

DATE: July 26, 2016

REF.: PIL/DVN/L- 185/2016-17

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

Dear Sir/Madam,

Pursuant to the provisions of Regulation 34(1) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, please find enclosed the copy of Annual Report of the Company for the financial year ended 31st March, 2016 which has been approved and adopted in the Annual General Meeting of the Company held on Friday, the 22nd July, 2016.

This is for your information and record.

Thanking you.

Yours faithfully,

FOR PRAJ INDUSTRIES LIMITED



DATTATRAYA NIMBOLKAR
COMPANY SECRETARY

Encl: As above



ANNUAL REPORT 2015-16



#REshapeTheFuture

BOARD OF DIRECTORS



From L to R : Rajiv Maliwal, Parimal Chaudhari, Daljit Mirchandani, Berjis Desai, Pramod Chaudhari, Prakash Kulkarni, Kishor Chaukar, Gajanan Nabar and Sivaramakrishnan S. Iyer.

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COMPANY INFORMATION

<u>Board of Directors</u>	: Executive Directors Pramod Chaudhari, Executive Chairman Gajanan Nabar, CEO & MD Non Executive Directors Berjis Desai Daljit Mirchandani Kishor Chaukar Parimal Chaudhari Prakash Kulkarni Rajiv Maliwal Sivaramakrishnan S. Iyer
<u>CFO & Company Secretary</u>	: Dattatraya Nimbolkar
<u>Statutory Auditors</u>	: M/s P. G. Bhagwat
<u>Cost Auditors</u>	: Dhananjay V. Joshi & Associates
<u>Internal Auditors</u>	: Khare Deshmukh & Co.
<u>Secretarial Auditors</u>	: KANJ & Associates
<u>Bankers</u>	: Bank of Maharashtra The Royal Bank of Scotland HSBC Ltd.
<u>Solicitors</u>	: J. Sagar Associates, Mumbai
<u>Registered Office</u>	: "Praj Tower", S. No. 274 & 275/2, Bhumkar Chowk-Hinjewadi Road, Hinjewadi, Pune - 411 057, Maharashtra, India
<u>R & D Center</u>	: Praj Matrix – The Innovation Center Gat No. 402, 403, 1098, Village Urwade, Tal. Mulshi, Pune- 412 108, Maharashtra, India
<u>Manufacturing Facilities</u>	: S.No.748, Sanaswadi, Gat No. 745, Sanaswadi, Pune - 412 208, Maharashtra, India Plot No. E-20 & E-21 additional MIDC Area, Jejuri, Tal. Purandar, Pune - 412 303, Maharashtra, India
<u>Export Oriented Unit</u>	: Kandla SEZ Unit I, Plot No307 to 314, Sector IV, Gandhidham, Kutch, 370230, Gujarat, India Kandla SEZ Unit II, Plot No. 282 to 286 and 294 to 298, Sector IV, Gandhidham, Kutch - 370230, Gujarat, India
<u>Presence in</u>	: India, Thailand, USA, South Africa, Tanzania, Sierra Leone, Philippines, Argentina, Namibia, Uganda and UAE

CONFIDENCE of INNOVATION



Our innovations bear the hallmark of Praj value - **Reliability**. And we have demonstrated this adequately with the successful commissioning of the breakthrough **EcoSmart™ technology** all the way in Europe, amidst challenging climatic conditions. This novel technology brings best of both the worlds to an ethanol plant :-

- Flexibility of producing multiple grades of ethanol including fuel, pharma and beverage
- Reduced energy and water consumption by upto 40%

You can't have it better than this.

EcoSmart™ Next Gen Technology - enabling customers with the **CONFIDENCE of INNOVATION**.

EcoSmart™

Smart Distillation

Praj Industries Limited

'Praj Tower', S. No. 274 & 275/2, Bhumkar Chowk-Hinjewadi Road, Hinjewadi, Pune - 411 057. India
info@praj.net | www.praj.net | +91-20-71802000



CHAIRMAN'S STATEMENT



"Continuing volatility in the global economy calls for bold actions."

I am happy to present the Annual Report of Praj Industries Limited for the Financial Year 2015-16. Your Company witnessed a stable year, despite a volatile and challenging environment. In a year when almost all sectors, barring few, continued to feel the ripples of the slowdown, Praj improved its EBIDTA by 19%, a function of the Company's transformation process.

"Our Established businesses are expected to accelerate the rhythm in our growth, while Emerging businesses will sow the seeds for future development."

Our endeavour lies in further scaling up our emerging business and establishing ourselves as an impactful player in multiple sectors within the Process and Engineering landscape, both in India and internationally.

While there are promising developments globally, I expect the economic stress to remain for a while. As the environment mends and newer paradigms emerge, it will be our effort to stay ahead of the curve. This will require us to take bold initiatives-adopting newer business models,

striking strategic partnerships and adopting a more entrepreneurial stance. It also means bringing in even greater efficiency and productivity so that the financial parameters can move to higher levels.

Nevertheless, we have laid out the foundation for a pivotal shift. I am excited about some of the developments during the year which will help us make this pivotal shift in time to come, like :-

- The Indian Government has made the Ethanol blending program scalable by removing some of the hurdles; The OMCs have also floated EOIs* for 2G® plants which bodes well for Praj's 2G program;
- Our own '**Smart Biorefinery**' demonstration plant which raises our profile in the advanced bioeconomy league;
- Expansion of our current offering to distilleries through value added bio-energy products like **Bio-CNG** which is increasingly finding application as a transportation fuel;
- **Zero liquid discharge** is increasingly becoming a norm;
- The push by Indian Government on **R & D in the pharma** sector which augurs well for Praj HiPurity.

We remain committed to our vision of bringing sustainable solutions in every sphere including societal commitments.

Our operational excellence program has started yielding results. Our processes have been strengthened. Our teams are empowered to deliver on the commitments. What is required is scaling up combined with profitable returns for our stakeholders.

With a proven track record of fast-tracking innovation to market, a fully empowered team and experienced leadership at different levels, not to mention a strong balance sheet, your Company looks forward to REshaping its future.

Pramod Chaudhari
Executive Chairman

Pune, June 2016

* Expression of interest
@ 2nd Generation cellulosic ethanol.

CEO & MD'S STATEMENT



Dear Shareholders,

I am happy to share that, in line with our stated objective to get back to the higher profitability mark, Financial Year 2015-16 saw us delivering improved EBIDTA numbers. Let me bring in focus some key points for Financial Year 2015-16, which I am sure will be of interest to you.

Highlights of Performance in Financial Year 2015-16

Emerging businesses continue to hold their own with new order intake at 30%.

We also saw new technologies and initiatives constituting 10 % of our order book.

Exports revenues have also been steady at 42%. Today, Praj has references in more than 75 countries. This gives us a vast canvas to work with.

During the year we also saw significant commercialization of new solutions. This includes a plant in Europe which showcases our novel

EcoSmart Technology. In India, we successfully handed over plants which demonstrate our Zero Liquid Discharge solution for both, distilleries and pharma plants. We supplied the internally developed BioWiz Bioreactor for a pharma plant in Europe, apart from India. The pipeline for innovative technologies is constantly being replenished and I am glad to share that we have a robust pipeline for the coming period.

Specific opportunities

We are very encouraged to see the Indian Ethanol Program taking off. The 10% blending will be the real significant upside. India is also embarking upon introducing 2nd Generation ethanol with release of Expression of Interest for 2nd Generation technology. We will be watchful of overseas opportunities as we do see pockets of action in certain geographies. In the emerging businesses, we are bullish on high purity business. With a bigger suite of solutions, we are well positioned to contract higher ticket size orders. We expect the water & wastewater and critical process equipment & systems business to scale up once the economic cycle shows sustained improvement. In the meanwhile, the strategy is to be selective. We continue to pursue monetization of R & D initiatives. We expect some more time before we start reporting on this. The Indian brewery market is expected to rebound. Presently, we are pursuing brownfield opportunities.

Strategic Initiatives

We expect to speed up some of the growth vectors on priority. This includes Internationalization of businesses, specifically our Praj HiPurity Systems's Business. The sales and marketing structure is in place, expertise for delivery as well as the local execution resources are being put together. We have received encouraging signals from the market.

Ethanol plant modernization business scale up is another vector we are already exploring. Our preparations are in place and we have already demonstrated the effectiveness of our solutions in some regions.

In the water & wastewater business, we are moving towards scaling up in terms of the order value. For this purpose, we are exploring strategic partnerships.

Way Forward

While not losing sight of the profitability, we would like to boldly scale up our business. It is a tough balancing act. While I am encouraged by the operating margins that we have delivered this year, we need to cover more ground to deliver sustained performance in the coming period. This will help us REshape a sustainable, new Future.

Gajanan Nabar
CEO & MD

Pune, June 2016

Praj at Glance (Consolidated)

	UOM	15-16	14-15	13-14	12-13	11-12	10-11	09-10	08-09	07-08	06-07
SALES	₹ Min	10157.95	10122.03	9858.37	9190.71	10031.10	6649.29	7344.40	9542.17	7380.07	6301.94
OTHER INCOME	₹ Min	145.69	336.59	230.09	312.29	443.38	295.16	456.70	252.15	388.53	89.15
TOTAL INCOME	₹ Min	10303.64	10458.62	10088.46	9503.00	10474.48	6944.45	7801.09	9794.32	7768.59	6391.08
TOTAL EXPENDITURE EXCLUDING DEPRECIATION	₹ Min	9062.27	9216.54	9081.38	8364.36	9118.18	6175.48	6412.84	8252.63	5983.41	5248.02
DEPRECIATION	₹ Min	344.45	378.26	237.63	215.30	163.47	111.99	107.35	88.72	58.15	33.10
EBIDTA (EXCLUDING OTHER INCOME)	₹ Min	1108.78	930.16	791.38	849.42	924.46	473.87	935.15	1295.10	1397.42	1057.19
PBT	₹ Min	896.92	863.82	769.45	923.35	1192.83	656.98	1280.91	1452.97	1727.03	1109.96
PAT BEFORE MINORITY INTEREST	₹ Min	694.57	782.29	565.03	715.47	703.30	569.98	1198.32	1175.41	1513.23	865.99
PAT AFTER MINORITY INTEREST	₹ Min	694.47	762.66	546.26	680.27	678.94	577.51	1195.86	1211.95	1529.25	865.99
NET BLOCK OF FIXED ASSETS + CWIP	₹ Min	3064.13	3071.99	3280.28	2959.78	2590.42	1599.81	1448.00	1539.49	1235.96	637.30
SHARE CAPITAL	₹ Min	355.95	354.93	354.93	354.93	359.10	369.56	369.48	366.86	366.32	167.80
RESERVES AND SURPLUS	₹ Min	6255.14	5866.65	5470.28	5350.30	5174.59	5219.57	4908.72	3982.42	3130.08	1301.00
NET WORTH	₹ Min	6611.08	6221.58	5825.21	5705.23	5533.68	5589.12	5278.19	4349.28	3496.40	1468.80
EPS BASIC	₹	3.91	4.30	3.08	3.83	3.69	3.13	6.49	6.61	8.52	5.19
RATIOS											
EBIDTA (EXCLUDING OTHER INCOME) TO SALES	%	11%	9%	8%	9%	9%	7%	13%	14%	19%	17%
PBT TO SALES	%	9%	9%	8%	10%	12%	10%	17%	15%	23%	18%
PAT TO SALES	%	7%	8%	6%	7%	7%	9%	16%	13%	21%	14%
RONW	%	11%	13%	9%	12%	12%	11%	25%	31%	62%	86%
ROCE	%	14%	14%	13%	16%	21%	12%	26%	35%	66%	102%
NO. OF SHARES	Nos.	177,972,409	177,465,079	177,465,079	177,465,079	179,548,092	184,778,723	184,738,492	183,431,082	183,161,810	83,900,066
DIVIDEND	%	81%	81%	111%	81%	81%	63%	72%	90%	99%	135%
BOOK VALUE PER SHARE	₹	37.15	35.06	32.82	32.15	30.82	30.25	28.57	23.71	19.09	8.81
CASH EPS	₹	5.85	6.43	4.42	5.04	4.58	3.73	7.08	7.09	8.84	5.39

Directors' Report

To The Members of Praj Industries Limited,

Your Directors are pleased to present the 30th Annual Report and the Audited Financial Statements for the year ended 31st March, 2016.

Financial Results

In the year under review, your Company has recorded total income of ₹ 8362 Mn (previous year ₹ 8334 Mn). While the total income increased marginally, Profit before Tax increased by 15.40% to ₹ 787 Mn (previous year ₹ 682 Mn). Despite turbulent global economies, your Company's performance has been stable. The performance summary is presented herewith:

(₹ Mn.)

Particulars	2015-16	2014-15
Turnover	8240	8011
Other Income	122	323
Total Income	8362	8334
Total Expenses	7575	7652
PBT	787	682
PAT	667	685
(+) Balance in Profit & Loss account	4322	4081
Profit Available for Appropriations	4989	4766
Appropriations		
Adjustment relating to Fixed Assets	-	29
Dividend		
- Interim	288	-
- Final (Proposed)	-	287
- Dividend Tax (Interim Dividend)	59	-
- Dividend Tax (Final Dividend)	-	59
- Transfer to General Reserve	67	69
Balance in Statement of Profit & Loss	4575	4322

State of Company's Affairs

Please refer Management Discussion & Analysis (Annexure 1) dealing with the state of Company's affairs at length.

Summary of Consolidated Results

Total Income at ₹ 10304 Mn is lower by 1.48% over last year whereas PBT at ₹ 897 Mn is higher by 3.82% over last year.

(₹ Mn)

Particulars	2015-16	2014-15
Turnover	10158	10119
Other income	146	340
Total income	10304	10459
Total expenses	9407	9595
PBT	897	864
PAT (after Minority Interest)	694	763

Dividend

The Board of Directors declared an Interim Dividend of ₹ 1.62 (81%) per equity share of Face Value of ₹ 2/- during the Financial Year 2015 – 2016. The dividend pay-out was ₹ 346.959 Mn including dividend distribution tax. Your Directors are of the opinion that the said Interim Dividend be treated as Final Dividend for the Financial Year 2015 -2016.

Reserves

The Company proposes to carry ₹ 67 Mn to Reserves.

Credit Rating

- CRISIL has reaffirmed “A1+” rating to the Company’s short-term banking facilities which signifies that the degree of safety regarding timely payment of instruments is **very strong**.
- CRISIL has also reaffirmed its rating of the Company’s long-term bank facilities to ‘AA/Stable’.

The “AA” rating signifies **high safety** with regard to timely payment of long-term financial obligations.

Subsidiaries

During the year, your Company acquired balance 20% stake in its subsidiary Company viz. Praj HiPurity Systems Limited thus completing 100% acquisition and making Praj HiPurity Systems Limited a Wholly Owned Subsidiary of your Company.

Praj Engineering & Infra Ltd. (Formerly, Pacecon Engineering Projects Ltd.), India, Praj HiPurity Systems Ltd., India, Praj Americas Inc., U.S.A., Praj Far East Co. Ltd., Thailand, Praj Industries (Africa) (Pty.) Ltd., South Africa, Praj Far East Philippines Ltd. Inc., The Philippines, Praj Sur America S.R.L., Argentina and Praj Industries (Namibia) Pty. Ltd., Namibia continue to be subsidiaries of your Company.

Consolidated Financial Statements of the Company, which include the results of the said Subsidiary Companies, are included in this Annual Report. Further, a statement containing the particulars for each of the Company’s subsidiaries is also enclosed. Copies of Annual Accounts and related detailed information of all the subsidiaries can also be sought by any member of the Company or its Subsidiaries by making a written request to the Company Secretary at the Registered Office of the Company in this regard. The Annual Accounts of the Subsidiary Companies are also available for inspection at the Company’s and/or the concerned Subsidiary’s Registered Office.

The Company has formulated a policy for determining ‘material’ subsidiaries and such policy is hosted on the Company’s website i.e. <http://www.praj.net/policies.html>

Further, a statement containing salient features of the financial statements of our subsidiaries in the prescribed format AOC-1 is appended as Annexure 7 to the Board’s Report. The statement also provides the details of performance, financial position of each of the subsidiaries.

Corporate Governance

Pursuant to the provisions of Regulation 34(3) and 53(f), read with Schedule V of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, Management Discussion and Analysis Report (Annexure 1), Report on Corporate Governance and Compliance Certificate on Corporate Governance (Annexure 3), Business Responsibility Report (Annexure 10) are annexed to this report.

Directors

Mr. Daljit Mirchandani (DIN : 00022951) was appointed as Additional Director in the Board Meeting held on 28th May, 2015. Subsequently, he was appointed as Non Executive – Non Independent Director, liable to retire by rotation in the Annual General Meeting held on 6th August, 2015.

Mr. Gajanan Nabar, Director (DIN: 00714569) retired by rotation as Director of the Company on 6th August, 2015 and being willing and eligible, was re-appointed as Director of the Company.

Ms. Parimal Chaudhari, Director (DIN: 00724911) will retire by rotation at the ensuing Annual General Meeting and, being eligible, has offered herself for reappointment.

The members in the Annual General Meeting held on 6th August, 2015, granted their approval for extension of the term of contract of Mr. Pramod Chaudhari to act as Executive Chairman of the Company for a further period of two years with effect from 1st August, 2015 on the same terms and conditions including remuneration.

The re-appointment of Mr. Gajanan Nabar as CEO & Managing Director (DIN: 00714569) was approved by the members in the 29th Annual General Meeting held on 6th August, 2015, for a period of three years with effect from 1st August, 2014.

Composition of Key Managerial Personnel (KMP)

The Company has the following KMP;

Name of the KMP	Designation	Date of Appointment	Date of Resignation
Mr. Pramod Chaudhari	Executive Chairman	08.11.1985	N.A.
Mr. Gajanan Nabar	CEO & MD	15.11.2010	N.A.
Mr. Dattatraya Nimbolkar	CFO & Company Secretary	22.07.2011	N.A.

Composition of Audit, Nomination & Remuneration Committee

For details, kindly refer the Corporate Governance Report annexed to this Report (Annexure 3).

Declaration from Independent Directors

The Independent Directors have submitted their annual declaration to the Board that they fulfill all the requirements as stipulated in Section 149(6) of the Companies Act, 2013 read with rules framed there under.

Auditors

a) Internal Auditors

The Internal Auditors, Khare Deshmukh & Co., Chartered Accountants, Pune have conducted internal audits periodically and submitted their reports to the Audit Committee. Their reports have been reviewed by the Statutory Auditors and the Audit Committee.

b) Statutory Auditors

The members, in the 29th Annual General Meeting held 6th August, 2015, appointed M/s P.G. Bhagwat, Chartered Accountants, Pune as Statutory Auditors of the Company for a period of five years with effect from the conclusion of 29th Annual General Meeting held on 6th August 2015.

Pursuant to the provisions of Section 139 of the Companies Act, 2013 read with Rule 3(7) of the Companies (Audit and Auditors) Rules, 2014 the appointment of Statutory Auditors for the Financial Year 2016-17 needs to be ratified by the members.

The letter received from M/s P. G. Bhagwat also states that their appointment, if made, is as per eligibility required to be confirmed under Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014.

Your Directors seek ratification from the members for the appointment of M/s P.G. Bhagwat, Chartered Accountants, Pune, as the Statutory Auditors of your Company from the conclusion of the ensuing Annual General Meeting till the conclusion of the 31st Annual General Meeting of the Company.

c) Cost Auditors

Your Company has appointed Dhananjay V. Joshi & Associates, Cost Accountants as Cost Auditors of the Company for the Financial Year 2016-17 at the remuneration as set out in item No. 4 of the explanatory statement which is subject to the ratification of members in the ensuing Annual General Meeting.

d) Secretarial Auditors

M/s KANJ & Associates, Pune, were appointed to conduct the secretarial audit of the Company for the Financial Year 2015-16, as required under Section 204 of the Companies Act, 2013 read with rules framed there under. The Secretarial Audit Report for Financial Year 2015-16 forms part of the Annual Report as Annexure 6.

The Board has appointed KANJ & Associates, Pune, as Secretarial Auditors of the Company for the Financial Year 2016-17.

Material changes and commitments, if any, affecting the financial position of the Company occurred between the end of the Financial Year to which these financial statements relate and the date of the report

No material changes and commitments affecting the financial position of the Company occurred from the end of the Financial Year 2015-16 till the date of this report. Further there was no change in the nature of business of the Company.

Statement concerning development and implementation of Risk Management policy of the Company

In accordance with the provisions of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Board adopted Risk Management Policy and initiated necessary steps for framing, implementing and monitoring the risk management plan for the Company.

The main objective of this policy is to ensure sustainable business growth and to promote a pro-active approach in identifying, reporting, evaluating and mitigating risks associated with the business.

The policy establishes a structured and disciplined approach to Risk Management, in order to guide decisions on risk related issues.

In today's challenging and competitive environment, strategies for mitigating inherent risks associated with business and for accomplishing the growth plans of the Company are imperative. The common risks inter alia are risks emanating from; Regulations, Competition, Business, Technology Obsolescence, Investments, Retention of talent, Finance, Politics and Fidelity.

As a matter of policy, these risks are assessed and appropriate steps are taken to mitigate the same.

The Risk Management Policy is also hosted on the Company's website i.e. <http://www.praj.net/policies.html>

During the year, the Board of Directors has merged Risk Management Committee (which was formed pursuant to the provisions of erstwhile Clause 49 of the Listing Agreement) into Audit Committee and the role and responsibilities of Risk Management Committee are assigned to the Audit Committee.

However, pursuant to Regulation 21(5) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, (which came into effect from 1st December, 2015) constitution of Risk Management Committee is not applicable to your Company.

The Company has instituted adequate Internal Controls and processes to have a cohesive view of risks, optimal risk mitigation responses and efficient management of internal control and assurance activities.

In the opinion of the Board, there are no risks which may threaten the existence of the Company.

Internal Financial Controls

The Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weaknesses in the design or operation were observed.

Directors and KMP

The Company's remuneration policy for KMPs is directed towards rewarding performance based on review of achievements periodically. The remuneration policy is in consonance with the existing industry practice.

The said policy is available on Company's website i.e. <http://www.praj.net/policies.html> and is also attached as Annexure 8 to this report.

ESOP

During the year, your Company allotted 5,07,330 shares on exercise of options under the Employee Stock Option Plan 2005 Grant IV & Employee Stock Option Plan 2011 Grant I. Consequent to the above, the Issued, Subscribed and Paid – up Share Capital of your Company increased from 177,465,079 shares (₹ 354.930 Mn) as on 31st March, 2015 to 177,972,409 shares (₹ 355.945 Mn) as on 31st March, 2016.

During the year, your Company has given following grants under Employees Stock Option Plan 2011;

Sr. No.	No. of Options	Exercise Price/Option
Grant II	1,20,000	114.32
Grant III	1,00,000	85.32
Grant IV	1,10,000	81.70
Grant V	60,000	85.37

Please refer Annexure 4 to this report for the particulars required to be disclosed pursuant to Rule 12 (2) of the Companies (Share Capital and Debentures) Rules, 2014 and Clause 14 of SEBI (Share Based Employee Benefits) Regulations, 2014.

Vigil Mechanism / Whistle Blower Policy

In order to ensure that the activities of the Company and its employees are conducted in a fair and transparent manner by adoption of highest standards of professionalism, honesty, integrity and ethical behaviour, the Company has adopted a Vigil Mechanism/Whistle Blower Policy. This policy is explained in Corporate Governance Report and is also posted on the website of Company at <http://www.praj.net/policies.html>

Details of policy developed and implemented by the Company on its Corporate Social Responsibility initiatives

Kindly refer Annexure 2 to this Report.

Particulars of Loans, Guarantees or Investments made under Section 186 of the Companies Act, 2013

Loans, Guarantees and Investments covered under Section 186 of the Companies Act, 2013 form part of the notes to the financial statements provided in this Annual Report. (Please refer Note No.11 to the Standalone Financial Statements).

Contracts and arrangements with related parties

All contracts / arrangements / transactions entered by the Company during the Financial Year with related parties were in the ordinary course of business and on an arm's length basis. Such transactions form part of the notes to the financial statements provided in this Annual Report. (Please refer Note No.29 to the Standalone Financial Statements).

During the year, the Company had not entered into any contract / arrangement / transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions which is available on the Company's website at the link: <http://www.praj.net/policies.html>

The summary of related party transactions is given below;

FORM AOC-2

(Pursuant to clause (h) of sub-section (3) of Section 134 of the Act and

Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

- Details of contracts or arrangements or transactions not at arm's length basis;
N.A. as there were no transactions during the year which were not at arm's length.

2. Details of material contracts or arrangement or transactions at arm's length basis;

During the Financial Year 2015-16, all the transactions entered into with related parties were at arm's length. However, these transactions were not material.

Performance Evaluation

Regulation 4 (2) (f) (ii) (9) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 mandates that the Board shall monitor and review the Board evaluation framework. Also, the Companies Act, 2013 states that a formal annual evaluation needs to be made by the Board of its own performance and that of its Committees and individual Directors. In addition, Schedule IV to the Companies Act, 2013 states that the performance evaluation of Independent Directors shall be done by the entire Board of Directors, excluding the Director being evaluated. The Board works with the Nomination & Remuneration Committee to lay down the evaluation criteria for the performance of Executive / Non-Executive / Independent Directors.

Independent Directors have three key roles — governance, control and guidance. Some of the performance indicators based on which the Independent Directors are evaluated include:

- a) Ability to contribute to and monitor the Company's Corporate Governance practices.
- b) Ability to contribute by introducing international best practices to address top-management issues.
- c) Active participation in long-term strategic planning.
- d) Commitment to the fulfillment of a Directors' obligations and fiduciary responsibilities; these include participation in the Board and the Committee Meetings.

In pursuance of above, the Company has devised a policy for performance evaluation of Independent Directors, Board, Committees and other individual Directors.

The evaluation of all the Directors, Committees and the Board as a whole was conducted based on the criteria and framework adopted by the Board. The Board approved the evaluation results as collated by the Nomination & Remuneration Committee.

Explanation or comments on qualifications, reservations or adverse remarks or disclaimers made by the Statutory Auditors and the Secretarial Auditors in their reports

There were no qualifications, reservations or adverse remarks made by the Statutory Auditors or Secretarial Auditors in their report.

Extract of Annual Return

The extract of Annual Return pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 in prescribed Form MGT-9 is as per Annexure 5 to this report.

Number of Board Meetings conducted during the year under review

The Board met six times during the Financial Year, the details of which are given in the Corporate Governance Report that forms part of this Annual Report. The intervening gap between any two meetings was within the period prescribed by the Companies Act, 2013 and the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

Directors' Responsibility Statement

In accordance with the provisions of Section 134(5) of the Companies Act, 2013 the Board hereby submits its responsibility Statement:—

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year and of the profit of the Company for that period;
- (c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the Directors had prepared the annual accounts on a going concern basis;
- (e) the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- (f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Details in respect of frauds reported by auditors under sub-section (12) of Section 143 other than those which are reportable to the Central Government.

During the year under consideration, there were no such instances.

Deposits

The Company has neither accepted nor renewed any deposits during the year under review and also did not have any outstanding deposits at the end of the year.

Remuneration ratio of the Directors/Key Managerial Personnel (KMP)/Employees

The information required pursuant to Section 197 read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Companies (Particulars of Employees) Rules, 1975, in respect of employees of the Company and Directors is furnished hereunder:

Sr. No.	Name	Designation	Remuneration paid Financial Year 2015-16 ₹ Mn	% increase in remuneration over Financial Year 2014-15	Ratio of the remuneration of each Director to median remuneration of employees	Comparison of the Remuneration of the KMP against the performance of the Company for Financial Year 2015-16
1	Mr. Pramod Chaudhari	Executive Chairman	62.151	-2.5*	78.5	Profit before Tax increased by 15.4%
2	Mr. Gajanan Nabar	CEO & MD	35.337	1.7**	33.5**	Profit before Tax increased by 15.4%
3	Mr. Berjis Desai	Non-Executive Independent Director	1.350	7.1	1.7	N.A.
4	Mr. Kishor Chaukar	Non-Executive Independent Director	0.700	22.8	0.9	N.A.
5	Ms. Parimal Chaudhari	Non-Executive Director	1.170	8.3	1.5	N.A.
6	Mr. Prakash Kulkarni	Non-Executive Independent Director	1.600	6.7	2.0	N.A.
7	Mr. Rajiv Maliwal	Non-Executive Independent Director	0.600	5.3	0.8	N.A.
8	Mr. Sivaramakrishnan Iyer	Non-Executive Independent Director	1.480	12.1	1.9	N.A.
9	Mr. Daljit Mirchandani	Non Executive Non-Independent Director	9.116	***	13.6	N.A.
10	Mr. Dattatraya Nimbolkar	CFO & Company Secretary	6.793	7.7	N.A.	Profit before Tax increased by 15.4%

* Based on Normalized remuneration for Financial Year 2014-15.

** Based on Normalized remuneration for Financial Year 2015-16.

*** Mr. Daljit Mirchandani was appointed as Director w.e.f. 28.05.2015.

The median remuneration of employees of the Company during the Financial Year was ₹ 0.792 Mn. In the Financial Year, there was an increase of 9.4% in the median remuneration of employees.

There were 978 permanent employees on the rolls of Company as on 31st March, 2016.

Relationship between average increase in remuneration and Company performance:

The Profit before Tax for the Financial Year ended 31st March, 2016 increased by 15.4% whereas the increase in median remuneration was 9.4%. The average increase in median remuneration was in line with the industry standards.

Comparison of Remuneration of the Key Managerial Personnel(s) against the performance of the Company:

The total normalized remuneration of Key Managerial Personnel reduced by 0.7% from ₹ 96.138 Mn in 2014-15 to ₹ 95.481 Mn in 2015-16 whereas the Profit Before Tax increased by 15.4 % to ₹ 786.769 Mn in 2015-16 (₹681.592 Mn in 2014-15).

Variations in the market capitalisation of the Company:

The market capitalisation as on 31st March, 2016 was ₹15,875.139 Mn (₹11,073.821Mn as on 31st March, 2015)

Price Earnings ratio of the Company was 22.54 as on 31st March, 2016 and was 15.29 as at 31st March, 2015.

Percent increase over/ decrease in the market quotations of the shares of the Company as compared to the rate at which the Company came out with the last public offer in the year-

The Company had come out with initial public offer (IPO) in January, 1994. An amount of ₹4/- invested in one equity share of the said IPO would be worth ₹89.20 as on 31st March, 2016 indicating a Compounded Annual Growth Rate of 15%. This is excluding the dividend accrued thereon.

Average percentage increase made in the salaries of employees other than the managerial personnel in the last Financial Year i.e. 2015-16 was around 10 % whereas the managerial remuneration for the same Financial Year reduced by 0.7%.

The key parameters for the variable component of remuneration paid to the Directors are considered by the Board of Directors based on the recommendations of Nomination and Remuneration Committee as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

The ratio of the remuneration of the highest paid Director to that of the employees who are not Directors but receive remuneration in excess of the highest paid Director during the year –

Not Applicable;

It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

Particulars of employees

The information required pursuant to Section 197 read with rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company is given in Annexure 9 to this Report.

"Group" for SEBI Takeover Regulations:

For the purpose of Regulation 2 (1) (t) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, persons constituting 'Group' as defined in the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 are – Mr. Pramod Chaudhari, Ms. Parimal Chaudhari, Moriyaset Trust, Mr. Parth Chaudhari, P-Cube Enterprises Private Limited, Turtle Communication, Fusiontech Ventures Private Limited, Plutus Properties LLP and Parimal and Pramod Chaudhari Family Discretionary Trust.

Details of significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future

No such events occurred during the Financial Year 2015-16.

Prevention of Sexual Harassment Policy

The Company has in place Prevention of Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

Your Directors state that during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Energy Conservation, Technology Absorption, Adaptation, Innovation:

While Praj's operations are not very energy intensive, Praj has been making efforts to reduce its energy and water foot print by implementing solar power system and water recycle and reuse system in its various facilities.

Sustainability remains at the core of all solutions offered by your Company. During the year, Your Company has -

1. filed 33 new patents

2. commissioned first plant based on novel Ecosmart technology in Europe
3. introduced new sustainable technologies which contributed 10% to the order intake

There is progress on the 2nd Generation ethanol technology and your Company is making headway in installing a 12 MT 2nd Generation Integrated Bolt-On "Smart Bio Refinery" Demo Plant in Maharashtra. This will be a multi-feed, multi-product facility complete with integrated effluent treatment system.

Foreign Exchange Earnings & Outgo

(₹Mn.)

Particulars	31/3/2016	31/3/2015
Earnings	4184	3364
Outgo	967	826
Net Foreign Exchange Earnings	3217	2538

Your Company has retained its status as a net forex earner consecutively for past 19 years.

Acknowledgements

Your Directors wish to place on record their appreciation towards all associates including Customers, Collaborators, Government Agencies, Financial Institutions, Bankers, Suppliers, Shareholders, Auditors, Employees and others who have reposed their confidence in the Company.

For and on behalf of the Board of Directors

Place: Mumbai
Date: 20th May, 2016

Pramod Chaudhari
Executive Chairman

ANNEXURE 1

Management Discussion & Analysis

In the Financial Year 2015-16, Your Company recorded a 19% growth in EBITDA at constant revenue. This was the result of operational efficiencies as part of the transformation process. Your Company also recorded a 4% growth in PBT over Financial Year 2014-15 (without the benefit of the one-time additional income).

During the fiscal, there were multiple developments that had a mixed impact on your Company's business. The Indian ethanol blending program gathered momentum which augurs well for the domestic ethanol business. The Expression of Interest for 2nd generation ethanol technology floated by OMCs in India was a positive for the Company's 2G program. Softening of crude prices during the year affected investments in sectors of interest for critical process equipment & systems business. However, the worldwide interest in clean and green technologies, a fall-out of the COP21 Climate Change initiative, was one of the most important developments that will define the future of green technologies like ethanol. India is committed to the de-carbonisation program. This means green technologies are here to stay and thrive.

Economic recovery continued to be slow in the developed markets. Emerging markets, especially those exposed to commodity cycles, were also impacted. Amidst these challenges, your Company has maintained export business at 42% of the total revenues.

Business Lines

Your Company defines its business verticals as core and emerging business. The emerging business contributed 25% to the revenues in the Financial Year 2015-16.

Being present in multiple verticals, your Company faces different business cycles in different businesses. However, the management is making every attempt to create a sustainable business model for each business vertical that will ensure greater shareholder value/higher return on capital.

We will now elaborate on the various businesses and their respective performance through the fiscal.

Ethanol Plant & Equipment

The Government of India has shown strong support for ethanol blending program (EBP). They have removed all hurdles including excise and logistical issues to enable smooth implementation of 5% blending. During the fiscal, ethanol blending reached 3.2% nationwide. OMCs have contracted 1.3 bln liters of ethanol which is equivalent to 5% blending. This is a first for the EBP since it was launched.

Exports of sugar and the expected firming up of sugar prices have also helped improve health of sugar mills. It has created a positive ecosystem for ethanol production in the country. In addition to this, government has also shown support for 2nd generation cellulosic ethanol. The EOI from one of the OMCs for development of 2nd generation cellulosic ethanol project testifies this. This EOI also invites technology suppliers.

Globally, we observe that EBPs are not unduly affected due to low crude prices and countries continue to blend as per the mandates. In fact, in some countries blending mandated have been strengthened viz. Argentina, Thailand, Mexico etc. However, international markets have been limited due to weak economic environment which has impacted new investments.

Your Company launched a separate modernization and upgradation business two years ago. Praj is increasing its focus on the international markets for the same. While greenfield plants will remain the mainstay, your Company will increasingly pursue modernization opportunities as value addition to the existing business.

Beverage alcohol market in India continues to grow, albeit at a slower pace. Prohibition in certain state/s in India has created an unexpected opportunity for increasing fuel ethanol production, which is attractively priced. Africa remains a destination of interest for beverage alcohol plants. Your Company is known for the quality of the product achieved through its technologies and is pursuing opportunities within and outside India.

Praj is also making headway in its efforts of installing a 12 MT per day, 2nd Generation Integrated Bolt-On "Smart Bio Refinery" Demonstration Plant in Maharashtra. This will be a multi-feedstock and multi-product plant capable of producing bio-ethanol, bio-chemicals, power, Bio-CNG and CO₂, complete with an integrated effluent treatment plant. Combined with over 3 decades of experience in multi-level scale-ups, strong process and project engineering skills and integration engineering expertise, the plant will deploy the fully validated technology "enfinity".

Brewery Plant & Equipment

With consolidation in the global beer market, investments in greenfield projects have slowed down. With these structural changes, we saw increasing enquiries for brownfield projects. There are some bright spots like Andhra Pradesh in India. Due to division of erstwhile Andhra Pradesh (AP), the existing capacities have moved to the newly formed Telangana state which has left a demand supply gap in the newly formed AP.

Praj HiPurity (PHS)

The Make in India campaign and the union budget 2016 have created a number of tax incentives promoting R&D initiatives aimed at increasing research investment. Indian companies are already becoming serious players in vaccine innovation. With this, Praj HiPurity - a wholly owned subsidiary of your Company, is at the right place at the right time. The BioWiz bioreactor, the in-house developed system launched a year ago, has received orders from reputed biopharma Companies.

Critical Process Equipment & Systems

With India moving toward Bharat Stage VI standards of fuels, Indian refineries are geared to make investments to the tune of ₹ 40,000 crore in various unit operations of the refinery namely – hydro-treatment and isomerization. Your Company will be a participant in this and bid for equipment of interest by way of its Critical Process Equipment & Systems business. With focus on skids, it is a matter of time that this segment will scale up.

Water & Wastewater Treatment Systems

Ganga Action Plan, which was one of the major promises of the government, is progressing in phases with the municipal sector and tendering process for sewage treatment plants. Your Company is closely working with industries along the Ganges, which will form part of the 2nd phase.

Ministry of Environment & Forest in India has come up with stricter pollution control norms for coal-fired thermal power plants. All the existing plants have to restrict water consumption to 3.5 m3 per unit whereas plants coming up after Jan 2017 need to reduce it to 2.5 m3 per unit and achieve zero liquid discharge. Your Company is working on several enquiries in this sector.

Human Capital

Formation of Leadership Institute: C-LEAP initiative

The Company had 978 permanent employees as on 31st March, 2016. For maintaining continuity and growth of business, a strong line up of leadership is an imperative. Over the past three decades, the process of leadership development was more instinctive. Given the growth opportunities and the need for organization build to drive exponential growth, it was felt that a strong pipeline of leaders should be created.

Institutionalizing leadership and a structured approach to facilitate leaders to develop competencies for managing complexities is critical.

For this, Your Company has established a Center for Leadership Excellence at Praj (C-LEAP) which will create future leaders with a concerted effort on development of high performing individuals.

The vision of C-LEAP is to develop a culture for the next growth phase, supporting customers' business, partnering in their growth as well as creating knowledge for customers' and stakeholders' benefit and a shared journey to create a future for both parties.

Innovation and R&D

Matrix, the R&D Center of your Company employs multi-disciplinary expertise to bring in sustainability in its offerings that is passed on to the customers. Your Company has 16 patents to its credit till date and has filed for 33 patents in the Financial Year 2015-16. With this, the total number of patents at different stages of approval are 79 in number.

The fiscal saw your Company launching many new technologies to the market-

- a) EcoSmart ED - energy saving technology for enhancing distillery capacity
- b) CombiFerm fermentation system for enhancing yield and capacity of distilleries
- c) EcoSmart MP - to produce multiple grades of alcohol/ethanol viz. beverage, fuel and pharma, perfumery grades along with savings in energy
- d) Ecodry ATFD - Agitated thin film dryer for waste water treatment in pharma, textile and distillery industries
- e) HBRTF (High Brix Ready to Ferment) – innovative technology to store sugarcane juice for round the year distillery operations
- f) EcoClean – Biogas cleaning for removal of CO₂ and H₂S to generate power and Bio-CNG
- g) The Company entered into an MOU for electro-coagulation system for high purity water systems for pharma, biotech and cosmetic industries.
- h) It has also signed an MOU for Forward Osmosis technology which has applications in several industries including pharma, textile and desalination.

Awards & Recognition

During the year your Company and its leadership received several recognitions. Enlisted are a few of them:

- Sanaswadi manufacturing facility received recertification for ASME U, U2 and R stamp approval.
- ISO 9001-2008 certification was renewed for the Sanaswadi manufacturing facility.
- ISO 18001, ISO 9001-2008, ISO 14001 certifications were renewed for the Kandla SEZ manufacturing facility.

Mr. Pramod Chaudhari, Executive Chairman, Praj Industries Limited -

- was honoured with the IIT Bombay Distinguished Service Award in recognition of his contributions to his Alma Mater. He is one of the few to have the distinction of being selected to receive both, the Distinguished Alumnus Award in 2005 and the Distinguished Service Award in December 2015.
- has been voted amongst the Top 100 People in Advanced Bio-Economy, globally, by Biofuels Digest. The selection is through a worldwide poll within the biochemicals and biofuels sector.
- was appointed as Chairman of Confederation of Indian Industry's (CII) national committee on Bio-Energy for the 3rd consecutive year.

Future outlook

India Inc is in the throes of a transformation. Various structural and policy level changes are putting India on way to becoming a better place to do business. The economy is on an upswing. Projected growth rate of 7.5% is encouraging amidst weak global scenario. With interest rates lowering, good monsoon projected combined with expected uptick in the rural economy, one can look forward to greener shoots.

In the global economy, USA, some countries in Africa and some in Asia look promising. On our specific businesses:

- With the Government's intent to increase use of biofuels, ethanol will assume a significant portion in India's energy matrix, while supporting the farming community. Greenfield plants will remain Praj's mainstay. At the same time, we will increasingly pursue value addition through modernization projects in India and abroad. In our attempt to maximize revenues for clients through product diversification, we are in the process of expanding current offering to distilleries through value added bio-energy products like Bio-CNG which is increasingly finding acceptance and application as a transportation fuel.
- Where brewery group is concerned, we are engaging with all the key players to work on their growth plans in India, in Africa and South East Asia.
- In Praj HiPurity, we see good response to the process solutions suite. We will also grow in the international market aggressively. Key markets have been identified and teams are being put in place including the local representatives. The government is due to announce major reforms in the pharma industry to help it propel itself to the next level of innovation and generate more value.
- In water & wastewater business, we plan to target larger ticket size orders. We are currently executing one such project for a solar panel manufacturer.
- In Critical Process Equipment & Systems, our focus is on skids as a key differentiator while engaging with global EPC & consulting companies to increase our registrations for business.

Internally, we are well prepared to respond to market conditions. A lean structure, higher levels of empowerment and committed team is already in place. As the market opportunities improve, we will be the quickest off the block to seize the opportunities.

Risks and concerns

Your Company has well documented Risk Management Policy. The policy is reviewed periodically by Management and Audit Committee and appropriately modified, as and when necessary. Based on the operations of the Company, risks are identified and steps are taken to mitigate them.

Economic and Political situation in key markets of Your Company is seen as an essential risk element. Your Company has no current exposure to any high risk markets.

Between 40-50% of the Company's business comes from overseas markets; the Company has put in place a forex risk management system.

The Company is also exposed to raw material risk which shows considerable volatility. A suitable purchase and stocking policy is followed.

Apart from the above specific risks, the Company recognizes various risks inherent in the performance of a contract which may relate to commercial terms. The Company has a robust policy in place to counter these risks to the extent possible.

The Company is also exposed to risks on account of the sector it serves. Biofuels/Distillery and Brewery businesses are governed by the legislations of different geographies served by the Company. The Company has adequate geographical spread.

The Company is making its planning and review more stringent so as to bring greater granularity and predictability.

Internal control systems

The Company has instituted adequate internal control procedure(s) commensurate with the nature of its business and the size of its operations for the smooth conduct of its business. Internal audit is conducted continually, at all locations and covers the key areas of operations. It is an independent, objective and assurance function, responsible for evaluating and improving the control and governance processes. The Internal Auditors do not have any adverse comments on the internal control systems of the Company. In Financial Year 2015-16, your Company has employed a reputed agency to strengthen the internal financial control.

Forward looking statements

Statements in this report, particularly those which relate to Management Discussion and Analysis, describing the Company's future plans, projections, estimates and expectations may constitute "Forward Looking" statements, within the meaning of applicable laws and regulations. Actual results might differ materially from those either expressed or implied.

ANNEXURE 2

CSR Report

1. A brief outline of the Company's CSR policy including overview of projects or programmes proposed to be undertaken and reference to the weblink to the CSR Policy :-

Praj Industries Limited "PIL" is a socially responsible corporate citizen. PIL recognizes trusteeship as a critical function of an organization in discharging its responsibility towards the society, environment and its resultant ecosystem.

The early start on CSR activities has given PIL a tremendous learning and understanding of how CSR projects should be selected, implemented and sustained. PIL has a separate team dedicated to CSR activities. Along with Praj Foundation (CSR arm of PIL), PIL is engaged in various projects. Many of the themes selected also resonate well with the overall national agenda like Health, Water, Clean India (Swacch Bharat).

PIL is committed to supporting sustainable development through effective interventions at various levels.

To ensure this, PIL shall undertake the following activities:

- Promotion of Education, Capacity Building, Employment and Gender equality
- Assistance to Orphanage, Old Age Homes and Differently Abled
- Training to promote nationally recognized Sports
- Environment sustainability and Rural development
- Healthcare including Preventive health and Eradication of Malnutrition
- Protecting art and culture

PIL has established CSR Committee as per the provision of the Companies Act, 2013. CSR Committee recommends CSR activities to be undertaken by the Company, to the Board as specified in Schedule VII of the Companies Act, 2013 (here in after referred to as "the Schedule VII").

PIL will spend, in every Financial Year, at least 2 per cent of the average net profits of the Company made during the 3 immediately preceding Financial Years, in pursuance of the Companies Act, 2013 and rules framed there under for the purposes specified in Schedule VII and also in pursuance of this CSR Policy. Surplus arising out of the CSR activity will never form the part of business profits of the Company.

PIL will undertake CSR activities primarily in and around the areas of operation of the Company. PIL will execute the CSR activities directly or through Praj Foundation or appropriate NGOs.

PIL will monitor the progress of the CSR project and activities regularly with respect to quality of its implementation, cost and schedule with the same vigor as its business activities. The impact assessment of its projects at suitable intervals will be conducted diligently.

PIL will also encourage Personal Social Responsibility (PSR) amongst PRAJites to enhance their social sensitivity by voluntary self-engagement in social activities recognized under Schedule VII. PIL endeavours to undertake activities, not specifically mentioned above, but covered under Schedule VII.

Web link to CSR policy: <http://www.praj.net/policies.html>

2. The Composition of the CSR Committee:-

Name of Director	Chairperson/Member	Date of Joining
Ms. Parimal Chaudhari	Chairperson	25.10.2013
Mr. Kishor Chaukar	Member	25.10.2013
Mr. Sivaramakrishnan S. Iyer	Member	25.10.2013

3. Average net profit of the Company for last three Financial Years:-

₹ 856.55 Mn

4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above):-

₹ 17.131 Mn.

5. Details of CSR spent during the Financial Year:-

- (a) Total amount to be spent for the Financial Year;
₹ 17.131 Mn
- (b) Amount unspent, if any;
Nil
- (c) Manner in which the amount spent during the Financial Year is detailed below.

							(Amount in ₹)
Sr. No	CSR Project or Activity Identified	Sector in which the project is covered	Projects or Programmes 1) Local Area or other 2) Specify the state and district where projects or programme was undertaken	Amount outlay (budget) project or programme wise	Amount spent on the projects or programmes Sub heads: 1) Direct Expenditure on projects or programmes 2) Overheads	Cumulative Expenditure upto the reporting period	Amount spent Direct or through implementing agency
1	Preventive health awareness among women	Clause I Schedule VII	Women beneficiaries in Mulshi Taluka	3,60,550	3,60,550	9,07,200	Through Rachana Society for Social Reconstruction
2	Preventive health awareness among women	Clause I Schedule VII	Women beneficiaries in Velhe Taluka	3,17,860	3,17,860	4,42,360	Through Samaj Vikas Sanstha
3	Safe sanitation facility at secondary school in Velhe Taluka	Clause I Schedule VII	Students in Std VIII- X in Velhe Taluka	4,45,813	2,22,907	2,22,907	Through Saraswati Vidyalay & Junior College, Ambavane. Work in progress
4	Safe sanitation facility at secondary school in Velhe Taluka	Clause I Schedule VII	Students in std VIII- X in Velhe Taluka	4,45,813	2,22,907	2,22,907	Through Gunjawani Shikshan Sanstha, Velhe Taluka. Work in-progress
5	Safe sanitation facility at secondary school in Velhe Taluka	Clause I Schedule VII	Students in std VIII- X in Velhe Taluka	4,60,813	2,30,407	2,30,407	Through DadojiKond dev Vidyalay, Wangni village, run by Rajgad Dyanpeeth, in Velhe Taluka. Work-in-progress
6	Safe sanitation facility at secondary school in Velhe Taluka	Clause I Schedule VII	Students in std VIII- X in Velhe Taluka	1,31,500	1,31,500	2,63,000	Through Torna Sagar Madhyamik Vidyalaya, Neevi village, Raja Shiv Chatrapati Sanstha, Velhe
7	Support to needy patient for MHD	Clause I Schedule VII	1 needy patient at KEM hospital	1,40,400	1,40,400	2,80,800	Through KEM Hospital Pune
8	Enhancing water storage capacity of Khadakwasla reservoir by desilting	Clause I Schedule VII	Citizens of Pune	20,00,000	20,00,000	40,00,000	Through Green Thumb
9	Operation of St. Jude Child Care Centre, Mumbai	Clause I Schedule VII	Cancer affected children from low economic background from Maharashtra	15,00,000	15,00,000	15,00,000	Through St. Jude Child Care Centre
10	Safe sanitation facility at 2 secondary schools in Velhe Taluka	Clause I Schedule VII	Students in std VIII- X in Velhe Taluka	2,63,000	2,63,000	5,26,000	Through Swami Vivekanand Shikshan Sanstha
11	Safe sanitation facility at secondary school in Velhe Taluka	Clause I Schedule VII	Students in std VIII- X in Velhe Taluka	1,31,500	1,31,500	2,63,000	Through Raje Shiv Chatrapati Sanstha

(Amount in ₹)

Sr. No	CSR Project or Activity Identified	Sector in which the project is covered	Projects or Programmes 1) Local Area or other 2) Specify the state and district where projects or programme was undertaken	Amount outlay (budget) project or programme wise	Amount spent on the projects or programmes Sub heads: 1) Direct Expenditure on projects or programmes 2) Overheads	Cumulative Expenditure upto the reporting period	Amount spent Direct or through implementing agency
12	Environment awareness & educational support to secondary school students	Clause II Schedule VII	Students in Secondary school at Dhamari	1,19,545	1,19,545	2,45,694	Through Praj Foundation
13	Environment awareness & educational support to secondary school students	Clause II Schedule VII	Students in Secondary school at Shindavane	75,931	75,931	1,92,858	Through Praj Foundation
14	Environment awareness & educational support to secondary school students	Clause II Schedule VII	Students in Secondary school at Warude	84,723	84,723	1,68,474	Through Praj Foundation
15	Environment awareness & educational support to secondary school students	Clause II Schedule VII	Students in Secondary school at Wadgaonpeer	61,736	61,736	1,21,727	Through Praj Foundation
16	Technology incubation cum entrepreneurs development center	Clause II Schedule VII	School dropouts & rural youth	10,09,250	10,09,250	15,96,250	Through VigyanAshram
17	Support towards Balbhavan activities at Kasghar	Clause II Schedule VII	Tribal children in & around Kasghar village, Wada Block, Thane District	2,60,000	2,60,000	5,00,000	Through Quality Education Support Trust (QUEST)
18	Science Outreach Program in Municipal Schools	Clause II Schedule VII	Std VII-Xth students from Pune Municipal Schools	2,50,000	2,50,000	4,50,000	Through Entrepreneurship Development Center
19	Vocational scholarships & mentoring for deserving girls	Clause II Schedule VII	Std X & XII passed deserving students from low economic background	4,50,000	4,50,000	9,00,000	Through ShyamchiAai Foundation
20	Empowerment of women in Latur	Clause II Schedule VII	Women from low economic status, disadvantaged sections of the society	50,000	50,000	1,00,000	Through Shishuadhar for the Child
21	Provide life skills & vocational training to mentally challenged persons	Clause II Schedule VII	Mentally challenged persons	1,00,000	1,00,000	2,00,000	Through Implementing agency, Navkshitij
22	Educational scholarship to deserving girl	Clause II Schedule VII	One girl for pursuing her Engineering	93,913	93,913	93,913	Through Praj Foundation
23	Supportive education near SSW	Clause II Schedule VII	Students in the school near SSW	61,930	61,930	61,930	Through Praj Foundation
24	To implement Introduction to Basic Technology (IBT) in schools to make them model for other schools	Clause II Schedule VII	School children from std VIII-X	20,91,300	20,91,300	36,81,300	Through Vigyan Ashram
25	Operation of SHREEVATSA (A CHILD CARE CENTER OF SOFOSH)	Clause III Schedule VII	Orphans and family deprived children	4,00,000	4,00,000	8,00,000	Through Society of Friends of Sasoon Hospitals (SOFOSH)

(Amount in ₹)

Sr. No	CSR Project or Activity Identified	Sector in which the project is covered	Projects or Programmes 1) Local Area or other 2) Specify the state and district where projects or programme was undertaken	Amount outlay (budget) project or programme wise	Amount spent on the projects or programmes Sub heads: 1) Direct Expenditure on projects or programmes 2) Overheads	Cumulative Expenditure upto the reporting period	Amount spent Direct or through implementing agency
26	Building the Oxygen hubs of Pune city through tree plantation on defence land	Clause IV Schedule VII	Citizens of Pune	25,000	25,000	3,25,000	Through Tree Public Foundation
27	Decentralised Solid waste management	Clause IV Schedule VII	Citizens of Pune	4,32,077	4,32,077	14,96,279	Through Know How Foundation
28	Environment awareness & conservation through Green concepts	Clause IV Schedule VII	Girls from std V-XII	2,12,000	2,12,000	7,04,091	Through MES Rani Laxmibai Mulinchi Sainiki Shala
29	Support towards waste management system at Hinjewadi	Clause IV Schedule VII	Citizens of Hinjewadi	84,375	84,375	5,79,159	Through Changbhale Group
30	Water Resource Development at Fakrabad	Clause IV Schedule VII	Villagers of Fakrabad	15,00,000	15,00,000	15,00,000	Through Jan Kalyan Samiti
31	Water Resource Development at Fakrabad Phase II	Clause IV Schedule VII	Villagers of Fakrabad	5,23,000	5,23,000	5,23,000	Through Jan Kalyan Samiti
32	Water Resource Development at Mohojdevde	Clause IV Schedule VII	Villagers of Mohojdevde	13,43,000	13,43,000	13,43,000	Through Jan Kalyan Samiti
33	Undertaking research, impact assessment and creating mass awareness in the areas of environmental sustainability, ecological balance, conservation of natural resources.	Clause IV Schedule VII	Citizens of Maharashtra	6,22,973	6,22,973	6,22,973	Through Praj Foundation
34	Solar lighting system at Umedpariwar	Clause IV Schedule VII	Mentally challenged inmates of Umed Pariwar	4,95,000	4,95,000	4,95,000	Through, Umed Pariwar
35	Participation in GBF in sustainable environment (Water session)	Clause IV Schedule VII	Participants of the GBF	68,400	68,400	68,400	Through Praj Foundation
36	Traffic warden at Ghotawade Phata for improving traffic flow and reducing fuel wastage	Clause IV Schedule VII	Commuters from Urawade, Paud	54,137	54,137	54,137	Through Sumeet Enterprises
37	IIT Bombay	Clause IV Schedule VII	Students of IIT Mumbai	10,00,000	10,00,000	20,00,000	Directly
38	K J Somaiya Medical Trust	Clause I Schedule VII	Mumbai Maharashtra	25,00,000	25,00,000	25,00,000	Directly
39	Projects under consideration	Schedule VII	Pune Maharashtra	1,41,679	1,41,679	Nil	Through Praj Foundation
Total				2,03,07,218	1,96,31,000	3,01,81,766	

RESPONSIBILITY STATEMENT

The Responsibility Statement of the Corporate Social Responsibility (CSR) Committee of the Board of Directors of the PIL is reproduced below: 'The implementation and monitoring of Corporate Social Responsibility (CSR) Policy, is in compliance with CSR objectives and policy of the PIL.'

Gajanan Nabar

CEO & MD

Place: Mumbai

Date: 20th May, 2016**Parimal Chaudhari**

Chairperson - CSR Committee

ANNEXURE 3

REPORT ON CORPORATE GOVERNANCE

1. Company's philosophy on Code of Governance

Corporate Governance sets forth guidelines for managing and sustaining a transparent, information-oriented culture wherein authority and responsibilities are co-existent and co-extensive. It also provides guidelines on accountability of various positions within the organization. These values govern not only the Board of Directors, but also the management and the employees of the Company. This Governance protects and balances the interests of all stakeholders thereby enhancing shareholder value.

2. Board of Directors :

a) Composition of the Board :

The strength of the Board was nine Directors as on 31st March, 2016, comprising of two Whole-time Directors, seven Non-Executive Directors. Five of the Non-Executive Directors are Independent Directors.

b) Attendance of Directors at Board Meetings, last Annual General Meeting (AGM) and number of other Directorships and Chairmanships / Memberships of Committees of each Director :

Name of Director	Nature of Directorship	Board Meetings attended during the year	Whether attended last AGM	No. of Directorships in other Public Limited Companies ²	No. of Committee Memberships ³	
					Chairman	Member
Mr. Pramod Chaudhari	PD, ED	6	Yes	2	Nil	Nil
Mr. Gajanan Nabar	ED	5	Yes	1	Nil	3
Mr. Berjis Desai	ID, NED	6	Yes	9	2	8
Mr. Kishor Chaukar	ID, NED	6	Yes	7	2	5
Ms. Parimal Chaudhari ¹	PD, NED	6	Yes	Nil	Nil	1
Mr. Prakash Kulkarni	ID, NED	6	Yes	Nil	Nil	Nil
Mr. Rajiv Maliwal	ID, NED	4	No	1	Nil	Nil
Mr. Sivaramakrishnan S. Iyer	ID, NED	6	Yes	4	2	4
Mr. Daljit Mirchandani ⁴	NED, NID	5	Yes	2	1	2

{PD – Promoter Director, ED – Executive Director, ID – Independent Director, NID – Non Independent Director, NED - Non-Executive Director}

1. Ms. Parimal Chaudhari is wife of the Executive Chairman, Mr. Pramod Chaudhari. None of the other Directors is related to any other Director.
2. Excludes private, foreign & section 8 Companies.
3. Memberships / Chairmanship of only Audit Committee and Investors' Grievance Committee have been considered for this purpose.
4. Mr. Daljit Mirchandani was appointed as Director in the Board Meeting held on 28th May, 2015.

All relevant information suggested under SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 is furnished to the Board from time to time.

c) Number of Board Meetings:

Six Board Meetings were held during the year ended 31st March, 2016. The dates are – 28th May, 13th June, 6th August, 29th October in the calendar year 2015 and 29th January and 16th March in the calendar year 2016.

d) Shares held and Options granted to Non-Executive Directors as on 31/03/2016 :

Name of Director	Number of Equity Shares held	Stock Options outstanding	Grant Price per option (₹)	Last date for conversion of options
Mr. Berjis Desai	1,481,450	Nil	N.A.	N.A.
Mr. Kishor Chaukar	Nil	Nil	N.A.	N.A.
Ms. Parimal Chaudhari	14,400,000	Nil	N.A.	N.A.
Mr. Prakash Kulkarni	5,000	Nil	N.A.	N.A.
Mr. Rajiv Maliwal	Nil	Nil	N.A.	N.A.
Mr. Sivaramakrishnan S. Iyer	180,000	Nil	N.A.	N.A.
Mr. Daljit Mirchandani	1,200	Nil	N.A.	N.A.

e) Familiarization programme for Independent Directors:

The Board of Directors of the Company has adopted familiarization program for Independent Directors. The details of such program are posted on the Company's website i.e. <http://www.praj.net/policies.html>. This Program aims to provide insights into the Company to enable the Independent Directors to understand its business in depth and contribute significantly to the Company.

3. Audit Committee:**a. Terms of Reference :**

The terms of reference of Audit Committee include overseeing the Company's financial reporting process and disclosure of financial information, reviewing with the management, the quarterly and annual financial statements before submission to the Board for approval; reviewing with the management, the performance of Statutory and Internal Auditors and adequacy of internal control systems and all other matters specified under Regulation 18 read with Part C of Schedule II of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and as per Section 177 of the Companies Act, 2013 read with rules framed thereunder.

b. Composition:

As on 31st March, 2016, the Audit Committee of the Company comprises of two Independent Non-Executive Directors namely Mr. Berjis Desai (Chairman of the Committee), Mr. Sivaramakrishnan S. Iyer and one Executive Director namely Mr. Gajanan Nabar. The composition of the Audit Committee meets the requirements of Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

c. Meetings:

This Committee has met six times during the year i.e. 28th May, 13th June, 6th August, 29th October in the calendar year 2015 and 29th January and 16th March in the calendar year 2016.

Attendance of each Member at the Audit Committee meetings held during the year:

Name of Director	No. of Meetings	Meetings attended
Mr. Berjis Desai	6	6
Mr. Sivaramakrishnan S. Iyer	6	6
Mr. Gajanan Nabar	6	5

In addition to the members of Audit Committee, Executives of Accounts Department, Secretarial Department and Representatives of the Statutory, Cost and Internal Auditors attended the Audit Committee Meetings. Senior functional executives are also invited as and when required, to provide necessary inputs to the Committee. The Company Secretary acts as the Secretary of the Audit Committee.

4. Nomination & Remuneration Committee:**a. Terms of Reference:**

The Nomination & Remuneration Committee has been constituted to recommend/review the remuneration of Executive Directors of the Company, to identify persons who are qualified to become Directors and who may be appointed in Senior Management and to carry out such other duties and functions as stipulated in Section 178 of the Companies Act, 2013 read with rules framed thereunder and Regulation 19 read with Part D of Schedule II of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. The Nomination & Remuneration Policy of the Company is attached as Annexure – 8 to the Directors' Report.

b. Composition:

As on 31st March, 2016, the Nomination & Remuneration Committee of the Company comprises of three Non-Executive Directors namely Mr. Berjis Desai (Chairman of the Committee), Mr. Rajiv Maliwal and Mr. Sivaramakrishnan S. Iyer and one Executive Director, Mr. Pramod Chaudhari.

c. Meetings:

This Committee has met twice during the year i.e. on 28th May and 6th August in the calendar year 2015.

Attendance of each Member at the Nomination & Remuneration Committee meetings held during the year:

Name of Director	No. of Meetings	Meetings attended
Mr. Berjis Desai	2	2
Mr. Rajiv Maliwal	2	1
Mr. Sivaramakrishnan S. Iyer	2	2
Mr. Pramod Chaudhari	2	2

5. Performance Evaluation Criteria for Independent Directors :

Please refer page No. 10 of the Board' Report.

Remuneration Policy:

The Remuneration Policy of the Company takes into account the individual performance and contribution of the Director, the profitability of the Company, prevalent industry standards and government policy in this regard.

The Policy is displayed on Company's website i.e. <http://www.praj.net/policies.html>

(i) Remuneration of Executive Directors:

The aggregate value of Salary & Perquisites including commission for the year ended 31st March, 2016 to the Executive Directors is as follows:

Mr. Pramod Chaudhari, Executive Chairman ₹ 62.151 Mn. (Salary ₹ 54.473 Mn., Perquisites ₹ 0.478 Mn., Commission ₹ 3.600 Mn. and Variable pay ₹ 3.600 Mn.), Mr. Gajanan Nabar, CEO & MD ₹ 35.337 Mn. (Salary ₹ 23.305 Mn., Perquisites ₹ 9.232 Mn., Commission ₹ 1.400 Mn. and Variable Pay ₹ 1.400 Mn). Besides this, the Executive Directors are also entitled to gratuity and encashment of leave, as per the rules of the Company.

Under ESOP 2005 Grant IV, 1,250,000 Options have been granted to Mr. Gajanan Nabar at Fair Market Value and the same are exercisable by him according to the terms of the Scheme.

Under ESOP 2011 Grant I, 2,50,000 Options have been granted to Mr. Gajanan Nabar at Fair Market Value and the same are exercisable by him according to the terms of the Scheme.

The current tenure of office of the Executive Chairman is for a period of 2 years from the date of appointment i.e. upto 31st July, 2017. As per agreement, Severance Fee is restricted to 36 months' salary.

The tenure of office of the CEO & MD is for a period of 3 years from the date of appointment i.e. upto 31st July, 2017. As per agreement, Severance Fee is restricted to 6 months' salary.

ii) Compensation to Non-Executive Directors:

As a policy, the Company does not pay any sitting fees to Directors for attendance of the Meetings. The commission on profit is payable to Non-Executive Directors on the basis of their time and contribution. The Criteria of making payments to non-executive Directors are disclosed in the Nomination & Remuneration Policy which forms part of this report.

The shareholders of the Company had, in the 28th Annual General Meeting held on 28th July, 2014, approved payment of commission on profits to Non-Executive Directors up to a limit of 3% of the net profit of the Company calculated in accordance with the provisions of the Companies Act, 2013. The Board of Directors is authorized, within this limit, to decide the quantum and the recipients for such payment.

The Commission to Non – Executive Directors for 2015-16 is ₹ 6.900 Mn. The details are as follows:

Mr. Berjis Desai ₹ 1.350 Mn., Mr. Kishor Chaukar ₹ 0.700 Mn., Ms. Parimal Chaudhari ₹ 1.170 Mn., Mr. Prakash Kulkarni ₹ 1.600 Mn., Mr. Rajiv Maliwal ₹ 0.600 Mn. and Mr. Sivaramakrishnan S. Iyer ₹ 1.480 Mn.

The Non-executive Directors have no pecuniary relationship or transaction with the Company other than commission paid to them except the professional fees paid to Mr. Daljit Mirchandani, Non-Executive, Non-Independent Director. Also, the Company pays fees for professional services rendered by a firm of Solicitors and Advocates of which a Non-executive Director is a partner. However, the amounts are not material in nature.

6. Stakeholders' Relationship Committee:

a. Composition:

As on 31st March, 2016, the Stakeholders' Relationship Committee of the Board comprises of three Directors namely Mr. Sivaramakrishnan S. Iyer, Non-Executive Independent Director (Chairman of the Committee), Mr. Gajanan Nabar and Ms. Parimal Chaudhari.

b. Name and Designation of Compliance Officer

Mr. Dattatraya Nimbolkar, CFO & Company Secretary acts as a Compliance Officer.

c. No. of Complaints:

During the year the Company received 11 complaints which were duly attended to. No investors' complaint is pending as on 31st March, 2016. All the complaints were solved to the satisfaction of shareholders.

d. Meetings:

This Committee has met four times during the year ended 31st March, 2016. The dates are – 28th May, 6th August, 29th October in the calendar year 2015 and 29th January in the calendar year 2016.

Attendance of each Member at the Shareholders/Investors Grievance Committee meetings held during the year:

Name of Director	No. of Meetings	Meetings attended
Ms. Parimal Chaudhari	4	4
Mr. Sivaramakrishnan S. Iyer	4	4
Mr. Gajanan Nabar	4	4

7. Corporate Social Responsibility Committee:**a. Terms of Reference :**

The Committee was constituted vide the Board Meeting held on 25th October, 2013 to;

- Formulate and recommend to the Board, a Corporate Social Responsibility Policy indicating the activities to be undertaken by the Company as specified in Schedule VII.
- Recommend the amount of expenditure to be incurred on the activities referred to in clause (a).
- Monitor the Corporate Social Responsibility Policy of the Company from time to time.

b. Composition:

As on 31st March, 2016, the Corporate Social Responsibility Committee of the Board comprises of three Directors namely Ms. Parimal Chaudhari (Chairperson of the Committee), Mr. Kishor Chaukar (Independent Director) and Mr. Sivaramakrishnan S. Iyer (Independent Director).

c. Meetings:

The Committee met five times i.e. on 28th May, 22nd July, 28th October in the Calendar year 2015 and on 29th January and 16th March in the calendar year 2016.

Attendance of each Member at the Corporate Social Responsibility Committee Meetings held during the year:

Name of Director	No. of Meetings	Meetings attended
Ms. Parimal Chaudhari	5	5
Mr. Kishor Chaukar	5	5
Mr. Sivaramakrishnan S. Iyer	5	5

8. Share Transfer Committee:**a. Composition:**

As on 31st March, 2016, the Share Transfer committee of the Board comprises of three Directors namely Mr. Gajanan Nabar (Chairman of the Committee), Ms. Parimal Chaudhari and Mr. Prakash Kulkarni.

b. Meetings:

This Committee has met four times during the year ended 31st March, 2016. The dates are – 28th May, 9th July, in the calendar year 2015 and 29th January and 16th March in the calendar year 2016.

Attendance of each Member at the Share Transfer Committee meetings held during the year:

Name of Director	No. of Meetings	Meetings attended
Ms. Gajanan Nabar	4	4
Ms. Parimal Chaudhari	4	4
Mr. Prakash Kulkarni	4	3

9. Compensation & Share Allotment Committee:**a. Composition:**

During the year, the Committee was reconstituted with effect from 7th August, 2015. As on 31st March, 2016, the Compensation & Share Allotment Committee of the Board comprises of Mr. Sivaramakrishnan S. Iyer (Chairman of the Committee), Mr. Berjis Desai, Mr. Pramod Chaudhari, Mr. Prakash Kulkarni, Mr. Kishor Chaukar and Mr. Daljit Mirchandani.

b. Meetings:

This Committee has met eight times during the year ended 31st March, 2016. The dates are – 28th May, 17th July, 6th August, 31st August, 28th October in the calendar year 2015 and 29th January, 23rd February and 29th March in the calendar year 2016.

Attendance of each Member at the Compensation and Share Allotment Committee meetings held during the year:

Name of Director	No. of Meetings	Meetings attended
Mr. Sivaramakrishnan S. Iyer	8	4
Mr. Berjis Desai	8	3
Mr. Pramod Chaudhari	8	8
Mr. Gajanan Nabar	8	2*
Mr. Parkash Kulkarni	8	7
Mr. Kishor Chaukar	8	3**
Mr. Daljit Mirchandani	8	4**

*During the year, Mr. Gajanan Nabar ceased to be the member of this committee with effect from 7th August, 2015.

**During the year, Mr. Kishor Chaukar and Mr. Daljit Mirchandani were appointed as members of this committee with effect from 7th August, 2015.

10. General Body Meetings:

Details of last three Annual General Meetings (AGMs) are given in table below:

Year	Venue	Date & Time	Special Resolutions passed
2012-13	"PRAJ HOUSE", Bavdhan, Pune – 411 021	22 nd July, 2013 10.00 a.m.	Nil
2013-14	"Praj Tower", S.No. 274 & 275/2, Bhumkar Chowk- Hinjewadi Road, Hinjewadi, Pune – 411 057	28 th July, 2014 10.00 a.m.	a) Provision of part of office premises to related parties. b) Payment of remuneration to Non-Executive Directors.
2014-15	"Praj Tower", S. No. 274 & 275/2, Bhumkar Chowk-Hinjewadi Road, Hinjewadi, Pune – 411 057	6 th August, 2015 10.00 a.m.	Nil

11. Means of Communication:

- **The quarterly/half – yearly financial results** : Quarterly/half yearly financial results are published in widely circulating dailies such as Loksatta, Maharashtra Times, The Economic Times, Financial Express, Business Standard and The Hindu Business Line.
- **News Release, Presentations etc.** : Official news release, detailed presentations made to media, analysts etc. are displayed on the Company's website www.praj.net. Official Media Releases are sent to the Stock Exchanges.
- **Website** : The Company's website www.praj.net contains a dedicated section "Investor Lounge" where information for shareholders is available. The Annual Report of the Company is also available on the website in a downloadable form.
- **Annual Report** : Annual Report containing, inter alia, Audited Annual Accounts, Consolidated Financial Statements, Directors' Report, Auditors' Report and other important information is circulated to members and others entitled thereto. The Management Discussion and Analysis (MDA) Report forms part of the Annual Report. The quarterly / half-yearly un-audited financial results and official news releases are displayed on the Company's website.

12. General Shareholder Information :**Annual General Meeting:**

Date & Time : Friday, 22nd July, 2016 at 10.00 a.m.
 Venue : "Praj Tower, S. No. 274 & 275/2, Bhumkar Chowk-Hinjewadi Road, Hinjewadi, Pune - 411 057
 Financial Year : 1st April to 31st March

Stock/Scrip Code/ISIN/CIN/Address of Stock Exchanges**National Stock Exchange Ltd. (NSE)**

PRAJIND
Address :
Plot no. C/1, G Block,
Bandra-Kurla Complex,
Bandra (East),
Mumbai – 400 051

Bombay Stock Exchange Ltd. (BSE)

522205
Address:
PHIROZE JEEJEEBHOY TOWERS,
25TH FLOOR, DALAL STREET,
MUMBAI – 400 001

ISIN with NSDL & CDSL

INE074A01025

Company Identification Number (CIN)

L27101PN1985PLC038031

The Annual Listing Fees for 2016-2017 have been paid to both the Stock Exchanges.

Financial Calendar

For the year ended 31st March, 2016 quarterly results were announced on:

Results for the quarter ended June 2015	6 th August, 2015
Results for the quarter ended September 2015	29 th October, 2015
Results for the quarter ended December 2015	29 th January, 2016
Results for Financial Year ended March 2016	20 th May, 2016

For the year ended 31st March, 2017, the tentative announcement dates are:

Results for the quarter ending June 2016	Third week of July 2016
Results for the quarter ending September 2016	Third week of October 2016
Results for the quarter ending December 2016	Third week of January 2017
Results for last quarter ending March 2017	Third week of May 2017

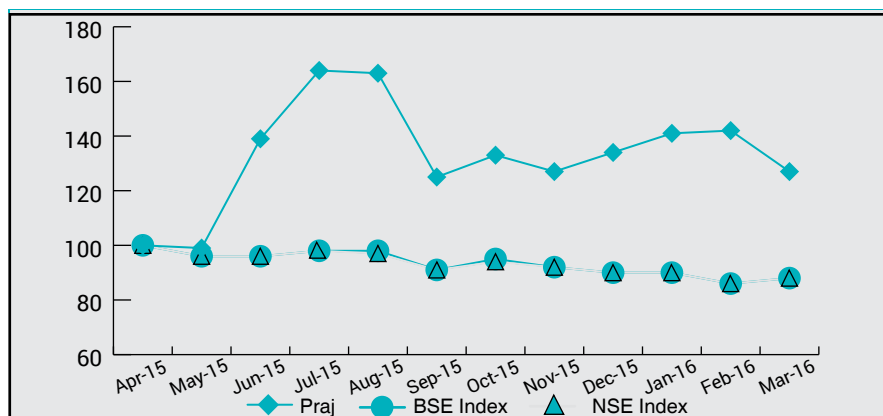
Stock Market Price Data

Monthly high / low during the year 2015-2016 on BSE & NSE:

Month	BSE		NSE	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April 2015	71.50	58.60	71.50	58.55
May 2015	70.40	58.25	70.50	58.25
June 2015	99.40	68.00	99.40	68.10
July 2015	117.30	92.55	117.00	92.60
August 2015	116.35	69.10	116.20	68.80
September 2015	89.45	75.20	89.35	75.10
October 2015	95.20	78.65	95.25	78.60
November 2015	91.00	78.15	90.95	80.10
December 2015	95.80	80.50	95.70	80.75
January 2016	101.00	75.05	100.95	75.10
February 2016	101.50	70.40	101.50	70.20
March 2016	91.00	72.65	91.00	72.50

(Source : This information is compiled from the data available from the websites of NSE and BSE)

THE GRAPHICAL REPRESENTATION OF MOVEMENT IN SHARE PRICES IS GIVEN BELOW;



Investor Services:

Share Transfer System

The Company's shares, which are in compulsory dematerialized (demat) form, are transferable through the depository system. Shares in physical form are processed by R & T Agents, LinkIntime India Private Limited. The share transfers are processed within a period of 15 days from the date of receipt of the transfer documents by LinkIntime India Private Limited at Block no. 202, 2nd floor, Akshay complex, Off dhole patil road, Pune - 411 001. Tel. : (020) – 26160084, 26161629 Telefax : 020 - 26163503

The members holding shares in electronic mode should address their correspondence to their respective Depository Participant regarding change of address, change of bank account mandate and nomination.

Investor Help-desk

Share transfers and all other investor related activities are attended to and processed at the office of our R & T Agents viz. LinkIntime India Private Limited.

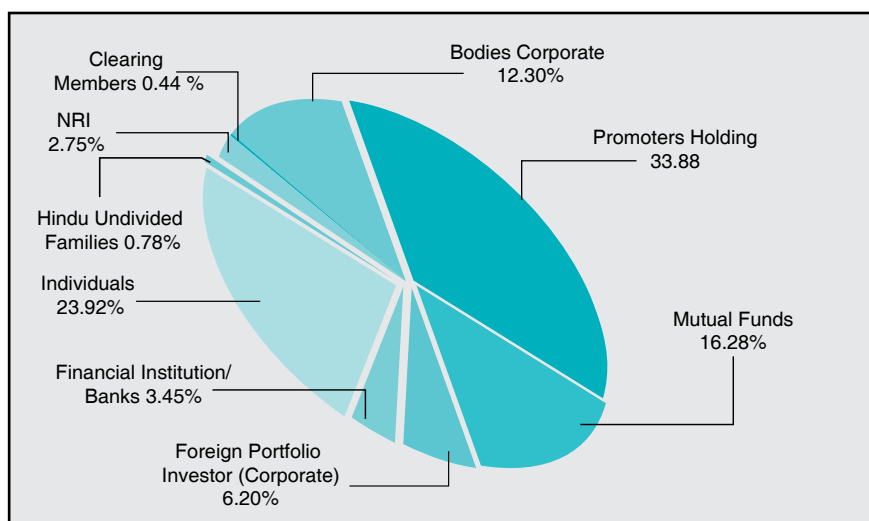
In order to facilitate investor servicing, the Company has designated an e-mail id investorsfeedback@praj.net mainly for registering complaints by investors. Shareholders are requested to address their complaints, if any, on this designated email id only, for quick redressal thereof.

Dividend

Dividend and other related activities are handled jointly by in-house Secretarial Department and R & T Agents.

Shareholding Pattern as on 31st March, 2016

Category	31/03/2016		31/03/2015	
	No. of shares of ₹ 2/- each	% of holding	No. of shares of ₹ 2/- each	% of holding
Promoters Holding	60300000		60300000	
Total (A)	60300000	33.88	60300000	33.98
Non-Promoter Holding				
Mutual Funds	28982980	16.28	19457029	10.96
Foreign Portfolio Investor	11046701	6.20	14950964	8.42
Financial Institutions / Banks	6132887	3.45	8002078	4.51
Individuals	42578347	23.92	45365853	25.56
Trusts	3100	0.00	4100	0.00
Foreign Nationals	300	0.00	300	0.00
Hindu Undivided Families	1379767	0.78	1152270	0.65
Non-Resident Indians	4885071	2.75	4908615	2.77
Clearing Members	768997	0.44	1057372	0.60
Bodies Corporate	21894259	12.30	22266498	12.55
Total (B)	117672409	66.12	117165079	66.02
Total (A) + (B)	177972409	100.00	177465079	100.00



Distribution of shareholding as on 31st March, 2016

Shareholding of nominal value	Shareholders	Percentage	Nominal Value of Equity Shares in ₹	Percentage
1 - 5000	95980	97.37	45572754	12.80
5001 - 10000	1409	1.43	10315476	2.90
10001 - 20000	599	0.61	8917118	2.51
20001 - 30000	166	0.17	4206890	1.18
30001 - 40000	85	0.09	3128586	0.88
40001 - 50000	81	0.08	3766044	1.06
50001 - 100000	120	0.12	8441224	2.37
100001 and above	125	0.13	271596726	76.30
Total	98565	100.00	355944818	100.00

Dematerialisation of Shares and Liquidity:

As on 31st March, 2016, 99.80% of shareholding was held in dematerialized form with National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL). In terms of the notification issued by SEBI, trading in the equity shares of the Company is permitted only in dematerialized form w.e.f. 15th March, 2000.

Physical and Demat Shares:

	As on 31 st March, 2016	%
No. of Shares held by NSDL	88748953	49.87
No. of Shares held by CDSL	88861364	49.93
Physical Shares	362092	0.20
Total	177972409	100.00

Unclaimed Dividend:

Members may please note that pursuant to Section 124 of the Companies Act, 2013, the dividend remaining unpaid or unclaimed for a period of seven years from the date of transfer to Unpaid Dividend Account of the Company will be transferred to the Investor Education and Protection Fund (IEPF) set up by Government of India and no payments shall be made in respect of any such claims.

Given below are the dates of declaration of dividend and corresponding dates when unpaid/unclaimed dividends are due for transfer to the IEPF.

Financial Year	Type	Date of Declaration	Due date of transfer to IEPF
2009-10	Interim Dividend 2009-10	20/01/2010	24/02/2017
2010-11	Dividend 2010-11	22/07/2011	26/08/2018
2011-12	Dividend 2011-12	20/07/2012	25/08/2019
2012-13	Dividend 2012-13	22/07/2013	26/08/2020
2013-14	Interim Dividend 2013-14.	05/02/2014	12/03/2021
	Final Dividend 2013-14	28/07/2014	01/09/2021
2014-15	Dividend 2014-15	06/08/2015	10/09/2022
2015-16	Interim Dividend 2015-16	12/03/2016	17/04/2023

Plant Locations:

The Company has its manufacturing facilities at the following places;

1. S. No. 748, Sanaswadi, Pune - 412 307, Maharashtra, India
2. Plot No. E-20 & E-21 additional MIDC area, Jejuri Tal. Purandar, Pune – 412 203, Maharashtra, India
3. EOU at Kandla SEZ Unit I Plot No. 307 to 314 and Unit II at Plot No. 282 to 286 and 294 to 298, Sector IV Gandhidham, Kutch, 370230, Gujrat, India.

Address for correspondence:

As stated earlier, investors are requested to contact Link Intime India Pvt. Ltd., Block No. 202, 2nd floor, Akshay Complex, Near Ganesh Temple, Off Dhole Patil Road, Pune - 411 001 for queries and share related matters.

13. Other Disclosures:

a. Materially significant Related Party Transactions:

There were no materially significant related party transactions which could have had a potential conflict with the interests of the Company. Transactions with related parties are entered into by the Company in the normal course of business and at arm's length. The details of transactions are periodically placed before the Audit Committee for review and approval. Members may refer to the notes to the accounts for details of related party transactions.

The Board of Directors of the Company has, on the commendation of the Audit Committee, adopted a policy to regulate transactions between the Company and its Related Parties, in compliance with the applicable provisions of the Companies Act 2013, the Rules framed thereunder including the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and the erstwhile Listing Agreement. The policy has been placed on the website of the Company at <http://www.praj.net/policies.html>

b. Statutory compliance, Penalties and Strictures:

There has not been any non – compliance, penalties or strictures imposed on the Company by the Stock Exchanges, or any other statutory authority on any matter relating to the Capital Market during the last three years.

c. Vigil mechanism/Whistle Blower Policy:

In accordance with requirement of Companies Act, 2013 as well as SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 a vigil mechanism/Whistle Blower Policy has been adopted by the Board of Directors and accordingly a whistle blower policy has been formulated with a view to provide a mechanism for employees of the Company to approach the Audit Committee of the Company to report any grievance.

d. Details of Compliance with mandatory requirements and adoption of Non- Mandatory Requirements:

The Company has complied with the applicable mandatory requirements of Clause 49 of the erstwhile Listing Agreement as well as the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

The Company has adopted following non-mandatory requirements as specified in Part E of Schedule II of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015;

i. Shareholders' Rights:

The financial results are published in the Loksatta, Maharashtra Times, Financial Express, Business Standard, Indian Express, The Economic Times and The Hindu Business Line and are also displayed on the Company's website as well as the websites of the Stock Exchanges on which the Company's shares are listed and therefore, have not been separately circulated to the shareholders.

ii. Modified Opinion(s) in Audit Report:

During the year under review, there was no audit qualification in the Auditors' Report on the Company's Financial Statements.

iii. Separate posts of Chairperson and Chief Executive Officer:

Mr. Pramod Chaudhari is Executive Chairman and Mr. Gajanan Nabar is CEO & MD of the Company.

iv. Reporting of Internal Auditor:

Internal Auditor directly reports the Audit Committee.

v. Retirement Guidelines:

Executive Directors will retire at the age of 65 years and Non-Executive Directors at the age of 70 years.

However, the Board is at liberty to grant extensions according to which, the term of office of Mr. Pramod Chaudhari, Executive Chairman is extended by two more years despite his crossing the age of 65 years which is well within the maximum age limit prescribed under Section 196 (3)(a) of the Companies Act, 2013.

e. Web link where policy for determining 'material' subsidiaries is disclosed:

The policy for determining 'material' subsidiaries is disclosed on <http://www.praj.net/policies.html>

f. Web link where policy on dealing with related party transactions:

The policy on dealing with related party transactions is disclosed on <http://www.praj.net/policies.html>

g. Disclosure of Commodity price risks and commodity hedging activities:

The principal raw material of the Company is Steel. It is procured from the domestic as well as overseas suppliers. Some of the other raw materials are also procured from the overseas markets. The Company has got appropriate mechanism to deal with fluctuation in material prices.

14. Code of Conduct:

The Board has introduced a Code of Conduct for Directors and members of Senior Management. The Code is posted on Company's website <http://www.praj.net/code-of-conduct-for-board-members.html>

The Board members and Senior Management Personnel have affirmed compliance with the Code. A declaration to that effect signed by Mr. Gajanan Nabar, CEO & MD forms part of this Report.

15. Disclosure regarding appointment / re-appointment of Directors:**Ms. Parimal Chaudhari:**

Date of birth: 01/08/1956

Date of Appointment: 21/07/2006

Qualification:

Post Graduate degree in Journalism & Communications from Pune University and MS in Television-Radio-Film (TRF) from Syracuse University, USA.

Expertise in specific functional area :

She brings rich experience in communication and human resource development. As Managing Trustee of Praj Foundation, she steers the CSR activities.

Directorships held in other Public Companies (excluding foreign Companies and Section 8 Companies) : Nil

Memberships / Chairmanships of committees of Public Companies (includes only Audit Committee and Shareholders / Investors Grievance Committee) :

Ms. Parimal Chaudhari is a member of Stakeholders' Relationship (Investors' Grievance) Committee of Praj Industries Ltd.

Shareholding in the Company :

She holds 14,400,000 (8.09%) shares of the Company in her name as on 31st March, 2016.

16. Chief Executive Officer (CEO) and Chief Financial Officer (CFO) Certification:

As per the requirement of Regulation 17(8) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, a Certificate duly signed by CEO and CFO of the Company was placed at the Board Meeting of the Company held on 20th May, 2016 and the same forms part of this report.

17. Certificate on Corporate Governance:

The Company has obtained a Certificate from Mr. Vikas Khare, Partner, KANJ & Associates, regarding Compliance of conditions of Corporate Governance as stipulated in Regulation 34(3) read with Schedule V of SEBI (Listing obligations & Disclosure Requirements) Regulations, 2015 and the same forms part of this Report.

CERTIFICATE AS PER REGULATION 17(8) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

To,
The Board of Directors
Praj Industries Limited
Pune

Dear Sirs/Madam,

This is to certify that;

- A. We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:
- (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (2) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the listed entity during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, wherever applicable that there were no deficiencies in the design or operation of such internal controls of which we are aware.
- D. We have indicated to the auditors and the Audit Committee, wherever applicable;
- (1) that there were no significant changes in internal control over financial reporting during the year;
 - (2) that there were no significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (3) that there were no instances of significant fraud of which we have become aware and the involvement therein, of the management or an employee having a significant role in Company's internal control system over financial reporting.

FOR PRAJ INDUSTRIES LIMITED

GAJANAN NABAR
CEO & MD

DATTATRAYA NIMBOLKAR
CFO & Company Secretary

Date : 20th May, 2016
Place : Mumbai

DECLARATION FOR COMPLIANCE WITH CODE OF CONDUCT

To the members of **PRAJ INDUSTRIES LIMITED**

Pursuant to Regulation 17 (5) (b) and Regulation 26(3) read with Schedule V to the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 I hereby declare that all Board members and senior management personnel are aware of the provisions of the Code of Conduct laid down by the Board (as amended from time to time) and made effective from 28th January, 2006. All Board members and senior management personnel have affirmed compliance with the Code of Conduct.

For **PRAJ INDUSTRIES LIMITED**

GAJANAN NABAR
CEO & MD

Date : 20th May, 2016
Place : Mumbai

CERTIFICATE ON COMPLIANCE WITH CLAUSE 49 OF THE LISTING AGREEMENT/THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 BY PRAJ INDUSTRIES LIMITED

To
The Members,
Praj Industries Limited
Praj Tower, S. No. 274 & 275/2,
Bhumkar Chowk-Hinjewadi Road,
Hinjewadi, Pune – 411 057

We have examined the compliance of conditions of corporate governance by Praj Industries Limited ('the Company'), for the year ended 31st March 2016, as stipulated in Clause 49 of the Listing Agreement of the Company with BSE Limited and National Stock Exchange of India Limited, till 30th November, 2015 and with effect from 1st December, 2015, the compliance of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The compliance of conditions of Corporate Governance is the responsibility of the management of the Company. Our examination has been limited to a review of the procedures adopted by the Company and implementation thereof, for ensuring compliance with the conditions of the Corporate Governance as stipulated in the Clause 49 of the Listing Agreements/the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The examination is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreements/the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

For **KANJ & ASSOCIATES**
Company Secretaries

Vikas Y. Khare
Partner

FCS No. 3541

Certificate of Practice No. 2107

Rampur, 20th May, 2016

ANNEXURE 4

ESOP DISCLOSURE

Statement as on 31st March, 2016 for Employee Stock Option Scheme, 2005 & 2011 as required under Clause 14 of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.

Sr. No.	Particulars	ESOP 2005	ESOP 2011
1	Date of Meeting	Annual General Meeting held on 23/07/2005	Annual General Meeting held on 22/07/2011
2	Stock Options Summary		
a)	Options outstanding at the beginning of the year	12,50,000	37,50,000
b)	Options granted during the year	Nil	3,90,000
c)	Pricing formula	At fair market value	At fair market value
d)	Options forfeited during the year	Nil	2,95,000
e)	Options exercised during the year	4,30,000	
f)	The total number of shares arising as a result of exercise of options		77,330
g)	Options expired during the year	4,30,000	77,330
h)	Variation in terms of options	Nil	Nil
i)	Money realised by exercise of options during the year	Nil	Nil
j)	Options outstanding at the end of the year	₹31.261 Million	₹4.311 Million
k)	Options exercisable at the end of the year	8,20,000	37,67,670
l)	Employee wise details of options granted to	5,70,000	10,27,669
i.	Key Managerial Personnel		
a.	Mr. Gajanan Nabar, CEO & MD	12,50,000	2,50,000
b.	Mr. Dattatraya Nimbolkar, CFO & Company Secretary	Nil	1,00,000
ii.	Any other employee who receives a grant in any one year of option amounting to 5% or more of options granted during that year	Nil	Nil
iii.	Identified employees who were granted option, during any one year, equal to or exceeding one percent of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	Nil	Nil
3	Average share price during the year	₹ 63.91	₹ 63.91
4	Range of exercise price of options outstanding at the end of the year	₹72.70	₹55.75 to ₹ 114.32
5	Weighted average remaining contractual life of Options outstanding at the end of the year	1.33 years	2.24 years
6	Weighted average fair value of option as on date of grant	16 th Nov., 2010 ₹ 38.19	27 th Jan., 2015 ₹ 14.62 6 th Aug., 2015 ₹ 32.71 31 st Aug., 2015 ₹26.22 14 th Oct., 2015 ₹ 23.80 16 th Nov., 2015 ₹ 26.93

Method used for calculating fair value of Option – Black Scholes Option Valuation Model

Significant assumptions used in arriving at the fair value of Options under Black Scholes model are as stated below:

Particulars	6 th August, 2015	31 st August, 2015	14 th October, 2015	16 th November, 2015
1) Risk-free interest rate	7.80%	7.80%	7.56%	7.68%
2) Expected Life	1-2 years	1-3 years	1-2 years	1-2 years
3) Expected Volatility *	57.55%	59.90%	59.08%	58.95%
4) Expected Dividend Yield	3.08%	3.08%	3.08%	3.08%
5) Price of the underlying share in market at the time of Options grants	₹113.75	₹ 84.45	₹ 81.50	₹ 85.30

* Expected volatility has been determined based on closing price of the share of the Company for immediately past 2 years.

- The difference between employee compensation cost using intrinsic value method vis-à-vis fair value method of accounting for stock options:

Employee compensation cost that would have been debited to the Profit & Loss Account under fair value method of account for stock options ₹ 3,70,53,012/-.

ANNEXURE 5

EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31.03.2016

[Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

- i) **CIN:** L27101PN1985PLC038031
- ii) **Registration Date :** 08.11.1985
- iii) **Name of the Company :** Praj Industries Ltd.
- iv) **Category / Sub-Category of the Company :** Company Limited by Shares/Indian Non-Government Company.
- v) **Address of the Registered office and contact details :** "Praj Tower", S. No. 274& 275/2, Bhumkar Chowk-Hinjewadi Road, Hinjewadi, Pune – 411 057.
Ph : +91 2071802000 Fax : +91 20 22941299, e-mail : info@praj.net
- vi) **Whether listed Company :** Yes
- vii) **Name, Address and Contact details of Registrar and Transfer Agent, if any :** Link Intime India Pvt. Ltd., Block No. 202, 2nd Floor, Akshay Complex, Near Ganesh Temple, Off Dhole Patil Road, Pune 411 001.
Ph: +91 2026160084 , e-mail :rnt.helpdesk@linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the Company shall be stated:-

Sl. No.	Name and Description of main products/services	NIC Code of the Product/service	% to total turnover of the Company
1	Manufacture of other Special-Purpose Machinery n.e.c.	28299	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
1	Praj Engineering & Infra Ltd. "Praj Tower", S. No. 274 & 275/2, Bhumkar Chowk-Hinjewadi Road, Hinjewadi, Pune – 411 057.	U45204PN1993PLC073239	Subsidiary	99.65	2(87)(ii)
2	Praj HiPurity Systems Ltd. 1211, Solitaire Corporate Park, 1st Floor, Building 12, Andheri-Ghatkopar Link Road, Andheri (East), Mumbai – 400 093	U41000MH2007PLC175261	Subsidiary	100.00	2(87)(ii)
3	Praj Far East Philippines Ltd. Inc. 17 th Floor, Liberty Center, 104. H.V. Dela Costa Street, Salcedo Village, Makati City, Metro Manila, Philippines	N.A.	Subsidiary	100.00	2(87)(ii)
4	Praj Far East Co. Ltd. 15, Sukhumvit Soi 31, Sukhumvit Road, Klongtoey Nua, Wattana, Bangkok 10110, Thailand.	N.A.	Subsidiary	100.00	2(87)(ii)
5	Praj Americas Inc, 14511 Old Katy Road, Suite 370, Houston, Texas 77079, USA	N.A.	Subsidiary	100.00	2(87)(ii)
6	Praj Industries (Africa) (Pty.) Ltd. 7, West Street, Houghton, 2198, PO box 1574, Johannesburg, South Africa	N.A.	Subsidiary	100.00	2(87)(ii)
7	Praj Industries (Namibia) Pty. Ltd. Shop 48, Second Floor, Old Power Station Complex, Armstrong, PO Box 90757 Windhoek, Namibia	N.A.	Subsidiary	100.00	2(87)(ii)
8	Praj Sur America SRL	N.A.	Subsidiary	100.00	2(87)(ii)
9	Praj Industries (Tanzania) Ltd.	N.A.	Step Subsidiary (Subsidiary of Praj Industries (Africa) (Pty.) Ltd.)	N.A.	N.A.
10	Praj Industries (Sierra Leone) Ltd.	N.A.	Step Subsidiary (Subsidiary of Praj Industries (Africa) (Pty.) Ltd.)	N.A.	N.A.

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year			No. of Shares held at the end of the year			% Change during the year	
	Demat	Physical	Total	% of Total Shares	Demat	Physical		Total
A. Promoters								
(1) Indian								
Individual/HUF	6,03,00,000	Nil	6,03,00,000	33.98	6,03,00,000	Nil	6,03,00,000	33.88
Central Govt.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
State Govt. (s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Bodies Corp.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Banks / FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Any Other....	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub-total (A) (1):	6,03,00,000	Nil	6,03,00,000	33.98	6,03,00,000	Nil	6,03,00,000	33.88
(2) Foreign								
NRIs - Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Other - Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Bodies Corp.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Banks / FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Any Other....	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub-total (A) (2):	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	6,03,00,000	Nil	6,03,00,000	33.98	6,03,00,000	Nil	6,03,00,000	33.88
B. Public Shareholding								
Institutions								
Mutual Funds	1,94,55,029	2,000	1,94,57,029	10.96	2,89,80,980	2,000	2,89,82,980	16.29
Banks / FI	80,02,078	Nil	80,02,078	4.51	61,32,887	Nil	61,32,887	3.45
Central Govt.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
State Govt. (s)								
Venture Capital Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Insurance Companies	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
FIs	1,33,28,714	Nil	1,33,28,714	7.51	1,10,46,701	Nil	1,10,46,701	6.21
Foreign Venture Capital Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Others (specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub-total (B)(1):	4,07,85,821	2,000	4,07,87,821	22.98	4,61,60,568	2,000	4,61,62,568	25.94
								12.85

Category of Shareholders	No. of Shares held at the beginning of the year			No. of Shares held at the end of the year			% Change during the year	
	Demat	Physical	Total	% of Total Shares	Demat	Physical		Total
2. Non-Institutions								
Bodies Corp.								
Indian	2,33,16,870	7,000	2,33,23,870	13.14	2,26,56,256	7,000	2,26,63,256	12.73
Overseas	16,22,250	Nil	16,22,250	0.91	Nil	Nil	Nil	Nil
Individuals								
Individual shareholders holding nominal share capital upto ₹ 1 lakh	3,69,54,011	3,69,142	3,73,23,153	21.03	3,44,92,940	3,53,092	3,48,46,032	19.58
Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	80,42,700	Nil	80,42,700	4.53	77,32,315	Nil	77,32,315	4.34
c) Others (specify)								
Trusts	4,100	Nil	4,100	0.00	3,100	Nil	3,100	Nil
Hindu Undivided Family	11,52,270	Nil	11,52,270	0.65	13,79,767	Nil	13,79,767	0.78
Non-Resident Indians (Repat)	41,80,564	Nil	41,80,564	2.36	41,51,482	Nil	41,51,482	2.33
Non-Resident Indians (Non-Repat)	7,28,351	Nil	7,28,351	0.41	7,33,589	Nil	7,33,589	0.41
Foreign Bodies DR	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub-total (B)(2):	7,60,01,116	3,76,142	7,63,77,258	43.04	7,11,49,749	3,60,092	7,15,09,841	40.18
Total Public Shareholding (B)=(B)(1)+ (B)(2)	11,67,86,937	3,78,142	11,71,65,079	66.02	11,73,10,317	3,62,092	11,76,72,409	66.12
C. Shares held by Custodian for GDRs & ADRs								
	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Grand Total (A+B+C)	17,70,86,937	3,78,142	17,74,65,079	100.00	17,76,10,317	3,62,092	17,79,72,409	100.00

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	% change in shareholding during the year
1	Mr. Pramod Madhukar Chaudhari	3,87,00,000	21.81	Nil	3,87,00,000	21.74	Nil	Nil
2	Ms. Parimal Pramod Chaudhari	1,44,00,000	8.11	Nil	1,44,00,000	8.09	Nil	Nil
3	Ms. Parimal Pramod Chaudhari (A/c Moriyaset Trust)	72,00,000	4.06	Nil	72,00,000	4.05	Nil	Nil
Total		6,03,00,000	33.98	Nil	6,03,00,000	33.88	Nil	Nil

(iii) Change in promoters' Shareholding

Sl. No.	Name	Shareholding		Date	Increase/Decrease in shareholding	Reason	Cumulative Shareholding during the year (01.04.2015 to 31.03.2016)	
		No. of shares at the beginning (01.04.2015)/ end of the year (31.03.2016)	% of total shares of the Company				No. of Shares	% of total shares of the Company
1	Mr. Pramod Madhukar Chaudhari	3,87,00,000 3,87,00,000	21.81 21.74	01.04.2015 31.03.2016	Nil	No Change during the year	3,87,00,000	21.74
2	Ms. Parimal Pramod Chaudhari	1,44,00,000 1,44,00,000	8.11 8.09	01.04.2015 31.03.2016	Nil	No Change during the year	1,44,00,000	8.09
3	Ms. Parimal Pramod Chaudhari (A/c Moriyaset Trust)	72,00,000 72,00,000	4.06 4.05	01.04.2015 31.03.2016	Nil	No Change during the year	72,00,000	4.05

(iv) Shareholding Pattern of Top Ten shareholders (other than Directors, Promoters and holders of GDRs and ADRs)

Sl. No.	Name	Shareholding		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (01.04.2015 to 31.03.2016)	
		No. of shares at the beginning (01.04.2015)/ end of the year (31.03.2016)	% of total shares of the Company				No. of Shares	% of total shares of the Company
1	HDFC Trustee Company Limited -HDFC EQUITY FUND	1,59,71,366	9.00	01.04.2015	Nil	No Change during the year	1,59,71,366	8.97
		1,59,71,366	8.97	31.03.2016				
2	TATA Capital Financial Services Limited	1,34,22,400	7.56	01.04.2015	Nil	No Change during the year	1,34,22,400	7.54
		1,34,22,400	7.54	31.03.2016				
3	LIC of India Market Plus 1 Growth Fund	63,69,999	3.58	01.04.2015	Nil	Transfer	63,69,999	3.58
				03.07.2015	-34,569		63,35,430	3.56
				10.07.2015	-3,97,043		59,38,387	3.34
				17.07.2015	-4,41,788		54,96,599	3.09
				24.07.2015	-2,78,637		52,17,962	2.93
				31.07.2015	-16,003		52,01,959	2.92
		50,66,231	2.85	07.08.2015	-1,35,728	Transfer	50,66,231	2.85
				31.03.2016				
4	Sundaram Mutual Fund A/c Sundaram Smile Fund	Nil	Nil	01.04.2015	Nil	Transfer	Nil	Nil
		36,50,976	2.05	05.06.2015	14,65,157		14,65,157	0.82
				12.06.2015	3,77,234		18,42,391	1.03
				19.06.2015	1,20,039		19,62,430	1.10
				30.06.2015	5,12,580		24,75,010	1.39
				03.07.2015	1,42,431		26,17,441	1.47
				17.07.2015	1,49,849		27,67,290	1.55
				21.08.2015	5,13,213		32,80,503	1.84
				25.09.2015	3,02,478		35,82,981	2.01
				30.09.2015	47,995		36,30,976	2.04
				09.10.2015	20,000		36,50,976	2.05
				31.03.2016				
5	Mr. Vinod Khosla	28,65,969	1.61	01.04.2015	Nil	No Change during the year	28,65,969	1.61
		28,65,969	1.61	31.03.2016				
6	Canara Robeco Mutual Fund A/c Canara Robeco Emerging Equities	Nil	Nil	01.04.2015		Transfer	Nil	Nil
				12.06.2015	6,74,588		6,74,588	0.38
				19.06.2015	3,60,000		10,34,588	0.58
				30.06.2015	25,000		10,59,588	0.59
				03.07.2015	57,000		11,16,588	0.63
				24.07.2015	1,50,000		12,66,588	0.71
				14.08.2015	50,000		13,16,588	0.74
				28.08.2015	67,320		13,83,908	0.78
				04.09.2015	1,16,000		14,99,908	0.84
				11.09.2015	24,043		15,23,951	0.86
				23.10.2015	50,000		15,73,951	0.88
				25.12.2015	75,000		16,48,951	0.93
				08.01.2016	1,00,000		17,48,951	0.98
				05.02.2016	-41,000		17,07,951	0.96
				04.03.2016	30,000		17,37,951	0.98
		17,37,951	0.98	31.03.2016				

Sl. No.	Name	Shareholding		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (01.04.2015 to 31.03.2016)	
		No. of shares at the beginning (01.04.2015)/ end of the year (31.03.2016)	% of total shares of the Company				No. of Shares	% of total shares of the Company
7	Dimensional Emerging Markets Value Fund	Nil	Nil	01.04.2015			Nil	Nil
				03.04.2015	10,42,540	Transfer	10,42,540	0.59
				30.06.2015	45,999	Transfer	10,88,539	0.61
				03.07.2015	58,870	Transfer	11,47,409	0.64
				28.08.2015	40,509	Transfer	11,87,918	0.67
				04.09.2015	37,219	Transfer	12,25,137	0.69
				11.09.2015	80,816	Transfer	13,05,953	0.73
				18.09.2015	23,856	Transfer	13,29,809	0.75
				06.11.2015	14,472	Transfer	13,44,551	0.75
				13.11.2015	21,592	Transfer	13,66,143	0.76
				25.12.2015	95,864	Transfer	14,62,007	0.82
				31.12.2015	52,054	Transfer	15,14,061	0.85
				08.01.2016	73,054	Transfer	15,87,115	0.89
				15.01.2016	76,880	Transfer	16,63,995	0.93
				22.01.2016	32,201	Transfer	16,96,196	0.95
		16,96,196	0.95	31.03.2016				
8	Alchemy India Long Term Fund Limited	Nil	Nil	01.04.2015			Nil	Nil
				24.07.2015	5,48,974	Transfer	5,48,874	0.31
				31.07.2015	27,232	Transfer	5,76,106	0.32
				21.08.2015	3,37,000	Transfer	9,13,106	0.51
				28.08.2015	86,894	Transfer	10,00,000	0.56
				06.11.2015	2,50,000	Transfer	12,50,000	0.70
		12,50,000	0.70	31.03.2016				
9	Ups Group Trust	Nil	Nil	01.04.2015			Nil	Nil
				22.01.2016	4,99,057	Transfer	4,99,057	0.28
				29.01.2016	3,69,564	Transfer	8,68,621	0.49
				05.02.2016	1,81,379	Transfer	10,50,000	0.59
				12.02.2016	48,187	Transfer	10,98,187	0.62
				19.02.2016	1,01,813	Transfer	12,00,000	0.67
				04.03.2016	50,000	Transfer	12,50,000	0.70
		12,50,000	0.70	31.03.2016				
10	Canara Robeco Mutual Fund A/c Canara Robeco Equity Diversified	Nil	Nil	01.04.2015			Nil	Nil
				12.06.2015	5,00,000	Transfer	5,00,000	0.28
				19.06.2015	2,25,000	Transfer	7,25,000	0.41
				17.07.2015	2,00,000	Transfer	9,25,000	0.52
				24.07.2015	58,000	Transfer	9,83,000	0.55
				31.12.2015	60,000	Transfer	10,43,000	0.58
		10,43,000	0.58	31.03.2016				

(V) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Name	Shareholding		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (01.04.2015 to 31.03.2016)	
		No. of shares at the beginning (01.04.2015)/ end of the year (31.03.2016)	% of total shares of the Company				No. of Shares	% of total shares of the Company
A DIRECTORS:								
1	Mr. Pramod Chaudhari Executive Chairman	3,87,00,000 3,87,00,000	21.81 21.74	01.04.2015 31.03.2016	Nil	No Change during the year	3,87,00,000	21.74
2	Mr. Gajanan Nabar CEO & MD	50,000 4,85,000	0.00 0.27	01.04.2015 01.04.2015 17.07.2015 31.08.2015 31.03.2016	 5,000 30,000 4,00,000	 Transfer Transfer Transfer	50,000 55,000 85,000 4,85,000	0.02 0.02 0.04 0.27
3	Mr. Berjis Desai Non-Executive, Independent Director	14,81,450 14,81,450	0.83 0.83	01.04.2015 31.03.2016	Nil	No Change during the year	14,81,450	0.83
4	Mr. Kishor Chaukar Non-Executive, Independent Director	Nil Nil	Nil Nil	01.04.2015 31.03.2016	Nil	No Change during the year	Nil	Nil
5	Ms. Parimal Chaudhari Non-Executive Promoter Director	1,44,00,000 1,44,00,000	8.11 8.09	01.04.2015 31.03.2016	Nil	No Change during the year	1,44,00,000	8.09
6	Mr. Prakash Kulkarni Non-Executive, Independent Director	5,000 5,000	0.00 0.00	01.04.2015 31.03.2016	Nil	No Change during the year	Nil	Nil
7	Mr. Rajiv Maliwal Non-Executive, Independent Director	Nil Nil	Nil Nil	01.04.2015 31.03.2016	Nil	No Change during the year	Nil	Nil
8	Mr. Sivaramakrishnan S. Iyer Non-Executive, Independent Director	1,80,000 1,80,000	0.10 0.10	01.04.2015 31.03.2016	Nil	No Change during the year	Nil	Nil
9	Mr. Daljit Mirchandani Non-Executive, Non- Independent Director (Appointed as Director w.e.f. 28.05.2015)	1,200 1,200	0.00 0.00	01.04.2015 31.03.2016	Nil	No Change during the year	1,200	0.00
B KEY MANAGERIAL PERSONNEL (KMP's)								
1	Mr. Dattatraya Nimbolkar (CFO & Company Secretary)	920 920	0.00 0.00	01.04.2015 31.03.2016	Nil	No Change during the year	920	0.00

Note : The percentile change in the shareholding without any change in number of shares is due to increase in Paid up Share Capital during the year on account of exercise of ESOPs.

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the Financial Year				
i) Principal Amount	2.049	Nil	Nil	2.049
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
Total (i + ii + iii)	2.049	Nil	Nil	2.049
Change in Indebtedness during the Financial Year				
• Addition	Nil	Nil	Nil	Nil
• Reduction	0.410	Nil	Nil	0.410
Net Change	0.410	Nil	Nil	0.410
Indebtedness at the end of the Financial Year				
i) Principal Amount	1.639	Nil	Nil	1.639
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
Total (i + ii + iii)	1.639	Nil	Nil	1.639

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager		Total Amount
		Gajanan Nabar CEO & MD	Pramod Chaudhari Executive Chairman	
1	Gross Salary			
	(a) Salary as per provisions contained in Section 17(1) of The Income-tax Act, 1961	23.305	54.473	77.778
	(b) Value of perquisites u/s 17(2) of The Income-tax Act, 1961	9.232	0.478	9.710
	(c) Profits in lieu of salary under Section 17(3) of The Income-tax Act, 1961.	0.000	0.000	0.000
2	Stock Option	0.000	0.000	0.000
3	Sweat Equity	0.000	0.000	0.000
4	Commission			
	- as % of profit	1.400	3.600	5.000
5	Others, please specify			
	Variable Pay	1.400	3.600	5.000
	Total (A)	35.337	62.151	97.488
	Ceiling as per the Act			98.127

B. Remuneration to other Directors:

Sl. No.	Particulars of Remuneration	Name of Directors							Total Amount
		Berjis Desai	Kishor Chaukar	Parimal Chaudhari	Prakash Kulkarni	Rajiv Maliwal	Sivaramakrishnan S. Iyer	Daljit Michandni	
1.	Independent Directors								
	Fee for attending board / committee meetings	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Commission	1.350	0.700	Nil	1.600	0.600	1.480	Nil	5.730
	Others, please specify	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Total (1)	1.350	0.700	Nil	1.600	0.600	1.480	Nil	5.730
2.	Other Non-Executive Directors								
	Fee for attending board / committee meetings	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Commission	Nil	Nil	1.170	Nil	Nil	Nil	Nil	1.170
	Others, please specify	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Total (2)	Nil	Nil	1.170	Nil	Nil	Nil	Nil	1.170
	Total (B) = (1+2)	1.350	0.700	1.170	1.600	0.600	1.480	Nil	6.900
	TOTAL MANAGERIAL REMUNERATION *								104.388

*Total remuneration to Managing Director, Wholetime Director and other Directors (being the total of A and B)

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTM

Sl. No.	Particulars of Remuneration	Key managerial personnel *	
		Dattatraya Nimbolkar CFO & Company Secretary	
1	Gross Salary		
	(a) Salary as per provisions contained in Section 17(1) of The Income-tax Act, 1961		6.793
	(b) Value of perquisites u/s 17(2) of The Income-tax Act, 1961		Nil
	(c) Profits in lieu of salary under Section 17(3) of The Income-tax Act, 1961.		Nil
2	Stock Option		Nil
3	Sweat Equity		Nil
4	Commission		
	- as % of profit		Nil
	- others, specify...		
TOTAL			6.793

*Remuneration to CEO is already covered in Part A i.e. Remuneration to Managing Director, Whole-time Directors and/or Manager.

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees impose	Authority [RD/ NCLT/COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	Nil	Nil	Nil	N.A.	N.A.
Punishment	Nil	Nil	Nil	N.A.	N.A.
Compounding	Nil	Nil	Nil	N.A.	N.A.
B. DIRECTORS					
Penalty	Nil	Nil	Nil	N.A.	N.A.
Punishment	Nil	Nil	Nil	N.A.	N.A.
Compounding	Nil	Nil	Nil	N.A.	N.A.
C. OTHER OFFICERS IN DEFAULT					
Penalty	Nil	Nil	Nil	N.A.	N.A.
Punishment	Nil	Nil	Nil	N.A.	N.A.
Compounding	Nil	Nil	Nil	N.A.	N.A.

ANNEXURE 6

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st March, 2016

[Pursuant to Section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies
(Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
Praj Industries Limited,
Praj Tower, S. No. 274 & 275/2,
Bhumkar Chowk-Hinjewadi Road,
Hinjewadi, Pune – 411 057

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Praj Industries Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended on 31st March, 2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the Financial Year ended on 31st March, 2016 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment. The Company has no External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (not applicable to the Company during the audit period);
 - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and Securities And Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (not applicable to the Company during the audit period);
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (not applicable to the Company during the audit period); and
 - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (not applicable to the Company during the audit period);

- i. The following other laws as specifically applicable to the Company:
 - a. Special Economic Zone Act, 1995 and the rules framed thereunder;
 - b. Narcotic Drugs and Psychotropic Substance Act, 1985 and the rules framed thereunder (for its Research and Development Centre);
 - c. Atomic Energy Act, 1962 read with Atomic Energy Radiation Protection Rules, 2004 (for its SEZ Unit)

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by the Institute of Company Secretaries of India (as applicable w.e.f. 1st July, 2015) ;
- (ii) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

During the period under review the Company has adequately complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above to the extent applicable.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. Mr. Daljit L. Mirchandani, Non-Executive and Non Independent Director was appointed as additional Director on 28th May, 2015 and was appointed as Director liable to retire by rotation at the AGM held on 6th August, 2015 in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the board meetings, agenda and detailed notes on agenda were sent at least seven days in advance. However, in case of agenda item scontaining unpublished price sensitive information, notes are placed at the meeting. As informed, a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings were carried out unanimously. As per the records available in the said minutes there were no dissenting views expressed by any Director in the meetings.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, as per our opinion the following event may have major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above:

- a. The Company increased its investment in equity shares of Praj HiPurity Systems Limited, a subsidiary Company, from 80 % to 100% of the paid up equity share capital of the subsidiary. The Company now holds 50,00,000 equity shares of ₹10/- each of Praj HiPurity Systems Limited. In view of the above, Praj HiPurity Systems Limited has become wholly owned subsidiary of the Company.

For **KANJ & ASSOCIATES**
Company Secretaries

Vikas Khare
FCS No.3541
C P No. 2107

Place: Rampur,
Date: 20th May, 2016

To,
The Members,
Praj Industries Limited,
Praj Tower, S. No. 274 & 275/2,
Bhumkar Chowk-Hinjewadi Road,
Hinjewadi, Pune – 411 057

Our report of even date provided in Form MR -3 is to be read along with this letter.

1. Maintenance of Secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we follow provide a reasonable basis for our opinion.
3. We are not required to verify the correctness and appropriateness of financial records and books of accounts of the Company as it is part of financial audit as per the provisions of the Companies Act, 2013.
4. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to verification of procedures on test basis.
6. The secretarial audit report is neither an assurance as to the future viability of the Company nor the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **KANJ & ASSOCIATES**
Company Secretaries

Vikas Khare
Partner
FCS No. 3541
C P No. 2107

Place: Rampur,
Date: 20th May, 2016

Statement containing the salient features of the financial statements of subsidiaries/associate Companies/joint ventures

[Pursuant to first proviso to Sub-section (3) of Section 129 of the Companies Act, 2013, read with Rule 5 of the Companies (Accounts) Rules, 2014 – AOC-1]

1	NAME OF THE SUBSIDIARY COMPANY	(All amounts are in Indian rupees million unless otherwise stated)									
		Praj Far East Philippines Ltd., Philippines	Praj Industries (Africa) Pty. Limited, South Africa	Praj Americas Inc. USA	Praj Far East Co., Ltd. Thailand	Praj Sur America S.R.L., Argentina	Industries Namibia Limited, Namibia	Praj HiPurity Systems Limited, India	Praj Engineering & Infra Ltd. *		
2	FINANCIAL PERIOD OF THE SUBSIDIARY ENDED ON	3/31/2016	3/31/2016	3/31/2016	3/31/2016	3/31/2016	3/31/2016	3/31/2016	3/31/2016	3/31/2016	3/31/2016
3	% OF SHAREHOLDING	100% of Equity Capital	100% of Equity capital	100% of Equity Capital	100% of Equity Capital	100% of Equity Capital	100% of Equity Capital	100% of Equity Capital	100% of Equity Capital	100% of Equity Capital	99.65% of Equity Capital
4	SHARE CAPITAL	11.167	104.558	9.281	5.007	0.003	0.001	50.000	3.098		
5	RESERVES AND SURPLUS	35.503	(37.445)	(2.246)	3.001	(0.001)	(9.619)	784.372	73.138		
6	TOTAL ASSETS	218.078	78.929	12.991	31.161	0.046	15.615	1,519.696	337.283		
7	TOTAL LIABILITIES (EXCLUDING SHARE CAPITAL AND RESERVES AND SURPLUS)	171.408	11.816	5.956	23.153	0.044	25.233	685.324	261.047		
8	INVESTMENTS	NIL	NIL	NIL	NIL	NIL	NIL	NIL	0.115		
9	TURNOVER	241.173	1.881	26.629	67.812	-	6.630	1,408.605	348.929		
10	PROFIT/(LOSS) FOR THE CURRENT YEAR (BEFORE TAXES)	16.209	(10.306)	(0.917)	1.499	-	(9.374)	164.712	42.662		
11	PROVISION FOR TAXATION (INCLUDING DEFERRED TAXES)	5.354	-	-	1.158	-	3.258	58.818	14.307		
12	PROFIT/(LOSS) AFTER TAX	10.855	(10.306)	(0.917)	0.341	-	(12.632)	105.894	28.355		
13	ORIGINAL CURRENCY	PESO	ZAR	US DOLLAR	THAI BAHT	ARGENTINA PESO	NAMIBIAN DOLLAR	INR	INR		
14	EXCHANGE RATE AS ON 31 ST MARCH, 2016 IN INR- CLOSING RATE	1.44	4.45	65.81	1.88	4.52	4.45	-	-		
15	EXCHANGE RATE FROM 1 ST APRIL 2015 TO 31 ST MARCH, 2016 IN INR-AVERAGE RATE	1.41	4.78	65.32	1.86	6.34	4.78	-	-		

* Formerly Pacecon Engineering Projects Limited

For and on behalf of the Board of Directors of
Praj Industries Limited

Pramod Chaudhari
Executive Chairman

Gajanan Nabar
CEO & MD

Dattatraya Nimbolkar
CFO & Company Secretary

Sivaramakrishnan S. Iyer
Director

Place: Mumbai

Date: 20th May, 2016

ANNEXURE 8

Nomination & Remuneration Policy

The Board of Directors of Praj Industries Limited ("the Company"), in view of enforcement of Companies Act, 2013 read with rules framed there under and amendment to Clause 49 of the Listing Agreement, re-designated the Remuneration Committee as "Nomination and Remuneration Committee" at the Meeting held on 26th May, 2014 with immediate effect.

Further, this policy stands amended pursuant to Regulation 19(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 which have come into effect from 1st December, 2015.

The Nomination and Remuneration Committee and this Policy shall be in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Regulation 19(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as may be amended from time to time).

1. DEFINITIONS

- a) **Board means Board of Directors of the Company.**
- b) **Key Managerial Personnel** shall have the same meaning as given in Section 203 of the Companies Act, 2013 read with rules framed there under.
- c) "Senior Management" shall mean personnel of the Company (which include persons engaged as retainer or on contractual basis) who are members of its core management team excluding Board of Directors, comprising all members of management one level below the executive directors i.e. Level L4. Also any appointment or cessation of the functional head, shall be placed for noting by the Nomination & Remuneration Committee."

Explanation 1: In case of any dispute whether a person is member of Senior Management or not, decision of concerned Executive Director shall be final.

Explanation 2: Considering the criticality of a particular function, even if a person is not covered in the above definition, the Chairman will have discretion to treat him/ her as member of Senior Management for the purpose of this Policy.

Explanation 3: The term "Functional Head" shall mean the person, other than those in Level L4 and includes a person who is in an independent charge of any function.

- d) The words and definitions not described herein above shall have the respective meanings under the Acts and legislations governing the same.

2. TERMS OF REFERENCE/ROLE OF COMMITTEE

The Terms of Reference of the Committee shall be:

- a) To identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down, recommend to the Board their appointment and removal and to carry out evaluation of every Director's performance.
- b) To ensure that the level and composition of remuneration is reasonable and is sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully.
- c) To ensure that relationship of remuneration to performance in respect of Directors, Key Managerial Personnel and employees of Senior Management is clear and meets appropriate performance benchmarks ; and
- d) To ensure that remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and variable pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals:
- e) To formulate the criteria for determining qualifications of Directors, Key Managerial Personnel and employees of Senior Management, and also to determine criteria for positive attributes and independence of Directors.
- f) To formulate criteria for evaluation of every Director including Independent Director and the Board.
- g) To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation by the Board.
- h) To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and employees of Senior Management.
- i) To provide to Key Managerial Personnel and Senior Management, reward linked directly to their efforts, performance, dedication and achievement relating to the Company's operations.

- j) To devise a policy on Board diversity from time to time.
- k) To develop a succession plan for the Board and to regularly review the plan;

3. RETIREMENT AGE OF DIRECTORS, KMP AND SENIOR MANAGEMENT PERSONNEL

The KMP and Senior Management Personnel shall retire as per the prevailing HR policy of the Company.

As decided by the Board of Directors in its meeting held on 24.05.2011 the retirement age for Executive Directors shall be 65 years and for Non-Executive Directors shall be 70 years. The Board of Directors shall be at liberty to grant any extension as and when required on case to case basis.

4. STATUTORY POWERS OF THE COMMITTEE

- a) The committee shall have a power to express opinion whether the Director possesses the requisite qualification for the practice of the profession, when remuneration is proposed to be paid for the services to be rendered in any other capacity and such services to be rendered are of a professional nature.
- b) Where in any Financial Year during the currency of tenure of a managerial person, a Company has no profits or its profits are inadequate, the Committee may approve the payment of remuneration as per Section II of Part II of Schedule V to the Companies Act, 2013.

5. COMPOSITION OF COMMITTEE

The Committee shall comprise of at least three Non-Executive Directors, at least half of whom shall be independent Directors. The Board may appoint the Chairperson of the Company whether executive or non-executive as member of this committee.

6. CHAIRPERSON

- a) The Chairperson of the Committee shall be an Independent Director.
- b) In the absence of the Chairperson, the members of the Committee present at the meeting shall choose one of the Independent Directors amongst them to act as Chairperson.
- c) The Chairperson of the Nomination and Remuneration Committee shall endeavor to be present at the Annual General Meeting.

7. MISCELLANEOUS

- a) A member of the Committee is not entitled to be present when his or her own or his or her relative(s) remuneration is discussed at a meeting or when his or her or his or her relative(s) performance is being evaluated.
- b) The Committee may invite Executive Directors, functional heads and outside experts, as it considers appropriate, to be present at the meetings of the Committee.
- c) The Company Secretary of the Company shall act as Secretary of the Committee.

ANNEXURE 9

Information as per Section 197(12) of the Companies Act, 2013, read with the Companies (Particulars of employees) Amendment Rules, 2011 (Financial Year 2015-2016)

Sr. No.	Employee Name	Designation	Gross Remuneration (₹)	Nature of employment	Qualification	Total experience (Years)	Date of commencement	Age	Last employment held
1	Pramod Chaudhari	Executive Chairman	62,150,657	Contractual	B. Tech. (Mech)	43	8-Nov-1985	66	Rapicut Carbides Ltd.
2	Gajanan Nabar	CEO & MD	35,337,161	Contractual	Master Degree in Organic Chemistry and Master Degree in Management	26	15-Nov-2010	52	Praxair India Pvt. Ltd.
3	Sanjay Chaturvedi*	President & IBPP	12,906,276	Contractual	PhD. Chemistry	24	1-Sep-2015	46	Aurobindo Pharma Ltd.
4	Sanjay Sapru	Business Unit Head	11,561,343	Regular	B.E. (Mech)	21	20-Nov-2014	44	SAB Miller India Ltd.
5	Ravichandran Selvaraj	Business Unit Head	9,261,115	Regular	B.E. (Mech), M.B.A.	31	10-Nov-2014	55	Nalco Pacific Pte. Ltd.
6	Veena Apte*	President-PLDI	8,746,378	Contractual	PhD. Psychology	27	11-May-2015	57	SKF India Ltd.
7	Pramod Kumbhar	Executive Vice President	8,674,600	Regular	M. Chem, Ph. D in Chemical Engineering	26	7-May-2012	52	SI Group-India Ltd.
8	Mallikarjun Navalgund	Executive Vice President	8,630,585	Regular	B. Tech. (Chemical)	34	17-Aug-1987	57	Dhake Dyes & Chemicals Pvt. Ltd.
9	Soumitra Kumar Dutt*	President & Head - HR	8,464,448	Regular	B.A., LLB, Ph.D	31	27-Mar-2015	55	ABG Group
10	S. Suresh Kumar	Executive Vice President	8,444,928	Regular	B. Tech. (Mech)	30	1-Jun-2011	52	Marg Ltd.
11	Ghansham Deshpande	President	8,211,626	Regular	M.E. (Chemical)	29	1-Feb-1990	52	Aker Solutions
12	Atul Mulay	Executive Vice President	7,781,831	Regular	D.M.E., D.M.M.	29	1-Jan-1985	52	N.A.
13	Dattatraya Nimbolkar	CFO & Company Secretary	6,792,651	Regular	B.Com. (Hons.), ACA, ACS, ACMA	35	29-Nov-2007	57	Crompton Greaves Ltd.
14	Ananat Patil	Executive Vice President	6,486,570	Regular	M. Tech. - Chemical Engineering	28	29-Jul-2002	52	Aquatech Systems Asia Pvt. Ltd.
15	Sanjay Kulkarni	Vice President	6,275,553	Regular	B.E.(Mech)	26	1-Jan-2007	48	Kirloskar Pneumatic Company Ltd.
16	Vikram Pandit	Executive Vice President	6,182,938	Regular	M. Tech. - Chemical Engineering	35	1-Dec-2014	59	-
17	Abhijit Dani	Vice President	6,038,931	Regular	B.E. (Mech) & MBA	21	15-Oct-2008	43	Force Motors Ltd.
18	Rakesh Tripathi*	Executive Vice President & BU Head	3,576,474	Regular	B.E. (Chemical)	25	14-Oct-2015	47	Larsen & Toubro Ltd.
19	Rajiv Agarwal*	Executive Vice President	3,428,222	Regular	B. Tech. (Chemical), PGD (Mgmt)	32	16-Nov-2015	57	DSM India Pvt. Ltd.

Notes : None of the above employees is related to any Director of the Company, except Mr. Pramod Chaudhari who is a husband of Ms. Parimal Chaudhari.

None of the employees, except Mr. Pramod Chaudhari, holds more than 2% of the outstanding shares of the Company as on 31st March 2016.

* Indicates earnings for part of the year.

For **Praj Industries Limited**

Dattatraya Nimbolkar
CFO & Company Secretary

ANNEXURE 10

BUSINESS RESPONSIBILITY REPORT

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1. Corporate Identity Number (CIN) of the Company : L27101PN1985PLC038031
2. Name of the Company : Praj Industries Ltd.
3. Registered address : "Praj Tower", S. No. 274 & 275/2, Bhumkar Chowk-Hinjewadi Road, Hinjewadi, Pune – 411 057.
4. Website :www.praj.net
5. E-mail id :info@ praj.net
6. Financial Year reported : 01.04.2015- 31.03.2016
7. Sector(s) that the Company is engaged in (industrial activity code-wise)
Manufacture of other Special - Purpose Machinery n.e.c.
NIC Code of the Product/Service : 28299
8. Three key products/services that the Company manufactures/provides (as in balance sheet)
 - a. Equipments and technology required for Distilleries, Breweries and Pharma
 - b. Water and Waste water plants
 - c. Critical process Equipments
 - d. Bio Products
9. Total number of locations where business activity is undertaken by the Company
 - (a) Number of International Locations (Provide details of major 5)
Praj Industries Limited has business activity undertaken in 10 international locations. The major ones are Thailand, USA, South Africa, Philippines and Uganda.
 - (b) Number of National Locations
Praj Industries Limited has its engineering and manufacturing facilities located at Pune at the following places;
 1. S. No. 748, Sanaswadi, Pune- 412 307, Maharashtra, India
 2. Plot No. E-20 & E-21 additional MIDC area, Jejuri Tal. Purandar, Pune - 412 203, Maharashtra, India
 Further, it carries out manufacturing at EOU at Kandla SEZ Unit I Plot No 307 to 314 and Unit II at Plot No. 282 to 286 and 294 to 298, Sector IV Gandhidham, Kutch, 370230, Gujrat, India.
10. Markets served by the Company – Local/State/National/International
The Company serves both national and international markets.

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1. Paid up Capital (INR Mn) : 355.945
2. Total Turnover (INR Mn) : 8239.779
3. Total Profit After Taxes (INR Mn) : 667.313
4. Total Spending on Corporate Social Responsibility (CSR) as percentage of Profit After Tax (%) : 2.94%
5. List of activities in which expenditure in 4 above has been incurred:-
 - (a) eradicating hunger, poverty, promoting preventive health care etc
 - (b) promoting education
 - (c) promoting gender equality, setting up old age home etc
 - (d) ensuring environmental sustainability, conservation of natural resources etc

SECTION C: OTHER DETAILS

1. Does the Company have any Subsidiary Company/Companies?
Yes. The Company has 8 subsidiaries as on 31st March, 2016.
2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent Company? If yes, then indicate the number of such subsidiary Company(s).
Praj Industries Limited encourages its subsidiaries to participate in its group – wide BR initiatives.

3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]

Praj Industries Limited encourages its associates to participate in the BR initiatives of the Company. The percentage would be less than 30.

SECTION D: BR INFORMATION

1. Details of Director/Directors responsible for BR

- (a) Details of the Director/Director responsible for implementation of the BR policy/policies:

1. DIN Number : 00714569
2. Name : Mr. Gajanan Nabar
3. Designation : CEO & MD

- (b) Details of the BR head

No.	Particulars	Details
1	DIN Number (if applicable)	N.A.
2	Name	Mr. Vikram Pandit
3	Designation	Executive Vice President- Chairman's Office
4	Telephone number	020- 71802000
5	e-mail id	VikramPandit@praj.net

Principle-wise (as per NVGs) BR Policy/policies

The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These are as follows:

P1	Business should conduct and govern themselves with Ethics, Transparency and Accountability
P2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle
P3	Businesses should promote the well-being of all employees
P4	Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised
P5	Businesses should respect and promote human rights
P6	Business should respect, protect and make efforts to restore the environment
P7	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner
P8	Businesses should support inclusive growth and equitable development
P9	Businesses should engage with and provide value to their customers and consumers in a responsible manner

- (a) Details of compliance (Reply in Y/N)

No.	Principle wise polices	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	Do you have a policy/ policies for....	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national / international standards? If yes, specify? (50 words)	Y	Y	Y	N	Y	Y	N	Y	N
	All applicable national and international laws as well as international conventions are captured in the policies articulated by Praj. In addition, they reflect the purpose and intent of the international standards such as ISO 9001:2008, ISO 14000 and OHSAS 18001.									
4	Has the policy being approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the Company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	N	N	Y	Y	N	Y	Y	Y	Y

No.	Principle wise polices	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
6	Indicate the link for the policy to be viewed online.				http://www.praj.net/policies.html					
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the Company have in-house structure to implement the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	N	N	N	N	N	N	Y	N	Y
10	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	N	N	Y	N	N	Y	N	N	N

3. Governance related to BR

- Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year Annually
- Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

The Company publishes Sustainability Report every year. The same can be accessed at www.Praj.net

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1 - Business should conduct and govern themselves with Ethics, Transparency and Accountability

- Does the policy relating to ethics, bribery and corruption cover only the Company? (yes/no) Does it extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?
Yes. The Code of Conduct available on www.praj.net serves as the ethical road map for all Praj Companies and business associates. All suppliers, partners and associates are expected to adopt and follow Praj Code of Conduct.
- How many stakeholder complaints have been received in the past Financial Year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.
A total of 121 stakeholder complaints were received during the Financial Year 2015-16. Out of the same, 100 (representing 83%) complaints have been satisfactorily resolved.

Principle 2 - Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

- List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.
 - EcoSmart – Molecular Sieve Dehydration based System leading to lower energy and water consumption
 - EcoSmart ED – Evaporative Distillation System leading to lower energy, water consumption and GHG emissions.
 - Agitated Thin Film Dryer leading to Zero Liquid Discharge
- For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional):
 - EcoSmart: Steam consumption is 2.05 kg/litre of product.
 - EcoSmart ED: Steam consumption is 2.1 kg/litre of product.
 - Agitated Thin Film Dryer ensures Zero Liquid Discharge as against 12 liters/litre (in conventional system) of alcohol produced.
 - Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?
During the year, the Company extended all necessary help & support to six identified vendors for Green Certification. On Distribution front, the Company ensured clubbing of material going to same destination thereby reducing carbon footprint.
 - Reduction during usage by consumers (energy, water) has been achieved since the previous year?
Energy Reduction – The benchmark has been 3.2 kg/litre for Extra Neutral Alcohol production which has dropped to 2.1-2.05 kg/litre with the usage of Ecosmart/Ecosmart ED technologies.
Reduced Water Consumption – Fresh water consumption reduces to 1.2 liter/liter by usage of Ecosmart/Ecosmart ED technologies.
Waste Water Reduction – Agitated Thin Film Dryer ensures Zero Liquid Discharge as against 12 liters/litre (in conventional system) of alcohol produced.

3. Does the Company have procedures in place for sustainable sourcing (including Transportation)?
The Company took initiative in partnering with the Vendors enabling them to achieve Green Vendor Certification. The Company also carries out quarterly evaluation of Vendors for assignment of ratings based on sustainability criteria. The Company provides counselling to vendors for adoption of sustainable processes and practices.
 - (a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.
The major critical components/inputs (Approximately 45%) required in the Company's plant, are sourced from the reputed suppliers who comply with the sustainability norms.
4. Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?
The nature of Company's business is such that the sourcing has to be compulsorily done from supply chain partners with specific technical competencies and makes as specified by customers.
 - (a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?
N.A.
5. Does the Company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.
In the process of manufacture, the scrap generation is around 5 to 6% which is sold to recycling vendors. The percentage of recycling of scrap is 100%.

Principle 3 - Businesses should promote the well-being of all employees

1. Total number of permanent employees: 978.
2. Total number of employees on temporary/contractual/casual basis: 506 (hired during the fiscal 98).
3. Number of permanent women employees: 91
4. Number of permanent employees with disabilities : 6
5. Do you have an employee association that is recognized by management. : No
6. Percentage of permanent employees who are members of recognized employee association? Not Applicable
7. Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last Financial Year and pending, as on the end of the Financial Year.
During the year, there were no cases of Child labour/forced labour/involuntary labour, Sexual harassment, Discriminatory employment reported.
8. Following is the Percentage of under mentioned employees who were given safety & skill up-gradation training in the last year :
 - (a) Permanent Employees Safety : 89% & Skill : 84%
 - (b) Permanent Women Employees Safety : 92% & Skill : 92%
 - (c) Casual/Temporary/Contractual Employees : Safety : 91% & Skill : 87%
 - (d) Employees with Disabilities Safety : 96% & Skill : 96%

Principle 4 - Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised

1. Has the Company mapped its internal and external stakeholders?
Yes
2. Out of the above, has the Company identified the disadvantaged, vulnerable & marginalized stakeholders.
Yes
3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.
Praj has been implementing specific community development initiatives around our manufacturing and R&D units. These projects are based on the needs of the community. The selected interventions are sustainable, innovative and replicable. Some of the initiatives include Preventive Healthcare, Education and Skills development, Water resources Development & Biodiversity conservation.

Principle 5 - Businesses should respect and promote human rights

1. Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?
No
2. How many stakeholder complaints have been received in the past Financial Year and what percent was satisfactorily resolved by the management?

There were no complaints received during the year.

Principle 6 - Business should respect, protect and make efforts to restore the environment

1. Does the policy related to Principle 6 cover only the Company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.

Policy related to Environment applies to the group as part of ISO 14001

2. Does the Company have strategies/initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.

a. Large part of Company's business is related to Ethanol which is used as additive to petrol thus reducing the CO2 emissions. Praj has supplied plants globally which are instrumental in reducing CO2 emissions equivalent to 3.2 MMT.

b. Also, water & waste water division of the Company deals with manufacture of systems for water recycling.

3. Does the Company identify and assess potential environmental risks? Y/N

Yes.

Risks, mitigation strategies and contingency measures are reviewed and revised every year. Health, Safety and Environment team organises multiple workshops for various functions.

4. Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

No.

5. Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.

The Company constantly endeavours to reduce its carbon footprints through advancement in the areas of clean technology, energy efficiency and renewable energy.

This is aptly spelt out in the vision statement of the Company which is as follows;

"To make the world a better place".

6. Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the Financial Year being reported?

The Emissions/Waste generated by the Company is within the permissible limits given by State /Central Pollution Control Boards for the Financial Year being reported.

7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

During the Financial Year, the Company did not receive any notice from State/Central Pollution Control Boards .

Principle 7 - Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

1. Is your Company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

(a) ePure : An association of stakeholders of fuel ethanol industry in European Union

(b) CII National Bioenergy Committee: Committee of Stakeholders for promotion of Bioenergy in India

(c) Petrofed: Association of Petroleum Companies

(d) Association of Bio Technology led Enterprises

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas

Yes. As member of CII National Bioenergy Committee, the Company advocates use of bioenergy to mitigate GHG emissions. A policy document called Report on Bioenergy Sector, was also prepared enabling Sustainable Energy Access for India.

As a member of CII Affirmative Action Committee (Pune Zonal council) the Company and other Committee members have taken initiative to create awareness regarding the importance of Affirmative Actions to enhance social stability and cohesion, which are necessary for business. As a result of this, many companies have embedded affirmative actions in their HR and business processes under four heads: Employability, Entrepreneurship, Education and Employment.

The CII Affirmative Actions Committee facilitates organising SC/ST vendor meet in collaboration with Dalit Chamber of Commerce & Industries (DCCI). Some of the vendors are part of our vendor community.

Principle 8 - Businesses should support inclusive growth and equitable development

1. Does the Company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.

Yes Praj has specific projects which support inclusive growth and equitable development

These projects are based on the needs of the community. The selected interventions are sustainable, innovative and replicable. In fact many of the projects selected are complimentary to overall national agenda like Preventive Healthcare, Drinking Water & Sanitation, Education and Skills development, Water Resources Development, Protection of Environment and Biodiversity conservation.

2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?

The projects are undertaken through our own foundation as well as local NGO's.

3. Have you done any impact assessment of your initiative?

Yes, the impact assessment is periodically done for the long term projects where substantial impact on the community can be measured.

4. What is your Company's direct contribution to community development projects-Amount in INR and the details of the projects undertaken.

Refer page No. 18 of Annual Report 2015-16.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

Yes.

Company's project interventions were need based, cost effective leading to positive results in a short span. Extensive involvement of community in planning and implementation helped in capacity building as well as created ownership of the project. Through regular interaction with the community, positive impact created was shared with them to further enhance adoption level.

Principle 9 - Businesses should engage with and provide value to their customers and consumers in a responsible manner

1. What percentage of customer complaints/consumer cases are pending as on the end of Financial Year. : 19%

2. Does the Company display product information on the product label, over and above what is mandated as per local laws/N.A.

Majority of your Company's products are customised and hence, it is not possible. However, for Bio products, the Company displays product information on the product label as is mandated as per local laws.

3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of Financial Year. If so, provide details thereof, in about 50 words or so.

No.

4. Did your Company carry out any consumer survey/ consumer satisfaction trends?

No.

Important Communication to Shareholders

Green Initiative

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that service of notice/documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to send e-mail at investorsfeedback@praj.net to update their e-mail address.

The Company provides e-voting facility to all its members to enable them to cast their votes electronically on all resolutions set forth in the Notice. This is pursuant to Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Amendment Rules, 2015. The instructions for e-voting are provided in the Notice.

Demat Your Shares

Members are requested to convert their physical holding to demat form through any of the nearest depository participant (DPs) to avoid hassles involved with physical shares such as possibility of loss, mutilation, and to ensure safe and speedy transaction in securities.

Register Your National Electronic Clearing Services (NECS) Mandate

RBI has initiated NECS for credit of Dividend directly to the Bank Account of shareholders. Members holding shares in electronic mode are requested to register their latest Bank Account details (Core Banking Solutions enabled account number, 9 digit MICR and 11 digit IFS Code details) with their Depository Participant. Members holding shares in physical form are requested to register their latest Bank Account details (Core Banking Solutions enabled account number, 9 digit MICR and 11 digit IFS Code details) to the Company's R & T Agent.

Independent Auditors' Report

TO THE MEMBERS OF PRAJ INDUSTRIES LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of Praj Industries Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016 and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Companies Act, 2013, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account.

- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our Separate Report in "Annexure B".
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 26 to the financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts having material foreseeable losses for which provision was required.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

Sandeep Rao
Partner
Membership No.: 47235

Mumbai, 20th May, 2016

Annexure A

Referred to in paragraph 1 under the heading, "Report on Other Legal and Regulatory Requirements" of our report on even date:

- (i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets are been physically verified by the management at regular intervals based on the programme of verification which in our opinion is reasonable. All the major fixed assets have been verified by the management in the current year and discrepancies noticed on such physical verification were not material and the same have been properly dealt with in the books of account.
- (c) The title deeds of immovable properties are held in the name of the Company.
- (ii) Physical verification of inventory has been conducted by the management during the current year. In our opinion, the interval of such verification is reasonable. Discrepancies noticed on physical verification were not material and the same have been properly dealt with in the books of account.
- (iii) The Company has not granted any loans, secured or unsecured to Companies, Firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Therefore, Clause (iii) a, b and c of the Order are not applicable to the Company.
- (iv) According to the information and explanations provided to us, in respect of loans, investments, guarantees, and security; provisions of Sections 185 and 186 of the Companies Act, 2013 have been complied with wherever applicable.
- (v) According to information and explanations provided to us, the Company has not accepted deposits, hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed thereunder, are not applicable to the Company. According to information and explanations provided to us, no order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal.
- (vi) We have broadly reviewed the books of account relating to materials, labour and other items of cost maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the Companies Act, 2013 and we are of the opinion that *prima facie* the prescribed accounts and records have been made and maintained. We have not however made a detailed examination of records with a view to determine whether they are accurate and complete.
- (vii) (a) The Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities. According to the information and explanation provided to us, no undisputed amounts payable in respect of statutory dues were in arrears as at 31st March, 2016, for a period more than six months from the date they became payable.
- (b) According to the information and explanations provided to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax or cess which have not been deposited on account of any dispute except those mentioned below:

Name of Statute	Nature of Dues	Amount in Million (₹)	Period to which amount relates	Forum where dispute is pending
Sales Tax Laws	Demand as per Sales Tax Assessment and Show Cause Notice	20.17	F.Y. 2010-11	Joint Commissioner (Appeals)
	Demand as per Sales Tax Assessment and Show Cause Notice	167.62	FY 2006-07, 2007-08, 2008-09, 2009-10 and 2011-12	Maharashtra Sales Tax Tribunal, Mumbai
The Finance Act, 1994	Demand on account of Non-Submission of Statutory Returns in stipulated time	2.20	F.Y. 2012-13	CESTAT, Mumbai

- (viii) Based on our audit procedures and according to the information and explanations provided to us, the Company has not defaulted in repayment of dues to a financial institution, bank or government. The Company does not have any debenture holders.
- (ix) According to information and explanations provided to us, the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments). The Company has not raised any term loans during the year.
- (x) Based upon the audit procedures performed by us and according to the information and explanations provided to us by the management, no fraud by the Company or any fraud on the Company by its officers or employees has been noticed or reported to us during the year.

- (xi) According to the information and explanations provided to us, the managerial remuneration has been paid and provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act.
- (xii) The Company is not a Nidhi Company and accordingly, Clause (xii) of the Order is not applicable to the Company.
- (xii) According to the information and explanation provided to us, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 wherever applicable and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations provided to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
- (xv) According to the information and explanations provided to us, the Company has not entered into any non-cash transactions with directors or persons connected with him.
- (xvi) According to the information and explanations provided to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

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

Sandeep Rao
Partner
Membership No.: 47235

Mumbai, 20th May, 2016

Annexure B: To the Independent Auditors' Report of even date on the financial statements of Praj Industries Limited

Report on the Internal Financial Controls

Under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Praj Industries Limited ("the Company") as of 31st March, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that, (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has maintained, in all material respects, adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as of 31st March, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Sandeep Rao
Partner
Membership No.: 47235

Mumbai, 20th May, 2016

Balance Sheet as at 31st March, 2016

(All amounts are in Indian rupees million unless otherwise stated)

	Notes	March 2016	March 2015
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	3	355.945	354.930
Reserves and Surplus	4	6154.138	5799.227
Non-Current Liabilities			
Long-Term Borrowings	5	1.229	2.049
Deferred Tax Liabilities (Net)	6	-	8.541
Long-Term Provisions	7	125.152	117.848
Current liabilities			
Trade Payables			
Dues to Micro and Small enterprises		67.821	99.386
Dues to other parties		1598.314	1352.425
Other Current Liabilities	8	2159.332	2091.165
Short-Term Provisions	9	157.550	488.153
TOTAL		10619.481	10313.724
ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible Assets	10	1983.487	2125.947
Intangible Assets	10	27.113	24.331
Capital Work-in-Progress		7.435	13.891
Non Current Investments	11	1769.596	1412.150
Deferred Tax Assets (Net)	6	50.997	-
Long-Term Loans and Advances	12	168.925	119.993
Other Non-Current Assets	13	0.020	0.020
Current Assets			
Current Investments	14	1159.521	1479.276
Inventories	15	713.950	703.059
Contracts in Progress	27	787.172	1266.736
Trade Receivables	16	2909.677	2030.304
Cash and Bank Balances	17	595.322	728.554
Short-Term Loans and Advances	18	446.266	409.463
TOTAL		10619.481	10313.724
Summary of Significant accounting policies	2		
The accompanying notes are an integral part of the financial statements.			

As per our report of even date.

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

Chartered Accountants

Firm Regn. No.: 101118W

For and on behalf of the Board of Directors of
Praj Industries Limited**Sandeep Rao**

Partner

Membership No.: 47235

Pramod Chaudhari

Executive Chairman

Gajanan Nabar

CEO & Managing Director

Place: Mumbai

Date: 20th May, 2016**Dattatraya Nimbolkar**

CFO & Company Secretary

Sivaramakrishnan S. Iyer

Director

Statement of Profit and Loss for the year ended 31st March, 2016

(All amounts are in Indian rupees million unless otherwise stated)

	Notes	March 2016	March 2015
Income:			
Revenue from operations (Gross)	19	8579.795	8313.506
Less: Excise Duty		340.016	298.651
Revenue from operations (Net)		8239.779	8014.855
Other Income	20	122.597	319.439
Total Revenue		8362.376	8334.294
Expenses:			
Cost of materials consumed	21	3923.173	4184.504
(Increase)/Decrease in inventories of Finished Goods, Work-in-Progress	22	(5.114)	30.563
Employee Benefit Expenses	23	1273.463	1102.902
Finance costs	24	0.085	2.985
Depreciation and amortisation expenses	10	214.857	261.340
Other Expenses	25	2169.143	2070.408
Total Expenses		7575.607	7652.702
Profit before tax		786.769	681.592
Tax Expense:			
Current Tax		182.834	173.009
Prior Year Taxes		(3.841)	(108.408)
Deferred Tax charge/(credit)		(59.537)	(68.362)
Profit/(Loss) after tax		667.313	685.353
Earning per share			
1. Basic [nominal value of ₹ 2 each (31 st March, 2015 ₹ 2)]	31	3.75	3.86
2. Diluted [nominal value of ₹ 2 each (31 st March, 2015 ₹ 2)]	31	3.73	3.85
Summary of Significant accounting policies	2		
The accompanying notes are an integral part of the financial statements.			

As per our report of even date.

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

Sandeep Rao
 Partner
 Membership No.: 47235

Place: Mumbai
 Date: 20th May, 2016

For and on behalf of the Board of Directors of
Praj Industries Limited

Pramod Chaudhari
 Executive Chairman

Dattatraya Nimbolkar
 CFO & Company Secretary

Gajanan Nabar
 CEO & Managing Director

Sivaramakrishnan S. Iyer
 Director

Cash Flow Statement for the year ended 31st March, 2016

(All amounts are in Indian rupees million unless otherwise stated)

	March 2016	March 2015
A. Cash flow from operating activities		
Net profit before tax	786.769	681.592
Adjustments for:		
Loss/(Profit) on sale of fixed assets	(0.137)	(118.225)
Gain on redemption of mutual fund investments	(16.699)	(30.963)
Gain on redemption of bonds	-	(18.928)
Bad Debts/Provision for doubtful debts and advances	148.176	190.637
Excess provision/creditors written back (including advances)	(25.356)	(17.074)
Provision for diminution in investments/Loss on sale of shares	(1.783)	10.304
Unrealised foreign exchange (gain)/loss (net)	(17.386)	(75.492)
Depreciation and amortisation	214.857	261.340
Interest earned	(30.275)	(19.051)
Dividend from mutual fund investments	(48.545)	(58.531)
Interest charged	0.085	2.985
Operating profit before working capital changes	1009.706	808.594
Changes in working capital		
(Increase)/decrease in trade receivables	(1017.765)	296.145
(Increase)/decrease in inventories (including contracts in progress)	468.674	(153.409)
(Increase)/decrease in long-term loans and advances	0.623	3.499
(Increase)/decrease in short-term loans and advances	2.414	130.790
(Increase)/decrease in other non-current assets	-	100.000
Increase/(decrease) in trade payables	240.119	(133.362)
Increase/(decrease) in other current liabilities	62.811	205.440
Increase/(decrease) in long-term provisions	7.304	21.542
Increase/(decrease) in short-term provisions	47.993	(27.288)
Cash generated from operations	821.879	1251.951
Direct taxes paid (including taxes deducted at source), net of refunds	(271.910)	159.827
NET CASH FROM OPERATING ACTIVITIES	549.969	1411.778
B. Cash flow from investing activities		
Purchase of fixed assets and intangibles	(119.399)	(142.054)
Investments:		
- in subsidiaries	(357.446)	(204.258)
- in mutual funds	(989.209)	(2625.599)
- in debentures & bonds	-	(100.030)
Sale of investments		
- in subsidiary	-	32.037
- in mutual funds	1327.447	2030.434
- in debentures & bonds	-	68.895
Proceeds from sale of fixed assets	1.258	198.916
Interest received on investments	28.187	19.938
Dividend received on investments	48.545	58.531
Investment in fixed deposits	(43.115)	(65.500)
NET CASH FROM/(USED) IN INVESTING ACTIVITIES	(103.732)	(728.690)

(All amounts are in Indian rupees million unless otherwise stated)

	March 2016	March 2015
C. Cash flow from financing activities		
Proceeds from exercise of employee stock options	35.572	-
Increase/(Decrease) in Long-term borrowings	(0.410)	0.586
Dividend paid including dividend distribution tax	(688.033)	(336.353)
Interest paid	(0.085)	(2.985)
NET CASH FROM/(USED) IN FINANCING ACTIVITIES	(652.956)	(338.752)
Net increase/(decrease) in cash and cash equivalents (A + B + C)	(206.719)	344.336
Cash and cash equivalents at the beginning of the year (Refer Note 17)	628.054	250.034
Add: Effect of exchange rate changes on cash and cash equivalents	30.372	33.684
Cash and cash equivalents at the end of the year (Refer Note 17)	451.707	628.054
Notes:		
1. The Cash Flow Statement has been prepared under the " Indirect method" as set out in Accounting Standard 3 on Cash Flow statement issued by the Institute of Chartered Accountants of India.		
2. Cash and cash equivalents include bank balances in relation to unclaimed dividends ₹14.018 (31 st March, 2015 : ₹ 9.026)		
The accompanying notes are an integral part of the Cash Flow statement		

As per our report of even date.

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

Chartered Accountants

Firm Regn. No.: 101118W

Sandeep Rao

Partner

Membership No.: 47235

Place: Mumbai

Date: 20th May, 2016

For and on behalf of the Board of Directors of

Praj Industries Limited**Pramod Chaudhari**

Executive Chairman

Gajanan Nabar

CEO & Managing Director

Dattatraya Nimbolkar

CFO & Company Secretary

Sivaramakrishnan S. Iyer

Director

Notes to the Financial Statements for the year ended 31st March, 2016

(All amounts are in Indian rupees million unless otherwise stated)

1 Nature of business

Praj Industries Limited (the Company) is a public Company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Company is engaged in the business of Process and Project Engineering. The Company caters to both domestic and international markets. Further, the Company also provides design and engineering services.

2 Significant accounting policies

2.1 Basis of preparation of financial statements

The financial statements are prepared in accordance with the Generally Accepted Accounting Principles ("GAAP") in India under the historical cost convention on an accrual basis, and are in conformity with mandatory accounting standards, as prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI).

The Company has ascertained its operating cycle as twelve months for the purpose of current and non-current classification of assets and liabilities.

2.2 Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

2.3 Revenue recognition

a) Contract revenue

Revenue from fixed price contracts is recognised when the outcome of the contract can be estimated reliably by reference to the percentage of completion of the contract on the Balance sheet date. Percentage of completion is determined as a proportion of costs incurred-to-date to the total estimated contract costs. In respect of process technology and design and engineering contracts percentage of completion is measured with reference to the milestones specified in the contract, which in the view of the management reflects the work performed and to the extent it is reasonably certain of recovery.

Contract costs include costs that relate directly to the specific contract and costs that are attributable to contract activity and allocable to the contract. Costs that cannot be attributed to contract activity are expensed when incurred.

When the final outcome of a contract cannot be reliably estimated, contract revenue is recognised only to the extent of costs incurred that are expected to be recoverable. Provision for expected loss is recognised immediately when it is probable that the total estimated contract costs will exceed total contract revenue.

Variations, claims and incentives are recognised as a part of contract revenue to the extent it is probable that they will result in revenue and are capable of being reliably measured.

Determination of revenues under the percentage of completion method necessarily involves making estimates by the Company, some of which are of a technical nature, concerning, where relevant, the percentage of completion, costs to completion, the expected revenues from the project/activity and the foreseeable losses to completion.

Execution of contracts necessarily extends beyond accounting periods. Revision in costs and revenues estimated during the course of the contract are reflected in the accounting period in which the facts requiring the revision become known.

b) Service revenue

Revenue from services is recognised as the related services are performed.

c) Product sales

Revenue from sale of goods is recognised on transfer of significant risks and rewards of ownership when goods are dispatched and the title passes to the customers, net of discounts and rebates granted. Sales are recorded exclusive of sales tax.

d) Interest and dividend income

Interest on deployment of surplus funds is recognised using the time proportion method based on the underlying interest rates.

Dividend income is recognised when the right to receive payment is established.

Notes to the Financial Statements for the year ended 31st March, 2016

(All amounts are in Indian rupees million unless otherwise stated)

e) Export benefits

Export benefits in the form of Duty Draw Back/FMS, FPS/MEIS claims are recognised on receipt basis.

2.4 Tangible assets

Tangible assets are stated at historical cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of tangible asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing tangible assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Gains or losses arising from derecognition of tangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognized.

2.5 Depreciation

Depreciation on tangible assets is provided on straight-line basis over the useful lives of assets as prescribed in Schedule –II to the Companies Act, 2013, as assessed by the Management based on technical evaluation.

Building and other constructions on leasehold land are depreciated over the lease term or the useful life, whichever is shorter.

2.6 Intangible assets and amortisation

Intangible assets are recognised when the asset is identifiable, is within the control of the Company, it is probable that the future economic benefits that are attributable to the asset will flow to the Company and cost of the asset can be reliably measured.

Acquired intangible assets consisting of technical know-how, brand and software, are recorded at acquisition cost and amortised on straight-line basis based on the following useful lives, which in management's estimate represents the period during which economic benefits will be derived from their use:

Asset	Useful Life
Brand	10 Years
Technical Know-how	5-10 Years
Software	5 Years

2.7 Impairment of assets

The carrying amounts of the Company's assets including intangible assets are reviewed at each Balance sheet date to determine whether there is any indication of impairment. If any such indications exist, the assets recoverable amount is estimated, as the higher of the net selling price and the value in use. An impairment loss is recognised whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. If at the Balance sheet date, there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reinstated at the recoverable amount subject to a maximum of depreciable historical cost.

2.8 Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

Notes to the Financial Statements for the year ended 31st March, 2016

(All amounts are in Indian rupees million unless otherwise stated)

2.9 Inventories

Raw materials, components, stores and spares are valued at lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost of raw materials, components and stores and spares is determined on a weighted average basis.

Work-in-progress and finished goods are valued at lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods includes excise duty and is determined on a weighted average basis.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

2.10 Foreign currency transactions

Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Conversion

Foreign currency monetary items are translated using the exchange rate prevailing at the reporting date.

Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction.

Forward Contracts

The premium or discount arising at the inception of forward exchange contract is amortized and recognised as an expense/income over the life of the contract. Exchange differences on such contracts, except the contracts which are long-term foreign currency monetary items, are recognised in the statement of profit and loss in the period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of such forward exchange contract is also recognized as income or as expense for the period.

2.11 Leases

Lease payment under an operating lease is recognised as an expense in the Profit and loss account on a straight-line basis over the lease term.

2.12 Employee benefits

a) Short-term employee benefits

Employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits and are recognised in the period in which the employee renders the related service.

b) Post employment benefits (defined benefit plans)

The employees' gratuity scheme is a defined benefit plan. The present value of the obligation under such defined benefit plan is determined at each Balance sheet date based on an actuarial valuation using the projected unit credit method. Actuarial gains and losses are recognised immediately in the Profit and loss account.

c) Post employment benefits (defined contribution plans)

Contributions to the provident fund and superannuation fund, which are defined contribution schemes, are recognised as an expense in the Profit and loss account in the period in which the contribution is due.

d) Long-term employee benefits

Long-term employee benefits comprise of compensated absences and other employee incentives. These are measured based on an actuarial valuation carried out by an independent actuary at each Balance sheet date unless they are insignificant. Actuarial gains and losses and past service costs are recognised immediately in the Profit and loss account.

2.13 Provisions and Contingencies

Provision is recognised in the Balance sheet when, the Company has a present obligation as a result of a past event; it is probable that an outflow of economic benefits will be required to settle the obligation; and a reliable estimate of the amount of the obligation can be made. A disclosure by way of a contingent liability is made when there is a possible obligation or a present obligation that

Notes to the Financial Statements for the year ended 31st March, 2016

(All amounts are in Indian rupees million unless otherwise stated)

may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

2.14 Income taxes

Tax expense comprises current tax, deferred tax and refund on account of prior period taxes. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit and loss.

Deferred tax liabilities are recognised for all taxable timing differences. Deferred tax assets are recognised for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

In the situations where the Company is entitled to a tax holiday under the Income-tax Act, 1961 enacted in India or tax laws prevailing in the respective tax jurisdictions where it operates, no deferred tax (asset or liability) is recognised in respect of timing differences which reverse during the tax holiday period, to the extent the Company's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of timing differences which reverse after the tax holiday period is recognised in the year in which the timing differences originate. However, the Company restricts recognition of deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realised. For recognition of deferred taxes, the timing differences which originate first are considered to reverse first.

At each reporting date, the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realised.

The carrying amount of deferred tax assets are reviewed at each reporting date. The Company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred taxes relate to the same taxable entity and the same taxation authority.

Minimum Alternate Tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

2.15 Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period as reduced by number of shares bought back, if any. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

2.16 Cash and cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

Notes to the Financial Statements for the year ended 31st March, 2016

(All amounts are in Indian rupees million unless otherwise stated)

	March 2016		March 2015	
3 Share capital				
Equity Share Capital				
Authorised shares (No. million)				
450 (31 st March, 2015: 450) equity shares of ₹ 2 each		900.000		900.000
Issued, subscribed and fully paid-up shares (No. million)				
177.972 (31 st March, 2015: 177.465) equity shares of ₹ 2 each		355.945		354.930
		355.945		354.930
a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period:				
	No. million	Amount	No. million	Amount
At the beginning of the period	177.465	354.930	177.465	354.930
Add: Allotted during the period pursuant to exercise of employees stock options (Refer Note 34)	0.507	1.015	-	-
Less: Shares bought back during the period pursuant to buy back scheme	-	-	-	-
Outstanding at the end of the period	177.972	355.945	177.465	354.930
b. Terms/Rights attached to equity shares:				
The Company has only one class of equity shares having a par value of ₹ 2 per share. Each holder of the equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.				
During the year ended 31 st March, 2016, the amount of per share dividend recognised as distributed to equity shareholders was ₹ 1.62 (31 st March, 2015 ₹ 1.62) In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company after distributing all preferential amounts.				
c. Shares held by holding/ultimate holding Company and/or their subsidiaries/associates:				
The Company does not have any holding or ultimate holding Company.				
d. Details of shareholders holding more than 5% shares in the Company:				
Equity shares of ₹ 2 each fully paid	No. million	% of holding	No. million	% of holding
Pramod Chaudhari (Promoter)	38.70	21.74%	38.70	21.81%
Parimal Chaudhari (Promoter)	21.60	12.14%	21.60	12.17%
Tata Capital Financial Services Limited	13.42	7.54%	13.42	7.56%
HDFC Trustee Company Limited - HDFC Equity Fund	15.97	8.97%	15.97	9.00%
e. Shares reserved for issue under options:				
Shares reserved for issue under the Employee Stock Option Plan (ESOP) please refer Note 34.				
f. Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:				
	No. million		No. million	
Equity shares allotted as fully paid bonus shares by capitalisation of securities premium	-		-	
Equity shares allotted as fully paid-up pursuant to contracts for consideration other than cash	-		-	
Equity shares bought back by the Company	7.314		7.314	

Notes to the Financial Statements for the year ended 31st March, 2016

(All amounts are in Indian rupees million unless otherwise stated)

	March 2016	March 2015
4 Reserves and Surplus		
Capital Reserve	0.033	0.033
Amalgamation Reserve	3.063	3.063
Capital Redemption Reserve		
Balance as per last financial statements	14.627	14.627
Add: Transferred from securities premium	-	-
Balance at the end of year	14.627	14.627
Securities Premium		
Balance as per last financial statements	570.015	570.015
Add: ESOPs exercised	34.557	-
Less: Utilisation for buy back of equity shares	-	-
Balance at the end of year	604.572	570.015
General Reserve		
Balance as per last financial statements	889.511	820.511
Add: Amounts transferred from surplus balance in statement of profit and loss	67.000	69.000
Balance at the end of year	956.511	889.511
Surplus in the Statement of Profit and Loss		
Balance as per last financial statements	4321.978	4080.382
Profit as per statement of profit and loss	667.313	685.353
Less: Appropriations		
Interim equity dividend	288.273	-
Tax on interim equity dividend	58.686	-
Proposed final equity dividend	-	287.493
Tax on proposed equity dividend	-	58.527
Transfer to general reserve	67.000	69.000
Adjustment for Fixed Assets & Deferred Tax	-	28.737
Net Surplus in Statement of Profit & Loss	4575.332	4321.978
Total Reserves and Surplus	6154.138	5799.227

Notes to the Financial Statements for the year ended 31st March, 2016

(All amounts are in Indian rupees million unless otherwise stated)

	March 2016	March 2015
Non-Current liabilities		
5 Long-Term borrowings		
Loan from others (unsecured)	1.229	2.049
	1.229	2.049
Loan received from Department of Biotechnology (DBT) carrying interest at the rate of 2%. Repayment schedule is as below:		
i. Repayable within 1 to 2 years	0.410	-
ii. Repayable within 2 to 3 years	0.410	-
iii. Repayable after 3 years	0.410	-
6 Deferred Tax (Assets)/Liabilities (Net)		
Deferred tax liability		
Difference between tax depreciation and depreciation/amortisation charged for financial reporting	234.260	241.472
	234.260	241.472
Deferred tax asset		
Provision for Employee Benefits	(63.508)	(55.583)
Provision for doubtful debts and advances	(186.766)	(144.083)
Long-Term Capital losses	(27.939)	(27.440)
Other items	(7.044)	(5.825)
	(285.257)	(232.931)
Deferred tax (asset)/liability (Net)	(50.997)	8.541
7 Long-term provisions		
Provision for Employee Benefits:		
Provision for leave encashment	28.543	23.870
Provision for gratuity (Refer Note 33 b)	96.609	93.978
	125.152	117.848
Current Liabilities		
8 Other current liabilities		
Current maturities of Long-Term borrowings	0.410	-
Advances received from customers	1578.908	1759.428
Dues to customers relating to contracts in progress (Refer Note 27)	483.394	243.940
Other Payables	82.750	78.873
Unclaimed Dividends	13.870	8.924
	2159.332	2091.165
9 Short-term provisions		
Provision for Employee Benefits:		
Performance Incentive	99.197	63.877
Provision for leave encashment	50.853	43.679
Provision for gratuity (Refer Note 33 b)	7.500	2.000
Others:		
Provision for taxation (Net of Advance Income tax)	-	32.577
Proposed final dividend	-	287.493
Provision for dividend tax on proposed dividend	-	58.527
	157.550	488.153

Notes to the Financial Statements for the year ended 31st March, 2016

(All amounts are in Indian rupees million unless otherwise stated)

10 Fixed Assets													
	Intangible Assets				Tangible Assets							Previous period	
	Technical Knowhow	Softwares	Praj Brand	Total	Land (Freehold)	Buildings	Plant and machinery	Computers & Office Equipment	Vehicles	Furniture and fixtures	Total		Grand Total
Gross Block													
As at 1 st April, 2015	91.050	80.033	56.923	228.006	360.569	1213.753	970.112	244.130	42.845	221.469	3052.878	3280.884	3249.483
Additions during the year	-	11.550	-	11.550	-	0.242	51.368	5.876	6.520	0.744	64.750	76.300	143.803
Deletions during the year	-	-	-	-	-	-	-	-	6.984	-	6.984	6.984	112.402
As at 31 st March, 2016	91.050	91.583	56.923	239.556	360.569	1213.995	1021.480	250.006	42.381	222.213	3110.644	3350.200	3280.884
Accumulated depreciation and amortisation													
As at 1 st April, 2015	71.613	75.139	56.923	203.675	-	148.798	498.298	163.732	15.891	100.212	926.931	1130.606	857.444
Charge for the year	6.189	2.578	-	8.767	-	32.137	116.371	32.100	4.423	21.059	206.090	214.857	261.340
Depreciation in respect of assets whose useful life is over	-	-	-	-	-	-	-	-	-	-	-	-	43.535
Depreciation on deletions	-	-	-	-	-	-	-	-	5.863	-	5.863	5.863	31.713
As at 31 st March, 2016	77.802	77.717	56.923	212.442	-	180.935	614.669	195.832	14.451	121.271	1127.158	1339.600	1130.606
Net Carrying Value													
As at 31 st March, 2016	13.248	13.866	-	27.114	360.569	1033.060	406.811	54.174	27.930	100.942	1983.486	2010.600	2150.278
As at 31 st March, 2015	19.437	4.894	-	24.331	360.569	1064.955	471.814	80.398	26.954	121.257	2125.947	2150.278	

Notes to the Financial Statements for the year ended 31st March, 2016

(All amounts are in Indian rupees million unless otherwise stated)

	March 2016	March 2015
Non-Current Assets		
11 Non-Current Investments		
Trade Investments (valued at cost unless stated otherwise)		
Unquoted equity investments		
Investments in subsidiaries		
Praj Engineering & Infra Limited (Formerly Pacecon Engineering Projects Limited)	5.359	5.359
308,750 (31 st March, 2015 : 308,750) equity shares of ₹10 each fully paid		
Praj Far East Co., Limited	2.454	2.454
19,598 (31 st March, 2015 : 19,598) equity shares of Thai Baht 100 each fully paid		
Praj Americas Inc.	9.281	9.281
40,000 (31 st March, 2015 : 40,000) equity shares of US Dollar 5 each fully paid		
Praj HiPurity Systems Limited (Formerly Neela Systems Limited)	1536.743	1179.297
5,000,000 (31 st March, 2015 : 4,000,000) equity shares of ₹10 each fully paid		
Praj Industries (Africa) Pty Limited	104.558	104.558
125 equity shares at no par value (31 st March, 2015 : 125)		
Praj Far East Philippines Ltd. Inc.	11.167	11.167
8,313,281 equity shares of 1PHP each (31 st March, 2015 : 8,313,281)		
Praj Sur America S.R.L.	0.003	0.003
Praj Industries Namibia	0.001	0.001
100 equity shares of 1 Namibian Dollar each (31 st March, 2015 : 100)		
	1669.566	1312.120
Less: Provision for Diminution in value of investment	-	-
	1669.566	1312.120
Other Investments (valued at cost unless stated otherwise)		
Quoted Investments in Non-Convertible Debentures/Bonds:		
Bonds issued by Power Grid Corporation of India Limited SR-XLVIII Coupon	100.030	100.030
8.20% - 100 Units, (31 st March, 2015 : 100)		
	100.030	100.030
	1769.596	1412.150
Aggregate value of unquoted investments	1669.566	1312.120
Aggregate value of quoted investments	100.030	100.030
Market value of quoted investments	101.082	101.068
12 Long-Term Loans and Advances		
Capital Advances	88.724	39.169
Deposits (net)	68.290	77.258
Others	11.911	3.566
	168.925	119.993
13 Other Non-Current Assets		
Deposits with banks (Refer Note 17)	0.020	0.020
	0.020	0.020

Notes to the Financial Statements for the year ended 31st March, 2016

(All amounts are in Indian rupees million unless otherwise stated)

	March 2016	March 2015
14 Current Investments (valued at lower of cost and fair value unless stated otherwise)		
Quoted Mutual Funds		
BSL TREASURY OPTIMIZER PLAN - QTRLY DIV - REG PLN - 1,033,467 Units (31 st March, 2015 : 973,483 Units)	109.131	102.960
HDFC HIGH INT FUND - DYNAMIC PLAN - QTRLY DIV - 8,941,551 Units (31 st March, 2015 : 8,646,983 Units)	107.339	103.892
ICICI PRUDENTIAL FMP SR 74 - 369 DAYS - 10,000,000 Units (31 st March, 2015 : 10,000,000 Units)	100.000	100.000
ICICI PRUDENTIAL DYNAMIC BOND FUND-REG P-MD - 5,033,450 Units (31 st March, 2015 : 4,773,573 Units)	53.073	50.272
ICICI PRUDENTIAL SHORT TERM - REG PLAN - FORTNIGHT - 4,426,439 Units (31 st March, 2015 : 4,211,739 Units)	53.481	50.888
KOTAK FMP SERIES 154 DIRECT - GW - 5,000,000 Units (31 st March, 2015 : 5,000,000 Units)	50.000	50.000
L&T ULTRA SHORT-TERM FUND - MONTHLY DIVIDEND - 4,217,941 Units (31 st March, 2015 : 4,029,629 Units)	52.746	50.378
IDFC DYNAMIC BOND FUND - ANNUAL DIVIDEND - 4,994,073 Units (31 st March, 2015 : 4,856,092 Units)	53.772	52.321
RELIANCE DYNAMIC BOND FUND - QTRLY DIV - 4,990,205 Units (31 st March, 2015 : 4,881,832 Units)	54.005	52.880
RELIANCE MEDIUM TERM FUND -DIRECT GROWTH PLAN - 1,612,139 Units (31 st March, 2015 : Nil)	50.000	-
RELIGARE FMP SR 23 PLAN L - REG PLAN GRWTH - 5,000,000 Units (31 st March, 2015 : 5,000,000 Units)	50.000	50.000
RELIGARE INVESCO ANNUAL INTERVAL FUND-PLAN B - 5,000,000 Units (31 st March, 2015 : 5,000,000 Units)	50.000	50.000
TEMPLETON INDIA LOW DURATION FUND - MONTHLY DIV - 10,753,127 Units (31 st March, 2015 : 10,151,223 Units)	112.371	106.059
TEMPLETON INDIA ULTRA SHORT BOND FUND-WKLY DIV - 11,256,705 Units (31 st March, 2015 : 10,595,863 Units)	113.686	107.023
TATA SHORT-TERM BOND FUND PLAN A - FORTNIGHT - 3,792,284 Units (31 st March, 2015 : 3,667,842 Units)	52.039	50.312
TAURUS LIQ FUND - EXSISTING PLAN - SUPER INST - WD - 3,176 Units (31 st March, 2015 : 100,717 Units)	3.174	100.990
UTI - SHORT TERM INCOME FUND - INSTI OPTION - GW - 6,120,700 Units (31 st March, 2015 : 6,120,700 Units)	100.000	100.000
BSL FLOATING RATE FUND - LONG-TERM- WKLY DIV-REG PLAN - Nil Units (31 st March, 2015 : 528,111 Units)	-	52.850
DWS ULTRA SHORT-TERM FUND-WEEKLY DIV - Nil Units (31 st March, 2015 : 4,998,266 Units)	-	50.433
HSBC CASH FUND - DAILY DIVIDEND - Nil Units (31 st March, 2015 : 16,418 Units)	-	16.427
ICICI PRUDENTIAL FLEXIBLE INCOME - REG PLAN - WKLY DIVI - Nil Units (31 st March, 2015 : 525,832 Units)	-	55.450
JP MORGAN INDIA TREASURY FUND SUPER INST WKLY DIV - Nil Units (31 st March, 2015 : 5,275,534 Units)	-	53.220
SUNDARAM MONEY BONUS PRINCIPAL UNITS - Nil Units (31 st March, 2015 : 8,893,418 Units)	-	80.000
	1164.816	1486.355
Less: Diminution in value of investments	5.295	7.079
Total	1159.521	1479.276
Aggregate amount of quoted investments	1164.816	1486.355
Market value of quoted investments	1216.519	1515.771

Notes to the Financial Statements for the year ended 31st March, 2016

(All amounts are in Indian rupees million unless otherwise stated)

	March 2016	March 2015
Current Assets		
15 Inventories (valued at lower of cost and net realisable value)		
Raw Materials	622.560	616.783
Work-in-Progress	47.503	45.079
Finished goods	43.887	41.197
	713.950	703.059
16 Trade Receivables		
Over six months		
- Considered good	37.052	183.019
- Considered doubtful	530.527	414.763
Others, considered good	2872.625	1847.285
	3440.204	2445.067
Less: Provision for doubtful debts	530.527	414.763
	2909.677	2030.304
17 Cash and bank balances		
Cash and Cash Equivalent:		
Balances with banks		
On current accounts	346.462	337.367
Deposits with original maturity of less than 3 months	66.124	279.710
On unclaimed dividend account	14.018	9.026
Cheques, drafts on hand	23.485	-
Cash on hand	1.618	1.951
	451.707	628.054
Other bank balances:		
Deposits with maturity for more than 12 months	0.020	0.020
Deposits with maturity for more than 3 months but less than 12 months	143.615	100.500
	143.635	100.520
Less: Amounts disclosed under other non-current assets (Refer Note 13)	(0.020)	(0.020)
	143.615	100.500
	595.322	728.554
18 Short Term Loans and advances (Unsecured, considered good)		
Advances to subsidiaries	3.380	0.880
Advances to suppliers	137.732	163.699
Other Receivable (net)	180.583	160.472
Advance income tax (net of Provision for taxation)	56.499	-
Balances with Central Excise, Customs and VAT authorities	68.072	84.412
	446.266	409.463

Notes to the Financial Statements for the year ended 31st March, 2016

(All amounts are in Indian rupees million unless otherwise stated)

	March 2016	March 2015
19 Revenue from operations		
Sale of Products and Projects	8653.203	7599.574
Add: Closing Contracts in progress	303.778	1022.796
Less: Opening Contracts in progress	1022.796	684.336
Less: Excise duty	331.594	286.873
	(a) 7602.591	7651.161
Sale of services	(b) 557.632	263.257
Other Operating Revenue		
(i) Scrap Sales	71.288	108.641
Less: Excise duty	8.422	11.778
	62.866	96.863
(ii) Sale of Licenses	16.690	3.575
	(c) 79.556	100.438
Total Revenue from operation (Net)	8239.779	8014.856
20 Other income		
Dividend from mutual fund investments-Current Investment	48.545	58.531
Gain on redemption of mutual fund investments (net)-Current Investment	16.699	30.963
Interest		
- on fixed deposits (tax deducted at source ₹ 2.203; 31 st March, 2015 : ₹ 1.741)	22.000	17.407
- others (tax deducted at source ₹ Nil ; 31 st March, 2015 ₹ Nil)	8.275	56.391
Profit on sale of fixed assets (net)	0.137	118.225
Excess provision/creditors written back (including advances)	25.356	17.074
Other non-operating income	1.585	20.848
	122.597	319.439
21 Cost of materials consumed		
Raw material consumed	3923.173	4184.504
	3923.173	4184.504
Details of materials consumed:		
Stainless Steel material-plates, coils, tubes etc.	693.930	627.258
Other Raw materials, intermediaries, components, bought outs & other items	3229.243	3557.246
	3923.173	4184.504
22 (Increase)/Decrease in inventories of Finished Goods, Work-in-Progress		
Inventories at the end of the year		
Work-in-Progress	47.503	45.079
Finished goods	43.887	41.197
	91.390	86.276
Inventories at the beginning of the year		
Work-in-Progress	45.079	52.622
Finished goods	41.197	64.217
	86.276	116.839
(Increase)/Decrease in inventories	(5.114)	30.563

Notes to the Financial Statements for the year ended 31st March, 2016

(All amounts are in Indian rupees million unless otherwise stated)

	March 2016	March 2015
23 Employee Benefit Expenses		
Salaries, wages and bonus	1150.127	992.158
Contributions to provident and other funds (Refer Note 33 a)	42.474	37.134
Gratuity Expense (Refer Note 33 b)	22.119	25.222
Staff welfare	58.743	48.388
	1273.463	1102.902
24 Finance costs		
Interest Expense	0.085	2.985
	0.085	2.985
25 Other Expenses		
Consumption of Stores & spares	102.745	102.798
Site expenses and labour charges	414.400	356.381
Freight and transport	304.883	305.569
Bad debts written off/Provision for doubtful debts and advances	148.176	190.637
Sales commission	271.918	195.521
Travel and conveyance	204.978	199.121
Professional consultancy charges	211.141	246.816
Insurance	29.174	27.834
Rent (Refer Note 30)	42.661	43.870
Power and fuel	60.945	67.274
Advertising and exhibition expenses	29.757	32.372
Communication expenses	23.932	18.190
Testing charges	37.109	41.247
Repairs and maintenance:		
Building	5.789	5.065
Plant and Machinery	18.027	16.872
Others	20.585	27.419
Auditors' remuneration		
for audit services	3.100	3.100
for taxation services	0.600	0.600
for other services	0.151	0.129
out of pocket expenses	0.042	0.067
Rates and taxes	2.722	1.910
Provision for diminution in value of investment/Loss on sale of shares	(1.783)	10.304
Foreign exchange fluctuation loss/(gain) (net)	(16.910)	(91.645)
Miscellaneous expenses	255.001	268.957
	2169.143	2070.408

Notes to the Financial Statements for the year ended 31st March, 2016

(All amounts are in Indian rupees million unless otherwise stated)

26 Capital commitments, contingent liabilities and secured loans

	March 2016	March 2015
Capital commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	119.060	42.109
Contingent liabilities		
Claims against Company not acknowledged as debts (primarily relating to performance related claims filed by customers)	35.679	35.679
Disputed demands in appeal towards income tax, service tax & sales tax	200.086	32.463
Guarantee issued in respect of obligations of a subsidiary	571.537	636.100
Secured Loans		
Outstanding Balance	-	-
Working Capital borrowings from consortium of bankers are secured by a first charge by way of hypothecation of Company's inventories and book debts both present and future. It is further secured by way of first charge of hypothecation of movable fixed assets. Additionally there is collateral security by way of mortgage on Company's property situated at Pune.		

27 Disclosures pursuant to Accounting Standard 7 (Revised) – Construction Contracts

	March 2016	March 2015
Contract revenue recognised during the year	7986.103	7665.263
Aggregate amount of contract costs incurred and recognised profits (less recognised losses) for contracts in progress	11853.508	10249.314
Customer advances outstanding for contracts in progress	1180.893	1586.052
Retention money due from customers for contracts in progress	721.763	596.157
Gross amount due from customers for contract work (presented as Contracts in progress)	787.172	1266.736
Gross amount due to customers for contract work (presented as Dues to customers relating to contracts in progress)	(483.394)	(243.940)

28 Segment reporting

The Company's activities involve predominantly one business segment i.e. Process and Project Engineering, which are considered to be within a single business segment since these are subject to similar risks and returns. Accordingly, Process and Project Engineering comprise the primary basis of segmental information as set out in these financial statements, which therefore reflect the information required by AS 17 - Segment Reporting, with respect to primary segments.

The Company has identified India and Rest of the World as geographical segments for secondary segmental reporting. Geographical sales are segregated based on the location of the customer who is invoiced or in relation to which the sale is otherwise recognised. Assets other than receivables used in the Company's business or liabilities contracted have not been identified to any of the reportable segments, as these are used interchangeably between segments. All assets other than receivables are located in India. Similarly, capital expenditure is incurred towards fixed assets located in India.

Secondary segmental information

Particulars	India		Rest of the world		Total	
	March 2016	March 2015	March 2016	March 2015	March 2016	March 2015
Segment sales	4465.382	4270.471	3774.397	3744.384	8239.779	8014.855
Segment assets	1598.692	1242.516	1310.985	787.788	2909.677	2030.304

Notes to the Financial Statements for the year ended 31st March, 2016

(All amounts are in Indian rupees million unless otherwise stated)

29 Related party transactions

a) Parties where control exists

Subsidiaries

Praj Engineering & Infra Limited (Formerly Pacecon Engineering Projects Limited)

Praj Far East Co. Limited

Praj Americas Inc.

Praj Industries (Africa) (Pty.) Limited

Praj HiPurity Systems Limited

Praj Industries (Namibia) Pty. Limited

Praj Sur America S.R.L.

Praj Far East Philippines Ltd. Inc.

Fellow Subsidiaries

Praj Industries (Tanzania) Limited

Praj Industries (Sierra Leone) Limited

Others

Praj Foundation

b) Key Management Personnel and their relatives

Executive Chairman

Mr. Pramod Chaudhari

CEO & Managing Director

Mr. Gajanan Nabar

Relative of Key Management Personnel

Mrs. Parimal Chaudhari (Director)

Mr. Parth Chaudhari

c) Transactions and balances with related parties have been set out below:

Particulars	March 2016	March 2015
Praj Engineering & Infra Limited (Formerly Pacecon Engineering Projects Limited)		
Advances provided & recovered during the year	5.500	-
Expenses incurred and reimbursed by us	2.134	0.949
Expenses incurred and reimbursed by Subsidiary	18.172	22.832
Rent Received	0.060	0.038
Receivable	1.271	9.242
Praj Far East Co. Limited		
Sales commission	24.027	21.417
Expenses incurred and reimbursed by us	1.121	1.028
Expenses incurred and reimbursed by Subsidiary	12.761	1.487
Payable	12.138	2.800
Receivable	13.632	-
Praj Americas Inc.		
Sales Commission	24.881	27.395
Expenses incurred and reimbursed by us	-	0.108
Payable	8.104	5.964

Notes to the Financial Statements for the year ended 31st March, 2016

(All amounts are in Indian rupees million unless otherwise stated)

Particulars	March 2016	March 2015
Praj HiPurity Systems Limited		
Sale of Goods and Services	0.869	-
Purchase of Goods and Services	1.480	97.414
Expenses incurred and reimbursed by us	3.097	2.794
Expenses incurred and reimbursed by Subsidiary	6.498	13.779
Payable	1.131	1.884
Receivable	2.587	2.336
Praj Industries (Tanzania) Limited		
Sales Commission	-	1.591
Purchase of Goods & Services	-	75.016
Payable	1.721	1.622
Praj Industries (Namibia) Pty. Limited		
Capital Contribution	-	0.001
Sale of Goods and Services	-	24.453
Purchase of Capital Goods	7.034	-
Expenses incurred and reimbursed by Subsidiary	-	17.591
Receivable	16.434	23.436
Praj Far East Philippines Ltd. Inc.		
Sale of Services	115.257	19.418
Receivable	73.707	-
Praj Sur America S.R.L.		
Capital Contribution	-	0.003
Expenses incurred and reimbursed by us	0.297	1.265
Receivable	0.043	0.341
Praj Foundation		
Donation paid	16.131	13.500
Pramod Chaudhari		
Remuneration including commission on profit	62.151	50.132
Dividend	125.388	62.694
Payable	10.440	24.228
Gajanan Nabar		
Remuneration including commission on profit	35.337	26.091
Dividend	0.923	0.016
Payable	4.222	4.950
Parimal Chaudhari		
Commission on profit	1.170	1.080
Dividend	46.656	23.328
Payable	1.170	1.080
Parth Chaudhari		
Remuneration	2.700	2.700

Notes to the Financial Statements for the year ended 31st March, 2016

(All amounts are in Indian rupees million unless otherwise stated)

30 Leases

The Company has entered into operating lease arrangements for office space, equipments and residential premises for its employees. Certain lease arrangements provide for cancellation by either party and also contain a clause for renewal of the lease agreement. Lease payments on cancellable and non-cancellable operating lease arrangements debited to the profit and loss account and the future minimum lease payments in respect of non-cancellable operating leases are summarised below:

	March 2016	March 2015
Future minimum lease payments in respect of non-cancellable leases		
- amount due within one year from the Balance sheet date	38.826	35.115
- amount due in the period between one year and five years	150.657	147.654
- amount due after five years	167.816	203.534
Lease payments debited to the Profit and loss account		
- cancellable leases	6.679	9.182
- non-cancellable leases	35.982	34.688

31 Earnings per share

	March 2016	March 2015
Reconciliation of basic and diluted shares used in computing earnings per share		
Number of shares considered as basic weighted average shares outstanding for computing basic earnings per share	177,724,313	177,465,079
Add: effect of dilutive issue of shares / options	1,306,060	478,560
Number of shares considered as weighted average shares and potential shares outstanding for computing diluted earnings per share	179,030,373	177,943,639
Computation of basic and diluted earnings per share		
Net profit after tax attributable to equity shareholders	667.313	685.353
Basic earnings per equity share of ₹ 2 each	3.75	3.86
Diluted earnings per equity share of ₹ 2 each	3.73	3.85

32 Quantitative information of foreign exchange instruments outstanding as at the Balance Sheet date

The foreign currency forward contracts outstanding as at the Balance sheet date aggregate USD 9.200 million (31st March, 2015: 26.850 million), Euro 0.200 million (31st March, 2015: 1.000) & GBP Nil (31st March, 2015: Nil).

The following foreign currency receivables/ advances/ payables balances are outstanding at the Balance sheet date, which are not hedged by foreign exchange instruments:

Nature of exposure	March 2016	March 2015
Balances in bank accounts	170.732	151.419
Advances paid	20.332	58.013
Payables representing creditors and other payables	220.351	155.998
Advances received	342.946	656.507
Receivables	681.048	28.329

33 Employee benefits

a) Defined contribution plans

The Company has recognised ₹ 42.474 (31st March, 2015 ₹ 37.134) towards post-employment defined contribution plans comprising of provident and superannuation fund in the Profit and loss account.

b) Defined benefit plan

In accordance with the Payment of Gratuity Act, 1972, the Company is required to provide post-employment benefit to its employees in the form of gratuity. The Company has maintained a fund with the Life Insurance Corporation of India to meet

Notes to the Financial Statements for the year ended 31st March, 2016

(All amounts are in Indian rupees million unless otherwise stated)

its gratuity obligations. In accordance with the Standard, the disclosures relating to the Company's gratuity plan are provided below:

Reconciliation of opening and closing balance of obligation

Particulars	March 2016	March 2015
Liability at the beginning of the year	158.596	134.877
Current service cost	15.814	14.670
Interest cost	12.093	11.193
Benefits paid	(7.103)	(6.399)
Actuarial (gain)/loss on obligations	0.426	4.255
Liability at the end of the year	179.826	158.596

Reconciliation of opening and closing balance of fair value of plan assets

Particulars	March 2016	March 2015
Fair value of plan assets at the beginning of the year	62.618	56.405
Expected return on plan assets	5.846	5.050
Contributions by the employer	6.885	1.318
Benefits paid	-	-
Actuarial gain/(loss) on plan assets	0.368	(0.155)
Fair value of plan assets at the end of the year	75.717	62.618

Expense recognised in Profit and loss account

Particulars	March 2016	March 2015
Current service cost	15.814	14.670
Interest cost	12.093	11.193
Expected return on plan assets	(5.846)	(5.050)
Total actuarial (gain)/loss	0.058	4.410
Total expenses included in Note 23	22.119	25.222

Amount recognised in the Balance sheet

Particulars	March 2016	March 2015
Defined benefit obligation as at end of the year	179.826	158.596
Fair value of plan assets at the end of the year	(75.717)	(62.618)
Net liability	104.109	95.978

Actual return on plan assets

Particulars	March 2016	March 2015
Expected return on plan assets	5.846	5.050
Actuarial gain/(loss) on plan assets	0.368	(0.155)
Actual return on plan assets	6.214	4.895

Principal actuarial assumptions

Particulars	March 2016	March 2015
Discount rate	7.60%	7.80%
Expected rate of return on plan assets	8.85%	8.85%
Salary increment rate	8.00%	8.00%

Composition of plan assets

Particulars	March 2016 (%)	March 2015(%)
Funds Managed by Insurer	100%	100.00%

Notes to the Financial Statements for the year ended 31st March, 2016

(All amounts are in Indian rupees million unless otherwise stated)

Experience History:

Particulars	March 2012	March 2013	March 2014	March 2015	March 2016
Present Value of Obligation	88.091	116.911	134.877	158.596	179.826
Plan Assets	44.637	50.313	56.405	62.618	75.717
Surplus (Deficit)	(43.454)	(66.598)	(78.472)	(95.978)	(104.109)
Experience adjustment on plan liabilities (loss)/ gain	(3.669)	(8.957)	(3.973)	0.835	1.297
Experience adjustment on plan assets (loss)/ gain	0.263	0.078	0.025	0.074	0.368

Notes:

- Expected rate of return on plan assets is based on actuarial expectation of the average long-term rate of return expected on investments of the fund during the estimated term of the obligations.
- The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors on long-term basis.

34 Employee stock options

In the Meeting of the Compensation and Share Allotment Committee held on 16th November, 2010 it was decided to utilise the surrendered and lapsed options out of earlier grant and 1,250,000 options (Plan A) were granted to CEO & MD with vesting period of 5 years in terms of his appointment at the relevant market price as Grant IV.

In the Annual General Meeting of the Company held on 22th July, 2011, total of 9,238,936 stock options were approved under the scheme "Employee Stock Option Plan 2011". In the Meeting of the Compensation and Share Allotment Committee held on 27th January, 2015 it was decided to grant options to CEO & MD and senior executives of the Company at the relevant market price as ESOP 2011 – Grant I. The total options granted under ESOP 2011 - Grant I are 3,750,000 options out of which 250,000 options (Plan A) were granted to CEO & MD and 3,500,000 options (Plan B) were granted to Senior Executives of the Company.

During the year 2015-16 390,000 options were granted to Senior Executives of the Company as ESOP 2011 – Grant II to V. The stock options vest in a graded manner equally over the period of vesting, each vesting taking effect as per the terms of the grant. The stock options granted are exercisable at 100% of the fair market value of the underlying equity shares of the Company as on the date of grant.

Grant IV (Plan A)

Particulars	March 2016	March 2015
Options outstanding at the beginning of the year	1,250,000	1,879,000
Granted during the year	-	-
Less: Exercised	430,000	-
Less: Cancelled	-	629,000
Options outstanding at the end of the year	820,000	1,250,000
Options exercisable at the end of the year	570,000	750,000

ESOP 2011 - Grant I to V

Particulars	March 2016	March 2015
Options outstanding at the beginning of the year	3,750,000	-
Granted during the year	390,000	3,750,000
Less: Exercised	77,330	-
Less: Cancelled	295,000	-
Options outstanding at the end of the year	3,767,670	3,750,000
Options exercisable at the end of the year	1,027,669	-

Notes to the Financial Statements for the year ended 31st March, 2016

(All amounts are in Indian rupees million unless otherwise stated)

35 Expenditure on research & development activities

Revenue expenditure on research and development is charged under respective heads of account in the year in which it is incurred. Capital expenditure on research and development is included as part of fixed assets and depreciated on the same basis as other fixed assets.

Particulars	March 2016	March 2015
Capital expenditure (excluding advances)	9.002	14.881
Revenue expenditure	187.684	187.787

36 Dividends remitted in foreign currency:

Particulars	March 2016	March 2015
a) Final Dividend:		
Number of shareholders	1	2
Number of shares held	2,865,969	4,488,219
Year to which dividend relates	2014-15	2013-14
Amount remitted	4.643	7.271
b) Interim Dividend:		
Number of shareholders	1	-
Number of shares held	2,865,969	-
Year to which dividend relates	2015-16	-
Amount remitted	4.643	-

37 Imported and indigenous raw materials, intermediates components and spares consumed during the year:

	March 2016		March 2015	
	₹	%	₹	%
Raw materials, spares and consumables				
Indigenous	3501.488	87	3762.503	88
Imported	524.430	13	524.799	12
	4025.918	100	4287.302	100

38 Value of imports on CIF basis:

	March 2016	March 2015
Raw materials	231.729	114.582
Capital goods	-	4.204
Components and spare parts	322.162	417.925
Total	553.891	536.711

39 Earnings in foreign currency:

	March 2016	March 2015
FOB value of exports	4183.830	3363.844

Notes to the Financial Statements for the year ended 31st March, 2016

(All amounts are in Indian rupees million unless otherwise stated)

40 Expenditure in foreign currency:

	March 2016	March 2015
Sales commission	235.013	166.882
Professional consultancy	16.072	12.871
Travelling	53.007	46.690
Others	108.823	62.954
Total	412.915	289.397

41 Taxes

The Company has not recognised MAT credit entitlement to the extent of ₹ 172.943 till 31st March, 2016 in respect of Income Tax paid in view of uncertainty of its utilisation for payment of tax in foreseeable future.

42 CSR Expenditure

The Company was required to spend ₹17.131 as expenditure on CSR as per requirements of the Companies Act, 2013. During the year, the Company has incurred CSR expenses of ₹ 19.631 as follows:

Amount spent on	Amounts paid	Yet to be paid	Total
Construction/acquisition of asset	Nil	Nil	Nil
On other purposes covered under Schedule VII to Companies Act, 2013	19.631*	Nil	19.631

*Includes ₹ 16.131 given to Praj Foundation which is a related party.

The above expenditure includes contribution/donation of ₹ 19.631 to trusts/institute which are engaged in activities eligible under Section 135 of Companies Act, 2013 read with Schedule VII thereto.

43 Prior year comparatives

Previous year's figures have been regrouped/reclassified to conform to the current year's presentation.

For and on behalf of the Board of Directors of
Praj Industries Limited

Pramod Chaudhari
Executive Chairman

Gajanan Nabar
CEO & Managing Director

Place: Mumbai
Date: 20th May, 2016

Dattatraya Nimbolkar
CFO & Company Secretary

Sivaramakrishnan S. Iyer
Director

Independent Auditors' Report

TO THE MEMBERS OF PRAJ INDUSTRIES LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Praj Industries Limited (hereinafter referred to as "the Holding Company"), and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), comprising of the Consolidated Balance Sheet as at 31st March, 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us, the audit evidence obtained by the other auditors and the information provided by the management in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2016 and their consolidated profit and their consolidated cash flows for the year ended on that date.

Other Matters

We did not audit the financial statements of five subsidiaries whose financial statements reflect total assets of ₹ 343.829 Million as at 31st March, 2016, total revenues of ₹ 325.314 Million and net cash inflows amounting to ₹71.737 Million for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors/ compiled by the management, whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors/ management.

Our opinion on the Consolidated Financial Statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements/ financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
 - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2016 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors/management of its subsidiary companies, none of the directors of the Group companies is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate Report in "Annexure I".
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group – Refer Note 27 to the consolidated financial statements.
 - ii. The Group did not have any long-term contracts including derivative contracts having material foreseeable losses for which provision was required.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies, and jointly controlled Company incorporated in India.

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

Sandeep Rao
Partner
Membership No.: 47235

Mumbai, 20th May, 2016

Annexure I: To the Independent Auditors' Report of even date on the consolidated financial statements of Praj Industries Limited

Report on the Internal Financial Controls

Under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Praj Industries Limited (hereinafter referred to as "the Holding Company"), and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") as of 31st March, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Holding Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Group considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Group's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Group's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Group has maintained, in all material respects, adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as of 31st March, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

We did not audit the internal financial controls over financial reporting of 5 subsidiaries, which are located outside India and are not companies registered under The Companies Act, 2013.

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

Sandeep Rao
Partner

Membership No.: 47235

Mumbai, 20th May, 2016

Consolidated Balance Sheet as at 31st March, 2016

(All amounts are in Indian rupees million unless otherwise stated)

	Notes	March 2016	March 2015
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	3	355.945	354.930
Reserves and Surplus	4	6255.139	5866.654
Non-Current Liabilities			
Long-Term Borrowings	5	1.229	2.049
Long-Term Provisions	7	130.210	120.548
Current Liabilities			
Short-Term borrowings	8	159.089	170.663
Trade Payables			
Dues to Micro and Small enterprises		81.507	105.518
Dues to other parties		1990.029	1666.924
Other Current Liabilities	9	2477.738	2507.285
Short-Term Provisions	10	162.397	493.953
Minority Interest		2.820	148.416
TOTAL		11616.103	11436.940
ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible Assets	11	2195.917	2368.286
Intangible Assets	11	27.575	24.493
Goodwill	11	743.571	626.150
Capital Work-in-Progress		8.338	13.891
Non-Current Investments	12	100.145	100.148
Deferred Tax Assets (Net)	6	75.010	12.351
Long-Term Loans and Advances	13	193.246	143.614
Other Non-Current Assets	14	107.320	0.020
Current Assets			
Current Investments	15	1159.521	1479.276
Inventories	16	1008.135	976.117
Contracts in Progress	28	813.852	1295.368
Trade Receivables	17	3671.030	2804.840
Cash and Bank Balances	18	818.479	999.510
Short-Term Loans and Advances	19	693.964	592.876
TOTAL		11616.103	11436.940
Summary of Significant accounting policies	2		

The accompanying notes are an integral part of the consolidated financial statements.

As per our report of even date.

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

For and on behalf of the Board of Directors of
Praj Industries Limited

Sandeep Rao
Partner
Membership No.: 47235

Pramod Chaudhari
Executive Chairman

Gajanan Nabar
CEO & Managing Director

Place: Mumbai
Date: 20th May, 2016

Dattatraya Nimbolkar
CFO & Company Secretary

Sivaramakrishnan S. Iyer
Director

Consolidated Statement of Profit and Loss for the year ended 31st March, 2016

(All amounts are in Indian rupees million unless otherwise stated)

	Notes	March 2016	March 2015
Income:			
Revenue from operations (Gross)	20	10560.084	10480.235
Less: Excise Duty		402.130	358.203
Revenue from operations (Net)		10157.954	10122.032
Other Income	21	145.689	336.588
Total Revenue		10303.643	10458.620
Expenses:			
Cost of materials consumed	22	4671.862	4844.086
(Increase)/Decrease in inventories of Finished Goods and Work-in-Progress	23	(2.158)	215.450
Employee Benefit Expenses	24	1514.006	1331.155
Finance costs	25	13.090	24.672
Depreciation and amortisation	11	344.454	378.260
Other Expenses	26	2865.469	2801.178
Total Expenses		9406.723	9594.801
Profit before tax & prior period items		896.920	863.819
Profit before tax		896.920	863.819
Tax Expense			
- Current tax		265.771	261.178
- Prior Year Taxes		(0.762)	(105.377)
- Deferred Tax charge/(credit)		(62.658)	(74.271)
Profit after tax before Minority Interest		694.569	782.289
Minority interest		0.099	19.627
Profit/(Loss) after Minority Interest		694.470	762.662
Earning per share			
1. Basic [nominal value of ₹ 2 each (31 st March, 2015 ₹ 2)]	32	3.91	4.30
2. Diluted [nominal value of ₹ 2 each (31 st March, 2015 ₹ 2)]	32	3.88	4.29
Summary of Significant accounting policies	2		
The accompanying notes are an integral part of the consolidated financial statements.			

As per our report of even date.

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

For and on behalf of the Board of Directors of
Praj Industries Limited

Sandeep Rao
 Partner
 Membership No.: 47235

Pramod Chaudhari
 Executive Chairman

Gajanan Nabar
 CEO & Managing Director

Place: Mumbai
 Date: 20th May, 2016

Dattatraya Nimbolkar
 CFO & Company Secretary

Sivaramakrishnan S. Iyer
 Director

Consolidated Cash Flow Statement for the year ended 31st March, 2016

(All amounts are in Indian rupees million unless otherwise stated)

	March 2016	March 2015
A. Cash flow from operating activities		
Net profit before tax	896.920	863.819
Adjustments for:		
Loss/Gain on sale of fixed assets	(0.178)	(118.168)
Gain on redemption of mutual fund investments	(16.699)	(30.963)
Gain on redemption of bonds	-	(18.928)
Bad Debts/Provision for doubtful debts and advances	167.517	216.762
Excess provision/creditors written back (including advances)	(32.884)	(17.163)
Provision for diminution in investments	(1.783)	-
Unrealised foreign exchange (gain)/loss (net)	(10.969)	(75.492)
Depreciation and amortisation	344.454	378.260
Interest earned	(45.605)	(31.161)
Dividend from mutual fund investments	(48.555)	(58.543)
Interest charged	13.090	24.672
Operating profit before working capital changes	1265.308	1133.095
Changes in working capital		
(Increase)/decrease in trade receivables	(1023.922)	192.872
(Increase)/decrease in inventories (including contracts in progress)	449.498	(50.977)
(Increase)/decrease in long-term loans and advances	(0.077)	(18.962)
(Increase)/decrease in short-term loans and advances	(67.149)	50.139
(Increase)/decrease in other non-current assets	(107.300)	100.000
Increase/(decrease) in trade payables	332.417	(209.701)
Increase/(decrease) in other current liabilities	(34.903)	211.052
Increase/(decrease) in long-term provisions	9.662	21.821
Increase/(decrease) in short-term provisions	49.646	(25.943)
Cash generated from operations	873.180	1403.396
Direct taxes paid (including taxes deducted at source), net of refunds	(357.100)	93.143
NET CASH FROM OPERATING ACTIVITIES	516.080	1496.539
B. Cash flow from investing activities		
Purchase of fixed assets and intangibles	(126.196)	(155.802)
Investments:		
- in subsidiaries	(357.446)	(207.480)
- in mutual funds	(989.206)	(2625.599)
- in debentures & bonds	-	(100.030)
Sale of investments		
- in mutual funds	1327.447	2030.435
- in debentures & bonds	-	68.895
Proceeds from sale of fixed assets	1.533	198.916
Interest received on investments	45.365	30.645
Dividend received on investments	48.555	58.543
Investment in fixed deposits	35.821	(99.065)
NET CASH FROM/(USED) IN INVESTING ACTIVITIES	(14.127)	(800.542)

(All amounts are in Indian rupees million unless otherwise stated)

	March 2016	March 2015
C. Cash flow from financing activities		
Proceeds from exercise of Employee stock option	35.572	-
Increase in long-term borrowings	(0.410)	0.586
Increase/(decrease) in Short-term Borrowings from Bank	(11.574)	(41.167)
Dividend paid including dividend distribution tax	(688.033)	(336.353)
Interest paid	(13.090)	(24.672)
NET CASH FROM/(USED) IN FINANCING ACTIVITIES	(677.535)	(401.606)
Net increase/(decrease) in cash and cash equivalents (A + B + C)	(175.582)	294.391
Cash and cash equivalents at the beginning of the year (Refer Note 18)	764.010	435.935
Add: Effect of exchange rate changes on cash and cash equivalents	30.372	33.684
Cash and cash equivalents at the end of the year (Refer Note 18)	618.800	764.010
Notes:		
1. The Cash Flow Statement has been prepared under the "Indirect method" as set out in Accounting Standard 3 on Cash Flow statement issued by the Institute of Chartered Accountants of India.		
2. Cash and cash equivalents include bank balances in relation to unclaimed dividends ₹14.018 (31 st March, 2015 : ₹ 9.026)		
The accompanying notes are an integral part of the Consolidated Cash Flow statement		

As per our report of even date.

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

Sandeep Rao
 Partner
 Membership No.: 47235

Place: Mumbai
 Date: 20th May, 2016

For and on behalf of the Board of Directors of
Praj Industries Limited

Pramod Chaudhari
 Executive Chairman

Dattatraya Nimbolkar
 CFO & Company Secretary

Gajanan Nabar
 CEO & Managing Director

Sivaramakrishnan S. Iyer
 Director

Notes to the Consolidated Financial Statements for the year ended 31st March, 2016

(All amounts are in Indian rupees million unless otherwise stated)

1 Nature of business

Praj Industries Limited (the Parent Company) is a public Company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Company is engaged in the business of Process and Project Engineering. The Company caters to both domestic and international markets. Further, the Company also provides design and engineering services.

2 Significant accounting policies:

2.1 Basis of preparation of financial statements

The Consolidated financial statements of Praj Industries Limited (the 'Parent Company') and its subsidiaries (collectively referred to as 'the Group'), are prepared in accordance with the Generally Accepted Accounting Principles ("GAAP") in India under the historical cost convention on an accrual basis, and are in conformity with mandatory accounting standards, as prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI).

The Company has ascertained its operating cycle as twelve months for the purpose of current and non-current classification of assets and liabilities.

2.2 Use of estimates

The preparation of consolidated financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and the disclosure of contingent liabilities on the date of the financial statements. Actual results may differ from those estimates. Any revisions to accounting estimates are recognised prospectively in current and future periods.

2.3 Basis of consolidation

These Consolidated financial statements include the financial statements of Praj Industries Limited and its subsidiaries. The subsidiaries considered in the consolidated financial statements are summarized below:

Name of the subsidiary	Country of incorporation	% of shareholding in equity shares	
		March 2016	March 2015
Praj Engineering & Infra Ltd. (Formerly known Pacecon Engineering Projects Ltd.)	India	99.65%	99.65%
Praj Far East Co. Ltd.	Thailand	100.00%	100.00%
Praj Americas Inc.	United States of America	100.00%	100.00%
Praj Industries Namibia Pty. Ltd.	Namibia	100.00%	100.00%
Praj HiPurity Systems Limited (Formerly known as Neela systems limited)	India	100.00%	80.00%
Praj Industries (Africa) Pty. Ltd.	South Africa	100.00%	100.00%
Praj Far East Philippines Inc.,	Philippines	100.00%	100.00%
Praj Sur America SRI	Argentina	100.00%	100.00%

These Consolidated financial statements are prepared in accordance with the principles and procedures prescribed by Accounting Standard 21 - "Consolidated Financial Statements" ('AS-21'). The financial statements of the Parent Company and its subsidiaries have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses after eliminating intra-group balances/transactions and resulting unrealized profits in full.

The Consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Parent Company's separate financial statements.

The difference between the cost of investment in the subsidiary Company over the net assets as on the date of acquisition is recognised in the financial statements as Goodwill or Capital Reserve as the case may be.

The difference between the proceeds from disposal of investment in a subsidiary and the carrying amount of its assets less liabilities as of the date of disposal is recognised in the Consolidated Profit and Loss account as the profit or loss on disposal of investment in subsidiary.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2016

(All amounts are in Indian rupees million unless otherwise stated)

Minority Interest's share of net profit in consolidated subsidiaries for the year is identified and adjusted against the income of the Group in order to arrive at the net income attributable to shareholders of the Parent Company.

Minority Interest's share of net assets of consolidated subsidiaries is identified and presented in the Consolidated Balance sheet separate from liabilities and the equity of the Parent Company's shareholders.

2.4 Goodwill arising on consolidation

The goodwill recorded in these consolidated financial statements has been amortised over the period of 10 Years. The Group evaluates the carrying amount of its goodwill whenever events or changes in circumstances indicate that its carrying amount may be impaired, for diminution other than temporary.

2.5 Revenue recognition

a) Contract revenue

Revenue from fixed price contracts is recognised when the outcome of the contract can be estimated reliably by reference to the percentage of completion of the contract on the Balance sheet date. Percentage of completion is determined as a proportion of costs incurred-to-date to the total estimated contract costs. In respect of process technology and design and engineering contracts percentage of completion is measured with reference to the milestones specified in the contract, which in the view of the management reflects the work performed and to the extent it is reasonably certain of recovery.

Contract costs include costs that relate directly to the specific contract and costs that are attributable to contract activity and allocable to the contract. Costs that cannot be attributed to contract activity are expensed when incurred.

When the final outcome of a contract cannot be reliably estimated, contract revenue is recognised only to the extent of costs incurred that are expected to be recoverable. Provision for expected loss is recognised immediately when it is probable that the total estimated contract costs will exceed total contract revenue.

Variations, claims and incentives are recognised as a part of contract revenue to the extent it is probable that they will result in revenue and are capable of being reliably measured.

Determination of revenues under the percentage of completion method necessarily involves making estimates by the Group, some of which are of a technical nature, concerning, where relevant, the percentage of completion, costs to completion, the expected revenues from the project/activity and the foreseeable losses to completion.

Execution of contracts necessarily extends beyond accounting periods. Revision in costs and revenues estimated during the course of the contract are reflected in the accounting period in which the facts requiring the revision become known.

b) Service revenue

Revenue from services is recognised as the related services are performed.

c) Product sales

Revenue from sale of goods is recognised on transfer of significant risks and rewards of ownership when goods are dispatched and the title passes to the customers, net of discounts and rebates granted. Sales are recorded exclusive of sales tax.

d) Interest and dividend income

Interest on deployment of surplus funds is recognised using the time proportion method based on the underlying interest rates.

Dividend income is recognised when the right to receive payment is established.

e) Export benefits

Export benefits in the form of Duty Draw Back/ FMS, FPS/ MEIS claims are recognised on receipt basis.

2.6 Tangible assets

Fixed assets are stated at historical cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including

Notes to the Consolidated Financial Statements for the year ended 31st March, 2016

(All amounts are in Indian rupees million unless otherwise stated)

day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Gains or losses arising from de-recognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognized.

2.7 Depreciation

Depreciation on tangible assets of group is provided using the straight-line basis over the useful lives of assets as prescribed in Schedule-II to the Companies Act, 2013, as assessed by the Management based on technical evaluation, except written down value method is followed by Praj Hi Purity Systems (Indian subsidiary) on all fixed assets at the rates specified in Schedule-II of the Companies Act 2013.

Building and other constructions on leasehold land are depreciated over the lease term or the useful life, whichever is shorter.

2.8 Intangible assets and amortisation

Intangible assets are recognised when the asset is identifiable, is within the control of the Group, it is probable that the future economic benefits that are attributable to the asset will flow to the Group and cost of the asset can be reliably measured.

Acquired intangible assets consisting of technical know how, brand and software, are recorded at acquisition cost and amortised on straight-line basis on the useful lives, which in management's estimate represents the period during which economic benefits will be derived from their use.

2.9 Impairment of assets

The carrying amounts of assets including intangible assets are reviewed at each Balance sheet date to determine whether there is any indication of impairment. If any such indications exist, the assets recoverable amount is estimated, as the higher of the net selling price and the value in use. An impairment loss is recognised whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. If at the Balance sheet date, there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reinstated at the recoverable amount subject to a maximum of depreciable historical cost.

2.10 Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

2.11 Inventories

Raw materials, components, stores and spares are valued at lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost of raw materials, components and stores and spares is determined on a weighted average basis except for Neela system limited, Indian subsidiary is determined on the basis of FIFO method.

Work-in-progress and finished goods are valued at lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods includes excise duty and is determined on a weighted average basis.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2016

(All amounts are in Indian rupees million unless otherwise stated)

2.12 Foreign currency transactions

Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Conversion

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date.

Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction.

Forward Contracts

The premium or discount arising at the inception of forward exchange contract is amortized and recognised as an expense/income over the life of the contract. Exchange differences on such contracts, except the contracts which are long-term foreign currency monetary items, are recognised in the statement of profit and loss in the period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of such forward exchange contract is also recognised as income or as expense for the period.

2.13 Foreign currency translation

The Consolidated financial statements are reported in Indian rupees. Pursuant to paragraph 24 of AS-11 (revised 2003), the financial statements of the foreign subsidiaries, being non-integral operations, are translated into Indian rupees as follows:

Income and expense items are translated by using a monthly simple average exchange rate for the period.

Assets and liabilities, both monetary and non-monetary are translated at the closing rate.

All resulting exchange differences are accumulated in a foreign currency translation reserve which is reflected under Reserves and surplus.

2.14 Leases

Lease payment under an operating lease is recognised as an expense in the Profit and loss account on a straight-line basis over the lease term.

2.15 Employee benefits

a) Short-term employee benefits

Employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits and are recognised in the period in which the employee renders the related service.

b) Post employment benefits (defined benefit plans)

The employees' gratuity scheme is a defined benefit plan. The present value of the obligation under such defined benefit plan is determined at each Balance sheet date based on an actuarial valuation using the projected unit credit method. Actuarial gains and losses are recognised immediately in the Profit and loss account.

c) Post employment benefits (defined contribution plans)

Contributions to the provident fund and superannuation fund, which are defined contribution schemes, are recognised as an expense in the Profit and loss account in the period in which the contribution is due.

d) Long-term employee benefits

Long-term employee benefits comprise of compensated absences and other employee incentives. These are measured based on an actuarial valuation carried out by an independent actuary at each Balance sheet date unless they are insignificant. Actuarial gains and losses and past service costs are recognised immediately in the Profit and loss account.

2.16 Provisions and contingencies

Provision is recognised in the Balance sheet when, the Group has a present obligation as a result of a past event; it is probable that an outflow of economic benefits will be required to settle the obligation; and a reliable estimate of the amount of the obligation can be made. A disclosure by way of a contingent liability is made when there is a possible obligation or a present obligation that may,

Notes to the Consolidated Financial Statements for the year ended 31st March, 2016

(All amounts are in Indian rupees million unless otherwise stated)

but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

2.17 Income taxes

Tax expense comprises current tax, deferred tax and refund on account of prior period taxes. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

Deferred tax liabilities are recognised for all taxable timing differences. Deferred tax assets are recognised for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the Group has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

In the situations where the Group is entitled to a tax holiday under the Income-tax Act, 1961 enacted in India or tax laws prevailing in the respective tax jurisdictions where it operates, no deferred tax (asset or liability) is recognised in respect of timing differences which reverse during the tax holiday period, to the extent the Group's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of timing differences which reverse after the tax holiday period is recognised in the year in which the timing differences originate. However, the Group restricts recognition of deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realised. For recognition of deferred taxes, the timing differences which originate first are considered to reverse first.

At each reporting date, the Group re-assesses unrecognised deferred tax assets. It recognizes unrecognized deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each reporting date. The Group writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred taxes relate to the same taxable entity and the same taxation authority.

Minimum Alternate Tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Group recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Group will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Group recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The Group reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Group does not have convincing evidence that it will pay normal tax during the specified period.

2.18 Earnings per share

Basic earnings per share of Group calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period as reduced by number of shares bought back, if any. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

2.19 Cash and cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2016

(All amounts are in Indian rupees million unless otherwise stated)

	March 2016		March 2015	
3 Share capital				
Equity Share capital				
Authorised shares (No. million)		900.000		900.000
450 (31 st March, 2015: 450) equity shares of ₹ 2 each				
Issued, subscribed and fully paid-up shares (No. million)				
177.972 (31 st March, 2015: 177.465) equity shares of ₹ 2 each		355.945		354.930
		355.945		354.930
a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period:				
	No. million	Amount	No. million	Amount
At the beginning of the period	177.465	354.930	177.465	354.930
Add: Allotted during the period pursuant to exercise of employees stock options	0.507	1.015	-	-
Less: Shares bought back during the period pursuant to buy back scheme	-	-	-	-
Outstanding at the end of the period	177.972	355.945	177.465	354.930
b. Terms/Rights attached to equity shares:				
The Company has only one class of equity shares having a par value of ₹ 2 per share. Each holder of the equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.				
During the year ended 31 st March, 2016, the amount of per share dividend recognised as distributed to equity shareholders was ₹ 1.62 (31 st March, 2015 ₹ 1.62) In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company after distributing all preferential amounts.				
c. Shares held by holding/ultimate holding Company and/or their subsidiaries/associates:				
The Company does not have any holding or ultimate holding Company.				
d. Details of shareholders holding more than 5% shares in the Company:				
Equity shares of ₹ 2 each fully paid	No. million	% of holding	No. million	% of holding
Pramod Chaudhari (Promoter)	38.70	21.74%	38.70	21.81%
Parimal Chaudhari (Promoter)	21.60	12.14%	21.60	12.17%
Tata Capital Financial Services Limited	13.42	7.54%	13.42	7.56%
HDFC Trustee Company Limited - HDFC Equity Fund	15.97	8.97%	15.97	9.00%
e. Shares reserved for issue under options:				
Shares reserved for issue under the Employee Stock Option Plan (ESOP) Refer Note 35.				
f. Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:				
	No. million		No. million	
Equity shares allotted as fully paid bonus shares by capitalisation of securities premium	-		-	
Equity shares allotted as fully paid-up pursuant to contracts for consideration other than cash	-		-	
Equity shares bought back by the Company	7.314		7.314	

Notes to the Consolidated Financial Statements for the year ended 31st March, 2016

(All amounts are in Indian rupees million unless otherwise stated)

	March 2016	March 2015
4 Reserves and surplus		
Capital reserve	0.033	0.033
Amalgamation reserve	3.063	3.063
Capital redemption reserve		
Balance as per last financial statements	14.627	14.627
Add: Transferred from securities premium	-	-
Balance at the end of year	14.627	14.627
Securities premium account		
Balance as per last financial statements	570.015	570.015
Add: ESOPs exercised	34.557	-
Less: Utilisation for buy back of equity shares	-	-
Balance at the end of the year	604.572	570.015
General reserve		
Balance as per last financial statements	891.500	822.500
Add: Transferred from Profit and loss account	67.000	69.000
Balance at the end of the year	958.500	891.500
Foreign currency translation reserve		
Balance at the beginning of the year	17.091	20.122
Less: Adjustment related to erstwhile subsidiary	-	(10.107)
Add : Due to transactions during the year	6.417	7.076
Balance at the end of the year	23.508	17.091
Surplus in the Statement of Profit and Loss		
Balance as per last financial statement	4,370.325	4,039.917
Add: Adjustment related to erstwhile subsidiary	-	12.914
Profit as per statement of profit and loss	694.470	762.662
Less: Appropriations		
Interim equity dividend	288.273	-
Tax on interim equity dividend	58.686	-
Proposed final equity dividend	-	287.493
Tax on proposed equity dividend	-	58.527
Transfer to general reserve	67.000	69.000
WDV of Fixed Assests (Completed Life)	-	30.148
Net Surplus in Statement of Profit & Loss	4,650.836	4,370.325
Total Reserves and Surplus	6,255.139	5,866.654

Notes to the Consolidated Financial Statements for the year ended 31st March, 2016

(All amounts are in Indian rupees million unless otherwise stated)

	March 2016	March 2015
Non-current liabilities		
5 Long-Term Borrowings		
Loan from others (unsecured)	1.229	2.049
	1.229	2.049
Loan received from Department of Biotechnology (DBT) carrying interest at the rate of 2%. Repayment schedule is as below:		
i. Repayable within 1 to 2 years	0.410	-
ii. Repayable within 2 to 3 years	0.410	-
iii. Repayable after 3 years	0.410	-
6 Deferred tax asset (Net)		
Deferred tax liability		
- Difference between tax depreciation and depreciation/ amortisation charged for financial reporting	234.780	242.652
Deferred tax asset		
- Provision employee benefits	(63.507)	(55.614)
- Provision for doubtful debts and advances	(209.843)	(164.862)
- Long-term capital loss	(27.939)	(27.440)
- Other items	(8.501)	(7.087)
	(309.790)	(255.003)
Deferred tax (asset)/liability (Net)	(75.010)	(12.351)
7 Long-Term provisions		
Provision for Employee Benefits:		
Provision for leave encashment	33.316	26.392
Provision for gratuity	96.894	94.156
	130.210	120.548
Current liabilities		
8 Short-Term Borrowings		
(Refer Note 37)		
Cash Credit Loan	101.456	44.286
PCFC Loan	29.850	101.266
Buyers Credit Loan	27.783	25.111
	159.089	170.663
9 Other current liabilities		
Advances received from customers	1,766.109	1,973.566
Dues to customers relating to contracts in progress (Refer Note 28)	533.640	384.399
Current Maturities of Long-Term Loan From Bank	0.410	-
Other Payables	163.709	140.396
Unclaimed dividend	13.870	8.924
	2,477.738	2,507.285
10 Short-Term provisions		
Others:		
Provision for taxation (Net of Advance Income tax)	-	35.182
Proposed final dividend	-	287.493
Provision for dividend tax on proposed dividend	-	58.527
Provision for Employee Benefits:		
Performance Incentive	99.198	63.877
Provision for leave encashment	51.773	43.951
Provision for gratuity	11.426	4.923
	162.397	493.953

Notes to the Consolidated Financial Statements for the year ended 31st March, 2016

(All amounts are in Indian rupees million unless otherwise stated)

11 Fixed Assets

	Intangible assets				Tangible Assets							Grand Total	Previous year	
	Goodwill	Technical Knowhow	Softwares	Praj Brand	Total	Land (Freehold)	Buildings	Plant and machinery	Computers & Office Equipment	Vehicles	Furniture and fixtures			Total
Gross Block														
As at 1 st April, 2015	822.712	91.050	83.477	56.923	1,054.162	367.237	1,441.363	1,129.321	261.922	47.490	241.034	3,488.367	4,542.529	4,357.500
Additions/adjustments (**)	211.749	-	12.250	-	223.999	-	0.243	53.835	8.407	6.520	0.939	69.944	293.943	298.546
Deletions	-	-	-	-	-	-	-	0.829	-	6.984	-	7.813	7.813	113.517
As at 31st March, 2016	1,034.461	91.050	95.727	56.923	1,278.161	367.237	1,441.606	1,182.327	270.329	47.026	241.973	3,550.498	4,828.659	4,542.529
Accumulated depreciation and amortisation														
As at 1 st April 2015	196.562	71.614	78.420	56.923	403.519	-	237.958	572.964	179.092	18.326	111.741	1,120.081	1,523.600	1,132.035
Charge for the year	94.328	6.189	2.979	-	103.496	-	45.359	132.776	34.218	5.134	23.471	240.958	344.454	378.260
Depreciation in respect of assets whose useful life is over	-	-	-	-	-	-	-	-	-	-	-	-	-	45.299
Deletions/Adjustments (**)	-	-	-	-	-	-	-	0.586	0.024	5.863	(0.015)	6.458	6.458	31.994
As at 31st March, 2016	290.890	77.803	81.399	56.923	507.015	-	283.317	705.154	213.286	17.597	135.227	1,354.581	1,861.596	1,523.600
Net Carrying value														
As at 31st March, 2016	743.571	13.247	14.328	-	771.146	367.237	1,158.289	477.173	57.043	29.429	106.746	2,195.917	2,967.063	3,018.929
As at 31 st March, 2015	626.150	19.436	5.057	-	650.643	367.237	1,203.405	556.357	82.830	29.164	129.293	2,368.286	3,018.929	

(**) Includes the effect of translation of assets held by foreign subsidiaries which are considered as non-integral in terms of AS 11 (revised 2003).

Notes to the Consolidated Financial Statements for the year ended 31st March, 2016

(All amounts are in Indian rupees million unless otherwise stated)

	March 2016	March 2015
Non-Current Assets		
12 Non-Current Investments:		
Quoted Investments (valued at cost unless stated otherwise)		
Investments in Debentures and bonds:		
Bonds issued by Power Grid Corporation of India Limited SR-XLVIII Coupon 8.20% - 100 Units, (31 st March, 2015 : 100 Units)	100.030	100.030
	100.030	100.030
Unquoted Investments:		
Investment in Shares	0.102	0.105
5100 (31 st March, 2015 : 5100) shares of ₹20 each fully paid of The Cosmos Co-operative Bank Limited	0.013	0.013
Investment in National saving certificate	0.115	0.118
	100.145	100.148
Aggregate value of unquoted investments	0.115	0.118
Aggregate value of quoted investments	100.030	100.030
Market value of quoted investments	101.082	101.068
13 Long-Term Loans and Advances		
Capital Advances	88.724	39.169
Deposits	92.612	100.879
Other Advances	11.910	3.566
	193.246	143.614
14 Other Non-Current Assets		
Non-current bank balances (Refer Note 18)	107.320	0.020
	107.320	0.020

Notes to the Consolidated Financial Statements for the year ended 31st March, 2016

(All amounts are in Indian rupees million unless otherwise stated)

	March 2016	March 2015
15 Current Investments (valued at lower of cost and fair value unless stated otherwise)		
Quoted Mutual Funds		
BSL TREASURY OPTIMIZER PLAN - QTRLY DIV - REG PLN - 1,033,467 Units (31 st March, 2015 : 973,483 Units)	109.131	102.960
HDFC HIGH INT FUND - DYNAMIC PLAN - QTRLY DIV - 8,941,551 Units (31 st March, 2015 : 8,646,983 Units)	107.339	103.892
ICICI PRUDENTIAL FMP SR 74 - 369 DAYS - 10,000,000 Units (31 st March, 2015 : 10,000,000 Units)	100.000	100.000
ICICI PRUDENTIAL DYNAMIC BOND FUND-REG P-MD - 5,033,450 Units (31 st March, 2015 : 4,773,573 Units)	53.073	50.272
ICICI PRUDENTIAL SHORT TERM - REG PLAN - FORTNIGHT - 4,426,439 Units (31 st March, 2015 : 4,211,739 Units)	53.481	50.888
KOTAK FMP SERIES 154 DIRECT - GW - 5,000,000 Units (31 st March, 2015 : 5,000,000 Units)	50.000	50.000
L&T ULTRA SHORT TERM FUND - MONTHLY DIVIDEND - 4,217,941 Units (31 st March, 2015 : 4,029,629 Units)	52.746	50.378
IDFC DYNAMIC BOND FUND - ANNUAL DIVIDEND - 4,994,073 Units (31 st March, 2015 : 4,856,092 Units)	53.772	52.321
RELIANCE DYNAMIC BOND FUND - QTRLY DIV - 4,990,205 Units (31 st March, 2015 : 4,881,832 Units)	54.005	52.880
RELIANCE MEDIUM TERM FUND -DIRECT GROWTH PLAN - 1,612,139 Units (31 st March, 2015 : Nil)	50.000	-
RELIGARE FMP SR 23 PLAN L - REG PLAN GRWTH - 5,000,000 Units (31 st March, 2015 : 5,000,000 Units)	50.000	50.000
RELIGARE INVESCO ANNUAL INTERVAL FUND-PLAN B - 5,000,000 Units (31 st March, 2015 : 5,000,000 Units)	50.000	50.000
TEMPLETON INDIA LOW DURATION FUND - MONTHLY DIV - 10,753,127 Units (31 st March, 2015 : 10,151,223 Units)	112.371	106.059
TEMPLETON INDIA ULTRA SHORT BOND FUND-WKLY DIV - 11,256,705 Units (31 st March, 2015 : 10,595,863 Units)	113.686	107.023
TATA SHORT TERM BOND FUND PLAN A - FORTNIGHT - 3,792,284 Units (31 st March, 2015 : 3,667,842 Units)	52.039	50.312
TAURUS LIQ FUND - EXSISTING PLAN - SUPER INST - WD - 3,176 Units (31 st March, 2015 : 100,717 Units)	3.174	100.990
UTI - SHORT-TERM INCOME FUND - INSTI OPTION - GW - 6,120,700 Units (31 st March, 2015 : 6,120,700 Units)	100.000	100.000
BSL FLOATING RATE FUND - LONG-TERM - WKLY DIV-REG PLAN - Nil Units (31 st March, 2015 : 528,111 Units)	-	52.850
DWS ULTRA SHORT-TERM FUND-WEEKLY DIV - Nil Units (31 st March, 2015 : 4,998,266 Units)	-	50.433
HSBC CASH FUND - DAILY DIVIDEND - Nil Units (31 st March, 2015 : 16,418 Units)	-	16.427
ICICI PRUDENTIAL FLEXIBLE INCOME - REG PLAN - WKLY DIVI - Nil Units (31 st March, 2015 : 525,832 Units)	-	55.450
JP MORGAN INDIA TREASURY FUND SUPER INST WKLY DIV - Nil Units (31 st March, 2015 : 5,275,534 Units)	-	53.220
SUNDARAM MONEY BONUS PRINCIPAL UNITS - Nil Units (31 st March, 2015 : 8,893,418 Units)	-	80.000
	1,164.816	1,486.356
Less : Deminution in Value of Investments	5.295	7.079
Total	1,159.521	1,479.277
Aggregate amount of quoted investments	1,164.816	1,486.356
Market value of quoted investments	1,216.519	1,515.771

Notes to the Consolidated Financial Statements for the year ended 31st March, 2016

(All amounts are in Indian rupees million unless otherwise stated)

	March 2016	March 2015
Current Assets		
16 Inventories (valued at lower of cost and net realisable value)		
Raw materials	820.928	791.069
Work-in-progress	135.890	136.365
Finished goods	51.317	48.683
	1,008.135	976.117
17 Trade Receivables		
Unsecured		
Over six months		
- Considered good	151.349	239.028
- Considered doubtful	594.836	469.966
Others, considered good	3,519.681	2,565.812
	4,265.866	3,274.806
Less: Provision for doubtful debts	594.836	469.966
	3,671.030	2,804.840
18 Cash and bank balances		
Cash and Cash Equivalents		
Balances with banks		
In current accounts	511.281	448.269
Deposits with original maturity of less than 3 months	66.124	300.076
On unclaimed dividend account	14.018	9.026
Cheques, drafts on hand	24.705	3.448
Cash on hand	2.672	3.191
Sub-total	618.800	764.010
Other bank balances		
Deposits with original maturity for more than 12 months	107.320	0.020
Deposits with original maturity for more than 3 months but less than 12 months	199.679	235.500
Less: amounts disclosed under other non-current assets (Refer Note 14)	(107.320)	(0.020)
	818.479	999.510
19 Short-Term Loans and advances (Unsecured, considered good)		
Advances to suppliers	163.270	187.402
Other Receivable	206.118	174.980
Advance income tax (net of Provision for taxation)	56.909	-
Balances with Central Excise, Customs and VAT authorities	267.667	230.494
	693.964	592.876

Notes to the Consolidated Financial Statements for the year ended 31st March, 2016

(All amounts are in Indian rupees million unless otherwise stated)

	March 2016	March 2015
20 Revenue from operations		
Sale of Products and Projects	9,961.569	8,878.171
Add: Closing Contracts in progress	303.777	1,022.796
Less: Opening Contracts in progress	1,022.796	684.336
Less: Excise duty	393.708	346.425
(a)	8,848.842	8,870.206
Sale of Services	1,130.754	1,307.400
Add: Closing Contracts in progress	(23.565)	(111.827)
Less: Opening Contracts in progress	(111.827)	55.641
(b)	1,219.016	1,139.932
Other Operating Revenue		
(i) Scrap Sales	81.828	120.097
Less: Excise duty	8.422	11.778
	73.406	108.319
(ii) Sale of Licenses	16.690	3.575
(c)	90.096	111.894
Total Revenue from operations (Net)	10,157.954	10,122.032
21 Other income		
Dividend from mutual fund investments (Current Investment)	48.545	58.531
Dividend income from non-current investment	0.010	0.012
Gain on redemption of mutual fund investments (net)	16.699	30.963
Interest		
- on fixed deposits	36.505	28.218
- other	9.100	57.690
Profit on sale of fixed assets (net)	0.178	118.168
Excess provision/creditors written back (including advances)	32.884	17.163
Other non-operating income	1.768	25.843
	145.689	336.588
22 Cost of materials consumed		
Raw material consumed	4,671.862	4,844.086
	4,671.862	4,844.086
23 (Increase)/Decrease in inventories of Finished Goods and Work-in-Progress		
Inventories at the end of the year		
Work-in-Progress	135.889	136.365
Finished goods	51.317	48.683
	187.206	185.048
Inventories at the beginning of the year		
Work-in-Progress	136.365	336.281
Finished goods	48.683	64.217
	185.048	400.498
(Increase)/Decrease in inventories	(2.158)	215.450

Notes to the Consolidated Financial Statements for the year ended 31st March, 2016

(All amounts are in Indian rupees million unless otherwise stated)

	March 2016	March 2015
24 Employee Benefit Expenses		
Salaries, wages and bonus	1,374.267	1,208.675
Contributions to provident and other funds (Refer note 34 a)	47.382	40.731
Gratuity Expense	23.741	27.984
Staff welfare	68.616	53.765
	1,514.006	1,331.155
25 Finance costs		
Interest Expense	13.090	24.672
	13.090	24.672
26 Other Expenses		
Consumption of Stores & spares	128.254	128.666
Site expenses and labour charges	851.927	815.303
Freight and transport	327.098	322.180
Bad debts written off/Provision for doubtful debts and advances	167.517	216.762
Sales commission	224.404	155.455
Travel and conveyance	294.664	258.945
Professional consultancy charges	229.422	331.024
Insurance	32.299	32.603
Rent (Refer Note 31)	70.239	62.890
Power and fuel	66.447	74.499
Advertising and exhibition expenses	36.078	39.078
Communication expenses	28.626	25.368
Testing charges	37.200	41.590
Repairs and maintenance:		
- Building	5.936	5.703
- Plant and Machinery	21.112	17.986
- Others	23.889	31.388
Auditors' remuneration		
- for audit services	6.470	6.197
- for taxation services	0.650	0.650
- for other services	0.151	0.129
- out of pocket expenses	0.062	0.079
Rates and taxes	7.252	3.978
Provision for diminution in value of investment	(1.783)	10.304
Foreign exchange fluctuation loss/(gain) (net)	(10.231)	(82.502)
Miscellaneous expenses	317.786	302.903
	2,865.469	2,801.178

Notes to the Consolidated Financial Statements for the year ended 31st March, 2016

(All amounts are in Indian rupees million unless otherwise stated)

27 Capital commitments, contingent liabilities and secured loans

	March 2016	March 2015
Capital commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	119.060	42.109
Contingent liabilities		
Claims against Company not acknowledged as debts (primarily relating to performance related claims filed by customers/other.)	35.679	35.679
Disputed demands in appeal towards income tax, Service tax & sales tax	200.086	112.638
Guarantee issued in respect of obligations of a subsidiary	571.537	186.100
Secured Loans	-	-
Outstanding Balances		
Working Capital borrowings from consortium of bankers are secured by a first charge by way of hypothecation of Company's inventories and book debts both present and future. It is further secured by way of first charge of hypothecation of movable fixed assets. Additionally there is collateral security by way of mortgage on Company's property situated at Pune.		

28 Disclosures pursuant to Accounting Standard 7 (Revised) – Construction Contracts

	March 2016	March 2015
Contract revenue recognised during the year	8584.716	8355.749
Aggregate amount of contract costs incurred and recognised profits (less recognised losses)	13279.947	11386.108
Customer advances outstanding for contracts in progress	1246.385	1704.426
Retention money due from customers for contracts in progress	832.390	702.886
Gross amount due from customers for contract work (presented as Contracts in progress)	813.851	1295.368
Gross amount due to customers for contract work (presented as Dues to customers relating to contracts in progress)	(533.640)	(384.399)

29 Segment reporting

The Group's activities involve predominantly one business segment i.e. Process and Project Engineering, which are considered to be within a single business segment since these are subject to similar risks and returns. Accordingly, Process and Project Engineering comprise the primary basis of segmental information as set out in these financial statements, which therefore reflect the information required by AS 17 – Segment Reporting, with respect to primary segments.

The Group has identified India and Rest of the World as geographical segments for secondary segmental reporting. Geographical sales are segregated based on the location of the customer who is invoiced or in relation to which the sale is otherwise recognised. Assets other than receivables used in the Group's business or liabilities contracted have not been identified to any of the reportable segments, as these are used interchangeably between segments.

Secondary segmental information

Particulars	India		Rest of the world		Total	
	March 2016	March 2015	March 2016	March 2015	March 2016	March 2015
Segment sales	5861.819	5882.732	4296.137	4237.716	10157.956	10120.449
Segment assets	2181.075	1782.030	1489.954	1049.155	3671.029	2831.186

Notes to the Consolidated Financial Statements for the year ended 31st March, 2016

(All amounts are in Indian rupees million unless otherwise stated)

30 Related party transactions

a) **Parties where control exists**

Praj Foundation

b) **Key management personnel and their relatives**

Executive Chairman	Mr. Pramod Chaudhari
CEO & Managing Director	Mr. Gajanan Nabar
Relative of key management personnel	Mrs. Parimal Chaudhari (Director)
	Mr. Parth Chaudhari

c) **Transactions and balances with related parties have been set out below:**

Particulars	March 2016	March 2015
Pramod Chaudhari		
Remuneration including commission on profit	62.151	50.132
Dividend	125.388	62.694
Payable	10.440	24.228
Gajanan Nabar		
Remuneration including commission on profit	35.337	26.091
Dividend	0.923	0.016
Payable	4.222	4.950
Parimal Chaudhari		
Commission on profit and sitting fees	1.170	1.080
Dividend	46.656	23.328
Payable	1.170	1.080
Parth Chaudhari		
Remuneration	2.700	2.700
Praj Foundation		
Donation paid	19.504	16.970

31 Leases

The Group has entered into operating lease arrangements for office space, equipments and residential premises for its employees. Certain lease arrangements provide for cancellation by either party and also contain a clause for renewal of the lease agreement. Lease payments on cancellable and non-cancellable operating lease arrangements debited to the profit and loss account and the future minimum lease payments in respect of non-cancellable operating leases are summarised below:

	March 2016	March 2015
Future minimum lease payments in respect of non cancellable leases		
- amount due within one year from the Balance sheet date	38.746	35.115
- amount due in the period between one year and five years	150.650	147.654
- amount due after five years	167.816	203.534
Lease payments debited to the Profit and loss account		
- cancellable leases	34.257	28.203
- non-cancellable leases	35.982	34.687

Notes to the Consolidated Financial Statements for the year ended 31st March, 2016

(All amounts are in Indian rupees million unless otherwise stated)

32 Earnings per share

	March 2016	March 2015
Reconciliation of basic and diluted shares used in computing earnings per share		
Number of shares considered as basic weighted average shares outstanding for computing basic earnings per share	177,724,313	177,465,079
Add: Effect of dilutive issue of shares/options	1,306,060	478,560
Number of shares considered as weighted average shares and potential shares outstanding for computing diluted earnings per share	179,030,373	177,943,639
Computation of basic and diluted earnings per share		
Net profit after tax and minority interest attributable to equity shareholders	694.470	762.662
Basic earnings per equity share of ₹ 2 each	3.91	4.30
Diluted earnings per equity share of ₹ 2 each	3.88	4.29

33 Quantitative information of foreign exchange instruments outstanding as at the Balance Sheet date

The foreign currency forward contracts outstanding as at the Balance sheet date aggregate USD 9.200 million, Euro 0.460 million & GBP Nil million (31st March, 2015: USD 26.870 million, Euro 1.200 million & GBP Nil million).

The following foreign currency receivables/ advances/ payables balances are outstanding at the Balance sheet date, which are not hedged by foreign exchange instruments:

Nature of exposure	March 2016	March 2015
Balances in bank accounts	170.732	153.118
Advances paid	22.913	60.902
Payables representing creditors and other payables	227.226	156.205
Advances received	349.707	693.530
Receivables	832.097	47.776
PCFC / Buyer Credit Loan	57.633	126.377

34 Employee benefits

a) Defined contribution plans

The Group has recognised ₹47.382 (31st March, 2015 ₹ 40.731) towards post-employment defined contribution plans comprising of provident and superannuation fund in the Profit and loss account.

b) Defined benefit plan

In accordance with the Payment of Gratuity Act, 1972, the Group is required to provide post employment benefit to its employees in the form of gratuity. The Group has maintained a fund with the Life Insurance Corporation of India to meet its gratuity obligations. In accordance with the Standard, the disclosures relating to the Group's gratuity plan are provided below:

Reconciliation of opening and closing balance of obligation

Particulars	March-2016	March-2015
Liability at the beginning of the year	165.236	139.702
Current service cost	17.231	15.985
Interest cost	12.589	11.637
Benefits paid	-7.663	-6.496
Actuarial (gain)/loss on obligations	0.312	4.408
Liability at the end of the year	187.705	165.236

Notes to the Consolidated Financial Statements for the year ended 31st March, 2016

(All amounts are in Indian rupees million unless otherwise stated)

Reconciliation of opening and closing balance of fair value of plan assets

Particulars	March 2016	March 2015
Fair value of plan assets at the beginning of the year	66.169	59.622
Expected return on plan assets	6.152	5.381
Contributions by the employer	7.385	2.588
Benefits paid	-0.560	-0.097
Actuarial gain/(loss) on plan assets	0.239	-1.335
Fair value of plan assets at the end of the year	79.386	66.157

Expense recognised in Profit and loss account

Particulars	March 2016	March 2015
Current service cost	17.231	15.985
Interest cost	12.589	11.637
Expected return on plan assets	-6.152	-5.381
Expenses related to Gratuity contribution	0.000	0.000
Total actuarial (gain)/loss	0.073	5.743
Total expenses	23.741	27.984

Amount recognised in the Balance sheet

Particulars	March 2016	March 2015
Defined benefit obligation as at end of the year	187.705	165.234
Fair value of plan assets at the end of the year	-79.386	-66.157
Net liability	108.319	99.077

Actual return on plan assets

Particulars	March 2016	March 2015
Expected return on plan assets	6.152	5.381
Actuarial gain/(loss) on plan assets	0.239	-1.335
Actual return on plan assets	6.391	4.046

Principal actuarial assumptions

Particulars	March 2016 (%)	March 2015 (%)
Discount rate	7.60 - 8.01%	7.80%
Expected rate of return on plan assets	8.70 - 8.85 %	8.70-9.25%
Salary increment rate	5.00 - 8.00%	5.00-8.00%

Composition of plan assets

Particulars	March 16 (%)	March 15 (%)
Funds Managed by Insurer	100.00%	100.00%

Notes:

- Expected rate of return on plan assets is based on actuarial expectation of the average long-term rate of return expected on investments of the fund during the estimated term of the obligations.
- The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors on long-term basis.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2016

(All amounts are in Indian rupees million unless otherwise stated)

35 Employee stock options

In the Meeting of the Compensation and Share Allotment Committee held on 16th November, 2010 it was decided to utilise the surrendered and lapsed options out of earlier grant and 1,250,000 options (Plan A) were granted to CEO & MD with vesting period of 5 years in terms of his appointment at the relevant market price as Grant IV.

In the Annual General Meeting of the Company held on 22nd July 2011, total of 9,238,936 stock options were approved under the scheme "Employee Stock Option Plan 2011". In the Meeting of the Compensation and Share Allotment Committee held on 27th January, 2015 it was decided to grant options to CEO & MD and senior executives of the Company at the relevant market price as ESOP 2011 – Grant I. The total options granted under ESOP 2011 – Grant I are 3,750,000 options out of which 250,000 options (Plan A) were granted to CEO & MD and 3,500,000 options (Plan B) were granted to Senior Executives of the Company. During the year 2015-16 390,000 options were granted to Senior Executives of the Company as ESOP 2011 – Grant II to V. The stock options vest in a graded manner equally over the period of vesting, each vesting taking effect as per the terms of the grant. The stock options granted are exercisable at 100% of the fair market value of the underlying equity shares of the Company as on the date of grant.

Grant IV (Plan A)

Particulars	March 2016	March 2015
Options outstanding at the beginning of the year	1,250,000	1,879,000
Granted during the year	-	-
Less: Exercised	430,000	-
Less: Cancelled	-	629,000
Options outstanding at the end of the year	820,000	1,250,000
Options exercisable at the end of the year	570,000	750,000

ESOP 2011 - Grant I to V

Particulars	March 2016	March 2015
Options outstanding at the beginning of the year	3,750,000	-
Granted during the year	390,000	3,750,000
Less: Exercised	77,330	-
Less: Cancelled	295,000	-
Options outstanding at the end of the year	3,767,670	3,750,000
Options exercisable at the end of the year	1,027,669	-

36 Taxes

The group has not recognised MAT credit entitlement to the extent of ₹ 172.943 till 31st March, 2016 in respect of Income Tax paid in view of uncertainty of its utilisation for payment of tax in foreseeable future.

37 The Cash Credit and PCFC Loan Balance with ICICI Bank (CC rate @Base rate + 200 BPS) / RBS (CC/OD rate of interest @Base Rate + 100BPS) is secured by first charge by way of hypothecation of the Company's entire stock of raw materials, semi-finished goods and finished good, consumable stores and spares and such other movables including book debts, bills whether documentary or clean, outstanding monies, receivables, both present and future, in a form and manner satisfactory to the Bank.

The Cash Credit and PCFC Loan Balance with ICICI Bank is further secured by corporate guarantee of holding Company PRAJ Industries Ltd.

38 CSR Expenditure

The Company was required to spend ₹20.504 million as expenditure on CSR as per requirements of the Companies Act, 2013. During the year, the Company has incurred CSR expenses of ₹ 23.004 million as follows:

Amount spent on	Amounts paid	Yet to be paid	Total
Construction/acquisition of asset	Nil	Nil	Nil
On other purpose	23.004*	Nil	23.004

*Includes ₹ 19.504 given to Praj Foundation which is a related party.

The above expenditure includes contribution/donation of ₹ 23.004 to trusts/institute which are engaged in activities eligible under Section 135 of Companies Act, 2013 read with Schedule VII thereto.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2016

(All amounts are in Indian rupees million unless otherwise stated)

- 39 Additional information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as subsidiary/ Associates/Joint Ventures.

Name of the Enterprise	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount
1	2	3	4	5
Parent				
Praj Industries Limited	98.47%	6510.082	96.09%	667.312
Subsidiaries				
Indian				
1 Praj HiPurity Systems Limited, India.	12.62%	834.374	15.25%	105.895
2 Praj Engineering & Infra Limited, India (Formerly known as Pacecon Engineering Projects Limited, India)	1.15%	76.236	4.07%	28.256
Foreign				
1 Praj Far East Philippines Ltd. Inc., Philippines	0.71%	46.67	1.56%	10.855
2 Praj Industries (Africa) (Pty.) Limited, South Africa	1.02%	67.113	-1.48%	-10.306
3 Praj Americas Inc. USA	0.11%	7.035	-0.13%	-0.917
4 Praj Far East Co., Ltd. Thailand	0.12%	8.008	0.05%	0.341
5 Praj Sur America S.R.L, Argentina	0.00%	0.002	-	-
6 Praj Industries (Namibia) Pty. Limited, Namibia	-0.15%	-9.618	-1.82%	-12.632
Minority Interests in all subsidiaries	-0.04%	-2.82	-	-
Inter Company Eliminations/Goodwill Amortization	-14.01%	-925.998	-13.58%	-94.334
Total	100.00%	6611.084	100.00%	694.47

40 Prior year comparatives

Previous year's figures have been regrouped/reclassified to conform to the current year's presentation.

For and on behalf of the Board of Directors of
Praj Industries Limited

Pramod Chaudhari
Executive Chairman

Gajanan Nabar
CEO & Managing Director

Place: Mumbai
Date: 20th May, 2016

Dattatraya Nimbolkar
CFO & Company Secretary

Sivaramakrishnan S. Iyer
Director

Notice

Notice is hereby given that the Thirtieth Annual General Meeting of PRAJ INDUSTRIES LIMITED will be held on Friday, the 22nd July, 2016 at 10.00 AM at the Registered Office of the Company at "Praj Tower", S. No. 274 & 275/2, Bhumkar Chowk-Hinjewadi Road, Hinjewadi, Pune – 411 057 to transact the following business:-

ORDINARY BUSINESS

1. To receive, consider and adopt ;
 - a. the audited Financial Statements of the Company for the Financial Year ended 31st March, 2016 together with the reports of Board of Directors and the Auditors thereon.
 - b. the audited Consolidated Financial Statements of the Company for the Financial Year ended 31st March, 2016 together with the report of the Auditors thereon.

2. To appoint a Director in place of Ms. Parimal Chaudhari (DIN: 00724911) who retires by rotation and being eligible, offers herself for re-appointment.

In this matter, to consider and if thought fit, to pass with or without modifications, the following resolution as Ordinary Resolution;

"RESOLVED THAT Ms. Parimal Chaudhari (DIN: 00724911), who is liable to retire by rotation pursuant to Section 152 of the Companies Act, 2013 and other applicable provisions if any, and who has offered herself for re-appointment be and is hereby re-appointed as a Director of the Company."

SPECIAL BUSINESS

3. To consider and if thought fit, to pass with or without modifications, the following Resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 139 and 142 and other applicable provisions, if any, of the Companies Act, 2013, and the applicable rules made thereunder (including any statutory modification(s) for the time being in force), the Company hereby ratifies the appointment of M/s P.G. Bhagwat, Chartered Accountants, Pune (Firm Registration No. 101118W) as the Statutory Auditors of the Company to hold the office from the conclusion of this Annual General Meeting till the conclusion of the 31st Annual General Meeting of the Company to be held in the year 2017 on such remuneration and reimbursement of out-of-pocket expenses incurred as may be determined by the Board of Directors plus applicable taxes."

4. To ratify the remuneration of Dhananjay V. Joshi & Associates, Cost Accountants, Pune as Cost Auditors for the Financial Year ending 31st March, 2017 and in this regard;

to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the Company hereby ratifies the remuneration of ₹ 2, 75,000/- as Audit fees plus out of pocket expenses at actuals plus applicable taxes on submission of supporting bills payable to Dhananjay V. Joshi & Associates, Cost Accountants, Pune who have been appointed by the Board of Directors as Cost Auditors of the Company, to conduct the audit of the cost records of the Company for the Financial Year ending 31st March, 2017."

By Order of the Board of Directors

Place: Mumbai
Date: 20th May, 2016

Dattatraya Nimbolkar
CFO & Company Secretary

Notes:-

- a) **A member entitled to attend and vote at the Annual General Meeting ("the Meeting") is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. The instrument appointing the proxy should, however, be deposited at the Registered Office of the Company not less than forty-eight hours before the commencement of the Meeting. The Proxy-holder shall prove his identity at the time of attending the Meeting by producing a photo identity card such as PAN Card, Adhar Card, Passport or any other photo identity card issued by Government agency/ office.**
A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder. Proxy is not entitled to vote at a meeting if the member appointing the proxy votes on e-voting platform made available by the Company.
- b) The business set out in the Notice will be transacted through electronic voting system and the Company is providing facility for voting by electronic means.
- c) Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
- d) Brief resume of Directors including those proposed to be appointed / re-appointed, nature of their expertise in specific functional areas, names of Companies in which they hold directorships and memberships/Chairmanships of Board Committees, shareholding and relationships between Directors inter-se as stipulated under Regulation 36 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, are provided in the Corporate Governance Report forming part of the Annual Report.
- e) A Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto.
- f) Members are requested to bring their attendance slip along with their copy of Annual Report to the Meeting.
- g) In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
- h) Relevant documents referred to in the accompanying Notice and the Statement are open for inspection by the members at the Registered Office of the Company on all working days, (Saturdays and Sundays are weekly offs), during business hours up to the date of the Meeting.
- i) Members holding shares in electronic form are requested to intimate any change in their address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change in their address or bank mandates to the Company / Link Intime India Private Limited, Share Transfer Agent of the Company (Link).
- j) Pursuant to the provisions of Section 124(5) of the Companies Act, 2013, the Company has transferred the unpaid or unclaimed dividends (including interim dividends) as and when declared upto the Financial Year 2008-09 on due dates, to the Investor Education and Protection Fund (the IEPF) established by the Central Government. Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with Companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 6th August, 2015 (date of last Annual General Meeting) on the website of the Company (www.praj.net), as also on the website of the Ministry of Corporate Affairs.
- k) Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to Link, for consolidation into a single folio.
- l) The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company / Link.
- m) Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company.
- n) Non-Resident Indian Members are requested to inform Link, immediately of:
- (i) Change in their residential status on return to India for permanent settlement.
 - (ii) Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with PIN code number, if not furnished earlier.
- o) To further Company's environment friendly agenda and to participate in MCA's Green Initiative, members are requested to register/ update their e-mail address with their Depository Participants. Members who are holding shares in physical form are requested to send their e-mail address at investorsfeedback@praj.net for updation.
- p) The notice of 30th Annual General Meeting and instructions for remote e-voting, along with the attendance slip and Proxy Form, is being sent by electronic mode to all members whose email addresses are registered with the Company/Depository Participant(s) unless a member has requested for a hard copy of the same. For members who have not registered their email addresses, physical copies of the aforesaid documents are being sent by the permitted mode.
- q) Members are requested to notify their queries, if any, on financial statements etc. at least 48 hours before the time appointed for meeting to facilitate the answering thereto. The queries be sent on e-mail at investorsfeedback@praj.net.

By Order of the Board of Directors

Place: Mumbai
Date: 20th May, 2016

Dattatraya Nimbolkar
CFO & Company Secretary

Instructions and other information relating to e-voting are as under.

- i. In compliance with Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and sections 108 and 110 and other applicable provisions of the Companies Act, 2013, read with the Companies (Management and Administration) Rules, 2014, the Company is pleased to offer remote e-voting facility to the members to cast their votes electronically on all resolutions set forth in the Notice convening the 30th Annual General Meeting to be held on Friday, the 22nd July, 2016, at 10.00 a.m. The Company has engaged the services of Central Depository Services (India) Limited (CDSL) to provide the e-voting facility. The facility for voting through ballot paper will also be made available at the Annual General Meeting and members attending the Annual General Meeting, who have not already cast their votes by remote e-voting, shall be able to exercise their right at the Annual General Meeting through ballot paper.

These details and instructions form an integral part of the Notice for the Annual General Meeting to be held on Friday, the 22nd July, 2016.

- ii. The remote e-voting facility will be available during the following voting period:

Commencement of remote e-voting	End of remote e-voting
18th July, 2016 , 9.00 A.M. IST	21st July, 2016, 5.00P.M. IST

During this period, shareholders of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. Friday, the 15th July, 2016, may cast their vote electronically. The remote e-voting module shall be disabled by CDSL after voting period ends.

- iii. The remote e-voting facility can be availed by typing the link www.evotingindia.com in the internet browser.
- iv. Click on the "shareholders" tab.
- v. Now Enter your User ID
- For CDSL: 16 digits beneficiary ID,
 - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - Members holding shares in Physical Form should enter Folio Number registered with the Company.
- vi. Next enter the Image Verification as displayed and Click on Login.
- vii. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any Company, then your existing password is to be used.
- viii. If you are a first time user, follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on the Attendance Slip indicated in the PAN field.
Dividend Bank Details	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company's records in order to login.
OR Date of Birth (DOB)	If both the details are not recorded with the depository or Company please enter the member id/folio number in the Dividend Bank details field as mentioned in instruction (v).

- ix. After entering these details appropriately, click on "SUBMIT" tab.
- x. Members holding shares in physical form will then reach directly to the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for remote e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- xi. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xii. Click on the EVSN for the relevant <Company Name > on which you chose to vote.

- xiii. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xiv. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- xv. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- xvi. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xvii. You can also take a print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- xviii. If Demat account holder has forgotten the changed password then enter the User ID and the image verification code and click on Forgot Password and enter the details as prompted by the system.
- xix. Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively on or after 30th June, 2016. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- xx. **Note for Non-Individual Shareholders and Custodians**
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.

Since the Company is required to provide members the facility to cast their vote by electronic means, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Friday, the 15th July, 2016 and not casting their vote electronically, may only cast their vote at the Annual General Meeting.

Mr. Sunil Nanal, Partner KANJ & ASSOCIATES, (Membership No. FCS 5977), has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner, who after the conclusion of voting at the AGM, shall first count the votes cast at the meeting and thereafter unblock the votes cast through remote- evoting in the presence at least two witnesses, not in the employment of the Company and shall make, not later than three days of the conclusion of AGM, Shall a Consolidated Scrutinizer's Report of the total votes cast in favour of or against, if any to the Chairman of the Company, who shall countersign the same and declare the result of the voting forthwith.

The voting rights of shareholders shall be in proportion to their shares of the paid-up equity capital of the Company as on 15th July, 2016.

The results shall be declared on or after the AGM of the Company. The results declared alongwith the Scrutinizers' Report shall be placed on the Company's website www.praj.net and on the website of CDSL within two days of the passing of the resolutions at the 30th Annual General Meeting of the Company on 22nd July, 2016, and communicated to the BSE Ltd. and National Stock Exchange of India Ltd. within the prescribed period.

Any person who becomes a member of the Company after despatch of the notice of the meeting and holding shares as on the cut-off date i.e. 15th July, 2016, may obtain the USER ID and Password from the R & T Agents of the Company i.e. Link Intime India Private Limited (Link). Members may call Link on 020-26160084 or may send email at bhagavant.sawant@linkintime.co.in.

Place: Mumbai
Date: 20th May, 2016

By Order of the Board of Directors
Dattatraya Nimbolkar
CFO & Company Secretary

STATEMENT PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013

The following Statement sets out all material facts relating to the Special Business mentioned in the accompanying Notice:

Item No. 3

The members, at the twenty-ninth Annual General Meeting held on 6th August, 2015, approved the appointment of M/s P.G. Bhagwat, Chartered Accountants, Pune (Firm Registration No. 101118W) for a term of five years from the Financial Year 2015-16, subject to ratification at every Annual General Meeting.

Accordingly, the ratification of the members is being sought by an Ordinary Resolution as set out at Item No.3.

None of the Directors/Key Managerial Personnel of the Company/their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 3 of the Notice.

The Board recommends the Ordinary Resolution set out at Item No. 3 of the Notice for approval by the shareholders.

Item No. 4

The Board, on the recommendation of the Audit Committee, has approved the appointment of Dhananjay V. Joshi & Associates, Cost Accountants, Pune, the Cost Auditors to conduct the audit of the cost records of the Company for the Financial Year ending 31st March, 2017 for a total remuneration of ₹ 2,75,000/- as Audit fees plus out of pocket expenses at actuals on submission of supporting bills.

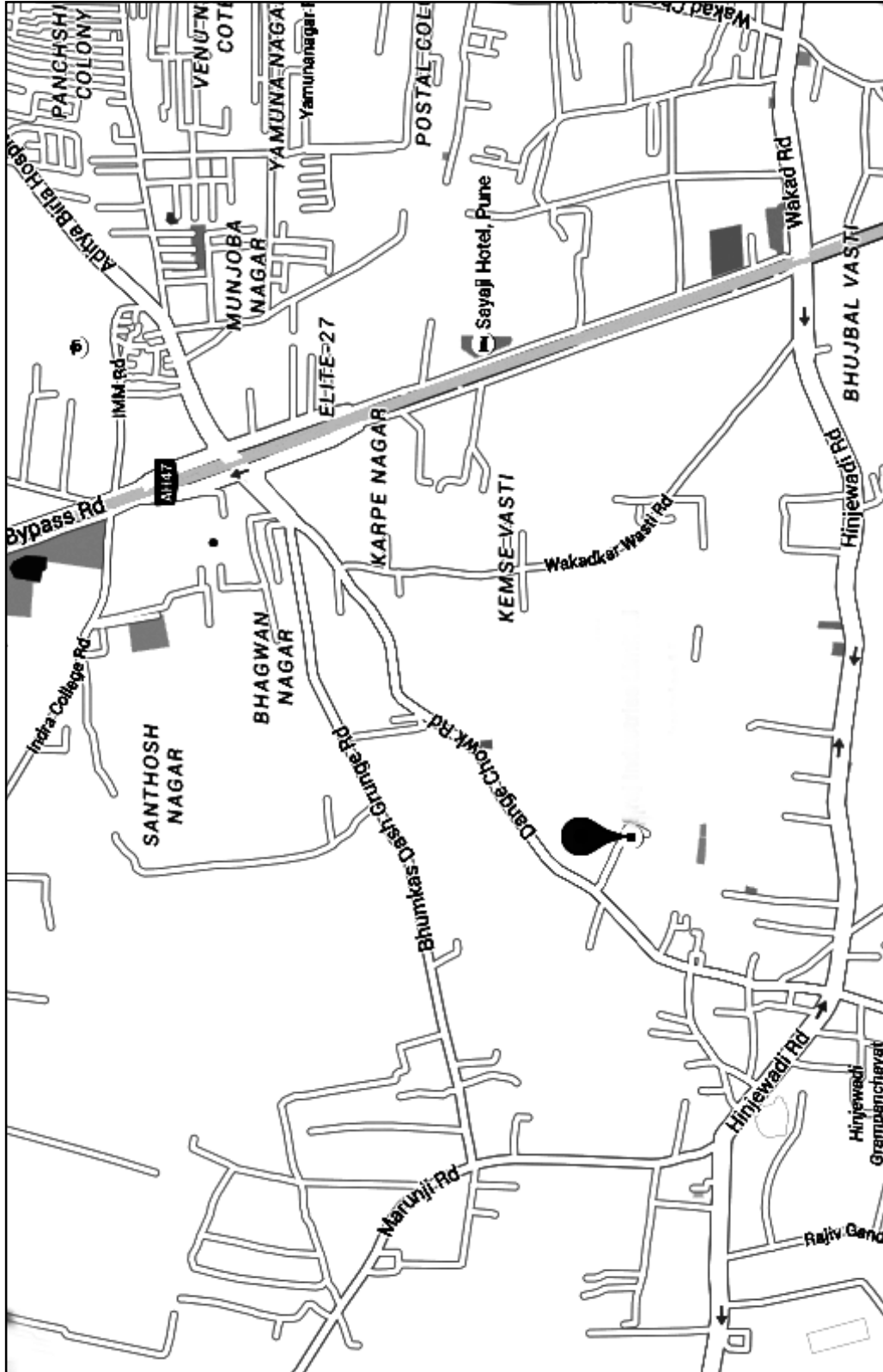
In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company.

None of the Directors/Key Managerial Personnel of the Company/their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 4 of the Notice.

The Board recommends the Ordinary Resolution set out at Item No. 4 of the Notice for approval by the shareholders.

Place: Mumbai
Date: 20th May, 2016

By Order of the Board of Directors
Dattatraya Nimbolkar
CFO & Company Secretary



Address - Praj Industries Limited, 'Praj Tower', S. No. 274 & 275, Bhumkar Chowk-Hinjewadi Road, Hinjewadi, Pune - 411 057, Tel: +91 -20-22941000/71802000

Form No. MGT-11

Proxy form

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN : L27101PN1985PLC038031

Name of the Company : **PRAJ INDUSTRIES LIMITED**

Registered Office: "Praj Tower", S.No. 274 & 275/2, Bhumkar Chowk- Hinjewadi Road, Hinjewadi, Pune – 411 057

Name of the member (s):

Registered address:

E-mail Id:

Folio No./Client Id :

DP ID:

I/We, being the member (s) of the above named Company and holding _____ shares , hereby appoint

1) _____ of _____ having e-mail id _____ or failing him

2) _____ of _____ having e-mail id _____ or failing him

3) _____ of _____ having e-mail id _____

and whose signatures are appended below as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Thirtieth Annual General Meeting of the Company, to be held on Friday, the 22nd July, 2016, at 10.00 a.m. at "Praj Tower", S. No. 274 & 275/2, Bhumkar Chowk-Hinjewadi Road, Hinjewadi, Pune – 411 057 and at any adjournment thereof in respect of such resolutions as are indicated below:

**I wish above proxy to vote in the manner as indicated in the box below:

Description of Resolutions	For **	Against**
1. Receive, consider and adopt; a. the audited Financial Statements of the Company for the Financial Year ended 31 st March, 2016 together with the reports of Board of Directors and the Auditors thereon. b. the audited Consolidated Financial Statements of the Company for the Financial Year ended 31 st March, 2016 together with the report of the Auditors thereon.		
2. Re-appointment of Ms. Parimal Chaudhari (DIN: 00724911) as Director.		
3. Ratification of Appointment of Statutory Auditors from the conclusion of the ensuing annual general meeting till the conclusion of 31 st Annual General Meeting.		
4. Ratification of remuneration of Dhananjay V. Joshi & Associates, Cost Accountants, Pune as Cost Auditors for the Financial Year ending 31 st March, 2017.		

Affix
Revenue
Stamp
15 paise

Signature of shareholder

Signed this _____ day of _____ 2016.

Signature of first Proxy holder

Signature of second Proxy holder

Signature of third Proxy holder

Note:

- Please put a tick mark '✓' in the appropriate column against the respective resolutions. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
- This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
- Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.



A SMALL STEP...

Climatic vagaries like drought call for preparation and inventiveness. Sometimes, small things go a long way. With consecutive droughts in Maharashtra, it was essential that one prepares for the worst. And that is exactly what Praj Foundation, in partnership with Jan Kalyan Samiti, did at Balamtakali in Ahmednagar district. Last year, we undertook deepening and desilting of check dams. Today, there is sufficient drinking water for human and livestock population due to increase in groundwater levels. This has encouraged us to take on many such projects in the region in the fiscal year to increase the water table.



Pictorial representation





#REshapeTheFuture

Pivotal shift requires us to rethink the future... In fact, go so far as to #REshapeTheFuture.

ReShaping the Future is not merely internal, but also involves paradigm change. It means ReAligning with the ever-changing markets. ReDesigning our offerings. ReConnecting with our customers.

#REshapeTheFuture rests on the pillars that help the Company deliver greater predictability. #REshapeTheFuture will encourage us to challenge old beliefs and explore new possibilities. It will change the way we think, interact and perform. It will help us achieve higher operational excellence and set new benchmarks for quality, performance and customer-centricity. With greater attention to detail and a sharper focus on innovation, we are all set to #REshapeTheFuture and generate long-term value for our stakeholders.

Praj Industries Limited

'Praj Tower', S. No. 274 & 275, Bhumkar Chowk-Hinjewadi Road, Hinjewadi, Pune - 411 057. India

info@praj.net | www.praj.net | +91-20-71802000



DATE: 20.05.2016



Company Code - PRAJIND 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 - 2659 8237 / 38	Security Code No. : 522205 Bombay Stock Exchange Limited Phiroze Jeejeebhoy Towers, 25th Floor, Dalal Street, Mumbai - 400 001 Fax: 022- 22723121/3719/2037/2039/2041/2061
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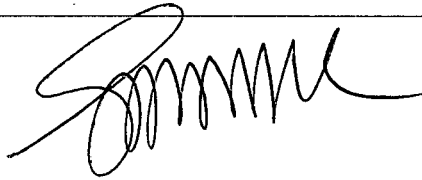
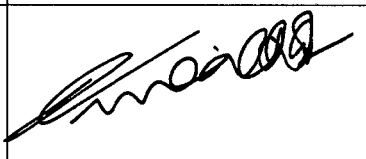
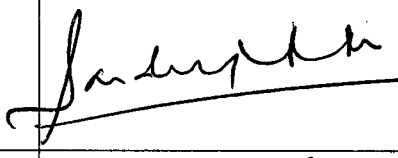
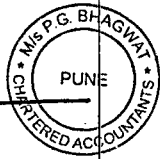
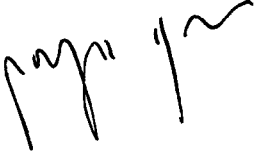
Dear Sir/Madam,

Sub.: Covering Letter to the Audit Report for the year 2015-16

Please find below the prescribed Form A (covering letter to the Audit Report for the year 2015-16) for your information and record.

FORM A

Format of covering letter of the annual audit report to be filed with the Stock Exchanges

1.	Name of the Company	PRAJ INDUSTRIES LIMITED
2.	Annual Consolidated financial statements for the year ended	31 st March, 2016
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	N.A.
5.	To be signed by-	
	GAJANAN NABAR CEO & MANAGING DIRECTOR	
	DATTATRAYA NIMBOLKAR CFO & COMPANY SECRETARY	
	SANDEEP RAO PARTNER, M/S PGBHAGWAT, CHARTERED ACCOUNTANTS, PUNE STATUTORY AUDITORS M.NO.:47235 F.R.N. : 101118W	 
	BERJIS DESAI AUDIT COMMITTEE CHAIRMAN	

Praj Industries Limited

Regd. Office : "Praj Tower", S. No. 274 & 275/2, Bhumkar Chowk-Hinjewadi Road, Hinjewadi, Pune : 411057. Ph : +91 20 71802000 / 22941000
f : +91 20 22941299 e: info@praj.net w : www.praj.net

CIN : L27101PN1985PLC038031

DATE: 20.05.2016



Company Code - PRAJIND 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 - 2659 8237 / 38	Security Code No. : 522205 Bombay Stock Exchange Limited Phiroze Jeejeebhoy Towers, 25th Floor, Dalal Street, Mumbai - 400 001 Fax: 022- 22723121/3719/2037/2039/2041/2061
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Dear Sir/Madam,

Sub.: Covering Letter to the Audit Report for the year 2015-16

Please find below the prescribed Form A (covering letter to the Audit Report for the year 2015-16) for your information and record.

FORM A

Format of covering letter of the annual audit report to be filed with the Stock Exchanges

1.	Name of the Company	PRAJ INDUSTRIES LIMITED
2.	Annual Standalone financial statements for the year ended	31 st March, 2016
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	N.A.
5.	To be signed by-	
	GAJANAN NABAR CEO & MANAGING DIRECTOR	
	DATTATRAYA NIMBOLKAR CFO & COMPANY SECRETARY	
	SANDEEP RAO PARTNER, M/S PGBHAGWAT, CHARTERED ACCOUNTANTS, PUNE STATUTORY AUDITORS M.NO.:47235 F.R.N. : 101118W	
	BERJIS DESAI AUDIT COMMITTEE CHAIRMAN	

Praj Industries Limited

Regd. Office : "Praj Tower", S. No. 274 & 275/2, Bhumkar Chowk-Hinjewadi Road, Hinjewadi, Pune : 411057. Ph : +91 20 71802000 / 22941000
f : +91 20 22941299 e: info@praj.net w : www.praj.net
CIN : L27101PN1985PLC038031