47	21.14
a	Short-term borrowings	163.86	199.82
b	Trade payables	224.04	228.88
c	Other current liabilities	66.79	252.54
d	Short-term provisions	311.59	69.42
	TOTAL - EQUITY AND LIABILITIES	1,182.14	1,279.78
26. ASSETS			
1	Non-current Assets	325.41	324.11
a	Fixed Assets	3.08	3.07
b	Non-current investments	1.72	1.78
c	Deferred tax assets	15.32	15.47
d	Long-term loans and advances	-	-
e	Other non-current assets	385.29	353.39
2	Current Assets	85.27	85.02
a	Current investments	116.84	122.21
b	Inventories	71.72	99.85
c	Contracts in progress	782.08	320.77
d	Trade receivables	177.48	37.54
e	Cash and cash equivalents	122.07	378.85
f	Short-term loans and advances	854.68	492.45
g	Other current assets	1,182.14	1,279.78
	TOTAL - ASSETS	1,182.14	1,279.78

GAJANAN NABAR
CEO & MANAGING DIRECTOR
DIN - 00714569

Place: Pune
Date: 16th October, 2014