

DATE : November 1, 2018
REF. : PIL/DVN/L246 /2018-19

Security Code No.: 522205	Company Code- PRAJIND
BOMBAY STOCK EXCHANGE LIMITED	NATIONAL STOCK EXCHANGE OF INDIA LTD.
PHIROZE JEEJEEBHOY TOWERS, 25TH FLOOR, DALAL STREET, MUMBAI - 400 001 Fax: 022- 22723121/3719/2037/2039/2041/2061	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
CHIEF INTERNAL AUDITOR
& COMPANY SECRETARY





Dear Shareholders,

Greetings on the eve of festive season!

First six months of the fiscal 2019 have been marked by a series of positive developments geared towards the Bioenergy landscape in India. Praj has been providing Bioenergy expertise and solutions for both - Ethanol and Biogas.

- The National Policy on Biofuels 2018 expands the range of raw materials by permitting the use of 100% sugar cane juice as well as damaged food grains, rotten potatoes, corn and sugar beet and surplus grains for Ethanol production. Policy has also given the prominence to the 2nd Generation Ethanol, supporting with viability gap funding, tax incentives and differential pricing for built up of Ethanol capacity. Starting with three contracts from Oil Marketing Companies (OMCs), your company is fully ready and at the forefront to leverage its advanced expertise to build on these opportunities.
- Further, the Cabinet Committee on Economic Affairs (CCEA) approved higher price of Ethanol derived from 100% sugarcane juice as well as B heavy molasses. This step intends to enable sugar mills to manufacture more quantity of Ethanol profitably and in turn help for increased Ethanol blending.
- The Government also announced a bailout package of Rs. 5,000 Cr for the Sugar industry which included interest subvention for those mills that were undertaking expansion of Ethanol capacity and zero liquid discharge (ZLD) solutions. The Department of Food and Public Distribution has already approved 114 proposals for interest subvention, of which 26 are for ZLD systems and 88 for Brownfield or Greenfield expansion of new distilleries.

Clearly, the combination of enhancing feedstock options, higher price being offered for Ethanol produced and incentives for capacity creation have created very fertile conditions for producers of biofuels.

Government has recently launched an initiative, called Sustainable Alternative Towards Affordable Transportation (SATAT). Under this initiative, OMCs are inviting Expression of Interest (Eoi) from potential entrepreneurs to set up Compressed Bio-Gas (CBG) production plants and make available CBG in the market for use in automotive fuels by executing long term off-take contracts. Plan is to roll out over 5,000 Compressed Bio-Gas plants with an investment of Rs. 1.7 lakh crore across India in a phased manner. Here again, your company has developed cost effective technical solutions to design and supply of CBG plants for different feedstocks.

Also, opportunities in Bio-economy space are gaining a great momentum all across globe. For example, European parliament has reached a deal on Revised Energy Directive (RED II) setting a new target of 14% of transportation fuel must come from renewable sources by 2030 and increasing the share of advanced biofuels (2nd Generation Ethanol) significantly.

With a renewed focus, our **Critical Process Equipment & Skids Business** has started showing encouraging results. Recently, we successfully delivered complex projects in the Chemical and Oil & Gas Sectors. Our sustained efforts to position as preferred partner for global EPC players are yielding dividends by way of repeat orders. With stringent pollution norms kicking in, Praj's technology play in **WasteWater Treatment** business is experiencing strong market traction across industry sectors, especially in the area of highly complex zero liquid discharge systems. Brewery business is smartly responding to the new investments happening in brewery segment.

I am delighted to share that our supply chain management team received the 'Overall Excellence in Procurement & Sourcing' Award at the 12th Express Logistics & Supply Chain (ELSC) Conclave. We also secured "Pune Best-In-Class Manufacturing Leadership Award 2018" in the Heavy Equipment category.

As regards company operations, for H1 FY 2018-19 revenue stands at Rs 442.63 Cr with PBT and PAT at Rs 17.34 Cr and Rs 12.43 Cr respectively. As of 30th Sept 2018, order backlog is at Rs 900 Cr and cash on hand stands at Rs 314 Cr.

I believe that your company will demonstrate further convincing performance in the second half of FY 2018-19 and ensure smart take off for sustained value creation.

Mr Shishir Joshipura, who joined Praj as CEO and Managing Director from 2nd Apr 2018, has now firmly established himself in his new role and with the help of senior leadership team, is driving company towards next phase of growth.

I thank you for your continued support.

Wish you and your loved ones Happy Diwali and prosperous New Year!

Yours truly,



Pramod Chaudhari
Executive Chairman

Date: 1/11/2018

Disclaimer:

Certain statements in this communication concerning our future growth prospects are forward-looking statements, which involve a number of risks and uncertainties that could cause actual results to differ materially from those in such forward-looking statements.

PRAJ INDUSTRIES LIMITED
CIN - L27101PN1985PLC038031
Regd. Off. "PRAJ TOWER", S.NO. 274 & 275/2,
BHUMKAR CHOWK - HINJEWADI ROAD, HINJEWADI, PUNE - 411 057



EXTRACT OF STATEMENT OF CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30 SEPTEMBER 2018.

		<i>(Rupees in crores except per share data)</i>		
Sr. No.	Particulars	Quarter ended 30 September 2018 (Unaudited)	Half Year ended 30 September 2018 (Unaudited)	Quarter ended 30 September 2017 (Unaudited)
1	Total income from operations	251.03	442.63	207.87
2	Net profit for the period before tax	12.86	17.34	5.86
3	Net profit for the period after tax	8.94	12.43	4.74
4	Total comprehensive income for the period [comprising profit for the period (after tax) and other comprehensive income (after tax)]	9.25	13.45	4.70
5	Equity share capital	36.29	36.29	35.97
6	Earnings per share (of Rs. 2/- each)			
	1. Basic (not annualised)	0.49	0.68	0.27
	2. Diluted (not annualised)	0.49	0.68	0.27

Notes:

- The above results were reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on 25 October 2018
- The group operates only in one segment, i.e. "Process and Project Engineering".
- 'Ind AS 115 - Revenue from Contracts with Customers' is a new accounting standard effective from 1 April, 2018 which replaces earlier revenue recognition requirements. With effect from 1 April, 2018 the Company has adopted Ind AS 115 using cumulative effect method i.e. the new standard is applied retrospectively to the contracts that are not completed as at the date of initial application. The Company has recognised the cumulative effect of Rs.15.39 crores (net of tax effect of Rs. 8.27 crores) as an adjustment to the opening balance of retained earnings as at 1 April 2018. The comparative information for the previous periods is not restated in the results.
- The Standalone unaudited financial results for the quarter and half year ended on 30 September 2018 are summarized below:

Sr. No.	Particulars	Quarter ended 30 September 2018 (Unaudited)	Half Year ended 30 September 2018 (Unaudited)	Quarter ended 30 Sept 2017 (Unaudited)
a	Total income from operations	192.48	336.79	150.68
b	Net profit for the period after tax	5.45	8.61	1.72
c	Total comprehensive income for the period [comprising profit for the period (after tax) and other comprehensive income (after tax)]	5.29	9.07	1.63
d	Earnings per share (of Rs. 2/- each)			
	1. Basic (not annualised)	0.30	0.47	0.10
	2. Diluted (not annualised)	0.30	0.47	0.10

- The above is an extract of the detailed format of Financial Results for Quarter ended on 30 September 2018 filed with the Stock Exchanges under Regulation 33 of the SEBI (Listing obligations and Disclosures Requirements) Regulations, 2015 and SEBI circular no. CIR/CFD/FAC/62/2016 dated 5th July 2016. The full format of the Financial Results is available on the Stock Exchange websites at www.nseindia.com and www.bseindia.com and on the company's website at www.praj.net

SHISHIR JOSHIPURA

CEO AND MANAGING DIRECTOR

DIN: 00574970

Place : Pune

Date : 25 October 2018