



DATE : October 31, 2013
REF. : PIL/DVN/L- 475/2013-14

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

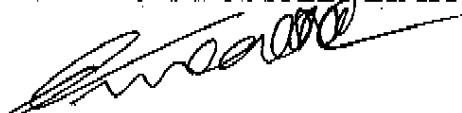
Dear Sir / Madam,

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

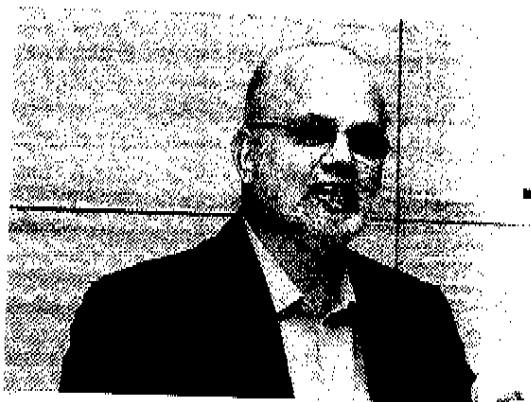
Thanking you,

Yours faithfully,

For PRAJ INDUSTRIES LIMITED


**DATTATRAYA NIMBOLKAR
VP-FINANCE & ACCOUNTS
AND COMPANY SECRETARY**

Encl : As above



Timing the Tide



Dear Shareholder,

In turbulent waters, it is important to time the tide in order to steer in the right direction. The tough times seem to continue, not just for your Company, but also in the environment around. Having said that, I would like to assure you that the Management of your Company is fully in grasp of the situation and has been undertaking series of initiatives which will enable us to be in a much stronger position as we progress.

The half year ended, though short of expectations, is not representative of the full year. While order intake has been robust in the past twelve months, the execution of projects due to various factors including financial and regulatory clearances, have resulted in a slower billing cycle. We expect it to improve in the second half of FY 2013-14. This year is also the 30th Year since the inception of your Company. During this period, your Company has crossed a number of milestones that have created a strong and resilient organization.

- An Innovation Staircase with a strong suite of technologies, some commercialized and some in the pipeline. Our proven skills lie in successfully taking innovation to market.
- Groundbreaking on 2nd Generation Cellulosic Ethanol Demo Plant which is the final step in our commercialization effort - The Demo plant is a testimony to our ability to take technologies and solutions quickly onto the commercialization track. We are working on value engineering for optimization of capex. Further, 2nd Generation technology is gaining recognition in the international markets too. Your Company has been retained as a technology partner by a reputed European Company for an advanced biofuels R&D project to be implemented in Hungary. To this effect a letter of intent has been signed.
- Three decades of Integrating Solutions - Our ability to integrate solutions from various streams, including biotechnology, microbiology, chemical or mechanical engineering or management, is fast gaining us the repute as a 'powerhouse of process solutions'.
- The latest example of this value is visible in the solution we provided for the Thirupur Textile Common Effluent Treatment Plant in Tamil Nadu wherein we have not only given a solution, but also opened possibilities of how problems of this magnitude can be resolved by integrating technologies.
- On the business front, Praj has organized itself around five business verticals.



-Alcohol/
Ethanol
plants
-Brewery
plants



Water and
Wastewater
Treatment
Systems



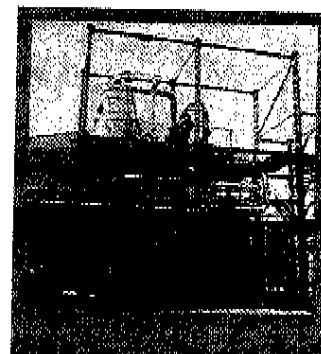
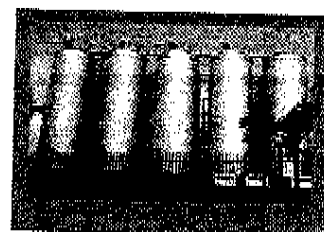
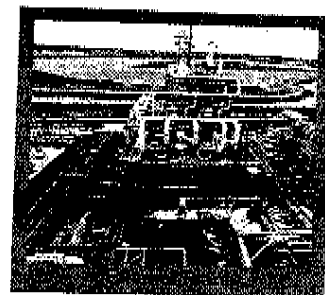
Critical
Process
Equipment
& Systems



Hi Purity
Systems
-Pharma
-Biotech
-F&B
-Cosmetics



Bio-Products
Distillery
Bio-enzymes
Livestock
Feed
Nutrition
products
Pharmaceuticals
Bio-chemicals



- Praj retains its leadership in first generation ethanol plants. Recently, Vivergo Fuels inaugurated the largest plant in UK based on Praj technology.
- Emerging business (water and waste water treatment, critical process equipment and systems and Neela systems put together) formed 29% of the revenue in H1 FY 2013-14.
- On water & wastewater treatment systems, where we are addressing industrial sector, we have made breakthrough with new clients. Praj has entered into technical collaboration for exclusive rights to an advanced, niche technology for wastewater treatment which will help the Company serve multiple industries competitively. Leading applications are in sectors like Chemical, Agrochemicals, Specialty Chemicals and Metal Working Industry. This is in line with the Company building technology based portfolio to serve the water & wastewater.
- In Critical Process Equipment and Systems we have increased the ticket size of the orders and we have made progress in offering integrated systems.
- Neela Systems, our subsidiary where we have increased the shareholding to 70% is now fully synergized with Praj Industries in terms of operations.
- Emerging businesses are making rapid strides in the international markets with some key order gains from South East Asia and Central Asia.
- The fifth business, the bioproducts segment, is evolving. We are focusing on three broad segments. The production unit for livestock health & nutrition products is now in full operation. Biochemicals is an area of increasing interest. With product development intensifying, it is expected that this segment will also assume greater investments. Yet another area is the human health & wellness products. Delivery on promise has always been a strong point of your Company. It has helped your Company attain global reputation leading to repeat business forming 25% of your Company's order book over last five years.
- We value you as a shareholder and make every attempt to communicate unequivocally to you in a timely fashion. All the communication is available on our website as it happens. We provide a detailed representation of the industries that we operate in. We welcome your queries and would like to invite your suggestion on how we can serve your interest better.
- During the AGM held on 22nd July, 2013, we had made an announcement that we would be shifting to a new office premises which will serve as our headquarters. The new location will also help us consolidate resources leading to greater efficiency.
- In due course you will receive intimation on the same.
- As changes take place in your Company's business environment, your Company responds with agility. The client profile of your Company has expanded, so has its business engagements, its resource and its investments profile. Keeping in step with the changes in the external environment and within the Company, your Company has decided to change its visual identity so as to be positioned as a truly global process solutions provider which lives by the maxim of Innovate, Integrate and Deliver on promises. The idea is to leverage and apply the key strengths to the emerging businesses and to nurture and create a new age, vibrant and renewed organization. We will keep you informed on this through a separate communication.
- It is the endeavor of your Company to maximize returns to shareholders and we shall leave no stone unturned in order to get back on the road to growth as promised earlier. In the short run, there have been some challenges but the next half of this fiscal should definitely see improvements based on the orders on hand and the execution cycle.
- In the end, I wish you and your family a great Deepavali and a Very Happy and Prosperous New Year.
- I thank you for your continued support to the Company.



Pramod Chaudhari
Executive Chairman
Praj Industries Ltd.

October 2013, Pune



STATEMENT OF CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED ON 30TH SEPTEMBER 2013

		(Rs in crores except share data)					
Sr. No.	Particulars	Quarter Ended			Half Year Ended		Year Ended
		30th Sept 2013	30th June 2013	30th Sept 2012	30th Sept 2013	30th Sept 2012	31st March 2013
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
		194.24	173.06	218.78	367.31	419.01	919.07
1	a. Net Sales / Income from Operations						2.96
	b. Other Operating Income	194.24	173.06	218.78	367.31	419.01	922.03
	TOTAL INCOME FROM OPERATIONS (NET)						
2	Expenses	94.46	64.86	113.50	159.34	208.72	467.23
	a. Cost of material consumed	-	-	-	-	-	-
	b. Purchase of Stock in Trade	(6.55)	8.30	(1.28)	1.75	2.21	(17.09)
	c. Changes in inventories of Finished Goods, Work in Progress & Stock in Trade	33.08	26.28	30.63	59.35	59.22	113.09
	d. Employee benefit expenses	5.63	5.38	5.55	11.01	10.93	21.53
	e. Depreciation and amortisation expenses	(0.44)	1.32	5.97	0.88	3.81	5.50
	f. Exchange (gain) / loss	64.37	71.76	56.68	136.13	112.47	285.40
	g. Other expenditure	190.55	177.92	211.07	368.46	397.36	855.66
	TOTAL EXPENSES	3.69	(4.86)	7.71	(1.15)	21.65	66.37
3	Profit from Operations before Other Income, Interest & Exceptional Items (1-2)	4.34	10.05	9.50	14.39	13.84	28.27
4	Other Income	8.03	5.19	17.21	13.24	35.49	94.64
5	Profit from ordinary activities before Interest & Exceptional Items (3+4)	0.18	0.27	0.52	0.45	1.58	2.31
6	Finance Costs	7.85	4.92	16.69	12.79	33.91	92.33
7	Profit from ordinary activities after interest but before exceptional items (5-6)	-	-	-	-	-	-
8	Exceptional items	7.85	4.92	16.69	12.79	33.91	92.33
9	Profit from ordinary activities before tax (7-8)	-	0.05	-	0.05	-	-
10	Less: Expenses (net) related to prior periods	7.85	4.87	16.69	12.74	33.91	92.33
11	Profit before tax from ordinary activities	1.59	1.87	4.28	3.26	7.58	20.79
12	Tax expense	6.26	3.20	12.41	9.48	26.33	71.54
13	Net Profit from ordinary activities after tax	-	-	-	-	-	-
14	Extra ordinary items (net of tax expense)	6.26	3.20	12.41	9.48	26.33	71.54
15	Net Profit for the period	(0.21)	0.11	(0.99)	(0.10)	(0.74)	3.52
16	Less: Minority Interest						
17	Net Profit / (Loss) after taxes, minority interest and share of Profit / Loss of Associates	6.47	3.09	13.40	9.58	27.07	68.02
18	Paid-up equity share capital (Face value Rs. 2/- each)	35.49	35.49	35.49	35.49	35.49	35.49
19	Reserves excluding revaluation reserves as per Balance Sheet of previous accounting year						535.03
20	Basic EPS (Face value Rs. 2/- per share) (Before extra ordinary items)	0.37	0.17	0.76	0.54	1.53	3.83
	Diluted EPS (Face value Rs. 2/- per share) (Before extra ordinary items)	0.37	0.17	0.76	0.54	1.53	3.83
21	Basic EPS (Face value Rs. 2/- per share) (After extra ordinary items)	0.37	0.17	0.76	0.54	1.53	3.83
	Diluted EPS (Face value Rs. 2/- per share) (After extra ordinary items)	0.37	0.17	0.76	0.54	1.53	3.83
A. PARTICULARS OF SHAREHOLDING							
1	Public Shareholding - Number of Shares	119,644,579	119,865,079	122,115,079	119,644,579	122,115,079	122,115,079
	Public Shareholding - Percentage of Shareholding	67.42%	67.54%	68.81%	67.42%	68.81%	68.81%
2	Promoters and Promoter Group Shareholding						
	a. Pledged / encumbered						
	- No. of shares	Nil	Nil	Nil	Nil	Nil	Nil
	- % of shares (as a % of total Shareholding of Promoters and Promoter Group)	Nil	Nil	Nil	Nil	Nil	Nil
	- % of shares (as a % of the total share capital of the Company)	Nil	Nil	Nil	Nil	Nil	Nil
	b. Non encumbered						
	- No. of shares	57,820,500	57,600,000	55,350,000	57,820,500	55,350,000	55,350,000
	- % of shares (as a % of total Shareholding of Promoters and Promoter Group)	100%	100%	100%	100%	100%	100%
	- % of shares (as a % of total share capital of the Company)	32.58%	32.46%	31.19%	32.58%	31.19%	31.19%



**STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR
THE QUARTER AND HALF YEAR ENDED ON 30TH SEPTEMBER 2013.....CONTD.**

B INVESTOR COMPLAINTS		For the quarter ended on 30th September 2013
Pending at the beginning of the quarter		Nil
Received during the quarter		4
Disposed of during the quarter		4
Remaining unresolved at the end of the quarter		Nil

Notes :

- The above results were reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on 25th October, 2013.
- The consolidated results for quarter and half year ended 30th September, 2013 have been subjected to limited review by Statutory Auditors of the Company. Consolidated Results for the quarter and half year ended 30th September, 2012 have neither been reviewed nor audited by the Statutory Auditors.
- During the half year ended 30th September 2013, company has adopted Accounting Standard 7 in recognizing revenue in respect of one of its activities involving design, supply, and erection and commissioning of 'Critical Process Equipments' for its customers, being more appropriate method of accounting considering the nature of the activity. Under Accounting Standard 9, Revenue would have been Rs. 11.82 Crores for the current quarter & Rs.27.14 Crores for the half year, which under Accounting Standard 7 are Rs.24.99 Crores for the current quarter and Rs.56.84 Crores for the half year.
- The Company operates only in one segment, i.e. "Process and Project Engineering".
- During the quarter ended 30th September 2013, the company acquired additional equity shares in its subsidiary company Neela Systems Limited. Subsequent to the acquisition, the company's shareholding in Neela Systems Limited increased to 70% as at the end of 30th September 2013.
- The Standalone unaudited financial results for the quarter and period ended ended on 30th September, 2013 are summarized below:

Particulars	Quarter Ended			Half Year Ended		Year Ended
	30th Sept 2013	30th June 2013	30th Sept 2012	30th Sept 2013	30th Sept 2012	31st March 2013
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Turnover	148.01	123.70	187.55	271.71	351.48	729.43
Profit after tax	9.10	2.99	15.98	12.10	28.06	66.18
Basic EPS (Face value Rs.2/-per share)	0.51	0.17	0.90	0.68	1.58	3.73
Diluted EPS (Face value Rs.2/-per share)	0.51	0.17	0.90	0.68	1.58	3.73

- The prior year comparatives are regrouped / reclassified wherever necessary to conform to current period's presentation.
- The figures for the quarter ended Sept.13 and Sept.12 are balancing figures between figures in respect of Half year ended Sept.13 and Sept.12 and quarter ended June.13 and June.12.
- 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.



STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR
THE QUARTER AND HALF YEAR ENDED ON 30TH SEPTEMBER 2013.....CONTD.

STATEMENT OF ASSETS AND LIABILITIES

Sr. No	Particulars	(Rs in crores)	
		CONSOLIDATED	
		30th Sept 2013	31st March 2013
(A)	EQUITY AND LIABILITIES		
1	Shareholders' funds		
	a. Share capital		
	b. Reserves and surplus	35.49	35.49
	c. Money received against Share warrants	548.68	535.03
		-	-
	Sub-total - Shareholders funds	584.17	570.52
2	Minority Interest	19.54	24.64
3	Non - Current Liabilities		
	a. Long-term liability		
	b. Deferred tax liabilities (net)	0.15	0.15
	c. Other long - term liabilities	9.60	9.86
	d. Long term provisions	-	-
	Sub-total - Non current liabilities	9.79	9.22
4	Current Liabilities	19.54	19.23
	a. Short term borrowings		
	b. Trade payables	11.93	13.74
	c. Other current liabilities	167.39	237.95
	d. Short term provisions	293.63	199.70
		151.26	180.03
	Sub-total - current liabilities	624.21	631.42
	TOTAL - EQUITY AND LIABILITIES	1,247.46	1,245.81
(B)	ASSETS		
1	Non - Current Assets		
	a. Fixed Assets		
	b. Non current investments	311.35	294.71
	c. Deferred tax assets (net)	5.01	15.01
	d. Long term loans and advances	-	-
	e. Other non current assets	11.84	9.94
		-	10.00
	Subtotal - Non current assets	328.20	329.66
2	Current Assets		
	a. Current Investments		
	b. Inventories	87.33	147.93
	c. Contracts in progress	111.10	95.88
	d. Trade receivables	120.71	47.36
	e. Cash and cash equivalents	255.09	315.75
	f. Short term loans and advances	96.79	75.30
	g. Other current assets	248.24	233.93
		-	-
	Subtotal - Current assets	919.26	916.15
	TOTAL - ASSETS	1,247.46	1,245.81

Place : Pune

Date : 25th October, 2013

Pramod Chaudhari
Executive Chairman

Regd. Office

PRAJ Industries Limited

"PRAJ House", Bavdhan, Pune 411021, INDIA,

T: +9120 2290 5000, F: +9120 2295 1718

e-mail : investorsfeedback@praj.net

www.praj.net