



DATE: July 22, 2016
REF.: PIL/DVN/L-174/2016-17

Company Code - PRAJIND	Security Code No. : 522205
National Stock Exchange of India Ltd.	Bombay Stock Exchange Limited
Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra (East), Mumbai - 400 051	Phiroze Jeejeebhoy Towers, 25th Floor, Dalal Street, Mumbai - 400 001
Fax: 022 - 2659 8237 / 38	Fax: 022- 22723121/3719/2037/2039/2041/2061

Sub.: Submission of Unaudited Financial Results along with Limited Review Report

Dear Sir / Madam,

Please find enclosed Unaudited Financial Results along with Limited Review Report for the quarter ended 30th June, 2016 for your records.

Thanking you,

Yours faithfully,
FOR PRAJ INDUSTRIES LIMITED

DATTATRAYA NIMBOLKAR
CFO & COMPANY SECRETARY

Encl: As above

PRAJ INDUSTRIES LIMITED CIN - L27101PN1985PLC038031 Regd. Off. "PRAJ TOWER", S.NO. 274 & 275/2, BHUMKAR CHOWK - HINJEWADI ROAD, HINJEWADI, PUNE - 411 057				
UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER ENDED 30 JUNE 2016, PREPARED IN COMPLIANCE WITH THE INDIAN ACCOUNTING STANDARDS (IND-AS)				
(Rupees in crores except per share data)				
Sr. No.	Particulars	Quarter ended		Year ended
		30 June 2016	31 March 2016	30 June 2015
		(Unaudited)	Refer Note 2	
1	Income from Operations			
	a) Revenue from operations	204.93	345.91	205.92
	b) Other operating income	-	-	1.67
	Total income from operations	204.93	345.91	205.92
2	Expenses			
	a) Cost of materials consumed	97.42	159.87	82.77
	b) Purchase of stock-in-trade	-	-	-
	c) Changes in inventories of finished goods, work-in-progress & stock-in-trade	0.83	1.64	(2.04)
	d) Employee benefits expense	38.42	37.47	39.70
	e) Depreciation and amortisation expense	5.80	6.18	6.43
	f) Exchange (gain) / loss	(2.45)	1.40	(1.21)
	g) Excise duty on sales	8.24	15.07	7.72
	h) Other expenditure	55.68	84.65	61.82
	Total expenses	203.94	306.28	195.19
3	Profit / (loss) from operations before other income, finance costs & exceptional items (1-2)	0.99	39.63	10.73
4	Other income	4.35	6.38	3.07
5	Profit / (loss) from ordinary activities before finance costs & exceptional items (3+4)	5.34	46.01	13.80
6	Finance costs	0.44	0.29	0.56
7	Profit / (loss) from ordinary activities after finance costs but before exceptional items (5-6)	4.90	45.72	13.24
8	Exceptional items	-	-	-
9	Profit / (loss) from ordinary activities before tax (7-8)	4.90	45.72	13.24
10	Less : Tax expense			
	- Current Year	1.10	7.38	4.49
	- Prior Years	(0.31)	(0.01)	(0.02)
11	Net profit / (loss) from ordinary activities after tax (9-10)	4.11	38.35	8.77
12	Extra ordinary items (net of tax expense)	-	-	-
13	Net Profit / (Loss) for the period	4.11	38.35	8.77
14	Minority Interest	-	-	0.12
15	Net Profit / (Loss) after taxes and minority interest (13-14)	4.11	38.35	8.65
16	Other comprehensive income			
	i. Items that will not be reclassified to profit or loss (net of tax)	0.24	(0.03)	0.45
	ii. Items that will be reclassified to profit or loss (net of tax)	0.12	0.23	0.18
	Total other comprehensive income (net of tax)	0.36	0.20	0.63
17	Total comprehensive income for the period (15+16) (Comprising profit (loss) and other comprehensive income for the period)	4.47	38.55	9.28
18	Paid-up equity share capital (Face value Rs.2/- each)	35.61	35.59	35.49
19	Reserve excluding revaluation reserves as per audited balance sheet of previous accounting year (Refer Note 4 below)			625.51
20	Basic EPS (Face value Rs. 2/- per share) (Before extra ordinary items)	0.23	2.16	0.49
	Diluted EPS (Face value Rs. 2/- per share) (Before extra ordinary items)	0.23	2.14	0.49
	Basic EPS (Face value Rs. 2/- per share) (After extra ordinary items)	0.23	2.16	0.49
	Diluted EPS (Face value Rs. 2/- per share) (After extra ordinary items)	0.23	2.14	0.49
Notes: 1 These are group's first interim financial results 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 June 2015, previous quarter ended 31 March 2016 and year ended 31 March 2016, the group has adjusted amounts reported previously in results prepared in accordance with Indian Generally Accepted Accounting Principles (Indian GAAP). An explanation of how the transition from Indian GAAP to Ind AS has impacted the group's financial performance is set out in Annexure A. 2 The quarter ended 30 June 2015, 31 March 2016 and the year ended 31 March 2016 have not been subjected to limited review/ audit. 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 22 July 2016. 4 The reserves (excluding revaluation reserve) as per audited balance sheet as on 31 March 2016 are reported under Indian GAAP. 5 The group operates only in one segment, i.e. "Process and Project Engineering". 6 During the quarter ended 30 June 2016, Company allotted 75,430 equity shares to its employees under ESOP at an exercise price of Rs 55.75 per equity share.				
Place : Pune Date : 22 July 2016		GAJANAN NABAR CEO & MANAGING DIRECTOR DIN: 00714569		

ANNEXURE A

EXPLANATION (RECONCILIATION) OF TRANSITION TO INDIAN ACCOUNTING STANDARDS (IND AS)

(Rupees in crores)

Sr. No.	Particulars	Consolidated		
		Quarter ended 31 March 2016	Quarter ended 30 June 2015	Year ended 31 March 2016
(A)	Net profit as per Indian GAAP	34.00	5.18	69.45
(B)	Ind AS adjustments:			
i.	Amortisation of goodwill arising on consolidation	2.46	2.05	9.32
ii.	Contract revenue - combining of contracts	1.16	5.71	7.56
iii.	Share based payment transactions - Employee Stock Option Plan (ESOP)	(0.71)	(0.91)	(3.62)
iv.	Fair valuation of investment in mutual funds	1.01	0.76	2.05
v.	Actuarial gains/ loss on post-employment defined benefit plans	0.04	(0.68)	(0.07)
vi.	Others	1.22	(2.65)	0.35
vii.	Deferred tax impact on above Ind AS adjustments	(0.83)	(0.81)	(2.70)
	Total Ind AS adjustments	4.35	3.47	12.89
(C)	Net profit for the period as per Ind AS (A+ B)	38.35	8.65	82.34
(D)	Other comprehensive income (net of deferred tax)	0.20	0.63	0.68
(E)	Total comprehensive income as per Ind AS	38.55	9.28	83.02

Notes:

- i. Under Indian GAAP the group has amortised goodwill arising on consolidation over the period of 10 years. Under Ind AS, goodwill is not amortised but tested for impairment.
- ii. Under Indian GAAP, there is no specific guidance with respect to combining of contracts for revenue recognition in consolidated financial statements. Ind AS requires combining of contracts, if the group of contracts are closely related and negotiated as a single package; the contracts are performed concurrently or in a continuous sequence. Accordingly, percentage of completion method is applied on combined contracts for determining consolidated revenue.
- iii. Under Indian GAAP, a company uses intrinsic value approach to measure the cost of share based payments. Under this approach, if the exercise price for employee stock option is not less than the market price of the underlying shares on the date of the grant, no compensation cost is recorded. Under Ind AS, costs of share based payments are recorded based on the fair value of employee stock option. Under this approach, the instrument would have a value even if the exercise price is equal to the market price of the underlying shares on the date of grant.
- iv. Under Indian GAAP, current investments in mutual funds are measured at cost or net realisable value, whichever is lower. Under Ind AS, investments in mutual funds are classified as 'Fair value through profit or loss' and are measured at fair value at each reporting date. The subsequent changes in the fair value of such investments are recognised in statement of profit and loss.
- v. Under Indian GAAP, actuarial gains and losses and return on plan assets on post-employment defined benefit plans are recognised immediately in statement of profit and loss. Under Ind AS, remeasurements which comprise of actuarial gains and losses, return on plan assets and changes in the effect of asset ceiling, if any, with respect to post-employment defined benefit plans are recognised immediately in other comprehensive income (OCI). Further, remeasurements recognised in OCI are never reclassified to statement of profit and loss.
- vi. Under Indian GAAP, foreign exchange differences arising on translation of non-integral foreign operations are recognised directly in 'Foreign currency translation reserve'. Under Ind AS, foreign exchange differences arising on translation of foreign operations whose functional currency is different from that of a parent are recognised in 'Other comprehensive income' and are accumulated as part of 'Foreign currency translation reserve'. Such differences are reclassified from equity to statement of profit and loss on disposal of foreign operation.
- vii. (a) Under Indian GAAP, the premium or the discount on foreign exchange forward derivative contracts related to underlying receivables and payables are amortised over the period of the contracts. In case of foreign exchange forward derivative contracts entered into at highly probable future transactions or firm commitments, mark to market losses (gains are ignored), if any, are recognised in the statement of profit and loss at the reporting date. Under Ind AS, all the foreign exchange forward derivative contracts are recorded at fair value with the subsequent changes in fair value recognised in the statement of profit and loss.
- (b) Under Indian GAAP, interest-free lease security deposits paid are reported at their transaction values. Under Ind AS, interest-free security deposits are measured at fair value on initial recognition and at amortised cost on subsequent recognition. The difference between the transaction value and fair value of the lease deposit at initial recognition is treated as prepaid rentals. This amount is recognised in statement of profit and loss on a straight line basis over the lease term.
- (c) Under Indian GAAP, there is no specific guidance for contracts that involve leases of land. Under Ind AS, lease of land is recognised as operating or finance lease as per definition and classification criteria stated in standard on leases. Accordingly, as on the date of transition the leases of land have been classified as operating / finance lease as the case may be.
- viii. Under Indian GAAP, deferred taxes are recognised using income statement approach i.e. reflecting the tax effects of timing differences between accounting income and taxable income for the period. Under Ind AS, deferred taxes are recognised using balance sheet approach i.e. reflecting the tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes using the income tax rates enacted or substantively enacted at reporting date. Also, deferred taxes are recognised on account of the above mentioned changes under para (i) to (vii).




Limited Review Report

To the Board of Directors,
Praj Industries Limited.

We have reviewed the accompanying statement of consolidated unaudited financial results ("the Statement") of **Praj Industries Limited** and its **Subsidiaries** (collectively known as the Group) for the period ended **30th June 2016**, attached herewith. This statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on these financial statements based on our review.

We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, Engagements to Review Financial Statements issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

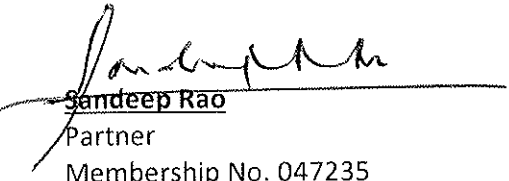
We did not review the financial results of five subsidiaries which reflect total assets of Rs. 256.08 Mn. as at 30th June 2016 and total revenues of Rs. 29.92 Mn. for three months then ended, the company's share of such assets and revenues being Rs. 256.08 Mn. and Rs. 29.92 Mn. respectively. The results of these subsidiaries are based on the financial results of these entities as certified by the management which are neither audited nor have been subjected to a Limited Review.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with applicable accounting standards i.e. Ind AS prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI circular dated 5th July 2016 including the manner in which it is to be disclosed, or that it contains any material misstatement.

For **M/s P. G. Bhagwat**

Chartered Accountants

Firm Registration No. 101118W



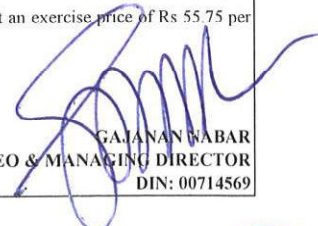
Sandeep Rao

Partner

Membership No. 047235

Place: Pune

Date: 22nd July 2016

PRAJ INDUSTRIES LIMITED CIN - L27101PN1985PLC038031 Regd. Off. "PRAJ TOWER", S.NO. 274 & 275/2, BHUMKAR CHOWK - HINJEWADI ROAD, HINJEWADI, PUNE - 411 057				
UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER ENDED 30 JUNE 2016, PREPARED IN COMPLIANCE WITH THE INDIAN ACCOUNTING STANDARDS (IND-AS)				
(Rupees in crores except per share data)				
Sr. No.	Particulars	Quarter ended		
		30 June 2016	31 March 2016	30 June 2015
		(Unaudited)	Refer Note 2	
			31 March 2016	31 March 2015
1	Income from Operations			
	a) Revenue from operations	172.82	300.00	151.99
	b) Other operating income	-	-	-
	Total income from operations	172.82	300.00	151.99
2	Expenses			
	a) Cost of materials consumed	83.79	135.57	70.39
	b) Purchase of stock-in-trade	-	-	-
	c) Changes in inventories of finished goods, work-in-progress & stock-in-trade	0.64	2.56	(2.68)
	d) Employee benefits expense	32.60	31.02	34.42
	e) Depreciation and amortisation expense	5.07	5.18	5.56
	f) Exchange (gain) / loss	(2.45)	1.03	(2.12)
	g) Excise duty on sales	7.37	12.02	6.66
	h) Other expenditure	38.71	71.73	43.08
	Total expenses	165.73	259.11	155.31
3	Profit / (loss) from operations before other income, finance costs & exceptional items (1-2)	7.09	40.89	(3.32)
4	Other income	3.69	5.80	2.74
5	Profit / (loss) from ordinary activities before finance costs & exceptional items (3+4)	10.78	46.69	(0.58)
6	Finance costs	0.19	0.17	0.18
7	Profit / (loss) from ordinary activities after finance costs but before exceptional items (5-6)	10.59	46.52	(0.76)
8	Exceptional items	-	-	-
9	Profit / (loss) from ordinary activities before tax (7-8)	10.59	46.52	(0.76)
10	Less : Tax expense			
	- Current year	2.31	7.92	(0.66)
	- Prior years	-	-	-
11	Net profit / (loss) from ordinary activities after tax (9-10)	8.28	38.60	(0.10)
12	Extraordinary items (net of tax expense)	-	-	-
13	Net profit / (loss) for the period	8.28	38.60	(0.10)
14	Other comprehensive income			
	i. Items that will not be reclassified to profit or loss (net of tax)	0.24	(0.04)	0.44
	ii. Items that will be reclassified to profit or loss (net of tax)	-	-	-
	Total other comprehensive income (net of tax)	0.24	(0.04)	0.44
15	Total comprehensive income for the period (13+14) (Comprising profit (loss) and other comprehensive income for the period)	8.52	38.56	0.34
16	Paid-up equity share capital (Face value Rs.2 per share)	35.61	35.59	35.49
17	Reserve excluding revaluation reserves as per audited balance sheet of previous accounting year (Refer Note 4 below)			615.41
18	i. Basic EPS (Face value Rs. 2/- per share) (Before extra ordinary items)	0.47	2.17	(0.006)
	Diluted EPS (Face value Rs. 2/- per share) (Before extra ordinary items)	0.46	2.16	(0.006)
	ii. Basic EPS (Face value Rs. 2/- per share) (After extra ordinary items)	0.47	2.17	(0.006)
	Diluted EPS (Face value Rs. 2/- per share) (After extra ordinary items)	0.46	2.16	(0.006)
Notes: 1 These are company's first interim financial results 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 June 2015, previous quarter ended 31 March 2016 and year ended 31 March 2016, the company has adjusted amounts reported previously in results prepared in accordance with Indian Generally Accepted Accounting Principles (Indian GAAP). An explanation of how the transition from Indian GAAP to Ind AS has impacted the company's financial performance is set out in Annexure A. 2 The quarter ended 30 June 2015, 31 March 2016 and the year ended 31 March 2016 have not been subjected to limited review/ audit. 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 22 July 2016. 4 The reserves (excluding revaluation reserve) as per audited balance sheet as on 31 March 2016 are reported under Indian GAAP. 5 The company operates only in one segment, i.e. "Process and Project Engineering". 6 During the quarter ended 30 June 2016, Company allotted 75,430 equity shares to its employees under ESOP at an exercise price of Rs 55.75 per equity share.				
Place : Pune Date : 22 July 2016		 GAJANAN NARAR CEO & MANAGING DIRECTOR DIN: 00714569		

ANNEXURE A

EXPLANATION (RECONCILIATION) OF TRANSITION TO INDIAN ACCOUNTING STANDARDS (IND AS)

(Rupees in crores)

Sr. No.	Particulars	Standalone		
		Quarter ended 31 March 2016	Quarter ended 30 June 2015	Year ended 31 March 2016
(A)	Net profit as per Indian GAAP	37.43	2.17	66.73
(B)	Ind AS adjustments:			
i.	Share based payment transactions - Employee Stock Option Plan (ESOP)	(0.71)	(0.91)	(3.62)
ii.	Fair valuation of investment in mutual funds	1.01	0.76	2.05
iii.	Actuarial gains/ loss on post-employment defined benefit plans	0.06	(0.68)	(0.06)
iv.	Others	1.28	(2.57)	0.41
v.	Deferred tax impact on above Ind AS adjustments	(0.47)	1.14	(0.10)
	Total Ind AS adjustments	1.17	(2.26)	(1.32)
(C)	Net profit for the period as per Ind AS (A+ B)	38.60	(0.10)	65.41
(D)	Other comprehensive income (net of deferred tax)	(0.04)	0.44	0.04
(E)	Total comprehensive income as per Ind AS	38.56	0.34	65.45

Notes:

- i. Under Indian GAAP, a company uses intrinsic value approach to measure the cost of share based payments. Under this approach, if the exercise price for employee stock option is not less than the market price of the underlying shares on the date of the grant, no compensation cost is recorded. Under Ind AS, costs of share based payments are recorded based on the fair value of employee stock option. Under this approach, the instrument would have a value even if the exercise price is equal to the market price of the underlying shares on the date of grant.
- ii. Under Indian GAAP, current investments in mutual funds are measured at cost or net realisable value, whichever is lower. Under Ind AS, investments in mutual funds are classified as 'Fair value through profit or loss' and are measured at fair value at each reporting date. The subsequent changes in the fair value of such investments are recognised in statement of profit and loss.
- iii. Under Indian GAAP, actuarial gains and losses and return on plan assets on post-employment defined benefit plans are recognised immediately in statement of profit and loss. Under Ind AS, remeasurements which comprise of actuarial gains and losses, return on plan assets and changes in the effect of asset ceiling, if any, with respect to post-employment defined benefit plans are recognised immediately in other comprehensive income (OCI). Further, remeasurements recognised in OCI are never reclassified to statement of profit and loss.
- iv.
- (a) Under Indian GAAP, the premium or the discount on foreign exchange forward derivative contracts related to underlying receivables and payables are amortised over the period of the contracts. In case of foreign exchange forward derivative contracts entered into at highly probable future transactions or firm commitments, mark to market losses (gains are ignored), if any, are recognised in the statement of profit and loss at the reporting date. Under Ind AS, all the foreign exchange forward derivative contracts are recorded at fair value with the subsequent changes in fair value recognised in the statement of profit and loss.
- (b) Under Indian GAAP, interest-free lease security deposits paid are reported at their transaction values. Under Ind AS, interest-free security deposits are measured at fair value on initial recognition and at amortised cost on subsequent recognition. The difference between the transaction value and fair value of the lease deposit at initial recognition is treated as prepaid rentals. This amount is recognised in statement of profit and loss on a straight line basis over the lease term.
- (c) Under Indian GAAP, there is no specific guidance for contracts that involve leases of land. Under Ind AS, lease of land is recognised as operating or finance lease as per definition and classification criteria stated in standard on leases. Accordingly, as on the date of transition the leases of land have been classified as operating / finance lease as the case may be.
- (d) Under Indian GAAP, financial guarantee given by the parent on behalf of its subsidiaries is recognised as 'Contingent liability'. Under Ind AS, corporate / financial guarantee is treated as financial liability and recognised at fair value on initial and subsequent recognition. The fair value of the guarantee recoverable from the subsidiary is treated as receivable from subsidiary. The fair value of the guarantee not recoverable from the subsidiary is written off as expenditure. Finance income is recognised over the term of the guarantee using effective interest method.
- v. Under Indian GAAP, deferred taxes are recognised using income statement approach i.e. reflecting the tax effects of timing differences between accounting income and taxable income for the period. Under Ind AS, deferred taxes are recognised using balance sheet approach i.e. reflecting the tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes using the income tax rates enacted or substantively enacted at reporting date. Also, deferred taxes are recognised on account of the above mentioned changes under para (i) to (iv).




Limited Review Report

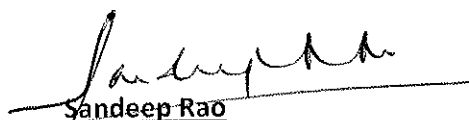
To the Board of Directors,
Praj Industries Limited.

We have reviewed the accompanying statement of unaudited financial results ("the Statement") of **Praj Industries Limited** for the period ended **30th June 2016**, attached herewith. This statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on these financial statements based on our review.

We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, Engagements to Review Financial Statements issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited standalone financial results prepared in accordance with applicable accounting standards i.e. Ind AS prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI circular dated 5th July 2016 including the manner in which it is to be disclosed, or that it contains any material misstatement.

For **M/s P. G. Bhagwat**
Chartered Accountants
Firm Registration No.: 101118W


Sandeep Rao
Partner
Membership No.: 047235
Place: Pune
Date: 22nd July 2016