



DATE: February 10, 2017
REF.: PIL/DVN/L- 540/2016-17

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 third quarter and nine months ended 31st December, 2016 for your records.

Thanking you,

Yours faithfully,
FOR PRAJ INDUSTRIES LIMITED

**DATTATRAYA NIMBOLKAR
CHIEF INTERNAL AUDITOR &
COMPANY SECRETARY**

Encl: As above



UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31 DECEMBER 2016, PREPARED IN COMPLIANCE WITH THE INDIAN ACCOUNTING STANDARDS (IND AS)

(Rupees in crores except per share data)

Sr. No.	Particulars	Quarter ended			Year to date		Year ended
		31 December 2016	30 September 2016	31 December 2015	31 December 2016	31 December 2015	31 March 2016
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
1	Income from operations						
	a) Revenue from operations	232.74	205.79	302.44	643.46	717.92	1,063.82
	b) Other operating income	-	-	-	-	-	-
	Total income from operations	232.74	205.79	302.44	643.46	717.92	1,063.82
2	Expenses						
	a) Cost of materials consumed	115.90	101.82	123.95	315.14	307.32	467.19
	b) Purchase of stock-in-trade	-	-	-	-	-	-
	c) Changes in inventories of finished goods, work-in-progress & stock-in-trade	(4.30)	(7.73)	2.41	(11.20)	(1.86)	(0.22)
	d) Employee benefits expense	38.59	41.36	40.90	118.37	116.89	154.37
	e) Depreciation and amortisation expense	5.45	5.51	6.25	16.77	18.96	25.14
	f) Exchange (gain) / loss	(1.44)	(0.68)	(2.02)	(4.57)	(2.70)	(1.31)
	g) Excise duty on sales	12.68	9.12	9.52	30.04	25.15	40.21
	h) Other expenditure	52.87	55.82	82.30	164.37	203.50	288.16
	Total expenses	219.75	205.22	263.31	628.92	667.26	973.54
3	Profit / (loss) from operations before other income, finance costs & exceptional items (1-2)	12.99	0.57	39.13	14.54	50.65	90.28
4	Other income	3.40	5.97	2.37	13.72	10.65	17.04
5	Profit / (loss) from ordinary activities before finance costs & exceptional items (3+4)	16.39	6.54	41.50	28.26	61.30	107.32
6	Finance costs	0.41	0.26	0.58	1.11	1.73	2.03
7	Profit / (loss) from ordinary activities after finance costs but before exceptional items (5-6)	15.98	6.28	40.92	27.15	59.57	105.29
8	Exceptional items	-	-	-	-	-	-
9	Profit / (loss) from ordinary activities before tax (7-8)	15.98	6.28	40.92	27.15	59.57	105.29
10	Less : Tax expense						
	- Current year	4.02	3.24	10.57	8.36	15.64	23.01
	- Prior years	-	(0.00)	(0.01)	(0.31)	(0.06)	(0.08)
11	Net profit / (loss) from ordinary activities after tax (9-10)	11.96	3.04	30.36	19.10	43.99	82.36
12	Extraordinary items (net of tax expense)	-	-	-	-	-	-
13	Net profit / (loss) for the period	11.96	3.04	30.36	19.10	43.99	82.36
14	Minority Interest	(0.00)	(0.00)	0.00	(0.00)	0.01	0.01
15	Net Profit / (Loss) after taxes and minority interest (13-14)	11.96	3.04	30.36	19.10	43.98	82.35
16	Other comprehensive income						
	i. Items that will not be reclassified to profit or loss (net of tax)	0.16	(0.61)	0.37	(0.21)	0.07	0.04
	ii. Items that will be reclassified to profit or loss (net of tax)	(0.18)	(0.42)	(0.03)	(0.48)	0.41	0.64
	Total other comprehensive income (net of tax)	(0.02)	(1.03)	0.34	(0.69)	0.48	0.68
17	Total comprehensive income for the period (15+16) (Comprising profit (loss) and other comprehensive income for the period)	11.94	2.01	30.70	18.42	44.46	83.03
18	Paid-up equity share capital (Face value Rs.2 per share)	35.76	35.68	35.58	35.76	35.58	35.59
19	Reserve excluding revaluation reserves as per balance sheet of previous accounting year.						619.69
20	i. Basic EPS (Face value Rs. 2/- per share) (Before extra ordinary items)	0.67	0.17	1.71	1.07	2.48	4.63
	Diluted EPS (Face value Rs. 2/- per share) (Before extra ordinary items)	0.67	0.17	1.70	1.07	2.46	4.60
	ii. Basic EPS (Face value Rs. 2/- per share) (After extra ordinary items)	0.67	0.17	1.71	1.07	2.48	4.63
	Diluted EPS (Face value Rs. 2/- per share) (After extra ordinary items)	0.67	0.17	1.70	1.07	2.46	4.60

Notes:

- 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 31 December 2015, corresponding nine months ended 31 December 2015 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.
- The above results were reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on 10 February 2017.
- The company operates only in one segment, i.e. "Process and Project Engineering".
- During the quarter ended 31 December 2016, Company allotted 4,38,680 equity shares to its employees under Employee Stock Option Plan.

SACHIN RAOLE
CFO AND DIRECTOR - F&C
DIN: 00431438

Place : Pune

Date : 10 February 2017



ANNEXURE A

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

Reconciliation of profit as previously reported under Indian GAAP to Ind AS

(Rupees in crores)

Sr. No.	Particulars	Note No.	Consolidated		
			Quarter ended 31 December 2015	Nine months ended 31 December 2015	Year ended 31 March 2016
(A)	Net profit as per Indian GAAP		25.52	35.45	69.45
(B)	Ind AS adjustments:				
	Amortisation of goodwill arising on consolidation	1	2.58	6.86	9.32
	Contract revenue - combining of contracts	2	1.72	6.40	7.56
	Share based payment transactions - Employee Stock Option Plan (ESOP)	3	(1.04)	(2.91)	(3.62)
	Fair valuation of investment in mutual funds	4	0.62	1.04	2.05
	Actuarial gain/ loss on post-employment defined benefit plans	5	(0.57)	(0.11)	(0.07)
	Others	6	2.94	(0.89)	0.36
	Deferred tax impact on above Ind AS adjustments	7	(1.41)	(1.86)	(2.70)
	Total Ind AS adjustments		4.85	8.53	12.90
(C)	Net profit for the period as per Ind AS (A+ B)		30.36	43.98	82.35
(D)	Other comprehensive income (net of deferred tax)	5, 8	0.34	0.48	0.68
(E)	Total comprehensive income as per Ind AS (C) + (D)		30.70	44.46	83.03

Notes:

- 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.
- 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.
- Under Indian GAAP, the group 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.
- 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.
- 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.
- 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.
 - 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.
 - 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.
- 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 Indian GAAP, foreign exchange differences arising on translation of non-integral foreign operations are recognised directly in 'Foreign currency translation difference 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 difference reserve'. Such differences are reclassified from equity to statement of profit and loss on disposal of the net investment.



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Limited Review Report

To the Board of Directors,
Praj Industries Limited.

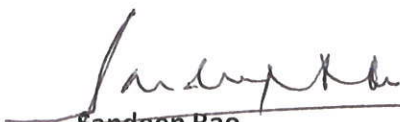
We have reviewed the accompanying statement of consolidated unaudited financial results ("the Statement") of **Praj Industries Limited** and its **Subsidiaries** (collectively known as the Group) for the period ended **31st December 2016**, attached herewith. This statement is the responsibility of the 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, Review of Interim Financial information performed by the Independent Auditor of the Entity, 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 four subsidiaries which reflect total assets of Rs. 16.74 Crores as at 31st December 2016 and total revenues of Rs. 1.86 Crores for three months then ended, the company's share of such assets and revenues being Rs. 16.74 Crores and Rs. 1.86 Crores 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: 10th February 2017



UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31 DECEMBER 2016, PREPARED IN COMPLIANCE WITH THE INDIAN ACCOUNTING STANDARDS (IND AS)

(Rupees in crores except per share data)

Sr. No.	Particulars	Quarter ended			Year to date		Year ended
		31 December 2016	30 September 2016	31 December 2015	31 December 2016	31 December 2015	31 March 2016
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
1	Income from operations						
	a) Revenue from operations	179.90	159.81	223.33	512.53	557.98	857.98
	b) Other operating income	-	-	-	-	-	-
	Total income from operations	179.90	159.81	223.33	512.53	557.98	857.98
2	Expenses						
	a) Cost of materials consumed	88.95	75.82	95.22	248.56	256.74	392.32
	b) Purchase of stock-in-trade	-	-	-	-	-	-
	c) Changes in inventories of finished goods, work-in-progress & stock-in-trade	0.88	(2.61)	0.28	(1.09)	(3.07)	(0.51)
	d) Employee benefits expense	31.41	34.70	34.10	98.70	99.31	130.34
	e) Depreciation and amortisation expense	4.70	4.79	5.35	14.56	16.32	21.50
	f) Exchange (gain) / loss	(1.41)	(0.39)	(0.83)	(4.25)	(3.01)	(1.98)
	g) Excise duty on sales	8.53	6.17	7.77	22.07	21.99	34.00
	h) Other expenditure	38.24	33.99	62.89	110.94	147.44	219.16
	Total expenses	171.30	152.47	204.78	489.49	535.72	794.83
3	Profit / (loss) from operations before other income, finance costs & exceptional items (1-2)	8.60	7.34	18.55	23.04	22.26	63.15
4	Other income	3.21	5.47	2.29	12.37	9.21	15.01
5	Profit / (loss) from ordinary activities before finance costs & exceptional items (3+4)	11.81	12.81	20.84	35.41	31.47	78.16
6	Finance costs	0.17	0.19	0.18	0.55	0.53	0.70
7	Profit / (loss) from ordinary activities after finance costs but before exceptional items (5-6)	11.64	12.62	20.66	34.86	30.94	77.46
8	Exceptional items	-	-	-	-	-	-
9	Profit / (loss) from ordinary activities before tax (7-8)	11.64	12.62	20.66	34.86	30.94	77.46
10	Less : Tax expense						
	- Current year	2.97	2.99	3.07	8.27	4.51	12.43
	- Prior years	-	-	-	-	(0.38)	(0.38)
11	Net profit / (loss) from ordinary activities after tax (9-10)	8.67	9.63	17.59	26.59	26.81	65.41
12	Extraordinary items (net of tax expense)	-	-	-	-	-	-
13	Net profit / (loss) for the period	8.67	9.63	17.59	26.59	26.81	65.41
14	Other comprehensive income						
	i. Items that will not be reclassified to profit or loss (net of tax)	0.15	(0.61)	0.37	(0.22)	0.08	0.04
	ii. Items that will be reclassified to profit or loss (net of tax)	-	-	-	-	-	-
	Total other comprehensive income (net of tax)	0.15	(0.61)	0.37	(0.22)	0.08	0.04
15	Total comprehensive income for the period (13+14) (Comprising profit (loss) and other comprehensive income for the period)	8.82	9.02	17.96	26.37	26.89	65.45
16	Paid-up equity share capital (Face value Rs.2 per share)	35.76	35.68	35.58	35.76	35.58	35.59
17	Reserve excluding revaluation reserves as per balance sheet of previous accounting year.						621.89
18	i. Basic EPS (Face value Rs. 2/- per share) (Before extra ordinary items)	0.49	0.54	0.99	1.49	1.51	3.68
	Diluted EPS (Face value Rs. 2/- per share) (Before extra ordinary items)	0.48	0.54	0.98	1.48	1.50	3.66
	ii. Basic EPS (Face value Rs. 2/- per share) (After extra ordinary items)	0.49	0.54	0.99	1.49	1.51	3.68
	Diluted EPS (Face value Rs. 2/- per share) (After extra ordinary items)	0.48	0.54	0.98	1.48	1.50	3.66

Notes:

- 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 31 December 2015, corresponding nine months ended 31 December 2015 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.
- The above results were reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on 10 February 2017.
- The company operates only in one segment, i.e. "Process and Project Engineering".
- During the quarter ended 31 December 2016, Company allotted 438,680 equity shares to its employees under Employee Stock Option Plan.

Place : Pune
Date : 10 February 2017



SACHIN RAOLE
CFO AND DIRECTOR- F&C
DIN: 00431438

ANNEXURE A

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

Reconciliation of profit as previously reported under Indian GAAP to Ind AS

(Rupees in crores)

Sr. No.	Particulars	Note No.	Standalone		
			Quarter ended 31 December 2015	Nine months ended 31 December 2015	Year ended 31 March 2016
(A)	Net profit as per Indian GAAP		16.56	29.32	66.73
(B)	Ind AS adjustments:				
	Share based payment transactions - Employee Stock Option Plan (ESOP)	1	(1.04)	(2.91)	(3.62)
	Fair valuation of investment in mutual funds	2	0.62	1.04	2.05
	Actuarial gain/ loss on post-employment defined benefit plans	3	(0.57)	(0.12)	(0.06)
	Others	4	2.79	(0.88)	0.41
	Deferred tax impact on above Ind AS adjustments	5	(0.77)	0.36	(0.10)
	Total Ind AS adjustments		1.03	(2.51)	(1.32)
(C)	Net profit for the period as per Ind AS (A+ B)		17.59	26.81	65.41
(D)	Other comprehensive income (net of deferred tax)	3	0.37	0.08	0.04
(E)	Total comprehensive income as per Ind AS (C) + (D)		17.96	26.89	65.45

Notes:

- 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.
- 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.
- 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.
- 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.
- 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.
- 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.
- 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.
- 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.



Limited Review Report

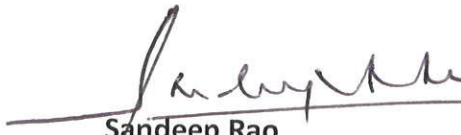
To the Board of Directors,
Praj Industries Limited.

We have reviewed the accompanying statement of unaudited standalone financial results ("the Statement") of **Praj Industries Limited** for the period ended **31st December 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, Review of Interim Financial information performed by the Independent Auditor of the Entity, 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: 10th February 2017

