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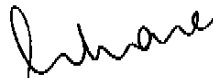
B. K. KHARE & Co.
CHARTERED ACCOUNTANTS

Limited Review Report

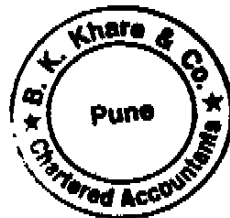
To,
The Board of Directors
Praj Industries Limited

1. We have reviewed the accompanying statement of unaudited financial results of Praj Industries Limited ('the Company') for the quarter ended December 31, 2011 (the "Statement"), except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been reviewed by us. This Statement is the responsibility of the Company's management and has been approved by the Board of Directors/ committee of Board of Directors. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review in accordance with the Standard on Review Engagements (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 Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. 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 recognition and measurement principles laid down in Accounting Standard 25 "Interim Financial Reporting", [notified pursuant to the Companies (Accounting Standards) Rules, 2006, (as amended)] and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement including the manner in which it is to be disclosed, or that it contains any material misstatement.

For B. K. Khare & Co.
Firm registration number: 105102W
Chartered Accountants



Padmini Khare Kaicker
Partner
Membership No.: 044784



Place: Pune
Date: January 20, 2012

Branch Office : Pune

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PRAJ INDUSTRIES LIMITED

Regd. Off. "PRAJ HOUSE", Bavdhan, Pune - 411 021



STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER & NINE MONTHS ENDED ON 31ST DECEMBER 2011

(Amt. in Rs. crores except share data)

Sr. No.	Particulars	Quarter ended on	Quarter ended on	Quarter ended on	Nine Months ended on	Nine Months ended on	Year ended on
		31st December 2011 (Unaudited)	30th September 2011 (Unaudited)	31st December 2010 (Unaudited)	31st December 2011 (Unaudited)	31st December 2010 (Unaudited)	31st March 2011 (Audited)
1	a. Net Sales / Income from Operations	219.25	228.90	148.22	612.43	350.05	552.93
	b. Other operating income	-	-	0.02	0.42	0.62	2.45
	TOTAL INCOME	219.25	228.90	148.24	612.85	350.68	555.38
2	Expenditure						
	a. (Increase) / decrease in Stock-in-trade and work in progress	-	-	-	-	-	-
	b. Consumption of raw material	199.40	146.45	93.28	385.57	207.52	327.34
	c. Purchase of Traded Goods	-	-	-	-	-	-
	d. Employees cost	21.85	24.59	18.01	66.80	52.46	71.89
	e. Depreciation	3.51	2.92	2.72	9.39	8.11	11.14
	f. Exchange (gain) / loss	3.58	5.79	(1.89)	6.63	(1.93)	(4.25)
	g. Other expenditure	33.96	33.28	27.53	98.20	64.03	111.65
	TOTAL EXPENDITURE	202.18	212.53	138.65	566.59	330.22	517.77
3	Profit from Operations before Other Income, Interest & Exceptional Items (1-2)	17.07	16.37	8.58	46.26	20.48	37.61
4	Other Income	10.27	8.99	6.65	23.69	17.08	22.33
5	Profit before Interest & Exceptional Items (3+4)	27.34	25.36	15.23	69.95	37.55	59.94
6	Interest	-	-	0.00	-	0.00	0.01
7	Profit after Interest but before exceptional items (5-6)	27.34	25.36	15.23	69.95	37.55	59.93
8	Exceptional Items	-	-	-	-	-	-
9	Profit from ordinary activities before tax (7+8)	27.34	25.36	15.23	69.95	37.55	59.93
10	Less : Expenses (net) related to prior periods	-	-	-	-	-	-
11	Profit before tax	27.34	25.36	15.23	69.95	37.55	59.93
12	Tax expense	5.84	4.83	1.57	14.29	4.64	6.47
13	Net Profit from ordinary activities after tax	21.50	20.53	13.66	55.66	32.91	53.46
14	Extra ordinary items (net of tax expense)	-	-	-	-	-	-
15	Net Profit for the period	21.50	20.53	13.66	55.66	32.91	53.46
16	Paid-up equity share capital (Face value Rs.2/- each)	36.80	36.95	36.95	36.80	36.95	36.95
17	Reserves excluding revaluation reserves as per Balance Sheet of previous accounting year	-	-	-	-	-	521.99
18	Basic EPS (Face value Rs. 2/- per share)	1.16	1.11	0.74	3.01	1.78	2.89
	Diluted EPS (Face value Rs. 2/- per share)	1.16	1.11	0.74	3.01	1.78	2.89
19	Public Shareholding - Number of Shares	137,078,723	137,078,723	137,347,115	137,078,723	137,247,115	138,158,723
	Public Shareholding - Percentage of Shareholding	74.19%	74.18%	74.28%	74.19%	74.28%	74.77%
20	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	47,700,000	47,700,000	47,527,508	47,700,000	47,527,508	46,820,000
	- % of shares (as a % of total shareholding of Promoters and Promoter Group)	100%	100%	100%	100%	100%	100%
	- % of shares (as a % of the total share capital of the Company)	25.81%	25.81%	25.72%	25.81%	25.72%	25.23%

- Notes :
- The above results were reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on 20th January 2012. The statutory auditors have carried out a limited review of the above financial results.
 - During the quarter the Company has announced a buy-back of equity shares with effect from 26th December 2011 as per Section 77A of the Companies Act 1956. Till 31st December 2011, the Company has bought back 786,343 equity shares. These shares were extinguished on 6th January 2012. To that extent, disclosure of number of equity shares as mentioned at sr. no. 19 and 20 above differs with the number of shares computed, for paid up share capital, as mentioned at sr. no. 16 above.
 - On 6th Jan. 2012, the Company has acquired 50.20% stake in Neela Systems Ltd., Mumbai for Rs. 64 crores. Neela Systems Ltd., which had a turnover of Rs. 80.49 Crores for FY 2010-11 (Audited) with net assets of Rs. 40.78 crores as on 31st December 2011 (Un-audited), is engaged in Water Treatment and Modular Process Systems. The Company has agreed to purchase a further 40% equity shares of Neela Systems Ltd. over the next five years. The Company has a call option to acquire the balance 10% equity shares.
 - The consolidated unaudited financial results for the quarter & nine months ended on 31st Dec. 2011 are summarized below:

	Quarter ended on 31st December 2011	Quarter ended on 30th September 2011	Quarter ended on 31st December 2010	Nine months ended on 31st December 2011	Nine months ended on 31st December 2010	Year ended on 31st March 2011
Consolidated turnover	245.45	268.81	182.09	701.73	447.88	694.45
Consolidated profit after tax	20.36	21.73	12.75	58.46	29.16	57.75
Basic EPS (Face value Rs.2/-per share)	1.11	1.18	0.69	3.06	1.58	3.13
Diluted EPS (Face value Rs.2/-per share)	1.11	1.18	0.69	3.06	1.58	3.12

- Prior year comparatives are regrouped / reclassified wherever necessary to conform to the current period's presentation.
- The Company operates only in one segment, i.e. "Process and Project Engineering"
- No investor complaint was pending at the beginning of the quarter. During the quarter ended 31st Dec. 2011, Company has not received any investor complaint.

Place : Pune
Date : 20th January 2012

PRAMOD CHAUDHARI
EXECUTIVE CHAIRMAN