DATE : October 26, 2016
REF. : PIL/DVN/L-304 /2016-17

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
COMPANY SECRETARY

Encl : As above

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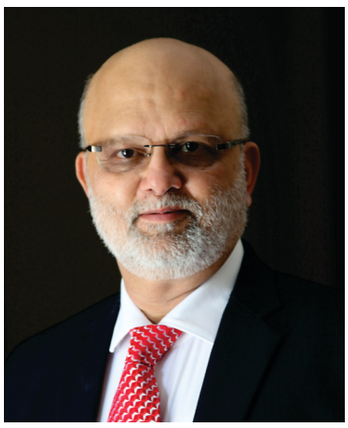

Dear Shareholders,

It gives me great pleasure to connect with you!

Your Company's pursuit to make this world a better place with environment friendly, sustainable solutions, continues.

Energy security and GHG reduction being the topmost priorities for India, ethanol is gaining importance in the energy matrix. As the sugar season 2015-16 comes to an end, nationwide blending is at 3.2%, served by 1st generation ethanol (1G) produced from molasses, a by-product of sugar mills. 1G ethanol will continue to be the main contributor to the blending program, besides serving beverage and industrial demand. However, the desired 10% Ethanol blending program calls for alternate feedstocks and hence, the need for 2nd generation cellulosic ethanol (2G) technology. With positive momentum in India's ethanol blending program, 2G ethanol will definitely contribute to India's energy self-sufficiency and well-being of farming community.

This year marks yet another milestone in Your Company's history with the latest addition of 2G cellulosic ethanol technology to the portfolio of sustainable solutions. It is a matter of great pride that Indian Oil Corporation Ltd. has selected Your Company as a technology partner for its 2G projects. Discussions with other Oil Marketing Companies are progressing well.

In its various business segments, Your Company is centred on enhancing sustainability and innovation. Your Company maintains the leadership position in **1G ethanol** space in India and is among the top global players. The business model for modernization of existing ethanol plants has gathered impetus in domestic as well as international markets.

At **Praj HiPurity**, the focus is on greater value addition in the process side of pharma industry. Zero liquid discharge solutions remain the focal point of industrial **Waste Water Treatment** business. The **Critical Process Equipment & Systems** team is making concerted efforts on process skids, that need higher engineering expertise. Your Company maintains a dominant market share in the **Brewery** segment in India. Appropriate strategies are in place to capitalize on growth prospects in each of the businesses.

Your Company's overall operations have responded well in the first half of this fiscal even in the midst of challenging business environment, with Rs 410.72 cr top line and Rs 7.15 cr bottom line. Order intake of Rs 480 cr is inclined toward domestic market owing to subdued sentiments in the international market. With the prudent management of its balance sheet, Your Company remains debt free with Rs 239 cr cash on hand.

Your Company has prepared itself to respond to the opportunities and challenges, equally. Staying true to its core values, Your Company intends to pursue a vigilant strategic approach in its growth endeavours.

I thank you for your continued support. Wish you and your loved ones a Blessed Diwali and Prosperous New Year!

Pramod Chaudhari
Executive Chairman
Praj Industries Limited

October 2016

Praj Tower, 274 & 275/2, Bhumkar Chowk-Hinjewadi Road,Hinjewadi, Pune : 411057, INDIA.
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CIN - L27101PN1985PL0038031

Praj Industries Limited

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

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EXTRACT OF STATEMENT OF CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED ON 30 SEPTEMBER 2016

(Rs in crores except share data)

Sr. No.	Particulars	Quarter Ended 30th Sept 2016 (Unaudited)	Half Year Ended 30th Sept 2016 (Unaudited)	Quarter Ended 30th Sept 2015 (Unaudited)
1	Total income from operations	205.79	410.72	209.55
2	Net profit / (loss) for the period (before tax, exceptional and/or extraordinary items)	6.28	11.18	5.43
3	Net profit / (loss) for the period before tax (after exceptional and/or extraordinary items)	6.28	11.18	5.43
4	Net profit / (loss) for the period after tax (after exceptional and/or extraordinary items)	3.04	7.15	5.01
5	Total comprehensive income for the period [comprising profit / (loss) for the period (after tax) and other comprehensive income (after tax)]	2.01	6.48	4.53
6	Equity share capital	35.68	35.68	35.58
7	Earnings per share (of Rs. 2/- each) (for continuing and discontinued operations)			
	1. Basic (not annualised)	0.17	0.40	0.28
	2. Diluted (not annualised)	0.17	0.40	0.27

Notes:

1 These financial results are prepared in accordance with Indian Accounting Standards (Ind AS) as notified under Companies' (Indian Accounting Standards) Rules, 2015. In preparing its corresponding quarter ended 30 September 2015, the group has adjusted amounts reported previously in results prepared in accordance with Indian Generally Accepted Accounting Principles (Indian GAAP).

2 The quarter ended 30 September 2015 have not been subjected to limited review / audit under Ind AS. However, the management has exercised necessary due diligence to ensure that the financial results provide a true and fair view of its affairs.

3 The above results were reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on 20 October 2016.

4 The group operates only in one segment, i.e. “Process and Project Engineering”.

5 The Standalone unaudited financial results for the quarter and half year ended on 30 September 2016 are summarized below:

Sr. No.	Particulars	Quarter Ended 30th Sept 2016 (Unaudited)	Half Year Ended 30th Sept 2016 (Unaudited)	Quarter Ended 30th Sept 2015 (Unaudited)
a	Total income from operations	159.81	332.63	182.66
b	Net profit / (loss) for the period after tax (after exceptional and/or extraordinary items)	9.59	17.91	9.29
c	Total comprehensive income for the period [comprising profit / (loss) for the period (after tax) and other comprehensive income (after tax)]	8.98	17.54	8.55
d	Earnings/(loss) per share (of Rs. 2/- each) (for continuing and discontinued operations) -			
	1. Basic (not annualised)	0.54	1.01	0.52
	2. Diluted (not annualised)	0.53	1.00	0.52

6 The above is an extract of the detailed format of quarterly financial results filed with the stock Exchanges under Regulation 33 of the SEBI (Listing Obligations and Discloures Requirements) Regulations, 2015 and SEBI circular no. CIR/CFD/FAC/62/2016 dated 5th July 2016. The full format of the quarterly financial results are available on the Stock Exchange websites at www.nseindia.com and www.bseindia.com and on the company's website at www.praj.net

7 Reconciliation between consolidated financial results previously reported (referred to as 'Indian GAAP') and Ind AS for the quarter presented are as under:

Sr. No.	Particulars	Consolidated Quarter ended 30 September 2015
(A)	**Net profit as per Indian GAAP**	**4.75**
(B)	**Ind AS adjustment**	
i.	Amortisation of goodwill arising on consolidation	2.23
ii.	Contract revenue - linked transactions	(1.03)
iii.	Share based payment transactions - Employee Stock Option Plan (ESOP)	(0.96)
iv.	Fair valuation of investment in mutual funds	(0.35)
v.	Actuarial gains/ loss on post-employment defined benefit plans	1.14
vi.	Others	(1.15)
vii.	Deferred tax impact on Ind AS adjustments	0.38
	Total Ind AS adjustments	**0.26**
(C)	**Net profit for the period as per Ind AS (A+ B)**	**5.01**
(D)	Other comprehensive income	(0.48)
(E)	**Total comprehensive income as per Ind AS**	**4.53**

Place : Pune
Date : 20th October, 2016

GAJANAN NABAR
CEO & MANAGING DIRECTOR
DIN : 00714569

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 dier materially from those in such forward-looking statements.
The risks and uncertainties relating to these statements include, but are not limited to, risks and uncertainties regarding uctuations in earnings, our ability to manage growth, intense competition in our industry of operations including those factors which may aect our cost advantage, wage increases, our ability to attract and retain highly skilled professionals, cost overruns on contracts, client concentration, our ability to manage our international operations, our ability to successfully complete and integrate potential acquisitions, liability for damages on our contracts, the success of the companies in which Praj Industries Ltd. has made strategic investments, withdrawal of governmental scal incentives, political instability, legal restrictions on raising capital or acquiring companies outside India and unauthorized use of our intellectual property and general economic conditions aecting our industry.
Praj Industries Ltd. may, from time to time, make additional written and oral forward-looking statements, including our reports to shareholders. The company does not undertake to update any forward-looking statement that may be made from time to time by or on behalf of the company.